

FPT

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FPT - Fountainhead Property Trust - Proposed acquisition by Absa Bank Limited as Trustee for Fountainhead Property Trust ("Fountainhead") From FHP Managers (Proprietary) Limited

Fountainhead Property Trust

A Collective Investment Scheme in property registered in terms of the Collective Investment Schemes Control Act, No.45 of 2002 and managed by Fountainhead Property Trust Management Limited

(Registration number 1983/003324/06)

Share code: FPT

ISIN code: ZAE000097416

("Fountainhead")

PROPOSED ACQUISITION BY ABSA BANK LIMITED AS TRUSTEE FOR FOUNTAINHEAD PROPERTY TRUST ("Fountainhead") FROM FHP MANAGERS (PROPRIETARY) LIMITED

1. INTRODUCTION

Unitholders are advised that Fountainhead has concluded an agreement ("the agreement") for the acquisition of a 80% undivided share in Section 4 of the proposed sectional title scheme, known as Constantia Valley, comprising part of the Constantia Valley View Office Park, 4 Ellis Road, Constantia Kloof ("the property") from FHP Managers (Proprietary) Limited ("FHP Managers") ("the acquisition").

2. THE ACQUISITION

2.1 Rationale

The acquisition fits Fountainhead's strategy to invest in quality office properties located in prime nodes with long leases.

2.2 Consideration and terms of the agreement

The purchase price of the property is R204 million and will be purchased by ABSA Bank Limited in its capacity as Trustee for Fountainhead. The effective date of the acquisition is the transfer date which is anticipated to be in the month of December 2010.

The agreement is subject to Competition Commission approval.

2.3 Small related party transaction

In terms of the JSE Limited ("JSE") Listing Requirements Section 10.7, the acquisition is regarded as a small related party transaction and in terms of the JSE Listings Requirements the valuation report, which was performed by Rode and Associates (Proprietary) Limited, will lie open for inspection at Fountainhead's registered offices for a period of 28 days from the date of this announcement.

2.4 Details of the property

The property, based on the valuation conducted, as at 01 September 2010, is valued at R203.956 million. The total rentable area of the property is 16 026 m² (100% of rentable area) at an average net rental of R99.85 per m² (as at 1 September 2010).

The weighted average rental escalation by rentable area for the property is 8.00% and the annualised property yield is 8.8%.

3. FINANCIAL INFORMATION RELATING TO THE ACQUISITION

The pro forma financial effects of the acquisition on Fountainhead's basic earnings per unit, headline earnings per unit, distribution per unit, net asset value and tangible net asset value per unit for the six months ended 31 March 2010 are not material and have not been disclosed.

30 September 2010

Cape Town

Sponsor

Standard Bank

Date: 30/09/2010 15:21:01 Produced by the JSE SENS Department.

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