

## SEGMENTAL ANALYSIS CONTINUED

	Industrial R'000	Retail R'000	Commercial R'000	Corporate R'000	Total R'000
<b>GROUP INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2011</b>					
Property revenue	16 971	1 670	689	-	19 330
Straight-line rental income accrual	(1 560)	463	-	-	(1 097)
Associate/other income	-	-	-	272	272
Property expenses	(1 157)	(94)	(239)	-	(1 490)
Net profit from property operations	14 254	2 039	450	272	17 015
<b>GROUP FINANCIAL POSITION AT 31 DECEMBER 2011</b>					
<b>Non-current assets</b>					
Investment properties	202 300	33 800	9 500	-	245 600
Other non-current assets	7 452	11 569	614	98	19 733
<b>Current assets</b>					
Straight-line rental income asset	2 105	463	-	-	2 568
Trade and other receivables	2 065	543	-	2 406	5 014
Cash and cash equivalents	-	-	-	36 072	36 072
<b>Non-current liabilities</b>					
	-	-	-	16 276	16 276
<b>Current liabilities</b>					
Taxation payable	-	-	-	1 756	1 756
Trade and other payables	1 193	100	441	2 807	4 541
<b>GROUP INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2010</b>					
Property revenue	15 123	1 601	1 068	-	17 792
Straight-line rental income accrual	(405)	231	3	-	(171)
Property expenses	(618)	(68)	(66)	-	(752)
Net profit from property operations	14 100	1 764	1 005	-	16 869
<b>GROUP FINANCIAL POSITION AT 31 DECEMBER 2010</b>					
<b>Non-current assets</b>					
Investment properties	164 174	34 850	22 215	-	221 239
Other non-current assets	7 452	11 569	614	98	19 733
<b>Current assets</b>					
Straight-line rental income asset	2 293	216	189	-	2 698
Trade and other receivables	-	-	170	16 191	16 361
Cash and cash equivalents	-	-	-	2 096	2 096
<b>Non-current liabilities</b>					
	-	-	-	13 112	13 112
<b>Current liabilities</b>					
Trade and other payables	-	-	2 329	2 364	4 693

## ACQUISITIONS, EXPANSIONS AND REFURBISHMENTS

During the period under review no acquisitions were made. Although the group actively investigated many possible opportunities, no properties met the group's investment guidelines and criteria. No major capital projects are currently under way. Refurbishments of the older properties will, as mentioned above continue under a planned maintenance programme during the second half of the year.

## VALUATION OF PROPERTY PORTFOLIO

It is the group's policy to value the entire investment property portfolio on an annual basis by an independent external valuer. The next valuation will be as at 30 June 2012. In addition, the property portfolio is valued by the directors on a six monthly basis. The directors have valued the group's investment portfolio at 31 December 2011 at R245.6 million, an increase of R8.6 million

or 3.6% on the external valuation at 30 June 2011. This valuation was based on a review of current market sales and purchase transactions in the property's location as well as reasonable judgements and estimates of the directors. The effects of any acquisitions made during the year of acquisition are not included in any revaluation.

## BORROWINGS AND CAPITAL COMMITMENTS

The company has no significant borrowings as at 31 December 2011 nor has it any capital commitments at that date.

## DIRECTORATE

There have been no changes in the composition of the board of directors during the current period.

## SUBSEQUENT EVENTS

There have been no significant subsequent events between the period 31 December 2011 and the release of this report, 23 March 2012.

## PROSPECTS

Trading conditions during the next reporting period are expected to continue to be challenging. As disclosed in the June 2011 annual financial statements, the company is busy renegotiating the lease with our major tenant, Putco. It is hoped this will be concluded prior to the issue of the June 2012 financial statements.

The board is of the opinion that a reasonable growth in earnings will still be achieved in the second half of the year and our current dividend trend will continue.

## ORDINARY INTERIM DIVIDEND NUMBER 45

Notice is hereby given that the board of directors have declared an interim cash dividend ("the dividend") for the six months ended 31 December 2011 of 15.0 cents per ordinary share (December 2010: 15 cents per ordinary share) reflecting a dividend cover of 2.4 times. The dividend is payable to shareholders recorded in the books of the company at close of business on Friday, 20 April 2012.

The salient dates relating to the dividend are as follows:

Last date to trade shares <i>cum</i> dividend	Friday, 13 April 2012
Shares trade <i>ex</i> dividend	Monday, 16 April 2012
Record date	Friday, 20 April 2012
Payment date	Monday, 23 April 2012

Share certificates may not be dematerialised or rematerialised during the period Monday, 16 April 2012 to Friday, 20 April 2012 both days inclusive.

## On behalf of the board

23 March 2012

A B Adrian Chairman	B C Carleo Chief Executive Officer
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PUTPROP LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number 1988/001085/06)  
Share code: PPR · ISIN: ZAE000072310  
("Putprop" or "the company" or "the group")

## Directorate

A B Adrian\*<sup>^</sup> (Chairman),  
B C Carleo (Chief Executive Officer),  
J E Smith (Financial) (British),  
A L Carleo-Novello,  
P Senatore\*<sup>^</sup>, P Nucci\*<sup>^</sup>  
\*Independent <sup>^</sup>Non-executive

## Registered Office

91 Protea Road,  
Chislehurst,  
Sandton, 2196

## Transfer Secretaries

Computershare Investor  
Services (Proprietary) Limited  
70 Marshall Street,  
Johannesburg  
P O Box 61051,  
Marshalltown, 2107

## Sponsor

Merchantec  
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FINANCIAL  
HIGHLIGHTS

PROPERTY REVENUE  
UP 8.6% TO  
R19.3 MILLION

NET PROFIT BEFORE  
TAX INCREASES TO  
R24.5 MILLION

HEADLINE EARNINGS  
PER SHARE 37.0 CENTS

NET ASSET VALUE  
PER SHARE UP 16.2%  
TO 986.1 CENTS

INTERIM DIVIDEND OF  
15.0 CENTS PER SHARE  
DECLARED

These six month Interim Financial Statements have been issued in accordance with the requirements of the Companies Act of South Africa, 2008 and are published on 23 March 2012.

PUTPROP  
Limited

UNAUDITED INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

## UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2011

	Un-audited 31 Dec 2011 R'000	Un-audited 31 Dec 2010 R'000	% Change	Audited 30 Jun 2011 R'000
Property revenue	19 330	17 792	8,6	36 969
Straight-line rental income accrual	(1 097)	(171)	542,0	(1 960)
Associate income	272	-	-	
Gross property revenue	18 505	17 621	5,0	35 009
Property expenses	(1 490)	(752)	98,1	(3 803)
Net profit from property operations	17 015	16 869	0,9	31 206
Administration expenses	(2 031)	(1 610)	26,1	(3 689)
Investment and other income	933	594	57,1	1 457
Operating profit before capital items	15 917	15 853	0,4	28 974
Capital items				
Fair value adjustments properties	8 600	3 273	162,8	28 035
Net profit before taxation	24 517	19 126	28,2	57 009
Taxation	(6 481)	(5 182)	25,1	(12 859)
Net profit attributable to equity holders	18 036	13 944	29,3	44 150
Other comprehensive income	-	-	-	-
Total comprehensive income	18 036	13 944	29,3	44 150
Total comprehensive income and net profit attributable to:				
- Owners of the parent	18 036	13 944	29,3	44 150
- Non controlling interest	-	-	-	-
	18 036	13 944	29,3	44 150
Earnings and diluted earnings per share (cents)	62,6	48,4	29,3	153,3

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	Unaudited 31 Dec 2011 R'000	Unaudited 31 Dec 2010 R'000	Audited 30 Jun 2011 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>	259 436	240 972	251 671
Investment properties	245 600	221 239	237 000
<b>Other non-current assets</b>			
Furniture, fittings and computer equipment	129	98	119
Investments in subsidiaries and associates	4 041	-	3 769
Straight-line rental income asset	2 568	8 768	3 685
Other investments	7 098	10 867	7 098
<b>Current assets</b>	47 063	21 155	39 648
Straight-line rental Income asset	5 977	2 698	5 977
Amount owing by fellow subsidiary	-	15 149	-
Trade and other receivables	5 014	543	4 824
Taxation receivable	-	669	-
Cash and cash equivalents	36 072	2 096	28 847
<b>Total assets</b>	306 499	262 127	291 319
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>	283 926	244 322	270 209
<b>Non-current liabilities</b>	16 276	13 112	15 385
- <b>Deferred tax</b>	16 276	13 112	15 385
<b>Current liabilities</b>	6 297	4 693	5 725
Trade and other payables	4 541	4 693	5 170
Taxation payable	1 756	-	555
<b>Total equity and liabilities</b>	306 499	262 127	291 319

## UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 31 December 2011

	Un-audited 31 Dec 2011 R'000	Un-audited 31 Dec 2010 R'000	Audited 30 Jun 2011 R'000
<b>CASH FLOW GENERATED FROM OPERATING ACTIVITIES</b>	7 258	7 731	10 271
Net cash generated from operations	15 275	17 855	28 032
Investment and other income	933	594	1 457
Taxation paid	(2 469)	(4 960)	(9 141)
Dividends paid	(6 481)	(5 758)	(10 077)
<b>CASH FLOW UTILISED IN INVESTING ACTIVITIES</b>	(33)	1 381	10 443
Improvements to investment properties	-	(234)	(483)
Disposal of investment property	-	2 450	11 800
Acquisition of furniture fittings and computer equipment	(33)	(65)	(104)
Acquisition of associates	-	(770)	(770)
<b>CASH FLOW UTILISED IN FINANCING ACTIVITIES</b>	-	(15 149)	-
Amount owing by fellow subsidiary	-	(15 149)	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	7 225	(6 037)	20 714
Cash and cash equivalents at beginning of period	28 847	8 133	8 133
Cash and cash equivalents at end of period	36 072	2 096	28 847
<b>UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>			
	Stated capital R'000	Accu- mulated profits R'000	Total R'000
<b>At 30 June 2010</b>	4 146	231 990	236 136
Total comprehensive income	-	13 944	13 944
Dividend paid	-	(5 758)	(5 758)
<b>At 31 December 2010</b>	4 146	240 176	244 322
Total comprehensive income	-	30 206	30 206
Dividend paid	-	(4 319)	(4 319)
<b>At 30 June 2011</b>	4 146	266 063	270 209
Total comprehensive income	-	18 036	18 036
Dividend paid	-	(4 319)	(4 319)
<b>Balance at 31 December 2011</b>	4 146	279 780	283 926

## COMMENTS

### BASIS OF PREPARATION

The unaudited interim financial statements for the six months ended 31 December 2011 and comparative information have been prepared in accordance with and containing the information required by IAS34 Interim Financial Reporting as well as the AC 500 Standards as issued by the Accounting Practices Board; the Listings Requirements of JSE Limited and the relevant sections of the South African Companies Act, 2008 (Act 71 of 2008) as amended.

The accounting policies applied in the preparation of these abridged financial statements, which are based on reasonable judgements and estimates are in accordance with International Financial Reporting Standards (IFRS) and are consistent with those applied in the annual financial statements for the year ended 30 June 2011, except for the application of IAS 28 Investments in Associates in the current year whereby the investment in associate was equity accounted. This only affects the current year as the investment only became an associate at the end of the previous year (June 2011) and the effect of equity accounting was not material as at that date.

These interim results have not been audited by the company's auditors.

These statements have been prepared by James E Smith B.Sc., BAcc, CIEA, the financial director of the company.

### FINANCIAL RESULTS

The directors are pleased to report that property revenue for the six months ended 31 December 2011 prior to any straight-line income adjustments increased by 8.6% to R19.3 million compared to R17.8 million for the six months ended 31 December 2010 ("the comparable period"). The group's rental, inclusive of straight-line rental accruals, has increased nominally by 5.0% over the comparable period, due to the reversing effect of the straight-line asset.

Property expenses increased by 98%, from R752 000 to R1.5 million as a result of the implementation of preventative maintenance projects on several of our older properties. Maintenance and refurbishment costs are expected to remain high in the second half of the year. Administration expenses increased by 26.1% over the comparable period. Investment and Other income rose by 57.1% as a result of large cash reserves. The group has, for the first time equity accounted for its investment in an associated company, Breaking Waves (Proprietary) Limited. This increased profits by R272 000.

The board of directors has declared an interim dividend for the six months ended 31 December 2011 of 15.0 cents per ordinary share (December 2010: 15.0 cents per ordinary share). This reflects a dividend cover of 2.4 times which continues to be more favourable than the group's stated dividend policy. In future a Dividend Withholding Tax (DWT) of 15% will be applied to all dividends declared by the company. DWT is a withholding tax whereby the shareholders are taxed on their dividends received instead of the company paying tax on dividends paid. The company is required to withhold this tax and pay it to the South African Revenue Service on payment of the dividend.

	Un-audited 31 Dec 2011 R'000	Un-audited 31 Dec 2010 R'000	% Change	Audited 30 Jun 2011 R'000
<b>Reconciliation of headline earnings</b>				
Net profit for the period	18 036	13 944	29.3	44 150
Adjusted for:				
Loss on disposal of investment property	-	-	-	(1 100)
Profit on disposal of investment properties	-	-	-	114
Tax effect on gain	-	-	-	(14)
Fair value adjustment of investment properties	(8 600)	(3 273)	162.8	(28 035)
Taxation effect of fair value adjustments	1 204	458	162.8	3 925
Headline earnings	10 640	11 129	(4.4)	19 040
Shares in issue (weighted average number) (millions)	28 793	28 793		28 793
Dividends paid per share (cents)	17.3	20.0	(13.8)	30.0
Headline earnings per share (cents)	37.0	38.7	(4.4)	66.1
<b>RATIOS</b>				
Net asset value per share (cents)	986.1	848.5		938.5

### PROPERTY PORTFOLIO

At 31 December 2011 the portfolio comprised 15 properties with a gross lettable area of 76 948m<sup>2</sup>.

The sectoral spread by gross rentals comprised 87% industrial, 9% retail and 4% commercial. Vacancies decreased during the period to 3.4% (2010: 6.9%) of gross lettable area.

The company, as reported in our June results, has acquired an industrial property in Kya Sands. Due to delays in Johannesburg Municipal Metro administration procedures this property has as at the date of this report not been transferred into the company's name.

The company continues to transact primarily with 'A' grade tenants. The company continues to evaluate individual properties within the portfolio to ensure the stated objectives; investment policy and returns are achieved.

The lease expiry profile reflects that in terms of gross lettable area, 84% of the portfolio expires during the next 12 months, 5% in month 13 to 24, and 8% from 2014 onwards. The head lease with our major tenant Putco expires during 2012. Refer to prospects below.

### SEGMENTAL ANALYSIS

The table below summarises by segment the position for the six months ended 31 December 2011.

Segment assets include all operating assets used by a segment and consist of investment properties, receivables and cash. Assets not directly attributable to a particular segment are allocated to the corporate segment. Segment liabilities include all operating liabilities of a segment and consist principally of outstanding accounts.