

- Distribution up 8.3% on strong property performance
- Overall vacancy rate decreased to 3.8% of gross rentals
- R80 million expansion and upgrading project launched
- Securitisation will impact positively on future results

COMMENTS

- BASIS OF PREPARATION**
The results for the six months ended 30 September 2005 and comparative information have been prepared in terms of International Financial Reporting Standards (IFRS). The results also comply with IAS34 (Interim Financial Reporting) and relevant sections of the South African Companies Act 1973 as amended. In order to comply with the international interpretation of IAS17 - Leases, total revenue reflects rental income on a straight-line basis. The comparative figures have been restated accordingly. To retain comparability with prior periods, the rental income charged to tenants and the straight-line rental income accrual have been separately disclosed. Prior period adjustments were made to the opening balance of reserves, the income statement and the balance sheet, to account for the amortisation of rental escalations applicable to lease income. The adjustments to both the opening balance of reserves and the balance sheet were offset by changes in the fair value of investment properties and therefore had no net impact on the prior year reserves. These adjustments are reflected separately to better represent the effects of the straight-line rental adjustment in the financial statements.
- FINANCIAL RESULTS FOR VUKILE**
Vukile's net profit before tax, debenture interest and fair value adjustment amounted to R115 million for the six months ended 30 September 2005 compared to R75 million for the six months ended 30 September 2004. MICC contributed R33.9 million to net profit before tax, debenture interest and fair value adjustment for the six month period ended 30 September 2005. Excluding MICC's contribution, the increase on a comparable basis amounted to 8.2%. These results have been achieved on the back of a strong performance of the underlying properties and a decrease in the overall vacancy of the portfolio as a percentage of gross rentals, from 4.1% on 30 September 2004 to 3.8% on 30 September 2005. This also compares well with the vacancy of 4.13% as at 31 March 2005.

The board of Vukile, in accordance with policy, has resolved to distribute substantially all of its distributable income for the year ending 31 March 2006.

SUMMARY OF FINANCIAL PERFORMANCE	Sept 05	Sept 04	Mar 05
Net asset value attributable to equity holders of parent per linked unit	654 cents	494 cents	603 cents
Distribution per linked unit	32.50 cents	30.0 cents	31.5 cents
Loan to value ratio	39.7%	41%	41.5%

The net asset value per linked unit increased by 32.5% from R4.94 per linked unit as at 30 September 2004 to R6.55 per linked unit as at 30 September 2005.

The board has approved an interim distribution of 32.50 cents per linked unit for the period from 1 April 2005 to 30 September 2005, an increase of 8.3% over the comparable period.

- ACQUISITION OF MICC PROPERTY INCOME FUND LIMITED ("MICC")**
Vukile owned 75.003% of MICC's issued linked units at 30 September 2005. Vukile's objective of acquiring the balance of the MICC issued linked units, and thereafter delisting the company, remains unchanged and good progress is being made in this regard.

In this regard, unitholders are referred to the joint cautionary announcement published by Vukile and MICC in the newspapers on 23 November 2005, and are advised to continue exercising caution when dealing in the company's linked units.

- BORROWINGS**
The salient terms of the debt funding are as follows:

Vukile	ABSA	NEDBANK	STANDARD BANK
Amount (R000)	254 722	254 722	254 722
Additional access facility (R000)	25 000	25 000	25 000
Date of repayment	June 2007	June 2007	June 2007
Term	3 yrs (extendable to 5 yrs)	3 yrs (extendable to 5 yrs)	3 yrs (extendable to 5 yrs)
Variable interest rate	3 month JIBAR plus 200 bps	3 month JIBAR plus 200 bps	3 month JIBAR plus 200 bps
Repayment terms	Capital repayable upon maturity in arrears	Capital repayable upon maturity in arrears	Only interest serviced monthly in arrears
Security	Secured by way of mortgage bonds over the investment properties		

MICC	NEDBANK	STANDARD BANK
Amount (R000)	251 222	251 222
Date of repayment	September 2006	September 2006
Term	5 yrs (extendable to 5 yrs)	5 yrs (extendable to 5 yrs)
Variable interest rate	11.66% NACM	11.22% NACM
Repayment terms	Capital repayable upon maturity in full	Capital repayable upon maturity in full
Security	Secured by way of mortgage bonds over the investment properties	

- INTEREST RATE SWAPS**
As at 30 September 2005, Vukile had entered into interest rate swap agreements up to a three year period whereby 100% of its JIBAR variable interest rate loans had been converted to fixed rate debt at an all in average rate of 11.16% (NACM).

- POST BALANCE SHEET EVENT: SECURITISATION PROJECT**
Vukile launched a R2 billion commercial mortgage backed securitisation (CMBS) programme, arranged by ABSA, to refinance its existing bank debt on 31 October 2005. The first issuance under the programme comprises five and seven year floating rate notes for a total of R770 million. The floating rate notes have been converted into fixed rate exposure for Vukile by way of interest rate swaps. The securitisation notes have been rated by Moody's Investor Services. The overall cost of Vukile's debt, taking all upfront, ongoing and hedging costs to implement the programme into account, has reduced from 11.16% NACM previously to 10% NACM after the implementation of the securitisation programme. Had Vukile's securitisation programme been in place for the March 2005 financial year, earnings and headline earnings per linked unit would have been approximately 5% higher than reported.

- PROPERTY PORTFOLIO**
The Vukile property portfolio currently comprises 52 properties with a gross lettable area of 676 961m². MICC owns 40 properties with a gross lettable area of 395 322m².

- DEVELOPMENTS**
Vukile announced on 6 October 2005 that its board of directors had approved capital expenditure of approximately R80 million on expanding and upgrading its Phoenix Plaza and Dobsonville shopping centres. The gross lettable area of Phoenix Plaza is to be increased by approximately 3 500m² and that of Dobsonville by nearly 5 000m². Sanlam Properties (Pty) Ltd has been appointed as turnkey developer for the projects, which are expected to deliver an initial yield of approximately 11%. Construction is anticipated to commence in January 2006 and should be completed by August 2006.

- VALUATION OF PORTFOLIO**
The directors have valued the Vukile property portfolio at R2.27 billion as at 30 September 2005. This is R136 million and 6.4% higher than the directors' valuation as at 31 March 2005.

- VALUATION OF PORTFOLIO**
The MICC portfolio has been valued by the directors of MICC at R1.05 billion as at 30 September 2005. This is R49 million and 4.9% higher than the directors' valuation at 31 March 2005.

- SEGMENTAL ANALYSIS**

	Industrial R000	Commercial R000	Retail R000	Corporate R000	Total R000
Group income statement for the six months ended 30 Sept 05					
Rental income	49 026	103 091	123 079	-	275 196
Straight line rental income	2 423	5 199	6 175	-	13 797
Property expenses	(17 208)	(35 260)	(43 131)	-	(95 599)
Net profit from property operations	34 241	73 030	86 123	-	193 394

	500 901	1 042 483	1 777 866	16 904	3 338 154
Group balance sheet at 30 Sept 05					
Non-current assets	6 389	7 182	11 564	20 816	45 931
Current assets	7 751	11 898	31 021	97 012	147 682

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 goodwill, deferred and other taxes.

- COMMITMENTS**

Guarantees
Guarantees in lieu of municipal service deposits amount to R7.2 million (2004 R6.0m).
Capital Expenditure
Capital expenditure amounting to R80 million has been authorised for redevelopment and improvements of existing properties. This expenditure will be funded from existing cash resources and debt facilities.

- SHARE CAPITAL AND DEBENTURES**

Each linked unit comprises one share of one cent (and a share premium of nine cents) linked to one debenture of 490 cents. Interest payable on one debenture is 490 times greater than the dividend payable per share. The company had 268 189 490 linked units in issue at 30 September 2005.

- DIRECTORS**

It is with regret that we note Keith Bothongo's resignation, for personal reasons, effective 6 October 2005. The board appreciates the excellent contribution by Keith to the company's affairs during his period as a director.

- PROSPECTS**

Although the expected benefits from the securitisation of Vukile's bank debt will only contribute for 5 months of the current financial year, it will make a positive contribution to the second half and full year results.

Vukile has delivered growth of 8.3% in distributions for the reporting period.

Due to the continued strong performance of the underlying properties and the prospects of a further reduction in vacancies, the directors are of the opinion that, barring any unforeseen negative occurrences, the distribution for the six month period ending 31 March 2006 will show similar growth to that experienced for the six months ended 30 September 2005.

- RELATED PARTY TRANSACTIONS**

It is with regret that we note that in the ordinary course of business, entered into various transactions with related parties. These transactions occurred on terms that are no less favourable than those arranged with third parties.

Group	Nature of expense	Six months ended 30 Sept 05 (R000)
Sanlam Properties (Pty) Ltd	Asset management fees/lease rentals/IT costs	5 418
Gensec Property Services Ltd	Property management/lease commissions and other fees	8 595
Kuper Legh Property Services Group (Pty) Ltd	Property management and other fees	1 503
MCH Properties (Pty) Ltd	Fees payable in respect of acquisition of MICC	17

Group	Nature of expense	Amounts owing to related parties (R000)
Sanlam Properties (Pty) Ltd	Asset management fees/IT costs	1 121
Gensec Property Services Limited	Lease commissions/property management fees	4 379

- PAYMENT OF DEBENTURE INTEREST AND DIVIDEND**

Notice is hereby given of a distribution amounting to 32.50 cents per unit, for the six month period to 30 September 2005. The distribution comprises interest on debentures of 32.43 cents per unit and a dividend of .07 cents per unit.

Last date to trade cum distribution
Linked units trade ex distribution
Record date for unitholders to participate in the distribution
Payment of distribution to unitholders

Thursday, 15 December 2005
Monday, 19 December 2005
Friday, 23 December 2005
Tuesday, 27 December 2005

Linked unit certificates may not be dematerialised or re-materialised between Monday 19 December 2005 and Friday 23 December 2005, both days inclusive.

On behalf of the board

A D Botha
Chairman

G van Zyl
Executive Director

Roodepoort 28 November 2005

VUKILE PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa) • (Registration number 2002/027194/06)
JSE code: VKE • ISIN: ZAE00056370 • Website: www.vukileprops.co.za
Sponsor: Bridge Capital Services (Pty) Limited, Woodmead, Johannesburg
Executive directors: G van Zyl (Chief executive officer), M Potl (Financial director)
Non-executive directors: AD Botha (Chairman), S Bernic, HSC Bester, PJ Cook, PS Moyanga and M Serebro
Registered office: 2nd floor Meersig Building, Constantia Boulevard, Constantia Kloof, 1709.
Transfer secretaries: Computershare Investor Services 2004 (Pty) Limited, Marshalltown, Johannesburg.
Investor and media relations: Contact Helen McKane on vukile@dpapp.co.za, or Tel: 011 728-4701.

ABRIDGED GROUP INCOME STATEMENT

	Unaudited six months ended 30 Sept 05 R000	Reviewed six months ended 30 Sept 04 R000	Audited year ended 31 Mar 05 R000
Property revenue	275 196	169 461	400 954
Straight-line rental income accrual	13 797	13 396	26 348
Gross property revenue	288 993	182 857	427 302
Property expenses	(95 599)	(57 499)	(137 992)
Net profit from property operations	193 394	125 358	289 310
Administrative expenses	(5 595)	(1 829)	(9 320)
Investment and other income	1 313	-	2 438
Operating profit before finance costs	189 112	123 529	282 428
Finance costs	(73 981)	(48 489)	(110 865)
Net profit before debenture interest	115 131	75 040	171 563
Debtenture interest	(94 518)	(61 413)	(149 582)
Net profit before fair value changes	20 613	13 627	21 981
Fair value adjustment	161 765	8 113	262 891
Gross change in fair value of investment properties	175 562	21 509	289 239
Straight-line rental income adjustment	(13 797)	(13 396)	(26 348)
Net profit before taxation	182 378	21 740	284 872
Taxation	(28 149)	(3 311)	(37 416)
Net profit	154 229	18 429	247 456
Attributable to:			
Linked unitholders of the company	143 375	18 429	233 032
Minority shareholders	10 854	-	14 424
	154 229	18 429	247 456

RECONCILIATION OF NET PROFIT TO HEADLINE EARNINGS

	Unaudited six months ended 30 Sept 05	Reviewed six months ended 30 Sept 04	Audited year ended 31 Mar 05
Attributable profit after taxation	143 375	18 429	233 032
Adjusted for:			
Change in fair value of investment properties	(175 562)	(21 509)	(289 239)
Straight-line rental accrual net of deferred taxation	11 766	11 453	22 528
Deferred taxation on change in fair value adjustment of investment properties	22 298	3 226	38 063
Debtenture interest net of minority interest	86 982	61 413	145 721
Minority interest in revaluation surplus net of deferred taxation	10 063	-	14 210
Headline earnings of linked units	98 922	73 012	164 315
Adjusted for straight-line rental accrual net of deferred taxation	(11 766)	(11 453)	(22 528)
Earnings available for distribution	87 156	61 559	141 787

PROPOSED DISTRIBUTION FOR SIX MONTHS ENDED 30 SEPTEMBER 2005

Total number of linked units in issue (000)	268 189	202 741	268 189
Weighted average number of linked units in issue (000)	268 189	202 741	221 192
Headline earnings per linked unit (cents)	36.89	36.01	74.29
Distribution per linked unit (cents)	32.50	30.00	61.50

ABRIDGED GROUP CASH FLOW STATEMENT

	Unaudited six months ended 30 Sept 05 R000	Reviewed six months ended 30 Sept 04 R000	Audited year ended 31 Mar 05 R000
CASH FLOWS FROM OPERATING ACTIVITIES	(6 018)	113 979	127 066
Cash generated from operations	152 086	162 468	301 004
Finance costs	(73 981)	(48 489)	(110 865)
Investment and other income	1 313	-	2 438
Distributions paid	(84 480)	-	(65 399)
Taxation paid	(956)	-	(112)
CASH FLOWS FROM INVESTING ACTIVITIES	(13 043)	(1 900 357)	(2 231 193)
Acquisition of and improvements to investment properties	(9 761)	(1 899 511)	(1 905 276)
Additional business combination acquired	(3 225)	-	(314 611)
Cash and cash equivalents acquired	-	-	(11 052)
Acquisition of furniture, fittings and computer equipment	(57)	(846)	(254)
CASH FLOWS FROM FINANCING ACTIVITIES	19 095	1 791 816	2 128 188
Proceeds from the issue of linked units	-	1 004 125	1 329 819
Interest bearing borrowings raised	19 095	787 691	798 369
Net increase in cash and cash equivalents	34	5 438	24 061
Cash and cash equivalents at the beginning of the period	24 061	-	-
Cash and cash equivalents at the end of the period	24 095	5 438	24 061

ABRIDGED GROUP BALANCE SHEET

	Unaudited 30 Sept 05 R000	Reviewed 30 Sept 04 R000	Audited 31 Mar 05 R000
ASSETS			
Non-current assets	3 338 154	1 921 849	3 152 674
Investment properties	3 281 105	1 907 624	3 109 579
Investment properties - at valuation	3 321 250	1 921 021	3 135 927
Straight-line rental income adjustment	(40 145)	(13 397)	(26 348)
Other non-current assets	57 049	14 225	43 095
Straight-line rental income adjustment	40 145	13 397	26 348
Furniture, fittings and computer equipment	402	828	461
Goodwill	16 502	-	16 286
Current assets	45 931	22 700	46 725
Trade and other receivables	21 836	17 262	22 664
Cash and cash equivalents	24 095	5 438	24 061
Total assets	3 384 085	1 944 549	3 199 399

EQUITY AND LIABILITIES

	Unaudited 30 Sept 05 R000	Reviewed 30 Sept 04 R000	Audited 31 Mar 05 R000
Equity and reserves	422 865	7 556	268 037
Share capital	2 682	2 027	2 682
Share premium	13 009	8 667	13 009
Reserves	349 452	(3 138)	208 121
Minority shareholders' interest	57 722	-	44 225
Non-current liabilities	2 813 538	1 805 876	2 766 518
Linked debentures	1 389 486	993 432	1 391 463
Interest bearing borrowings	1 319 910	787 691	1 300 815
Interest rate swap liability	22 426	21 442	20 562
Deferred taxation	81 716	3 311	53 678
Current liabilities	147 682	131 117	164 844
Trade and other payables	44 690	36 117	57 619
Tenant deposits	15 830	9 578	15 760
Vendor loans	87 162	23 883	6 985
Linked unitholders for distribution	87 162	61 539	8 480
Total equity and liabilities	3 384 085	1 944 549	3 199 399

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

Unaudited six months ended 30 Sept 05	Share capital and share premium R000	Reserves R000	Retained earnings R000	Minority interest R000	Total R000
Linked units issued in acquiring properties	20 513	-	-	-	20 513
Linked units issued in acquiring MICC	6 306	-	-	-	6