

This circular is important and requires your immediate attention.

The definitions commencing on page 4 of the circular apply *mutatis mutandis* to this cover.

Action required

- If you are in any doubt as to what action you should take arising from the circular, please consult your broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
- If you have disposed of all of your shares in Ingenuity, please forward the circular to the purchaser of such shares or to the broker, CSDP, banker, accountant, attorney or other agent through whom the disposal was effected.



(formerly SA REIT LIMITED)
(Incorporated in the Republic of South Africa)
(Registration number 2000/018084/06)
ISIN: ZAE000127411 JSE share code: ING
("Ingenuity" or "the Company")

Circular to Ingenuity shareholders

regarding:

- the Disposal by Ingenuity of the property known as 22 Long Street, Cape Town;
- the Specific Repurchase; and
- the Put Share Sale;

and incorporating:

- a notice convening a general meeting of shareholders; and
 - a form of proxy (for use by holders of certificated shares and dematerialised shares with own-name registration only).
-

Investment bank and sponsor



Independent reporting accountants



MAZARS MOORES ROWLAND
Corporate Finance (Pty)Ltd

Property valuer



Date of issue: 19 November 2009

CORPORATE INFORMATION AND ADVISORS

The definitions commencing on page 4 of the circular apply *mutatis mutandis* to this corporate information and advisors section.

Company Secretary and business address

M Wagenheim
Suite 102, 1st Floor
INTABA Building
25 Protea Road
Claremont
Cape Town, 7708

Independent reporting accountants

Mazars Moores Rowland
27th Floor, 1 Thibault Square
Long Street
Cape Town, 8001
(PO Box 2785, Cape Town, 8000)

Investment bank and sponsor

Nedbank Capital, a division of Nedbank Limited
(Registration number 1951/000009/06)
3rd Floor, Corporate Place, Nedbank Sandton
135 Rivonia Road
Sandton, 2196
(PO Box 1144, Johannesburg, 2000)

Property valuer

Mills Fitchet Magnus Penny (Proprietary) Limited
(Registration number 1996/004736/07)
20th Floor, 1 Thibault Square
Long Street
Cape Town, 8001
(PO Box 4442, Cape Town, 8000)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/06)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

ACTION REQUIRED BY SHAREHOLDERS

The definitions commencing on page 4 of the circular apply *mutatis mutandis* to this action required by shareholders section.

Please take careful note of the following provisions regarding the action required by shareholders:

1. If you have disposed of all of your Ingenuity shares, the circular should be handed to the purchaser of such shares or the broker, CSDP, banker, accountant, attorney or other agent who disposed of your Ingenuity shares for you.
2. If you are in any doubt as to what action to take, consult your broker, CSDP, banker, accountant, attorney, or other professional advisor immediately.
3. The circular contains information relating to the Transactions. You should carefully read through the circular and decide how you wish to vote on the resolutions to be proposed at the general meeting.
4. The general meeting, convened in terms of the notice incorporated in this circular, will be held at Suite 102, 1st Floor, INTABA Building, 25 Protea Road, Claremont, Cape Town, on Friday, 11 December 2009, commencing at 10:00.

5. General meeting

5.1 If you hold dematerialised Ingenuity shares

5.1.1 Own-name registration

You are entitled to attend in person, or be represented by proxy, at the general meeting.

If you are unable to attend the general meeting but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the transfer secretaries, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on Thursday, 10 December 2009.

5.1.2 Other than own-name registration

You are entitled to attend, or be represented by proxy, at the general meeting. You must advise your CSDP or broker timeously if you wish to attend, or be represented at the general meeting. If you do wish to attend or be represented at the general meeting, your CSDP or broker will be required to issue the necessary Letter of Representation to you to enable you to attend or to be represented at the general meeting.

You must **not** complete the attached form of proxy.

If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.

5.2 If you hold certificated Ingenuity shares

5.2.1 You are entitled to attend, or be represented by proxy, at the general meeting.

5.2.2 If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the transfer secretaries, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on Thursday, 10 December 2009.

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SALIENT DATES AND TIMES

The definitions commencing on page 4 of the circular apply *mutatis mutandis* to this salient dates and times section.

2009

Circular posted to shareholders on	Thursday, 19 November
Forms of proxy to be received by 10:00 on	Thursday, 10 December
General meeting to be held at 10:00 on	Friday, 11 December
Results of the general meeting released on SENS on	Friday, 11 December
Results of the general meeting published in the press on	Monday, 14 December

Notes:

1. These dates and times are subject to amendment. Any such amendment will be released on SENS and published in the South African press.
2. Copies of this circular may be obtained in English only at the Company's registered office and the Nedbank Capital offices during normal business hours from Thursday, 19 November 2009. Details of Ingenuity and Nedbank Capital are set out in the Corporate Information and Advisors section of the circular.

DEFINITIONS

In the circular, unless otherwise stated or the context otherwise indicates, the words in the first column below shall have the meaning stated opposite them, respectively, in the second column below, reference to the singular shall include the plural and *vice versa*, words denoting one gender shall include the other gender, and an expression denoting natural persons shall include juristic persons and associations of persons:

"the Acquisition agreement"	the agreement entered into by the Du Toit Investment Trust and Ingenuity, dated 21 June 2007, regarding the acquisition by Ingenuity of the Rental Enterprise represented by Erf 9444, Cape Town commonly known as the 22 Long Street Building, its improvements and lease income, as a going concern;
"the Acquisition agreements"	collectively, the Acquisition agreement and the Addendum agreement;
"the Addendum agreement"	the addendum to the Acquisition agreement entered into between the Du Toit Investment Trust and Ingenuity, dated 4 July 2007;
"the Advance Date"	8 October 2009, being the second anniversary of the Issue Date;
"the Additional Disposal agreement"	the additional agreement entered into by Phomella and Ingenuity, dated Tuesday, 21 July 2009, which terms and conditions are the same as the Initial Disposal agreement save that the effective date was amended to 1 November 2009 and the purchase price was amended to R104 500 000;
"Articles"	the articles of association of Ingenuity, as amended from time to time;
"Billion Group"	Billion Group (Proprietary) Limited (Registration number 1999/025472/07), a private company incorporated in South Africa and wholly-owned by the Amatolo Family Trust, the directors of which are S M Ngebulana, V P Njongwe and R M Ngebulana;
"board" or "directors"	the board of directors of Ingenuity whose names are reflected in paragraph 7 of the circular;
"business day"	a day other than a Saturday, Sunday or official public holiday in South Africa;
"Capital Sum"	the amount of R12 000 000;
"certificated shareholder(s)"	Ingenuity shareholder(s) who hold certificated Ingenuity share(s);
"certificated share(s)"	Ingenuity share(s) represented by a share certificate(s) or other physical document(s) of title, which have not been surrendered for dematerialisation in terms of the requirements of Strate;
"the circular"	this circular, dated Thursday, 19 November 2009, including all annexures, the notice of general meeting and the form of proxy;
"common monetary area"	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
"Companies Act"	the Companies Act, No. 61 of 1973, as amended;
"CSDP"	a Central Securities Depository Participant, appointed by individual shareholder(s) for the purpose of and in regard to dematerialisation in terms of the Securities Services Act, No. 36 of 2004, as amended;
"dematerialised share(s)"	Ingenuity share(s) that have been dematerialised through a CSDP or broker and are held on the sub-register of shareholders administered by CSDP's in electronic form;

"dematerialised shareholder(s)"	Ingenuity shareholder(s) that have dematerialised their Ingenuity share(s) through a CSDP and have instructed the CSDP to hold their Ingenuity share(s) on the sub-register maintained by the CSDP and forming part of the Ingenuity share register;
"the Disposal"	the disposal by Ingenuity of the Property to the Purchaser on the terms set out in the Disposal agreements;
"the Disposal agreements"	collectively, the Initial Disposal agreement and the Additional Disposal agreement;
"the Disposal consideration"	the amount of R104.5 million, which is to be settled through the payment of R98.0 million in cash on transfer of the Property and the balance of R6.5 million to be deferred and paid by the Purchaser to Ingenuity six months from the date of transfer of the Property;
"document(s) of title"	share certificate(s), transfer deed(s) or forms, balance receipts or any other document(s) of title acceptable to Ingenuity in respect of certificated shareholder(s);
"the Du Toit Investment Trust" or "the Trust" or "the Borrower"	the Trustees for the time being of the Du Toit Investment Trust (Master's Reference number 3559/2004), a trust registered in South Africa, the vendor of 22 Long Street to Ingenuity in 2007, whose address is 6th Floor, BDO Spencer House, 119 Hertzog Boulevard, Foreshore, Cape Town. The trustees of the Trust as at the last practicable date were Mr J H Salmon, Mr P E du Toit and Mrs S J du Toit while the beneficiaries were Mr P E du Toit, Mrs S J du Toit and their children;
"EPS"	earnings per share;
"financial effects"	the unaudited <i>pro forma</i> financial effects;
"general meeting"	the general meeting of shareholders to be held at Suite 102, 1st Floor, INTABA Building, 25 Protea Road, Claremont, Cape Town on Friday, 11 December 2009 at 10:00 to consider and, if deemed appropriate, to approve the Transactions;
"group"	Ingenuity and its subsidiaries from time to time;
"HEPS"	headline earnings per share;
"IFRS"	International Financial Reporting Standards;
"the Initial Disposal agreement"	the agreement of purchase and sale Ingenuity entered into with Phomella, dated 14 May 2009, in terms of which Ingenuity would dispose of the Property for R108 million with effect from 1 September 2009;
"Issue Date"	8 October 2007;
"Ingenuity" or "the Company" or "the Seller"	Ingenuity Property Investments Limited, formerly SA REIT Limited, (Registration number 2000/018084/06), a public company incorporated and registered in South Africa and the shares of which are listed on the JSE;
"Ingenuity share(s)"	an ordinary share with a par value of R0.01 in the capital of the Company;
"Interim results"	Ingenuity's unaudited consolidated interim results for the six months ended 28 February 2009;
"JSE"	the stock exchange operated by the JSE Limited (Registration number 2005/0222939/06), a public company incorporated and registered in South Africa, licensed as an exchange under the Securities Services Act, No. 36 of 2004, as amended;

"last practicable date"	the last practicable date prior to the finalisation of the circular, being Monday, 16 November 2009;
"Limited Recourse Loan agreement"	the agreement entered into between Ingenuity, the Du Toit Investment Trust and Withmore Investments on 6 October 2009, whereby Withmore Investments agreed to lend the Capital Sum to the Trust;
"Listings Requirements"	the JSE Listings Requirements, as amended from time to time;
"Maturity Date"	being 8 April 2010 or such other date as the parties may agree in writing;
"Mazars Moores Rowland" or "independent reporting accountants"	Mazars Moores Rowland, registered auditor, a firm of Chartered Accountants (SA);
"Mills Fitchet" or "independent valuer"	Mills Fitchet Magnus Penny (Proprietary) Limited (Registration number 1996/004736/07), a private company incorporated in South Africa;
"Multiplex"	Multiplex Investment Holding Company (Proprietary) Limited (Registration number 1966/003012/07), a private company incorporated and registered in South Africa;
"NAV"	net asset value per share;
"Nedbank"	Nedbank Limited (Registration number 1951/000009/06), a public company incorporated and registered in South Africa;
"Nedbank Capital" or "Investment bank and sponsor"	Nedbank Capital, a division of Nedbank;
"NTAV"	net tangible asset value per share;
"Outward Investments"	Outward Investments (Proprietary) Limited (Registration number 1998/025740/07), a wholly-owned subsidiary of Redefine Income Fund Limited, a company listed on the JSE;
"Phomella" or "the Purchaser"	Phomella Property Investments (Proprietary) Limited (Registration number 2003/031661/07), a private company incorporated and registered in South Africa and a wholly-owned subsidiary of the Billion Group;
"Preliminary results"	Ingenuity's reviewed condensed preliminary consolidated results for the year ended 31 August 2009 as published on SENS on Tuesday, 3 November 2009;
"the Property"	Erf 9444 Cape Town, commonly known as the 22 Long Street Building, situated at 22 Long Street, Cape Town;
"the Put Option"	the right in favour of the Du Toit Investment Trust to put up to 20 000 000 Ingenuity ordinary shares at R0.60 per share to Ingenuity or its nominee, details of which are contained in the Addendum agreement;
"Put Shares" or "Consideration Shares"	the 20 000 000 Ingenuity shares which were issued as consideration for the acquisition of the Property which are the subject of the Put Option;
"the Put Share Sale"	the sale of the Put Shares at the best market price by the Trust and the payment of the net proceeds thereof to Ingenuity in the event that the Special Resolution is not approved at the general meeting and Ordinary Resolution Number 2 is approved at the general meeting;
"Rand"	South African Rand;
"resolutions"	the special resolution and ordinary resolutions, to be approved by the requisite majority of shareholders at the general meeting, to authorise the Transactions;

"RPA"	Rabie Property Administrators (Proprietary) Limited (Registration number 1990/01819/07), a private company incorporated and registered in South Africa;
"Security Cession and Pledge agreement"	the Security Cession and Pledge agreement entered into between Withmore Investments and the Trust on 6 October 2009;
"SENS"	the Securities Exchange News Service of the JSE;
"South Africa"	the Republic of South Africa;
"Specific Repurchase"	the proposed specific repurchase of 20 000 000 Ingenuity ordinary shares, details of which are set out in paragraph 3 of the circular;
"Special Resolution"	the special resolution in terms of which the Specific Repurchase will be approved, as set out in the notice of general meeting attached to the circular;
"shareholders"	holders of Ingenuity shares;
"Strate"	Strate Limited (Registration number 1998/022242/06), a company incorporated and registered in South Africa and the electronic settlement system for transactions that take place on the JSE and off-market trades;
"sqm" or "m ² "	square metre;
"the Transactions"	collectively the Disposal, the Specific Repurchase and the Put Share Sale;
"transfer secretaries" or "Computershare"	Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/06), a private company incorporated and registered in South Africa;
"Trematon"	Trematon Capital Investments Limited (Registration number 1997/008691/06), a public company incorporated and registered in South Africa and the shares of which are listed on the JSE, or its wholly-owned subsidiaries, Tremgrowth (Proprietary) Limited and/or Tremtrade (Proprietary) Limited;
"VAT"	Value-added tax;
"VWAP"	the 30-day volume weighted average traded price of Ingenuity shares on the JSE as at Thursday, 5 November 2009, being the most recent date prior to the finalisation of the circular; and
"Withmore Investments"	Withmore Investments 3 (Proprietary) Limited (Registration number 2006/033882/07), a private company incorporated and registered in South Africa and a wholly-owned subsidiary of Ingenuity.

ingenuity

PROPERTY INVESTMENTS LTD

(formerly SA REIT LIMITED)
(Incorporated in the Republic of South Africa)
(Company registration number 2000/018084/06)
Share code: ING ISIN: ZAE000127411

Directors

A A Maresky (<i>Chief Executive Officer</i>)	A Groll*
M Wagenheim (<i>Chief Financial Officer</i>)	M Kaplan* (<i>Chairman</i>)
J Bielich	A J Shapiro*
L H Cohen*	R S Schur*
D B Fabian*	A Varachhia*

* Non-executive

CIRCULAR TO INGENUITY SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THE CIRCULAR

Ingenuity has entered into the Disposal agreements with Phomella in terms of which the Property will be disposed to Phomella, details of which were published on SENS on Thursday, 28 May 2009 and Tuesday, 28 July 2009.

In addition, Ingenuity wishes to effect the Specific Repurchase or alternatively the Put Share Sale, details of which are set out in paragraph 3 of the circular.

The purpose of the circular is to provide shareholders, in compliance with the Listings Requirements, with relevant information regarding the Transactions in order that the relevant shareholder approvals can be obtained at the general meeting.

2. THE DISPOSAL

2.1 The Property

The Property being Erf 9444 Cape Town and known as the 22 Long Street Building, Cape Town, is situated on the corner of Long, Strand and Waterkant Streets, Cape Town.

The building comprises of 8 832 sqm of offices over six floors and 935 sqm of retail space on the ground floor. There are also 99 undercover parking bays on the site.

Further details regarding the Property are set out below:

Property	Location	Sector	Gross lettable area m ²	Single or Multi-tenanted	Weighted average rental per m ² R	Vacancy by rentable area	Annualised property yield
Erf 9444 Cape Town	22 Long Street, Cape Town	Office/ Retail	9 767	Multi	97.39	–	10.37%

The Property's current major tenants are the Government of the Republic of South Africa and Woolworths Financial Services, at 7 448 sqm combined. Various other smaller tenants occupying less than 1 000 sqm each take up the balance of the rentable area. The Property tenant profile can therefore be regarded as "A" grade, which represents large national tenants, large listed tenants, Government and major franchisees, and "C" grade which represents small, independent tenants.

Details of tenants, monthly rent, rental area and the salient terms of the leases relating to the Property are set out below:

Property No.	Tenants	Monthly rent passing (R)	Rentable area (m ²)	Salient terms of lease		
				Start date	Expiry date	Escalation %
Leases						
1.	Department of Statistics	132 480	1 472	01/12/2007	30/11/2010	10
2.	Department of Public Works	295 224	2 944	01/05/2008	30/04/2010	9
3.	BIP Solutions	68 768	718	01/07/2008	30/06/2011	9
4.	BTI World Travel	42 060	515	01/07/2007	30/06/2010	8
5.	Woolworths Financial Services	152 425	1 472	01/09/2007	31/08/2010	9
6.	Department of Statistics	140 400	1 560	01/08/2009	31/07/2011	9
7.	Stalker Hutchinson	14 949	151	01/08/2008	31/07/2011	10
8.	Van Schaik Bookstore	17 681	154	01/11/2008	30/04/2011	8
9.	Gioven Kelvin	14 257	112	01/02/2009	31/01/2012	10
10.	Paris Celebrity Hair Designs	22 647	174	01/05/2009	30/04/2014	10
11.	Western Province Blood Transfusion	19 403	185	01/06/2005	28/02/2010	7
12.	ZK Cell	11 291	107	01/06/2009	31/5/2012	10
13.	Jewellery Khadim	4 654	44	01/09/2008	31/08/2010	10
14.	House of Pasta	14 798	159	01/09/2007	31/08/2012	8
		951 037	9 767			

2.2 Rationale for the Disposal

The Disposal will result in a significant reduction in the borrowings of the Company and provide capacity to apply funds to new investment opportunities and to develop existing land and value-add opportunities within the existing Ingenuity portfolio.

2.3 Information relating to the Purchaser

2.3.1 Phomella's physical address is as follows:

3rd Floor Palazzo Towers West
Montecasino Boulevard
Fourways, 2055

2.3.2 Other information

As Ingenuity is selling only the Property to the Purchaser, the Disposal agreements do not provide for the guarantee of book debts, or other assets, warranties or the settlement of any taxation liability. The Disposal agreements also do not preclude the Purchaser from carrying on business in competition with Ingenuity.

2.4 Consideration for the Disposal

The Disposal consideration of R104.5 million is to be settled through the payment of R98.0 million in cash on transfer of the Property and the balance of R6.5 million will be deferred and paid by the Purchaser to Ingenuity six months from the date of transfer of the Property. Interest at a rate of 10.5% monthly in arrears from the date of transfer of the Property to date of payment shall be payable. The cash received will be used to reduce current borrowings. It is expected that the Property will transfer as soon as possible after the fulfilment of the conditions precedent referred to in paragraph 2.6 of the circular.

2.5 Valuation of the Property

In terms of the valuation report prepared by Mills Fitchet, regarding the Property as set out in Annexure 7 to the circular, the value of the Property as at 1 November 2009 is R104 500 000.

2.6 Conditions precedent relating to the Disposal

The Disposal is subject to, *inter alia*, the following conditions precedent:

- Ingenuity shareholder approval; and
- the obtaining of the relevant regulatory approvals, to the extent required.

3. THE SPECIFIC REPURCHASE AND PUT SHARE SALE

3.1 Introduction

Ingenuity acquired the Property by means of the Acquisition agreement entered into on 21 June 2007 in terms of which the Property would be acquired by Ingenuity for R82 million, to be settled through the issue of 10 million Ingenuity shares at 50 cents each and the balance to be settled in cash. Further to this, the Acquisition agreement was amended in terms of the Addendum agreement dated 4 July 2007.

The Addendum agreement was entered into primarily to provide for a rental guarantee of R4 million as a due diligence investigation had established that there were likely to be unlet areas in the Property and to adjust the amount of consideration shares to be issued to 20 million shares at 50 cents each. The consideration shares became the subject of the Put Option and right of first refusal, further details of which are set out in paragraph 3.2 below. The primary purpose of the Put Option and right of first refusal was to provide the Trust with a form of assurance with regard to the Ingenuity share price falling below 60 cents as the Trust had undertaken to accept more consideration shares and less cash.

The Acquisition agreements were ratified and approved at a general meeting of shareholders during September 2007.

3.2 Details regarding the Put Option

3.2.1 The Addendum agreement

In terms of the Addendum agreement, Ingenuity granted the Trust the Put Option in terms of which the Trust was entitled to put a maximum of 20 million Ingenuity shares (which represents 3.04% of the 658.550 million Ingenuity shares in issue at the last practicable date) on the Advance Date to Ingenuity or its nominee at a price of 60 cents per Ingenuity share, which is a 27% premium to the share price as at the last practicable date.

In the event that the Trust wished to dispose of the Put Shares prior to the Advance Date, Ingenuity was entitled to a right of first refusal to purchase such number of Ingenuity shares as the Trust wished to dispose of at the then market price.

Were the Trust to have exercised the Put Option or Ingenuity to have exercised the right of first refusal, the acquisition of any Ingenuity shares would be classified as a specific repurchase as contemplated by the Companies Act and the Listings Requirements. As Ingenuity had not fulfilled the regulatory requirements under applicable law to repurchase the Put Shares by the Advance Date (i.e. by not obtaining the approval that is to be proposed in terms of the Special Resolution at the general meeting) and in order to avoid a position where the Put Option was exercised in circumstances where Ingenuity could not purchase the Put Shares in terms of the Put Option, the Trust, Ingenuity and Withmore Investments entered into the Limited Recourse Loan agreement, details of which are set out below.

3.2.2 The Limited Recourse Loan agreement

The salient terms of the Limited Recourse Loan agreement are set out below:

Advance conditions

In terms of the Limited Recourse Loan agreement, Ingenuity has lent the Capital Sum to the Trust. The Capital Sum shall bear no interest and the Trust shall repay the Capital Sum on the Maturity Date.

In terms of the advance conditions, the Trust has provided warranties that are normal for contracts of this nature.

Amendment

In terms of the Limited Recourse Loan agreement, the Acquisition agreement (as amended by the Addendum agreement) has been amended to extend the date for exercise of the Put Option to 8 April 2010.

Repurchase

Should Ingenuity fulfil the regulatory requirements for a specific repurchase of the Put Shares by 8 April 2010, and the Trust exercise the Put Option on 8 April 2010, the Trust's obligation to repay the Capital Sum and Ingenuity's obligation to pay the purchase price of 60 cents per Ingenuity share will have been discharged in full.

Ingenuity will have fulfilled the regulatory requirements, to acquire the Put Shares in terms of the Put Option, should the Special Resolution be approved at the general meeting. This Special Resolution authorises Withmore Investments to acquire the Put Shares upon exercise of the Put Option or in terms of the right of first refusal.

Put Share Sale

If Ingenuity has not fulfilled the regulatory requirements to acquire the Put Shares in terms of the Put Option before 8 April 2010, the Trust will be entitled to sell the Put Shares at the best market price and pay the net proceeds to Ingenuity, which net proceeds will be applied to the Capital Sum. The payment of the net proceeds shall discharge the obligation of the Trust to repay the Capital Sum, irrespective of whether the amount of the net proceeds is less than the amount of the Capital Sum.

Shareholder approval

In order to extend the Advance Date to the Maturity Date and to effect the Put Share Sale, approval for the Limited Recourse Loan agreement is being sought in terms of Ordinary Resolution Number 2 as set out in the notice of general meeting attached to the circular.

3.2.3 The Security Cession and Pledge agreement

Further to the Limited Recourse Loan agreement, the Trust and Withmore Investments have entered into the Security Cession and Pledge agreement. In terms of this agreement, the Trust has ceded and pledged the Put Shares to Withmore Investments as a continuing covering security for the Trust's obligations to repay the Capital Sum in terms of the Limited Recourse Loan agreement.

3.3 Source of funds

The Capital Sum was funded out of the group's existing cash resources.

4. SALIENT INFORMATION ON INGENUITY

4.1 Historical financial information

Extracts of the Preliminary results are set out in Annexure 1 to the circular and extracts of the Interim results are set out in Annexure 2 to the circular.

4.2 Interest bearing borrowings

Details of Ingenuity's interest bearing borrowings as at 31 August 2009 are set out in Annexure 8 to the circular.

4.3 Details of the Property Manager

RPA has been contracted by Ingenuity in respect of the day-to-day property management of its property portfolio in terms of a property management agreement entered into between Ingenuity and RPA, dated 30 August 2007, which is available for inspection as set out in paragraph 19 of the circular.

4.3.1 RPA shareholding

RPA is a wholly-owned subsidiary of Rabie Holdings (Proprietary) Limited, whose shareholders are the Johnrab Family Trust as to 37.63%, the Nafco Trust as to 37.64%, the Chapman Family Trust as to 13.98% and the Deans Family Trust with 10.75%.

4.3.2 RPA directors

The current directors of RPA are Leigh Metcalf and Leon Howard Cohen.

4.4 Information regarding the Asset Manager

The asset management function regarding Ingenuity's property portfolio has not been outsourced to a third party.

4.5 Prospects for Ingenuity

The Company's management is focused on creating a leading Cape based development and investment property company. The Company is of the view that economic recovery will be slow for the year ahead but with prudent management, a strong financial base and additional available capacity, management remain confident that they will continue to enhance shareholder wealth through increases in earnings and net asset growth. This view on Ingenuity's prospects has not been reviewed and reported on by Ingenuity's auditors.

4.6 History of change in controlling shareholders and trading objects

On 10 September 2004 the Company trading as Shops for Africa, was placed under voluntary liquidation by special resolution with Mr J J Steenkamp being appointed as liquidator.

Trematon acquired 75.8% of the issued share capital of the Company during the course of the liquidation. In its capacity as major shareholder, Trematon applied for the setting aside of the voluntary winding up of the Company. The application was granted with effect from 27 September 2006 and Trematon, as the major shareholder, gained control of the Company.

Further to the acquisition of ten properties by Ingenuity in 2007, Trematon's holding reduced to 18.38% and Ingenuity does not currently have a controlling shareholder.

The trading objects of Ingenuity have not changed in the five years preceding the date of the circular.

4.7 Amounts paid to promoters, not being a director

No cash or securities have been paid or benefit given in the three years preceding the date of the circular or are proposed to be paid to any promoter, not being a director.

5. FINANCIAL INFORMATION

The Disposal is a stand alone transaction and is not dependent on the approval of the Specific Repurchase or Put Share Sale.

The Specific Repurchase and the Put Share Sale are mutually exclusive meaning that the occurrence of the one precludes the occurrence of the other. Therefore, if shareholders approve the Specific Repurchase in terms of the Special Resolution at the general meeting, the Put Share Sale will not take place while if shareholders do not approve the Specific Repurchase and approve the Put Share Sale in terms of Ordinary Resolution Number 2, only the Put Share Sale will take place.

Should neither the Special Resolution to effect the Specific Repurchase nor Ordinary Resolution Number 2 be approved then, neither the Specific Repurchase nor the Put Share Sale will be effected, however the Company shall remain contractually liable in terms of the Acquisition agreements and the Limited Recourse Loan agreement for the sum of R12 million.

The *pro forma* financial effects to take into account the above scenarios are set out below and have been prepared for illustrative purposes only, and because of their nature, may not give a fair presentation of Ingenuity's financial position or the effect and impact of the Disposal, the Specific Repurchase, the Put Share Sale and the combined effects thereof. The financial effects are the responsibility of Ingenuity's board.

5.1 Unaudited *pro forma* financial effects of the Disposal

The summarised financial effects of the Disposal (i.e. on the basis that Ordinary Resolution Number 1 is approved at the general meeting) are set out below while the detailed financial effects setting out the *pro forma* income statement and balance sheet further to the Disposal are set out in paragraphs 1 and 2 of Annexure 6 to the circular.

	Before the Disposal ⁽¹⁾	After the Disposal ⁽²⁾	Change %
EPS (cents)	4.6	4.3 ⁽³⁾	(7.4)
HEPS (cents)	1.9	1.6	(13.6)
Diluted EPS (cents)	4.5	4.2	(7.4)
Diluted HEPS (cents)	1.8	1.6	(13.6)
NAV (cents)	56.4	56.3	(0.1)
NTAV (cents)	56.4	56.3	(0.1)
Shares in issue	658 550 000	658 550 000	
Shares in issue net of treasury shares	631 404 259	631 404 259	
Shares and weighted average shares in issue net of treasury shares	631 695 376	631 695 376	

Notes:

1. Based on the Preliminary results.
2. Based on the assumption that the Disposal was effected on 1 September 2008 for income statement purposes and on 31 August 2009 for balance sheet purposes.
3. EPS, HEPS, Diluted EPS and Diluted HEPS have been adjusted to exclude the net income attributable to the Property for the 12 months ended 31 August 2009. Further to this, an adjustment was made to take into account a reduced after-tax interest expense of R3.7 million, based on a weighted average interest rate of 11.49%, as the cash consideration will be utilised to reduce interest bearing debt.

5.2 Unaudited *pro forma* financial effects of the Specific Repurchase

The summarised financial effects of the Specific Repurchase (i.e. on the basis that the Special Resolution is approved at the general meeting) are set out below while the detailed financial effects setting out the *pro forma* income statement and balance sheet further to the Specific Repurchase are set out in paragraphs 3 and 4 of Annexure 6 to the circular.

	Before the Specific purchase ⁽¹⁾	After the Specific Repurchase ⁽²⁾	Change %
EPS (cents)	4.6	4.8 ⁽³⁾	5.0
HEPS (cents)	1.9	2.0 ⁽³⁾	7.6
NAV (cents)	56.4	58.3 ⁽⁴⁾	3.3
NTAV (cents)	56.4	58.3 ⁽⁴⁾	3.3
Shares in issue	658 550 000	658 550 000	
Shares in issue net of treasury shares	631 404 259	611 404 259	
Weighted average shares in issue net of treasury shares	631 695 376	611 695 376	

Notes:

1. Based on the Preliminary results.
2. Based on the assumption that the Specific Repurchase was effected on 1 September 2008 for income statement purposes and 31 August 2009 for balance sheet purposes.
3. EPS and HEPS has been adjusted to take into account a reduced after-tax interest income of R886 000, based on a weighted average interest rate of 10.2%, as the Specific Repurchase will be funded through the use of internally generated cash resources. Further to this, the reversal of the notional interest of R1.4 million previously expensed due to accounting for the Put Option in terms of IAS 39 "Financial Instruments: Recognition and Measurement" has been taken into account.
4. After taking into account the increased number of treasury shares and to take into account the reversal of the Put Option previously accounted for in terms of IAS 39 "Financial Instruments: Recognition and Measurement".

5.3 Unaudited *pro forma* financial effects of the Put Share Sale

The summarised financial effects of the Put Share Sale (i.e. on the basis that the Special Resolution is not approved at the general meeting having the effect that the regulatory approvals required to effect the Specific Repurchase are not obtained while Ordinary Resolution Number 2 is approved at the general meeting) are set out below while the detailed financial effects setting out the *pro forma* income statement and balance sheet further to the Put Share Sale are set out in paragraphs 5 and 6 of Annexure 6 to the circular.

	Before the Put Share Sale ⁽¹⁾	After the Put Share Sale ⁽²⁾	Change %
EPS (cents)	4.6	4.8 ⁽³⁾	3.6
HEPS (cents)	1.9	2.0 ⁽³⁾	9.0
NAV (cents)	56.4	57.6	2.1
NTAV (cents)	56.4	57.6	2.1
Shares in issue	658 550 000	659 550 000	
Shares in issue net of treasury shares	631 404 259	631 404 259	
Weighted average shares in issue net of treasury shares	631 695 376	631 695 376	

Notes:

1. Based on the Preliminary results.
2. Based on the assumption that the Put Share Sale was effected on 1 September 2008 for income statement purposes and 31 August 2009 for balance sheet purposes.
3. EPS and HEPS have been adjusted to take into account a reduced after-tax interest income of R324 403 based on a weighted average interest rate of 10.2% applied to R4.4 million, being the net shortfall between the Capital Sum and R7.6 million. It has been assumed that the Put Shares were sold at the VWAP, being 38 cents. Further to this, the reversal of the notional interest of R1.4 million previously expensed due to accounting for the Put Option in terms of IAS 39 "Financial Instruments: Recognition and Measurement" has been taken into account.
4. NAV and NTAV have been adjusted to take into account the reversal of the Put Option previously accounted for in terms of IAS 39 "Financial Instruments: Recognition and Measurement" and the shortfall of R4.4 million as detailed in note 3 above.

5.4 Unaudited *pro forma* financial effects of the Disposal and the Specific Repurchase

The summarised combined financial effects of the Disposal and the Specific Repurchase (i.e. on the basis that Ordinary Resolution Number 1 which has the effect of approving the Disposal and the Special Resolution, which has the effect of approving the Specific Repurchase, are approved at the general meeting) are set out below, while the detailed financial effects setting out the *pro forma* income statement and balance sheet further to the Disposal and Specific Repurchase are set out in paragraphs 7 and 8 of Annexure 6 to the circular.

	Before the Disposal and the Specific Repurchase ⁽¹⁾	After the Disposal and the Specific Repurchase ⁽²⁾	Change %
EPS (cents)	4.6	4.5	(2.6)
HEPS (cents)	1.9	1.7	(6.4)
NAV (cents)	56.4	58.2	3.2
NTAV (cents)	56.4	58.2	3.2
Shares in issue	658 550 000	658 550 000	
Shares in issue net of treasury shares	631 404 259	611 404 259	
Weighted average shares in issue net of treasury shares	631 695 376	611 695 376	

Notes:

1. Based on the Preliminary results.
2. Based on the assumption that the Disposal and the Specific Repurchase were effected on 1 September 2008 for income statement purposes and 31 August 2009 for balance sheet purposes.
3. Based on the adjustments as set out in paragraphs 5.1 and 5.2 above.

5.5 Unaudited *pro forma* financial effects of the Disposal and the Put Share Sale

The summarised combined financial effects of the Disposal and the Put Share Sale (i.e. on the basis that Ordinary Resolution Number 1 which has the effect of approving the Disposal is approved, and the Special Resolution, which has the effect of approving the Specific Repurchase, is not approved at the general meeting; while Ordinary Resolution Number 2 is approved) are set out below, while the detailed financial effects setting out the *pro forma* income statement and balance sheet further to the Disposal and Put Share Sale are set out in paragraphs 9 and 10 of Annexure 6 to the circular

	Before the Disposal and the Put Share Sale ⁽¹⁾	After the Disposal and the Put share Sale ⁽²⁾	Change %
EPS (cents)	4.6	4.4	(3.7)
HEPS (cents)	1.9	1.8	(4.6)
NAV (cents)	56.4	57.6	2.0
NTAV (cents)	56.4	57.6	2.0
Shares in issue	658 550 000	658 550 000	
Shares in issue net of treasury shares	631 404 259	631 404 259	
Weighted average shares in issue net of treasury shares	631 695 376	631 695 376	

Notes:

1. Based on the Preliminary results.
2. Based on the assumption that the Disposal and the Put Share Sale were effected on 1 September 2008 for income statement purposes and 31 August 2009 for balance sheet purposes.
3. Based on the adjustments as set out in paragraphs 5.1 and 5.3 above.

Details of the financial effects of the Disposal, the Specific Repurchase, the Put Share Sale and the Transactions on Ingenuity's income statement and balance sheet based on the Preliminary results are set out in Annexure 6 to the circular.

5.6 Independent reporting accountants' report

The text of the independent reporting accountants' report on the above summarised financial effects and the detailed financial effects as set out in Annexure 6 is set out in Annexure 5 to the circular.

6. SHARE CAPITAL

As at the last practicable date, the authorised and issued share capital of Ingenuity, before and after the implementation of the Specific Repurchase, was as follows:

	R'000
Before the Specific Repurchase	
Authorised share capital	
2 000 000 000 ordinary shares of 1 cent each	20 000
Issued share capital	
658 550 000 ordinary shares of 1 cent each	6 585
631 404 259 ordinary shares of 1 cent each (net of treasury shares)	6 314
After the Specific Repurchase	
Authorised share capital	
2 000 000 000 ordinary shares of 1 cent each	20 000
Issued share capital	
658 550 000 ordinary shares of 1 cent each	6 585
611 404 259 ordinary shares of 1 cent each (net of treasury shares)	6 114

Should the Disposal or the Put Share Sale be implemented, these would have no effect on Ingenuity's authorised or issued share capital.

7. DIRECTORS AND DIRECTORS' INTERESTS

7.1 The name, age, qualification, nationality, business address and function of each director of Ingenuity is set out below:

Name, age, qualification and nationality	Business address	Function
Arnold Aaron Maresky (42) B.Com, PGDA, CA(SA) South African	Suite 102, 1st Floor INTABA Building 25 Protea Road Claremont, 7708	Chief Executive Officer
Mark Wagenheim (53) B.Com, B.Com (Hons), CA(SA) South African	Suite 102, 1st Floor INTABA Building 25 Protea Road Claremont, 7708	Chief Financial Officer and Company Secretary
John Bielich (52) B Eng (Civil), B Eng Hons (Project Management), MBA South African	Suite 102, 1st Floor INTABA Building 25 Protea Road Claremont, 7708	Executive director
Leon Howard Cohen (54) National Diploma : Construction Supervisors South African	Suite G18, Colosseum Century Way Century City Cape Town, 7441	Independent non-executive director

Name, age, qualification and nationality	Business address	Function
Dennis Barry Fabian (60) Pr.Arch, B.Arch(UCT), MIArch, CIA South African	North Wharf Lower Bree Street Cape Town, 8001	Independent non-executive director
Allan Groll (54) South African	2nd Floor, The Hudson 30 Hudson Street Cape Town, 8001	Independent non-executive director
Monty Kaplan (80) CA(SA) South African	2nd Floor, The Hudson 30 Hudson Street Cape Town, 8001	Independent non-executive director Chairman
Arnold Jack Shapiro (47) B.Bus.Sci South African	2nd Floor, The Hudson 30 Hudson Street Cape Town, 8001	Independent non-executive director
Raymond Selwyn Schur (71) CA(SA) South African	Corner Arthur's Road and Main Road Sea Point Cape Town, 8001	Independent non-executive director Chairman of Audit Committee
Abubaker Varachhia (51) Registered Quantity Surveyor B.Sc South African	25 Hope Street Cape Town, 8001	Independent non-executive director

7.2 Directors' remuneration

Details of the directors' emoluments and benefits for the year ended 31 August 2009, being Ingenuity's latest financial year-end, are set out below:

Director	Salary R'000	Service fees R'000	Total R'000
A A Maresky	900	–	900
M Wagenheim	690	–	690
J Bielich	653	–	653
M Kaplan	–	165	165
R S Schur	–	143	143
L H Cohen	–	72	72
A Groll	–	72	72
A J Shapiro	–	66	66
A Varachhia	–	66	66
D Fabian	–	66	66
Total	2 243	650	2 893

7.3 Directors' interests in Ingenuity

The directors' interests in the share capital of Ingenuity as at the last practicable date were as follows:

	Beneficial		Total	Percentage held ⁽¹⁾
	Direct	Indirect		
A A Maresky	15 040 000	305 600	15 345 600	2.33
M Wagenheim	3 680 895	–	3 680 895	0.56
J Bielich	6 000 000	–	6 000 000	0.91
L H Cohen	–	38 758 499	38 758 499	5.89
D B Fabian	–	10 000 000	10 000 000	1.52
A Groll	–	48 350 000	48 350 000	7.34
M Kaplan	–	1 600 000	1 600 000	0.24
R S Schur	400 000	–	400 000	0.06
A Varachhia	–	20 000 000	20 000 000	3.04
Total	25 120 895	119 014 099	144 134 994	21.89

Note:

1. Based on 658 550 000 Ingenuity shares in issue as at the last practicable date.

7.4 Directors' participation unit holdings

Set out below are the participation units that were held by certain Ingenuity directors in the SA REIT Employee Share Trust as at the last practicable date:

Name	Number of participation units	Date of issue
A A Maresky	9 000 000	07/02/2008
M Wagenheim	4 000 000	07/02/2008
J Bielich	4 000 000	07/02/2008

7.5 Directors' interests in transactions

No director has had any material beneficial interests, whether direct or indirect, in transactions that were effected during the current or immediately preceding financial year.

Further to this, they have had no material beneficial interests in any transaction with Ingenuity during an earlier financial year that remain in any respect outstanding or unperformed.

No director had any material beneficial interests, whether direct or indirect, in relation to any property held by Ingenuity as at the last practicable date and had no conflicts in relation to their duties to Ingenuity.

7.6 Directors' service contracts and term of office

There are no service contracts between Ingenuity and any of its directors.

One-third of the directors retire by rotation at each annual general meeting, those being eligible, may make themselves available for election. The election of new directors, if any, as proposed in terms of the provisions of the Articles, are ratified at each general meeting.

In terms of the Articles, an executive director may be appointed for a maximum period of five years.

As at the last practicable date, there was no agreement in place in terms of which an entity or person holds a contractual right relating to the appointment of any particular director or number of directors.

8. MAJOR SHAREHOLDERS

Insofar as is known to Ingenuity, the major shareholders who beneficially held 5% or more of the issued Ingenuity shares as at the last practicable date, are set out below:

Major Shareholders	Number of Ingenuity shares	Percentage ⁽¹⁾
Tremgrowth (Proprietary) Limited	111 000 000	16.86
Schlep Property Investments (Proprietary) Limited ⁽²⁾	74 000 000	11.24
Nedbank Property Investments	50 000 000	7.59
Absa Commercial Property Finance	50 000 000	7.59
Nafco Trust No. 2 A/C ⁽³⁾	38 758 499	5.89
The Johnrab Family Trust ⁽⁴⁾	35 000 000	5.31
Total	358 758 499	54.48

Notes:

1. Based on 658 550 000 Ingenuity shares in issue as at the last practicable date.
2. Mr A Groll, a director of Ingenuity, holds 50% of the issued shares in this entity.
3. The indirect beneficial shares held by Mr L H Cohen, a director of Ingenuity, as detailed in paragraph 7.4 above, are held through the Nafco Trust No.2.
4. The Johnrab Family Trust has a 37.63% holding in RPA as disclosed in paragraph 4.3.1. The directors (and their associates) of Ingenuity are not related parties, as contemplated in the Listings Requirements, to the beneficiaries/trustees of the Johnrab Family Trust.

9. OPINIONS AND RECOMMENDATIONS

The board has considered the terms and conditions of the Transactions, and is of the opinion that they are favourable to shareholders and recommends that shareholders vote in favour of the Transactions at the general meeting.

All the directors who own Ingenuity shares in their personal capacity intend to vote in favour of the Transactions.

10. LITIGATION STATEMENT

The directors are not aware of any legal or arbitration proceedings (including any such proceedings that are pending or threatened), involving Ingenuity or the Property which may have, or have had, a significant effect on Ingenuity's financial position in the twelve months preceding the date of the circular.

11. WORKING CAPITAL STATEMENT

The directors of Ingenuity are of the opinion that after, considering the Transactions:

- 11.1 the Company and the group will be able in the ordinary course of business to pay its debts for a period of twelve months after the date of the issue of the circular;
- 11.2 the assets of the Company and the group will be in excess of the liabilities of the company and the group for a period of twelve months after the date of the issue of the circular;
- 11.3 the share capital and reserves of the Company and the group will be adequate for ordinary business purposes for a period of twelve months after the date of the issue of the circular;
- 11.4 the working capital of the Company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the issue of the circular.

12. MATERIAL CONTRACTS

The following material transactions (being more than 10% of Ingenuity's market capitalisation at the time of entering into the agreement) have been entered into by Ingenuity in the two years preceding the date of the circular:

- Ingenuity entered into agreements with Outward Investments, to dispose of an undivided half share in the properties known as the Curry Building situated at the corner of Bree, Long and Mechau Streets and the CMH Building situated at the corner of Bree, Long and Hans Strijdom Avenue, Cape Town. Furthermore, Ingenuity has entered into a joint venture, development and enterprise agreement with Outward Investments for the development of the properties and subsequent holding and management as a commercial rental enterprise. Details were set out in an announcement dated 26 March 2008.
- Ingenuity entered into agreements with Multiplex to acquire the Santam Corporate Office Complex on 27 August 2008. Details were set out in a circular dated 8 October 2008.

Save as mentioned above and taking into account the Transactions, the group has not entered into any material contracts, either verbally or in writing, during the two years preceding the date of issue of the circular, other than in the ordinary course of its business. Further to this, no material contracts, other than in the ordinary course of business, have been entered into, containing an obligation or settlement that is material to the group as at the last practicable date.

13. MATERIAL CHANGES

There have been no material changes in the affairs or financial position of Ingenuity or the Property, save as disclosed in the circular, from the financial year ended on 31 August 2009 and the last practicable date.

14. EXPENSES RELATING TO THE TRANSACTIONS

The expenses, excluding VAT, relating to the Transactions are set out below:

Description	R
Investment bank and sponsor (acting under a joint mandate)	575 000
Independent reporting accountants	140 000
Independent valuer	20 000
JSE documentation fee	31 075
Printing costs	75 000
Other	50 000
Total	891 075

15. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, details of whom are set out in paragraph 7.1 of the circular:

- have considered all statements of fact and opinion in the circular;
- collectively and individually, accept full responsibility for the accuracy of the information given;
- certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading;
- have made all reasonable enquiries in this regard; and
- certify that, to the best of their knowledge and belief, the circular contains all information required by law, as required by the Listings Requirements.

16. CONSENTS

Each of Nedbank Capital, Mazars Moores Rowland and Mills Fitchet have provided their written consents to act in the capacity stated and to their names being used in the circular and have not withdrawn their consents prior to the publication of the circular.

17. EXCHANGE CONTROL REGULATIONS

In the case of certificated shareholders whose registered addresses are outside the common monetary area or where the share certificates are restrictively endorsed in terms of the South African Exchange Control Regulations, the following will apply:

17.1 Non-residents who are emigrants from the common monetary area

Share certificates will be restrictively endorsed "non-resident" in terms of the South African Exchange Control Regulations and will be sent to the shareholder's authorised dealer in foreign exchange in South Africa controlling his blocked assets.

17.2 All other non-residents

Share certificates will be restrictively endorsed "non-resident" in terms of the South African Exchange Control Regulations.

With regard to dematerialised shareholders whose registered addresses are outside the common monetary area, their shares will be annotated in the Company's relevant sub-register as non-resident and statements will be restrictively endorsed in terms of those regulations.

18. GENERAL MEETING

18.1 Notice of general meeting

A notice convening the general meeting is attached to the circular. The general meeting will be held at Suite 102, 1st Floor, INTABA Building, 25 Protea Road, Claremont, Cape Town on Friday, 11 December 2009, commencing at 10:00.

18.2 Dematerialised shareholders, other than own-name dematerialised shareholders

If you have not been contacted by your CSDP or broker, it would be advisable for you to contact your CSDP or broker and furnish them with your instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them. Such holders of dematerialised Ingenuity shares, other than own-name dematerialised shareholders, must **not** complete the attached form of proxy. Unless you advise your CSDP or broker in the manner and cut-off time stipulated by your CSDP or broker, that you wish to attend the general meeting or send a proxy to represent you at the general meeting, your CSDP or broker will assume you do not wish to attend the general meeting or send a proxy. If you wish to attend the general meeting, you must request your CSDP or broker to issue the necessary Letter of Representation to you, to enable you to attend or be represented at the general meeting.

18.3 Own-name dematerialised shareholders and certificated shareholders

If your Ingenuity shares have been dematerialised but are recorded in the register of Ingenuity in your own name or if your Ingenuity shares have not been dematerialised you can attend and vote at the general meeting. If you are unable to attend the general meeting and wish to be represented thereat, you must complete the attached form of proxy in accordance with the instructions therein and lodge it with or post it to the transfer secretaries, to be received by no later than 10:00 on Thursday, 10 December 2009 (or 24 hours before any adjourned general meeting which date, if necessary, will be notified on SENS and in the press).

A form of proxy for use by own-name shareholders and certificated shareholders only, at the general meeting is included in the circular. Instructions for its completion and lodging with the transfer secretaries are contained on the form.

18.4 Shareholder approval

The Transactions are subject to:

- in the case of the ordinary resolutions, the approval by at least 50% of Ingenuity shareholders present or represented by proxy at the general meeting and entitled to vote;
- in the case of the special resolution, the approval by at least 75% of Ingenuity shareholders present or represented by proxy at the general meeting and entitled to vote.

18.5 Voting rights

All issued Ingenuity shares rank *pari passu* with each other.

At the general meeting, every shareholder present or represented by proxy shall have one vote on a show of hands, and on a poll, one vote for every Ingenuity share held.

The Du Toit Investment Trust will be taken into account in determining a quorum at the general meeting however, their votes will not be taken into account in determining the results of the voting at the general meeting in relation to the special resolution in connection with the Specific Repurchase.

19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the circular will be available in English, along with the following documents, or copies thereof, which will be available for inspection, during normal business hours at the registered office of Ingenuity and Nedbank Capital, from the date of the circular up to and including the date of the general meeting:

- the Memorandum and Articles of Ingenuity;
- the Acquisition agreements;
- the Disposal agreements;
- the Limited Recourse Loan agreement;
- the Security Cession and Pledge agreement;
- the Property Management Agreement;
- Ingenuity's Interim results;
- Ingenuity's Preliminary results;
- Ingenuity's audited financial statements for the years ended 31 August 2007 and 31 August 2008;
- the written consents of the appointed professional advisers as set out in paragraph 16 of the circular;
- the signed independent reporting accountants' report on the *pro forma* balance sheets and income statement of Ingenuity as set out in Annexure 5 to the circular;
- the signed independent reporting accountants' report on the report of historical financial information of the Property as set out in Annexure 3 to the circular
- the signed abridged independent valuers' report on the Property as set out in Annexure 7 of the circular;
- the signed detailed independent valuers' report on the Property; and
- a signed copy of the circular.

This circular signed at Cape Town on behalf of all the Directors in terms of powers of attorney granted on 6 November 2009.

A A Maresky

19 November 2009

Cape Town

Registered office

Suite 102, 1st Floor
INTABA Building
25 Protea Road
Claremont
Cape Town, 7708

Transfer secretaries

Computershare Investor Services (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

FINANCIAL INFORMATION OF INGENUITY

The financial information presented in this annexure has been extracted from Ingenuity's Preliminary results.

"KEY FINANCIAL INDICATORS"

	Reviewed 2009 R'000	Audited 2008 R'000
Total contractual rental income	48 384	28 662
Investment property portfolio	446 534	369 610
Investment property held for sale	128 238	–
Development assets	95 141	84 229
Borrowings	314 274	125 923
Market capitalisation at year-end	270 005	289 762
Share trading profits	–	13 816
Headline earnings per share	1.9 cents	1.5 cents
Basic earnings per share	4.6 cents	7.5 cents
Net asset value per share	56 cents	53 cents

COMMENTARY
1. Presentation of Reviewed Annual Financial Statements

INGENUITY is a company domiciled in the Republic of South Africa. The financial statements were approved and authorised for issue by the board of directors on 29 October 2009. The financial statements have been prepared on the going concern basis using a combination of the historical cost and fair value basis of accounting in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS) and with the disclosure requirements of IAS 34, and in the manner required by the Companies Act of South Africa.

The accounting policies have been applied consistently to all periods presented in these results. These annual financial statements are presented in South African Rand, which is the functional currency of the company. The preparation of financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. During the current year, the property portfolio valuation increased by R18.6 m. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Mazars Moores Rowland, the Company's auditors, has reviewed the annual financial statements for the year ended 31 August 2009 and their review opinion is available for inspection at the Company's registered office. These financial statements have been condensed for the purposes of this announcement.

2. Code of Corporate Practice and Conduct

The directors of INGENUITY are committed to the principles of sound corporate governance as contained in the King II Code on Corporate Practices and Conduct for South African business and other public entities. The directors endorse and accept responsibility for the application of the principles of King II in both letter and spirit.

Directors are required to observe the highest ethical standards ensuring its business practices are conducted professionally and beyond reproach.

3. General review of operations

During the year under review INGENUITY was able to maintain its strategic focus and deliver results in line with its targeted performance. A global market dominated by financial uncertainty and a worldwide credit crunch has had the negative effect of slower growth prospects but against this management has maintained its vision to grow a solid business to enhance shareholder wealth.

South African fundamentals for property remain fairly robust however there are pressures from increased overhead costs such as electricity whilst gross revenues remain under squeeze in what is very much a tenant driven market.

Vacancies across the listed sector have increased to just over 6% from 4.9% a year ago and this trend is likely to continue as businesses remain under operational pressure and lower profitability. New developments similarly remain challenging on the back of fallen demand.

Overall, income is still expected to grow going forward creating an underpin for value. Inflation is expected to fall within the targeted inflation range of 3% to 6% in 2010 and economists expect a recovery as the economy moves back into positive growth territory. Management accordingly remain focussed and continue to seek opportunities to grow INGENUITY.

The year ended 31 August 2009 is the second financial year of operations of the restructured Company. Since the previous financial year end, some significant changes have taken place. Gross rental income has increased 69% whilst total investment properties, after taking into account properties sold and to be transferred post year-end, has increased 84% to R447 m. Borrowings have been well controlled and the loan to value reduces substantially after the properties sold have been transferred. NAV has been further enhanced through strategic focus on extraction of asset value.

INGENUITY has strength in its key strategic relationships with Trematon Capital Investments Limited, the Rabie Property Group, Nedbank and Absa. These all contribute to the success of the company. The skills base of these parties, through active participation with management, provides the company with a uniquely skilled knowledge base and network to deliver opportunities.

The portfolio and business is sound and well poised for future growth.

4. Company name change

At a meeting of shareholders held on 30 October 2008, a resolution was passed approving the change of the Company's name to Ingenuity Property Investments Limited.

5. Borrowings

The Company achieved an average borrowing cost of 10.04% for the current year. Total borrowings at year-end amounted to R314.2 m of which R200 m is fixed at an all inclusive rate of 10.65% until the end of November 2013. The balance remains floating at rates currently at 9%. The increase in borrowings for the current year came about as a result of the acquisition of the Santam Head Office for R180 m which was funded by borrowings. The net effect of the acquisition on the basic earnings per share and headline earnings per share are insignificant.

Total cash on hand at year-end amounted to R21.2 m.

The Company's gearing ratio was 44% at the year-end. This is low considering the relatively high value of development assets in the portfolio.

Post year-end, as disclosed under disposals, the proceeds on the sales of the 22 Long Street, 33 Waterkant Street and Midas Goodwood buildings will result in borrowings decreasing by R124 m and the gearing ratio of the Company decreasing to 33%. This puts the Company in a favourable position to take advantage of new investments and to fund developments.

6. Property portfolio activities

INVESTMENT PROPERTIES

REEDS, 31 AND 33 MARTIN HAMMERSCHLAG WAY

This significant grouping of three properties situated in the heart of Culemborg in the Cape Town Foreshore region has in total 29 000 sqm of additional bulk available for future development. Certain portions of the existing buildings are currently being upgraded to enhance lettings and improve the precinct. Total anticipated capital expenditure of the upgrades is R5.4 m and will be completed by December 2009.

These properties are strategically situated and have opportunity to develop going forward. Various investigations have been made to explore this.

VIRGIN ACTIVE

The lease with Virgin Active which expires at the end of May 2010 has been extended for a further five years to the end of May 2015. Management is exploring further development of the site. The building is one of the only low rise buildings left in a zone adjacent to the Cape Town International Convention Centre (CTICC). Formal applications have made to the City of Cape Town to grant the additional bulk rights to a portion of the site that is held by Ingenuity in terms of a leasehold right.

DEVELOPMENT PROPERTIES

1 DOCK ROAD (formerly known as the Curry and CMH buildings)

Formal permission has now been granted to proceed with the development of this site. The delay in development of this site came about as the result of objection to the scheme by an adjacent neighbour. As reported last year,

50% of this scheme was sold to the Redefine Income Fund Ltd during that year. This was done in order to reduce the risk profile and furthermore to attract the skills base of a strong joint venture party. Marketing of the scheme is imminent and it remains a core focus of management to commence construction of the building during 2010. In total 22 000 sqm of premium grade offices and 1 500 sqm of retail is to be built. The anticipated total value of the development is R700 m which is to be funded equally by Redefine and Ingenuity.

The site is situated in the heart of the CBD and CTICC zone which is set to become Cape Town's hottest new address.

ERF 38746 TYGERVALLEY

During the current year application was made to the City Council to amend the zoning and bulk factor applicable to the site. This was done in order to convert the dual commercial and part residential bulk to a larger office development as opposed to residential apartments. This application has been approved by Council and we are ready to commence with the marketing of the site and the development thereof. The scheme will comprise 11 000 sqm of premium grade offices and is estimated to cost just over R200 m.

ACQUISITIONS

During the year under review one major acquisition was made growing the portfolio by R180m. Details of the property are:

SANTAM HEAD OFFICE – TYGERVALLEY

This landmark property which was acquired on 31 October 2008 for R180 m is the head office of South Africa's largest short-term insurance company, Santam, and is wholly let to them under a long lease. The buildings are set in a park-like environment and offer a total of 17 200 sqm of premium grade office space. A further key advantage to this building is the site size of 27 000 sqm which represents an opportunity to create further development. Management has commenced initiatives to develop a further 14 000 sqm of offices on the site.

DISPOSALS

During the year under review sale agreements totalling a gross value of R124.45 m were concluded. The properties sold are 22 Long Street (R104.5 m), 33 Waterkant Street (R9.2 m) and Midas Goodwood (R10.75 m). At the time of reporting these results, all conditions precedent have been fulfilled except for final approval by Ingenuity shareholders of the sale of 22 Long Street. This is still subject to a resolution to be passed at a shareholders meeting to be held at the end of November 2009. A circular in this regard is to be posted to shareholders on or about 6 November 2009.

PORTFOLIO INFORMATION

VACANCIES

Vacancies amount to 3.9% of the total GLA of the portfolio. This is primarily due to the redevelopment of both the 31 and the 33 Martin Hammerschlag Way properties. We have increased the accommodation in 31 Martin Hammerschlag Way by 525m², and by 983m² in 33 Martin Hammerschlag Way and a further 33 covered parking bays have also been added to the building. No significant vacancies are anticipated in the forthcoming financial year and management remain confident of letting the vacant space.

LEASE EXPIRY PROFILE

The lease expiries in the year subsequent to 31 August 2009 equates to 5.5% of the total GLA of the portfolio, and is predominantly within the industrial sector at 3.6% of GLA, followed by the office sector at 1.9%. The industrial lease expiry relates to one tenant who has already indicated that they will renew on expiry of their lease.

COST TO INCOME RATIOS

Gross expenses are reflected as a percentage of gross income including recoveries. The net cost to revenue ratio of 16% is what the Company carries as a landlord. These ratios are within acceptable norms for the industry.

SECTORAL SPREAD OF THE PORTFOLIO

The concentration of the portfolio is in the office (54.9%) and retail (29.7%) sectors. These sectors are seen to be where superior growth opportunities are expected in the future.

GEOGRAPHICAL SPREAD OF THE PORTFOLIO

The concentration of the portfolio is in the Western Cape region (95%). This is in line with the Company's strategy to remain focused within this region.

7. Reclassification

The financial statements have been restated for 2008 to take into account a put option granted by the Company to a vendor for a property purchased during that year. The effect is a reclassification of R10.6 m transferred from the non-distributable reserves to a financial liability. The reclassification had no effect on the earnings for 2008. The restatement does not take into account the effect on net asset value per share if the put option were to be exercised. Had this taken place at year-end, the effect would not be material. Further detailed information regarding the put option has been included in a circular to shareholders expected to be posted on or about 9 November 2009.

8. Prospects

The Company's management is focused on creating a leading Cape-based development and investment property company. We are of the view that economic recovery will be slow for the year ahead but with prudent management, a strong financial base and additional available capacity, management remain confident that they will continue to enhance shareholder wealth through increases in earnings and net asset growth.

Balance sheet at 31 August 2009

	Group	
	2009	2008
	R'000	R'000
Assets		
Non-current assets	559 625	464 007
Investment properties	446 534	369 610
Straight-line lease accrual	9 937	3 243
Investment properties under development	95 141	84 229
Equipment	68	116
Loans receivable	7 945	6 809
Current assets	150 493	24 993
Trade and other receivables	1 030	3 220
Investment property held for sale	128 238	–
Cash and cash equivalents	21 225	21 773
Total assets	710 118	489 000
Equity and liabilities		
Shareholders' interest	356 168	335 364
Share capital	6 585	6 585
Share premium	271 204	271 204
Non-distributable reserve	20 788	23 071
Treasury shares	(13 006)	(12 878)
Minority interest	7 115	6 719
Share option reserve	863	863
Retained earnings	62 619	39 800
Non-current liabilities	335 207	133 810
Financial liabilities	314 274	125 923
Financial instruments	8 542	–
Deferred tax	12 391	7 887
Current liabilities	18 743	19 826
Trade and other payables	3 130	4 059
Prepaid rent received	3 170	532
Put option	12 000	10 619
Taxation	443	4 616
Total equity and liabilities	710 118	489 000

Income statement for the year ended 31 August 2009

	Group	
	2009 R'000	2008 R'000
Revenue	55 881	31 905
– Contractual	48 384	28 662
– Straight-line lease adjustment	7 497	3 243
Profit on disposal of investments	–	13 816
Other income	237	86
Net operating expenses	(17 775)	(15 326)
Profit before fair value adjustments	38 343	30 481
Fair value adjustments to investment properties	18 670	30 086
Profit before interest and taxation	57 013	60 567
Interest received	2 488	2 308
Interest paid	(23 859)	(5 143)
Profit before taxation	35 642	57 732
Taxation	(6 223)	(12 739)
Profit for the year	29 419	44 993
Attributable to:		
Equity holders of the parent	29 076	44 455
Minority interest	343	538
	29 419	44 993
	Cents	Cents
Basic earnings per share	4.6	7.5
Diluted earnings per share	4.5	7.5
Headline earnings per share	1.9	1.5
Diluted headline earnings per share	1.8	1.5
<p>The calculation of earnings per share is based on a weighted number of 631 695 376 (2008 : 595 033 434) shares in issue during the year. The actual number of shares in issue at the year end is 658 550 000 (2008: 658 550 000).</p>		
Headline earning are calculated as follows:	R'000	R'000
Earnings attributable to equity holders	29 076	44 455
Fair value adjustment of investment properties	(18 669)	(30 086)
Deferred tax on fair value adjustment	1 291	6 675
Profit on disposal of investments	–	(13 816)
Tax on realised profit	–	1 934
	11 698	9 162

Statement of changes in equity for the year ended 31 August 2009

Group	Share capital R'000	Share premium R'000	Share option reserve R'000	Non- distributable reserve R'000	Treasury shares R'000	Fair value reserve R'000	Retained earnings R'000	Minority interest R'000	Total equity R'000
Balance at 1 September 2007	721	559	-	-	-	10 104	18 416	-	29 800
Issue of 643 000 000 shares	5 709	279 734	-	-	-	-	-	-	285 443
Listing costs written off	-	(6 126)	-	-	-	-	-	-	(6 126)
Repurchase of 1 450 000 shares	(15)	(673)	-	-	-	-	-	-	(688)
Issue of 17 000 000 shares	170	8 330	-	-	(8 500)	-	-	-	-
Transfer of fair value reserve to the income statement	-	-	-	-	-	(10 104)	-	-	(10 104)
Cost and subsequent expenditure on Virgin Active building	-	-	-	-	-	-	-	6 181	6 181
Profit for the year	-	-	-	-	-	-	44 455	538	44 993
Share option expense	-	-	863	-	-	-	-	-	863
Purchase of 9 837 419 treasury shares	-	-	-	-	(4 378)	-	-	-	(4 378)
Transfer to financial liability	-	(10 620)	-	-	-	-	-	-	(10 620)
Transfer to non-distributable reserve	-	-	-	23 071	-	-	(23 071)	-	-
Balance at 31 August 2008	6 585	271 204	863	23 071	(12 878)	-	39 800	6 719	335 364
Increase in minority interest	-	-	-	-	-	-	-	53	53
Profit for the year	-	-	-	-	-	-	29 076	343	29 419
Transfer to financial instrument	-	-	-	(8 542)	-	-	-	-	(8 542)
Purchase of treasury shares	-	-	-	-	(128)	-	-	-	(128)
Transfer to non-distributable reserve	-	-	-	6 259	-	-	(6 259)	-	-
Balance at 31 August 2009	6 585	271 204	863	20 788	(13 006)	-	62 619	7 115	356 168

Cash flow statement for the year ended 31 August 2009

	Group	
	2009	2008
	R'000	R'000
Cash flows from operating activities		
Cash generated from operations	36 090	23 515
Interest received	1 405	1 680
Interest paid	(22 720)	(3 797)
Taxation paid	(5 889)	(1 960)
Net cash inflow from operating activities	8 886	19 438
Cash flows from investing activities		
Additions to equipment	–	(63)
Acquisition/Additions to investment properties	(186 986)	(339 703)
Interest capitalised to investment properties	(9 084)	(13 209)
Acquisition/Additions to investment properties under development	(1 828)	(124 683)
Proceeds on disposal of investments	–	22 511
Proceeds on sale of investment property for development	–	53 663
Increase in financial assets	–	(6 181)
Net cash outflow from investing activities	(197 898)	(407 665)
Cash flows from financing activities		
Proceeds from the issue of shares	–	279 317
Treasury shares purchased	(128)	(4 378)
Share repurchase	–	(688)
Financial liabilities raised	188 592	123 068
Net cash inflow from financing activities	188 464	397 319
Net (decrease)/increase in cash and cash equivalents	(548)	9 092
Cash and cash equivalents at beginning of year	21 773	12 681
Cash and cash equivalents at end of year	21 225	21 773

Segmental information at 31 August 2009

	2009		2008	
	Revenue R'000	Profit before tax R'000	Revenue R'000	Profit before tax R'000
Offices	35 422	52 600	17 902	29 593
Retail	8 972	4 117	7 447	8 525
Industrial	2 197	(416)	2 286	2 793
Specialised	2 562	4 792	1 415	3 372
Parking	6 630	3 830	2 818	8 135
Other	98	56	37	41
Unsegmental	–	(29 337)	–	5 273
	55 881	35 642	31 905	57 732

3 November 2009"

HISTORICAL FINANCIAL INFORMATION OF INGENUITY

The financial information presented in this annexure has been extracted from Ingenuity's Interim results.

"Balance sheet

	Unaudited 6 months ended 28 Feb 2009 R'000	Unaudited 6 months ended 29 Feb 2008 R'000	Audited year ended 31 Aug 2008 R'000
ASSETS			
Non-current assets	658 284	408 257	464 007
Investment properties	552 959	332 282	369 610
Operating lease receivable	6 830	–	3 243
Investment properties under development	90 800	75 884	84 229
Equipment	92	91	116
Loans receivable	7 603	–	6 809
Current assets	24 679	59 569	24 993
Trade and other receivables	915	5 443	3 220
Properties for redevelopment	–	50 597	–
Cash and cash equivalents	23 764	3 528	21 773
Total assets	682 963	467 826	489 000
EQUITY AND LIABILITIES			
Shareholders' interest	345 986	316 080	345 984
Share capital	6 585	6 416	6 585
Share premium	281 824	273 494	281 824
Non-distributable reserve	16 328	–	23 071
Treasury shares	(12 878)	–	(12 878)
Share option reserve	863	–	863
Retained earnings	46 499	36 171	39 800
Total equity attributable to equity holders of the parent	339 221	316 080	339 265
Minority interest	6 765	–	6 719
Non-current liabilities	332 367	144 358	133 810
Financial liabilities	315 948	144 142	125 923
Derivative financial liability	6 743	–	–
Deferred tax	9 676	215	7 887
Current liabilities	4 610	7 388	9 206
Trade and other payables	3 820	2 437	4 590
Taxation	790	4 951	4 616
Total equity and liabilities	682 963	467 826	489 000
Net asset value per share (based on shares in issue at end of period/year, net of treasury shares) (cents)	53.3	49.3	53.3

Income statement

	Unaudited 6 months ended 28 Feb 2009 R'000	Unaudited 6 months ended 29 Feb 2008 R'000	Audited year ended 31 Aug 2008 R'000
Revenue	24 933	11 650	31 905
– Contractual	21 346	10 881	28 662
– Straight lining	3 587	769	3 243
Profit on disposal of investments	–	12 102	13 816
Other income	162	–	86
Net operating expenses	(8 338)	(1 616)	(15 326)
Profit before fair value adjustments	16 757	22 136	30 481
Fair value adjustments to investment properties	–	–	30 086
	16 757	22 136	60 567
Interest received	1 174	1 176	2 308
Interest paid	(8 787)	(2 992)	(5 143)
Profit before taxation	9 144	20 320	57 732
Taxation	(2 560)	(2 565)	(12 739)
Profit for the period/year	6 584	17 755	44 993
<i>Attributable to:</i>			
Equity holders of the parent	6 699	17 755	44 455
Minority interest	(115)	–	538
	6 584	17 755	44 993
Total shares in issue	658 550 000	641 550 000	658 550 000
Number of shares in issue, net of treasury shares	648 712 581	641 550 000	658 550 000
Weighted average number of shares	648 712 581	536 085 717	595 033 434
Basic earnings per share (cents)	1.0	3.3	7.5
Headline earnings per share (cents)	1.0	1.4	1.5
WORKINGS	R'000	R'000	R'000
Headline earnings are calculated as follows:			
Earnings attributable to equity holders	6 699	17 755	44 455
Fair value adjustment of investment properties	–	–	(30 086)
Deferred tax on fair value adjustment of investment properties	–	–	6 675
Profit on disposal of investments	–	(12 102)	(13 816)
Tax on realised profit	–	1 694	1 934
Headline earnings	6 699	7 347	9 162

Statement of changes in equity

Group	Share capital R'000	Share premium R'000	Share option reserve R'000	Non-distributable reserve R'000	Treasury shares R'000	Fair value reserve R'000	Retained earnings R'000	Minority interest R'000	Total equity R'000
Balance at 1 September 2007	721	559	-	-	-	10 104	18 416	-	29 800
Total recognised income	5 694	272 935	-	-	-	(10 104)	17 755	-	286 280
Profit for the period	-	-	-	-	-	-	17 755	-	17 755
Issue of 643 000 000 shares	5 709	279 734	-	-	-	-	-	-	285 443
Share issue costs written off	-	(6 126)	-	-	-	-	-	-	(6 126)
Repurchase of 1 450 000 shares	(15)	(673)	-	-	-	-	-	-	(688)
Transfer of fair value reserve to the income statement	-	-	-	-	-	(10 104)	-	-	(10 104)
Balance at 29 February 2008	6 415	273 494	-	-	-	-	36 171	-	316 080
Total recognised income	170	8 330	863	23 071	(12 878)	-	3 629	6 719	29 904
Profit for the period	-	-	-	-	-	-	26 700	538	27 238
Issue of 17 000 000 shares	170	8 330	-	-	(8 500)	-	-	-	-
Cost and subsequent expenditure on Virgin Active building	-	-	-	-	-	-	-	6 181	6 181
Share option expense	-	-	863	-	-	-	-	-	863
Purchase of 9 837 419 treasury shares	-	-	-	-	(4 378)	-	-	-	(4 378)
Transfer to non-distributable reserve	-	-	-	23 071	-	-	(23 071)	-	-
Balance at 31 August 2008	6 585	281 824	863	23 071	(12 878)	-	39 800	6 719	345 984
Profit for the period	-	-	-	-	-	-	6 699	(115)	6 584
Subsequent expenditure on Virgin Active building	-	-	-	-	-	-	-	161	161
Fair value on cash flow hedge recognised directly in equity	-	-	-	(6 743)	-	-	-	-	(6 743)
Balance at 28 February 2009	6 585	281 824	863	16 328	(12 878)	-	41 644	6 765	345 986

Cash flow statement

	Notes	Unaudited 6 months ended 28 Feb 2009 R'000	Unaudited 6 months ended 29 Feb 2008 R'000	Audited year ended 31 Aug 2008 R'000
Cash flows from operating activities				
Cash generated by operations	1	16 344	8 505	23 515
Interest received	2	1 802	1 176	1 680
Interest paid	3	(10 364)	(2 992)	(3 797)
Taxation paid	4	(4 597)	(835)	(1 960)
Net cash inflow from operating activities		3 185	5 854	19 438
Cash flows from investing activities				
Additions to equipment		–	(17)	(63)
Acquisition of investment properties		(184 016)	(332 282)	(339 703)
Interest capitalised to investment properties		(5 100)	–	(13 209)
Acquisition of investment properties under development		(1 471)	(126 481)	(124 683)
Proceeds on disposal of investments		–	22 510	22 511
Proceeds on sale of investment property for development		–	–	53 663
Increase in financial assets		(633)	–	(6 181)
Net cash outflow investing activities		(191 220)	(436 270)	(407 665)
Cash flows from financing activities				
Proceeds from the issue of shares		–	279 317	279 317
Treasury shares purchased		–	–	(4 378)
Share repurchase		–	(687)	(688)
Financial liabilities raised		190 026	144 142	123 068
Decrease in loan payable		–	(1 509)	–
Net cash inflow from financing activities		190 026	421 263	397 319
Net (decrease)/increase in cash and cash equivalents		1 991	(9 153)	9 092
Cash and cash equivalents at beginning of the period/year		21 773	12 681	12 681
Cash and cash equivalents at end of the period/year		23 764	3 528	21 773

Notes to the cash flow statement

	Unaudited 6 months ended 28 Feb 2009 R'000	Unaudited 6 months ended 29 Feb 2008 R'000	Audited year ended 31 Aug 2008 R'000
1. Cash generated from/(utilised in) operations			
Profit before taxation	9 144	20 319	57 732
<i>Adjusted for:</i>			
Interest received	(1 174)	(1 176)	(2 308)
Interest paid	8 787	2 992	5 143
Depreciation	24	17	38
Bad debts	304	–	–
Letting commission	72	–	–
Amortisation of deferred lease incentive	595	–	179
Straight lining of operating leases (income)	(3 587)	(769)	(3 243)
Straight lining of operating leases (expense)	25	–	–
Increase in fair value of investment properties	–	–	(30 086)
Share option expense	–	–	863
Increase in minority interests	–	–	6 181
Profit on disposal of investments	–	(12 102)	(13 816)
	14 191	9 281	20 683
Decrease/(Increase) in trade and other receivables	1 373	(3 183)	(1 728)
Increase in trade and other payables	780	2 407	4 560
	16 344	8 505	23 515
2. Interest received			
Amount outstanding at beginning of the period/year	628	–	–
Interest income per income statement	1 174	1 176	2 308
Amount outstanding at the end of the period/year	–	–	(628)
	1 802	1 176	1 680
3. Interest paid			
Amount outstanding at beginning of the period/year	1 366	–	20
Interest income per income statement	8 787	2 992	5 143
Amount outstanding at the end of the period/year	211	–	(1 366)
	10 364	2 992	3 797
4. Taxation paid			
Amount outstanding at beginning of the period/year	4 616	1 724	1 724
Income statement charge	771	4 062	4 852
Amount outstanding at the end of the period/year	(790)	(4 951)	(4 616)
	4 597	835	1 960

Basis of accounting

The interim financial report has been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards ("IFRS") and the disclosure and presentation requirements of IAS 34: Interim Financial Reporting, the Listing Requirements of the JSE Limited and in the manner required by the Companies Act of South Africa.

The accounting policies used in the preparation of this interim financial report are consistent with those used in prior periods.

COMMENTARY

General review

Against the background of the most severe economic downturn in recent history, the company has continued to grow its asset base whilst maintaining a conservative approach in risk management.

Total property assets have grown 42% to R644 million whilst borrowings have increased to R316 million or 45% of loan to value, after allowing for cash on hand of R24 million. Management does not foresee any negative revisions being made to property valuations at the financial year-end and accordingly during the period under review no adjustments to any property valuations were made.

In terms of a special resolution passed at a general meeting of shareholders held on 30 October 2008, the company's name was changed to **INGENUITY PROPERTY INVESTMENTS LIMITED**. Following discussions held with the Property Loan Stock Association of South Africa in view of the pending legislation changes to establish REIT structures in South Africa, it was agreed that the old name could create confusion amongst industry participants.

Property acquisitions and developments

During October 2008 the company acquired Erf 32140 Tygervalley and the buildings situated thereon, situated between Sportica Crescent and Carl Cronje Drive, Tygervalley, Bellville and known as Santam Corporate Office Complex, for a consideration of R177.5 million. The buildings are fully tenanted by Santam Ltd who has entered into 5-year and 10-year triple net leases with various options to renew. The acquisition was funded jointly by way of internal resources and borrowings from Nedbank and Absa Bank through an existing Special Purpose Vehicle. Two primary opportunities, namely the Tygervalley scheme and 1 Dock Road are the main focus on the development side of the business. The Tygervalley scheme comprises 10 500 sqm of A-grade office space whilst 1 Dock Road comprises 24 500 sqm of premium grade office space. 1 Dock Road is set to become one of the most significant investments in the Cape Town CBD. The estimated combined capex of the projects is R872 million. Funding is to be raised from borrowings and additional capital. 50% of the funding for the 1 Dock Road scheme will come from Redefine Income Fund Ltd, the project's joint venture partner.

Operations

During this reporting period, the company continued trading as property investors earning rental income from its core investment properties; and further working on creating development opportunities. The investment properties were increased by 66% from R332 million to R553 million, delivering good quality sustainable contractual rental income and strengthening the total operational earnings of the company. The upgrading and refurbishment of some of the investment properties which began during the previous financial year, were completed. This enabled the company to increase the rental returns on these properties and thereby enhance earnings. Net rental income is R15.9 million for the six months and includes four months' rental from the Santam property which was acquired with effect from November 2008. Interest received is comprised mainly from funds on call and on the loan receivable from a joint venture partner. Interest paid during this period was in respect of funding for the investment properties. The company entered into interest rate swap transactions on R200 million for a five-year period at an effective rate of 10.65%. 63% of borrowings are now fixed until 2013. The basic earnings per share is 1.0 cent (2008: 3.3 cents) and the headline earnings per share is 1.0 cent (2008: 1.4 cents). The main differences between the basic and the headline earnings in the current period and that of the comparative period are due to the increases in interest rates in the current period and the net profit after tax on disposal of the listed investments held prior to the company's capital restructure in the comparative period.

At the reporting date, the total value of investment properties amounted to R553 million (2008: R332 million) and investment properties under development amounted to R91 million (2008: R126 million), whilst borrowings amounted to R316 million (2008: R144 million). The increase in borrowings is due largely to the funding of the Santam property acquisition and has no significant or material effect on the earnings per share and headline earnings per share for the period under review.

Interest cover at 1.5 times (2008: 1.6 times) reflects an adequate borrowing capacity. Total cash on hand at the end of the period amounted to R24 million. The company held 9 837 419 treasury shares at a cost of R4.4 million in a subsidiary company as at the reporting date (2008: nil). Share buy-backs will continue when opportune and where management believes resources should be so applied.

Segmental information has been provided without comparison to the comparative interim period, as these are not considered meaningful due to the nature of the business being totally different prior to the company's restructure.

During the period under review Mazars Moores Rowland were appointed as auditors in place of KMPG Inc. These consolidated interim financial results have not been audited or reviewed.

Prospects

The development projects currently in the planning phase are expected to commence construction during the next financial year. These developments will add significant value to the company's portfolio and generate increased rental inflows in the forthcoming years.

Management continues to seek opportunities and are confident of creating a superior asset base capable of yielding solid returns for shareholders.

Subsequent events

There are no material subsequent events to be reported on as at the date of signature of this report.

14 May 2009"

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE REPORT OF HISTORICAL FINANCIAL INFORMATION OF THE PROPERTY

"The Directors
Ingenuity Property Investments Limited
Suite 102, INTABA
25 Protea Road
Claremont
7708

16 November 2009

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE REPORT OF HISTORICAL FINANCIAL INFORMATION ON THE PROPERTY

Introduction

Ingenuity Property Investments Limited proposes to dispose of Erf 9444 Cape Town, commonly referred to as the 22 Long Street Building ("the Property") to Phomella Investments (Proprietary) Limited for a purchase consideration of R104 500 000 (hereafter referred to as "the Disposal").

At your request, we present our Independent Reporting Accountants' Report on the Report of Historical Financial Information on the Property ("Historical Financial Information") for the years ended 31 August 2009 and 31 August 2008, for the purposes of complying with the JSE Limited ("JSE") Listings Requirements and for inclusion in Ingenuity's circular dated on or about 16 November 2009 (the "circular"). As the Property was acquired with effect from 1 September 2007, only two years of historical financial information are presented in this report.

The Historical Financial Information includes the following financial information as required by paragraph 8.3 of the JSE Listings Requirements: operating income statements, statements of assets, accounting policies, selected notes thereto and the financial information and commentary required in terms of paragraphs 8.11 and 8.12 of the JSE Listings Requirements, where applicable.

Responsibility of the directors

The directors of Ingenuity are responsible for the compilation, contents and preparation of the circular and for the accuracy of the information contained therein. The directors of Ingenuity are also responsible for the aggregated financial information to which both this Independent Reporting Accountants' Report and the Historical Financial Information relate, and from which such reports have been prepared.

Responsibility of the Reporting Accountants

Our responsibility is to express our opinion on the Historical Financial Information included in the circular as Annexure 4.

Historical Financial Information for the year ended 31 August 2009

Mazars Moores Rowland is currently the appointed independent auditor of Ingenuity and also has responsibility for reporting on the consolidated annual financial statements of the Ingenuity group. We have reviewed the Preliminary results for the year ended 31 August 2009 attached as Annexure 1 to the circular.

Scope

We conducted our audit of the Historical Financial Information for the year ended 31 August 2009 in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable

assurance about whether the Historical Financial Information for the year ended 31 August 2009 is free of material misstatement. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the abovementioned Historical Financial Information for the year ended 31 August 2009. Our audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Historical Financial Information for the year ended 31 August 2009. We believe that our audit provided a reasonable basis for our opinion.

Opinion

In our opinion, the Historical Financial Information for the year ended 31 August 2009, included in the circular dated on or about 16 November 2009 presents fairly, in all material respects, the financial position and operating results of the Property for the year ended 31 August 2009, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act in South Africa and the JSE Listings Requirements.

Historical Financial Information for the year ended 31 August 2008

KPMG Inc. was the appointed independent auditor of Ingenuity and also had the responsibility for reporting on the consolidated annual financial statements of the Ingenuity group in the 2008 financial year.

Mazars Moores Rowland have reviewed the Historical Financial Information for the year ended 31 August 2008 attached as Annexure 4 to the circular dated on or about 16 November 2009.

Scope

We conducted our review of the Historical Financial Information for the year ended 31 August 2008 in accordance with International Standards on Review Engagements. This standard requires that we plan and perform the review to obtain moderate assurance that the Historical Financial Information for the year ended 31 August 2008 is free of material misstatement. A review is limited primarily to enquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit, and we do not express an audit opinion.

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the Historical Financial Information for the year ended 31 August 2008 included in the circular dated on or about 16 November 2009 is not fairly presented, in all material respects, in accordance with the International Financial Reporting Standards and in the manner required by the Companies Act in South Africa and the JSE Listings Requirements.

Yours faithfully

MAZARS MOORES ROWLAND

Duncan Dollman
Chartered Accountant (SA)
Registered Auditor

27th Floor
1 Thibault Square
Long Street
Cape Town"

REPORT OF HISTORICAL FINANCIAL INFORMATION REGARDING THE PROPERTY

1. INTRODUCTION

The definitions commencing on page 4 of the circular have been used in this report. The historical financial information relating to the Disposal as set out in this annexure represents the year ended 31 August 2009 and the year ended 31 August 2008. This is consistent with the statutory financial reporting dates of Ingenuity.

This report is the responsibility of the directors of Ingenuity.

2. HISTORY AND BACKGROUND TO THE DISPOSALS

Ingenuity has entered into the Disposal agreements to dispose of Erf 9444 Cape Town, commonly referred to as the 22 Long Street Building.

3. BASIS OF PREPARATION

The historical financial information relating to the Property, which was held by Ingenuity during the periods under review, presented herein has been extracted and compiled from the financial statements of the Ingenuity group for the year ended 31 August 2009 and the year ended 31 August 2008.

The operating income statements of the Property reflects the operating income before taxation of the building described above. Taxation and interest expenses are not disclosed in this report as the Property was part of a larger portfolio of properties owned by Ingenuity during the periods under review. Taxation was not allocated to individual buildings within this portfolio. Further to this, interest has not been included in this report, as all investment properties held by Ingenuity are funded on a "pooling of funds" basis and funding is not directly attributable to a particular investment property. Cash flow statements and statements of changes in equity have not been presented in this report, as these are not considered meaningful.

Mazars Moores Rowland acted as auditors for Ingenuity for the year ended 31 August 2009, and KPMG Inc. acted as auditors for the year ended 31 August 2008. KPMG reported without qualification on the financial statements issued for the year ended 31 August 2008.

4. FINANCIAL INFORMATION

4.1 Operating income statements

The operating income statements of the Property for the year ended 31 August 2009 and the year ended 31 August 2008 are set out below:

	Audited year ended 31 August 2009 R'000	Reviewed year ended 31 August 2008 R'000
Property revenue	10 454	8 448
Property rental income	9 697	8 000
Cost recoveries	757	448
Net property expenses	4 480	1 872
Net property income before administration costs, interest and taxation	5 974	6 576

General note:

No administration, interest or taxation expenses have been calculated as the buildings form part of a larger portfolio and these expenses are not allocated to individual buildings.

4.2 Statements of assets

The statements of assets of the Property at 31 August 2009 and 31 August 2008 are set out below:

	Note	Audited year ended 31 August 2009 R'000	Reviewed year ended 31 August 2008 R'000
Assets		2 410	1 073
Investment properties	4.3	104 500	97 354
		106 910	98 427

4.3 Accounting policies

The operating income statements and statements of assets have been prepared on the historical cost basis, adjusted for the valuation of fixed property at fair value in accordance with IFRS. These incorporate the following principle accounting policies set out below which have been consistently applied:

– Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at fair value with any change therein recognised in profit or loss. Subsequently, unrealised gains, net of deferred tax, are transferred to a non-distributable reserve in the statement of changes in equity. Unrealised gains, net of deferred tax, are transferred to a non-distributable reserve in the statement of changes in equity. Unrealised losses, net of deferred tax, are transferred against a non-distributable reserve to the extent that the decrease does not exceed the amount held in the non-distributable reserve.

– Property revenue

Revenue comprises rental income and income from the sale of investment and development property, excluding VAT. Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Revenue from the sale of investment and development property is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and return of goods can be estimated reliably, there is no continuing management involved with the goods, and the amount of revenue can be measured reliably. Transfer of risks and rewards depends on the terms of the contract of sale.

4.4 Notes to the operating income statements and statements of assets

– Net rentals before administration costs, interest and taxation

Net rentals income before administration costs, interest and taxation is stated after the following expenses:

	Audited year ended 31 August 2009 R'000	Reviewed year ended 31 August 2008 R'000
Property expenses	4 480	1 872
Collection/Management fee	277	89
Insurance	71	65
Letting commission	140	7
Other municipal charges	149	155
Other operating expenses	446	448
Rates and taxes	654	598
Repairs and maintenance	872	122
Tenant installation amortisation	1 152	–
Water and electricity	719	388

Notes:

- Land and buildings

The Property comprises:

- Erf 9444 Cape Town, commonly referred to as the 22 Long Street Building.

- Post-balance sheet events

The directors of Ingenuity are not aware of any material changes having taken place in the financial position or nature of the Property between 31 August 2009 and the date of this report, other than those arising in the normal course of business.

4.5 Capital commitments and contingent liabilities

The directors of Ingenuity are not aware of any capital commitments or contingent liabilities relating to the Property discussed in this report.

4.6 General review**2009**

In 2009 rental renewals were increased as the Property had been renovated and the remaining vacancies were filled.

2008

The upgrade of the Property commenced in March 2008 and was completed during August 2008. The extent of the refurbishment entailed remodelling the facades of the Property and an extensive renovation to the common areas and ablutions. The total capital spent on the Property amounted to R11.1 million. All the vacant floors of 22 Long Street which were previously covered by a rental guarantee from the vendor were let. The upgrade enabled the Company to achieve significant upward revisions in gross rentals during the period under review.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF INGENUITY

"The Directors
Ingenuity Property Investments Limited
Suite 102, INTABA
25 Protea Road
Claremont
7708

16 November 2009

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL EFFECTS OF THE INCOME STATEMENT AND BALANCE SHEET OF INGENUITY PROPERTY INVESTMENTS LIMITED (FORMERLY SA REIT LIMITED) ("INGENUITY")

Introduction

We have performed our limited assurance engagement with regard to the unaudited *pro forma* financial effects, balance sheet and income statement (collectively "the *pro forma* financial information") of Ingenuity set out in paragraph 5 and Annexure 6 to the circular to be issued on or about 16 November 2009 issued in connection with the disposal of Erf 9444 Cape Town, commonly referred to as the 22 Long Street Building ("the Property") to Phomella Investments (Proprietary) Limited with a purchase consideration of R104 500 000 (hereafter referred to as "the Disposal") and the proposed specific repurchase of 20 000 000 Ingenuity ordinary shares at 60 cents per ordinary share (thereafter referred to as "the Specific Repurchase") (collectively, "the Transactions").

The *pro forma* financial information has been prepared for purposes of complying with the requirements of the JSE Limited ("JSE"), for illustrative purposes only, to provide information about how the Transactions might have affected the reported financial information, had the Transactions been undertaken on 1 September 2008 for income statement purposes and 31 August 2009 for balance sheet purposes.

Because of its nature, the *pro forma* financial information may not present a fair reflection of the financial position, changes in equity, results of operations or cash flows of Ingenuity, after the transaction.

Directors' responsibility

The directors of Ingenuity are solely responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared.

Their responsibility includes determining that the *pro forma* financial information contained in the circular has been properly compiled on the basis stated, the basis is consistent with the accounting policies of Ingenuity and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information as disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express a limited assurance conclusion on the *pro forma* financial information included in the circular to Ingenuity shareholders. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial information and the Revised Guide on *Pro Forma* Financial Information issued by The South African Institute of Chartered Accountants.

This standard requires us to comply with ethical requirements and to plan and perform the assurance engagement to obtain sufficient appropriate audit evidence to support our limited assurance conclusion, expressed below.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted unaudited historical balance sheet of Ingenuity with the management accounts, considering the *pro forma* adjustments in light of the accounting policies of Ingenuity, considering the evidence supporting the *pro forma* adjustments, recalculating the amounts based on the information obtained and discussing the *pro forma* financial information with the directors of Ingenuity.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of Ingenuity and other information from various public, financial and industry sources.

Whilst our work performed has involved an analysis of the historical published financial information and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information undertaken in accordance with the International Standards on Auditing or the International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Opinion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that, in terms of Sections 8.17 and 8.30 of the JSE Listings Requirements:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of Ingenuity;
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed pursuant to Section 8.30 of the JSE Listings Requirements.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the circular to be issued by Ingenuity in the form and context in which it appears.

Yours faithfully

MAZARS MOORES ROWLAND

Duncan Dollman
Chartered Accountant (SA)
Registered Auditor
Director

27th Floor
1 Thibault Square
Long Street
Cape Town"

PRO FORMA FINANCIAL INFORMATION

Based on the Preliminary results, the unaudited *pro forma* financial effects of the Disposal, the Specific Repurchase and the Transactions are set out below and in paragraph 5 of the circular. The Disposal is a stand alone transaction and is not dependent on the approval of the Specific Repurchase or Put Share Sale.

The Specific Repurchase and the Put Share Sale are mutually exclusive meaning that the occurrence of the one precludes the occurrence of the other. Therefore, if shareholders approve the Specific Repurchase in terms of the Special Resolution at the general meeting, the Put Share Sale will not take place while if shareholders do not approve the Specific Repurchase and approve the Put Share Sale in terms of Ordinary Resolution Number 2, only the Put Share Sale will take place.

Should neither the Special Resolution to effect the Specific Repurchase nor Ordinary Resolution Number 2 be approved then, neither the Specific Repurchase nor the Put Share Sale will be effected, however the Company shall remain contractually liable in terms of the Acquisition agreements and the Limited Recourse Loan agreement for the sum of R12 million.

The financial effects to take into account the above scenarios are set out below and have been prepared for illustrative purposes only, and because of their nature, may not give a fair presentation of Ingenuity's financial position or the effect and impact of the Disposal, the Specific Repurchase, the Put Share Sale and the combined effects thereof.

The financial effects have been prepared for illustrative purposes only and because of its nature may not fairly present Ingenuity's financial position, nor the effect and impact of the Disposal, the Specific Repurchase and the Transactions on Ingenuity going forward, and is the responsibility of Ingenuity's directors.

1. PRO FORMA INCOME STATEMENT OF THE DISPOSAL

The *pro forma* income statement of the Disposal (i.e. on the basis that Ordinary Resolution Number 1 is approved in the general meeting) is set out below.

	Before the Disposal ⁽¹⁾ R'000	Adjustments ⁽²⁾ R'000	After the Disposal R'000
Revenue			
– Contractual	48 384	(10 603) ⁽³⁾	37 781
– Straight lining	7 497	(375) ⁽³⁾	7 122
Profit on sale of investment property	–	3 168 ⁽⁷⁾	3 168
Other income	237		237
Net operating expenses	(17 775)	4 481 ⁽³⁾	(13 294)
Profit before fair value adjustments	38 343	(3 329)	35 014
Fair value adjustments to investment properties	18 670	(3 168) ⁽⁷⁾	15 502
	57 013	(6 497)	50 516
Interest received	2 488		2 488
Interest paid	(23 859)	5 129 ⁽⁴⁾	(18 730)
Profit before taxation	35 642	(1 368)	34 274
Taxation	(6 223)	(773) ⁽⁵⁾	(6 996)
Profit for the year	29 419	(2 141) ⁽⁶⁾	27 278
Attributable to:			
Equity holders of the parent	29 076	(2 141)	26 935
Minority interest	343		343
Total shares in issue	658 550 000		658 550 000
Number of shares in issue, net of treasury shares	631 404 259		631 404 259
Weighted average number of shares	631 695 376		631 695 376
Basic earnings per share (cents)	4.6		4.3
Diluted earnings per share (cents)	4.5		4.2
Headline earnings per share (cents)	1.9		1.6
Diluted headline earnings per share (cents)	1.8		1.6
WORKINGS	R'000		R'000
Headline earnings are calculated as follows:			
Earnings attributable to equity holders	29 076		26 935
Fair value adjustment of investment properties	(18 670)		(15 502)
Deferred tax on fair value adjustment of investment properties	1 291		1 291
Deferred tax on straight lining on Disposal	–		105
Realised profit on sale of investment property	–		(3 168)
Tax on realised profit	–		444
Headline earnings	11 697		10 105

Notes:

1. Based on the Preliminary results.
2. Based on the assumption that the Disposal was effected on 1 September 2008 for income statement purposes.
3. To take into account the exclusion of the net income attributable to the Property for the 12 months ended 31 August 2009.
4. To take into account a reduced interest expense of R5.13 million, based on a weighted average interest rate of 11.49%, as the cash consideration will be utilised to reduce interest bearing debt.
5. The net tax effect of the adjustments referred to in notes 3 and 4 above.
6. The net profit after tax effect of the adjustments referred to in notes 3, 4 and 5 above.
7. As the income statement effects assume that the Disposal was implemented on 1 September 2008, these adjustments relate to the reclassification of the fair value adjustment relating to the Property to profit on sale of investment property, as the revaluation took place on 31 August 2009 and would not have been accounted for on 1 September 2008. These *pro forma* reclassification adjustments do not have any effect on the profit for the year. The *pro forma* net profit after tax realised is R9.5 million as disclosed in note 4 to the *pro forma* balance sheet of the Disposal.

2. PRO FORMA BALANCE SHEET OF THE DISPOSAL

The *pro forma* balance sheet of the Disposal (i.e. on the basis that Ordinary Resolution Number 1 is approved in the general meeting) is set out below.

	Before the Disposal ⁽¹⁾ R'000	Adjustments ⁽²⁾ R'000	After the Disposal R'000
ASSETS			
Non-current assets	559 625		559 625
Investment property	446 475		446 475
Property for development	95 141		95 141
Equipment	68		68
Tenant installations	59		59
Straight lining rental adjustment	9 937		9 937
Loan receivable	7 945		7 945
Current assets	150 493	(98 518)	51 975
Accounts receivable	1 030	6 500 ⁽³⁾	7 530
Investment Property held for sale	128 238	(105 018) ⁽³⁾	23 220
Cash and cash equivalents	21 225		21 225
Total assets	710 118	(98 518)	611 600
EQUITY AND LIABILITIES			
Capital and reserves	356 168	(391)	355 777
Share capital	6 585		6 585
Share premium	271 204		271 204
Fair value reserve	20 788	(9 852) ⁽⁴⁾	10 936
Retained earnings	62 619	9 461 ⁽⁴⁾	72 080
Treasury shares	(13 006)		(13 006)
Minority interest	7 115		7 115
Share option reserve	863		863
Non-current liabilities	335 207	(99 731)	235 476
Borrowings	314 274	(98 000) ⁽³⁾	216 274
Derivative financial liability	8 542		8 542
Deferred taxation	12 391	(1 731) ⁽⁵⁾	10 660
Current liabilities	18 743	1 604	20 347
Accounts payable	3 130		3 130
Prepaid rent received	3 170		3 170
Financial liability	12 000		12 000
Taxation	443	1 604 ⁽⁵⁾	2 047
Total liabilities	710 118	(98 518)	611 600
Number of shares in issue	658 550 000		658 550 000
Number of shares in issue, net of treasury shares	631 404 259		631 404 259
NAV (cents)	56.4		56.3
NTAV (cents)	56.4		56.3

Notes:

1. Based on the Preliminary results.
2. Based on the assumption that the Disposal was effected on 31 August 2009 for balance sheet purposes.
3. To take into account the Disposal for a consideration of R104.5 million, of which R98 million is used to reduce borrowings and the balance of R6.5 million is loaned to the Purchaser for six months as well as the reversal of the straight lining adjustments of R518 000 that have been accounted for in terms of IAS 17 "Leases".

4. Releasing the accumulated fair value adjustments relating to the Property previously transferred to the Fair Value Reserve (NDR) of R9.5 million (being the net after tax profit realised on the Disposal). This also takes into account the reversal of straight lining adjustments of R518 000 that have been accounted for in terms of IAS 17 "Leases" and the tax effects thereon of (R127 000). The total of R9.5 million released to Retained Earnings is therefore made up as follows:

	R'000
Cumulative fair value reserves relating to the Property as at 31 August 2009	11 455
Fair value cumulative reserves accounted for up until 31 August 2008	8 287
Fair value reserves accounted for the period 1 September 2008 to 31 August 2009 (as referred to in note 7 to the <i>pro forma</i> income statement of the Disposal)	3 168
Straight lining net of deferred tax reversed	(391)
Deferred tax relating to the fair value reserve reversed	(1 603)
Total fair value reserves released to retained income	9 461

5. To take into account a reclassification of deferred tax to income tax on the realisation of the Disposal of R1.6 million and the reversal of deferred tax relating to the straight lining adjustments of R127 000 referred to in note 4 above.

3. PRO FORMA INCOME STATEMENT OF THE SPECIFIC REPURCHASE

The *pro forma* income statement of the Specific Repurchase (i.e. on the basis that the Special Resolution is approved in the general meeting) is set out below.

	Before the Specific Repurchase ⁽¹⁾ R'000	Adjustments ⁽²⁾ R'000	After the Specific Repurchase R'000
Revenue			
– Contractual	48 384		48 384
– Straight lining	7 497		7 497
Other income	237		237
Net operating expenses	(17 775)		(17 775)
Profit before fair value adjustments	38 343		38 343
Fair value adjustments to investment properties	18 670		18 670
	57 013		57 013
Interest received	2 488	(1 229) ⁽³⁾	1 259
Interest paid	(23 859)	1 381 ⁽⁵⁾	(22 478)
Profit before taxation	35 642	152	35 794
Taxation	(6 223)	344 ⁽⁴⁾	(5 879)
Profit for the year	29 419	496	29 915
Attributable to:			
Equity holders of the parent	29 076	496	29 572
Minority interest	343		343
Weighted average number of shares, net of treasury shares	631 695 376	(20 000 000) ⁽⁶⁾	611 695 376
Basic earnings per share (cents)	4.6		4.8
Headline earnings per share (cents)	1.9		2.0
WORKINGS			
	R'000		R'000
Headline earnings are calculated as follows:			
Earnings attributable to equity holders	29 076		29 572
Fair value adjustment of investment properties	(18 670)		(18 670)
Deferred tax on fair value adjustment of investment properties	1 291		1 291
Headline earnings	11 697		12 193

Notes:

- Based on the Preliminary results
- Based on the assumption that the Specific Repurchase was effected on 1 September 2008 for income statement purposes.
- To take into account a reduction in interest income, based on a weighted average interest rate of 10.2% due to utilising the group's own cash resources to fund the Specific Repurchase.

4. To take into account the tax effect on the interest adjustment detailed in note 3 above.
5. To take into account the reversal of the notional interest previously expensed due to accounting for the Put Option in terms of IAS 39 "Financial Instruments: Recognition and Measurement".
6. To take into account the increased number of treasury shares.

4. PRO FORMA BALANCE SHEET OF THE SPECIFIC REPURCHASE

The *pro forma* balance sheet of the Specific Repurchase (i.e. on the basis that the Special Resolution is approved in the general meeting) is set out below.

	Before the Specific Repurchase ⁽¹⁾ R'000	Adjustments ⁽²⁾ R'000	After the Specific Repurchase R'000
ASSETS			
Non-current assets	559 625		559 625
Investment property	446 475		446 475
Property for development	95 141		95 141
Equipment	68		68
Tenant installations	59		59
Straight lining rental adjustment	9 937		9 937
Loan receivable	7 945		7 945
Current assets	150 493	(12 000)	138 493
Accounts receivable	1 030		1 030
Investment Property held for sale	128 238		128 238
Cash and cash equivalents	21 225	(12 000) ⁽³⁾	9 225
Total assets	710 118	(12 000)	698 118
EQUITY AND LIABILITIES			
Capital and reserves	356 168		356 168
Share capital	6 585		6 585
Share premium	271 204	10 620 ⁽⁴⁾	281 824
Fair value reserve	20 788		20 788
Retained earnings	62 619	1 380 ⁽⁴⁾	63 999
Treasury shares	(13 006)	(12 000) ⁽³⁾	(25 006)
Minority interest	7 115		7 115
Share option reserve	863		863
Non-current liabilities	335 207		335 207
Borrowings	314 274		314 274
Derivative financial liability	8 542		8 542
Deferred taxation	12 391		12 391
Current liabilities	18 743	(12 000)	6 743
Accounts payable	3 130		3 130
Prepaid rent received	3 170		3 170
Financial liability	12 000	(12 000) ⁽⁴⁾	–
Taxation	443		443
Total liabilities	710 118	(12 000)	698 118
Number of shares in issue	658 550 000		658 550 000
Number of shares in issue, net of treasury shares	631 404 259	(20 000 000) ⁽³⁾	611 404 259
NAV (cents)	56.4		58.3
NTAV (cents)	56.4		58.3

Notes:

1. Based on the Preliminary results.
2. Based on the assumption that the Specific Repurchase was effected on 31 August 2009 for balance sheet purposes.
3. After taking into account the increased number of treasury shares and the payment of the Specific Repurchase consideration of R12 million.
4. To take into account the reversal of the Put Option, previously accounted for in terms of IAS 39 "Financial Instruments: Recognition and Measurement".

5. PRO FORMA INCOME STATEMENT OF THE PUT SHARE SALE

The *pro forma* income statement of the Put Share Sale (i.e. on the basis that the Special Resolution is not approved in the general meeting having the effect that the regulatory approvals required to effect the Specific Repurchase are not obtained while Ordinary Resolution Number 2 is approved in the general meeting) is set out below.

	Before the Put Share Sale ⁽¹⁾ R'000	Adjustments ⁽²⁾ R'000	After the Put Share Sale R'000
Revenue			
– Contractual	48 384		48 384
– Straight lining	7 497		7 497
Other income	237		237
Net operating expenses	(17 775)		(17 775)
Profit before fair value adjustments	38 343		38 343
Fair value adjustments to investment properties	18 670		18 670
	57 013		57 013
Interest received	2 488	(451) ⁽³⁾	2 037
Interest paid	(23 859)	1 381 ⁽³⁾	(22 478)
Profit before taxation	35 642	930 ⁽³⁾	36 572
Taxation	(6 223)	126 ⁽⁴⁾	(6 097)
Profit for the year	29 419	1 056	30 475
Attributable to:			
Equity holders of the parent	29 076	1 056	30 132
Minority interest	343		343
Weighted average number of shares, net of treasury shares	631 695 376		631 695 376
Basic earnings per share (cents)	4.6		4.8
Headline earnings per share (cents)	1.9		2.0
WORKINGS	R'000		R'000
Headline earnings are calculated as follows:			
Earnings attributable to equity holders	29 076		30 132
Fair value adjustment of investment properties	(18 670)		(18 670)
Deferred tax on fair value adjustment of investment properties	1 291		1 291
Headline earnings	11 697		12 753

Notes:

1. Based on the Preliminary results
2. Based on the assumption that the Put Share Sale was effected on 1 September 2008 for income statement purposes.
3. EPS and HEPS have been adjusted to take into account a reduced interest income of R451 000 based on a weighted average interest rate of 10.2% applied to R4.4 million, being the net shortfall between the Capital Sum and R7.6 million. It has been assumed that the Put Shares were sold at the VWAP, being 38 cents. Further to this, the reversal of the notional interest of R1.4 million previously expensed due to accounting for the Put Option in terms of IAS 39 "Financial Instruments: Recognition and Measurement" has been taken into account.
4. To take into account the net tax effect of the adjustments referred to in note 3 above.

6. PRO FORMA BALANCE SHEET OF THE PUT SHARE SALE

The *pro forma* balance sheet of the Put Share Sale (i.e. on the basis that the Special Resolution is not approved in the general meeting having the effect that the regulatory approvals required to effect the Specific Repurchase are not obtained while Ordinary Resolution Number 2 is approved in the general meeting) is set out below.

	Before the Put Share Sale ⁽¹⁾ R'000	Adjustments ⁽²⁾ R'000	After the Put Share Sale R'000
ASSETS			
Non-current assets	559 625		559 625
Investment property	446 475		446 475
Property for development	95 141		95 141
Equipment	68		68
Tenant installations	59		59
Straight lining rental adjustment	9 937		9 937
Loan receivable	7 945		7 945
Current assets	150 493	(4 400) ⁽³⁾	146 093
Accounts receivable	1 030		1 030
Investment Property held for sale	128 238		128 238
Cash and cash equivalents	21 225	(4 400) ⁽³⁾	16 825
Total assets	710 118	(4 400)	705 718
EQUITY AND LIABILITIES			
Capital and reserves	356 168	7 600	363 768
Share capital	6 585		6 585
Share premium	271 204	7 600 ⁽⁴⁾	278 804
Fair value reserve	20 788		20 788
Retained earnings	62 619		62 619
Treasury shares	(13 006)		(13 006)
Minority interest	7 115		7 115
Share option reserve	863		863
Non-current liabilities	335 207		335 207
Borrowings	314 274		314 274
Derivative financial liability	8 542		8 542
Deferred taxation	12 391		12 391
Current liabilities	18 743	(12 000)	6 743
Accounts payable	3 130		3 130
Prepaid rent received	3 170		3 170
Financial liability	12 000	(12 000) ⁽⁴⁾	–
Taxation	443		443
Total equity and liabilities	710 118	(4 400)	705 718
Number of shares in issue	658 550 000		658 550 000
Number of shares in issue, net of treasury shares	631 404 259		631 404 259
NAV (cents)	56.4		57.6
NTAV (cents)	56.4		57.6

Notes:

1. Based on the Preliminary results.
2. Based on the assumption that the Put Share Sale was effected on 31 August 2009 for balance sheet purposes.
3. To take into account the net shortfall between the Capital Sum and R7.6 million (R4.4 million). The R7.6 million is based on the assumption that the Put Shares were sold at the VWAP, being 38 cents.
4. To take into account the reversal of the Put Option, previously accounted for in terms of IAS 39 "Financial Instruments: Recognition and Measurement" and the shortfall of R4.4 million as detailed in note 3 above.

7. PRO FORMA INCOME STATEMENT RELATING TO THE COMBINED EFFECTS OF THE DISPOSAL AND THE SPECIFIC REPURCHASE

The combined *pro forma* income statement of the Disposal and the Specific Repurchase (i.e. on the basis that Ordinary Resolution Number 1 which has the effect of approving the Disposal and the Special Resolution, which has the effect of approving the Specific Repurchase, are approved at the general meeting) is set out below.

	Before the Disposal and the Specific Repurchase ⁽¹⁾ R'000	Adjustments ⁽²⁾ R'000	After the Disposal and the Specific Repurchase R'000
Revenue			
– Contractual	48 384	(10 603) ⁽³⁾	37 781
– Straight lining	7 497	(375) ⁽³⁾	7 122
Profit on sale of investment property	–	3 168 ⁽⁷⁾	3 168
Other income	237		237
Net operating expenses	(17 775)	4 481 ⁽³⁾	(13 294)
Profit before fair value adjustments	38 343	(3 329) ⁽³⁾	35 014
Fair value adjustments to investment properties	18 670	(3 168) ⁽⁷⁾	15 502
Interest received	57 013	(6 497) ⁽³⁾	50 516
Interest paid	2 488	(1 229) ⁽⁴⁾	1 259
	(23 859)	6 510 ⁽⁵⁾	(17 349)
Profit before taxation	35 642	(1 216)	34 426
Taxation	(6 223)	(428) ⁽⁶⁾	(6 651)
Profit for the year	29 419	(1 644)	27 775
Attributable to:			
Equity holders of the parent	29 076	(1 644)	27 432
Minority interest	343		343
Number of shares in issue, net of treasury shares	631 404 259	(20 000 000)	611 404 259
Weighted average number of shares, net of treasury shares	631 695 376	(20 000 000)	611 695 376
Basic earnings per share (cents)	4.6		4.5
Headline earnings per share (cents)	1.9		1.7
WORKINGS			
	R'000		R'000
Headline earnings are calculated as follows:			
Earnings attributable to equity holders	29 076		27 432
Fair value adjustment of investment properties	(18 670)		(15 502)
Deferred tax on fair value adjustment of investment properties	1 291		1 291
Deferred tax on straight lining on Disposal	–		105
Realised profit on sale of investment property	–		(3 168)
Tax on realised profit	–		444
Headline earnings	11 697		10 602

Notes:

- Based on the Preliminary results.
- Based on the assumption that the Disposal and the Specific Repurchase were effected on 1 September 2008 for income statement purposes.
- To take into the adjustments to exclude the net income attributable to the Property for the 12 months ended 31 August 2009.
- To take into account the reduced before tax interest received as a result of using internally generated cash resources to fund the Specific Repurchase.
- To take into account the reduced before tax interest expense of R5.13 million as the cash consideration from the Disposal will be used to reduce borrowings, and the reduction in the notional interest expensed of R1.4 million for the Put Option.
- To take into account the tax effect on the interest adjustment detailed in note 4 above of R344 000 plus the recalculated tax adjustment of (R772 000).

7. As the income statement effects assume that the Disposal was implemented on 1 September 2008, these adjustments relate to the reclassification of the fair value adjustment relating to the Property to profit on sale of investment property, as the revaluation took place on 31 August 2009 and would not have been accounted for on 1 September 2008. These *pro forma* reclassification adjustments do not have any effect on the profit for the year. The *pro forma* net profit after tax realised is R9.5 million as disclosed in note 4 to the *pro forma* balance sheet of the Disposal.

8. **PRO FORMA BALANCE SHEET RELATING TO THE COMBINED EFFECTS OF THE DISPOSAL AND THE SPECIFIC REPURCHASE**

The combined *pro forma* balance sheet of the Disposal and the Specific Repurchase (i.e. on the basis that Ordinary Resolution Number 1 which has the effect of approving the Disposal and the Special Resolution, which has the effect of approving the Specific Repurchase, are approved at the general meeting) is set out below:

	Before the Disposal and the Specific Repurchase ⁽¹⁾ R'000	Adjustments ⁽²⁾ R'000	After the Disposal and the Specific Repurchase R'000
ASSETS			
Non-current assets	559 625		559 625
Investment property	446 475		446 475
Property for re-development	95 141		95 141
Equipment	68		68
Tenant installations	59		59
Straight lining	9 937		9 937
Loan receivable	7 945		7 945
Current assets	150 493	(110 518)	39 975
Accounts receivable	1 030	6 500 ⁽³⁾	7 530
Investment Property held for sale	128 238	(105 018) ⁽³⁾	23 220
Cash and cash equivalents	21 225	(12 000) ⁽⁵⁾	9 225
Total assets	710 118	(110 518)	599 600
EQUITY AND LIABILITIES			
Capital and reserves	356 168	(391)	355 777
Share capital	6 585		6 585
Share premium	271 204	10 620 ⁽⁵⁾	281 824
Fair value reserve	20 788	(9 852) ⁽⁴⁾	10 936
Retained earnings	62 619	10 841 ⁽⁵⁾	73 460
Treasury shares	(13 006)	(12 000) ⁽⁶⁾	(25 006)
Minority interest	7 115		7 115
Share option reserve	863		863
Non-current liabilities	335 207	(99 731)	235 476
Borrowings	314 274	(98 000) ⁽³⁾	216 274
Financial derivatives	8 542		8 542
Deferred taxation	12 391	(1 731) ^{(4) (7)}	10 660
Current liabilities	18 743	(10 396)	8 347
Accounts payable	3 130		3 130
Prepaid rent received	3 170		3 170
Financial liability	12 000	(12 000) ⁽⁶⁾	–
Taxation	443	1 604 ⁽⁷⁾	2 047
Total equity and liabilities	710 118	(110 518)	599 600
Number of shares in issue	658 550 000		658 550 000
Number of shares in issue net of treasury shares	631 404 259	(20 000 000)	611 404 259
NAV (cents)	56.4		58.2
NTAV (cents)	56.4		58.2

Notes:

1. Based on the Preliminary results.
2. Based on the assumption that the Disposal and the Specific Repurchase were effected on 31 August 2009 for balance sheet purposes.
3. To take into account the Disposal for a consideration of R104.5 million, of which R98 million is used to reduce borrowings and the balance of R6.5 million is loaned to the Purchaser for six months as well as the reversal of the straight lining adjustments of R518 000 that have been accounted for in terms of IAS 17 "Leases".
4. Releasing the accumulated fair value adjustments relating to the Property previously transferred to the Fair Value Reserve (NDR) of R9.5 million (being the net after-tax profit realised on the Disposal). This also takes into account the reversal of straight lining adjustments of R518 000 that have been accounted for in terms of IAS 17 "Leases" and the tax effects thereon of (R127 000).
5. To take into account profit now realised on the Disposal of R9.5 million as referred to in note 4 above and the reversal of notional interest of R1.4 million previously expensed due to accounting for the Put Option in terms of IAS 39 "Financial Instruments: Recognition and Measurement".
6. To take into account the repurchase of 20 000 000 shares at 60 cents each in terms of the Specific Repurchase, paid from own cash resources.
7. To take into account a reclassification of deferred tax to income tax on the realisation of the Disposal of R1.6 million and the reversal of deferred tax relating to the straight lining adjustments of R127 000 referred to in note 4 above.

9. PRO FORMA INCOME STATEMENT RELATING TO THE COMBINED EFFECTS OF THE DISPOSAL AND THE PUT SHARE SALE

The combined *pro forma* income statement of the Disposal and the Put Share Sale (i.e. on the basis that Ordinary Resolution Number 1 which has the effect of approving the Disposal is approved, and the Special Resolution, which has the effect of approving the Specific Repurchase, is not approved at the general meeting; while Ordinary Resolution Number 2 is approved) is set out below.

	Before the Disposal and the Put Share Sale ⁽¹⁾ R'000	Adjustments ⁽²⁾ R'000	After the Disposal and the Put Share Sale R'000
Revenue			
– Contractual	48 384	(10 603) ⁽³⁾	37 781
– Straight lining	7 497	(375) ⁽³⁾	7 122
Profit on sale of investment property	–	3 168 ⁽⁷⁾	3 168
Other income	237		237
Net operating expenses	(17 775)	4 480 ⁽³⁾	(13 295)
Profit before fair value adjustments	38 343	(3 330)	35 013
Fair value adjustments to investment properties	18 670	(3 168) ⁽⁷⁾	15 502
	57 013	(6 498)	50 515
Interest received	2 488	(450) ⁽⁴⁾	2 038
Interest paid	(23 859)	6 510 ⁽⁵⁾	(17 349)
Profit before taxation	35 642	(438)	35 204
Taxation	(6 223)	(646) ⁽⁶⁾	(6 869)
Profit for the year	29 419	(1 084)	28 335
<i>Attributable to:</i>			
Equity holders of the parent	29 076	(1 084)	27 992
Minority interest	343		343
Number of shares in issue, net of treasury shares	631 404 259		631 404 259
Weighted average number of shares, net of treasury shares	631 695 376		631 695 376
Basic earnings per share (cents)	4.6		4.4
Headline earnings per share (cents)	1.9		1.8
WORKINGS	R'000		R'000
Headline earnings are calculated as follows:			
Earnings attributable to equity holders	29 076		27 992
Fair value adjustment of investment properties	(18 670)		(15 502)
Deferred tax on fair value adjustment of investment properties	1 291		1 291
Deferred tax on straight lining on Disposal	–		105
Realised profit on sale of investment property	–		(3 168)
Tax on realised profit	–		443
Headline earnings	11 697		11 161

Notes:

1. Based on the Preliminary results.
2. Based on the assumption that the Disposal and the Put Share Sale were effected on 1 September 2008 for income statement purposes.
- 3 To take into account the exclusion of the net income attributable to the Property for the 12 months ended 31 August 2009.
4. To take into account a reduced interest income of R450 000 based on a weighted average interest rate of 10.2% applied to R4.4 million, being the net shortfall between the Capital Sum and R7.6 million. It has been assumed that the Put Shares were sold at the VWAP, being 38 cents.
5. To take into account the reversal of the notional interest of R1.4 million previously expensed due to accounting for the Put Option in terms of IAS 39 "Financial Instruments: Recognition and Measurement" and a reduced interest expense of R5.13 million, based on a weighted average interest rate of 11.49%, as the cash consideration will be utilised to reduce interest bearing debt.
6. To take into account the net tax effect of the adjustments referred to in notes 3, 4 and 5 above.
7. As the income statement effects assume that the Disposal was implemented on 1 September 2008, these adjustments relate to the reclassification of the fair value adjustment relating to the Property to profit on sale of investment property, as the revaluation took place on 31 August 2009 and would not have been accounted for on 1 September 2008. These *pro forma* reclassification adjustments do not have any effect on the profit for the year. The *pro forma* net profit after tax realised is R9.5 million as disclosed in note 4 to the *pro forma* balance sheet of the Disposal.

10. **PRO FORMA BALANCE SHEET RELATING TO THE COMBINED EFFECTS OF THE DISPOSAL AND THE PUT SHARE SALE**

The combined *pro forma* balance sheet of the Disposal and the Put Share Sale (i.e. on the basis that Ordinary Resolution Number 1 which has the effect of approving the Disposal is approved, and the Special Resolution, which has the effect of approving the Specific Repurchase, is not approved at the general meeting; while Ordinary Resolution Number 2 is approved) is set out below.

	Before the Disposal and the Put Share Sale ⁽¹⁾ R'000	Adjustments ⁽²⁾ R'000	After the Disposal and the Put Share Sale R'000
ASSETS			
Non-current assets	559 625		559 625
Investment property	446 475		446 475
Property for redevelopment	95 141		95 141
Equipment	68		68
Tenant installations	59		59
Straight lining	9 937		9 937
Loan receivable	7 945		7 945
Current assets	150 493	(102 918)	47 575
Accounts receivable	1 030	6 500 ⁽³⁾	7 530
Investment Property held for sale	128 238	(105 018) ⁽³⁾	23 220
Cash and cash equivalents	21 225	(4 400) ⁽⁷⁾	16 825
Total assets	710 118	(102 918)	607 200
EQUITY AND LIABILITIES			
Capital and reserves	356 168	7 209	363 376
Share capital	6 585		6 585
Share premium	271 204	7 600 ⁽⁷⁾	278 804
Fair value reserve	20 788	(9 852) ⁽⁴⁾	10 936
Retained earnings	62 619	9 461 ⁽⁵⁾	72 080
Treasury shares	(13 006)		(13 006)
Minority interest	7 115		7 115
Share option reserve	863		863
Non-current liabilities	335 207	(99 730)	235 477
Borrowings	314 274	(98 000) ⁽³⁾	216 274
Financial derivatives	8 542		8 542
Deferred taxation	12 391	(1 730) ⁽⁶⁾	10 661
Current liabilities	18 743	(10 396)	8 347
Accounts payable	3 130		3 130
Prepaid rent received	3 170		3 170
Financial liability	12 000	(12 000) ⁽⁷⁾	–
Taxation	443	1 604 ⁽⁶⁾	2 047
Total equity and liabilities	710 118	(102 917)	607 200
Number of shares in issue	658 550 000		658 550 000
Number of shares in issue net of treasury shares	631 404 259		631 404 259
NAV (cents)	56.4		57.6
NTAV (cents)	56.4		57.6

Notes:

1. Based on the Preliminary results.
2. Based on the assumption that the Disposal and the Put Share Sale were effected on 31 August 2009 for balance sheet purposes.
3. To take into account the Disposal for a consideration of R104.5 million, of which R98 million is used to reduce borrowings and the balance of R6.5 million is loaned to the Purchaser for six months as well as the reversal of the straight lining adjustments of R518 000 that have been accounted for in terms of IAS 17 "Leases".
4. Releasing the accumulated fair value adjustments relating to the Property previously transferred to the Fair Value Reserve (NDR) of R9.5 million, and the reversal of straight lining adjustments of R518 000 that have been accounted for in terms of IAS 17 "Leases" and the tax effects thereon of (R127 000).
5. To take into account the releasing of the fair values relating to the Property previously transferred to the Fair Value Reserve (NDR) of R9.5 million referred to in note 4 above.
6. To take into account a reclassification of deferred tax relating to income tax on the realisation of the Disposal of R1.6 million and the reversal of deferred tax to the straight lining adjustments of R127 000 referred to in note 4 above.
7. To take into account the reversal of the Put Option, previously accounted for in terms of IAS 39 "Financial Instruments: Recognition and Measurement" and the shortfall of R4.4 million referred to in note 5 above.

INDEPENDENT VALUER'S REPORT ON THE PROPERTY

"Mr Arnold Maresky
 Ingenuity Property Investments Limited
 INTABA
 Office Suite 102
 1st Floor
 25 Protea Road
 Claremont
 7708

6 November 2009

Sir,

RE: VALUATIONSMade on account of: **Ingenuity Property Fund**In relation to: **Erf 9444 Cape Town (22 Long Street)**

I, M R B Gibbons, a duly authorised Professional Valuer, registered without restriction in terms of Section 19 of the Property Valuers Professional Act, 2000 (Act No. 47 of 2000), of 20th Floor, 1 Thibault Square, Cape Town do hereby certify that to the best of my knowledge, I have valued the property as at 1 November 2009 in order to determine its value on a comparable sales approach, discounted cash flow or capitalisation of net income basis as at the date specified below.

Total Value of the Property: **R104 500 000**

Set out below are particulars relating to the property, as detailed in the circular to be dated on or about 19 November 2009, to which this report is attached and the value that I have attributed to it:

No.	Description	Name	Address	Date of Physical Inspection	Effective Date of Valuation	Market Value R'000
1.	Erf 9444		22 Long Street Cape Town	24/07/2009	01/11/2009	R104 500 000

No.	Nature of Property	Site and Floor Area	Existing Use	Age of Building	Tenure
	Building	14 385 m ²	Retail and Offices	25 years	Freehold

Directors

M R B Gibbons Nat.Dip.Prop.Val., MIV (SA), Professional Valuer
A R Gibbons AEI (Zim), FIV (SA), Professional Valuer

Assisted by:

K J Keefer Candidate Valuer

Associates:

S A Aldridge NDPV, CEA, MIV (SA)
T R L Bate MSc, BSc, Land Econ. (UK), MRICS, MIV (SA)
S B G de Klerk BSc(Bldg), MSc(Bldg), NDPV, MCIQB
W J Hewitt NDPV, C.I.E.A., FIV (SA)
P G Mitchell Nat.Dip.Prop.Val., CIEA, MIV (SA)
A R Stephenson B Agric Mgt, AFM (UK), LLB (Natal), FIV (SA)

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96/04736/07

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Valuation commentary

The property has been valued using the Discounted Cash Flow Approach, which values the contracted income and then reverts to market-related rentals. The reversion to market, in all cases has been next day after the expiry of the last lease. All of which are discounted at the appropriate discount rate.

Assumptions

Property Expenses equate to R16.93/m² – escalating at 6% (around inflation), but rates and CID Levy at 8% per annum over the DCF period.

Market Rentals are assumed to escalate at 6% per annum over the DCF period.

Sources of information

Information relating to the Property has been obtained and, where applicable, verified, from:

- Deeds Office; and Surveyor General's Office & Local Authorities.
- The Sellers.
- SAPOA/IPD Index.

Town planning restrictions/conditions and any material contravention of statutory requirements

We have obtained zoning information from the relevant Local Authorities. There is no contravention to the zoning scheme regulations.

Details of leases/sub-leases

Property No.	Tenants	Monthly Rent Passing	Rentable Area (m ²)	Salient Terms of Lease		
				Start date	Expiry date	Escalation
Leases						
1.	Department of Statistics	R132 480	1 472	01/12/07	30/11/10	10%
2.	Department of Public Works	R295 224	2 944	01/05/08	30/04/10	9%
3.	BIP Solutions	R68 768	718	01/07/2008	30/06/2011	9%
4.	BTI World Travel	R42 060	515	01/07/2007	30/06/2010	8%
5.	Woolworths Financial Services	R152 425	1 472	01/09/2007	31/08/2010	9%

There are no intra-group leases.

I confirm that to the best of my knowledge and belief there:

1. are no options held by any third parties to purchase any of the Property;
2. have been no material changes between the date of the valuations and the last practicable date in any circumstances relating to the Property, which would affect the valuation thereof.

I confirm that I have no pecuniary interest that would conflict with a proper valuation of the Property by the Company, other than normal professional fees. With 16 years' experience in property valuation, the undersigned is qualified to express an opinion on the value of the Property.

Yours faithfully

MILLS FITCHET MAGNUS PENNY (PTY) LTD
20th Floor, 1 Thibault Square, Cape Town, 8001

M.R.B. Gibbons
Nat. Dip. Prop. Val. MIV(SA)
Professional Valuer
(Registered without restriction in terms of The Property Valuers Act, No. 47 of 2000)"

INTEREST BEARING BORROWINGS

The interest bearing borrowings of Ingenuity as at 31 August 2009 are set out below:

Description	Interest rate	Expiry	As at 31 August 2009 R'000
Special Purpose Vehicle:			
Nedbank	Prime less 1.5%	1 October 2012 ⁽¹⁾	150 277
Absa Bank	Prime less 2.0%	1 October 2012 ⁽¹⁾	150 793
Other:			
Nedbank	Prime less 1.5%	31 January 2013	13 204
Total			314 274

Notes:

1. Funding in terms of the Special Purpose Vehicle expires in 2012.
2. The borrowings were secured in order to fund the acquisition of various properties currently held in the property portfolio.
3. No capital repayments are due on the borrowings until their respective expiry dates.

The loans under the Special Purpose Vehicle are secured as follows:

- mortgage bonds over land and buildings with a carrying value (being the value of the property determined in terms of IFRS) of R631.335 million;
- a cession of all lease agreements and rental income; and
- a cession of the insurance contracts and insurance proceeds over the land and buildings.

The Nedbank loan is secured as follows:

- a mortgage bond over Erf 205 Cape Town with a carrying value of R35.357 million; and
- a cession of all lease agreements and rental income in respect of Erven 205 and 211 Cape Town.

There are no conversion or redemption rights attaching to above borrowings.

ingenuity

PROPERTY INVESTMENTS LTD

(formerly SA REIT LIMITED)
(Incorporated in the Republic of South Africa)
(Company registration number 2000/018084/06)
Share code: ING ISIN: ZAE000127411
("Ingenuity" or "the Company")

NOTICE OF GENERAL MEETING OF INGENUITY SHAREHOLDERS

Notice is hereby given that a general meeting of Ingenuity shareholders will be held at Suite 102, 1st Floor, INTABA, 25 Protea Road, Claremont, Cape Town on Friday, 11 December 2009, commencing at 10:00 for the purpose of considering and, if deemed fit, passing with or without modification, the following special resolution and ordinary resolutions:

1. SPECIAL RESOLUTION : SPECIFIC AUTHORITY TO REPURCHASE SHARES

"RESOLVED that Withmore Investments 3 (Proprietary) Limited, a wholly-owned subsidiary of the Company ("Withmore Investments"), is hereby authorised by way of a specific authority in terms of section 89 of the Companies Act and in terms of the JSE Limited ("JSE") Listings Requirements, to implement a specific repurchase of 20 000 000 Ingenuity ordinary shares from the Du Toit Investment Trust (Master's Reference No. 3559/2004) ("the Trust") at a price of 60 (sixty) cents per Ingenuity ordinary share in terms of a right of first refusal held by the Trust, at any time up to 30 April 2010."

Reason for and effect of the Special Resolution

The reason for the Special Resolution is to authorise Withmore Investments, a wholly-owned subsidiary of the Company, to effect a specific repurchase of Ingenuity ordinary shares on the terms set out in the Special Resolution and the effect of the Special Resolution will be to permit Withmore Investments to acquire such shares.

2. ORDINARY RESOLUTION NUMBER 1

"RESOLVED that, in terms of the JSE Listings Requirements, the entering into by the Company of the agreement to dispose of Erf 9444 Cape Town, commonly known as the 22 Long Street Building and the implementation thereof, is hereby approved."

3. ORDINARY RESOLUTION NUMBER 2

"RESOLVED that, for purposes of the JSE Listings Requirements, the entering into by the Company's subsidiary, Withmore Investments, on 6 October 2009 of the Limited Recourse Loan agreement, in terms of which Withmore Investments advanced R12 million to the Du Toit Investment Trust and the related Security Cession and Pledge agreement entered into on the same date, both on the terms as more fully described in the circular to which this notice of general meeting is attached, are approved."

4. ORDINARY RESOLUTION NUMBER 3

"RESOLVED that any director of Ingenuity be and is hereby authorised to do all such things and sign all documents including Company forms and take all such action as they consider necessary to give effect to and implement the Special Resolution and Ordinary Resolutions Numbers 1 and Number 2 which are proposed and passed at the general meeting at which this Ordinary Resolution Number 3 is proposed."

Voting and proxies

- The Du Toit Investment Trust will be taken into account in determining a quorum at the general meeting however, its votes will not be taken into account in determining the results of the voting at the general meeting in relation to the special resolution in connection with the Specific Repurchase.
- An Ingenuity shareholder entitled to attend and vote at the general meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company. For the convenience of registered certificated Ingenuity shareholders or Ingenuity shareholders who have dematerialised their Ingenuity shares with own-name registration, a form of proxy is attached hereto. Duly completed forms of proxy must be lodged at the transfer secretaries at the address below by no later than 10:00 on Thursday, 10 December 2009 (or 24 hours before any adjourned general meeting which date, if necessary, will be notified in the press and on the JSE Limited Securities Exchange News Service).
- Ingenuity shareholders who have dematerialised their Ingenuity shares and have not selected own-name registration must advise their Central Securities Depository Participant ("CSDP") or broker of their voting instructions should they be unable to attend the general meeting but wish to be represented thereat. Dematerialised Ingenuity shareholders without own-name registration should contact their CSDP or broker with regard to the cut-off time for their voting instructions. If, however, such members wish to attend the general meeting in person, then they will need to request their CSDP or broker to provide them with the necessary Letter of Representation in terms of the custody agreement entered into between the dematerialised shareholder and their CSDP or broker.

Hand deliveries of forms of proxy to:

Computershare Investor Services (Proprietary) Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001

Postal deliveries of forms of proxy to:

Computershare Investor Services (Proprietary) Limited
PO Box 61051
Marshalltown, 2107

- Forms of proxy are to be received by no later than 10:00 on Thursday, 10 December 2009 (or 24 hours before any adjourned general meeting which date, if necessary, will be notified in the press and on the JSE Limited Securities Exchange News Service).

By order of the board

19 November 2009

Registered office

Suite 102
1st Floor
INTABA Building
25 Protea Road
Claremont
Cape Town, 7708

Transfer secretaries

Computershare Investor Services (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

ingenuity

PROPERTY INVESTMENTS LTD

(formerly SA REIT LIMITED)
 (Incorporated in the Republic of South Africa)
 (Company registration number 2000/018084/06)
 Share code: ING ISIN: ZAE000127411
 ("Ingenuity" or "the Company")

FORM OF PROXY

This form of proxy is for the use by Ingenuity shareholders who hold certificated Ingenuity shares ("certificated Ingenuity shareholders") or who are registered as own-name in dematerialised form ("own-name dematerialised Ingenuity shareholders") only. Ingenuity shareholders who have dematerialised their Ingenuity shares, other than with own-name registration, are requested to refer to the "Action required by shareholders" provided on page 1 of the circular to which this form of proxy is attached, for a full understanding of the action required by them.

For use by certificated Ingenuity shareholders and own-name dematerialised Ingenuity shareholders, only, at the general meeting of the Company to be held at Suite 102, 1st Floor, INTABA, 25 Protea Road, Claremont, Cape Town on Friday, 11 December 2009, commencing at 10:00, or at any adjournment thereof.

Any Ingenuity shareholders entitled to vote at the general meeting may appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company.

I/We (full names in BLOCK LETTERS please)

of (address)

being the holder(s) of Ingenuity shares,

do hereby appoint (see note 2):

- | | | |
|----|----|---------------------|
| 1. | of | or failing him/her, |
| 2. | of | or failing him/her, |

3. the Chairman of the general meeting,

as my/our proxy to act for me/us and on my/our behalf at the general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the special resolution and the ordinary resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the special resolution and the ordinary resolutions and/or abstain from voting in respect of the Ingenuity shares registered in my/our name(s), in accordance with the following instructions (see note 3):

	Number of Ingenuity shares		
	For	Against	Abstain
Special Resolution Specific authority to repurchase shares			
Ordinary Resolution Number 1 Approval of the Disposal by Ingenuity			
Ordinary Resolution Number 2 Approval of Limited Recourse Loan agreement and Security Cession and Pledge agreement			
Ordinary Resolution Number 3 Authorising Ingenuity directors to give effect to and implement the Special Resolution and Ordinary Resolutions Numbers 1 and Number 2			

* **Note:** Please indicate with an "X" or the number of Ingenuity shares in the spaces above how you wish your votes to be cast. If no indication is given, the proxy will vote or abstain in his/her discretion.

Signed at _____ on _____ 2009

Signature/s

Name in BLOCK LETTERS (full name if signing in a representative capacity)

Assisted by (where applicable)

Please read the notes on the reverse side hereof.

Notes:

1. An Ingenuity shareholder entitled to attend and vote may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the Chairman of the general meeting". A proxy need not be a shareholder of the Company. The person whose name stands first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. An Ingenuity shareholder is entitled to one vote on a show of hands and on a poll, an Ingenuity shareholder is entitled to one vote for each Ingenuity share held. An Ingenuity shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the Ingenuity shareholder in the appropriate box. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the Ingenuity shareholder's votes.
3. A vote given in terms of an instrument of proxy shall be valid in relation to the general meeting, notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the Ingenuity shares in respect of which the vote is given, unless any intimation of such death, revocation or transfer is received by the transfer secretaries, not less than 24 hours before the commencement of the general meeting.
4. If an Ingenuity shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the general meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
5. The Chairman of the general meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes.
6. The completion and lodging of this form of proxy will not preclude the relevant Ingenuity shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Ingenuity shareholder wish to do so.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or unless this requirement is waived by the Chairman of the general meeting.
8. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company.
9. Where there are joint holders of Ingenuity shares:
 - 9.1 any one holder may sign this form of proxy;
 - 9.2 the vote(s) of the senior shareholder (for that purpose seniority will be determined by the order in which the names of Ingenuity shareholders appear in the Company's register of Ingenuity shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Ingenuity shareholder(s).
10. Forms of proxy should be lodged with or mailed to Computershare Investor Services (Proprietary) Limited:

Hand deliveries of forms of proxy to: Computershare Investor Services (Proprietary) Limited Ground Floor, 70 Marshall Street Johannesburg 2001	Postal deliveries of forms of proxy to: Computershare Investor Services (Proprietary) Limited PO Box 61051 Marshalltown, 2107
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to be received by no later than 10:00 on Thursday, 10 December 2009 (or 24 hours before any adjourned general meeting which date, if necessary, will be notified in the press and on the JSE Limited Securities Exchange News Service).
11. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.

