

CONDENSED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009

Notes	Unaudited	Unaudited	Audited
	30 June 2009	30 June 2008	31 Dec 2008
	R'm	R'm	R'm
ASSETS			
Current assets			
Investments	3 1 005.7	1 106.0	1 224.8
Income receivables and unsettled sales	23.1	6.3	26.3
Cash and deposits	528.8	414.3	388.6
Total assets	1 557.6	1 526.6	1 639.7
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital	21.5	17.1	17.6
Accumulated profits	0.1	0.1	0.1
	21.4	17.0	17.5
Non-current liabilities			
Unsecured debentures	955.8	1 024.8	952.8
Deferred taxation	4 955.1	1 017.0	950.7
	0.7	7.8	2.1
Current liabilities			
Accounts payable	580.3	484.7	669.3
Taxation	2.2	2.0	2.1
Short investment positions	1.7	4.5	3.5
Unsettled purchases	519.7	428.3	579.0
Debt interest payable	1.5	-	4.8
	55.2	49.9	79.9
Total equity and liabilities	1 557.6	1 526.6	1 639.7
Number of debentures in issue	141 575 823	138 635 118	138 730 846
Number of ordinary shares in issue	8 800 070	8 800 070	8 800 070
	Cents	Cents	Cents
Net attributable asset value per debenture (cum interest)	713.6	769.6	742.9
Net attributable asset value per debenture (ex interest)	674.6	733.6	685.3
Net attributable asset value per ordinary share	244.3	194.3	200.0

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Notes	Unaudited	Unaudited	Audited
	6 months to 30 June 2009	6 months to 30 June 2008	Year ended 31 Dec 2008
	R'm	R'm	R'm
Investment income	72.8	30.9	129.4
Realised trading (losses) profits	(0.5)	35.6	26.6
Operating expenditure	(6.2)	(5.7)	(11.9)
Net distributable profit	66.1	60.8	144.1
Capital profits on sale of investments	4.1	13.0	13.1
Revaluation of investments	(25.8)	(24.7)	(98.8)
Net portfolio income before debenture interest	44.4	49.1	58.4
Debt interest	(55.2)	(49.9)	(129.8)
Revaluation of debentures	4 15.0	(0.5)	66.5
Profit (loss) before taxation	4.2	(1.3)	(4.9)
Taxation (expense) credit	5 (0.3)	4.8	8.9
Profit for the period	3.9	3.5	4.0
	Cents	Cents	Cents
Debt interest per debenture (weighted)	39.0	36.0	93.8
Earnings per debenture	28.5	36.4	45.7
Earnings per ordinary share	44.3	39.8	45.5

CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Ordinary share capital	Accumulated profits	Total
	R'm	R'm	R'm
Balance at 1 January 2008 (audited)	0.1	13.5	13.6
Profit for the year	-	4.0	4.0
Balance at 31 Dec 2008 (audited)	0.1	17.5	17.6
Profit for the period	-	3.9	3.9
Balance at 30 June 2009 (unaudited)	0.1	21.4	21.5
Balance at 1 January 2008 (audited)	0.1	13.5	13.6
Profit for the period	-	3.5	3.5
Balance at 30 June 2008 (unaudited)	0.1	17.0	17.1

CONDENSED STATEMENT OF CASH FLOWS

	Unaudited	Unaudited	Audited
	6 months to 30 June 2009	6 months to 30 June 2008	Year ended 31 Dec 2008
	R'm	R'm	R'm
Net cash inflow from operating activities	204.2	252.0	278.1
Interest and taxation paid	(83.4)	(59.3)	(111.8)
Net cash received from issue of debentures	19.4	17.8	18.5
Net increase in cash resources	140.2	210.5	184.8
Cash resources at beginning of period	388.6	203.8	203.8
Cash resources at end of period	528.8	414.3	388.6

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of preparation and significant accounting policies

The condensed financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. The condensed financial statements have been prepared under the historical cost convention, except for the revaluation of financial instruments.

The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in the preparation of the company's financial statements for the year ended 31 December 2008. During the period, the company adopted IAS 1 *Presentation of Financial Statements*, which is effective for annual periods commencing 1 January 2009.

2. Operating segments

The company has one principal operating segment and accordingly additional segmental disclosures have not been made.

3. Investments

Investments comprise listed and unlisted securities managed to achieve a total return which over the long-term exceeds the investment objective. In managing the investment portfolio, securities may be held for trading within twelve months or may be realised over longer periods as deemed appropriate by the manager.

4. Unsecured debentures

	Unaudited	Unaudited	Audited
	30 June 2009	30 June 2008	31 Dec 2008
	R'm	R'm	R'm
Unsecured debentures comprise			
Debt capital at issue price	960.0	939.9	940.6
Cumulative revaluation of debentures	(4.9)	77.1	10.1
Fair value of debentures	955.1	1 017.0	950.7
Reconciliation of balance			
Balance at beginning of period	950.7	998.7	998.7
Net proceeds on issue of debentures	19.4	17.8	18.5
Revaluation - current period	(15.0)	0.5	(66.5)
Balance at end of period	955.1	1 017.0	950.7
Revaluation of debentures			
Net portfolio income before debt interest	44.4	49.1	58.4
90% allocation to debenture holders	40.0	44.2	52.6
Add: proportionate share of deferred taxation credit	0.2	6.2	10.7
Less: interest distribution for the period	(55.2)	(49.9)	(129.8)
Revaluation - current period	(15.0)	0.5	(66.5)
5. Taxation			
Current taxation - current period	1.7	3.2	4.8
Deferred taxation - current period	(1.4)	(8.0)	(13.7)
Net charge (credit) to income statement	0.3	(4.8)	(8.9)

These results have not been reviewed by the company's auditors, Deloitte & Touche.

RESULTS FOR THE 6 MONTHS ENDED 30 JUNE 2009

The board is pleased to announce an 8% increase in the interim interest distribution to debenture holders of 39 cents per debenture (30 June 2008: 36 cents). This distribution yields an income return per debenture of 5.7% for the half year. Net distributable profit increased 9% to R66 million. Investment income for the period more than doubled, driven by the receipt of some special dividends and a substantial increase in interest income due to higher average cash levels and investment in corporate debt at high yields. These increases offset a decline in realised trading profits. Net portfolio income after capital profits and investment revaluation was R44 million (30 June 2008: R49 million).

The total debenture capital value increased slightly over the six months from R951 million to R955 million, while the net attributable asset value (NAAV) per debenture decreased marginally to 675 cents (31 December 2008: 685 cents).

Debentures earned the following returns for the period:

	Unaudited	Unaudited	Audited
	6 months to 30 June 2009	6 months to 30 June 2008	Year to 31 Dec 2008
Income	5.7%	4.9%	12.8%
Capital	- 1.6%	0.1%	- 6.5%
Total return *	4.1%	5.0%	6.3%
Benchmark (CPI + 10% per annum)	** 7.6%	12.4%	19.5%

* Calculated with reference to monthly net attributable asset values per debenture

** Lagged one month

It is disappointing that the return achieved continues to fall below the portfolio's own benchmark and investment objective of SA CPI + 10%. However, under the prevailing circumstances, it is gratifying that there is income growth greater than inflation and the income yield remains attractively high on an investment which continues to outperform the JSE All Share Index.

The Board has reviewed the company's investment objective and benchmark of SA CPI + 10% and re-affirms its belief that it is an appropriate objective for the longer term.

COMMENTARY

The first half of 2009 saw most equity markets continue their bear trend (established in 2007/08) until March 2009. Since then, a sharp upward rally has been in progress, resulting in some impressive growth for the six months. Emerging markets grew an average of 36% in USD, while the World Equity Index was up only 7% for the period. Global bond yields continued to rise, while interest rates fell or remained at record-low levels. Property prices declined further. There were some strong price gains in the commodities complex. All these price moves were against a backdrop of a world in economic recession, consequential high and rising unemployment and of massive economic stimulus packages. The rand appreciated 24% against the US dollar over the half year.

The investment portfolio has benefited from its diversified asset allocation strategy in that all asset sectors contributed positively to the portfolio return for the six month period. Equities and SA fixed interest, in particular, did well contributing 4% each to the total return. The strong rand offset a positive USD return from foreign assets to yield a -3% contribution.

The current asset allocation at effective economic exposures is set out below:

	Domestic		Foreign		Total	
	June 2009	Dec 2008	June 2009	Dec 2008	June 2009	Dec 2008
Equities	27%	39%	16%	23%	43%	62%
Listed property	11%	6%	0%	0%	11%	6%
Government bonds	- 47%	- 50%	0%	0%	- 47%	- 50%
Corporate debt	4%	5%	13%	10%	17%	15%
Commodities	0%	0%	2%	2%	2%	2%
Cash and money market	60%	57%	14%	8%	74%	65%
	55%	57%	45%	43%	100%	100%

Equity exposure has been reduced over the last six months. The proceeds have been applied to increasing the listed property position with the balance remaining in cash.

The asset allocation strategy continues to reflect the uncertainty of the future with a broad spread of asset classes across a number of geographies. We remain cautious on equity and government bond investments and retain high levels of cash, both as protection and to take advantage of opportunities which may arise.

INTEREST PAYMENT AND ELECTION

Notice is hereby given that a debenture interest payment (number 44) of 39 cents per debenture in respect of the six months ended 30 June 2009 is payable to debenture holders recorded in the debenture register of the company on the record date. In compliance with the Listings Requirements, the following dates are applicable:

Last date to trade	Thursday, 6 August 2009
Debentures trade ex-interest	Friday, 7 August 2009
Record date	Friday, 14 August 2009
Payment date	Monday, 17 August 2009

IMPORTANT: ELECTION TO RECEIVE DEBENTURES IN LIEU OF A CASH INTEREST PAYMENT

As provided for in section 6.4 of the Debenture Trust Deed, the board has resolved that **debenture holders recorded in the debenture register at the close of business on the record date may elect to receive new fully paid Foord Compass Limited Variable Rate debentures in lieu of a cash interest payment ("the debentures")**. The motivation for this decision is to retain cash and build capital for debenture holders. The tax implications of the settlement of the debenture interest payment by the issue of debentures or by the payment of cash should be the same. However, debenture holders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

Certificated debenture holders who wish to elect to receive debentures in respect of all or a part of their interest entitlement, must complete the Form of Election (mailed under separate cover) in accordance with the instructions therein and return such election form to the company's transfer secretaries to be received by no later than 12:00 on the record date, being Friday, 14 August 2009. Dematerialised debenture holders who wish to elect to receive debentures in respect of all or a part of their interest entitlement must, in terms of the agreement between themselves and their Central Securities Depository Participant ("CSDP") or broker, instruct their CSDP or broker accordingly.

If the election to receive debentures is not made by dematerialised debenture holders by the cut-off time stipulated by their CSDP or broker, or by 12:00 on Friday, 14 August 2009 in the case of certificated debenture holders, debenture holders will be deemed to have elected to receive a cash interest payment. As indicated above, the last day to trade in the company's debentures on the JSE to ensure that a purchaser appears as an owner on the record date will be Thursday, 6 August 2009. The number of debentures to be issued ("the ratio") will be determined with reference to the ex-interest net attributable asset value per debenture as at 30 June 2009 of 674.6 cents. Accordingly, the ratio is 5.781 interest debentures for each 100 debentures held on the record date. Only rounded numbers of interest debentures will be issued based on conventional rounding principles. No fractions will be paid. The right to receive debentures may not be traded on the JSE.

Subject to JSE approval of the debenture election, application will be made to the JSE Limited for a listing of the maximum number of debentures to be issued with effect from the commencement of business on Monday, 17 August 2009. An adjustment to the number of debentures listed will be made on or about Tuesday, 18 August 2009 in accordance with the actual number of debentures issued having regard to the elections made.

Cheques and/or new debenture certificates will be posted by registered post to certificated debenture holders and the safe custody accounts updated and/or credited by CSDPs or brokers of dematerialised debenture holders on or about Monday, 17 August 2009.

Signed on behalf of the board

MO HODGES
20 July 2009

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'In the middle of difficulty lies opportunity.'

Albert Einstein

