



ACUCAP

AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2007

Annual distributions up 13.5%
Property portfolio value up from R2.4 billion to R2.9 billion
Net asset value up by 13.2% from R21.67 to R24.53

ACUCAP PROPERTIES LIMITED

(Incorporated in the Republic of South Africa) (Registration number 2001/021725/06)
Share code: ACP | ISIN: ZAE000037651 ("Acucap" or "the company")

1 BALANCE SHEET AT 31 MARCH 2007

	2007	2006
	R'000	Restated R'000
ASSETS		
Property assets	2 883 409	2 369 706
Investment properties	2 726 424	2 303 302
Long term receivable	64 909	60 961
Short term receivable	6 323	3 152
Investment properties and related receivables	2 797 656	2 367 415
Investment properties under development	85 425	-
Other property assets	328	2 291
Non-current assets	579 514	94 095
Loans in respect of unit purchase scheme	159 290	93 284
Equipment	540	452
Listed investments	412 619	-
Financial instruments	7 065	-
Deferred tax assets	-	359
Current assets	41 440	18 059
Trade and other receivables	35 665	17 377
Cash and cash equivalents	5 775	682
Total assets	3 504 363	2 481 860
EQUITY AND LIABILITIES		
Shareholders' interest	1 300 725	801 231
Share capital and share premium	442 257	86 712
Non-distributable reserve	959 239	742 125
Accumulated loss	(100 771)	(27 606)
Non-current liabilities	2 088 324	1 593 427
Debentures	934 740	685 203
Financial liabilities	784 710	651 936
BEE instrument	70 577	-
Financial instruments	-	3 496
Deferred tax liabilities	298 297	252 792
Current liabilities	115 314	87 202
Trade and other payables	23 000	14 135
Financial liabilities	-	10 000
Tax payable	-	2 506
Debenture interest payable	92 314	60 561
Total equity and liabilities	3 504 363	2 481 860

6 COMMENTS

1. REVIEW OF RESULTS AND OPERATIONS

The South African commercial property market produced another strong performance in the year to December 2006 with a total return of 26.7% as reported by the IPD South Africa Property Index. This is marginally down from last year's total return of 30.1%, but still the second best performance from this asset class in the last decade. For the third year in succession, capital growth has been the main component of the total return on all property surveyed by IPD, not only for commercial property as a whole, but for each of the sectors surveyed, namely retail, office and industrial.

Underpinned by strong property fundamentals and the prospects of continued rental growth, the SAPY listed property index has continued to surge ahead, helped by historically low inflation, low interest rates, and higher risk tolerance amongst investors with surplus liquidity to invest.

Unit holders in Acucap have benefited from these positive conditions, with a total return for the year to March 2007 of just over 23%. Distributions for the year increased by 13.5% over the prior year, and this was fully attributable to the growth in net rental income, since Acucap does not include any fee income, development profits, trading profits or capital profits in its distributions. These results are consistent with the guidance that the company has provided to the market during the year.

2. DISTRIBUTION

The Board has approved a final distribution of 98.66 cents per linked unit for the period from 1 October 2006 to 31 March 2007.

3. ACQUISITIONS

3.1 34.99% of Atlas Properties Limited ('Atlas')

During November 2006, Acucap acquired 22,320,644 linked units in Atlas, representing 34.99% of the units in issue. On 2 May 2007, Acucap announced its firm intention to make an offer to acquire all of the Atlas linked units that it does not already own. The relevant documentation will be sent to Acucap and Atlas linked unit holders in early June, and should both groups of unit holders vote in favour of the offer, Atlas will become a wholly-owned subsidiary of Acucap. Over time, the board expects the acquisition of Atlas to enhance growth in distributions to Acucap unit holders as synergies emerge from the complementary property portfolios.

3.2 Industrial Strategy

In March last year, Acucap announced a shift in its industrial strategy towards investment in modern, distribution-orientated industrial parks, offering critical mass in good locations. As part of this strategic shift, the board has resolved to dispose of Acucap's three existing industrial properties, none of which is core to the re-aligned strategy.

Subsequent to the year end, Acucap has entered into agreements to dispose of its City Deep mini units and its Epping Industrial property. The terms of these agreements are as follows:

City Deep Mini Units

<i>Purchaser</i>	Absa Bank Limited as trustee for Capital Property Fund ("Capital")
<i>Description</i>	Erf 160, City Deep Extension 7
<i>Consideration</i>	R46,000,000 (forty six million rand) payable in cash
<i>Carrying value at 31 March 2007</i>	R42,000,000 (forty two million rand)
<i>Effective date</i>	Date of transfer
<i>Effect on distributions</i>	The disposal will enhance distributions by approximately 0.64 cents per linked unit for the year to 31 March 2008
<i>Suspensive conditions</i>	None

Epping Industrial

<i>Purchaser</i>	Blend Property One (Pty) Ltd
<i>Description</i>	Erf 32480, Cape Town
<i>Consideration</i>	R54,000,000 (fifty four million rand) payable in cash
<i>Carrying value at 31 March 2007</i>	R54,000,000 (fifty four million rand)
<i>Effective date</i>	Date of transfer
<i>Effect on distributions</i>	The disposal will enhance distributions by approximately 0.3 cents per linked unit for the year to 31 March 2008
<i>Suspensive conditions</i>	Purchaser confirming finance by end May 2007

4. BORROWINGS

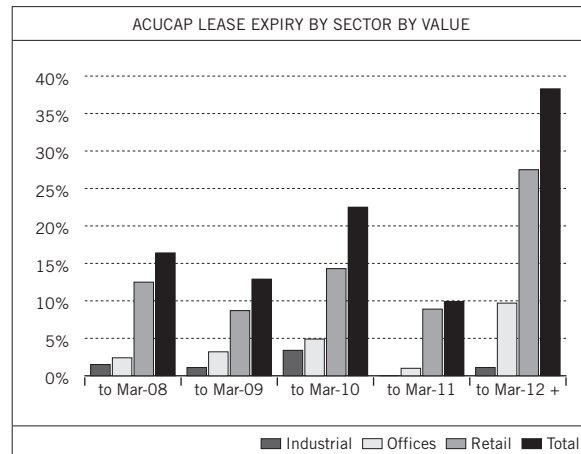
Excluding the loan relating to the BEE transaction, the group achieved an average borrowing cost of 10.24% (2006: 10.67%) for the year. At 31 March 2007, 92.35% (2006: 77%) of borrowings were subject to fixed interest rates, with a weighted average fixed interest rate expiry of approximately 3.6 years (2006: 4 years). The group's borrowing capacity amounts to R1.533 billion (2006: R1.299 billion), being 55% of the valuation of the investment properties. As at 31 March 2007, group facilities amounted to R1.051 billion (2006: R1.001 billion), and facilities utilised at year end amounted to R601 million (2006: R652 million), resulting in a gearing ratio of 22% (2006: 28%).

5. VACANCIES

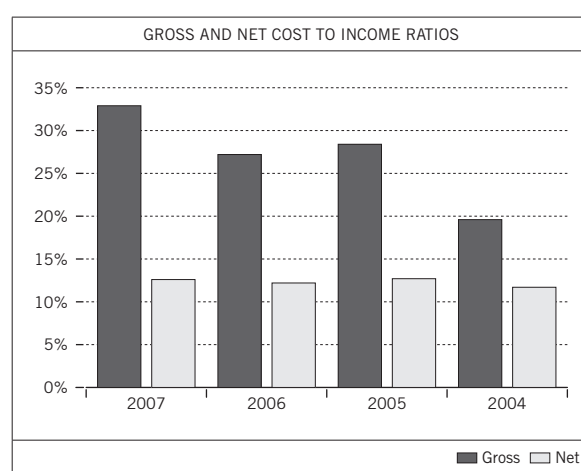
Vacancies amount to 2.8% of the portfolio by gross rental income, and 2.6% by gross lettable area. None of this vacancy is 'hard core' in nature, and most occurs where Acucap is engaged in redevelopment or refurbishment activities on specific properties.

6. LEASE EXPIRY PROFILE

The lease expiry profile reflected below shows an average expiry of 3.7 years, with more than 48% of all leases expiring beyond March 2010.



7. COST TO INCOME



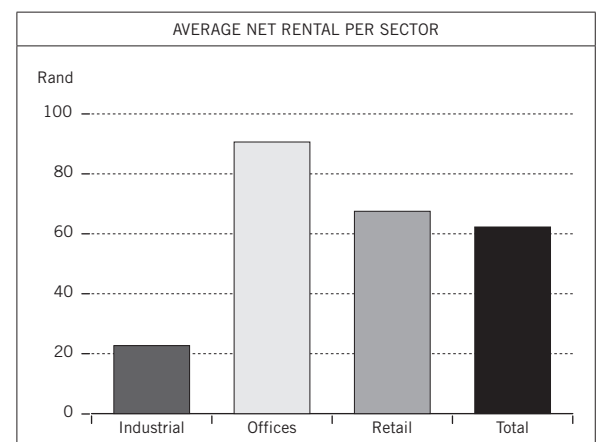
7. COST TO INCOME (continued)

Acucap has been able to sustain a low net cost to income ratio since listing, even with significant changes in the size and composition of the portfolio and the broadening of the asset management team. The company expects to maintain this ratio at below 13% going forward. Gross costs include all such operating costs as are contractually recovered from tenants, whilst these are excluded from the calculation of net costs.

8. PROPERTY PORTFOLIO REVALUATION

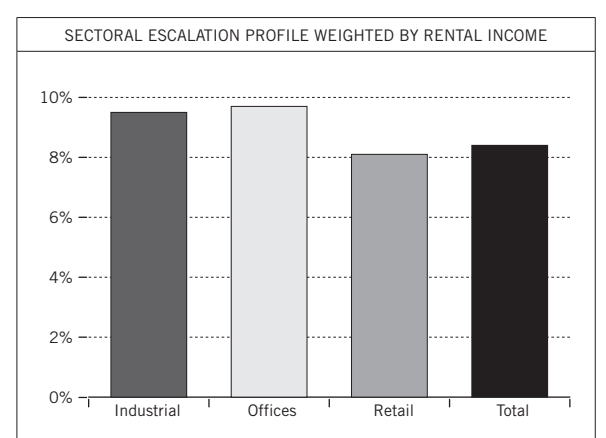
Acucap's entire property portfolio was revalued by its independent valuers at 31 March 2007, using either the capitalisation of net income method, or the discounted cash flow method, or a combination of these where appropriate. Independent peer review valuations were also undertaken for selected properties. The portfolio increased in value from R2.4 billion at the end of March 2006 to R2.9 billion at the end of the current year. The increase in the portfolio value, together with the effects of acquisitions made during the year, resulted in a 13.2% growth in the NAV per linked unit from R21.67 at 31 March 2006 to R24.53 at 31 March 2007.

9. AVERAGE SECTORAL NET RENTALS



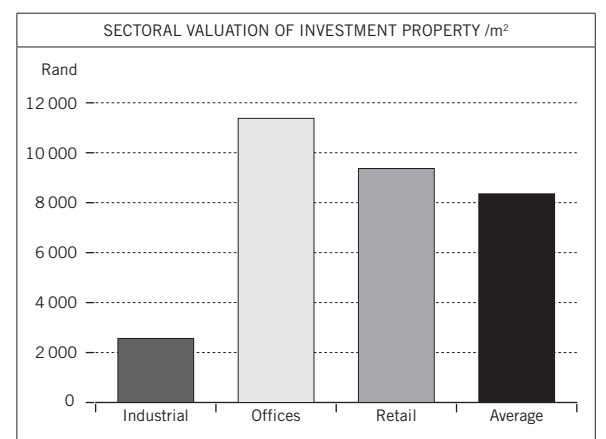
The average net office rental per m² includes income from parking, and the Acucap portfolio has approximately 4 parking bays per 100m² of gross lettable area. Average office rentals are therefore considered to be in line with current market rentals for comparable properties. Retail rentals, however, are considered to be lagging the market, with strong upward reversion potential as leases are re-negotiated on expiry.

10. AVERAGE SECTORAL ESCALATION RATES



Contractual escalation rates are generally considered to be in line with current market escalation rates for comparable properties, and on their own, escalation rate differentials are therefore unlikely to affect the relationship between Acucap's actual through rentals and market rentals going forward.

11. AVERAGE VALUATION PER SQUARE METRE



The average valuation per square metre is significantly below replacement cost across all sectors, and this strengthens the expectation that Acucap's portfolio has the potential for meaningful upward rental reversion as the cost of new developments drives up competing rentals over time.

12. PROSPECTS

The South African economic outlook remains positive for property, with the key driver of economic growth having shifted from consumer to infrastructural spending. An expected GDP growth rate in the order of 5% will continue to ensure firm demand for space across all three commercial sectors.

Going forward, the board expects Acucap to continue showing solid annual distribution growth.

13. PAYMENT OF DEBENTURE INTEREST

Notice is hereby given that a final distribution of 98.66 (ninety eight comma six six) cents per linked unit has been approved in respect of the six month period ended 31 March 2007. The last date to trade the linked units cum distribution is Friday, 1 June 2007 and the record date will be Friday, 8 June 2007. The linked units will start trading ex-distribution from Monday, 4 June 2007. Distributions will be made to unit holders on Monday, 11 June 2007.

Linked unit certificates may not be dematerialised or rematerialised between Monday, 4 June and Friday, 8 June 2007 both days inclusive.

14. BASIS OF PREPARATION AND REVIEW OPINION

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as well as the requirements of the Companies Act in South Africa, and on a basis consistent with the company's most recent annual financial statements.

KPMG Inc. has audited the financial information set out in this report. Their unqualified audit report is available for inspection at the company's registered office.

On behalf of the Board

BS KANTOR (Chairman)
PA THEODOSIOU (Managing Director)
17 May 2007

3 ABRIDGED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

	2007	2006
	R'000	Restated R'000
Revenue	245 107	213 045
- Contractual	237 988	195 695
- Straight lining	7 119	17 350
Net operating expenses	(26 887)	(21 621)
Profit before fair value adjustments, interest and taxation	218 220	191 424
Fair value adjustment to investment properties	177 204	575 705
Fair value adjustment to BEE instrument	(70 577)	-
Profit before interest and taxation	324 847	767 129
Interest received	28 506	7 542
Interest paid		
- debentures	(159 447)	(113 807)
- other	(80 908)	(65 677)
Profit before taxation	112 998	595 187
Taxation	(35 550)	(158 932)
Profit for the year	77 448	436 255
	Cents	Cents
Basic and diluted earnings per share	97.74	646.66
Interest distribution per linked unit		
- interim	91.26	79.03
- final	98.66	88.29
Distribution per linked unit	189.92	167.32

4 EFFECTS OF BEE TRANSACTION

The effect on the group results of the BEE transaction not being accounted for as an issue for value is as follows:

	Amounts as reported	Effect of BEE transaction	Accounted as issue for value
	R'000	R'000	R'000
Income statement			
Net operating expenses	(26 887)	120	(26 767)
Interest received	28 506	10 693	39 199
Interest paid			
- debentures	(159 447)	(21 991)	(181 438)
- other	(80 908)	14 089	(66 819)
		2 911	
Fair value adjustment to BEE instrument	(70 577)	70 577	-
Balance sheet			
Loan to CShell 299 (Pty) Ltd	-	20 149	20 149
Financial instruments	7 065	(406)	6 659
Trade and other receivables	35 665	(680)	34 985
Share capital and share premium	(442 257)	(109 530)	(551 787)
Non-distributable reserve	(959 239)	406	(958 833)
Debentures	(934 740)	(84 126)	(1 018 866)
Financial liabilities	(784 710)	183 736	(600 974)
BEE instrument	(70 577)	70 577	-
Trade and other payables	(23 000)	1 670	(21 330)
Debenture interest payable	(92 314)	(8 308)	(100 622)

5 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2007

	Share capital	Share premium	Non-distributable reserve	Accumulated loss	Total
	R'000	R'000	R'000	R'000	R'000
Balance at 31 March 2005 (as previously stated)	67	66 550	297 458	(29 169)	334 906
Restatement of deferred tax **	-	-	14 336	-	14 336
Restated balance at 31 March 2005	67	66 550	311 794	(29 169)	349 242
Issue of 800 000 shares in June 2005	1	5 967	-	-	5 968
Issue of 860 000 shares in December 2005	1	10 225	-	-	10 226
Issue of 350 000 shares in March 2006	-	4 630	-	-	4 630
Expenses recognised directly in equity	-	(729)	(4 361)	-	(5 090)
Share issue costs *	-	(729)	-	-	(729)
Net change in fair value of cash flow hedge recognised directly in equity *	-	-	(4 361)	-	(4 361)
Profit for the year	-	-	-	436 255	436 255
Restated transfer to non-distributable reserve **	-	-	434 692	(434 692)	-
Restated balance at 31 March 2006	69	86 643	742 125	(27 606)	801 231
Issue of 500 000 shares in July 2006	1	5 335	-	-	5 336
Issue of 4 046 000 shares in August 2006	4	44 927	-	-	44 931
Issue of 426 440 shares in August 2006	-	5 441	-	-	5 441
Issue of 12 455 606 shares in November 2006	12	182 960	-	-	182 972
Issue of 5 561 600 shares in November 2006	6	81 694	-	-	81 700
Issue of 1 989 000 shares in February 2007	2	36 377	-	-	36 379
Income/ (expenses) recognised directly in equity	-	(1 214)	66 501	-	65 287
Share issue costs *	-	(1 214)	-	-	(1 214)
Net change in fair value of listed investments *	-	-	55 940	-	55 940
Net change in fair value of cash flow hedge recognised directly in equity *	-	-	10 561	-	10 561
Profit for the year	-	-	-	77 448	77 448
Transfer to non-distributable reserve	-	-	150 613	(150 613)	-
Balance at 31 March 2007	94	442 163	959 239	(100 771)	1 300 725

* total income recognised directly in equity R 65 286 915 (2006: R 5 090 213 expenses) and total income for period (including profit or loss for period as well as income or expenses recognised directly in equity) is R 142 734 827 (2006: R 431 164 931)



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