



ACUCAP

REVIEWED INTERIM RESULTS

FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2007

ACUCAP PROPERTIES LIMITED
 Registration Number: 2001/021725/06
 Share Code: ACP | ISIN: ZAE000037651
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1 ABRIDGED BALANCE SHEET FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2007

	30 Sep '07 R'000	31 Mar '07 R'000	30 Sep '06 R'000
ASSETS			
Property Assets	4 291 887	2 883 409	2 576 743
Investment properties	3 991 456	2 726 424	2 493 767
Long term receivable	89 254	64 909	59 832
Short term receivable	7 831	6 323	4 507
Investment properties and related receivables	4 088 541	2 797 656	2 558 106
Investment properties under development	152 456	85 425	-
Other property assets	50 890	328	18 637
Other non current assets	196 615	579 514	108 441
Loans in respect of unit purchase scheme	154 967	159 290	103 307
Equipment	3 004	540	457
Listed investments	25 621	412 619	-
Other investments	1 674	-	-
Financial instruments	11 235	7 065	3 999
Deferred tax asset	114	-	678
Other current assets	438 405	41 440	42 673
Properties classified as held for sale	406 657	-	13 998
Short term receivable	8	-	3 002
Properties classified as held for sale and related receivables	406 665	-	17 000
Trade and other receivables	24 560	35 665	17 750
Cash and cash equivalents	7 180	5 775	7 923
Total assets	4 926 907	3 504 363	2 727 857
EQUITY AND LIABILITIES			
Shareholders' interest	1 726 019	1 300 725	842 474
Share capital and share premium	789 332	442 257	141 593
Non-distributable reserve	1 032 429	959 239	736 394
Accumulated loss	(95 742)	(100 771)	(35 513)
Non current liabilities	3 048 778	2 088 324	1 790 891
Debentures	1 092 561	934 740	734 878
Financial liabilities	1 606 024	784 710	773 378
BEE instrument	69 136	70 577	-
Deferred tax liabilities	281 057	298 297	282 635
Current liabilities	152 110	115 314	94 492
Trade and other payables	59 610	23 000	20 405
Financial liabilities	44 543	-	-
Tax payable	8 101	-	-
Debenture interest payable	39 856	92 314	74 087
Total equity and liabilities	4 926 907	3 504 363	2 727 857

2 ABRIDGED INCOME STATEMENT FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2007

	6 months ended 30 Sep '07 R'000	year ended 31 Mar '07 R'000	6 months ended 30 Sep '06 R'000
Revenue	155 910	245 107	121 302
- Contractual	150 945	237 988	118 075
- Straight lining	4 965	7 119	3 227
Net operating expenses	(17 512)	(30 082)	(18 888)
Profit on sale of properties	2 719	3 195	3 195
Section 311 expenses	(2 287)	-	-
Profit before fair value adjustments, interest and taxation	138 830	218 220	105 609
Fair value adjustment to investment properties	24 018	177 204	13 288
Fair value adjustment to BEE instrument	1 441	(70 577)	-
Profit before interest and taxation	164 289	324 847	118 897
Interest received	20 790	28 506	8 426
Interest paid			
- Debenture holders - special	(67 407)	-	-
- Debenture holders - interim	(39 856)	(74 087)	(74 087)
- Debenture holders - final	-	(85 360)	-
- Other	(42 985)	(80 908)	(44 847)
Profit before taxation	34 831	112 998	8 389
Taxation	544	(35 550)	(3 932)
Profit for the period	35 375	77 448	4 457
Reconciliation of profit for the period to headline (loss)/earnings			
Profit for the period	35 375	77 448	4 457
Fair value adjustment to investment properties	(24 018)	(177 204)	(13 288)
Profit on disposal of investment properties	(2 719)	(3 195)	-
Tax effects	2 813	35 015	3 854
Headline earnings/(loss) - shares	11 451	(67 936)	(4 977)
Interest paid to debenture holders	107 263	159 447	74 087
Headline earnings - linked units	118 714	91 511	69 110
	Cents	Cents	Cents
Basic and diluted earnings per share	36.62	97.74	6.40
Headline earnings per linked unit	122.91	115.49	99.30
Interest Distribution per linked unit	108.51	189.92	91.26
- Interim	36.47	91.26	91.26
- Special	72.04	-	-
- Final	-	98.66	-

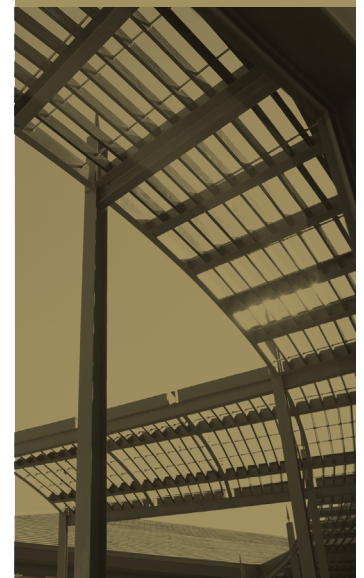
3 ABRIDGED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2007

	Shares issued Number	Share capital R'000	Share Premium R'000	Non Distributable Reserve R'000	Accumulated loss R'000	Total R'000
Balance at 31 March 2006	68 588 953	69	86 643	742 125	(27 606)	801 231
Issue of 500 000 shares in July 2006	500 000	1	5 335	-	-	5 336
Issue of 4 046 000 shares in August 2006	4 046 000	4	44 927	-	-	44 931
Issue of 426 440 shares in August 2006	426 440	-	5 441	-	-	5 441
Income/(Expenses) recognised directly in equity	-	-	(827)	7 496	-	6 669
Share issue costs	-	-	(827)	-	-	(827)
Net change in fair value of cash flow hedge recognised directly in equity	-	-	-	7 496	-	7 496
Profit for the period	-	-	-	-	4 457	4 457
Transfer to non-distributable reserve	-	-	-	12 364	(12 364)	-
Balance at 30 September 2006	73 561 393	74	141 519	761 985	(35 513)	868 065
Issue of 12 455 606 shares in November 2006	12 455 606	12	182 960	-	-	182 972
Issue of 5 561 600 shares in November 2006	5 561 600	6	81 694	-	-	81 700
Issue of 1 989 000 shares in February 2007	1 989 000	2	36 377	-	-	36 379
Income/(Expenses) recognised directly in equity	-	-	(387)	59 005	-	58 618
Share issue costs	-	-	(387)	-	-	(387)
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	-	-	-	3 065	-	3 065
Profit for the period	-	-	-	-	72 991	72 991
Transfer to non-distributable reserve	-	-	-	138 249	(138 249)	-
Balance at 31 March 2007	93 567 599	94	442 163	959 239	(100 771)	1 300 725
Issue of 15 797 910 shares in August 2007	15,797,910	15	337 270	-	-	337 285
Income/(Expenses) recognised directly in equity	-	-	9 790	42 844	-	52 634
Share issue costs	-	-	(163)	-	-	(163)
Net change in fair value of listed investments	-	-	-	10 325	-	10 325
Net change in fair value of cash flow hedge recognised directly in equity	-	-	-	4 170	-	4 170
Increase in fair value of investment in Atlas	-	-	9 953	28 349	-	38 302
Profit for the period	-	-	-	-	35 375	35 375
Transfer to non-distributable reserve	-	-	-	30 346	(30 346)	-
Balance at 30 September 2007	109 365 509	109	789 223	1 032 429	(95 742)	1 726 019

Distributions up 19.3%

Property portfolio value over R5 billion

Net asset value up to R26.92



	6 months ended 30 Sep '07 R'000	year ended 31 Mar '07 R'000	6 months ended 30 Sep '06 R'000
Cash flows from operating activities			
Cash generated by operations	132 297	210 132	108 354
Income tax paid	175	(1 678)	(2 506)
Interest received	35 365	21 598	8 426
Interest paid	(202 706)	(208 602)	(105 408)
Net cash (outflows)/inflows from operating activities	(34 869)	21 450	8 866
Cash outflows from investing activities	(886 648)	(744 213)	(217 623)
Cash inflows from financing activities	922 922	727 856	215 998
Net cash inflows for the period	1 405	5 093	7 241
Cash and cash equivalents at beginning of period	5 775	682	682
Cash and cash equivalents at end of period	7 180	5 775	7 923

	6 months ended 30 Sep '07 R'000	6 months ended 30 Sep '06 R'000
Retail		
Segment revenue (external customers)	112 574	88 277
Net operating expenses	(11 209)	(8 796)
Fair value adjustment to investment properties	(6 296)	12 882
Segmental results	95 069	92 363
Offices		
Segment revenue (external customers)	37 633	25 472
Net operating expenses	(1 286)	(1 766)
Fair value adjustment to investment properties	(2 229)	551
Segmental results	34 118	24 257
Industrial		
Segment revenue (external customers)	5 703	7 553
Net operating expenses	(1 003)	(210)
Profit on sale of investment properties	2 719	-
Fair value adjustment to investment properties	32 543	(145)
Segmental results	39 962	7 198
Property development		
Segment revenue (external customers)	-	-
Net operating income	2 676	-
Segmental results	2,676	-
Reconciliation to profit before interest and taxation for the period in the income statement		
Revenue	155 910	121 302
Allocated operating expenses	(10 822)	(10 772)
Unallocated operating expenses	(6 690)	(4 921)
Profit on sale of investment properties	2 719	-
Section 311 expenses	(2 287)	-
Fair value adjustment to investment properties	24 018	13 288
Fair value adjustment to BEE instrument	1 441	-
Profit before interest and taxation	164 289	118 897

BASIS OF PREPARATION AND REVIEW OPINION

The interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34, as well as the requirements of the Companies Act in South Africa, and on the basis consistent with the company's most recent annual financial statements.

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



ACUCAP

ACUCAP PROPERTIES LIMITED

Registration Number: 2001/021725/06

Share Code: ACP

ISIN: ZAE000037651

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1. REVIEW OF RESULTS AND OPERATIONS

The directors of Acucap are pleased to report a 19.3% growth in distributions per unit for the six months ended 30 September 2007, compared to the same period last year. The historical Acucap portfolio delivered growth of 10.1%, in line with guidance given to the market, and the acquisition of Atlas Properties, a listed fund with a R1.5 billion property portfolio made up principally of Cape Town retail assets, contributed an additional 8.9% to distribution growth. The Intaprop deal, effective 1 August 2007 and consisting principally of six corporate office buildings in Illovo, Bryanston and Sandton, added a further 0.3%, resulting in a combined year-on-year growth rate of 19.3%.

Acucap's distributions comprise only net rental income, and therefore the growth rate achieved by the portfolio prior to the Atlas and Intaprop acquisitions was pleasing, particularly given the company's low gearing level. It was also gratifying to see the strong growth contribution coming through from Atlas, endorsing management's strategy to acquire this business. The board expects further growth enhancement from this acquisition over time.

Of particular significance is that the strong distribution growth was accompanied by an improvement in the quality of the underlying property portfolio, maintaining its strong retail bias, but adding greater geographic diversification, and not compromising on Acucap's strategy of owning a smaller number of large properties.

As a result of the two transactions referred to above, the Acucap portfolio has grown significantly in the six months under review to just over R5 billion, and the market capitalisation is now comfortably over R4 billion. Net asset value per linked unit at the end of September 2007 was R26.92 (2006 : R21.57), an increase of 24.8% over the last 12 months.

On the basis of individual assets and asset segments, Acucap's net income is attributable as follows:

	Contractual rental income R'000	% of total	Net property income * R'000	% of total
Festival Mall	35 710	23%	33 569	24%
Key West	21 587	14%	20 926	15%
Other retail	35 861	23%	29 773	21%
Offices	24 456	16%	23 626	17%
Core portfolio	117 614	75%	107 894	77%
Income from properties acquired and disposed of	40 155	25%	37 657	27%
Indirect and asset management costs			(5 232)	(4%)
	157 769	100%	140 319	100%

* reconciles with the simplified income statement shown in section 2 below.

2. SIMPLIFIED FINANCIAL INFORMATION

With South Africa's adoption of International Financial Reporting Standards (IFRS) there has been a growing complexity in statutory financial disclosure, and a divergence between IFRS reporting on the one hand, and what may be understood as the underlying commercial substance of the company's operations on the other. In Acucap's case, the main areas of divergence are:

1. the treatment of Acucap's empowerment deal with the Thesele Group ('Thesele');
2. the straight lining of rental income;
3. the timing of the recognition of acquisitions and disposals; and
4. the accounting recognition of non-distributable capital profits and revaluation surpluses.

The board of Acucap fully supports South Africa's adoption of an internationally recognised accounting standard, but at the same time believes that the company's financial statements should present a clear and easily understandable picture of its financial position and the results of its operations. For this reason, the board has decided to present a simplified income statement and balance sheet, not in any way diminishing the importance of the statutory disclosure set out above, but reconciling the formal disclosure to a more usable representation of Acucap's results for the six months to 30 September 2007.

SIMPLIFIED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

	Note	R'000
Revenue	1	157 769
Net operating expenses	2	(17 450)
Profit before interest and taxation		140 319
Interest received	5	17 252
Debenture holders interest paid - special	6	(73 473)
Other interest paid	7	(33 857)
Atlas distribution dividend element retained		(377)
Profit for the period		49 864
Number of linked units in issue	8	135 390 099
Interim distribution August and September - cents per unit		36.83
Special distribution April to July - cents per unit		72.04
Full distribution for the six months to 30 September 2007		108.87
Distribution for the six months ended 30 September 2006		91.26
Distribution growth		19.30%

Notes to the simplified income statement

1 Revenue as stated	155 910
Less: straight lining revenue reversed	(4 965)
Add: Intaprop portfolio net income from effective date of 1 Aug '07	6 824
	157 769
2 Net operating expenses as stated	(17 512)
Add: Thesele secretarial fees	3
Intaprop portfolio net operating cost recovery	69
Less: Atlas capital costs now expensed	(10)
	(17 450)
3 Profit on sale of properties as stated	2 719
Less: Non-distributable capital profit reversed	(2 719)
	0
4 Section 311 Atlas acquisition costs as stated	(2 287)
Add: Transaction costs capitalised	2 287
	0
5 Interest received as stated	20 790
Less: Proceeds on unwind of interest rate swap by Thesele	(4 603)
Add: Interest received from Thesele, previously eliminated on consolidation	1 065
	17 252
6 Debenture interest paid (special) as stated	(67 407)
Less: Debenture interest paid to Thesele, previously eliminated on consolidation	(6 066)
	(73 473)
7 Other interest paid as stated	(42 985)
Add: Other interest paid by Thesele, previously included on consolidation	10 244
Less: Net reversal of interest provided from period end to distribution payment date	(1 116)
	(33 857)
8 Number of linked units in issue at 30 September 2007	109 365 509
Thesele linked units previously treated as treasury units on consolidation	8 420 994
Linked units issued to Intaprop on 24 October 2007, qualifying for distributions from the transaction effective date of 1 August 2007	17 603 596
	135 390 099

SIMPLIFIED BALANCE SHEET

	Note	R'000
Assets		
Property assets	9	5 006 766
Other non-current assets		196 615
Other current assets	10	51 338
Total assets		5 254 719
Equity and liabilities		
Shareholder's interest	11	2 292 595
Non-current liabilities	12	2 896 063
Current liabilities	13	66 061
Total equity and liabilities		5 254 719
Notes to the simplified balance sheet		
9 <i>Property assets as stated</i>		
		4 291 887
Add: Intprop portfolio at fair value		562 450
Hillcrest Corner shopping centre transferred on 18 October 2007		152 429
		5 006 766
10 <i>Other current assets as stated</i>		
		438 405
Less: Properties held for sale, removed from assets		(406 657)
Short-term receivable associated with properties held for sale		(8)
Add: Net rental receivable from Intprop		7 772
Interest receivable from Thesele		11 826
		51 338
11 <i>Shareholder's interest as stated</i>		
		1 726 019
Add: Share capital and premium on shares issued to Thesele		109 529
Thesele retained income eliminated on consolidation		69 592
Share capital and premium on shares issued for Intprop		387 455
		2 292 595
12 <i>Non-current liabilities as stated</i>		
		3 048 778
Add: Debenture portion of linked units issued to Thesele		84 126
Debenture portion of linked units issued for Intprop		175 860
Purchase consideration for Hillcrest Corner		152 429
Re-classification of current financial liabilities and debenture interest to reflect settlement from available facilities		94 407
Less: Proceeds from disposal of assets classified as held for sale		(406 665)
Financial liabilities attributable to Thesele		(183 736)
Reversal of BEE financial instrument		(69 136)
		2 896 063
13 <i>Current liabilities as stated</i>		
		152 110
Add: Debenture interest attributable to Intprop from effective date		6 907
Debenture interest payable to Thesele		3 101
Less: Re-classification of current financial liabilities and debenture interest to reflect settlement from available facilities		(94 407)
Accrued interest receivable from Thesele		(1 650)
		66 061

3. ATLAS INTEGRATION

The integration of Atlas Properties into Acucap has proceeded according to plan. Acucap has entered into unconditional agreements to dispose of 38 non-core properties from the Atlas portfolio, and negotiations are in progress to exit from a further property held in a joint venture vehicle. This will leave 11 properties out of the original portfolio of 50, bringing the Atlas acquisition in line with Acucap's strategy of focusing on a small number of large assets. The properties retained represent approximately 80% of the value of the Atlas acquisition portfolio.

The integration of Atlas personnel has proceeded smoothly. The disposal of the non-core assets regrettably led to the closure of Atlas' Johannesburg office and the retrenchment of 13 staff. There was a small degree of natural attrition in the Cape Town operation, and the result is that the full Acucap staff complement now stands at 57. This comprises an augmented asset management team of 13 people, including support staff, and a property management business of 44 people, including a team of 6 running the Helderberg Village development and sales functions. The property management business is a dedicated vehicle administering only Acucap assets, and it has been optimised and re-focused to provide a high quality, cost-effective property administration service to the company.

4. HELDERBERG VILLAGE

Atlas has been involved with Helderberg for 17 years, and has developed this property into one of South Africa's premium retirement villages. Development profits from the sale of retirement homes in Helderberg have historically been paid out to Atlas unit holders as part of normal half yearly distributions. On the other hand, has since listing in 2002 only distributed net rental income, providing unit holders with high quality, sustainable earnings. The acquisition of Atlas has brought the Helderberg income stream into the Acucap business model, and whilst this income certainly has annuity characteristics, it consists primarily of development profits and other fees. After extensive interaction with shareholders, the board of Acucap has resolved to continue distributing Helderberg Village income to unit holders, but with full disclosure and reliable guidance as to future distribution effects.

The following table shows the income from Helderberg Village that has been distributed in the period commencing 1 April 2005 and ending 30 September 2007:

Period	Amounts previously included in Atlas Properties distributions
1 April 2005 to 31 March 2006	R7 665 000
1 April 2006 to 31 March 2007	R8 589 000
1 April 2007 to 31 July 2007	R4 658 000
1 August 2007 to 30 September 2007	R2 676 000

Looking ahead, there are 3 completed homes available for sale at Helderberg Village, with a further 11 under construction, due for completion by March 2008, and a final 22 undeveloped sites. The potential remaining development profit from Helderberg Village principally represents a realisation of land value. Based on the number of unsold units and development sites still available, this profit is estimated to be approximately R72 million under current market conditions. The rate of sales of homes at Helderberg is demand driven, although this is undoubtedly influenced on the one hand by the availability of new stock for release to potential buyers, and on the other by the re-sale of existing homes that periodically come onto the market. Given that contractual commitments require Atlas to complete the development of all existing sites by October 2010, it is anticipated that the remaining units will be sold evenly over the period to March 2014, implying that Acucap will hold a stock of completed units for part of this period.

5. DEVELOPMENTS WITHIN THE PROPERTY PORTFOLIO
Festival Mall

Construction of the new Ster Kinekor cinema complex and associated restaurant area at Entrance 3, Festival Mall is nearing completion. The opening is planned for March 2008, and on completion, the gross lettable area (GLA) of Festival Mall will have grown to approximately 80,000m², with a comprehensive tenant offering across all retail segments, including a strong entertainment mix.

Key West

An extension of the Key West Shopping Centre was initiated earlier this year, principally to round off the tenant mix by introducing Game and Mr Price Sports to the centre. The work also included extensions to both Standard Bank and Absa, as well as an upgrade to the restaurant area. Mr Price Sports is scheduled to open at the end of November this year, and Game is expected to start trading at the end of April 2008, taking the GLA of the centre to 52,800m².

14th Avenue District

During the six month period under review, refurbishment work was substantially completed on the retail component of what will become known as the 14th Avenue District (previously Checkers Hyperama Rooodepoort). As a result of the refurbishment activities, the GLA reduced from 26,000m² to 23,000m², although gross occupancy has increased by over 5,400m² since acquisition and it is anticipated that the retail component will be fully let on completion in March 2008. Thereafter, a further 6,000m² of retail rights will still be available, and negotiations are under way to utilise this for a gym, for completion towards the latter part of 2009. The site will then have 29,000m² of retail bulk.

The 14th Avenue District is well positioned in the growing Rooodepoort corporate office market, and the site has recognised commercial potential. Acucap is therefore working with an experienced office developer to supplement the retail component with up to 35,000m² of offices, expressed in two elements. The first will be a 20,000m² high rise icon building overlooking Hendrik Potgieter Road and the N1, and the second element will consist of a low rise office park of 15,000m² on the western side of the property. On completion, the precinct will thus comprise a mixed use commercial node of some 64,000m² of lettable area, and a re-zoning application has already been submitted to secure these rights.

N1 Business Park

Situated in Midrand with prime N1 frontage, the N1 Business Park is positioned as a top end industrial park comprising individual warehouse sites contained within a secure precinct. Essential township services to the value of R33m including roads, gate house, street lighting and services reticulation have been substantially completed. The business park has been designed to accommodate 115,000m² of light industrial buildings with an estimated serviced cost of R1,100 per bulk m². A 12 year lease agreement for BPB Gypsum has been signed, with construction of the 8,000m² unit scheduled for completion in early November 2007. A second unit of 3,800m² is under construction, and scheduled for completion towards the end of the year. The development has attracted strong market interest with a total estimated demand of over 120,000m² currently under negotiation with blue chip tenants. It is anticipated that secured leases will be in place for the remainder of the bulk rights within the second quarter of 2008. The total construction cost of the build-out is in the order of R550m with an anticipated first year yield based on market related rentals of approximately 10.5%.

Montague Business Park

Montague Business Park, Cape Town, is currently in the township planning phase. The park is designed around a main arterial boulevard, servicing mixed use planning that provides for 150,000m² of light industrial, warehousing and distribution bulk, plus an additional 92,000m² of retail rights aimed at so-called 'big box' users.

The last six months has seen the submission of the necessary environmental applications, as well as the preparation of the detailed township services design for tender purposes. The construction of services is expected to commence in February 2008, to be followed in April by work on the first 20 hectare industrial phase, driven by tenant demand. A planned 18,000m² retail component will also get underway in the first half of 2008.

Market demand for space has been strong, and leasing is expected to progress quickly in 2008 once the necessary environmental approvals are in place to permit township services to be constructed.

6. BORROWINGS

The company has fixed the interest rate on 63.8% (2006: 70%) of its facilities with unexpired terms varying between 6 months and 6¼ years as follows:

	Facility R'000	Interest rate	Fixed period	Outstanding balance 30 Sep '07 R'000	Simplified Balance Sheet R'000
FIXED				905 000	805 000
	50 000	11.74%	Mar-08	50 000	50 000
	50 000	9.89%	Apr-08	50 000	50 000
	100 000	12.40%	May-08	100 000	100 000
	50 000	11.58%	Oct-08	50 000	50 000
	60 000	9.61%	Aug-09	60 000	60 000
	50 000	11.37%	Oct-09	50 000	50 000
	75 000	9.86%	Apr-10	75 000	75 000
	50 000	10.26%	Sep-11	50 000	50 000
	50 000	9.73%	Dec-11	50 000	50 000
	50 000	13.20%	Mar-12	50 000	50 000
	50 000	10.05%	Oct-12	50 000	50 000
	50 000	9.80%	Oct-13	50 000	50 000
	120 000	9.95%	Oct-13	120 000	120 000
	100 000	Thesele	11.25%	100 000	-
FLOATING				745 568	457 459
	716 923	prime less 2.3%		434 910	257 459
	-	rod* plus 0.55%		-	200 000
	141 000	prime less 2%		92 543	-
	83 736	Thesele prime less 1.8%		83 736	-
	75 250	prime less 1.5%		58 071	-
	66 000	90 day jibar plus 1.1%		66 000	-
	50 000	30 day jibar plus 1.4%		10 307	-
TOTAL	2 037 909			1 650 568	1 262 459

* rod = Rand Overnight Deposit Rate

The weighted average interest rate at 30 September 2007 was 11.2% (2006: 11.6%).

7. LEASE EXPIRY, THROUGH RENTAL AND ESCALATION DATA

The forward lease expiry profile of the combined Acucap, Atlas and Intprop portfolios is detailed below, categorised as to (1) major retail assets (Festival Mall, Key West, Gardens Centre, Bayside Mall (50%), The Bridge (17.7%)), (2) other retail assets and (3) offices. It provides a comprehensive profile of all contractual lease expiries and therefore excludes the effects of turnover rentals.

FORWARD LEASE EXPIRY PROFILE BY INCOME

	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13+	
Major retail assets							
Expiry (% of total fund income)	40.75%	5.44%	3.95%	8.96%	6.98%	8.54%	6.88%
National tenants	25.97%	2.28%	1.68%	6.10%	4.13%	6.54%	5.24%
Other	14.78%	3.16%	2.27%	2.86%	2.85%	2.00%	1.64%
Average current net rate m ²	82.25	93.65	95.67	90.97	83.15	99.42	57.38
National tenants	69.82	63.96	55.93	77.15	74.36	90.13	52.87
Other	127.78	140.65	202.04	147.33	100.31	149.85	78.89
Average escalation rate	8.6%	9.0%	8.8%	8.5%	10.2%	8.4%	6.7%
National tenants	8.2%	8.0%	7.6%	8.2%	10.9%	8.3%	6.4%
Other	9.2%	9.8%	9.8%	9.2%	9.3%	8.8%	7.6%
Other retail assets							
Expiry (% of total fund income)	26.69%	3.02%	5.42%	3.00%	2.58%	2.27%	10.39%
National tenants	16.52%	0.81%	3.25%	1.23%	1.41%	1.30%	8.53%
Other	10.16%	2.21%	2.17%	1.77%	1.17%	0.97%	1.86%
Average current net rate m ²	69.87	104.31	74.17	85.24	62.43	84.59	63.59
National tenants	60.48	101.71	64.47	59.35	47.09	69.91	58.53
Other	106.23	105.31	95.72	121.95	102.22	117.63	105.13
Average escalation rate	7.9%	9.7%	8.5%	8.9%	8.0%	7.9%	6.8%
National tenants	7.0%	8.6%	7.7%	7.9%	6.9%	7.2%	6.5%
Other	9.4%	10.1%	9.6%	9.5%	9.4%	8.8%	8.3%
Offices							
Expiry (% of total fund income)	32.56%	1.22%	8.83%	4.60%	1.54%	5.80%	10.57%
Large corporates & government	20.20%	0.10%	1.98%	2.84%	0.69%	4.78%	9.82%
Other	12.36%	1.12%	6.85%	1.76%	0.85%	1.03%	0.75%
Average current net rate m ² (including parking)	88.34	86.87	89.79	80.13	79.11	107.50	88.46
Large corporates & government	92.13	118.55	88.29	77.77	76.59	114.32	90.32
Other	86.16	84.86	90.23	84.26	81.26	84.21	69.75
Average escalation rate	8.7%	8.8%	8.4%	8.3%	8.7%	10.0%	8.5%
Large corporates & government	8.6%	9.0%	7.5%	7.7%	8.2%	10.1%	8.4%
Other	8.8%	8.8%	8.7%	9.1%	9.1%	9.2%	8.8%

FORWARD LEASE EXPIRY PROFILE BY INCOME (continued)

	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13+	
TOTAL							
Expiry (% of total fund income)	100.00%	9.68%	18.20%	16.56%	11.11%	16.61%	27.84%
National tenants	62.70%	3.20%	6.90%	10.17%	6.23%	12.61%	23.59%
Other	37.30%	6.49%	11.29%	6.39%	4.88%	4.00%	4.25%
Average current net rate m ²	82.02	95.77	85.57	86.66	76.68	99.65	69.12
National tenants	73.29	73.41	70.27	75.65	66.48	95.02	66.89
Other	105.74	114.63	103.91	116.74	96.16	120.15	86.99
Average escalation rate	8.4%	9.2%	8.5%	8.5%	9.5%	8.9%	7.4%
National tenants	8.1%	8.1%	7.8%	8.1%	9.7%	8.9%	7.3%
Other	9.1%	9.8%	9.1%	9.3%	9.3%	8.8%	8.2%

SUMMARY OF PORTFOLIO GROSS LETTABLE AREA

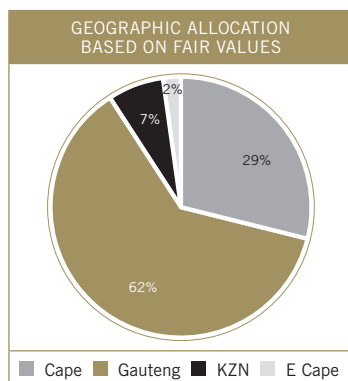
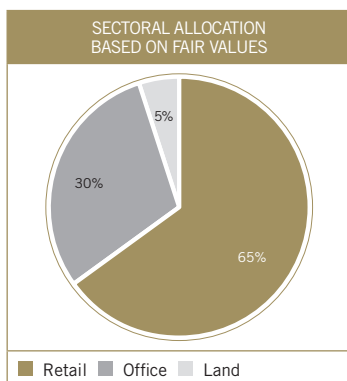
	Total GLA	Leased	Vacant	Vacancy %
Major retail	165 360	160 999	4 361	2.6%
Other retail	127 463	124 856	2 607	2.0%
Offices	123 038	120 747	2 291	1.9%
TOTAL	415 861	406 602	9 259	2.2%

8. PORTFOLIO DETAILS

Reference has been made in this commentary to the combined Acucap portfolio, which includes the core Atlas properties and the Intaprop assets. A schedule of this combined portfolio, including sectoral allocations, is set out in the table below:

COMBINED INVESTMENT PORTFOLIO

	Geographic allocation	Carrying value	Sectoral allocation		
			Retail	Office	Land
Atlas Properties					
Gardens Centre	Cape	337 417 123	337 417 123		
Bayside Tableview (50%)	Cape	272 529 214	272 529 214		
Golf Park Mowbray	Cape	211 021 871		182 990 295	28 031 576
Howard Centre Pinelands	Cape	181 686 143	181 686 143		
Westville Mall	KZN	173 899 594	173 899 594		
Development land	Cape / Gauteng	141 712 000			141 712 000
Mutual Terrace Pinelands	Cape	46 200 191		46 200 191	
Neotel Woodmead	Gauteng	43 812 316		43 812 316	
135 West Street Sandton	Gauteng	41 009 158		41 009 158	
Albion Spring Rondebosch	Cape	41 009 158		41 009 158	
		1 490 296 768	965 532 074	355 021 118	169 743 576
Acucap Properties					
Festival Mall	Gauteng	886 025 434	886 025 434		
Keywest Mall	Gauteng	574 490 064	574 490 064		
Hillcrest corner (59%)	KZN	153 303 995	153 303 995		
East Rand Value Mall	Gauteng	143 179 309	143 179 309		
Village Randfontein	Gauteng	136 150 000	136 150 000		
Aon House Illovo	Gauteng	116 018 000		116 018 000	
Rodepoort 14th Avenue District	Gauteng	97 987 894	97 987 894		
Sunward Centre	Gauteng	79 806 947	79 806 947		
Atterbury Office Park	Gauteng	79 000 000		79 000 000	
Montague Business Park	Cape	71 167 292			71 167 292
SA Weather	Gauteng	59 500 000		59 500 000	
Nautica Granger Bay	Cape	57 750 000		57 750 000	
17.7% Bridge	E Cape	56 133 207	56 133 207		
Colliers Illovo	Gauteng	53 000 000		53 000 000	
The Village, Faerie Glen	Gauteng	52 804 789		52 804 789	
N1 Motor City	Cape	51 020 815	51 020 815		
Rondebosch Shopping Centre	Cape	50 426 707	50 426 707		
Watermeyer Park	Gauteng	50 000 000	50 000 000		
Goldfields, Parktown	Gauteng	38 224 426		38 224 426	
Selborne Fourways	Gauteng	34 222 205		34 222 205	
Warwick Claremont	Cape	32 502 800	16 251 400	16 251 400	
Bremerton	E Cape	31 210 087		31 210 087	
Multichoice	Cape	28 806 600		28 806 600	
N1 Business Park Midrand	Gauteng	21 288 647			21 288 647
		2 954 019 218	2 294 775 772	566 787 507	92 455 939
Intaprop Properties					
Microsoft Bryanston	Gauteng	142 541 000		142 541 000	
82 Grayston Sandton	Gauteng	122 523 300		122 523 300	
Tiger Brands Bryanston	Gauteng	102 270 700		102 270 700	
4 Fricker Rd Illovo	Gauteng	77 330 000		77 330 000	
Kagiso House Illovo	Gauteng	68 509 000		68 509 000	
Chaplain Corner Illovo	Gauteng	23 655 000		23 655 000	
Wellness Centre Bryanston	Gauteng	18 571 600		18 571 600	
Piazza Properties Illovo	Gauteng	7 049 400	7 049 400		
		562 450 000	7 049 400	555 400 600	0
Combined total		5 006 765 986	3 267 357 246	1 477 209 225	262 199 515
Average value per property		116 436 418			


9. RECONCILIATION OF LEASE EXPIRIES WITH NEW LEASES AND RENEWALS

The table below provides a reconciliation of lease expiries with new leases and renewals over the six month period from 1 April 2007 to 30 September 2007:

	Expiries and terminations	Average through rent at expiry	Average escalation rate at expiry	New leases and renewals	Average through rent for new leases	Average escalation for new leases
Regional Retail	5 535	88.42	9.2%	6 005	109.97	8.1%
Community retail	6 222	47.34	8.7%	5 443	95.31	8.0%
Neighbourhood and other retail	2 251	71.87	9.6%	2 493	121.62	8.5%
Offices	1 225	88.38	10.5%	1 827	93.37	9.5%
Total	15 233			15 768		

The following table places the six month pattern of expiries and renewals within the context of an overall reconciliation of change in the gross lettable area of the combined Acucap portfolio, which now includes the core Atlas properties that have been retained, as well as the Intaprop portfolio:

	GLA at 31 Mar '07	Expiries and terminations	Renewals	New leases and renewals	Area added	Properties purchased	Properties sold	GLA at 30 Sep '07
Total	333 664	(12 251)	7 028	5 227	554	145 618	(63 979)	415 861
- leased	325 053	(15 233)	7 028	8 186	554	144 304	(63 290)	406 602
- vacant	8 611	2 982	-	(2 959)	-	1 314	(689)	9 259

10. UNIT HOLDERS

A table of Acucap's major unit holders is set out below:

ACUCAP UNIT HOLDERS AT 30 SEPTEMBER 2007, ADJUSTED FOR INTAPROP ISSUE

Entities controlling > 5% of issued units		
Stanlib Asset Managers		13.9%
Public Investment Corporation		12.7%
Coronation Fund Managers		11.9%
Investec Asset Managers and Private Clients		7.8%
Directors and employees		7.3%
Old Mutual Investment Group		6.5%
Thesele Group		6.2%
Other		33.7%
		100.0%

Number of units in issue 135 390 099

Number of unit holders 1 657

In terms of liquidity, an annualised 38% of Acucap's issued units traded on the JSE in the 6 month period ended 30 September 2007.

11. COST TO INCOME RATIO

Acucap continues to focus on cost efficient asset management, and the cost to income ratio has remained at the low level benchmarked by management. Details are set out below:

	six months to 30-9-07	six months to 30-9-06
Cost category		
Net direct operating costs	9 116	8 489
Property administration fees	3 102	2 411
Asset management costs	3 337	2 918
Indirect administration costs	1 895	1 875
Total costs	17 450	15 693
Contractual rental income	157 769	118 075
Cost to income ratio	11.06%	13.30%
Net direct operating costs	5.8%	7.2%
Property administration fees	2.0%	2.0%
Asset management costs	2.1%	2.5%
Indirect administration costs	1.2%	1.6%
Total costs	11.1%	13.3%

12. BLACK ECONOMIC EMPOWERMENT

A comprehensive process has been initiated at board level to guide the implementation of Acucap's BEE strategy. The process deals with all facets of the generic BEE framework, including equity ownership, board and management representation, enterprise development, preferential procurement and skills development.

In this context, the board of Acucap is pleased to announce the appointment of Ms Felleng Sekha as an independent non-executive director of Acucap. Felleng is a specialist in media telecommunications law, and she has an outstanding track record in that field, having chaired the Independent Broadcasting Authority (later to become ICASA) and the National Telecommunications Forum. As General Manager of International Business Development for MTN, Felleng led the team that successfully set up MTN in Nigeria. She was resident in Nigeria from 2001 to 2005, and on her return spent a further 8 months in Zambia leading a similar project for MTN. Felleng holds law degrees from the Universities of Lesotho and Cape Town, and a post graduate diploma in media communications and information technology law from the University of Melbourne. The board welcomes Felleng.

13. PROSPECTS

For the full year to March 2008, Acucap expects to maintain its record of strong distribution growth, delivering results commensurate with those achieved over the last three financial years.

14. PAYMENT OF DEBENTURE INTEREST

Notice is hereby given that interim distribution number 14 of 36.83 (thirty six comma eight three) cents per linked unit has been approved in respect of the two month period ended 30 September 2007. The last date to trade the linked units cum distribution is Friday, 16 November 2007 and the record date will be Friday, 23 November 2007. The linked units will start trading ex-distribution from Monday, 19 November 2007. Distributions will be made to unit holders on Monday 26 November 2007.

Linked unit certificates may not be dematerialised or rematerialised between Monday 19 November 2007 and Friday 23 November 2007 both days inclusive.

On behalf of the Board

BS KANTOR (Chairman)
31 October 2007

PA THEODOSIOU (Managing Director)