VUKILE PROPERTY FUND

AUDITED CONDENSED RESULTS
for the year ended 31 March 2013

AWAKEN THE POTENTIAL WITHIN

STRATEGIC AND OPERATIONAL HIGHLIGHTS

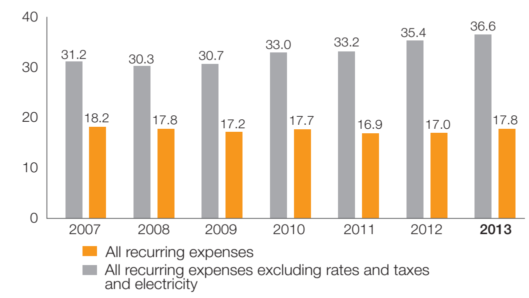
- Portfolio growth of **26%** since March 2012 and improved quality through:
  - Acquisition of **R1.5 billion** portfolio from Sanlam in April 2012
  - Sales of **R372 million** of non-core properties
- Acquisition of **50% of East Rand Mall** for R1.1 billion transferred on 2 April 2013
- **Ranked top property fund** and first in the industrial and office sector by IPD over a three year period
- Successful equity and debt capital raised
  - **R1.57 billion** corporate bonds and commercial paper issued during the year
  - **R1.20 billion** raised through a vendor placement and general issues for cash during the year
- Overall **total cost of funding reduced** from 9.36% (31 March 2012) to **8.1% pa** at 31 March 2013
- Gearing remains conservative at **33.5%** with **91%** of all interest bearing debt hedged
- Vukile's application for **REIT** status has been **approved by the JSE** effective 1 April 2013
- Vacancies (as % of GLA) down to **6.8%** (7.6% – 30 September 2012)
- **Positive reversions** across all sectors with an average escalation on expiry rentals of 8.2%
- Weighted average base rentals increased by **12.7%**

FINANCIAL HIGHLIGHTS

Annual distribution per linked unit (cents)	131.6	Up **5.4%**
Earnings per linked unit (cents)	273.5	Up **18.9%**
Headline earnings per linked unit (cents)	136.16	Up **1.2%**
Gross property revenue (R000)	1 166 940	Up **25.0%**
Profit available for distribution (R000)	556 447	Up **26.7%**
Increase in net asset value per linked unit (cents)	176.0	Up **14.8%** to 1 369

Ratio of gross recurring cost to property revenue

Stable portfolio* (%)



* *The stable portfolio includes only those properties that have been in the portfolio for the full 12 month period.*

COMMENTARY

OVERVIEW OF THE PROPERTY PORTFOLIO

Operational performance

The group property portfolio at 31 March 2013 consisted of 78 properties with a total market value of R7.694 billion and gross lettable area of 1 028 960m². 86% of the gross income is derived from Gauteng (50%), KwaZulu-Natal (21%), Western Cape (7%) and Namibia (8%), while 54% of the gross income is derived from retail, 34% from office and 12% from industrial properties. 63% of Vukile's tenant profile is made up by national and listed tenants, government, franchises and medium to large professional firms.

New leases and renewals of 277 911m² with a contract value of R1 015 million were concluded during the year. 87% of leases to be renewed during the year ended 31 March 2013 were renewed or are in the process of being renewed (2012: 74%). Positive reversions were achieved across all sectors with an average escalation on expiry rates of 8.2%. Higher than budgeted lease rates were achieved on new deals in the retail and industrial sectors. The average contracted rental escalation is 8.1%.

On 31 March 2013 the portfolio's vacancy (measured as a percentage of gross lettable area) was 6.8% compared to 7.6% as at 30 September 2012 and 6.1% at 31 March 2012. The weighted average base rentals increased by 12.7% to R74.09. The high increase in base rentals is mainly due to the portfolio purchased from Sanlam in April 2012.

The ratio of gross recurring cost to property revenue on a stable portfolio increased to 36.6% compared to 35.4% at 31 March 2012. This is mainly due to Durban Workshop and Pretoria Suncardia which was included in the portfolio purchased from Sanlam in April 2012. Electricity costs and rates and taxes are still the main contributor to rising costs. Should these be excluded the ratio of gross recurring costs to property revenue is 17.8% (2012: 17.0%).

In terms of the strategy of improving the quality in the portfolio, refurbishment and / or extension projects to the value of R116.6 million have been completed during the year while a number of projects to the value of R400.0 million are still in progess.

Acquisitions and new developments

Growing the portfolio remains one of Vukile's critical success factors (CSFs). This growth strategy is pursued simultaneously while aiming to achieve a 50-60% retail asset allocation. In line with this, the company acquired a 50% undivided share of East Rand Mall from Redefine Retail (Pty) Ltd (Redefine) for R1.112 billion. The other 50% is held by Redefine. East Rand Mall, regarded as one of the top regional malls in South Africa, has a gross lettable area of 62 446m² and is situated in Boksburg, Gauteng.

In addition to the East Rand Mall acquisition, the company has entered into negotiations with Wingspan to acquire five small regional shopping centres.

The Hammarsdale Shopping Centre measuring 19 200m² anchored by Pick n Pay, Spar and Mr Price will open in June 2013. It is anticipated that the final national tenant component will be approximately 85%. The Hammarsdale catchment area has about 42 000 households with a population of some 210 000 and the centre will breathe a new life into the community by providing residents with their first large-scale, conveniently located, retail experience. The anticipated capital expenditure is R194 million at an initial yield of 9.5%. In addition, the company has a healthy pipeline of new assets to a value of R1.1 billion which could come to market over the next 12 months, all at earnings enhancing yields.

In pursuit of both the company's growth strategy as well as transformation imperative, another one of Vukile's CSFs, the company concluded an agreement with Encha Properties (Encha) in one of the most significant Black Economic Empowerment (BEE) initiatives in the listed property sector to date. The acquisition, which includes the acquisition of four predominantly national government-tenanted properties from Encha for an approximate R1.04 billion, at an initial yield of 9.5%, is expected to become effective in August 2013, once a number of conditions precedent have been fulfilled. A put and call option over the Pretoria Momentum building has been concluded on the same terms as the main portfolio acquisition, which options can be exercised once a new lease has been concluded with National Government, with a lease term of at least five years. On the assumption that the call option is exercised and this building is acquired, the total value of the Encha portfolio will equate to approximately R1.4 billion.

BOARD CHANGES

The company announced the appointment of Ms Sonja de Bruyn Sebotsa to the board as an independent non-executive director with effect from 16 May 2013. Ms Sebotsa has extensive experience in the investment banking industry, is co-founder of Identity Capital Partners and was previously a vice president in the investment banking division of Deutsche Bank and an executive director of Women's Development Bank Investment Holdings. She holds a LLB (Hons) from the London School of Economics, a MA in Economics and Business from McGill University and has completed the Harvard Executive Programme and is also a Young Global Leader of the World Economic Forum.

PROSPECTS

With both the local and international economic environment remaining stubbornly sluggish we expect the forthcoming year to be a challenging one and very much in line with the past year from an operating perspective. We are however happy with the quality and performance of our underlying property portfolio. We anticipate our retail assets to continue performing well, whilst the office sector is expected to remain tough and there will be an added impetus to try move vacant space in the year ahead. Our deal pipeline remains full and the introduction of various new assets, specifically the Encha portfolio, will add positively to the portfolio in all material respects and are expected to be earnings enhancing.

Having adopted our new disclosure protocol of separating out the impact of non-recurring income and declaring it as a special distribution and distinct from our normalised or core earnings base, we currently expect to deliver a growth in normalised distribution of between 4% and 6% for the year to March 2014 (March 2013: 120.44 cents per linked unit). We expect this figure to rise to between 6% and 8% for the total distribution for the year ending 31 March 2014 (March 2013: 131.59 cents per linked unit) when taking into account the special distribution of c.R64 million that will be declared in respect of sales commission earned on the sale of East Rand Mall from the Sanlam portfolio. The growth is based on the assumptions that the macro-economic environment will not deteriorate further, no major corporate failure will occur and that tenants will be able to absorb the rising property operating costs. The forecast information in this paragraph has not been reviewed or audited by Vukile's auditors.

PAYMENT OF DEBENTURE INTEREST AND CASH DIVIDEND (THE DISTRIBUTION) WITH AN ELECTION TO REINVEST THE DISTRIBUTION IN RETURN FOR VUKILE LINKED UNITS

Notice is hereby given of a distribution amounting to 74.56 cents per linked unit, for the six month period to 31 March 2013. The distribution comprises interest on debentures of 74.40815 cents per linked unit and a cash dividend of 0.15185 cents per linked unit.

Linked unitholders will be entitled to elect to reinvest the distribution of 74.56 cents per linked unit (after the applicable dividend withholding tax), in return for linked units (linked unit alternative), failing which they will receive the distribution in respect of (all or part of) their linked unitholdings.

Linked unitholders who have dematerialised their linked units are required to notify their duly appointment Central Securities Depository Participant (CSDP) or broker of their election in the manner and time stipulated in the custody agreement governing the relationship between the linked unitholder and their CSDP or broker.

Linked unitholders are further advised that:

- the cash dividend has been declared out of income reserves;
- the local dividend tax rate is 15%;
- the gross local dividend amount for the ordinary cash dividend is 0.15185 cents per linked unit for shareholders exempt from paying Dividends Tax;
- the net local dividend amount for the ordinary cash dividend is 0.12907 cents per linked unit for shareholders liable to pay Dividends Tax;
- the issued share capital of Vukile is 431 040 218 linked units of one cent each at year end; and
- Vukile's tax reference number is 9331/617/14/3.

Summary of the salient dates relating to the distribution and linked unit alternative are as follows:	2013
Circular and form of election posted to linked unitholders	**Thursday, 30 May**
Announcement of linked unit ratio and finalisation information	**Thursday, 6 June**
Last day to trade (LDT) *cum* distribution	**Thursday, 13 June**
Linked units trade ex distribution	**Friday, 14 June**
Listing of maximum possible number of linked units under the linked unit alternative	**Tuesday, 18 June**
Last day to elect to receive the linked unit alternative and to receive a cash distribution (no late forms of election will be accepted) at 12:00 (SA time)	**Friday, 21 June**
Record date	**Friday, 21 June**
Announcement of results of cash distribution and linked unit alternative on SENS	**Monday, 24 June**
Cash distribution cheques posted to certificated linked unitholders on or about	**Monday, 24 June**
Accounts credited by CSDP or broker to dematerialised linked unitholders with the cash distribution payment	**Monday, 24 June**
Linked unit certificates posted to certificated unitholders on or about	**Tuesday, 25 June**
Accounts updated with the new linked units (if applicable) by CSDP or broker to dematerialised linked unitholders	**Tuesday, 25 June**
Announcement of results of cash distribution and linked unit alternative in the press	**Tuesday, 25 June**
Adjustment to linked units listed on or about	**Wednesday, 26 June**

Notes:

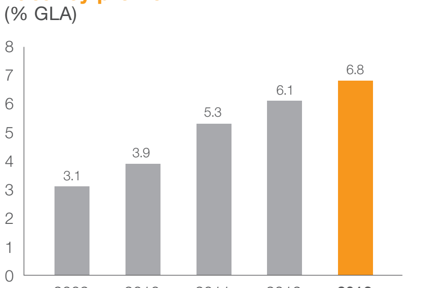
1. *Linked unitholders electing the linked unit alternative are alerted to the fact that the new linked units will be listed on LDT + 2 and that these new linked units can only be traded on LDT + 2, due to the fact that settlement of the linked units will be two days after record date, which differs from the conventional one day after record date settlement process.*
2. *Linked units may not be dematerialised or rematerialised between Friday 14 June 2013 and Friday 21 June 2013, both days inclusive.*
3. *The above dates and times are subject to change. Any changes will be released on SENS and published in the press.*

CAUTIONARY

Unitholders are referred to the previous announcements released on SENS relating to Vukile's proposed empowerment transaction and are advised that the circular will be posted to unitholders during the course of June. Accordingly unitholders are advised to continue exercising caution when dealing in their Vukile units.

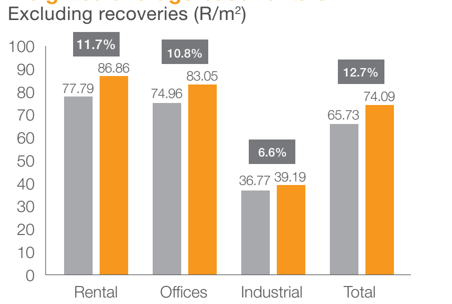
Vacancy profile

(% GLA)



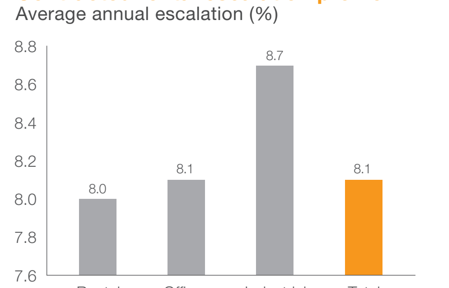
Weighted average base rentals

Excluding recoveries (R/m²)



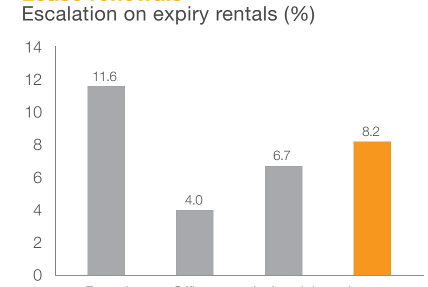
Contracted rental escalation profile

Average annual escalation (%)



Lease renewals

Escalation on expiry rentals (%)



About this announcement

This announcement is the responsibility of the Vukile board of directors. Linked unitholders are advised that this short-form announcement represents a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decision by investors and / or linked unitholders should be based on consideration of the full announcement published on SENS and on Vukile's website (www.vukile.co.za) on Monday 27 May 2013, linked unitholders and / or investors are encouraged to review the full announcement.

The full announcement is also available for inspection at the registered office of the company, One-on-Ninth, corner Ninth Street and Glenhove Road, Melrose Estate and at the offices of the sponsor, Java Capital (2 Arnold Road, Rosebank, 2196), at no charge, during normal business hours from Monday 27 May 2013 until Friday 31 May 2013. Copies of the full announcement may also be requested directly from the company during normal business hours.

Download the QR/barcode scanner from www.qrts.co.za onto your internet and camera enabled phone. Scan the QR code (right) to get the full results information from our website:

WWW.VUKILE.CO.ZA

On behalf of the board **AD Botha** | **LG Rapp** • Melrose Estate | **27 May 2013**

Vukile Property Fund Limited • (Incorporated in the Republic of South Africa) • (Registration number 2002/027194/06) • **ISIN:** ZAE000056370 • **JSE Share code:** VKE
NSX Share code: VKN • Granted REIT status with the JSE • **JSE sponsor:** Java Capital, 2 Arnold Road, Rosebank, 2196 • **NSX sponsor:** IJG Securities (Pty) Ltd, Windhoek, Namibia.
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