

BALANCE SHEET AT 31 MARCH 2006

	2006 R'000	2005 R'000
ASSETS		
Property assets	2 369 706	1 670 689
Investment properties	2 303 302	1 623 926
Long term receivable	53 215	43 690
Short term receivable	10 898	3 073
Investment properties and related receivables	2 367 415	1 670 689
Other property assets	2 291	-
Other non-current assets	94 095	51 805
Loans in respect of unit purchase scheme	93 284	51 462
Property, plant and equipment	452	343
Deferred tax assets	359	-
Other current assets	18 059	90 953
Trade and other receivables	17 377	16 925
Properties classified as held for sale	-	23 250
Listed investments	-	29 055
Cash and cash equivalents	682	21 723
Total assets	2 481 860	1 813 447
EQUITY AND LIABILITIES		
Shareholders' interest	775 640	334 906
Share capital and share premium	86 712	66 617
Non-distributable reserve	716 534	297 458
Accumulated loss	(27 606)	(29 169)
Non current liabilities	1 615 522	1 336 703
Debentures	685 203	665 124
Financial liabilities	651 936	561 236
Deferred tax liabilities	278 383	110 343
Current liabilities	90 698	141 838
Trade and other payables	17 631	15 309
Financial liabilities	10 000	72 000
Tax payable	2 506	3 083
Debtenture interest payable	60 561	51 446
Total equity and liabilities	2 481 860	1 813 447

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

	2006 R'000	2005 R'000
Revenue	213 045	159 407
- Contractual	195 695	152 198
- Straight lining	17 350	7 209
Net operating expenses	(21 621)	(24 134)
Profit before fair value adjustments, interest and taxation	191 424	135 273
Fair value adjustment to investment properties	575 705	252 287
Profit before interest and taxation	767 129	387 560
Interest received	7 542	12 891
Interest paid	(113 807)	(90 167)
- debentures	(65 677)	(55 860)
- other	595 187	254 424
Profit before taxation	(170 187)	(72 107)
Taxation	425 000	182 317
Profit for the year	425 000	182 317
Reconciliation of headline profit to net profit		
Profit for the year	425 000	182 317
Fair value adjustment of investment properties	(575 705)	(252 287)
Profit on disposal of investment properties	(1 580)	(941)
Profit on disposal of listed investments	(654)	(9 415)
Impairment of intangible asset	-	15 210
Tax effects	167 278	71 629
Headline earnings - shares	14 339	6 513
Interest paid to debenture holders	113 807	90 167
Headline earnings - linked units	128 146	96 680
	Cents	Cents
Headline earnings per share	21.26	12.09
Headline earnings per linked unit	189.95	179.50
Earnings per share	629.98	338.50
Interest distribution per linked unit		
- interim	79.03	71.48
- final	88.29	77.27
Distribution per linked unit	167.32	148.75

COMMENTS

1. REVIEW OF RESULTS AND OPERATIONS

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), applied consistently with the prior period, and the requirements of the Companies Act in South Africa. 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.

One of the most notable features of the listed property sector in the past year has been the very strong distribution growth rates achieved. The weighted average growth in distributions for funds that reported in the last 12 months was 10.27%, with 12% marking the threshold for top quartile performance. These historically high growth rates have been underpinned by the continued strong performance of the South African economy, with demand for space across the retail, office and industrial sectors driving rentals upwards and vacancy levels lower. The latest IPD vacancy data for listed funds in respect of the year to December 2005 shows retail vacancy declining from 3.48% to 3.35%, office vacancy from 9.90% to 6.42% and industrial vacancy from 2.63% to 1.92%, an indication that many listed funds have enjoyed windfall gains as a result of vacancy take-up. In addition, the geared funds have benefited from lower average borrowing costs under the dual influence of margin compression and the repricing of maturing fixed rate loans to current market levels.

Strong distribution growth has led to yields on listed property funds firming more aggressively than the yield on ten-year Government bonds. In the three year period from December 2002 to December 2005, the long bond yield declined from 10.55% to 7.43%, while over the same period, the SA Listed Property Index yield firmed from 13.63% to 7.02%, with the yield differential between listed property and bonds now reflecting a discount of 0.41%.

The firming in listed property yields has been accompanied by a continued decline in direct property capitalisation rates over the last year, with the result that for the second year in succession, capital growth at 18.1% has exceeded the income return of 10.3% on all property surveyed by the IPD South Africa Property Index.

2. DISTRIBUTION

The Board has approved a final distribution of 88.29 cents per linked unit for the period from 1 October 2005 to 31 March 2006. Distributions per linked unit for the full year therefore increased by 12.5% over the prior year from 148.75 cents to 167.32 cents. The final distribution of 88.29 cents per linked unit is 14.3% higher than last year's final distribution of 77.27 cents per linked unit. These results are consistent with the guidance that the company has provided to the market during the year.

Contribution by sector to the annual distribution is set out in the table below:

	2006	2005
Retail	72%	67%
Offices	20%	24%
Industrial	8%	9%
Net Property income	100%	100%

3. ACQUISITIONS AND DEVELOPMENTS

3.1 Checkers Hyperama Roodepoort

On 23 November 2005, Acucap reached agreement with Old Mutual Life Assurance Company (SA) Limited to acquire the above property, situated on Hendrik Potgieter Road, Roodepoort, for R54.6 million. Transfer of the property into the name of Acucap was registered on 25 April 2006. The property is 168 610m² in extent, and comprises a Checkers Hyperama and House & Home of 15 400m², with associated line shops of 10,365m². The acquisition price represents a cost of R2 119 per m² of retail GLA, and even though the centre is 22% vacant, its initial acquisition yield is 9.25%, with substantial upside. The property is situated in the growing Hendrik Potgieter retail node, and Acucap is advancing plans for a redevelopment of the asset that will not only result in a take-up of the vacant space, but will reconfigure the GLA resulting in the creation of a more comprehensive retail offering. The Hyperama continues to trade strongly, and this will underpin the redevelopment of the property.

3.2 Improvon Industrial JV Midrand

Acucap has adopted a strategy of working with reputable developers to procure new investment opportunities, and in pursuit of this strategy, the company entered into an agreement on 3 November 2005 to acquire an undivided 20% share in a 38 hectare industrial site in Midrand. The site is well situated on the Ben Schoeman highway, with good access and visibility, and it will be particularly suitable for large scale distribution users. The lead party in the joint venture is Improvon, one of Gauteng's foremost industrial developers, and it is intended that the site be developed in four phases, the first of which will commence in the latter part of 2006. On completion, the property is expected to have a value of between R700 and R800 million.

3.3 Aon House, Illovo Boulevard

On 10 April 2006, subsequent to Acucap's year end, an agreement was concluded to acquire Aon House on Fricker Road, Illovo Boulevard. This is a high quality single tenant office building, of a standard consistent with the rest of Acucap's select office exposure. The lease with Aon South Africa runs to November 2011, and the property was acquired for R92.9 million on an initial yield of 10%.

3.4 Capital commitments

In addition to the above, authorised and contracted capital commitments amount to R80 million. The addition of a new Game store and related line shops at Festival Mall accounts for R60 million of this amount, with R13 million relating to the redevelopment of the Warwick Centre at Claremont, and R7 million to phase 2 of the Rondebosch Village refurbishment. The average yield on capital commitments is expected to be approximately 9%.

4. BORROWINGS

The group achieved an average borrowing cost of 10.67% (2005: 12.19%) for the year. At 31 March 2006, 77% (2005: 67%) of borrowings were subject to fixed interest rates, with a weighted average fixed interest rate expiry of approximately 2.75 years (2005: 3.6 years). The group borrowing capacity amounts to R1.3 billion (2005: R916 million), being 55% of the valuation of the properties. Existing group facilities amount to R1 billion (2005: R532 million), and facilities utilised at year end amounted to R652 million (2005: R561 million), reflecting a gearing ratio of 28%.



ACUCAP

AUDITED FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2006

Annual Distribution up 12.5%

Final Distribution up 14.3%

Property portfolio value up from R1.7 billion to R2.4 billion

Net asset value up by 42% from R15.02 to R21.30

ACUCAP PROPERTIES LIMITED

(Incorporated in the Republic of South Africa) (Registration number 2001/021725/06)
Share code: ACP ISIN: ZAE00037651 ("Acucap" or "the company")

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2006

	Share capital R'000	Share premium R'000	Non distributable reserve R'000	Accumulated loss R'000	Total R'000
Balance at 31 March 2004	50	3 350	93 653	(14 916)	82 137
Issue of 4 000 000 shares in July 2004	4	8 036	-	-	8 040
Issue of 3 665 369 shares in January 2005	4	10 479	-	-	10 483
Issue of 8 742 802 shares in March 2005	9	45 730	-	-	45 739
Share issue costs	-	(1 045)	-	-	(1 045)
Profit for the year	-	-	-	182 317	182 317
Increase in fair value of listed investments	-	-	6 370	-	6 370
Change in fair value of cash flow hedge	-	-	865	-	865
Transfer to non-distributable reserve	-	-	196 570	(196 570)	-
Balance at 31 March 2005	67	66 550	297 458	(29 169)	334 906
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
Share issue costs	-	(729)	-	-	(729)
Profit for the year	-	-	-	425 000	425 000
Change in fair value of cash flow hedge	-	-	(4 361)	-	(4 361)
Transfer to non-distributable reserve	-	-	423 437	(423 437)	-
Balance at 31 March 2006	69	86 643	716 534	(27 606)	775 640

ABRIDGED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

	2006 R'000	2005 R'000
Cash flows from operating activities		
Cash generated by operations	169 473	136 840
Income tax paid	(3 083)	(439)
Interest received	7 367	11 390
Interest paid	(170 369)	(131 130)
Net cash inflow from operating activities	3 388	16 661
Net cash outflow from investing activities	(93 303)	(439 027)
Net cash inflow from financing activities	68 874	443 265
Net cash (outflow)/inflow for the year	(21 041)	20 899
Cash and cash equivalents at beginning of year	21 723	824
Cash and cash equivalents at end of year	682	21 723

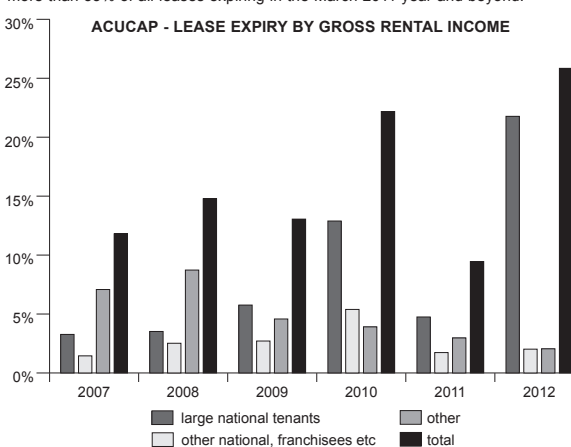
Amount (R million)	% of total facilities	Rate (na/cm)	Expiry of fixed rates
120.0	12.0%	12.01%	January 2007
100.0	10.0%	12.40%	May 2008
50.0	5.0%	9.89%	April 2008
60.0	6.0%	9.61%	August 2009
50.0	5.0%	13.57%	October 2009
75.0	7.4%	9.86%	April 2010
50.0	5.0%	13.20%	March 2012
326.0	32.6%	Prime less 2.30%	
120.0	12.0%	1 month jibar + 1.05%	
50.0	5.0%	1 month jibar + 1.40%	
1 001.0	100.0%		

5. VACANCIES

Vacancies amount to 2.9% of the portfolio by gross rental income, and 2.3% by GLA. None of this vacancy is 'hard core' in nature, and most of the vacancy 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 4 years, with more than 35% of all leases expiring in the March 2011 year and beyond.



7. COST TO INCOME

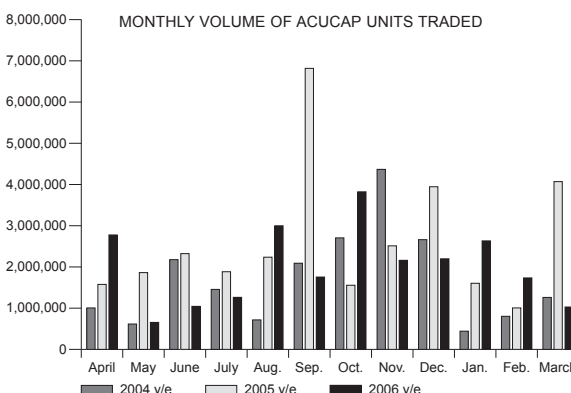
The company's cost to income ratio is analysed in the table below:

Cost category	2006 R'000	2005 R'000
Net direct operating costs	10 824	8 775
Property administration fees	4 066	3 626
Asset management costs	5 994	5 079
Indirect administration costs	2 971	1 800
Total costs	23 855	19 280
Contractual rental income	195 695	152 198
Cost to income ratio	12.2%	12.7%

The company has once again demonstrated a tight control over its cost structures, and it has also benefited from the year to March 2006 being its first full year of in-house asset management. The company will continue to place emphasis on the efficient management of the business with a view to further enhancing distribution growth.

8. LIQUIDITY

In the year to 31 March 2006, trade in Acucap linked units has amounted to 35.7% of the weighted average number of units in issue, and the monthly distribution of the volume traded is shown in the accompanying graph:



Details of the company's unit holder spread are shown below:

	31 Mar 2006	31 Mar 2005
Total number of unit holders	1 129	1 113
Number of unit holders owning > 5% of units in issue	3	3
Number of institutions controlling 10% to 15% of units in issue	2	3
Number of institutions controlling > 15% of units in issue	1	1
Percentage of units controlled by largest institution	17.4%	18.1%
Percentage of units held by public unitholders	76.3%	74.7%

9. PROPERTY PORTFOLIO REVALUATION

Acucap's entire property portfolio was revalued by its independent valuers at 31 March 2006, using either the capitalisation of net income method, or the discounted cash flow method, or a combination of these where appropriate. The portfolio increased in value from R1.7 billion at the end of March 2005 to R2.4 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 42% growth in the NAV per linked unit from R15.02 at 31 March 2005 to R21.30 at 31 March 2006.

The independent valuations were once again subject to a third party peer review, and the review valuations concurred with those of the fund's independent valuers.

10. SEGMENTAL RESULTS

	2006 R'000	2005 R'000
Retail		
Segment Revenue (external customers)	154 601	106 723
Net operating expenses	(11 611)	(10 375)
Profit before fair value adjustments	142 990	96 348
Fair value adjustment of investment properties	444 682	200 936
Segmental results	587 672	297 284
Offices		
Segment Revenue (external customers)	43 052	38 313
Net operating expenses	(2 192)	(1 404)
Profit before fair value adjustments	40 860	36 909
Fair value adjustment of investment properties	93 245	39 689
Segmental results	134 105	76 598
Industrial		
Segment Revenue (external customers)	15 392	14 371
Net operating revenue	493	330
Profit before fair value adjustments	15 885	14 701
Fair value adjustment of investment properties	37 778	11 662
Segmental results	53 663	26 363
Reconciliation to net profit for the year in the income statement		
Revenue	213 045	159 407
Allocated operating expenses	(13 310)	(11 449)
Allocated profit before fair value adjustments		