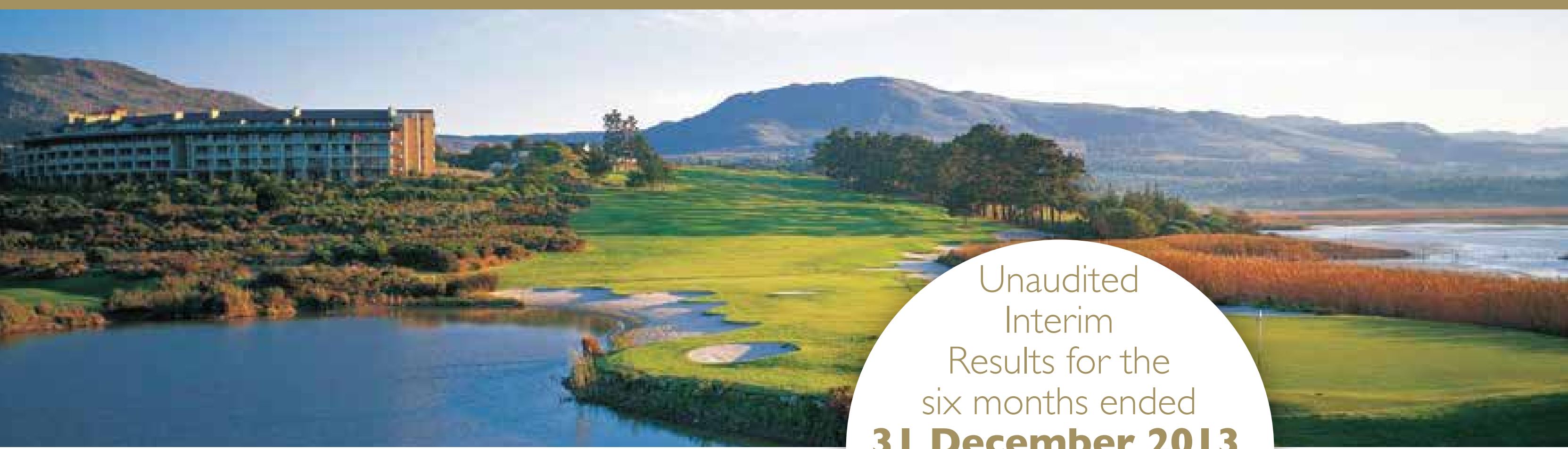
Hospitality Property Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number 2005/014211/06)
Share code for A-linked units: HPA   ISIN for A-linked units: ZAE000076790
Share code for B-linked units: HPB   ISIN for B-linked units: ZAE000076808
("Hospitality" or "the Fund" or "the company")



Unaudited Interim Results for the six months ended **31 December 2013**, interest payment declaration and trading statement

Comments

1. Introduction

Hospitality is the only Specialised Real Estate Investment Trust ("REIT") listed on the JSE that offers investors a unique investment vehicle in the hospitality sector through the ownership of a portfolio of hotel and leisure properties.

The Fund continued to benefit from the improving fundamentals in the South African hospitality industry over the past six months. Supported by the quality of its hotel portfolio, it delivered strong year-on-year growth in distributions with the Sandton and Cape Town properties in particular performing well. Industry-wide occupancies are reaching levels last seen in 2008 and revenue per available room ("RevPar") was boosted in December 2013 as many foreign dignitaries travelled to South Africa to pay tribute to late President Nelson Mandela.

Hospitality once again exceeded the forecast set out in its 2013 Integrated Report ("Forecast"), for the period ended 31 December 2013 ("the period").

Distributable earnings per combined linked unit increased by 17,7% to 89,08 cents compared to 75,70 cents in the previous financial year, these also exceeded the Forecast of 83,19 cents by 7,1%. The A-linked unit distribution grew by 5,0% to 69,83 cents, in line with the Fund's distribution structure and the Forecast. Distribution on the B-linked unit showed an increase of 109,5% to 19,25 cents compared to 9,19 cents in the previous period and exceeded the Forecast by 44,10%.

2. Trading environment

According to STR Global, the hotel industry reported that year-on-year occupancy increased by 2,7% to 63,5%, average room rates ("ARR") were up 11,7% to R992 and that industry-wide RevPar increased 14,7% for the six months to December 2013. The Fund reflected RevPar growth of 18,4% for that portion of its portfolio which is subject to variable rental income (i.e. dependent on operational earnings), exceeding the industry RevPar growth. It achieved a 4,5% increase in occupancy to 62,5%, while ARR rose 13,4% to R1 121.

The strength of the industry's recovery is being driven by improving occupancies and higher room rates as demand for hotel accommodation continues to rise, especially in major metropolitan areas where the supply of new hotel rooms into the market has been slow. In particular, the three months from September to December 2013 saw room rates exceeding levels last achieved before the global financial crisis. A significant recent development for the domestic hospitality industry is the proposed acquisition of Protea Hospitality Holdings' brands and hotels business by Marriott International.

3. Results

Rental income for the period exceeded the Forecast by R23,8 million (12,6%), and showed growth of R38,6 million (22,2%) from the comparable period in the prior year. The increase is mainly due to the inclusion of the Radisson Blu Gautrain Hotel ("RBGH") for the period and rental income growth of 13,1% that was achieved by the portfolio's remaining 22 properties that are subject to variable rental. However, the Fund's overall rental income growth was marginally dampened by the impact of the average rental increase of 2,3% on the fixed lease portion of the portfolio, which contributes 30% of total rental income.

Fund expenses increased R5,2 million (35,6%) and were also R4,9 million higher than Forecast. The increase was primarily due to a bad debt provision of R4,2 million raised as a result of a tenant default. However, with effect from 1 December 2013, this tenant vacated the property and a replacement tenant was secured.

Net finance costs rose R4,7 million (7,1%), due largely to increased debt levels associated with the corporate bond issued to finance the RBGH acquisition in May 2013.

The following table reflects the operating financial results for the six months ended 31 December 2013 compared to the Forecast and the previous financial year.

	2013				2012		
	Actual	**Forecast**	**Variance**		Actual	Variance	
	R'000	**R'000**	**R'000**	**%**	R'000	R'000	%
Contractual rental	**212 579**	**188 743**	**23 836**	**12,6**	173 957	38 622	22,2
Fund expenses	**(19 790)**	**(14 935)**	**(4 855)**	**(32,5)**	(14 591)	(5 199)	(35,6)
Profit on properties held for sale	**–**	**–**	**–**	**0.0**	974	(974)	(100,0)
Income from associates	**83**	**–**	**83**	**100,0**	–	83	100,0
Taxation	**(46)**	**–**	**(46)**	**(100,0)**	–	(46)	(100,0)
Net finance costs	**(70 565)**	**(70 019)**	**(546)**	**(0,8)**	(65 899)	(4 666)	(7,1)
Profit before debenture interest	**122 261**	**103 789**	**18 472**	**17,8**	94 441	27 820	29,5
Distribution	**(122 261)**	**(103 789)**	**(18 472)**	**(17,8)**	(94 441)	(27 820)	(29,5)
Distribution – A-linked unit	**(95 843)**	**(87 121)**	**(8 722)**	**(10,0)**	(82 981)	(12 862)	(15,5)
Distribution – B-linked unit	**(26 418)**	**(16 668)**	**(9 750)**	**(58,5)**	(11 460)	(14 958)	(130,5)
Distribution – A-linked unit (cents)	**69,83**	**69,83**	**–**	**0,0**	66,51	3,32	5,0
Distribution – B-linked unit (cents)	**19,25**	**13,36**	**5,89**	**44,1**	9,19	10,06	109,5
Combined distribution – unit (cents)	**89,08**	**83,19**	**5,89**	**7,1**	75,70	13,38	17,7

4. Property portfolio

The Fund's portfolio comprises interests in 27 hotel and resort properties in South Africa. As at 31 December 2013, the carrying amount of the portfolio was R4,6 billion.

The net asset value per linked unit as at 31 December 2013 was R10,97, an increase of 9,6% from December 2012 due primarily to an increase in the valuation of the standing portfolio. The weighted average lease expiry period is 6,9 years.

African Pride Hotels (owned by Protea Hotels) took over as hotel manager at Mount Grace in December 2013, positioning the property to regain market share by leveraging off Protea Hotels' extensive sales and marketing infrastructure. The Fund also concluded a new lease agreement with a subsidiary of African Hotels and Adventures ("AHA") (a division of Tourvest) for the Kopanong Hotel & Conference Centre on 1 December 2013. Through the extensive sales and marketing network that is available to AHA the performance of this property should improve.

5. Funding

The Group's debt facilities as at 31 December 2013 amounted to R1,73 billion. Total funds outstanding on these facilities were R1,59 billion resulting in a loan to value ("LTV") ratio (total interest-bearing liabilities/investment property plus non-current assets held for sale) of 34,6%. (2012: 34,1%). The interest cover ratio ("ICR") is 2,73 times.

The average cost of borrowings for the six months under review was 9,02% (2012: 9,84%). Of the borrowings, 62% was subject to fixed interest rates through interest rate swap structures.

Debt facilities

	Facility	Expiry	Margin
Nedbank	R000's		
Loan 1	176 300	July 2015	3-month JIBAR plus 2,9%
Loan 2	400 000	Oct 2019	3-month JIBAR plus 2,8%
Loan 3	30 250	Oct 2018	3-month JIBAR plus 2,85%
Loan 4	150 000	June 2015	3-month JIBAR plus 2,7%
Loan 5	150 000	June 2016	3-month JIBAR plus 2,84%
	906 550		
Absa Bank			
Facility A	200 000	June 2014	3-month JIBAR plus 2,05%
Facility B	150 000	June 2015	3-month JIBAR plus 2,47%
Facility C	100 000	June 2016	3-month JIBAR plus 2,84%
Facility D	100 000	June 2014	3-month JIBAR plus 2,05%
	550 000		
Corporate bonds			
Secured – HPF 01	150 000	April 2016	3-month JIBAR plus 1,82%
Unsecured – HPF 02	40 000	April 2015	3-month JIBAR plus 2,4%
Unsecured – HPF 03	80 000	April 2016	3-month JIBAR plus 2,7%
	270 000		
Total facility	**1 726 550**		

The following swap agreements were in place at the end of the period:

	Dec 13	Dec 12	Nominal rate	Maturity date
Absa – Swap 1	–	346,67	7,42%	June 13
Absa – Swap 2	346,67	346,67	7,75%	June 14
Absa – Swap 3	346,67	346,67	7,98%	June 15
Nedbank – Swap 1	150,00	–	6,0% – 9,09%	Sep 16
Nedbank – Swap 2	150,00	–	6,40%	Oct 16
	993,34	**1 040,01**		

The Fund continually plans and evaluates the optimal methods of funding for new acquisitions and replacing debt, including new unit issues, replacement of bank funding and the Group's corporate bond programme. When raising new debt the Group endeavours to spread the maturity to reduce the need to replace large tranches in a single year.

The debt expiry profile has been restructured to provide an even expiry spread with no concentrated exposures.

Rand Merchant Bank ("RMB"), acting as arranger, successfully facilitated a R500 million secured note issue on 17 February 2014. The issue comprised R300 million of floating rate notes at 3-month JIBAR plus 200bps and R200 million of fixed rate notes at an interest rate of 9,89% for a three-year period. Nedbank also provided a new term loan of R50 million at 3-month JIBAR + 238bps. The proceeds were utilised to repay all the facilities previously provided by Absa amounting to R550 million. This decision was taken due to the restrictive conditions imposed by Absa in terms of the loan agreement. An early repayment penalty of R4,9 million was paid to Absa which will be incurred in the second half of the current financial year. The two Absa swaps were also novated to RMB on 10 February 2014. The Fund thanks Nedbank, RMB, Bowman Gilfillan and investors in the note programme for their continued support and assistance in restructuring and enhancing the Fund's debt facilities.

6. Acquisitions and disposals

The Fund continually evaluates property acquisitions in line with its strategy to acquire large, well-located properties with strong brands in major metropolitan areas. Several opportunities across South Africa are currently under consideration.

The Fund has identified certain properties amounting to R326,7 million which do not meet its long-term investment criteria and continues to market these for sale. These properties remain profitable and Hospitality is not under pressure to compromise on-pricing.

7. Development and capital projects

With virtually all fixed and variable lease properties having been refurbished during the last six years, capex has been contained to R40,0 million in the period under review. In the short term, the addition of a new outdoor swimming pool at Westin Cape Town, the upgrade of the public areas at Radisson Waterfront and the expansion of the Protea Edward with 24 new bedrooms are planned.

The application process for the development rights on the Phase 2 land at Arabella Hotel and Spa is still in progress, finalisation of the matter has been impacted by delays at the local municipality. The Fund now anticipates a response from the relevant authorities in the next six months. Should the development rights be secured, the Fund will market this scheme with a view to realising a profit from the sales of 352 residential stands, which will be classified as distributable income.

8. Liquidity

During the six months under review, 25,9% of the A-linked units and 38,5% of the B-linked units were traded on the JSE Limited.

9. Board of directors

Ms Zola Ntwasa was appointed as Independent Non-Executive Director on 8 July 2013.

10. Prospects and trading update

The fundamentals for the hospitality industry remain strong, especially in major cities where business volumes continue to grow. Whilst occupancies, which initially drove the recovery, continue to track higher, room rates are starting to reflect the strong demand. The Rand's weakness since the beginning of 2014 has made South Africa more affordable for international visitors, which could further boost demand in the domestic hospitality sector.

The scarcity and high cost of land in major nodes coupled with the limited availability of capital is expected to limit the pace of new hotel developments. Currently acquisition opportunities are providing higher relative returns than bringing new developments on stream.

The high quality of the Fund's properties continues to provide a solid platform to benefit from improved trading given the positive fundamentals in the hospitality sector.

Hospitality's focus for the remainder of the financial year remains on further rationalising its capital and funding structure, optimally growing room rates in order to improve its profitability while being sensitive to the impact on trading volumes.

The Absa early repayment penalty of R4,9 million referred to above will have a negative effect on distributions.

Distributions for the 12 months ending 30 June 2014 are expected to be in line with the Forecast of 141,36 cents per A-linked unit. The annual B-linked unit distribution is expected to be at least 32,61 cents which is 22,0% higher than the current Forecast of 26,72 cents per linked unit. This forecast has not been reviewed by the Fund's auditors.

As previously stated the Fund's underlying performance in the 2015 financial year is likely to be impacted by a change within its fixed lease portfolio as the current lease at Birchwood Hotel & OR Tambo Conference Centre converts into a fixed and variable lease at the end of June 2014. Based on current trading figures, this could result in a reversion in rental at Birchwood of between 10% and 20% in the 2015 financial year. The impact of the dilution in rental will be influenced by the trading volumes and rates achieved at Birchwood during the 2015 financial year. Hospitality has commenced discussions with the tenant to focus on a smooth transition from fixed to F&V lease and together with the hotel's management team will ensure that earnings before interest, tax, depreciation and amortisation ("EBITDA") levels are optimised to minimise any dilution in rental income. The Fund's asset management team which has recently been expanded and strengthened, is planning to implement new hotel operating and control systems at Birchwood prior to the conversion in June 2014.

11. Payments of interim distribution

Unitholders will receive distribution payment number 16 for the six-month period ended 31 December 2013 of 69,83 cents per A-linked unit and 19,25 cents per B-linked unit.

In accordance with Hospitality's status as a REIT, linked unitholders are advised that the distribution meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("Income Tax Act").

Local tax residents

Qualifying distributions received by local tax residents must be included in the gross income of such linked unitholders (as a non-exempt dividend in terms of section 10(1)(k)(aa) of the Income Tax Act), with the effect that the qualifying distribution is taxable as income in the hands of the linked unitholder. These qualifying distributions are, however, exempt from dividend withholding tax in the hands of South African tax resident linked unitholders, provided that the South African resident linked unitholders provided the following forms to their Central Securities Depository Participant ("CSDP") or broker, as the case may be, in respect of uncertificated linked units, or the company, in respect of certificated linked units:

(a) a declaration that the distribution is exempt from dividends tax; and

(b) a written undertaking to inform the CSDP, broker or the company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. Linked unitholders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution, if such documents have not already been submitted.

Non-residents

Qualifying distributions received by non-resident linked unitholders will not be taxable as income and instead will be treated as ordinary dividends but which are exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. It should be noted that until 31 December 2013 qualifying distributions received by non-residents were not subject to dividend withholding tax. From 1 January 2014, any qualifying distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 15%, unless the rate is reduced in terms of any applicable double taxation agreement ("DTA") between South Africa and the country of residence of the linked unitholder. A reduced dividend withholding tax rate in terms of the applicable DTA, may only be relied on if the non-resident linked unitholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated linked units, or the company, in respect of certificated linked units:

(a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and

(b) a written undertaking to inform their CSDP, broker or the company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident linked unitholders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution if such documents have not already been submitted, if applicable.

Unitholders are requested to seek professional advise on the appropriate action to take.

Last day to trade *cum* distribution	Thursday, 13 March 2014
Linked units will trade *ex*-distribution	Friday, 14 March 2014
Record date	Thursday, 20 March 2014
Payment date	Monday, 24 March 2014

Unitholders may not dematerialise or rematerialise their linked units between Friday, 14 March 2014 and Thursday, 20 March 2014, both days inclusive.

By order of the Board

D G Bowden	A S Rogers
(Chairman)	*(Chief Executive Officer)*

25 February 2014

Directors: D G Bowden (Chairman)*+, A S Rogers (CEO), K H Abdul-Karrim*+, R Asmal, L de Beer *+, S A Halliday *+, Z N Kubukeli *+, G A Nelson*, Z Ntwasa *+, W C Ross *+, A Soni*+
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BASIS OF PREPARATION AND ACCOUNTING POLICIES

These results were prepared by the Group Financial Manager, Mr R Erasmus CA(SA), under the supervision of the Financial Director: Mr R Asmal.

The condensed financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS), including the presentation and disclosure requirements of IAS 34 (Interim Financial Reporting), the SAICA financial reporting guidelines as issued by the Accounting Practices Committee and the requirements of the Companies Act of South Africa, 2008. KPMG Inc, the independent auditor, has not reviewed the financial statements. The accounting policies used are consistent with those used in the annual financial statements for the year ended 30 June 2013 .

STATEMENTS OF COMPREHENSIVE INCOME

for the six months ended 31 December 2013

	Unaudited Dec 2013 R'000	Unaudited Dec 2012 R'000	Audited June 2013 R'000
Revenue	**211 156**	173 852	356 042
Rental income – contractual	**212 579**	173 957	356 337
– straight-line accrual	**(1 423)**	(105)	(295)
Expenditure	**(19 790)**	(14 591)	(29 878)
Operating expenses	**(19 790)**	(14 591)	(29 878)
Operating profit	**191 366**	159 261	326 164
Transaction costs on business combination	**–**	–	(1 975)
Profit on properties held for sale	**–**	974	948
Net finance cost	**(70 565)**	(65 899)	(132 320)
Finance income	**1 349**	228	1 819
Finance costs	**(71 914)**	(66 127)	(134 139)
Profit before debenture interest, goodwill, fair value adjustments and taxation	**120 801**	94 336	192 817
Recoupment of debenture interest	**–**	–	6 130
Debenture interest	**(122 261)**	(94 441)	(200 184)
Loss before fair value adjustments, goodwill and taxation	**(1 460)**	(105)	(1 237)
Gain on bargain purchase	**–**	–	7 615
Fair value adjustments	**7 592**	2 309	199 356
Investment properties, before straight-lining adjustment	**–**	–	218 441
Straight-line rental income accrual	**1 423**	105	295
Total fair value of investment properties	**1 423**	105	218 736
Goodwill impairment	**–**	–	(41 400)
Interest-rate swaps	**6 169**	2 204	22 020
Profit before taxation	**6 132**	2 204	205 734
Debenture discount amortisation	**(3 757)**	(2 662)	(5 635)
Equity accounted profit from associate after tax	**83**	55	126
Taxation	**(46)**	–	35 572
Total profit/(loss) and comprehensive income for the period	**2 412**	(403)	235 797
Reconciliation between earnings, headline earnings and distributable earnings			
Total profit/(loss) and comprehensive income for the period	**2 412**	(403)	235 797
Adjustments: Debenture interest	**122 261**	94 441	200 184
Profit/(loss) (linked units)	**124 673**	94 038	435 981
Adjustments:			
Equity accounted profit from associate after tax	**–**	(55)	–
Gain on bargain purchase	**–**	–	(7 615)
Goodwill impairment	**–**	–	41 400
Fair value – investment properties revaluation, net of tax	**–**	–	(255 172)
Fair value – straight-line rental income	**(1 423)**	(105)	(295)
Headline earnings (linked units)	**123 250**	93 878	214 299
Fair value – interest rate swaps	**(6 169)**	(2 204)	(22 020)
Transaction costs on business combinations	**–**	–	1 975
Debenture discount amortisation	**3 757**	2 662	5 635
Straight-line rental income	**1 423**	105	295
Distributable earnings	**122 261**	94 441	200 184
Number of units/shares			
A-linked unit	**137 237 530**	124 761 391	137 237 530
B-linked unit	**137 237 530**	124 761 391	137 237 530

	Unaudited Dec 2013 R'000	Unaudited Dec 2012 R'000	Audited June 2013 R'000
Weighted average number of units/shares			
A-linked unit	**137 237 530**	124 761 391	129 273 310
B-linked unit	**137 237 530**	124 761 391	129 273 310
Distribution per linked unit (cents)			
A-linked unit	**69,83**	66,51	134,63
– Interim	**69,83**	66,51	66,51
– Final	**–**	–	68,12
B-linked unit	**19,25**	9,19	18,08
– Interim	**19,25**	9,19	9,19
– Final	**–**	–	8,89
	89,08	75,70	152,71
Profit per linked unit (cents)			
A-linked unit	**45,42**	37,69	168,63
B-linked unit	**45,42**	37,69	168,63
	90,84	75,38	337,26
Headline earnings per linked unit (cents)			
A-linked unit	**44,90**	37,62	82,89
B-linked unit	**44,90**	37,62	82,89
	89,80	75,24	165,78
Earnings and diluted earnings per ordinary share (cents)	**0,88**	(0,16)	91,20

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2013

	Unaudited Dec 2013 R'000	Unaudited Dec 2012 R'000	Audited June 2013 R'000
ASSETS			
Non-current assets	**4 354 882**	3 772 862	4 324 662
Investment properties	**4 278 426**	3 653 965	4 246 848
Straight-line rent income accrual	**2 729**	4 342	4 152
Investment properties and related accrual	**4 281 155**	3 658 307	4 251 000
Furniture, fittings and equipment	**1 031**	463	899
Goodwill	**72 600**	114 000	72 600
Investment in associate	**96**	92	163
Current assets	**434 917**	267 655	448 263
Non-current assets held for sale	**326 736**	218 034	318 900
Properties held for trading	**19 917**	19 702	19 708
Trade and other receivables	**56 272**	21 938	42 260
Cash and cash equivalents	**31 992**	7 981	67 395
Total assets	**4 789 799**	4 040 517	4 772 925
EQUITY AND LIABILITIES			
Equity	**693 164**	370 480	690 752
Share capital and share premium	**476 199**	392 127	476 199
Retained earnings	**70 127**	112 671	73 884
Fair value reserve	**146 838**	(134 318)	140 669
Non-current liabilities	**3 692 072**	3 521 203	3 708 134
Debentures	**2 318 197**	2 126 946	2 314 441
Interest-bearing liabilities	**1 363 139**	1 320 629	1 372 627
Derivative liability	**10 736**	36 898	21 066
Deferred taxation	**–**	36 730	–
Current liabilities	**404 563**	148 834	374 039
Trade and other payables	**48 091**	50 410	67 151
Short-term portion of interest-bearing liabilities	**230 000**	–	200 000
Derivative liability	**4 162**	3 984	–
Taxation	**–**	–	1 153
Debenture interest payable	**122 310**	94 440	105 735
Total equity and liabilities	**4 789 799**	4 040 517	4 772 925
A. *Net asset value per linked unit (Rand)*			
A-linked unit	**10,97**	10,01	10,95
B-linked unit	**10,97**	10,01	10,95
B. *Net asset value per linked unit (excluding deferred taxation) (Rand)*			
A-linked unit	**10,97**	10,16	10,95
B-linked unit	**10,97**	10,16	10,95

STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2013

	Share capital	Share premium	Retained earnings	Fair value reserve	Total
	R'000	R'000	R'000	R'000	R'000
Balance at 1 July 2012	25	392 102	115 278	(136 522)	370 883
Loss/Total comprehensive loss for the period	–	–	(403)	–	(403)
Transfer to fair value reserve – interest rate swaps	–	–	(2 204)	2 204	–
Balance at 31 December 2012	25	392 102	112 671	(134 318)	370 480
Balance at 1 July 2013	27	476 172	73 884	140 669	690 752
Profit/Total comprehensive income for the year	–	–	2 412	–	2 412
Transfer to fair value reserve – interest rate swaps	–	–	(6 169)	6 169	–
Balance at 31 December 2013	27	476 172	70 127	146 838	693 164

STATEMENT OF CASH FLOWS

for the six months ended 31 December 2013

	Unaudited Dec 2013 R'000	Unaudited Dec 2012 R'000	Audited June 2013 R'000
Cash flows from operating activities			
Cash generated from operations	159 931	174 702	336 430
Finance income received	1 349	228	1 819
Finance costs paid	(71 914)	(66 127)	(134 139)
Taxation	(383)	(84)	(89)
Distribution to unitholders	(106 504)	(62 052)	(156 500)
Net cash (outflow)/inflow from operating activities	(17 521)	46 667	47 521
Cash flows from investing activities			
Acquisition and development of investment properties	(37 991)	(14 486)	(481 989)
Properties held for trading	(209)	(722)	(728)
Acquisition of furniture and equipment	(344)	(147)	(799)
Dividends received from associate	150	125	125
Loan from associate	–	–	–
Net cash outflow from investing activities	(38 394)	(15 230)	(483 391)
Cash flows from financing activities			
Proceeds from the issue of linked units	–	–	274 974
Share issue expenses paid	–	–	(251)
Interest-bearing liabilities (repaid)/raised	20 512	(38 898)	213 100
Net cash inflow/(outflow) from financing activities	20 512	(38 898)	487 823
Net (decrease)/increase in cash and cash equivalents	(35 403)	(7 461)	51 953
Cash and cash equivalents at beginning of year	67 395	15 442	15 442
Cash and cash equivalents at end of period	31 992	7 981	67 395

CONDENSED SEGMENTAL INFORMATION

for the six months ended 31 December 2013

Information regarding the results of each reportable segment is included below. Performance is measured based on operating profit before finance costs, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

R'000s	Fixed lease agreements	F & V lease agreements	Variable lease agreements	Head Office	Total of all operating segments
Statement of Comprehensive Income – 31 December 2013					
Segment revenue	63 404	138 046	11 129	–	212 579
Expenditure	–	–	–	(19 790)	(19 790)
Segment results	63 404	138 046	11 129	(19 790)	192 789
Statement of Comprehensive Income – 31 December 2012					
Segment revenue	61 986	104 360	7 611	–	173 957
Expenditure	–	–	–	(14 591)	(14 591)
Segment results	61 986	104 360	7 611	(14 591)	159 366
Statement of Financial Position – *31 December 2013*					
Non-current assets					
Investment properties	926 403	3 092 207	262 545	–	4 281 155
Current assets					
Non-current assets held for sale	81 000	245 736	–	–	326 736
Trade and other receivables	6 207	367	29 243	20 455	56 272
Segment assets	**1 013 610**	**3 338 310**	**291 788**	**20 455**	**4 664 163**
Statement of Financial Position – 31 December 2012					
Non-current assets					
Investment properties	1 044 666	2 362 601	251 040	–	3 658 307
Current assets					–
Non-current assets held for sale	–	218 034	–	–	218 034
Trade and other receivables	2 796	7 696	–	11 446	21 938
Segment assets	1 047 462	2 588 331	251 040	11 446	3 898 279