

**Reviewed Interim Results** for the 7 month period ended **30 September 2002**

**Abridged Income Statement**

	R'000
<b>Operating income before interest paid</b>	<b>74 369</b>
Revenue	67 405
Net operating expenses	(4 881)
Revaluation of investment properties at date of listing	11 845
<b>Interest paid and payable</b>	<b>63 722</b>
- Debenture holders - post listing	25 796
- Debenture holders - pre listing	1 035
- Interest paid to financial institutions	33 766
- Interest paid to property vendors	3 125
<b>Income before exceptional items and taxation</b>	<b>10 647</b>
<b>Exceptional items</b>	
Listing costs and costs of raising finance	9 392
<b>Profit before tax</b>	<b>1 255</b>
Deferred tax	(1 776)
<b>Net loss for the period</b>	<b>(521)</b>
Loss per linked unit	<b>1.32 cents</b>
Interest distribution per linked unit - post listing	<b>65.08 cents</b>
Interest distribution per linked unit - pre listing	<b>5.67 cents</b>

**Abridged Balance Sheet**

	R'000
<b>Assets</b>	
Non current assets	865 321
Investment properties	864 750
Other non current assets	571
Current assets	27 632
Accounts receivable	3 701
Cash and cash equivalents	23 931
<b>Total assets</b>	<b>892 953</b>
<b>Equity and liabilities</b>	
Shareholders' interest	(7 231)
Non current liabilities	870 220
Debentures	395 953
Loans	473 000
Deferred capital gains tax	1 267
Current liabilities	29 964
Accounts payable	4 168
Linked unit holders for distribution	25 796
<b>Total equity and liabilities</b>	<b>892 953</b>

**Statement of Changes in Equity**

	Share Capital	Share Premium	Non-Distributable Reserve	Accumulated loss	Total
	R'000	R'000	R'000	R'000	R'000
Balance at 1 March 2002	10	87	-	(7 106)	(7 009)
Issue of shares on 25 March 2002	30	269	-	-	299
Net loss for the period	-	-	-	(521)	(521)
Transfer to Non-distributable reserve	-	-	7 183	(7 183)	-
<b>Balance at 30 September 2002</b>	<b>40</b>	<b>356</b>	<b>7 183</b>	<b>(14 810)</b>	<b>(7 231)</b>

**Abridged Cash Flow Statement**

	R'000
Cash generated by operations	75 976
Interest received	345
Interest paid	(63 722)
Net cash inflow from operating activities	12 599
Cash flows from investing activities	(533 025)
Cash flows from financing activities	543 985
Increase in cash and cash equivalents	23 559
Cash and cash equivalents at 1 March 2002	372
Cash and cash equivalents at 30 September 2002	23 931

**Comments**

**1 Review of results**

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and the requirements of the Companies Act in South Africa.

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

Acucap's maiden interim results for the period under review are in line with the forecast. The operating income from the properties in the Acucap portfolio exceeded expectations at the date of listing in March 2002, but a deteriorating interest rate environment meant that the gains were utilised to offset increased interest costs. No comparative figures are presented as the company was incorporated on 12 September 2001.

In order to minimise Acucap's exposure to interest rate volatility, a further 21% of prime linked borrowings has been fixed, taking fixed interest borrowings to 91% of total borrowings. The weighted average length of fixing is 4.2 years, and the average fixed interest rate excluding prime linked borrowings, is 13.34%. Full details of borrowings are set out under 3 below.

**2 Distribution**

The Board has approved an interim distribution of 65.083 cents per linked unit for the period from 27 March 2002 to 30 September 2002.

**3 Borrowings**

The company's borrowings have not changed since listing. The company has fixed the interest rate on 91% of its borrowings with terms varying between 2 and 10 years as follows:

Amount (R million)	% of Total Borrowings	Rate	Maturity
50	10.57%	12.73%	1 April 2004
60	12.69%	12.21%	3 January 2005
100	21.14%	14.03%	1 April 2005
120	25.37%	12.84%	2 January 2007
50	10.57%	14.43%	8 October 2009
50	10.57%	14.06%	8 October 2012
43	9.09%	Prime less 1.5%	
<b>473</b>	<b>100.00%</b>		

The company's weighted average total borrowing costs are tabulated below:

	% of borrowings at fixed rates	Average rate
Average cost of borrowings forecast in Prospectus	70%	12.94%
Average cost of borrowings for period 30 September 2002	70%	13.41%
Estimated cost of borrowings for remaining 6 months	91%	13.63%

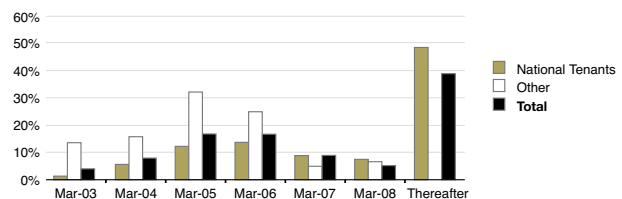
**4 Vacancies**

Vacancies amount to 1.7% of the portfolio by gross rental income, and 1.6% by gross lettable area.

**5 Lease expiry profile**

The lease expiry profile has not changed significantly since listing, and is reflected below.

Acucap lease expiry profile by gross rental income



**6 Liquidity**

Since date of listing on 27 March 2002, trade in Acucap linked units has amounted to approximately 28.75% of its market capitalization.

**7 Property portfolio valuation**

None of the properties in the Acucap portfolio have been revalued subsequent to date of listing.

**8 Acquisitions**

The company issued cautionary announcements on 7 and 31 October 2002 advising that it is involved in negotiations to acquire certain properties from Centrecty Property Fund ("Cenprop"), including The Mall of Rosebank and JHI House. Announcements containing further details of the proposed acquisitions will be published in due course. Unitholders are reminded that the company is still trading under a cautionary announcement.

**9 Prospects**

The Board is confident that the property portfolio should continue to perform strongly for the remainder of the financial year, and despite the increased interest costs, the Board believes that the distribution forecast made at the date of listing remains achievable.

**10 Payment of debenture interest**

Notice is hereby given that an interim distribution of 65.083 (sixty five comma zero eight three) cents per linked unit has been declared in respect of the six months and 5 day period ended 30 September 2002. The last date to trade the linked units cum-distribution is 22 November 2002 and the record date will be 29 November 2002. The linked units will start trading ex-distribution from 25 November 2002. Distributions will be made to unit holders on Monday 2 December 2002. Linked unit certificates may not be dematerialised or rematerialised between Monday 25 November and Friday 29 November 2002 both days inclusive.

On behalf of the Board

**BS Kantor**  
Chairman

8 November 2002

**PA Theodosiou**

Managing Director

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