

OASIS CRESCENT



PROPERTY FUND

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OASIS CRESCENT



PROPERTY FUND

INTERIM REPORT
2008



Superior returns at lower than market risk



COMMENTARY

1. Basis of preparation and accounting policies

The reviewed interim results of the fund have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standard 34 (IAS 34) and the requirements of the Collective Investment Schemes Control Act of 2002. The non-permissible income is dispensed to the Crescent Fund Trust which is a registered public benefit organisation. The accounting policies are consistent with those applied in the most recent annual financial statements of the fund except for the early adoption of IFRS 8 by the fund as from 01 April 2008.

IFRS 8 replaces IAS 14 – Segment reporting. The new standard requires a “management approach” in terms of which segment information is presented on the same basis as that used for internal reporting purposes. In addition, the segments are reported on in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker. There has been no impact on the measurement of the fund’s assets and liabilities. The management has identified investments as a new segment as a result of the early adoption.

PricewaterhouseCoopers Inc has reviewed the financial information set out in this report. Their unqualified review report is available for inspection at the fund’s registered office.



2. Financial results

	6 months to 30 September 2008	6 months to 30 September 2007	12 months to 31 March 2008
Distribution per unit including non-permissible income (cents)	54.8	50.0	101.6
Non-permissible rental income per unit (cents)	-	(1.6)	(4.4)
Non-permissible investment income per unit (cents)	(3.5)	(3.3)	(6.6)
Distribution per unit excluding non-permissible income (cents)	51.3	45.1	90.6
	As at 30 September 2008	As at 30 September 2007	As at 31 March 2008
Property portfolio valuation (Rm)	323	271	297
Listed investments (Rm)	69	29	45
Cash and cash equivalents (Rm)	45	29	13
Net asset value per unit (cents)	1,282	1,163	1,254
Listed market price (cents)	1,120	1,233	1,200



Distribution per unit including non-permissible income increased by 10% from 50.0 cents to 54.8 cents per unit, in line with average rental escalations. Distribution per unit excluding non-permissible income increased by 14% from 45.1 cents to 51.3 cents.

During the current reporting period the fund issued 5.78 million units (5 million for cash and 0.78 million units in lieu of distribution) at an issue price of 1,200 cents per unit, raising R69.3 million. The funds raised are being invested in suitable investments and for ongoing capital expenditure.

The industrial portfolio is fully let. The Moorsom Avenue and Sacks Circle properties were successfully let at rentals that are higher than the current rentals by 60% and 51% respectively.

The Ridge@Shallcross Shopping Centre's footfall is up by 3.5% and 4% for the year to September 2008 and 6 months to September 2008 respectively. Year to date turnover number is up 20.4% with the nationals growing strongly.

The fund is in a strong position, with 16% of the capital invested offshore. It is in a net cash position of R45 million, ideally positioned to take advantage of any opportunities.

Related party transactions and balances

Identity of the related parties with whom material transactions have occurred

Oasis Crescent Property Fund Managers Limited is the management company of the fund in terms of the Collective Investment Schemes Control Act.

Eden Court Property Fund (Pty) Limited is the entity that owns property that is not Shari'ah compliant. Expenses are paid and recovered by Oasis Crescent Property Fund Managers Limited on behalf of Eden Court Property Fund (Pty) Limited.

Oasis Group Holdings (Pty) Limited is a tenant at The Ridge@Shallcross Shopping Center in Durban.



As disclosed in the prospectus of Oasis Crescent Global Property Equity Fund (CGPEF) a management fee net of service fee rebate is charged for investing in CGPEF by Oasis Global Management Company (Ireland) Limited, the manager of the fund.

Transactions with related parties are executed on terms no less favourable than those arranged with third parties. There are common directors to Oasis Crescent Property Fund Managers Limited, Eden Court Property Fund (Pty) Limited, Oasis Group Holdings (Pty) Limited, Oasis Global Management Company (Ireland) Limited and Oasis Crescent Global Income Fund.

Type of related party transactions

The fund pays a service charge and a property management fee on a monthly basis to Oasis Crescent Property Fund Managers Limited.

	6 months to 30 September 2008	6 months to 30 September 2007	12 months to 31 March 2008
Related party transactions	R'000	R'000	R'000
Service charge paid to Oasis Crescent Property Fund Managers Limited	784	744	1,571
Property management fees paid to Oasis Crescent Property Fund Managers Limited	367	337	686
Expense recoveries from Eden Court Property Fund (Pty) Limited	504	477	999
Rental, related income and deposit paid by Oasis Group Holdings (Pty) Limited	196	185	322
Service fee rebate received from Oasis Crescent Global Property Equity Fund	113	-	87
Total	1,964	1,743	3,665



	As at 30 Sep- tember 2008	As at 30 Sep- tember 2007	As at 31 March 2008
Related party balances	R'000	R'000	R'000
Trade receivables from Eden Court Property Fund (Pty) Limited	633	185	123
Trade payables to Oasis Group Holdings (Pty) Limited	44	6	38
Trade payables to Oasis Crescent Property Fund Managers Limited	211	216	225

Sectorial profile based on net operating revenue*	30 September 2008	30 September 2007	31 March 2008
Retail	32%	48%	42%
Office	15%	16%	16%
Industrial	36%	36%	37%
Investments	17%	0%	5%
Total	100%	100%	100%

*Net operating revenue represents gross rentals, investment income less directly attributable costs

Vacancies based on rent-able area	30 September 2008	30 September 2007	31 March 2008
Retail	8%	7 %	6%
Office	0%	0%	0%
Industrial	0%	0%	0%



As at 30 September 2008 the vacancy at the portfolio level is 1.5% (September 2007: 1.25%). At The Ridge@Shallcross 1,081m² (September 2007: 1,096 m²) was vacant resulting from the initiative to improve the tenant mix and consolidate space for the larger stores. An ongoing programme is in place to ensure that vacant space is filled with the appropriate tenants.

Outlook

Strong demand, combined with supply constraints, increasing replacement cost and land cost continue to provide a positive outlook for rental growth. Going forward, the outlook for the fund is to continue to deliver distribution growth in line with the average rental escalations and growth in distribution from offshore investments subject to any dilutions as disclosed in the annual report for the year to March 2008.

Distribution announcement

Notice is hereby given that an income distribution, after non-permissible income in respect of the previous 6 month period of 51.3 cents per unit (in aggregate) has been declared payable to unitholders recorded in the register of OCPF at close of business on Friday, 21 November 2008, and the concomitant unit distribution of 4.579 units at 1,120 cents per unit (in aggregate) for every 100 units so held, which such unitholders may elect to receive in lieu of the aforementioned income distribution, and which income distribution comprises of the following four payments, namely:

	Income Category	Cents per unit	Scrip election (per 100 units)
(i)	Property income	42.4	3.78
(ii)	Offshore dividend income	6.9	0.61
(iii)	Offshore permissible investment income	0.2	0.03
(iv)	Domestic permissible investment income	1.8	0.16
	Total	51.3	4.58

[(i) – (iv) collectively referred to as the “income distribution” and / or the “unit distribution” as the case may be.]

Unitholders should take note of the corporate action timetable as set out below in respect of the above income and unit distribution and the election in terms thereof.



SALIENT DATES AND TIMES	
Declaration announcement on SENS of income distribution and right of election to receive unit distribution	Tuesday, 28 October 2008
Circular and form of election posted to unitholders	Friday, 7 November 2008
Finalisation announcement on SENS in respect of income distribution and right of election to receive unit distribution	Friday, 7 November 2008
Last day to trade in order to be eligible for the income distribution / unit distribution	Friday, 14 November 2008
Trading commences ex-entitlement	Monday, 17 November 2008
Listing of maximum possible number of unit distribution units at commencement of trade on	Monday, 17 November 2008
Closing date for the election of unit distribution or script issue at 12:00	Friday, 21 November 2008
Record date for income distribution	Friday, 21 November 2008
Income distribution cheques and/or unit certificates posted and CSDP/broker accounts updated	Monday, 24 November 2008
Announcement of the results of the income distribution on SENS	Monday, 24 November 2008
Adjustment of number of new units listed on or about	Wednesday, 26 November 2008



Note:

1. Units may not be dematerialised or rematerialised between 17 November 2008 to 21 November 2008 both dates inclusive.
2. The above dates and times may be subject to change. Any changes will be released on SENS.
3. All times quoted are South African times.
4. Dematerialised unitholders are requested to ascertain from their broker or CSDP as to the cut-off time required by them in order to advise the transfer secretaries of their election.
5. If no election is made, unitholders will receive the cash distribution.

A circular will be posted out to unitholders on or about 7 November 2008 in respect of the income and unit distribution.

Others

Mr Haroon Jeena, a non-executive director of Oasis Crescent Property Fund Managers Limited (OCPFM), has resigned as a non-executive director of the OCPFM with effect from 9 October 2008. This decision was taken by Haroon as a result of other business commitments impacting on the time that he is able to devote to his duties as a director of OCPFM. The board wishes to thank Haroon for his contribution and wishes him well for the future.

By order of the Board
Cape Town
28 October 2008

OASIS CRESCENT PROPERTY FUND CONDENSED INCOME STATEMENT
for the 6 months ended 30 September 2008

	Reviewed 6 months to 30 September 2008	Reviewed 6 months to 30 September 2007	Audited 12 months to 31 March 2008
	R'000	R'000	R'000
Revenue	23,656	19,971	42,157
Rental and related income	20,120	18,402	38,073
Income from investments	2,808	-	1,285
Straight lining of lease income	728	1,569	2,799
Expenses	7,929	7,198	15,093
Property expenses	6,781	5,963	12,702
Service charges	784	744	1,571
Other operating expenses	364	491	820
Net income from rental operations	15,727	12,773	27,064
Fair value adjustment to investment properties excluding straight lining of lease income	24,824	(1,569)	21,359
Fair value adjustment to investment properties	25,552	-	24,158
Straight lining of lease income	(728)	(1,569)	(2,799)
Operating profit for the period	40,551	11,204	48,423
Net non-permissible investment income	1,035	790	1,669
Non-permissible investment income received	1,041	790	1,681
Interest paid	(6)	-	(12)
Net profit for the period	41,586	11,994	50,092

OASIS CRESCENT PROPERTY FUND CONDENSED INCOME STATEMENT
for the 6 months ended 30 September 2008

	Reviewed 6 months to 30 September 2008	Reviewed 6 months to 30 September 2007	Audited 12 months to 31 March 2008
	R'000	R'000	R'000
Basic earnings per unit including non-permissible income (cents)	142.3	50.0	196.2
Headline earnings per unit including non-permissible income (cents)	57.3	56.5	112.6
Distribution per unit including non-permissible income (cents)	54.8	50.0	101.6
Distribution per unit excluding non-permissible income (cents)	51.3	45.1	90.6
Weighted average units in issue	29,233,153	23,995,000	25,525,000
Units in issue	32,828,290	27,055,000	27,055,000
Headline earnings and distribution income reconciliation			
Net profit for the period	41,586	11,994	50,092
Adjusted for:			
Fair value change to investment properties	(24,824)	1,569	(21,359)
Headline earnings	16,762	13,563	28,733
Less: Straight line lease accrual	(728)	(1,569)	(2,799)
Distribution income including non-permissible income	16,034	11,994	25,934
Non-permissible rental income	-	(382)	(1,128)
Non-permissible investment income	(1,041)	(790)	(1,681)
Distribution excluding non-permissible income	14,993	10,822	23,125
Interim distribution per unit (cents)	51.3	45.1	45.1
Final distribution per unit (cents)	-	-	45.5

OASIS CRESCENT PROPERTY FUND CONDENSED BALANCE SHEET
as at 30 September 2008

	Reviewed 30 September 2008	Reviewed 30 September 2007	Audited as at 31 March 2008
	R'000	R'000	R'000
ASSETS			
Non-current assets	391,838	300,022	342,087
Investment properties	316,449	266,578	291,263
Straight-line lease accrual	6,565	4,607	5,837
Available-for-sale financial assets	68,824	28,837	44,987
Current assets	51,199	30,755	15,635
Trade receivables	4,998	705	2,337
Other receivables	433	626	536
Trade receivables from related parties	633	185	123
Cash and cash equivalents	45,135	29,239	12,639
Total assets	443,037	330,777	357,722

OASIS CRESCENT PROPERTY FUND CONDENSED BALANCE SHEET
as at 30 September 2008

	Reviewed 30 September 2008 R'000	Reviewed 30 September 2007 R'000	Audited as at 31 March 2008 R'000
UNITHOLDERS' FUNDS AND LIABILITIES			
Unitholders' funds	420,992	314,671	339,298
Capital of the fund	348,889	282,710	281,629
Non-distributable reserve	81,149	31,439	55,597
Available-for-sale reserve	(9,046)	522	2,072
Current liabilities	22,045	16,106	18,424
Trade payables	2,666	2,257	2,571
Provisions	1,081	181	257
Other payables	840	997	1,122
Trade payables to related parties	255	222	263
Unitholders for distribution	17,042	11,277	12,574
Non-permissible income available for dispensation	161	1,172	1,637
Total unitholders' funds and liabilities	443,037	330,777	357,722
NAV (per unit)	1,282 cents	1,163 cents	1,254 cents

OASIS CRESCENT PROPERTY FUND
 CONDENSED STATEMENT OF CHANGES IN UNITHOLDERS FUNDS
 for the 6 months ended 30 September 2008

	Capital of the fund	Non-dis- tributable reserve	Available- for-sale reserve	Retained income	Total
	R'000	R'000	R'000	R'000	R'000
Balance at 1 April 2007	233,711	31,439	-	-	265,150
Issue of units	49,980	-	-	-	49,980
Fair value gain on available-for-sale financial assets	-	-	522	-	522
Distribution received in advance	(981)	-	-	-	(981)
Net profit for the period ended 30 September 2007	-	-	-	11,994	11,994
Distribution to unitholders	-	-	-	(10,822)	(10,822)
Dispensation of non-permissible income	-	-	-	(1,172)	(1,172)
Balance at 30 September 2007	282,710	31,439	522	-	314,671
Issue of units	-	-	-	-	-
Transaction costs for issue of new units	(34)	-	-	-	(34)
Fair value gain on available-for-sale financial assets	-	-	1,550	-	1,550
Distribution received in advance	(1,047)	-	-	1,386	339
Transfer to non-distributable reserve	-	24,158	-	(24,158)	-
Net profit for the period ended 31 March 2008	-	-	-	38,098	38,098
Distribution to unitholders	-	-	-	(13,689)	(13,689)
Dispensation of non-permissible income	-	-	-	(1,637)	(1,637)
Balance at 1 April 2008	281,629	55,597	2,072	-	339,298

OASIS CRESCENT PROPERTY FUND
 CONDENSED STATEMENT OF CHANGES IN UNITHOLDERS FUNDS
 for the 6 months ended 30 September 2008

	Capital of the fund	Non-dis- tributable reserve	Available- for-sale reserve	Retained income	Total
	R'000	R'000	R'000	R'000	R'000
Issue of units	69,279	-	-	-	69,279
Transaction costs for issue of new units	(174)	-	-	-	(174)
Fair value loss on available-for- sale financial assets	-	-	(11,118)	-	(11,118)
Distribution received in advance	(1,845)	-	-	1,845	-
Transfer to non-distributable reserve	-	25,552	-	(25,552)	-
Net profit for the period ended 30 September 2008	-	-	-	41,586	41,586
Distribution to unitholders	-	-	-	(16,838)	(16,838)
Dispensation of non-permissible income	-	-	-	(1,041)	(1,041)
Balance at 30 September 2008	348,889	81,149	(9,046)	-	420,992



OASIS CRESCENT PROPERTY FUND CONDENSED CASH FLOW STATEMENT for the 6 months ended 30 September 2008

	Reviewed 6 months to 30 September 2008 R'000	Reviewed 6 months to 30 September 2007 R'000	Audited 12 months to 31 March 2008 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period	41,586	11,994	50,092
Adjusted for:			
Non-permissible investment income	(1,041)	(790)	(1,681)
Interest paid	6	-	12
Bad debt provision	341	80	132
Straight line lease accrual	(728)	(1,569)	(2,799)
Fair value adjustment to investment properties excluding straight lining of lease income	(24,824)	1,569	(21,359)
	15,340	11,284	24,397
(Increase)/decrease in current assets			
Trade receivables	(3,002)	1,647	(36)
Other receivables	103	(301)	(212)
Trade receivables from related party	(510)	(122)	(60)
Increase/(decrease) in current liabilities			
Trade payables	95	(144)	171
Provisions	824	76	152
Other payables	(282)	(445)	(320)
Trade payables to related parties	(8)	31	72
Cash generated from operations	12,560	12,026	24,164

OASIS CRESCENT PROPERTY FUND CONDENSED CASH FLOW STATEMENT
for the 6 months ended 30 September 2008

	Reviewed 6 months to 30 September 2008	Reviewed 6 months to 30 September 2007	Audited 12 months to 31 March 2008
	R'000	R'000	R'000
Interest paid	(6)	-	(12)
Non-permissible investment income	1,041	790	1,681
Unitholders distribution	(3,091)	(11,422)	(23,478)
Non permissible income dispensed	(2,517)	(1,072)	(2,243)
Net cash inflow from operating activities	7,987	322	112
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of available-for-sale financial assets	(34,955)	(28,315)	(42,915)
Acquisition of investment properties	(362)	(6,995)	(8,752)
Net cash flow from investing activities	(35,317)	(35,310)	(51,667)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of units	60,000	49,979	49,980
Transaction cost on issue on new units	(174)	-	(34)
Net cash flow from financing activities	59,826	49,979	49,946
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS	32,496	14,991	(1,609)
CASH AND CASH EQUIVALENTS			
At beginning of period	12,639	14,248	14,248
At end of period	45,135	29,239	12,639

OASIS CRESCENT PROPERTY FUND SEGMENTAL INFORMATION
for the 6 months ended 30 September 2008

	Retail	Offices	Indus- trial	Invest- ments	Corpo- rate	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Segment revenue						
Property income						
Rental and related income	10,136	3,416	6,568	-	-	20,120
Straight lining of lease income	473	(1)	256	-	-	728
Income from investment						
Dividend income offshore	-	-	-	2,165	-	2,165
Permissible investment income offshore	-	-	-	70	-	70
Permissible investment income domestic	-	-	-	573	-	573
	10,609	3,415	6,824	2,808	-	23,656
Segment expense						
Property expenses	4,878	926	977	-	-	6,781
Service charges	-	-	-	-	784	784
Other operating expenses	-	-	-	-	364	364
	4,878	926	977	-	1,148	7,929
Fair value adjustment to investment properties excluding straight lining of lease income	16,346	1	8,477	-	-	24,824
Segment result						
Operating profit	22,077	2,490	14,324	2,808	(1,148)	40,551

OASIS CRESCENT PROPERTY FUND SEGMENTAL INFORMATION
for the 6 months ended 30 September 2008

	Retail R'000	Offices R'000	Indus- trial R'000	Invest- ments R'000	Corpo- rate R'000	Total R'000
Net finance income						
Non-permissible investment income	-	-	-	1,035	-	1,035
Net profit	22,077	2,490	14,324	3,843	(1,148)	41,586
Segment assets						
Investment properties	145,395	50,034	121,020	-	-	316,449
Straight-line lease accrual	2,623	1,045	2,897	-	-	6,565
Available-for-sale financial assets	-	-	-	68,824	-	68,824
Trade receivables	1,933	160	139	2,612	154	4,998
Other receivables	164	43	220	-	6	433
Trade receivables from related parties	633	-	-	-	-	633
Cash and cash equivalents	-	-	-	45,135	-	45,135
	150,748	51,282	124,276	116,571	160	443,037
Segment liabilities						
Trade payables	1,984	228	437	-	17	2,666
Provisions	791	-	-	-	290	1,081
Other payables	374	28	86	-	352	840
Trade payables to related parties	105	8	40	-	102	255
Unitholders for distribution	-	-	-	-	17,042	17,042
Non-permissible income available for dispensation	-	-	-	-	161	161
	3,254	264	563	-	17,964	22,045

OASIS CRESCENT PROPERTY FUND SEGMENTAL INFORMATION
for the 6 months ended 30 September 2008

	Retail	Offices	Indus- trial	Invest- ments	Corpo- rate	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Segment revenue						
Property income						
Rental and related income	9,942	3,303	5,157	-	-	18,402
Straight lining of lease income	1,243	234	92	-	-	1,569
	11,185	3,537	5,249	-	-	19,971
Segment expense						
Property expenses	3,990	1,250	723	-	-	5,963
Service charges	-	-	-	-	744	744
Other operating expenses	-	-	-	-	491	491
	3,990	1,250	723	-	1,235	7,198
Fair value adjustment to invest- ment properties excluding straight lining of lease income	(1,243)	(234)	(92)	-	-	(1,569)
Segment result						
Operating profit	5,952	2,053	4,434	-	(1,235)	11,204
Net finance income						
Non-permissible investment income	-	-	-	790	-	790
Net profit	5,952	2,053	4,434	790	(1,235)	11,994

OASIS CRESCENT PROPERTY FUND SEGMENTAL INFORMATION
for the 6 months ended 30 September 2008

	Retail	Offices	Indus- trial	Invest- ments	Corpo- rate	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Segment assets						
Investment properties	135,239	37,892	93,447	-	-	266,578
Straight-line lease accrual	1,732	1,198	1,677	-	-	4,607
Available-for-sale financial assets	-	-	-	28,837	-	28,837
Trade receivables	502	-	193	-	10	705
Other receivables	186	43	391	-	6	626
Trade receivables from related parties	185	-	-	-	-	185
Cash and cash equivalents	-	-	-	29,239	-	29,239
	<u>137,844</u>	<u>39,133</u>	<u>95,708</u>	<u>58,076</u>	<u>16</u>	<u>330,777</u>
Segment liabilities						
Trade payables	1,119	96	930	-	112	2,257
Provisions	-	-	-	-	181	181
Other payables	374	42	80	-	501	997
Trade payables to related parties	148	74	-	-	-	222
Unitholders for distribution	-	-	-	-	11,277	11,277
Non-permissible income available for dispensation	-	-	-	-	1,172	1,172
	<u>1,641</u>	<u>212</u>	<u>1,010</u>	<u>-</u>	<u>13,243</u>	<u>16,106</u>

