

**INCOME STATEMENT**

R000	For the six months ended 31 Mar 2005	For the six months ended 31 Mar 2004	For the year ended 30 Sept 2004
Gross property revenue	91 835	90 392	182 497
Property expenses	(29 583)	(31 100)	(62 334)
Net property revenue	62 252	59 292	120 163
Administrative expenses	(3 829)	(4 028)	(8 696)
Other income	954	942	1 851
Operating income before finance costs	59 377	56 206	113 318
Finance costs	(28 876)	(29 428)	(57 066)
Net profit before debenture interest	30 501	26 778	56 252
Debt interest	(30 406)	(24 782)	(48 962)
Net profit before change in fair value of investment properties	95	1 996	7 290
Increase in fair value of investment properties	60 257	-	80 974
Net profit before taxation	60 352	1 996	88 264
Taxation	(4 114)	(578)	(18 254)
Net profit for the period	56 238	1 418	70 010

**BALANCE SHEET**

R000	As at 31 Mar 2005	As at 31 Mar 2004	As at 30 Sept 2004
<b>ASSETS</b>			
Non-current assets	1 001 924	862 617	941 480
Investment properties	1 001 669	862 301	941 231
Furniture, fittings and office equipment	255	316	249
Current assets	30 017	24 829	31 128
Trade and other receivables	8 418	7 736	6 619
Cash and cash equivalents	21 599	17 093	24 509
Total assets	1 031 941	887 446	972 608
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds	158 670	33 852	102 444
Share capital	67	67	67
Share premium	32 373	32 373	32 373
Revaluation reserve	124 636	-	68 835
Retained earnings	1 594	1 412	1 169
Non-current liabilities	821 050	812 315	816 654
Long-term borrowings	502 445	502 445	502 445
Debentures	301 467	301 467	301 467
Deferred taxation	17 138	8 403	12 652
Current liabilities	52 221	41 279	53 601
Trade and other payables	23 821	16 170	24 230
Taxation payable	598	322	5 190
Unitholders for distribution	27 802	24 787	24 180
Total equity and liabilities	1 031 941	887 446	972 608

**CASH FLOW STATEMENT**

R000	For the six months ended 31 Mar 2005	For the six months ended 31 Mar 2004	For the year ended 30 Sept 2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	(1 556)	36 048	51 260
Cash generated from operations	57 384	64 676	131 818
Investment income	954	800	1 709
Finance charges	(28 876)	(29 428)	(57 066)
Distribution to linked unitholders	(26 797)	-	(24 788)
Taxation paid	(4 221)	-	(413)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	(1 354)	(586 403)	(594 199)
Letting commissions paid	(1 167)	(979)	(2 378)
Acquisition of furniture, fittings and office equipment	(6)	(316)	(296)
Improvements to and acquisition of investment properties	(181)	(465 353)	(472 086)
Acquisition of subsidiary	-	(102 686)	(102 370)
Transaction costs on initial recognition	-	(17 688)	(17 688)
Net proceeds from the sale of investment property	-	619	619
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	567 448	567 448
Net proceeds from the issue of linked units	-	65 003	65 003
Long-term borrowings raised	-	502 445	502 445
Net increase in cash and cash equivalents	(2 910)	17 093	24 509
Cash and cash equivalents at the beginning of the year	24 509	-	-
Cash and cash equivalents at the end of the year	21 599	17 093	24 509

**STATEMENT OF CHANGES IN EQUITY**

R000	Share capital	Share premium	Revaluation reserve	Retained earnings	Total
Balance at 30 September 2003	*	-	-	-	-
As reported previously	67	33 324	-	-	33 391
Issue of units in acquiring properties	54	26 837	-	-	26 891
Issue of units in terms of private placing	13	6 593	-	-	6 606
Offset of share issue expenses against share premium	-	(106)	-	-	(106)
Linked unit issue cost	-	(951)	-	-	(951)
Net profit for the period	-	-	-	1 418	1 418
Net profit for the period as reported	-	-	-	820	820
Change in accounting policy - Letting commission	-	-	-	854	854
Taxation on change in accounting policy - Letting commission	-	-	-	(256)	(256)
Dividends declared	-	-	-	(6)	(6)
Balance at 31 March 2004	67	32 373	-	1 412	33 852
Balance at 30 September 2003	*	-	-	-	-
As reported previously	67	33 324	-	-	33 391
Issue of units in acquiring properties	54	26 837	-	-	26 891
Issue of units in terms of private placing	13	6 593	-	-	6 606
Offset of share issue expenses against share premium	-	(106)	-	-	(106)
Linked unit issue costs	-	(951)	-	-	(951)
Net profit for the period	-	-	-	70 010	70 010
Net profit for the period as reported	-	-	-	58 636	58 636
Change in accounting policy - Letting commission	-	-	-	1 708	1 708
Taxation on change in accounting policy - Letting commission	-	-	-	(512)	(512)
Change in accounting policy - Deferred taxation on revaluation	-	-	-	10 178	10 178
Transfer to revaluation reserve	-	-	68 835	(68 835)	-
Balance as reported previously	-	-	58 657	(58 657)	-
Change in accounting policy - Deferred taxation on revaluation	-	-	10 178	(10 178)	-
Dividends declared	-	-	-	(6)	(6)
Balance at 30 September 2004	67	32 373	68 835	1 169	102 444
Balance at 30 September 2004	67	32 373	68 835	1 169	102 444
Balance as reported previously	67	33 324	58 657	(27)	92 021
Change in accounting policy - Letting commission	-	-	-	1 708	1 708
Taxation on change in accounting policy - Letting commission	-	-	-	(512)	(512)
Change in accounting policy - Deferred taxation on revaluation	-	-	10 178	-	10 178
Linked unit issue costs	-	(951)	-	-	(951)
Net profit for the period	-	-	-	56 238	56 238
Change in rate of taxation applied	-	-	405	(405)	-
Transfer to revaluation reserve	-	-	55 396	(55 396)	-
Dividends declared	-	-	-	(12)	(12)
Balance at 31 March 2005	67	32 373	124 636	1 594	158 670

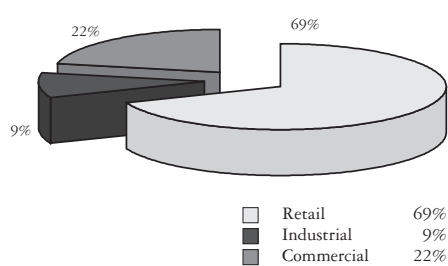
\* Amount less than R1 000

**RECONCILIATION BETWEEN EARNINGS AND HEADLINE EARNINGS**

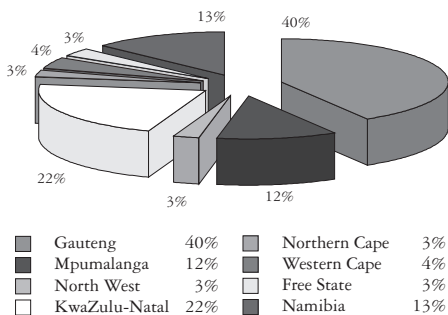
R000	For the six months ended 31 Mar 2005	For the six months ended 31 Mar 2004	For the year ended 30 Sept 2004
Net profit for the period	56 238	1 418	70 010
Debt interest	30 406	24 782	48 962
Earnings attributable to unitholders	86 644	26 200	118 972
Adjusted for the following:			
Increase in fair value of investment properties	(60 257)	-	(80 974)
Deferred taxation on fair value adjustment	4 439	-	12 139
Capital profits on disposal of investment properties	-	(142)	(142)
Headline earnings attributable to unitholders	30 826	26 058	49 995
Debt interest	(30 406)	(24 782)	(48 962)
Headline earnings attributable to shareholders	420	1 276	1 033
Earnings per linked unit (cents)	129.33	39.11	177.59
Earnings per share (cents)	83.95	2.12	104.50
Headline earnings per linked unit (cents)	46.01	38.90	74.63
Headline earnings per share (cents)	0.63	1.90	1.54
Weighted average linked units in issue	66 992 698	66 992 698	66 992 698

**PROPERTY PROFILE**

SECTORAL SPREAD - % OF GROSS RENTALS

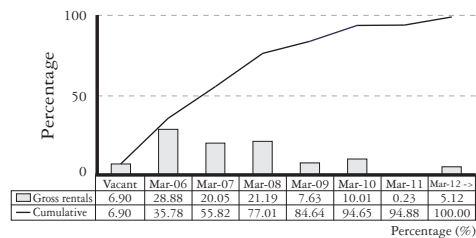


GEOGRAPHICAL SPREAD - % OF GLA



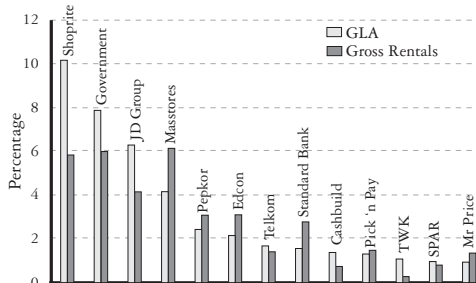
**VACANCIES**

LEASE EXPIRY PROFILE (ALL TENANTS) - % OF GROSS RENTALS



**TENANT PROFILE**

NATIONAL TENANT GROUPS - % OF GLA AND GROSS RENTALS



**COMMENTS**

**RESULTS**  
MICC Property Income Fund ("MICC") is pleased to report its second interim results and to declare a distribution for the six months ending 31 March 2005 of 41.5 cents per linked unit. (Distribution for the six months ended 31 March 2004 of 37 cents per linked cent).

MICC has continued its strong operational performance and the growth in the distribution to linked unitholders since its listing.

The information presented for the six months ended 31 March 2005 has been prepared in accordance with the company's accounting policies and International Financial Reporting Standards ("IFRS"). The information presented has not been audited or reviewed by the company's auditors.

**CHANGES IN ACCOUNTING POLICIES**

In aligning the company's accounting policies with that of its holding company, Vukile Property Fund Limited ("Vukile"), the company has changed its accounting policies for the treatment of the following items:

**Letting commissions paid:**

Letting commission paid is amortised over the period of the underlying lease agreement. Previously, letting commission paid was expensed in the period during which it was incurred.

**Deferred taxation on the revaluation of investment properties:**

Deferred taxation on the revaluation of investment properties is provided at the capital gains tax rate which would apply if the revaluation was to be realised through the disposal of the properties. Previously, the tax rate applicable to the company's taxable income was used.

The changes in accounting policies have been applied retrospectively and, where applicable, the comparative figures have been reclassified and restated accordingly.

**OPERATIONAL REVIEW**

As announced by Vukile previously, it has obtained 74.35% of the issued capital of MICC through its offer to MICC linked unitholders. To realise synergies and to reduce costs, MICC has entered into a fixed term management agreement with Vukile with effect from 1 April 2005.

In terms of the management agreement, Vukile are bound by a strict approval framework with the strategic executive responsibility still vested in the board of directors of MICC. The management fee is determined on a cost recovery basis.

MICC did not acquire or dispose of any properties during the period under review.

MICC has consolidated the property management of its investment properties and the number of property managers has been reduced from nine to three, with the most significant appointment being that of Gensec Property Services (Proprietary) Limited to manage the Namibian properties.

The vacancy levels in the portfolio, expressed as a percentage of Gross Lettable Area, have deteriorated marginally from 6.10% as at 30 September 2004 to 6.90% as at 31 March 2005.

**OUTLOOK**

The Board is confident that the portfolio will continue to perform favourably for the foreseeable future.

**DIRECTORATE**

Gerhard van Zyl and Mike Potts were appointed as directors of MICC on 31 January 2005. Mr van Zyl is the Chief Executive Officer and Mr Potts the Financial Director of Vukile. Mr Potts has been appointed to the audit committee of MICC. There were no resignations from the board of directors during the period under review.

**DISTRIBUTION ANNOUNCEMENT**

MICC's interim distribution of 41.5 cents per linked unit (comparative distribution 37 cents) is hereby declared. The distribution has been declared in the currency of the Republic of South Africa and constitutes a dividend of 0.009 cents per share and an interest payment of 41.491 cents per linked unit.

Trading in the STRATE environment requires settlement within 5 business days. In accordance with STRATE, the following dates will apply to the distribution.

Last day for trading to qualify for and participate in the distribution ("Cum" dividend)	Thursday, 9 June 2005
Trading ex-distribution commences	Friday, 10 June 2005
Record date	Friday, 17 June 2005
Distribution payment date (electronic and certificated register)	Monday, 20 June 2005

Distribution cheques in payment of this distribution to certificated unitholders will be posted to unitholders on or about Monday, 20 June 2005.

Electronic payment to certificated unitholders will be undertaken simultaneously.

Dematerialised unitholders will have their accounts at their Central Securities Depository Participant (CSDP) or broker credited on Monday, 20 June 2005.

Any change in address or distribution instruction to apply to this distribution, must be received by MICC's transfer secretaries, Computershare Investor Services 2004 (Proprietary) Limited, on or before Thursday, 9 June 2005. Linked unit certificates may not be dematerialised or rematerialised from Friday, 10 June 2005 to Friday, 17 June 2005, both days inclusive.

On behalf of the Board

Hardie Joubert  
Chairman

24 May 2005

Willie Kruger  
Director

**MICC PROPERTY INCOME FUND LIMITED**

TRANSFER SECRETARIES  
Computershare Investor Services 2004 (Proprietary) Limited,  
Investor Services Division, 17 Marshall Street, Johannesburg, 2001

SECRETARY AND REGISTERED OFFICE  
Emma Louise Yates, 2nd Floor, Meersig, Constanza Boulevard,  
Constanza Kloof, 1709 • P O Box 5029, Weltevreden Park, 1715

DIRECTORS  
Hardie Joubert\* (Chairman), Johann de Beer\*, Mustaq Brey\*,  
Dries du Toit\*, Willie Kruger\*, Gerhard van Zyl\*, Mike Potts\* (\* Non executive)

SOUTH AFRICAN SPONSOR  
Java Capital (Proprietary) Limited

NAMIBIAN SPONSOR BROKER  
Irwin, Jacobs, Green (Pty) Limited (Member of the NSX)

MICC PROPERTY INCOME FUND LIMITED  
(Incorporated in the Republic of South Africa),  
(Registration number: 2003/013404/06)  
South African share code: MCP • Namibian share code: MCO  
ISIN: ZAE 000050175

INVESTOR AND MEDIA RELATIONS  
Contact Kathy du Plessis on vukile@dppar.com, or Tel: 011 728 4701