

VUKILE PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2002/027194/06)
JSE share code: VKE NSX share code: VKN
ISIN: ZAE000056370
(Granted REIT status with the JSE)
(“Vukile” or “the company”)



DECLARATION OF A NORMALISED INTERIM CASH DISTRIBUTION WITH THE ELECTION TO REINVEST THE CASH DISTRIBUTION IN RETURN FOR VUKILE LINKED UNITS

Linked unitholders are advised that the board of directors of Vukile has declared a normalised interim cash distribution of 54.81000 cents per linked unit out of distributable income for the six-month period ended 30 September 2013 (the “**cash distribution**”).

Linked unitholders will be entitled, in respect of all or part of their linked unitholding, to elect to re-invest the cash distribution in return for Vukile linked units (the “**linked unit reinvestment alternative**”), failing which they will receive the cash distribution of 54.81000 cents per linked unit that will be paid to those linked unitholders not electing to participate in the linked unit reinvestment alternative.

A circular providing further information in respect of the cash distribution and linked unit reinvestment alternative will be posted to Vukile linked unitholders on 22 November 2013.

Linked unitholders who have dematerialised their linked units through a Central Securities Depository Participant (“**CSDP**”) or broker should instruct their CSDP or broker with regard to their election in terms of the custody agreement entered into between them and their CSDP or broker.

Linked unitholders are advised that interim results for the six-month period ended 30 September 2013 will be released on SENS on 25 November 2013.

Salient dates and times

The salient dates and times for the cash distribution and linked unit reinvestment alternative are as set out below.

	2013
Circular and form of election posted to linked unitholders	Friday, 22 November
Finalisation information including the linked unit ratio and price per linked unit published on SENS	Friday, 29 November
Last day to trade in order to participate in the election to receive the linked unit reinvestment alternative or to receive a cash distribution	Friday, 6 December
Linked units to trade ex-distribution	Monday, 9 December
Listing of maximum possible number of linked units under the linked unit reinvestment alternative	Tuesday, 10 December
Last day to elect to receive the linked unit reinvestment alternative or to receive a cash distribution (no late forms of election will be accepted) at 12:00 (SA time)	Friday, 13 December
Record date for the election to receive the linked unit reinvestment alternative or to receive a cash distribution	Friday, 13 December
Cash distribution cheques posted to certificated linked unitholders on or about	Tuesday, 17 December
Accounts credited by CSDP or broker to dematerialised linked unitholders with the cash distribution payment	Tuesday, 17 December
Linked unit certificates posted to certificated unitholders on or about	Wednesday, 18 December
Accounts updated with the new linked units (if applicable) by CSDP or broker to dematerialised linked unitholders	Wednesday, 18 December
Announcement of results of cash distribution and linked unit reinvestment alternative in the press	Wednesday, 18 December
Adjustment to linked units listed on or about	Thursday, 19 December

Notes:

1. **Linked unitholders electing the linked unit reinvestment alternative are alerted to the fact that the new linked units will be listed on LDT + 2 and that these new linked units can only be traded on LDT + 2, due to the fact that settlement of the linked units will be two days after the record date, which differs from the conventional one day after record date settlement process.**
2. Linked units may not be dematerialised or rematerialised between Monday, 9 December 2013 and Friday, 13 December 2013, both days inclusive.
3. The above dates and times are subject to change. Any changes will be released on SENS and if required, published in the press.

Tax implications

Vukile was granted REIT status by the JSE Limited with effect from 1 April 2013 in line with the REIT structure as provided for in the Income Tax Act, No. 58 of 1962, as amended (the “**Income Tax Act**”) and section 13 of the JSE Listings Requirements.

The REIT structure is a tax regime that allows a REIT to deduct qualifying distributions paid to investors, in determining its taxable income.

The cash distribution of 54.81000 cents per linked unit meets the requirements of a “qualifying distribution” for the purposes of section 25BB of the Income Tax Act (a “**qualifying distribution**”) with the result that:

- qualifying distributions received by resident Vukile linked unitholders must be included in the gross income of such linked unitholders (as a non-exempt dividend in terms of section 10(1)(k)(aa) of the Income Tax Act), with the effect that the qualifying distribution is taxable as income in the hands of the Vukile linked unitholder. These qualifying distributions are however exempt from dividend withholding tax;
- qualifying distributions received by non-resident Vukile linked unitholders will not be taxable as income and instead will be treated as ordinary dividends but which are exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. It should be noted that until 31 December 2013 qualifying distributions received by non-residents are not subject to dividend withholding tax. From 1 January 2014, any qualifying distribution will be subject to dividends tax.

Linked unitholders are advised that in electing to participate in the linked unit reinvestment alternative, pre-taxation funds are utilised for the reinvestment purposes and that taxation will be due on the total cash distribution amount of 54.81000 cents per linked unit.

Other information:

- The ordinary issued share capital of Vukile is 478 352 223 ordinary shares of 1 cent each before any election to reinvest the cash distribution.
- Income Tax Reference Number of Vukile: 9331/617/114/3.

The cash distribution or linked unit reinvestment alternative may have tax implications for resident as well as non-resident linked unitholders. Linked unitholders are therefore encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

15 November 2013

Corporate advisor and JSE sponsor

JAVACAPITAL

NSX sponsor

