



AUDITED RESULTS

for the year ended 31 March 2006

- Second-half distribution up 14.3% to 36 cents
- Full-year distribution up 11.4% to 68.5 cents
- Net profit for year up 30% to R223 million
- Total capital and income return to unitholders for the year 99.2%

ABRIDGED GROUP INCOME STATEMENT for the year ended 31 March 2006

	2006 R000	2005 R000
Property revenue	567 688	400 954
Straight-line rental income accrual	19 144	27 062
Gross property revenue	586 832	428 016
Property expenses	(201 174)	(137 992)
Net profit from property operations	385 658	290 024
Administrative expenses	(21 598)	(9 320)
Investment and other income	4 355	2 438
Operating profit before finance costs	368 415	283 142
Finance costs	(144 978)	(110 865)
Net profit before debenture interest	223 437	172 277
Debtenture interest	(200 832)	(149 582)
Net profit before fair value changes	22 805	22 695
Fair value adjustment	449 311	262 177
Gross change in fair value of investment properties	468 455	289 239
Straight-line rental income adjustment	(19 144)	(27 062)
Net profit before taxation	472 116	284 872
Taxation	(127 659)	(87 554)
Net profit	344 457	197 318

	2006 R000	2005 R000
Attributable profit after taxation	317 631	186 469
Adjusted for:		
Change in fair value of investment properties	(468 455)	(289 239)
Straight-line rental accrual net of deferred taxation and net of minority interest	13 370	19 473
Deferred taxation on fair value adjustment of investment properties	125 754	88 202
Debtenture interest net of minority interest	184 859	68 821
Minority interest in revaluation surplus net of deferred tax	25 984	10 635
Headline earnings of linked units	199 143	161 261
Straight-line rental accrual net of deferred taxation and net of minority interest	(13 370)	(19 473)
Pre-acquisition distribution receivable from MICC	7 844	9 084
Less: Cost of investment in MICC	(7 844)	-
Retained income from prior year	4 853	-
Available for distribution	190 526	70 97
Distributions for year ended 31 March	185 236	68.5
Total number of linked units in issue at 31 March	272 429 490	268 189 490
Weighted average number of linked units in issue	268 619 298	221 192 473

	2006 R000	2005 R000
Interest distribution to linked unitholders	184 859	86 984
Dividend distribution to linked unitholders	377	177
Total distribution	185 236	87 161

ABRIDGED GROUP BALANCE SHEET as at 31 March 2006

	2006 R000	2005 R000
ASSETS		
Non-current assets	3 177 967	3 200 673
Investment properties	3 053 773	3 141 518
Investment properties – at fair value	3 094 470	3 141 623
Straight-line rental income adjustment	(40 697)	(29 105)
Other non-current assets	124 194	88 155
Straight-line rental income asset	40 697	29 105
Furniture, fittings and computer equipment	274	461
Goodwill	83 223	58 589
Current assets	99 957	41 029
Trade and other receivables	19 580	16 968
Cash and cash equivalents	79 677	24 061
Non-current assets held for sale	574 256	-
Investment properties	566 704	-
Investment properties at fair value	574 256	-
Straight-line rental income adjustment	(7 844)	-
Straight-line rental income asset	7 552	-
Total assets	3 851 580	3 241 702
EQUITY AND LIABILITIES		
Equity and reserves	482 739	207 621
Share capital	2 724	2 682
Share premium	13 354	13 009
Reserves	466 661	191 930
Minority interest	10 473	26 392
Non-current liabilities	2 995 529	2 869 225
Linked debentures and premium	1 351 708	1 391 463
Interest bearing borrowings	1 315 974	1 300 815
Interest rate swap liabilities	47 166	20 562
Deferred taxation	280 681	156 395
Current liabilities	373 312	164 846
Trade and other payables	68 947	57 001
Short-term bank finance	183 993	-
Tenant deposits	17 739	15 760
Vendor loans	2 030	6 985
Taxation payable	2 528	620
Linked unitholders for distribution	98 075	84 480
Total equity and liabilities	3 851 580	3 241 702

ABRIDGED GROUP CASH FLOW STATEMENT for the year ended 31 March 2006

	2006 R000	2005 R000
CASH FLOW FROM OPERATING ACTIVITIES	26 300	132 762
Cash generated from operations	347 802	306 700
Investment and other income	4 355	2 438
Finance costs	(144 978)	(110 865)
Distributions paid	(179 411)	(65 399)
Taxation paid	(1 468)	(112)
CASH FLOW UTILISED IN INVESTING ACTIVITIES	(204 419)	(2 236 890)
Cash flow from financing activities	233 735	2 128 189
Net increase in cash and cash equivalents	55 616	24 061
Cash and cash equivalents at the beginning of the year	24 061	-
Cash and cash equivalents at the end of the year	79 677	24 061

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2006

	Share capital R000	Share pre-mium R000	Non-distributable reserves R000	Retained income R000	Minority interest R000	Total R000
Linked units issued in acquiring properties	2 051	7 334	-	-	-	9 385
Linked units issued in acquiring MICC	631	5 675	-	-	-	6 306
Acquisition of business combination	-	-	-	11 682	11 682	23 364
Net income recognised directly in equity	-	-	(20 562)	-	-	(20 562)
Cash flow hedges	-	-	(33 391)	-	-	(33 391)
Transferred to income statement	-	-	12 829	-	-	12 829
Net profit for the year	-	-	-	186 469	10 849	197 318
Transfer from non-distributable reserves	-	-	(46 563)	46 563	-	-
Change in fair value of investment properties	-	-	(289 239)	(289 239)	-	-
Deferred tax on change in fair value of investment properties	-	-	(38 063)	38 063	-	-
Allocation of change in fair value of investment properties to minorities	-	-	(14 210)	14 210	-	-
Minorities' share of post acquisition distribution	-	-	-	-	3 861	3 861
Transfer from pre-acquisition reserves	-	-	(9 084)	9 084	-	-
Other	-	-	(72)	(297)	-	(369)
Dividend distribution	-	-	-	-	-	(377)
Restated balance at 31 March 2005	2 682	13 009	160 685	4 853	26 392	207 621
Balance at 31 March 2006 as previously stated	2 682	13 009	207 248	4 853	44 564	272 356
Prior year adjustments	-	-	(46 563)	-	(18 172)	(64 735)
Deferred taxation on straight-line rental accrual	-	-	(7 590)	-	(339)	(7 929)
Change of rate in deferred taxation	-	-	(38 973)	-	(17 833)	(56 806)
Linked units issued in acquiring property	42	345	-	-	-	387
Net increase in business combination acquired previously	-	-	-	-	(47 111)	(47 111)
Net income recognised directly in equity	-	-	(26 604)	-	-	(26 604)
Novation of original interest rate swaps	-	-	20 562	-	-	20 562
Cash flow hedges	-	-	(59 702)	-	-	(59 702)
Transferred to income statement	-	-	12 536	-	-	12 536
Profit for the year	-	-	-	317 631	26 826	344 457
Change in fair value of investment properties	-	-	(449 311)	(449 311)	-	-
Allocation of change in fair value of investment properties	-	-	(120 135)	120 135	-	-
Allocation of change in fair value of investment properties in respect of minorities	-	-	(25 984)	25 984	-	-
Straight-line rental adjustment net of deferred taxation	-	-	13 525	(13 525)	-	-
Minorities' share of post acquisition distribution	-	-	-	-	4 366	4 366
Dividend distribution	-	-	-	-	(377)	(377)
Balance at 31 March 2006	2 724	13 354	450 798	5 390	10 473	482 739

COMMENTS

1 BASIS OF PREPARATION
The results for the year ended 31 March 2006, as well as the comparative information, have been prepared in terms of International Financial Reporting Standards (IFRS). The results also comply with the relevant sections of the South African Companies Act 1973, as amended. The financial statements have been audited by Grant Thornton, whose unqualified audit report is available for inspection at the company's registered office.

2 FINANCIAL RESULTS FOR VUKILE
Vukile's net profit before tax, debenture interest and fair value adjustment amounted to R223 million for the year ended 31 March 2006 compared to the R172 million for the previous year, an increase of 30%. MICC contributed R71 million to net profit before tax, debenture interest and fair value adjustment for the year ended 31 March 2006. For the year ended 31 March 2005, only 3 months of MICC's post acquisition income was reflected in the group accounts and hence any comparison with the prior year is not meaningful. These results have been achieved on the back of a strong performance by the underlying properties, reduced finance costs and a decrease in the overall vacancy of the Vukile portfolio as a percentage of gross rentals, from 4.1% at 31 March 2005 to 3.6% at 31 March 2006 with a similar decrease in the overall vacancy of the MICC portfolio as a percentage of gross rentals from 6.9% to 5.9%.

SUMMARY OF FINANCIAL PERFORMANCE	March 2006	March 2005	%
Net asset value attributable to equity holders of Vukile	670 cents	586 cents	14.3
Distribution per linked unit	68.5 cents	61.5 cents	11.4
Loan to value ratio	41%	41.5%	(1.2)

The board has approved a final distribution of 36.0 cents per linked unit for the period from 1 October 2005 to 31 March 2006, an increase of 14.3% over the comparable period and an increase of 11.4% for the full year ended 31 March 2006.

3 ACQUISITION OF MICC PROPERTY INCOME FUND LIMITED ("MICC")

Vukile owned 98.9% of MICC's issued linked units at 31 March 2006 and gave notice to invoke section 440K of the Companies Act to compulsorily acquire the remaining linked units in MICC. The company issued a SENS announcement on 4 May 2006, advising that a linked unitholder owning 9 825 MICC linked units (representing 0.01% of MICC's total issued capital), filed an application with the High Court on Friday 28 April 2006 opposing Vukile's notice to invoke section 440K. Vukile intends opposing such application. A date for the hearing of the application has not yet been determined. Accordingly, the listing of MICC's linked units on the JSE and the Namibian Stock Exchange was not terminated on Friday 5 May 2006, but will continue to be suspended until further notice.

4 BORROWINGS

The salient terms of the bank and securitised debt funding are as follows:

DETAILS OF INTEREST BEARING BORROWINGS - 31 March 2006

VUKILE FIXED RATE LOANS	Facility utilised	R436m	R290.6m
Date of repayment		November 2010	November 2012
Fixed interest rate		9.95% and 10.06% (NACQ) all-in-rate for 5 yr and 7 yr loans respectively	Interest only, quarterly in arrears.
Repayment terms		Interest only, quarterly in arrears.	Capital on maturity
Overall financial covenants		Loan to investment property valuation ratio 65% (currently 38%)	Interest cover ratio 2.0:1 (currently 3.32:1)
Security		Secured by way of mortgage bonds over securitised investment properties and a pledge of rentals receivable	

VARIABLE RATE LOANS	Facility utilised	R450m	R53.4m
Date of repayment		November 2010	November 2010
Variable interest rate		Prime less 1.5%	Prime less 1.5%
Repayment terms		Interest only, monthly in arrears.	Capital on maturity
Overall financial covenants		Loan to investment property valuation ratio 50% (currently 38%)	Interest cover ratio 2.0:1 (currently 3.32:1)
Security		Secured by way of mortgage bonds over non-securitised investment properties and a pledge of rentals receivable	

MICC FIXED RATE LOANS	Facility utilised	R450m	R53.4m
Date of repayment		September 2006	September 2006
Term		3 yrs - extendable to 5 yrs	3 yrs - extendable to 5 yrs
Fixed interest rate		11.51% (NACM)	11.22% (NACM)
Repayment terms		Interest only, monthly in arrears.	Capital on maturity
Overall financial covenants		Loan to investment property valuation ratio 51% (currently 44%)	Interest cover ratio 1.8:1 times (currently 2.2:1) after intercompany adjustment.
Security		Secured by way of mortgage bonds over the investment properties	

VIPS VARIABLE RATE LOANS	Facility utilised	R770m	R432m
Date of repayment		November 2010	November 2012
Term		3 months JIBAR plus note margins	3 months JIBAR plus note margins
Fixed interest rate		Interest only, quarterly in arrears.	Interest only, quarterly in arrears.
Repayment terms		Capital on maturity	Capital on maturity
Overall financial covenants		Loan to investment property valuation ratio 65% (currently 38%)	Interest cover ratio 2.0:1 (currently 3.32:1)
Security		Secured by way of mortgage bonds over securitised investment properties and rentals receivable	

SUMMARY (Rm)

	Vukile	MICC	VIPS	Group
Long-term borrowings				
Standard Bank (1)		251.2		251.2
Nedbank (1)		251.2		251.2
Loans from noteholders (2)			770.0	770.0
Loan from VIPS (1)	726.6			53.4
ABSA access account (2)	53.4			53.4
Less: Debt raising fees offset against borrowings	(9.8)			(9.8)
	770.2	502.4	770.0	1 325.8
Short-term borrowings				
ABSA access account (2)	43.4			43.4
ABSA (to fund acquisition of MICC minorities) (2)	140.6			140.6
	184.0			184.0

(1) Fixed rate loans
(2) Variable rate loans

As additional security, 66.2 million MICC Property Income Fund Limited linked units held by Vukile have been pledged to ABSA Bank in respect of the R140 million advance. An overdraft of R30 million and a hedging facility of R112.5 million have been provided by ABSA Bank to the company. These facilities are also secured by mortgage bonds over the non-securitised investment properties.

5 INTEREST RATE SWAPS

At 31 March 2006, VIPS had entered into interest rate swaps whereby the variable rate loans had been converted to fixed rate debt at an all-in rate of 9.95% and 10.06% (NACQ) respectively as follows:

	Swap 1	Swap 2	Total
Nominal value (R000)	462 000	308 000	770 000
Swap period	5 yrs	7 yrs	
Maturity date	November 2010	November 2012	

JIBAR - Johannesburg Interbank Agreed Rate
NACM - Nominal Annual Compounded Monthly
NACQ - Nominal Annual Compounded Quarterly

6 SECURITISATION

Vukile launched a R2 billion commercial mortgage backed securitisation (CMBS) programme on 7 November 2005, to refinance its existing bank debt and reduce the cost of funding its property investments. The overall cost of the company's long-term debt, taking all upfront, ongoing and hedging costs to implement the programme into account, has reduced from 11.28% to 9.99% (NACM). A key feature of the programme is that the securitised property portfolio, comprising 39 of the 53 Vukile properties, is owned directly by Vukile and not by a special purpose vehicle. Consequently, there was no need to transfer properties, resulting in a reduction in overall costs of implementation. The first issuance under the programme comprises five and seven year floating rate notes for a total amount of R770 million. The floating rate notes are converted into fixed rate exposure by way of interest rate swaps. The securitisation notes were rated by Moody's Investor Services, as follows:

MOODY'S RATING	5 Year	7 Year	%
AAA.ZA	261 030	174 020	56.5
AAZ.ZA	64 680	43 120	14.0
AZ.ZA	136 290	90 860	29.5
	462 000	308 000	100.0

7. PROPERTY PORTFOLIO

The Vukile property portfolio currently comprises 53 properties with a gross lettable area of 689 379m². MICC owns 38 properties with a gross lettable area of 390 897m².

7.2 ACQUISITIONS AND DEVELOPMENTS
Vukile has concluded agreements for new investments totalling approximately R230 million as part of its continuing drive to build its portfolio of quality properties.

- New acquisitions and developments include:
- R80 million expansion and upgrade of its Phoenix Plaza and Dobsonville shopping centres at an average initial yield of 10.7%. The expected date of completion is October/November 2006. This project is managed by Sanlam Properties (Pty) Ltd.
 - Purchase of Parktown Erf 915, Oakhurst, an office complex of 9 085m²