

UNAUDITED INTERIM RESULTS AND DISTRIBUTION DECLARATION 30 JUNE 2008

Portfolio value now R9 billion

Premier industrial portfolio

Net tangible asset value of 385 cents

Excellent occupancy levels

<3% of lettable space vacant

Industrial portfolio fully let

Low debt risk

all debt fixed

15% of asset value

Interim distribution

14.5 cents per unit

Historic yield > 10% on current price

The directors of SA Corporate Real Estate Fund Managers Limited, management company of SA Corporate Real Estate Fund (SA Corporate), submit their report on the unaudited results of the SA Corporate group (the Fund) for the six months ended 30 June 2008.

1. Results and Fund investment performance

Distributable earnings for the six months amount to R306 million (2007: R276 million). The distribution of 14.50 cents per unit for the 6 months under review is in line with management's expectations for the period. The industrial component of the property portfolio has continued to perform well in a firm industrial property market, underpinned by low vacancies and good demand for modern, well located facilities. Similarly the office portfolio, although small in the context of the total portfolio, has performed satisfactorily. The retail portfolio, however, is under pressure in challenging conditions, influenced by a variety of factors impacting on consumer spend and letting of space.

SA Retail Properties Limited, including the Sharemax portfolio, was acquired with effect from 19 April 2007, and the bulk of the Retail properties were transferred in the fourth quarter of 2007. Net income from these investments is only included in net profit from the effective date of each transaction.

The breakdown of distributable earnings is set out below:

	6 months to 30.06.2008 Unaudited	6 months to 30.06.2007 Unaudited	12 months to 31.12.2007 Audited
DISTRIBUTABLE EARNINGS (R000)			
Rent (excluding straight line adjustment)	388,469	210,227	576,832
Net property expenses	(31,724)	(19,198)	(51,595)
Property expenses	(128,484)	(67,698)	(187,834)
Recovery of property expenses	96,760	48,500	136,239
Net property income	356,745	191,029	525,237
Interest income from associate company (Oryx)	5,999	-	6,310
Net funding cost	(34,738)	(34,338)	(64,895)
Interest received	9,530	3,304	12,725
Interest paid	(44,268)	(37,642)	(77,620)
Fund expenses	(22,084)	(15,191)	(38,880)
Distribution contributions	162	134,818	191,606
Pre-acquisition dividend received (SA Retail pre acquisition earnings)	-	124,476	124,476
Prepaid distribution received in advance on unit issues	162	10,342	67,130
Distributable earnings	306,084	276,318	619,378
Units in issue	2,110,925,891	1,625,398,610	2,089,335,506
Distribution (cents per unit)	14.50	17.00	32.00
- Interim	14.50	14.60	14.60
- Interim SA Retail once off contribution	N/A	2.40	2.40
- Final	N/A	N/A	15.00

2. Revaluation

The full portfolio was independently valued by CBRE and ACRES on a discounted cash flow basis at 30 June 2008, at R9.0 billion. This resulted in an upward fair value adjustment of R179 million. The standing portfolio saw an increase in value of 3.4% since 1 January 2008, with the industrial portfolio showing good capital growth of 9.4%. The retail portfolio's value is flat on December 2007.

The forward yields and internal rates of return (IRR's) of the three property types in the Fund's standing portfolio at 30 June 2008, calculated on a weighted basis are as follows:

Property type	Initial (forward) yield	IRR
Retail	8.9%	14.1%
Offices	8.7%	15.6%
Industrial	7.9%	15.3%
Total	8.5%	14.6%

This valuation gives rise to a net tangible asset value (NTAV) of 385 cents per unit, inclusive of the distribution to be paid (2007: 353 cents per unit). At the closing price of 247 cents per unit on 30 June 2008, the units were trading at a 36% discount to NTAV, and despite recent strengthening in the listed property market, the units continue to trade at a discount of over 20%.

3. Portfolio investment activity

The current market pricing of property investment opportunities, together with the cost of funding thereof, would have resulted in acquisition activity being earnings dilutive and accordingly there have been no acquisitions or developments during the period under review other than those reported in the results announcement released on 25th February 2008 and set out below:

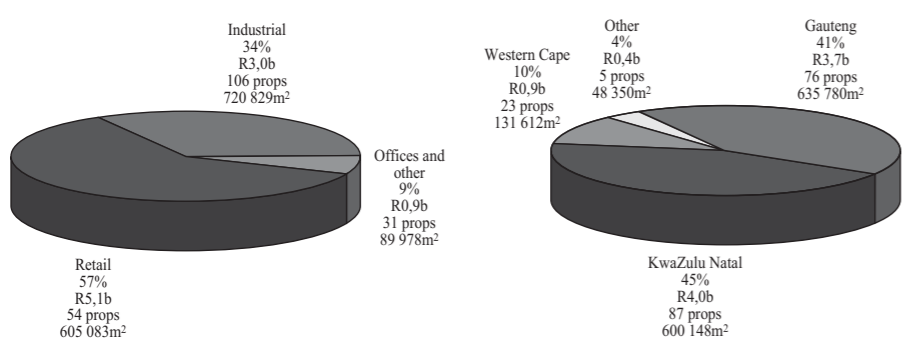
Date completed	Property	Total cost R'000	Yield	Sector	Region
February 2008	13 Wellington Road (Buffcol property)	40,770	8.15%	Office	Gauteng
May 2008	Nzhelele Shopping Centre*	41,300	9.50%	Retail	Other- Polokwane
May 2008	1 Holwood Park, La Lucia	119,000	11.00%	Office	KZN
		201,070			
Expected completion date					
July 2008	Philani Valley Centre*#	118,000	8.50%	Retail	KZN
September 2008	Fuel Group- Jet Park#	45,300	9.25%	Industrial	Gauteng
October 2008	Rembro Centre*	106,200	9.00%	Retail	Other- Hammanskraal
October 2008	Bell Equipment- Jet Park#	142,000	9.50%	Industrial	Gauteng
November 2008	Paarden Eiland#	66,300	9.50%	Industrial	Western Cape
December 2008	Unipark Bloemfontein	56,600	11.00%	Office	Other- Bloemfontein
		534,400			

* Denotes investments into previously disadvantaged areas

Commenced during 2007

One property, 2 Neriede Street in Paarden Eiland, had been disposed of by 30 June 2008, for an amount of R18 million. The sale of Cnr Anvil and Industry Roads is unconditional and awaits transfer and the sale of 22 Chancery Lane Pinetown is currently being concluded. These properties have been valued at their estimated net disposal proceeds and are classified as held for disposal.

The sectoral and geographic weightings at 30 June 2008 are set out below:



4. Lease expiries and vacancies

The lease expiry of the respective components of the property portfolio by area is as follows:

Property type	Vacancies	2008	2009	2010	2011	Thereafter
Retail	4.1%	18.7%	15.5%	10.8%	12.7%	38.2%
Offices	10.5%	1.7%	10.3%	27.1%	20.7%	29.7%
Industrial	0.0%	8.9%	11.3%	29.5%	15.7%	34.6%
Portfolio total	2.4%	12.7%	13.1%	21.3%	14.8%	35.7%

Vacancies at 30 June 2008 of 2.4% of lettable space or 4.0% of total income are much in line with those at year end (2007: 2.7% and 3.9% respectively) and are set out in detail below:

Property type	% of area	% of total rental
Retail	4.1%	3.4%
Offices	10.5%	0.6%
Industrial	0.0%	0.0%
Portfolio total	2.4%	4.0%

5. Borrowings

Debt has been used to fund all investments during the period under review, with the exception of the last Buffcol property. The debt profile is set out below:

Type	Maturity	Fix expiry	Quantum (Rm)	Current Rate
Floating			-	-
Fixed - straight	31.10.2015	13.09.2013	100	10.57%
Fixed - straight	31.12.2012	31.12.2012	500	10.82%
Fixed - stepped *	18.09.2014	30.04.2013	300	10.57%
Fixed - stepped *	18.09.2014	05.06.2013	400	10.98%
Total			1,300	10.79%

* The interest cost increases by 6% per annum.

The debt level, at 15% of the total property portfolio value at 30 June 2008, is low relative to industry norms. Interest rate swaps have been entered into, in order to convert variable interest exposure to fixed rates, resulting in a fair value adjustment of R17 million at 30 June 2008, which has been taken straight to equity. Consequently, all borrowings are at fixed rates.

6. Units issued and liquidity

The last remaining Buffcol property was transferred during the first quarter and this property, along with one which was transferred just before year end, was funded through the issue of 21 590 385 new units as per the contractual arrangements concluded last year. No further units have been issued.

SA Corporate remains one of the most traded funds, with R0.7 billion trading in the 6 months to 30 June 2008.

7. BEE & Transformation

Listed property prices have fallen sharply in 2008 and, as a consequence of the lower SA Corporate unit price, the ownership of the Wipken Trust passed from the BEE parties to the funders of the Trust. The various parties continue to pursue avenues to revive the BEE equity ownership in the Fund. Mr Musa Ngobho and Ms Louisa Mojela have remained on the Board.

8. Prospects

The industrial and office letting markets are expected to remain buoyant. However, the more difficult retail trading conditions are expected to continue over the short to medium term and may adversely influence turnover rentals, rental renewal levels, vacancies and bad debts in the Fund's retail centres. This, together with the higher cost of debt funding, is expected to impact on the Fund's performance, albeit not materially.

	30.06.2008 Unaudited	30.6.2007 Unaudited	31.12.2007 Audited
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CONSOLIDATED BALANCE SHEET (R000)	30.06.2008 Unaudited	30.6.2007 Unaudited	31.12.2007 Audited
Assets			
Non-current assets			
Investment property	8,641,169	6,524,782	8,241,267
As per valuation	8,772,092	6,677,855	8,401,198
Straight line rental adjustment	(130,923)	(153,073)	(159,931)
Property under development	126,350	6,857	50,067
Investment in associate	171,626	-	168,954
Goodwill	1,009,143	1,008,761	1,009,094
Interest rate swap derivative	16,990	-	-
Rental receivable - straight line adjustment	113,607	135,656	121,853
Current assets	586,695	785,873	244,573
Properties classified as held for disposal	57,150	448,950	18,000
Trade receivables and accrued interest	145,107	118,949	123,615
Rental receivable - straight line adjustment	17,316	17,417	38,078
Cash resources and short term investments	367,122	200,557	64,880
Total assets	10,665,580	8,461,929	9,835,808

Unitholders' funds and liabilities	30.06.2008 Unaudited	30.6.2007 Unaudited	31.12.2007 Audited
Unitholders' funds	8,699,335	6,309,784	8,433,253
Non-current liabilities	1,603,250	1,022,492	982,505
Interest bearing borrowings	1,300,000	742,096	667,960
Deferred capital gains taxation	303,250	280,396	314,545
Current liabilities	362,995	1,129,653	420,050
Trade and other payables	40,880	852,638	90,945
Capital gains taxation and secondary taxation on companies	15,033	65	15,033
Unclaimed distributions	998	632	767
Distributions payable	306,084	276,318	313,305
Total unitholders' funds and liabilities	10,665,580	8,461,929	9,835,808

CONSOLIDATED INCOME STATEMENT (R000)	6 months to 30.06.2008 Unaudited	6 months to 30.6.2007 Unaudited	12 months to 31.12.2007 Audited
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Revenue	456,220	274,169	735,371
Income	471,749	277,473	754,406
Rent	388,469	210,227	576,832
Straight line rental adjustment	(29,009)	15,442	22,300
Recovery of property expenses	96,760	48,500	136,239
Interest income from associate company	5,999	-	6,310
Interest	9,530	3,304	12,725
Expenses	(194,836)	(120,531)	(304,334)
Accounting and secretarial fees	(4,614)	(2,276)	(7,934)
Audit fees	(472)	(800)	(1,109)
Administrative fees	(1,449)	(1,104)	(2,958)
Interest paid	(44,268)	(37,642)	(77,620)
Property administrative fees	(14,763)	(7,774)	(21,360)
Property expenses	(113,721)	(59,924)	(166,474)
Service fees	(15,549)	(11,011)	(26,879)
Share of associate company's after tax profit	2,672	-	-
Deferred taxation on straight line rental adjustment	5,164	(346)	(17,006)
Headline earnings	284,749	156,596	433,066

Capital surplus/(deficit) on disposal of investment property	24	(987)	(5,388)
Write-up on revaluation of investment property	178,892	312,286	721,624
Revaluations	149,883	327,728	743,924
Straight line rental adjustment valuation	29,009	(15,442)	(22,300)
Taxation on property revaluation	6,131	(27,938)	(60,659)
On capital transactions	11,295	(28,284)	(77,665)
Straight line rental adjustment	(5,164)	346	17,006
Net profit attributable to unitholders	469,796	439,957	1,088,643

Units in issue (000)	2,110,926	1,625,399	2,089,336
Weighted units in issue (000)	2,107,213	1,040,744	1,457,525

	Cents	Cents	Cents
Distribution per unit	14.50	17.00	32.00
Net profit per unit	22.26	27.07	52.10
Weighted net profit per unit	22.29	42.27	74.69

CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS (R000)	6 months to 30.6.2008 Unaudited	6 months to 30.6.2007 Unaudited	12 months to 31.12.2007 Audited
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Unitholders' funds at beginning of period	8,433,253	2,375,610	2,375,610
Capital movements	266,082	3,934,174	6,057,643
Write-up on revaluation of investment properties	178,892	312,286	721,624
Capital surplus/(deficit) on disposal of investment properties	24	(987)	(5,388)
Taxation	6,131	(27,938)	(60,659)
Straight line rental adjustment net of taxation	(23,845)	15,097	5,294
Share of associate company's after tax profit	2,672	-	-
Surplus on revaluation of interest rate swap derivative	16,990	-	-
21 590 385 units issued at prices ranging between 409.26 cpu and 414.06 cpu	85,444	3,770,828	5,593,725
Unit issue costs	(64)	(293)	(5,347)
Transfer to revenue of pre-acquisition distribution received	(162)	(124,476)	(124,476)
Transfer to revenue of distribution prepaid received in advance	(162)	(10,342)	(67,130)
Revenue movements	469,796	439,957	1,088,643
Net profit for the period	(163,874)	(298,457)	(660,871)
Transfers to capital	-	124,476	124,476
Pre-acquisition dividend received	-	10,342	67,130
Transfer to revenue of distribution prepaid received in advance	162	10,342	67,130
Available for distribution	306,084	276,318	619,378
Distribution attributable to unitholders	(306,084)	(276,318)	(619,378)
Unitholders' funds at end of period	8,699,335	6,309,784	8,433,253

ABRIDGED CONSOLIDATED CASH FLOW STATEMENT (R000)	6 months to 30.6.2008 Unaudited	6 months to 30.6.2007 Unaudited	12 months to 31.12.2007 Audited
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