

## UNAUDITED GROUP RESULTS AND DECLARATION OF THE INTERIM DISTRIBUTION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

CONDENSED INCOME STATEMENT	Unaudited 6 months to 30 Sep 2008 (R'000)	Unaudited 6 months to 30 Sep 2007 (R'000)	Audited 12 months to 31 Mar 2008 (R'000)
<b>Revenue</b>	<b>214,050</b>	<b>194,255</b>	<b>390,087</b>
Rental income	209,732	190,397	389,823
Straight-line rental income accrual	(999)	3,858	(6,252)
Dividend income	5,317	-	6,516
<b>Expenditure</b>	<b>48,720</b>	<b>47,330</b>	<b>88,705</b>
Administrative expenditure	1,070	763	1,161
Auditors' remuneration	194	167	935
Property management fees	6,465	6,313	13,002
Property expenses	31,356	29,727	52,517
Service charge	9,635	10,360	21,090
<b>Net Property income</b>	<b>165,330</b>	<b>146,925</b>	<b>301,382</b>
Net finance cost	21,462	20,824	40,231
<b>Net income before fair value adjustments</b>	<b>143,868</b>	<b>126,101</b>	<b>261,151</b>
Realised surplus on disposal of investment property	668	23,162	22,949
Unrealised (deficit)/surplus on revaluation of interest rate swap	(9,741)	4,016	6,372
Straight-line rental income accrual	999	(3,858)	6,252
Unrealised (deficit)/surplus on revaluation of investment property	-	-	833,038
Unrealised (deficit)/surplus on revaluation of investment in securities	(28,679)	-	101,941
<b>Net income before taxation</b>	<b>107,115</b>	<b>149,421</b>	<b>1,231,703</b>
Taxation	-	-	6,662
<b>Earnings</b>	<b>107,115</b>	<b>149,421</b>	<b>1,225,041</b>
Number of units in issue ('000)	205,107	205,107	205,107
Number of weighted average units in issue ('000)	205,107	188,298	196,703
Earnings per unit and diluted earnings per unit - cents	52.22	72.85	597.27
Weighted average earnings per unit - cents	52.22	79.35	622.79

RECONCILIATION OF EARNINGS, HEADLINE EARNINGS AND DISTRIBUTABLE EARNINGS	Unaudited 6 months to 30 Sep 2008 (R'000)	Unaudited 6 months to 30 Sep 2007 (R'000)	Audited 12 months to 31 Mar 2008 (R'000)
<b>Earnings</b>	<b>107,115</b>	<b>149,421</b>	<b>1,225,041</b>
Realised surplus on disposal of investment property	(668)	(23,162)	(22,949)
Unrealised surplus on revaluation of investment property	-	-	(833,038)
Unrealised surplus on revaluation of investment in securities	28,679	-	(101,941)
Straight-line rental income accrual	(999)	3,858	(6,252)
Taxation	-	-	6,662
<b>Headline earnings</b>	<b>134,127</b>	<b>130,117</b>	<b>267,523</b>
Straight-line rental income accrual	999	(3,858)	6,252
Unrealised surplus on revaluation of interest rate swap	9,741	(4,016)	(6,372)
Distribution clawback	-	9,333	9,333
<b>Distributable earnings</b>	<b>144,867</b>	<b>131,576</b>	<b>276,736</b>
Headline earnings per unit - cents	65.39	63.44	130.43
Weighted headline earnings per unit - cents	65.39	69.10	136.00
<b>Distribution per unit - cents</b>	<b>70.63</b>	<b>64.15</b>	<b>134.92</b>
<b>Distributions per unit</b>			
No. 45 of 64.15 cents per unit	-	131,576	131,576
No. 46 of 70.77 cents per unit	-	-	145,160
No. 47 of 70.63 cents per unit	144,867	-	-
	144,867	131,576	276,736

CONDENSED BALANCE SHEET	Unaudited at 30 Sep 2008 (R'000)	Unaudited at 30 Sep 2007 (R'000)	Audited at 31 Mar 2008 (R'000)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment property	4,476,399	3,579,765	4,426,016
Investment property under development	65,171	36,440	72,162
Investment in securities	331,573	257,588	360,252
Total non-current assets	4,873,143	3,873,793	4,858,430
<b>Current assets</b>			
Rental and other receivables	38,979	47,481	38,889
Other financial assets	1,395	8,780	11,136
Cash and cash equivalents	123,960	105,926	108,838
Total current assets	164,334	162,187	158,863
<b>Total assets</b>	<b>5,037,477</b>	<b>4,035,980</b>	<b>5,017,293</b>
<b>UNITHOLDERS' FUNDS AND LIABILITIES</b>			
<b>Unitholders' funds</b>			
Unitholders' capital	1,661,828	1,661,962	1,661,828
Non-distributable reserves	2,552,422	1,659,714	2,590,174
Total capital and reserves	4,214,250	3,321,676	4,252,002
<b>Non-current liabilities</b>			
Unsecured borrowings	637,165	525,125	562,087
Total non-current liabilities	637,165	525,125	562,087
<b>Current liabilities</b>			
Trade and other payables	39,451	44,364	51,382
Taxation payable	1,744	13,239	6,662
Unitholders for distribution	144,867	131,576	145,160
Total current liabilities	186,062	189,179	203,204
Total liabilities	823,227	714,304	765,291
<b>Total unitholders' funds and liabilities</b>	<b>5,037,477</b>	<b>4,035,980</b>	<b>5,017,293</b>
Net asset value per unit - cents	2,055	1,619	2,073
Weighted average net asset value per unit - cents	2,055	1,764	2,162

CONDENSED STATEMENT OF CHANGES IN CAPITAL AND RESERVES	Non distributable Capital (R'000)	Retained reserve income (R'000)	Total (R'000)
<b>Balance at 1 April 2007</b>	<b>1,281,486</b>	<b>1,632,536</b>	<b>2,914,022</b>
Units issued	382,084	-	382,084
Unit issue cost	(1,608)	-	(1,608)
Distribution clawback	-	-	9,333
Earnings	-	149,417	149,417
Transfer to non-distributable reserve	-	27,178	(27,178)
Unitholders' distribution	-	(131,572)	(131,572)
<b>Balance at 30 September 2007</b>	<b>1,661,962</b>	<b>1,659,714</b>	<b>3,321,676</b>
Unit issue cost	(134)	-	(134)
Earnings	-	1,075,624	1,075,624
Transfer to non-distributable reserve	-	930,460	930,460
Unitholders' distribution	-	(145,164)	(145,164)
<b>Balance at 31 March 2008</b>	<b>1,661,828</b>	<b>2,590,174</b>	<b>4,252,002</b>
Earnings	-	107,115	107,115
Transfer to non-distributable reserve	-	(37,752)	(37,752)
Unitholders' distribution	-	(144,867)	(144,867)
<b>Balance at 30 September 2008</b>	<b>1,661,828</b>	<b>2,552,422</b>	<b>4,214,250</b>

CONDENSED CASH FLOW STATEMENT	Unaudited six months to 30 Sep 2008 (R'000)	Unaudited six months to 30 Sep 2007 (R'000)	Audited twelve months to 31 Mar 2008 (R'000)
<b>Cash generated from operating activities</b>			
Cash generated from operating activities	156,664	134,110	300,750
Interest received	14,129	10,952	18,992
Interest paid	(35,591)	(31,776)	(63,315)
Dividends received	6,516	-	-
Distribution paid	(145,160)	(119,585)	(241,828)
Taxation paid	(4,918)	-	(13,239)
Net cash (outflow)/inflow from operating activities	(8,360)	(6,299)	1,360
<b>Cash flows from investing activities</b>			
Additions to investment and development property	(51,596)	(213,345)	(254,030)
Additions to investment in securities	-	(257,588)	(258,311)
Proceeds on disposal of investment property	-	98,657	98,657
Net cash outflow from investing activities	(51,596)	(372,276)	(413,684)
<b>Cash flows from financing activities</b>			
Increase in issued capital	-	380,643	380,342
Increase/(decrease) in borrowings	75,078	(4,173)	32,789
Net cash inflow/(outflow) from financing activities	75,078	376,470	413,131
<b>Net (increase)/decrease in cash and cash equivalents</b>	<b>15,122</b>	<b>(2,105)</b>	<b>807</b>
Cash and cash equivalents at the beginning of the period	108,838	108,831	108,831
<b>Cash and cash equivalents at the end of the period</b>	<b>123,960</b>	<b>105,926</b>	<b>108,838</b>

### NOTES TO THE FINANCIAL STATEMENTS

**1. ACCOUNTING POLICIES**  
The unaudited financial report has been prepared in accordance with the requirements of International Financial Reporting Standards, International Accounting Standards 34: Interim Reporting ("IAS 34") the JSE listings requirements, the Companies Act (act 61 of 1973) and the Collective Investment Schemes Control Act of 2002. The accounting policies are consistent with those applied in the prior year.

**2. PRIMARY OPERATIONAL SEGMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008**

	Retail (R'000)	Office (R'000)	Fund (R'000)	Total (R'000)
Rental income	118,065	91,667	-	209,732
Straight-line rental income accrual	841	(1,840)	-	(999)
Dividend income	-	-	5,317	5,317
Total revenue	118,906	89,827	5,317	214,050
Expenditure	21,493	15,946	11,281	48,720
Net finance cost	(325)	(435)	22,222	21,462
Net operating income	97,738	74,316	(28,186)	143,868
Fair value adjustments	-	-	-	(36,753)
Earnings	-	-	-	107,115
Investment property	2,896,473	1,976,671	-	4,873,144
Current assets	3,458	11,051	149,825	164,334
	2,899,931	1,987,722	149,825	5,037,478
Unsecured borrowings	-	-	637,165	637,165
Current liabilities	4,782	33,860	2,554	41,196
Unitholders' distribution	-	-	144,867	144,867
	4,782	33,860	784,586	823,228
Total capital and reserves	2,895,149	1,953,862	(634,761)	4,214,250

**3. PRIMARY OPERATIONAL SEGMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007**

	Retail (R'000)	Office (R'000)	Fund (R'000)	Total (R'000)
Rental income	104,058	86,339	-	190,397
Straight-line rental income accrual	8,634	(4,776)	-	3,858
Total revenue	112,692	81,563	-	194,255
Expenditure	18,076	17,964	11,290	47,330
Net finance cost	(329)	(1,565)	22,718	20,824
Net operating income	94,945	65,164	(34,008)	126,101
Fair value adjustments	-	-	-	23,320
Earnings	-	-	-	149,417
Non-current assets	2,409,348	1,464,445	-	3,873,793
Current assets	24,105	36,904	101,178	162,187
Total assets	2,433,453	1,501,349	101,178	4,035,980
Unsecured borrowings	-	-	525,125	525,125
Current liabilities	22,005	31,364	4,234	57,603
Unitholders' distribution	-	-	131,576	131,576
Total liabilities	22,005	31,364	660,935	714,304
Total capital and reserves	2,411,448	1,469,985	(559,757)	3,321,676

**4. MAJOR PROFIT GENERATING PROPERTIES\***

	Rental Income (R'000)	%	Net Income (R'000)	%
Somersett Mall (50% undivided share)	29,791	14.2%	25,274	14.7%
Harrowdene Office Park	24,984	11.9%	21,332	12.4%
Vaal Mall (71.9% undivided share)	25,733	12.3%	22,339	13.0%
The Woodlands Office Park (140% undivided share)	24,440	11.7%	20,101	11.7%
Other properties	104,784	49.9%	83,616	48.2%
Total	209,732	100.0%	172,662	100.0%

(\* Properties contributing more than 10% to net income)

### MANAGEMENT COMMENTARY

#### 1. Results

The distributable earnings for the six months ended 30 September 2008 amounted to 70.63 cents per unit which represents growth of 10.1% over the 64.15 cents per unit distribution for the same period in the prior year. This is slightly ahead of the guidance provided in the results release of 22 May 2008, and is due partly to a stronger than expected performance from the retail portfolio, and partly to a reduction in the asset management fee following a sharp decline in listed property unit prices.

#### 2. Operations

The property portfolio experienced good rental income growth of 11.0%. Property expenses were contained at 18% of income. The lettable area increased by 4 360m<sup>2</sup> to 301 024m<sup>2</sup>, due to the completion of phase 1 at The Woodlands Office Park. Tenant demand for space reduced the vacancy in the portfolio from 1.10% in March 2008 to 0.65% at the end of September 2008. Leases expiring in the next 12 months represent 17.8% of the portfolio by lettable area, and lease negotiations are in progress. Management has undertaken to provide standby power at a cost of R30 million to reduce the impact of power outages on its tenants. Somersett Mall, Vaal Mall, Paarl Mall and The Woodlands Office Park will benefit from the installation which is expected to be completed by March 2009. Costs will be recovered from tenants who agree to participate in the standby power program, and the standard terms and conditions on all new lease agreements have been amended to include a recovery.

#### 3. Retail Portfolio

Sycom remains strategically positioned in the retail sector, with its strong defensive regional product offering. The September quarter showed a nominal 5% increase in turnovers across Sycom's retail portfolio over the same quarter last year, but a 3% decline in footcouns. In real terms, this represents slightly negative turnover growth, an indication of the more difficult retail environment. The vacancy level remained low at 1.0% or 1 678m<sup>2</sup>, and leases totalling 4 702m<sup>2</sup> were concluded at an average net rental of R216/m<sup>2</sup>, escalating at an average of 9.02%. The retail portfolio contributes 57% to net income. Leases totalling 19 521m<sup>2</sup> expire in the next 12 months, and in spite of more difficult market conditions, renewal rentals are nonetheless expected to show satisfactory growth.

#### 4. Office Portfolio

The office portfolio's aggregated net income exceeded budget expectations. The vacancy remained low at 0.2% or 267m<sup>2</sup>. Leases totalling 11 398m<sup>2</sup> were concluded at an average rental of R101/m<sup>2</sup> net, escalating at 8.59%. Lettable area of 34 126m<sup>2</sup> expires in the next 12 months and upward revisions to rentals in excess of R110/m<sup>2</sup> are expected.

#### 5. Stenham European Shopping Centre Fund IC (SESCF)

The underlying property of the investment in SESCOF is adjusted bi-annually for exchange rate fluctuations. As at 30 September 2008 the value of the investment in SESCOF reduced by R28 million due to a strengthening Rand between March and September 2008. Subsequent to the period end, the Rand has weakened significantly against the Euro, reversing the reduction in investment value reported at 30 September 2008. The dividend declared and received for the six months to 30 September 2008 from SESCOF was higher than budgeted as a result of the solid performance of the underlying property asset, the Nova Events shopping mall situated in Leipzig, Germany.

#### 6. Developments

The Woodlands Office Park development is progressing well and the final phase of 19 842m<sup>2</sup> should be completed in March 2009 at an initial yield of 11%, with 12 038m<sup>2</sup> already let. Negotiations are in progress to let the last building of 7 8042m<sup>2</sup> on completion.

#### 7. Funding

At 30 September 2008 the Fund's capital borrowings amounted to R637 million which represents a gearing level of 13%. The capital committed for the remainder of this financial year amounts to R78 million, which includes the generator installation. Borrowings are expected to be R715 million by year end and this remains within the approved loan facility of R950 million.

The interest rate expiry profile of the group is shown below:

	At 30 September 2008		At 30 September 2007	
Expiry	Amount (Rmilion)	Interest rate (%)	Amount (Rmilion)	Interest rate (%)
1 June 2009	100.0	8.99	100.0	8.99
1 June 2011	100.0	9.10	100.0	9.10
17 March 2012	200.0	11.35	-	-
10 April 2014	100.0	10.51	-	-
Fixed interest rates	500.0	9.99	200.0	9.05
Floating interest rate (Prime less 2.5%)	137.2	13.00	362.1	11.50
Gearing	637.2	11.11	562.1	10.63

#### 8. Asset management and administration

Shortly before the end of the current six month reporting period, Acucap Properties Limited ("Acucap") received all the necessary regulatory approvals for its acquisition of