



FREEDOM

PROPERTY FUND

Freedom Property Fund Limited

(Incorporated in the Republic of South Africa)

(Registration No. 2012/129186/06)

Share code: **FDP** ISIN: **D**

(“Freedom” or “the Company” or “the Group”)

UNREVIEWED

CONDENSED CONSOLIDATED INTERIM RESULTS

FOR THE SIX MONTH PERIOD ENDING 31 AUGUST 2015

KEY MATTERS:

- Maiden year as a listed company has passed
- Investment property revenue up by 67.24%
- Headline loss of 0.40 cents per share for the period

INTRODUCTION

Freedom is a holding and development property company, listed on the Main Board of the JSE Limited ("JSE") which operates across all primary sectors of the property industry namely industrial, commercial and predominantly residential. The fundamental focus of Freedom is to strategically own and develop prime properties thereby creating a portfolio that will generate sustainable income streams in the future.

Freedom presents the unreviewed condensed consolidated interim results of the Company and its subsidiaries (all wholly owned) for the six month period ending 31 August 2015 ("the Interim Period").

1. FINANCIAL RESULTS

1.1. Comparative Results

Freedom was established specifically to acquire selected properties and list on the JSE, as set-out in the pre-listing statement dated 5 June 2014 ("Pre-listing Statement"). The various acquisitions, being conditional on the listing, became effective at various times between 1 March 2014 and the listing date of 12 June 2014. These are therefore the second set of interim results released by Freedom.

1.2. Revenues

Total revenue, which includes discontinued operations, of R27 893 402 for the Interim period, is lower than the revenue of R35 293 107 reported for the corresponding interim period ending 31 August 2014. The key reason for the decline in revenue is that sales of development properties (stock of serviced stands) have been lower in the Interim Period than during the corresponding period in 2014. The projected revenues from sales of properties in 2015, as detailed in the published forecasts for the years ending 28 February 2015 and 2016 ("Forecasts") were lower than the revenue that was actually achieved as it was expected that marketing initiatives would take some time to implement. The sales recorded in the previous interim period have, however, not been matched in the Interim Period.

According to the South African Property Owners Association (Sapoa), the industrial sector's base rental growth has dipped below inflation for the six month period ending June 2015, for the first time in ten years. This illustrates the prevailing operating environment against which Freedom must evaluate itself.

Investment property revenue (including discontinued operations) is up on the comparative period by 67.24% and the revenue of the Steelpoort Industrial Park held through Kadoma Investments (Pty) Ltd ("Kadoma") (see note 2.1 below), has increased by 50.76 % for the six months under review. The vacancy in Steelpoort Industrial at 31 August 2014 was 13% and on 31 August 2015 it was at 14%, excluding the new units that have been constructed.

The take up of the recently completed units has not been as strong as expected and demand has been affected by protests due to service delivery and other issues in the area and the growth prospects at Steelpoort Industrial do, however, remain optimistic.

The following table provides a comparison of actual revenues generated by Freedom during the Interim Period and the comparative in 2014.

1.3. Headline Earnings

For the Interim Period ended 31 August 2015, Freedom reported a headline and diluted headline loss of R3 868 479 compared to headline earning and diluted earnings of R5 020 515 for the corresponding period in the previous financial year. The headline loss is down on the

	Period ending 31 August 2015	Period ending 31 August 2014
Revenue – Investment Property Income (Including discontinued operations)	13 915 332	8 320 812
Revenue – Development Property Sales	13 978 070	26 972 295
Cost of Sales – Development Property Sales	(7 825 517)	(20 197 490)
Gross Profit	20 067 885	15 095 617

headline earnings reported in the corresponding period and the contributing factors are set out in more detail below.

1.4. Expenses

A number of once off costs that have an annual footprint have been accounted for in full during the Interim Period. It was the decision of management to account for these costs in this six month Interim Period and these costs have been accounted for in terms of International Financial Reporting Standards (IFRS). Furthermore, executive bonuses relating to the performance of the Company in the 2015 financial year have been accounted for in the Interim Period, as these only accrued after year end. Financing costs have increased significantly due to the increase in gearing, which was in line with the strategy of the Group. A further contribution to the finance cost was the provision for interest payable on settlements of the various guarantee share agreements as outlined in the Pre-Listing Statement and SENS announcements issued on 11 August 2015, 15 October 2015 and 20 November 2015. Furthermore staffing and executive costs have increased in line with the Group strategy of retaining high calibre staff to roll out the growth strategy of the Group. With the expenses being above anticipated levels, management has initiated processes to contain costs going forward and various strategic initiatives have commenced to develop the property assets owned by Freedom and grow the value of the Company for all stakeholders.

1.5. Net Asset Value (“NAV”)

The NAV at 31 August 2015 was 118.06 cents per share, a decrease of 4.01% on the value as at 31 August 2014 of 123.00 cents per share. In terms of Freedom’s valuation policy all properties will be revalued on 28 February 2016. At this time Freedom will strategically evaluate the method of valuation utilised for specific properties to ensure that the values of specific assets are in line with market practice.

Gearing has grown on the Statement of Financial Position of the Company and the majority of this funding is being applied to develop Freedom’s assets and unlock value for stakeholders in terms of Freedom’s strategy as a capital growth fund. This is further set out in point 4 below.

2. OPERATIONS

Freedom has made progress in its operations, thus enabling management to continue implementing the strategies and growth plans in line with the Company's broad short to medium term goals of unlocking value for Freedom's stakeholders.

The following paragraphs detail progress on key projects identified by Freedom to ensure its strategic objectives of income generation and capital growth are sustainable and achieved.

2.1. Steelpoort Industrial

Steelpoort is a mining town in Limpopo Province's platinum belt experiencing rapid development with a number of new mines being established, making it prime industrial land to own. The scepticism that surrounds investing in the mining areas, due to the events that unfolded in Rustenburg, is justifiably allayed when considering that the mining dynamics of Steelpoort are of a different nature. Mining in this area is highly mechanised and has a primary focus on platinum and chrome production. The number of mines which have opened in the area over the past two to five year period are testament to the fact that it is a growing area and is to be recognised as an area in which to invest.

Freedom has taken note of the service delivery protests in the area. These have impacted on the operations of certain tenants in Steelpoort Industrial Park as well as on the take up of the new units that have been constructed by Freedom. Management is monitoring the situation closely and is implementing procedures to accommodate tenants where possible.

With corporate tenants such as Sasol, Weir Minerals and North Safety, Freedom is confident that it can grow the tenant base and successfully fill the remaining units. Pieterse, Du Toit and Associates have prepared reports for submission to council on re-zoning the remaining 6 hectares for light industrial warehousing purposes. This will allow for the construction of a further 36 000m² of industrial warehousing.

2.2. Tweefontein Residential

Tweefontein Residential Estate is the residential component of the land owned by the Company in Steelpoort through Kadoma. Tweefontein Residential will provide Freedom in excess of 4 000 residential development opportunities in the low to mid income market. Pieterse, Du Toit and Associates have initiated the higher density re-zoning application. This development is now planned in 12 phases and is still expected to be completed by 2020.

The demand for residential units is currently between 15 000 and 20 000 units and continually expanding due to new mines opening in the area. A major mining group operating in the area has expressed an interest in taking up 2 000 opportunities immediately on completion. The demand by the existing mines in the area has far exceeded the supply as is currently evidenced by ongoing enquiries received by the Company.

2.3. Montana (La Bonne Vie)

This proposed 90 sectional title residential opportunities of one, two and three bedroom units in Montana, Pretoria is highly accessible and adjacent to the well-known Kolonnade Shopping Centre and the Zambesi Country Estate. The 3 phase construction plan has been initiated with:

- Phase 1 comprising of 22 units has been initiated and services have been established. This phase is estimated to generate annual rental income of R1 329 600;
- Phase 2 comprising of 31 units is expected to be completed by July 2016 and is estimated to generate annual rental income of R1 586 400; and
- Phase 3 comprising of 37 units is expected to be completed by April 2016 and is estimated to generate annual rental income of R1 932 000.

At all times Freedom has the option to strategically dispose of any of these units and utilise the proceeds for alternate developments within the Group. The project development cost is R35 million.

2.4. Langebaan

The Langebaan Beach Resort, located in Langebaan in the Western Cape, is a mixed use development consisting of 312 022m² of zoned residential land, 426 982m² of un-zoned residential land, 8,063m² of land zoned for commercial use and 21 688m² for institutional use.

Freedom's proposed development in Langebaan which borders on Saldanha, is extremely exciting for Freedom as Transnet has plans to spend R10 billion on the expansion of the harbour at Saldanha. This has led to several development opportunities in the commercial and residential sector. In phase 1 of its development, Freedom plans to develop 7 000m² of commercial space and negotiations have commenced with high profile tenants who have a national footprint.

The development will commence on the successful conclusion of lease agreements.

2.5. Gevonden

Gevonden comprises of 43 residential units in the medium level segment. It borders the urban edge in Stellenbosch, making it the last section of land in this very popular Western Cape Town that can be developed.

Stellenbosch has not been heavily affected by the economic crisis, as property development has continued at a very steady pace over the past few years. The demand can mainly be attributed to the steady population growth experienced in Stellenbosch and the rest of the Western Cape since 2010.

Bordering the very successful Welgevonden Estate Development on the eastern boundary, our survey shows that the demand significantly exceeds supply. Freedom is in final stages of concluding a development agreement with a successful local developer, who undertakes to fully develop the land at his cost. This includes external as well as internal services, after which top structures will be constructed. Once these units have been completed, Freedom and the developer will split the units according to input cost, leaving Freedom with an amount of ungated, rentable units which are in high demand. An option will also be made available for Freedom to acquire more of these units from the developer at a reasonable market price, as determined by an independent valuer.

With the demand being high on most of Freedom's development land, we are continuously investigating innovative financing methods in order to proceed at a much faster pace than traditional institutional finance normally allows. Good progress has been made in this regard and we anticipate initiating more of the developments on this basis.

2.6. Stellenbosch Industrial

Freedom entered into a sale agreement with K2014120563 Proprietary Limited ("the Purchaser") for the sale of the Stellenbosch Industrial Property for the sale consideration of R 49 000 000 (Forty Nine million only). The full proceeds are payable in cash. Commission of R 1 470 000.00 (One Million Four Hundred and Seventy Thousand Rand only) is payable by Freedom on the transaction.

The Sale is in line with Freedom's strategy of specialising in development activity. The proceeds of the Sale will be used to settle the existing bond on the property. The remaining proceeds will be applied to specific approved future developments within the Group and to settlement agreements reached with shareholders relating to the issue of guarantee shares referred to in the Pre-Listing Statement dated 5 June 2014 and SENS announcements issued on 11 August 2015, 15 October 2015 and 20 November 2015.

3. PROSPECTS & STRATEGY

The period, since 28 February 2015, has proven to be a challenging one. When one considers Freedom's strategic objectives, liquidity in the trading of Freedom shares has continued, albeit that the share has traded at a large discount to Freedom's NAV. This was largely the result of certain vendors who sold their properties to Freedom on listing for Freedom shares realising the opportunity for creating liquidity through trading of their shares.

This has been further compounded by the market's apparent assessment of the valuation of Freedom with the current market capitalisation of the Company inferring that the valuation is derived from the income producing assets and completely discounting the significant portfolio of remaining assets which were acquired by Freedom for development. It is management's view that this will change as projects are successfully delivered and the Group returns to profitability.

On the positive side new investors have continued to realise the opportunity to invest at the discounted levels, resulting in an ever expanding investor base.

Freedom is well positioned to operate in the low to mid-tier income sector due to its strategic land holdings. In developing the Company's land and providing rental units to the sectors identified, Freedom's vision is to address challenges currently being faced in the South African residential market. These challenges include the lack of supply and delivery of homes to the low to mid-tier income sector while growing the Company's income producing assets.

4. BORROWINGS

Freedom had previously secured facilities with Nedbank Limited ("Nedbank") to provide term funding to Kadoma, subject to agreed drawdowns and completion of units. These term facilities have been applied to the Steelpoort Industrial expansion and further development within the Group. The Group is currently re-negotiating these facilities with Nedbank to ensure the best possible terms and the optimal utilisation of the facilities within the Group. The Nedbank facilities are secured by first mortgage bonds over the developed Steelpoort Industrial properties and a surety provided by Freedom.

5. CORPORATE GOVERNANCE

The Board is fully committed to the principles of the Code of Corporate Practices and Conduct as set out in King III. The Board acknowledges its responsibility in ensuring that the Company acts with integrity and fairness. As such they are continually monitoring and investigating methods of improving systems and controls in order to ensure that stakeholder opportunities are maximised.

6. HEALTH & SAFETY

Across all aspects of operations Freedom strives to adhere to the standards of best practice and upholds health and safety as one of our highest values. This includes the health and safety policies and procedures set forth to ensure and maintain the welfare of all employees and development contractors. We are delighted to report another consecutive period without injuries.

7. SUBSEQUENT EVENTS

There have been no material events subsequent to 31 August 2015 to report outside of those contained in the SENS announcements that have been issued and changes to the Board as set out in paragraph 8 below and the subsequent sale of the Stellenbosch Industrial Park as indicated in note 4 to the financial statements below.

8. CHANGES TO THE BOARD

Mr. Patrick Burton stepped down as Chairman of the Board at the conclusion of the Annual General Meeting, held on 28 August 2015. The directors, executive committee and staff once again would like to thank Mr. Burton for his dedicated leadership and invaluable contribution to the formation and listing of the Company.

Mr. Richard Eaton was not re-elected at the Annual General Meeting held on 28 August 2015. The directors, executive committee and staff would like to express their sincere gratitude and appreciation for the contribution that Mr. Eaton has made to the Company since his appointment at the inception of Freedom prior to listing. Mr Eaton's vast experience was an invaluable contribution to the Company.

Mr. Tyrone Govender has tendered his resignation on 23 November 2015, due to personal circumstances. Mr. Govender will remain in the position of CEO of Freedom for the sixty day notice period, as specified in his employment contract, until 23 January 2015.

Mr. Govender has indicated his willingness to assist on a temporary basis after the expiration of his notice period on an ad-hoc basis until a new CEO is appointed, if the Board so decides. The Board is currently evaluating its position with regard to the appointment of a new CEO and have indicated their continued support for the appointment of a CEO with industry relevant experience who complies with the requirements of the Company's Memorandum of Incorporation, the Companies Act, act 71 of 2008, and the JSE Listing Requirements. A formal announcement in this regard will be made in due course.

As announced on 26 November 2015, Dr. Phillip Dexter, in the capacity of Independent Non-Executive Director, and Mr Willem Stephanus Grobbelaar, in the capacity of Independent Non-Executive Director, will be appointed to the Board following the completion of the nominations process and approval by the Board.

The Freedom Board of directors welcomes the appointment of both Dr. Dexter and Mr. Grobbelaar and looks forward to their invaluable contributions.

Furthermore the Board of Freedom is pleased to announce that Mr. Willem Stephanus Grobbelaar has been appointed as Chairman of the Board.

9. BASIS OF PREPARATION

The unreviewed condensed consolidated interim results have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and contain the information required by IAS 34 *Interim Financial Reporting*, the JSE Listings Requirements and the requirements of the Companies Act, 71 of 2008 of South Africa.

These unreviewed condensed results have been prepared under the historical cost convention except for investment properties and certain financial instruments which are measured at fair value. The fair value of investment properties are determined with reference to the external valuations dated 28 February 2015, prepared by the independent property valuer appointed to value the properties owned by the group.

These results have not been reviewed or audited by Freedom's auditors, RSM South Africa.

These unreviewed condensed results were prepared under the supervision of JF Pretorius, in his capacity as the Chief Financial Officer of the Group.

10. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these results are consistent with those applied in the preparation of the financial statements for the year ended 28 February 2015 except for the adoption of improved, revised or new standards and interpretations. The aggregate effect of these changes in respect of the period ended 31 August 2015 is Rnil.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	6 months ended		Year ended
		31 August		28 February
		2015	2014	2015
		Unreviewed	Reviewed	Audited
		(R'000)	(R'000)	(R'000)
Assets				
Non-current assets				
Investment properties	1	1 523 125	1 412 940	1 556 382
Property, plant and equipment		247	4 461	1 138
Deferred tax		680	-	851
Operating lease asset		1 968	-	1 086
Other assets		2 689	-	91
Other investments	2	9 342	-	2 342
		1 538 051	1 417 401	1 561 890
Current assets				
Inventories	3	80 824	87 177	87 694
Current tax receivable		172	-	-
Operating lease asset		225	-	-
Trade and other receivables		45 470	38 669	54 325
Cash and cash equivalent		5 665	1 367	1 337
		131 816	127 213	143 356
Non-current assets classified as held for sale	4	47 266	-	-
Total assets		1 717 133	1 544 614	1 705 246
Equity and liabilities				
Equity				
Stated capital		830 031	870 077	823 331
Reserves		-	12 895	-
Retained earnings		422 055	370 975	516 405
		1 252 086	1 253 947	1 339 736

Liabilities**Non-current liabilities**

Guarantee share obligation	5	67 356	-	-
Other financial liabilities		82 426	24 568	82 291
Deferred tax		243 235	227 323	245 620
		393 017	251 891	327 911

Current liabilities

Shareholder loan		-	10 700	-
Guarantee share obligation	5	13 000	-	-
Other financial liabilities		6 158	11 001	3 143
Current tax payable		4 744	-	5 385
Trade and other payables		18 956	16 297	19 883
Bank overdraft		8 813	778	9 188
		51 671	38 776	37 599

Liabilities directly associated with non-current assets classified as held for sale	4	20 359	-	-
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Total equity & liabilities		1 717 133	1 544 614	1 705 246
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		6 months ended		Year ended
		31 August		28 February
		2015	2014	2015
Notes	Unreviewed	Reviewed	Audited	
	(R'000)	(R'000)	(R'000)	
<u>Continuing operations</u>				
Revenue		25 275	34 291	38 749
Cost of sales		(7 826)	(20 197)	(6 414)
Gross profit		17 449	14 094	29 335
Other income		3 694	4 596	17 616
Operating expenses		(21 695)	(11 419)	(26 441)
Operating profit / (loss)		(552)	7 271	20 510
Finance income		17	3	31
Fair value adjustments	6	(79 637)	121 105	226 587
Gain on bargain purchase		-	283 112	314 195
Finance costs		(4 226)	(704)	(3 002)
Profit / (loss) before tax		(84 398)	410 787	558 321
Taxation		(908)	(24 609)	(46 511)
Profit / (loss) for the period from continuing operations		(85 306)	386 178	511 810
<u>Discontinued operations</u>				
Profit / (loss) for the period from discontinued operations	7	(9 044)	2 350	9 255
Profit for the period		(94 350)	388 528	521 065
Other comprehensive income		-	-	-
Total comprehensive income / (loss) for the year		(94 350)	388 528	521 065
<u>Earnings / (loss) per share</u>				
Basic and diluted				
Continuing operations		-8.81	44.46	57.57
Discounted operations		-0.93	0.27	1.04
Total earnings / (loss) per share		-9.74	44.73	58.61
<u>Number of shares</u>				
Weighted average number shares in issue		968 829 227	868 538 173	889 037 602
Total number of shares in issue		1 060 529 031	1 027 029 031	1 027 029 031

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Stated capital	Share-based payment reserve (R'000)	Retained income / (Accumulated loss) (R'000)	Total equity (R'000)
Audited as at 28 February 2014		15	12 895	(17 554)	(4 644)
Issue of shares		870 062	-	-	870 062
Total comprehensive income for the period		-	-	388 528	388 528
Reviewed as at 31 August 2014		870 077	12 895	370 974	1 253 946
Issue of shares		12 013	-	-	12 013
Purchase of own / treasury shares		(58 759)	-	-	(58 759)
Transfer between reserves		-	(12 895)	12 895	-
Total comprehensive income for the period		-	-	132 536	132 536
Audited as at 28 February 2015		823 331	-	516 405	1 339 736
Issue of shares	2	6 700	-	-	6 700
Total comprehensive income for the period		-	-	(94 350)	(94 350)
Unreviewed as at 31 August 2015		830 031	-	422 055	1 252 086

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS			
Notes	6 months ended		Year ended
	31 August		28 February
	2015	2014	2015
	Unreviewed	Reviewed	Audited
	(R'000)	(R'000)	(R'000)
Cash flows from operating activities			
Cash (utilised in) / generated from operations	17 108	2 557	(1 092)
Interest income	17	4	32
Finance costs	(4 308)	(1 249)	(4 436)
Tax (paid) / received	(882)	-	(149)
Net cash from operating activities	11 935	1 312	(5 645)
Cash flows from investing activities			
Purchase of property, plant & equipment	(192)	(867)	(867)
Additions to investment property	(27 949)	(20 009)	(59 312)
Business combinations	-	(2 858)	(2 858)
Additions to other assets	(2 597)	-	(2 433)
Proceeds on sale of investment property	-	1 000	1 000
Net cash from investing activities	(30 738)	(22 734)	(64 470)
Cash flows from financing activities			
Proceeds from other financial liabilities	24 850	21 996	62 249
Repayment of other financial liabilities	(1 344)	-	-
Net cash from financing activities	23 506	21 996	62 249
Total cash movement for the period	4 703	574	(7 866)
Cash and cash equivalents at beginning of period	(7 851)	15	15
Cash and cash equivalents at end of period	(3 148)	589	(7 851)

Note 8

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:

1 – INVESTMENT PROPERTIES: Investment Properties are carried at fair value and are current income-generating assets or are held for development as future income generating assets.

2 – OTHER INVESTMENTS: During the period ended, Freedom acquired a 10% interest in Sunset Bonsmara Proprietary Limited, through partial cash and share payment.

3 – INVENTORIES: Inventories represent properties held in Langebaan (see paragraph 2.4) and Miami Village which are held for sale in the ordinary course of business.

4 – NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE: During the period ended, the Stellenbosch Industrial Park was identified for disposal and reclassified as held for sale. Subsequent to 31 August 2015, the property has transferred and the related liabilities settled.

5 – GUARANTEED SHARES OBLIGATION: This refers to obligations arising from guaranteed shares issued at listing as identified in the Pre-Listing Statement issued on 5 June 2014.

6 – FAIR VALUE ADJUSTMENT: The fair value adjustment arose from the revaluation of the guaranteed shares obligation, as indicated in Note 5 above.

7 – DISCONTINUED OPERATIONS: Profit or (loss) for the period attributable to discontinued operations has been calculated as follows:

	6 months ended		Year ended
	31 August		28 February
	2015	2014	2015
	Unreviewed	Reviewed	Audited
	(R'000)	(R'000)	(R'000)
Revenue	2 618	1 002	4 030
Other income	346	40	282
Operating expenses	(323)	(78)	(426)
Operating profit / (loss)	2 641	964	3 886
Finance income	-	-	1
Fair value adjustments to investment properties	-	2 718	9 218
Fair value adjustments upon reclassification to be held for sale	(13 941)	-	-
Finance costs	(798)	(546)	(1 434)
Profit / (loss) before tax	(12 098)	3 136	11 671
Taxation	3 054	(787)	(2 416)
Profit / (loss) for the period from discontinued operations	(9 044)	2 349	9 255

Discontinued operations has been calculated as follows:

8 – RESTATEMENT OF PRIOR PERIOD CASH FLOW: The Statement of Cash Flows relating to the 31 August 2014 period has been restated to eliminate non-cash flow effects relating to the business combination and investment property purchases for shares. The restatement is in line with the announcement on the Stock Exchange News Service (“SENS”) made on 29 July 2015.

9 – HEADLINE AND DILUTED LOSS PER SHARE:

	6 months ended		Year ended
	31 August		28 February
	2015	2014	2015
	Unreviewed	Reviewed	Audited
	(R'000)	(R'000)	(R'000)
Continuing operations			
Total comprehensive income	(85 306)	386 179	511 810
Fair value adjustment	79 637	(117 515)	(226 587)
Gain on bargain purchase	-	(283 112)	(314 195)
Gain on disposal of subsidiary	-	(3 590)	(3 590)
Profit on sale of investment property	-	(340)	(340)
Tax effect of fair value adjustments	-	23 097	43 907
Headline earnings / (loss) from continuing operations	(5 669)	4 719	11 005
Discontinued operations			
Total comprehensive income	(9 044)	2 350	9 255
Fair value adjustment	13 941	(2 718)	(9 218)
Tax effect of fair value adjustments	(3 097)	669	2 230
Headline earnings / (loss) from discontinued operations	1 800	301	2 267
Total headline earnings	(3 869)	5 020	13 272
Headline earnings / (loss) per share			
	Cents	Cents	Cents
Basic and diluted			
Continuing operations	(0.59)	0.54	1.24
Discontinued operations	0.19	0.04	0.25
Headline earnings / (loss) per share	(0.40)	0.58	1.49
Number of shares			
Weighted average number shares in issue	968 829 227	868 538 173	889 037 602
Total number of shares in issue	1 060 529 031	1 027 029 031	1 027 029 031

9 – SEGMENT REPORT: The Group has two reportable segments, as described below. The segments offer different types of revenue income and are managed separately to enable the Group to adequately monitor the various risk profiles. For each of these segments, the Group’s CEO reviews internal management reports on a monthly basis. The following summary describes each of the Group’s reportable segments:

- Property rental income
- Development property sales

Other operations include the Group’s administrative and finance costs. None of these segments meet any of the quantitative thresholds for determining reportable segments in the current period.

SEGMENT REPORT			
	Rental Income	Development Property Sales	Total Operating Segments
	(R'000)	(R'000)	(R'000)
Statement of comprehensive income – 31			
August 2015			
Continuing operations			
Segment revenue	11 297	13 978	25 275
Expenditure	(8 401)	(8 941)	(17 342)
Segment result from continuing operations	2 896	5 037	7 933
Discontinued operations			
Segment revenue	2 618	-	2 618
Expenditure	(775)	-	(775)
Segment results from discontinued operations	1 843	-	1 843
Total segment results	4 739	5 037	9 776
Statement of comprehensive income – 31			
August 2014			
Continuing operations			
Segment revenue	7 319	26 972	34 291
Expenditure	(4 475)	(20 197)	(24 672)
Segment result from continuing obligations	2 844	6 775	9 619
Discontinued operations			
Segment revenue	5 298	-	5 298
Expenditure	(623)	-	(623)

Segment results from discontinued operations	4 675	-	4 675
Total segment results	7 519	6 775	14 294

SEGMENT REPORT			
	Rental Income	Development Property Sales	Total Operating Segments
	(R'000)	(R'000)	(R'000)

Statement of financial position – 31

August 2015

Non-current assets

Investment properties	1 523 125	-	1 523 125
Operating lease asset	2 193	-	2 193

Current assets

Inventories	-	80 284	80 284
Trade and other receivables	22 622	3 674	26 296
Non-current assets classified as held for sale	47 266	-	47 266

Segment assets

	1 595 206	83 958	1 679 164
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Non-current liabilities

Deferred tax	243 235	-	243 235
Other financial liabilities	82 426	-	82 426

Current liabilities

Other financial liabilities	6 157	-	6 157
Trade and other payables	11 357	471	11 828
Liabilities directly associated with non-current assets classified as held for sale	20 359	-	20 359

Segment liabilities

	363 534	471	364 005
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Statement of financial position – 31

August 2014

Non-current assets

Investment properties	1 412 940	-	1 412 940
Operating lease asset	-	-	-

Current assets			
Inventories	-	87 177	87 177
Trade and other receivables	2 118	-	2 118
Segment assets	1 415 058	87 177	1 502 235
Non-current liabilities			
Deferred tax	227 323	-	227 323
Other financial liabilities	24 568	-	24 568
Current liabilities			
Other financial liabilities	11 001	-	11 001
Trade and other payables	1 821	-	1 821
Segment liabilities	264 713	-	264 713

**RECONCILIATION OF REPORTABLE SEGMENT REVENUE, PROFIT OR LOSS,
ASSETS AND LIABILITIES AND OTHER MATERIAL ITEMS:**

	August 2015 (R'000)	August 2014 (R'000)
Revenues		
Total revenue for reportable segments	27 893	39 589
Profit or loss for reportable segments	9 776	14 294
Other profit or loss	-	-
Unallocated amounts	-	-
Operating expenses	(12 195)	(7 205)
Finance costs	(528)	(442)
Other income	12	340
Interest income	17	4
Gain on bargain purchase	-	283 112
Fair value adjustment	(93 578)	123 823
Profit/(loss) before taxation	<u>(96 496)</u>	<u>413 926</u>
Assets and liabilities not allocated to business segments:		
Assets		
Property, plant and equipment	247	4 461
Deferred tax	681	-
Other financial assets	2 689	-
Other investments	9 342	-
Current tax receivable	172	-
Trade and other receivables	19 175	36 551
Cash and cash equivalents	5 665	1 367
Total unallocated assets	<u>37 971</u>	<u>42 379</u>
Liabilities		
Shareholder loan	-	10 700
Guaranteed share obligation	80 356	-
Current tax payable	4 743	-
Trade and other payables	7 127	14 477
Bank overdraft	8 813	778
Total unallocated liabilities	<u>101 039</u>	<u>25 955</u>

By order of the Board

NT Govender

Chief Executive Officer

JF Pretorius

Chief Financial Officer

Monday, 30 November 2015

COMPANY INFORMATION

Freedom Property Fund Limited

(Incorporated in the Republic of South Africa)

(Registration No. 2012/129186/06)

Share code: FDP ISIN: ZAE000185260

("Freedom" or "the Company" or "the Group")

Directors: WS Grobbelaar* (Chairman); NT Govender (Chief Executive Officer);

PD Dexter*; JF Pretorius (Chief Financial Officer); BM Molefi*; SB Rule*; WH

Rule*; WB Stocks* (*Independent Non-executive)

Company Secretary: Statucor Proprietary Limited

Registered Office: 24 Peter Place, Lyme Park, Sandton, 2196

Postal Address: PO Box 752, Cramerview, 2060

Transfer Secretaries: Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street,

Johannesburg 2001 (PO Box 61051, Marshalltown, 2107)

Sponsor: KPMG Serviss Proprietary Limited, KPMG Wanooka Place 1 Albany Road, Parktown, 2193