

Property Activities

Leading fund management consolidator, seeking selective trading opportunities

Scope of activities

- Property Fund Management
- Property Services
- Property Projects (development and trading)
- Listed Property Portfolio Management

Strategic focus

UK and Europe

We are making progress in expanding our property model in the UK to include property fund management and aligning the strategic focus of the UK business with that of South Africa.

South Africa

Property Fund Management

Our strategy has been to:

- Grow assets under management.
- Pursue the strategic acquisition of individual properties and portfolios.

Property Services

Our strategic objective is integrally linked to the growth of Property Fund Management

Subsequent to the year end we sold our property fund management and property administration businesses to Growthpoint Properties Limited.

Property Projects

Our strategy is to:

- Source development and trading opportunities to create value and trade for profit within agreed risk parameters

Listed Property Portfolio Management

Our strategic objectives are to:

- Substantially increase our assets under management.
- Attract foreign investment into South African listed property equities.
- Develop global property products.

Management structure

Global Head of Property Activities

Sam Hackner

South Africa

Regional Head

Sam Leon

Fund Management

Norbert Sasse

Property Services

Andrew Cox

Property Projects

Robin Magid

Listed Property Portfolio

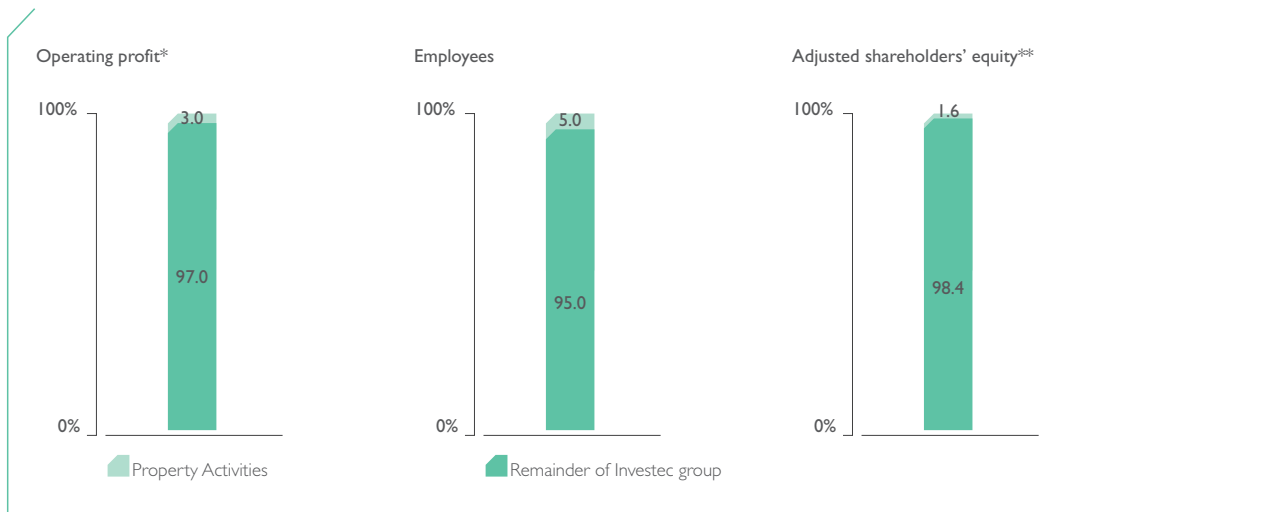
Management

Angelique de Rauville

Finance

Dave Donald

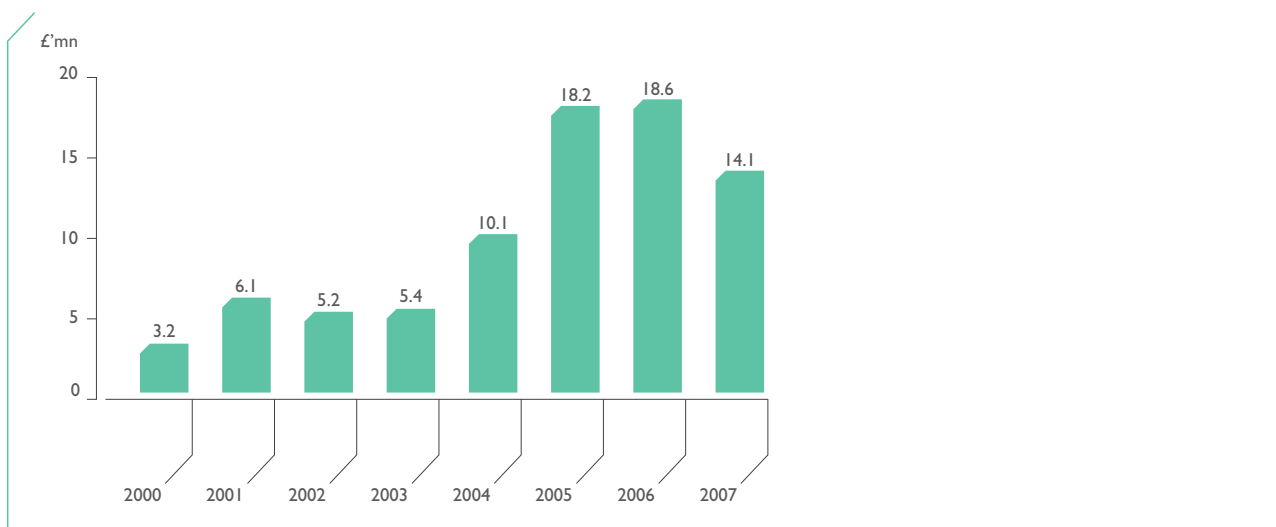
Contribution analysis



* Before goodwill, non-operating items and taxation and excluding Group Services and Other Activities.

** As calculated on page 27.

Operating profit[^] - track record



[^] Trend reflects numbers as at the year ended 31 March. The numbers prior to 31 March 2005 were reported in terms of UK GAAP. Amounts are shown before goodwill, non-operating items and taxation.

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Overview and financial analysis

- Operating profit decrease by 23.9% to £14.1 million, contributing 3.0% to group profit.
- Funds under management increased by 31.0% to R25.9 billion (2006: R19.8 billion).

£'000	31 March 2007	31 March 2006	Variance	% Change
Net interest income	(5 801)	(4 002)	(1 799)	45.0%
Net fees and commissions receivable	28 354	20 586	7 768	37.7%
Other income	11 847	21 944	(10 097)	(46.0%)
Admin expenses and depreciation	(20 256)	(19 930)	(326)	1.6%
Operating profit before goodwill, non-operating items and taxation	14 144	18 598	(4 454)	(23.9%)
UK & Europe	1 292	2 023	(731)	(36.1%)
Southern Africa	12 852	16 575	(3 723)	(22.5%)
Operating profit before goodwill, non-operating items and taxation	14 144	18 598	(4 454)	(23.9%)
Adjusted shareholders' equity*	19 975	17 124	2 851	16.6%
ROE (pre-tax)*	50.0%	76.8%		
Cost to income ratio	58.9%	51.7%		
Operating profit per employee (£'000)*	53.2	76.9		(30.8%)

* As calculated on pages 27 and 33.

The variance in operating profit over the year can be explained as follows:

- Excluding the revaluation of investment properties, the South African division showed an improvement in operating profit largely due to:
 - Strong equity and property market fundamentals.
 - An increase in funds under management.
 - Realised gains on the sale of properties.
- Revaluation of investment properties net of funding costs amounted to £1.1 million (2006: £6.4 million). The lower contribution is due to increased funding costs.

Outlook

UK and Europe

- Refer to strategic focus on page 65.

South Africa

- Property fundamentals continue to be positive, with lower vacancies, increasing rentals in all sectors and reasonably stable financing costs.
- Development opportunities also remain positive; however, there are concerns on the availability of skills and the increased cost and shortage of building materials.
- A shortage of prime zoned land has become evident, driving land prices to unprecedented levels, particularly industrial land.
- Subsequent to the year end we sold our property fund management and property administration businesses to Growthpoint Properties Limited.