



# Unaudited Condensed Interim Results

## for the 6 months ended 30 September 2011

### 1 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30-Sep-11 Unaudited R'000	31-Mar-11 Audited R'000	30-Sep-10 Restated* R'000
<b>ASSETS</b>			
<b>Property Assets</b>	<b>6 872 530</b>	<b>6 926 761</b>	<b>6 271 805</b>
Investment properties	6 359 625	6 351 984	5 729 547
Non-current receivable	91 314	91 242	112 045
Current receivable	27 128	30 259	28 627
Investment properties and related receivables	6 478 067	6 473 485	5 870 219
Investment properties held for sale and related receivables	40 500	147 250	100 752
Investment properties under development	282 517	234 023	230 542
Owner-occupied property	9 632	9 870	10 106
Property development inventory	62 314	62 133	60 186
<b>Other non-current assets</b>	<b>1 553 755</b>	<b>1 534 948</b>	<b>1 435 315</b>
Loans in respect of unit purchase scheme	331 575	331 383	274 103
Equipment	1 533	1 385	1 573
Listed investments	870 427	834 276	788 552
Interest in jointly controlled entities	123	52	-
Intangible assets and goodwill	295 273	308 052	320 832
Deferred tax assets	54 824	59 800	50 255
<b>Other current assets</b>	<b>232 610</b>	<b>221 043</b>	<b>301 491</b>
Trade and other receivables	223 415	214 629	246 194
Tax receivable	415	437	-
Cash and cash equivalents	8 780	5 977	55 297
<b>Total assets</b>	<b>8 658 895</b>	<b>8 682 752</b>	<b>8 008 611</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' interest</b>	<b>3 228 488</b>	<b>3 313 077</b>	<b>2 720 334</b>
Share capital and share premium	1 837 783	1 832 561	1 717 855
Non-distributable reserve	1 688 111	1 699 847	1 244 523
Accumulated loss	( 297 406)	( 219 331)	( 242 044)
<b>Non-current liabilities</b>	<b>4 767 531</b>	<b>4 500 737</b>	<b>4 087 144</b>
Debentures	1 633 130	1 630 633	1 583 119
Financial liabilities	2 666 787	2 423 093	2 071 137
BEE instrument	116 294	84 042	94 736
Financial instruments	82 064	90 199	150 865
Deferred tax liabilities	269 256	272 770	187 287
<b>Current liabilities</b>	<b>662 876</b>	<b>868 938</b>	<b>1 201 133</b>
Trade and other payables	125 835	127 658	143 761
Financial liabilities	300 000	514 591	832 081
Tax payable	-	-	8 583
Debt interest payable	237 041	226 689	216 708
<b>Total equity and liabilities</b>	<b>8 658 895</b>	<b>8 682 752</b>	<b>8 008 611</b>

\* Prior year financial statements were restated due to early adoption of IAS 12 amendment.

	Prior year 2010	Restatement	Restated prior year 2010
Statement of financial position			
Non-distributable reserve	1 092 668	151 855	1 244 523
Accumulated loss	( 242 044)	-	( 242 044)
Deferred tax liabilities	339 142	( 151 855)	187 287
	1 189 766	-	1 189 766

### 2 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

	6 months ended 30-Sep-11 Unaudited R'000	Year ended 31-Mar-11 Audited R'000	6 months ended 30-Sep-10 Unaudited R'000
<b>Revenue</b>	<b>3 175 594</b>	<b>6 242 298</b>	<b>294 696</b>
- Contractual	3 203 345	6 366 827	288 022
- Straight lining	( 27 751)	( 12 529)	6 674
Net operating expenses	( 24 440)	( 64 616)	( 20 423)
Loss on sale of properties	( 1 310)	( 205)	( 200)
Loss on sale of jointly controlled entity	-	( 948)	( 948)
Amortisation of intangible assets	( 12 780)	( 25 151)	( 12 371)
<b>Profit before fair value adjustments, interest and taxation</b>	<b>279 064</b>	<b>533 378</b>	<b>260 754</b>
Fair value adjustment to investment properties	3 222	524 940	( 6 474)
Fair value adjustment to BEE instrument	( 32 252)	( 7 495)	( 18 189)
Fair value adjustment to government bonds	( 19 188)	3 927	( 18 564)
<b>Profit before interest and taxation</b>	<b>230 846</b>	<b>1 054 750</b>	<b>217 527</b>
Interest income	52 600	134 001	53 023
Interest expense	( 237 041)	( 216 708)	( 216 708)
- Debenture holders - interim	( 226 689)	( 226 689)	( 226 689)
- Financial institutions and other	( 11 352)	( 250 008)	( 108 938)
<b>(Loss)/ profit before taxation</b>	<b>( 72 419)</b>	<b>493 346</b>	<b>( 55 096)</b>
Taxation	4 302	( 65 765)	( 3 688)
<b>(Loss)/ profit for the period</b>	<b>( 68 117)</b>	<b>427 581</b>	<b>( 58 784)</b>
<b>Other comprehensive (expense)/ income</b>			
Net change in fair value of listed investments, net of taxation	31 090	( 51 826)	181
Net change in fair value of cash flow hedge recognised directly in equity, net of taxation	( 52 784)	( 714)	( 44 393)
<b>Other comprehensive (expense)/ income, net of income tax</b>	<b>( 21 694)</b>	<b>( 52 540)</b>	<b>( 44 212)</b>
<b>Total comprehensive (expense)/ income for the period</b>	<b>( 89 811)</b>	<b>375 041</b>	<b>( 102 996)</b>
<b>Reconciliation of (loss)/ profit for the period to headline loss</b>			
(Loss)/ profit for the period	( 68 117)	427 581	( 58 784)
Fair value adjustment to investment properties	( 3 222)	( 524 940)	6 474
Loss on disposal of investment properties	1 310	205	200
Tax effects	( 117)	71 430	-
<b>Headline loss - shares</b>	<b>( 70 146)</b>	<b>( 25 724)</b>	<b>( 52 110)</b>
Interest paid to debenture holders	237 041	443 397	216 708
<b>Headline earnings - linked units</b>	<b>166 895</b>	<b>417 673</b>	<b>164 598</b>
Basic and diluted (loss)/ earnings per share	( 41.67)	272.64	( 38.45)
Headline earnings per linked unit	102.11	266.32	107.65
Interest Distribution per linked unit	145.00	275.63	136.75
- Interim	145.00	136.75	136.75
- Final	-	138.88	-

### 3 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

	Shares issued	Share capital	Share Premium	Non Distributable Reserve	Accumulated loss	Total
	Number	R'000	R'000	R'000	R'000	R'000
<b>Balance at 31 March 2010 *</b>	149 752 754	150	1 535 783	1 307 786	( 202 311)	2 641 408
<b>Total comprehensive expense for the period</b>	-	-	-	-	( 58 784)	( 58 784)
Loss for the period	-	-	-	-	( 58 784)	( 58 784)
<b>Other comprehensive income/ (expense)</b>	-	-	-	-	-	-
Net change in fair value of listed investments	-	-	-	181	-	181
Net change in fair value of cash flow hedge recognised directly in equity	-	-	( 44 393)	-	( 44 393)	( 44 393)
<b>Total comprehensive expense for the period</b>	-	-	-	( 44 212)	( 58 784)	( 102 996)
<b>Transactions with owners, recorded directly in equity</b>						
Issue of 8 717 627 shares in July 2010	8 717 627	9	181 913	-	-	181 922
Transfer to non-distributable reserve	-	-	( 19 051)	19 051	-	-
<b>Total transactions with owners</b>	8 717 627	9	181 913	( 19 051)	19 051	181 922
<b>Balance at 30 September 2010</b>	158 470 381	159	1 717 696	1 244 523	( 242 044)	2 720 334
<b>Total comprehensive (expense) / income for the period</b>	-	-	-	-	486 365	486 365
Profit for the period	-	-	-	-	486 365	486 365
<b>Other comprehensive (expense) / income</b>	-	-	-	-	-	-
Net change in fair value of listed investments	-	-	-	( 52 007)	-	( 52 007)
Net change in fair value of cash flow hedge recognised directly in equity	-	-	-	43 679	-	43 679
<b>Total comprehensive (expense)/ income for the period</b>	-	-	-	( 8 328)	486 365	478 037
<b>Transactions with owners, recorded directly in equity</b>						
Issue of 2 471 153 shares in December 2010	2 471 153	2	59 613	-	-	59 615
Issue of 1 685 000 shares in January 2011	1 685 000	1	40 601	-	-	40 602
Issue of 600 000 shares in January 2011	600 000	1	14 488	-	-	14 489
Transfer to non-distributable reserve	-	-	-	463 652	( 463 652)	-
<b>Total transactions with owners</b>	4 756 153	4	114 702	463 652	( 463 652)	114 706
<b>Balance at 31 March 2011</b>	163 226 534	163	1 832 398	1 699 847	( 219 331)	3 313 077
<b>Total comprehensive expense for the period</b>	-	-	-	-	( 68 117)	( 68 117)
Loss for the period	-	-	-	-	( 68 117)	( 68 117)
<b>Other comprehensive income/ (expense)</b>	-	-	-	-	-	-
Net change in fair value of listed investments	-	-	-	31 090	-	31 090
Net change in fair value of cash flow hedge recognised directly in equity	-	-	-	( 52 784)	-	( 52 784)
<b>Total comprehensive expense for the period</b>	-	-	-	( 21 694)	( 68 117)	( 89 811)
<b>Transactions with owners, recorded directly in equity</b>						
Issue of 250 000 shares in April 2011	250 000	1	5 221	-	-	5 222
Transfer to non-distributable reserve	-	-	-	9 958	( 9 958)	-
<b>Total transactions with owners</b>	250 000	1	5 221	9 958	( 9 958)	5 222
<b>Balance at 30 September 2011</b>	163 476 534	164	1 837 619	1 688 111	( 297 406)	3 228 488

\* Prior year financial statements were restated due to early adoption of IAS 12 amendment

### BASIS OF PREPARATION

The interim condensed financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and IAS34, as well as the requirements of the Companies Act in South Africa and the JSE Limited Listings Requirements, and on a basis consistent with the company's most recent annual financial statements.

### 4 CONDENSED CASH FLOW STATEMENT FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

	6 months ended 30-Sep-11 R'000	Year ended 31-Mar-11 R'000	6 months ended 30-Sep-10 R'000
<b>Cash flows from operating activities</b>			
Cash generated by operations	285 994	567 686	250 209
Changes in property development inventory	( 180)	12 835	979
Income tax paid	( 1 552)	( 28 850)	( 24 058)
Interest received	52 600	134 001	53 023
Interest paid	( 345 513)	( 664 233)	( 325 646)
<b>Net cash (outflows)/ inflows from operating activities</b>	<b>( 8 651)</b>	<b>21 439</b>	<b>( 45 493)</b>
<b>Cash inflows/ (outflows) from investing activities</b>	<b>52 461</b>	<b>( 884 209)</b>	<b>( 569 972)</b>
<b>Cash (outflows)/ inflows from financing activities</b>	<b>( 41 007)</b>	<b>830 835</b>	<b>632 850</b>
<b>Net cash inflows/ (outflows) for the period</b>	<b>2 803</b>	<b>( 31 935)</b>	<b>17 385</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>5 977</b>	<b>37 912</b>	<b>37 912</b>
<b>Cash and cash equivalents at end of period</b>	<b>8 780</b>	<b>5 977</b>	<b>55 297</b>

### 5 CONDENSED SEGMENTAL RESULTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

	6 months ended 30-Sep-11 R'000	6 months ended 30-Sep-10 R'000
<b>Retail</b>		
Segment revenue (external customers)	213 064	194 285
Net operating expenses	( 27 196)	( 22 215)
Fair value adjustment to investment properties	( 1 308)	( 1 267)
Loss on disposal of investment properties	( 652)	-
<b>Segmental results</b>	<b>183 908</b>	<b>170 803</b>
<b>Offices</b>		
Segment revenue (external customers)	87 287	81 813
Net operating expenses	( 5 602)	( 2 953)
Fair value adjustment to investment properties	5 149	( 5 307)
Loss on disposal of investment properties	( 653)	( 200)
<b>Segmental results</b>	<b>86 181</b>	<b>73 353</b>
<b>Industrial</b>		
Segment revenue (external customers)	8 952	6 953
Net operating expenses	( 1 309)	( 809)
Loss on disposal of investment properties	( 5)	-
Fair value adjustment to investment properties	( 619)	100
<b>Segmental results</b>	<b>7 019</b>	<b>6 244</b>
<b>Property development</b>		
Segment revenue (external customers)	8 291	11 645
Net operating expenses	( 5 632)	( 7 077)
<b>Segmental results</b>	<b>2 659</b>	<b>4 568</b>
<b>Reconciliation to profit before interest and taxation for the period in the income statement</b>		
Revenue	317 594	294 696
Allocated operating expenses	( 39 739)	( 33 054)
Unallocated operating expenses	15 299	12 631
Loss on disposal of investment properties	( 1 310)	( 200)
Loss on sale of jointly controlled entity	-	( 948)
Amortisation of intangible assets	( 12 780)	( 12 371)
Fair value adjustment to investment properties	3 222	( 6 474)
Fair value adjustment to government bonds	( 19 188)	( 18 564)
Fair value adjustment to BEE instrument	( 32 252)	( 18 189)
<b>Profit before interest and taxation</b>	<b>230 846</b>	<b>217 527</b>

### 6 COMMENTARY

#### 1. REVIEW OF RESULTS AND OPERATIONS

Acucap's board is pleased to report a distribution of 145 cents per unit (cpu) for the six months ended 30 September 2011, 6.03% higher than the same six month period last year.

Particularly pleasing was the high level of leasing activity that took place in the current period. Nearly 74,000m<sup>2</sup> of leases expired and were renewed or re-let during the six months to 30 September 2011, with the result that over 50% of Acucap's contractual revenue is attributable to the period from March 2015 onwards.

At the retail level, leases for 53,049m<sup>2</sup> expired, and there were renewals and new leases signed for 53,914m<sup>2</sup>, the positive difference representing a decline in vacancies. At R97/m<sup>2</sup> on average, renewal rentals were 1.0% lower than expiring rentals, but excluding the effects of the Checkers Hyper lease at Festival Mall, which expired after a 20 year lease term, renewal rentals were R105/m<sup>2</sup> on average, 12% higher than expiring rentals.

Leases for 24,427m<sup>2</sup> of retail space are due to expire in the next 6 months of the 2012 financial year, at average rentals of R132/m<sup>2</sup>, and are expected to be renewed at an average of R146/m<sup>2</sup>. Vacancy rates remained low across Acucap's retail portfolio, ending the period at 2.4% of retail GLA.

Acucap's high quality office portfolio performed well in the period under review. Of the 20,907m<sup>2</sup> that expired during the six months to 30 September 2011, 19,858m<sup>2</sup> was renewed or re-let. Average renewal rentals of R119/m<sup>2</sup> net reflect a negative reversion of 8%, with only a marginal increase in vacancy to 4% at the end of September 2011.

The last development profits from Helderberg Village came through in the six months to 30 September 2011 with the sale of the final two units, and there will be no further income from this source.

The declining trend in bad debt write-offs continued. Bad debts written off across Acucap's portfolio amounted to R468,000 (0.15% of revenue), compared to R562,000 in the comparative period, (0.2% of revenue).

There were no acquisitions in the period under review, and capital expenditure of R25m has been incurred on the expansion and refurbishment of Bayside Mall which is now complete and showing strong growth in turnovers.

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	55 489	17.8%	49 300	17.7%
Key West	30 938	9.9%	28	