

UNAUDITED INTERIM RESULTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2009

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 September 2009 Unaudited	31 March 2009 Audited	30 September 2008 Unaudited
	R '000	R '000	R '000
ASSETS			
Non-current assets	4,954,533	4,989,241	4,873,143
Investment properties	4,648,688	4,576,339	4,476,399
Investment properties under development	38,100	96,890	65,171
Investment in securities	267,745	316,012	331,573
CURRENT ASSETS	174,704	179,931	164,334
Trade and other receivables	36,357	40,116	38,979
Other financial assets	-	-	1,395
Cash and cash equivalents	138,347	139,815	123,960
TOTAL ASSETS	5,129,237	5,169,172	5,037,477
Equity and liabilities			
Unitholders' interest	4,211,133	4,254,759	4,214,250
Unitholders' capital	1,661,828	1,661,828	1,661,828
Non-distributable reserve	2,549,305	2,592,931	2,552,422
Non current liabilities	709,423	685,879	637,165
Unsecured Financial liabilities	709,423	685,879	637,165
Current liabilities	208,681	228,534	186,062
Trade and other payables	32,690	43,375	39,450
Financial liabilities	17,766	22,407	-
Tax payable	-	231	1,744
Unitholders for distribution	158,225	162,521	144,868
Total equity and liabilities	5,129,237	5,169,172	5,037,477
Net asset value per unit (Rand)	20,53	20,74	20,55

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 September 2009 Unaudited	year ended 31 March 2009 Audited	6 months ended 30 September 2008 Unaudited
	R '000	R '000	R '000
REVENUE	244,096	437,666	214,050
- Contractual	227,067	430,995	209,732
- Straight lining	11,670	(4,997)	(999)
- Dividend income	5,359	11,668	5,317
Net operating expenses	(48,044)	(92,117)	(48,719)
- Administrative expenditure	(1,439)	(1,257)	(1,070)
- Auditors' remuneration	(184)	(767)	(194)
- Property management fees	(7,649)	(14,558)	(6,465)
- Property expenses	(28,727)	(56,132)	(31,355)
- Service charge	(10,045)	(19,403)	(9,635)
Profit before fair value adjustments, interest and taxation	196,052	345,549	165,331
Profit / (loss) on disposal of investment properties	-	(64)	668
Fair value adjustment to investment properties	-	79,091	-
Fair value adjustment to investment properties - straight lining	(11,670)	4,997	999
Fair value adjustment to investment in securities	(48,267)	(44,240)	(28,679)
Fair value adjustment to interest rate swap	4,641	(33,543)	(9,741)
Profit before interest and taxation	140,756	351,790	128,578
Net finance cost	(26,157)	(43,157)	(21,462)
Profit before taxation	114,599	308,633	107,116
Taxation	-	1,513	-
Profit for the period	114,599	310,146	107,116
Other comprehensive income / (expense)	-	-	-
Total comprehensive income for the period	114,599	310,146	107,116
Reconciliation of profit for the period to headline earnings			
Profit for the period	114,599	310,146	107,116
Profit / (loss) on disposal of investment properties	-	64	(668)
Fair value adjustment to investment properties	-	(79,091)	-
Fair value adjustment to investment in securities	48,267	44,240	28,679
Fair value adjustment to investment properties - straight lining	11,670	(4,997)	(999)
Tax effects	-	-	-
Headline profit	174,536	270,362	134,128
Fair value adjustment to interest rate swap	(4,641)	33,543	9,741
Fair value adjustment to investment properties - straight lining	(11,670)	4,997	999
Taxation	-	(1,513)	-
Distributable earnings	158,225	307,389	144,868
Cents			
Earnings per unit	55,87	151,21	52,22
Headline earnings per unit	85,10	131,82	65,39
Distribution per unit	77,14	149,87	70,63
Distributions	158,225	310,389	144,868
No 47 of 70.63 cents per unit	-	144,868	144,868
No 48 of 79.24 cents per unit	-	165,521	-
No 49 of 77.14 cents per unit	158,225	-	-
Number of units in issue	205,107,471	205,107,471	205,107,471

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL AND RESERVES

	Capital	Non Distributable Reserve	Retained earnings	Total
	R '000	R '000	R '000	R '000
Balance at 31 March 2008	1,661,828	2,590,174	-	4,252,002
Total comprehensive income for the period				
Profit for the period	-	-	107,116	107,116
Total comprehensive income for the period	-	-	107,116	107,116
Transactions with owners, recorded directly in equity				
Unitholders' distribution	-	-	(144,868)	(144,868)
Transfer from non-distributable reserve	-	(37,752)	37,752	-
Total transactions with owners	-	(37,752)	(107,116)	(144,868)
Balance at 30 September 2008	1,661,828	2,552,422	-	4,214,250
Total comprehensive income for the period				
Profit for the period	-	-	203,030	203,030
Total comprehensive income for the period	-	-	203,030	203,030
Transactions with owners, recorded directly in equity				
Unitholders' distribution	-	-	(162,521)	(162,521)
Transfer from non-distributable reserve	-	40,509	(40,509)	-
Total transactions with owners	-	40,509	(203,030)	(162,521)
Balance at 31 March 2009	1,661,828	2,592,931	-	4,254,759
Total comprehensive income for the period				
Profit for the period	-	-	114,599	114,599
Total comprehensive income for the period	-	-	114,599	114,599
Transactions with owners, recorded directly in equity				
Unitholders' distribution	-	-	(158,225)	(158,225)
Transfer from non-distributable reserve	-	(43,626)	43,626	-
Total transactions with owners	-	(43,626)	(114,599)	(158,225)
Balance at 30 September 2009	1,661,828	2,549,305	-	4,211,133

ABRIDGED CASH FLOW STATEMENT

	6 months ended 30 September 2009	year ended 31 March 2009	6 months ended 30 September 2008
	R '000	R '000	R '000
Cash flows from operating activities			
Cash generated by operations	179,297	344,146	156,664
Interest received	5,000	16,167	14,129
Interest paid	(31,157)	(67,157)	(35,591)
Dividend received	6,350	11,834	6,516
Distribution paid	(162,521)	(290,028)	(145,160)
Income tax paid	(231)	(4,918)	(4,918)
Net cash (outflows) / inflows from operating activities	(3,262)	10,044	(8,360)
Cash outflows from investing activities	(21,750)	(102,859)	(51,596)
Cash inflows from financing activities	23,544	123,792	75,078
Net cash inflows for the period	(1,468)	30,977	15,122
Cash and cash equivalents at beginning of period	139,815	108,838	108,838
Cash and cash equivalents at end of period	138,347	139,815	123,960

NOTES

1. ACCOUNTING POLICIES

The unaudited financial report has been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) 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 2009

	Retail (R '000)	Office (R '000)	Fund (R '000)	Total (R '000)
Rental income	124,490	102,577	-	227,067
Straight-line rental income accrual	2,949	8,721	-	11,670
Dividend income	5,359	-	-	5,359
Total revenue	132,798	111,298	-	244,096
Expenditure	22,792	13,584	11,668	48,044
Net finance cost	(347)	(450)	26,954	26,157
Net operating income	110,353	98,164	(38,622)	169,895
Fair value adjustments				(55,296)
Earnings				114,599
Investment in property and securities	2,806,004	2,148,529	-	4,954,533
Current assets	1,219	14,170	159,315	174,704
Total	2,807,223	2,162,699	159,315	5,129,237
Unsecured borrowings	-	-	709,423	709,423
Current liabilities	5,128	22,357	22,971	50,456
Unitholders distribution	-	-	158,225	158,225
Total	5,128	22,357	890,619	918,104
Total capital and reserves	2,802,095	2,140,342	(731,304)	4,211,133

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

	Retail	Office	Fund	Total
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	124,223	89,827	-	214,050
Expenditure	21,493	15,946	11,280	48,719
Net finance cost	(325)	(435)	22,222	21,462
Net operating income	103,055	74,316	(33,502)	143,869
Fair value adjustments				(36,753)
Earnings				107,116
Investment in property and securities	2,896,473	1,976,670	-	4,873,143
Current assets	3,458	11,051	149,825	164,334
Total	2,899,931	1,987,721	149,825	5,037,477
Unsecured borrowings	-	-	637,165	637,165
Current liabilities	4,782	33,860	2,552	41,194
Unitholders distribution	-	-	144,868	144,868
Total	4,782	33,860	784,585	823,227
Total capital and reserves	2,895,149	1,953,861	(634,760)	4,214,250

4. MAJOR PROFIT GENERATING PROPERTIES*

	Rental Income (R'000)	%	Net Income (R'000)	%
Somerset Mall (50% undivided share)	32,291	14.2%	26,015	13.6%
The Woodlands Office Park (40% undivided share)	31,868	14.0%	27,425	14.3%
Vaal Mall (77.86% undivided share)	29,231	12.9%	24,476	12.8%
Harrowdene Office Park	25,097	11.1%	21,193	11.1%
Other	108,580	47.8%	92,379	48.2%
Total	227,067	100.0%	191,488	100.0%

* Properties contributing more than 10% to Rental Income

1. REVIEW OF RESULTS AND OPERATIONS

The board of SPFM is pleased to announce an increase in distribution for the six months ended 30 September 2009 of 9.2% over that of the same period last year. These results are attributable to good performances from both the retail and office portfolios. At the retail level, tenant turnovers grew by 5.6%, with footcountrys unchanged, and turnover rental received was 26% ahead of budget. Operating costs were well contained, and cost recoveries were on budget, although the board remains concerned about the weak economic climate, and comprehensive provisions have accordingly been made for doubtful debts, as detailed in section 8 below.

2. PORTFOLIO ACTIVITIES

There were no new developments or acquisitions in the period under review, with most effort focused around leasing activities. Strong leasing activity saw more than 20,000m² of renewals and new leases successfully concluded in the six month period under review. In total, this means that over 6% of Sycom's portfolio by Gross Lettable Area (GLA) was renewed or leased in this period. Given the prevailing weak economic conditions, the result underlines the quality of the Sycom portfolio and the defensiveness of its assets. Full details of Sycom's leasing activity are set out in section 6 below.

3. BORROWINGS

Sycom has an approved facility of R950 million. The facility is subject to renewal in November 2014. At 30 September 2009, R709 million of this facility had been utilised, resulting in a gearing ratio of 15%, against the statutory limit of 30%. Just over 70% of borrowings are subject to interest rate swaps, as tabulated below, and the overall weighted average borrowing cost is 10.15%.

TYPE	Maturity Date	Effective Rate	Value R '000	% of total
SWAP	1 June 2011	9.67%	100,000	14.1%
SWAP	June 2012	9.54%	100,000	14.1%
SWAP	17 Mar 2014	11.92%	200,000	28.2%
SWAP	9 April 2014	11.63%	100,000	14.1%
			500,000	70.5%
FLOATING	31 November 2014	8.00%	209,423	29.5%
Total		10.15%	709,423	100.0%

4. STENHAM EUROPEAN SHOPPING CENTRE FUND ("SESCF")

At 30 September 2009, Sycom's investment in SESCOF was valued at R268m compared with its March 2009 value of R316m. The decline in value over this period was due a strengthening in the exchange rate of the Rand against the Euro from R12.57 to the Euro at the end of March 2009 to R10.83 to the Euro at the end of September.

In terms of income, the dividend from SESCOF for the six months ended 30 September 2009 was R5.4m compared to R6.4m in the prior period. Net rental income from the 96,000m² of renewals and new leases successfully concluded in the six month period under review. In total, this means that over 6% of Sycom's portfolio by Gross Lettable Area (GLA) was renewed or leased in this period. Given the prevailing weak economic conditions, the result underlines the quality of the Sycom portfolio and the defensiveness of its assets. Full details of Sycom's leasing activity are set out in section 6 below.

Gearing in SESCOF stands at 69% of the value of the underlying asset. The interest rate is 4.825% and the loan funding is repayable on 18 July 2011.

5. SOUTH AFRICAN RETAIL PORTFOLIO PERFORMANCE

The eight defined segments in Sycom's South African retail portfolio contributed to total retail turnover as shown in the chart below, with food and apparel making up nearly 60% of all turnover.

