



UNAUDITED INTERIM RESULTS AND DISTRIBUTION ANNOUNCEMENT

for the six months ended 30 September 2007

- Net profit available for distribution up 25.8%
- Interim distribution increased by 12.6%
- Value of portfolio exceeds R4 billion
- Vacancies down to 2.5%
- Total return to unitholders for 12 months 53.3%

COMMENTS

1 BASIS OF PREPARATION

The unaudited abridged interim financial statements for the six months ended 30 September 2007, and comparative information, have been prepared in terms of IAS 34 (Interim Financial Reporting) and relevant sections of the South African Companies Act 1973, as amended. The accounting policies applied are in accordance with International Financial Reporting Standards (IFRS) and are consistent with those applied in the most recent audited financial statements.

2 FINANCIAL RESULTS

The directors of Vukile are pleased to report that the group's net profit available for distribution has increased by 25.8% to R124.4 million for the six months ended 30 September 2007 from R98.9 million for the comparable period. The group's net rental income, exclusive of straight-line rental accruals and based on a stable portfolio (excluding acquisitions and sales), has increased by 9.2% over the comparable period.

SUMMARY OF FINANCIAL PERFORMANCE

	Sept 07	Sept 06	March 07
Net asset value attributable to equity holders of parent per linked unit (cents)	892	710	803
Distribution per linked unit (cents)	40.25	35.75	76.75
Loan to value ratio (%)	28.4	35.5	29.9

The net asset value per linked unit increased by 25.6% to R8.92 per linked unit as at 30 September 2007 from R7.10 per linked unit as at 30 September 2006. This represents a discount of 25.7% to Vukile's unit price of R12 per linked unit at 30 September 2007.

The board has approved an interim distribution of 40.25 cents per linked unit for the six months ended 30 September 2007, an increase of 12.6% over the comparable period.

3 BORROWINGS

The group's long-term debt is hedged using interest rate swap agreements for periods expiring between three and five years.

Changes to the group's debt profile subsequent to 31 March 2007 are summarised as follows:

- R50 million swaption held by Vukile converted to a R33 million interest rate swap at a fixed rate of 10.74% (inclusive of 1.4% margin) expiring on 22 November 2010. Debt of R33 million was raised to finance the acquisition of West Street Houghton.
- A R62.7 million swaption was converted into a R54.8 million interest rate swap at a fixed rate of 10.62% (inclusive of 1.4% margin) expiring in July 2011. Debt of R54.8 million was raised to partly fund the acquisition of BPI House referred to in paragraph 5 below.

Due to the fact that 96% of the group's debt is hedged or fixed until 2010, 55% until 2011 and 22% until 2012, increases in interest rates will have little impact on the group's cost of debt.

4 PROPERTY PORTFOLIO

The combined property portfolio currently comprises 73 properties with a gross lettable area of 918 331m².

The sectoral spread by gross rentals comprises 30% commercial, 57% retail and 13% industrial.

During the period under review, new leases and renewals with a total area of 69 486m² and a total contract value of R217 million were concluded.

The vacancy profile (% of gross rentals) below indicates that the overall vacancy percentage has decreased from 2.9% on 31 March 2007 to 2.5% on 30 September 2007, a decrease of 14%.

The group's lease expiry profile (% of GLA) indicates that approximately one third of the portfolio will expire in the next 12 months, providing opportunities to take advantage of rising rentals, particularly in the office and industrial sectors.

Valuations

The directors have valued the group's property portfolio at R4.35 billion as at 30 September 2007. This is R489 million (12.6%) higher than the valuation at 31 March 2007 (8.9% on a stable portfolio).

The external valuations by JHI Real Estate Limited and Old Mutual Property Group (Pty) Ltd of 47% of the total portfolio are R82.7 million (3.9%) higher than the directors' valuation of the same properties at 30 September 2007.

5 ACQUISITIONS AND DEVELOPMENTS

Apart from the potential acquisition of a 50% undivided share in a retail development in Kings Road, Pinetown, which has not materialised, all the acquisitions and disposals referred to in the company's annual report for the year ended 31 March 2007, issued in May 2007, have been successfully concluded or are on track and within budget.

Eva Park offices have been revamped at a cost of R4 million. This contributed to an increase in gross rentals from R57/m² to approximately R70/m² and a reduction in vacancies from 1 000m² at 31 March 2007 to approximately 500m² (4.7%) at 30 September 2007. A refurbishment of Daveyton Mall, at a cost of approximately R10 million, has been completed. This included a major refurbishment of the interior and an upgrade of the ablution facilities. A fire at this centre caused damage to two stores estimated at R4 million. As the company is insured for loss of profits, this will not have any impact on earnings. Moratiwa Shopping Centre, developed at a cost of R61.6 million, opened on 2 November 2007 and is trading extremely well.

The group acquired BPI House in Windhoek for approximately R113 million with effect from 1 July 2007. BPI House is an A-grade office and retail complex in the heart of the Windhoek CBD. It has a total gross lettable area of 12 826m² and a blue-chip tenant line-up which includes the government of Namibia, Pick 'n Pay, Truworths, Dunns, Engen, Mobile Telecom Company and Ernst & Young. The anticipated net yield is 9.1% in the first year.

The cost of acquisitions and developments for the six month period amounted to R213 million.

6 CAUTIONARY ANNOUNCEMENT

Linked unitholders are referred to the cautionary announcements dated 7 September and 19 October 2007, in terms of which unitholders were notified that Vukile had entered into negotiations that could result in significant acquisitions. An announcement in this regard will be made in due course.

7 DUAL LISTING

On 11 July 2007, Vukile listed in the Real Estate sector of the Namibian Stock Exchange (NSX). The dual listing will enable the company to broaden its shareholder base, while at the same time providing Namibian institutions with a new investment vehicle.

8 SEGMENTAL ANALYSIS

	Industrial R000	Commercial R000	Retail R000	Corporate R000	Total R000
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Group income for the six months ended 30 Sept 2007

Rental income	43 808	91 787	159 545	-	295 140
Straight-line rental income	959	1 836	4 123	-	6 918
Property expenses	(18 696)	(28 187)	(56 008)	-	(102 891)
Net profit from property operations	26 071	65 436	107 660	-	199 167

Group balance sheet at 30 Sept 2007

Non-current Assets					
Investment properties	668 543	1 303 663	2 304 591	-	4 276 797
Other non-current assets	18 622	37 606	56 276	98 510	211 014
Non-current assets held for sale	-	-	14 448	-	14 448
Current assets					
Trade and other receivables	4 544	9 721	18 522	5 746	38 533
Cash and cash equivalents	613	125	8 205	38 186	47 129
Non-current liabilities	421 232	815 439	1 488 602	-	2 725 273
Current liabilities					
Trade and other payables	11 968	14 870	40 898	69 421	137 157
Linked unitholders	-	-	-	118 959	118 959

Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of investment properties, receivables and cash. Assets not directly attributable to a particular segment are allocated to the corporate segment. Segment liabilities include all operating liabilities of a segment and consist principally of outstanding accounts. Segment assets and liabilities do not include deferred taxes.

9 PROSPECTS

The board remains confident that the outlook given in the annual report, namely that we have budgeted for growth in distribution broadly in line with what has been delivered in the previous year, is still applicable.

10 PAYMENT OF DEBENTURE INTEREST AND DIVIDEND

Notice is hereby given of a distribution amounting to 40.25 cents per linked unit, for the six-month period to 30 September 2007. The distribution comprises interest on debentures of 40.17 cents per linked unit and a dividend of 0.08 cents per linked unit.

Last date to trade cum distribution	Thurs, 13 Dec 2007
Linked units trade ex distribution	Fri, 14 Dec 2007
Record date for unitholders to participate in the distribution	Fri, 21 Dec 2007
Payment of distribution to unitholders	Mon, 24 Dec 2007

Linked unit certificates may not be dematerialised or re-materialised between Friday 14 December 2007 and Friday 21 December 2007, both days inclusive.

On behalf of the board

A D Botha
Chairman

G van Zyl
Chief executive

Roodepoort

26 November 2007

ABRIDGED GROUP INCOME STATEMENT

	Unaudited 30 Sept 2007 R000	Unaudited 30 Sept 2006 R000	Audited 31 Mar 2007 R000
Property revenue	295 140	276 350	553 480
Straight-line rental income accrual	6 918	2 883	22 100
Gross property revenue	302 058	279 233	575 580
Property expenses	(102 891)	(96 218)	(195 751)
Net profit from property operations	199 167	183 015	379 829
Administrative expenses	(10 516)	(6 207)	(12 032)
Investment and other income	5 268	5 184	12 122
Operating profit before finance costs	193 919	181 992	379 919
Finance costs	(60 105)	(73 901)	(139 022)
Net profit before debenture interest	133 814	108 091	240 897
Debenture interest	(118 717)	(97 500)	(213 088)
Net profit before capital items	15 097	10 591	27 809
Capital items			
Loss on sale of re-valued properties	-	(1 280)	(5 878)
Realised capital profit	-	46 539	46 196
Less: Prior revaluations of sold properties	-	(47 819)	(52 074)
Amortisation of debenture premium	410	-	416
Fair value adjustments	319 421	80 227	436 068
Gross change in fair value of investment properties	326 339	83 110	458 168
Straight-line rental income adjustment	(6 918)	(2 883)	(22 100)
Net profit before taxation	334 928	89 538	458 415
Taxation	(97 744)	(29 882)	(137 273)
Net profit after taxation	237 184	59 656	321 142
Attributable to:			
Linked unitholders of the company	237 184	59 588	320 639
Minorities	-	68	503

RECONCILIATION: HEADLINE EARNINGS AND DISTRIBUTABLE EARNINGS

Attributable profit after taxation	237 184	59 588	320 639
Adjusted for:			
Net change in fair value of investment properties	(319 421)	(80 227)	(436 068)
Total tax effects of adjustments	93 293	22 913	127 161
Total minority interest of adjustments	-	(186)	96
Loss on sale of re-valued properties	-	1 280	5 878
Amortisation of debenture premium	(410)	-	(416)
Debenture interest	118 717	97 500	213 088
Headline earnings of linked units	129 363	100 868	230 378
Straight-line rental accrual net of minority interest and deferred taxation	(4 936)	(1 966)	(15 577)
Available for distribution	124 427	98 902	214 801
Distribution to unitholders			
Interest	118 717	97 195	212 406
Dividend	242	199	433
	118 959	97 394	212 839
Pre-issue debenture interest offset against debenture and share premium	-	-	5 731
Total distribution	118 959	97 394	218 570
Total number of linked units in issue (000)	295 551	272 429	295 551
Weighted average number of linked units in issue (000)	295 551	272 429	276 927
Earnings per linked unit (cents)	120.42	57.55	192.49
Headline earnings per linked unit (cents)	43.77	37.03	83.19
Available for distribution per linked unit (cents)	42.10	36.30	77.57

ABRIDGED GROUP BALANCE SHEET

	Unaudited 30 Sept 2007 R000	Unaudited 30 Sept 2006 R000	Audited 31 Mar 2007 R000
ASSETS			
Non current assets	4 485 148	3 317 257	3 937 807
Investment properties	4 276 797	3 183 447	3 810 296
Investment properties - at valuation	4 349 752	3 230 191	3 876 332
Straight-line rental income adjustment	(72 955)	(46 744)	(66 036)
Other non-current assets	208 351	133 810	127 511
Straight-line rental income asset	57 904	46 744	51 206
Investment properties under development	51 937	-	-
Furniture, fittings and computer equipment	173	224	205
Goodwill	76 299	83 223	76 100
Interest rate swap asset	22 038	3 619	-
Current assets	88 325	94 780	223 382
Straight-line rental income asset	15 051	-	14 830
Trade and other receivables	26 145	26 079	21 541
Cash and cash equivalents	47 129	68 701	187 011
Non-current assets held for sale	14 448	275 015	-
Investment properties	14 448	275 015	-
• Investment properties at fair value	14 448	275 015	-
• Straight-line rental income adjustment	(297)	(4 388)	-
Straight-line rental income asset	297	4 388	-
Total assets	4 587 921	3 687 052	4 161 189
EQUITY AND LIABILITIES			
Equity and reserves	1 101 336	592 902	836 137
Share capital	2 956	2 724	2 956
Share premium	17 341	13 354	17 341
Reserves	1 081 039	566 362	815 840
Minority interest	-	10 462	-
Non-current liabilities	3 230 469	2 741 231	3 079 211
Linked debentures and premium	1 535 560	1 351 448	1 535 971
Other interest bearing borrowings	1 189 713	1 088 530	1 127 403
Interest rate swap liabilities	-	-	7 720
Deferred taxation	505 196	301 253	408 117
Current liabilities	256 116	352 919	245 841
Trade and other payables	90 524	93 950	93 883
Short-term bank finance	46 402	151 850	26 529
Vendor loans	-	1 811	-
Taxation payable	231	7 914	4 253
Linked unitholders for distribution	118 959	97 394	121 176
Total equity and liabilities	4 587 921	3 687 052	4 161 189

ABRIDGED GROUP CASH FLOW STATEMENT

	Unaudited 30 Sept 2007 R000	Unaudited 30 Sept 2006 R000	Audited 31 Mar 2007 R000
CASH FLOW FROM OPERATING ACTIVITIES	(8 400)	4 309	19 276
Cash generated from operations	172 301	173 276	349 089
Finance costs	(60 105)	(73 901)	(139 022)
Investment and other income	5 268	5 184	12 122
Distributions paid	(121 176)	(98 075)	(195 469)
Taxation paid	(4 688)	(2 175)	(7 444)
CASH FLOW FROM INVESTING ACTIVITIES	(213 665)	244 302	236 081
CASH FLOW FROM FINANCING ACTIVITIES	82 183	(259 587)	(148 023)
Net (decrease)/increase in cash and cash equivalents	(139 882)	(10 976)	107 334
Cash and cash equivalents at the beginning of the period	187 011	79 677	79 677
Cash and cash equivalents at the end of the period	47 129	68 701	187 011

STATEMENT OF CHANGES IN EQUITY

	Share capital and share premium R000	Non-dis- tributable reserves R000	Retained income R000	Minority interest R000	Total R000
Group					
Balance at 31 March 2006	16 078	450 798	5 390	10 473	482 739
Revaluation of interest rate swaps	-	50 785	-	-	50 785
Net profit for the period	-	-	59 588	68	59 656
Change in fair value of investment properties	-	83 110	(83 110)	-	-
Deferred taxation on change in fair value of investment properties	-	(22 950)	22 950	-	-
Allocation of change in fair value of investment properties in respect of minorities	-	(80)	80	-	-
Deferred taxation on straight-line rental accrual	-	(920)	920	-	-
Loss on sale of properties transferred	-	(1 280)	1 280	-	-
Minorities' share of post acquisition distribution	-	-	-	(79)	(79)
Dividend distribution	-	-	(199)	-	(199)
Balance at 30 September 2006	16 078	559 463	6 899	10 462	592 902
Linked units issued in acquiring property	4 219	-	-	-	4 219
Increased holding in business combination acquired previously	-	-	-	(10 976)	(10 976)
Revaluation of interest rate swaps	-	(11 339)	-	-	(11 339)
Net profit for the period	-	-	261 051	435	261 486
Change in fair value of investment properties	-	375 058	(375 058)	-	-
Deferred taxation on change in fair value of investment properties	-	(104 416)	104 416	-	-
Allocation of change in fair value of investment properties in respect of minorities	-	(455)	455	-	-
Deferred taxation on straight-line rental accrual	-	(5 641)	5 641	-	-
Minorities' share of post acquisition distribution	-	-	-	79	79
Transfer from non-distributable reserves	-	(4 598)	4 598	-	-
Dividend distribution	-	-	(234)	-	(234)
Balance at 31 March 2007	20 297	808 072	7 768	-	836 137
Revaluation of interest rate swaps	-	28 257	-	-	28 257
Net profit for the period	-	-	237 184	-	237 184
Change in fair value of investment properties	-	326 339	(326 339)	-	-
Deferred taxation on change in fair value of investment properties	-	(94 523)	94 523	-	-
Deferred taxation on straight-line rental accrual	-	(753)	753	-	-
Dividend distribution	-	-	(242)	-	(242)
Balance at 30 September 2007	20 297	1 067 392	13 647	-	1 101 336

VUKILE PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa) • (Reg no. 2002/027194/06)
JSE code: VKE • **NSX code:** VKN • **ISIN:** ZAE000056370 • **Website:** www.vukileprops.co.za
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NSX sponsor: JIG Securities (Proprietary) Limited
Executive directors: G van Zyl (CEO), MJ Potts (Financial director)
Non-executive directors: AD Botha (Chairman), S Bernic, HSC Bester, PJ Cook, PS Moyanga, JM Hlongwane, M Serebro and UJ van der Walt
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