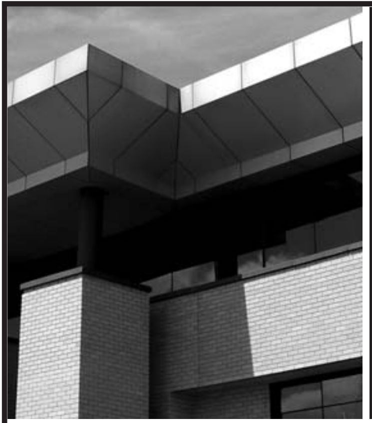
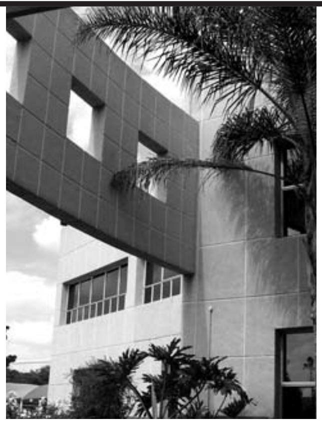


VUKILE
PROPERTY FUND LIMITED



UNAUDITED INTERIM RESULTS

and distribution announcement for the six months ended 30 September 2008

Interim distribution **increased by 9.6%**

R251 million new leases/ renewals concluded

Expansion/ upgrade **projects totalling R91.3m** completed/ underway

1 Basis of preparation

The unaudited abridged interim financial statements for the six months ended 30 September 2008, 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.

These unaudited interim results have not been reviewed or reported on by Vukile's auditors.

2 Financial results

The directors of Vukile are pleased to report that the distribution for the six months ended 30 September 2008 has increased by 9.6% to R130.3 million as compared to R118.9 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 7.2% over the comparable period.

Summary of financial performance

	Sept 2008	Sept 2007	March 2008
Net asset value per linked unit (cents)	831	892	890
Distribution per linked unit (cents)	44.10	40.25	88.25
Loan to value ratio (%)	30.6	28.4	27.9

The net asset value per linked unit decreased by 6.6% from R8.90 at 31 March 2008 to R8.31 at 30 September 2008.

The board has approved an interim distribution of 44.10 cents per linked unit for the six months ended 30 September 2008, an increase of 9.6% or 3.85 cents per linked unit over the comparable period.

The increase in the distribution of 3.85 cents per linked unit is made up as follows:

	Cents per linked unit
Contribution to increased rental income	8.9
■ Reduction in vacancies and increased rentals	5.0
■ Additional rentals from property acquisitions	2.2
■ Higher recoveries of electricity and rates and taxes	1.7
Less: Increase in property expenditure	(4.8)
■ Higher electricity and rates and taxes charges	(2.1)
■ Larger number of renovation projects	(2.2)
■ Other	(0.5)
Net increase in group property revenue	4.1
Net increase in finance costs	(1.6)
■ Full six months interest on developments and acquisitions	(1.6)
Reduction in administrative expenses/other	1.4
Net increase in distribution	3.9

3 Borrowings

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

Due to the fact that 95.7% of the group's debt is hedged or fixed until November 2010 and beyond, changes in interest rates will have little impact on the group's current cost of debt.

The group has taken advantage of the current inverted yield curve to enter into two forward starting interest rate swaps to cover the R462 million debt maturing in November 2010 as follows:

- R240 million swap commencing in November 2010 and maturing in November 2015 at a rate of 8.28%*
- R222 million swap commencing in November 2010 and maturing in November 2014 at a rate of 8.85%*

* *Excludes the bank margin, currently at 1.4%.*

4 Property portfolio

The property portfolio currently comprises 74 properties with a gross lettable area of 911 907m².

The sectoral spread by gross rentals comprises 25% commercial, 59% retail and 16% industrial.

During the six month period under review, new leases and renewals with a total area of 115 579m² and a contract value of R251 million were concluded. Since 1 October 2008 leases and renewals with a total area of 7 640m² and a contract value of R24.5 million have been concluded.

Bad debt write offs have been below expectations for the six month period. The provision for doubtful debts at 30 September 2008 is R4.2 million (R4.5 million at 31 March 2008) which is considered adequate at this stage.

The vacancy profile (% of gross rentals) below indicates that the overall vacancy percentage has increased slightly from 2.8% on 31 March 2008 to 2.9% on 30 September 2008.

Valuations

The directors have valued the group's property portfolio at R4.1 billion as at 30 September 2008. This is 5.2% lower than the directors' valuation as at 31 March 2008. Consistent with past practice, the directors value the properties utilising the discounted cashflow methodology and the lower valuation at 30 September 2008 compared to 31 March 2008 is mainly due to higher capitalisation rates and lower future growth expectations.

The external valuation by JHI Real Estate Limited and Old Mutual Property Group (Pty) Ltd of 48% of the total portfolio is R469 million (19.1%) higher than the directors' valuation of the same properties at 30 September 2008.

5 Acquisitions, developments and other capital projects

The following expansion projects have been completed within the anticipated time period and within budget:

Property	Date of com-pletion	Capital expend-iture (R000)	Fore-cast initial yield (%)
Oshakati Game Centre	Nov 08	24 275	7.5
Courier IT Warehouse	Oct 08	14 300	9.6
Nelspruit Truworths	Oct 08	8 700	9.5
Total		47 275	8.5

The following major revamps/income protecting capital projects are currently underway:

Property	Estimated date of completion	Budgeted capital expenditure (R000)
Dobsonville Shopping Centre	May 09	16 700
Durban Phoenix Plaza	April 09	27 300
Total		44 000

6 Segmental analysis

(See table below).

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.

7 Prospects

The recent turmoil on world financial markets will inevitably have a negative effect on South Africa. Although there are signs that inflation has reached a turning point and that interest rates may start declining in the first half of 2009, there will be a slow-down in economic growth which will, in time, have a negative effect on rental growth. The news is not all bad, however. Vacancies are still at very low levels and limited new stock is coming onto the market. This will ensure that there will continue to be a demand for space, which will support rental levels.

Taking the above into account, the board remains confident that the outlook given in the March 2008 annual report, namely that we are expecting reasonable growth in distributions, is still applicable.

8 Payment of debenture interest and dividend

Notice is hereby given of a distribution amounting to 44.10 cents per linked unit, for the six month period to 30 September 2008. The distribution comprises interest on debentures of 44.01 cents per linked unit and a dividend of 0.09 cents per linked unit.

■ Last date to trade cum distribution	Thu, 11 December 2008
■ Linked units trade ex distribution	Fri, 12 December 2008
■ Record date for unitholders to participate in the distribution	Fri, 19 December 2008
■ Payment of distribution to unitholders	Mon, 22 December 2008

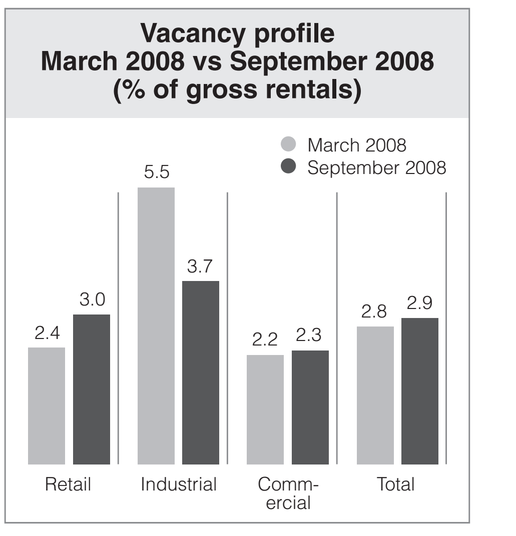
Linked unit certificates may not be dematerialised or re-materialised between Friday, 12 December 2008 and Friday, 19 December 2008, both days inclusive.

On behalf of the board

A D Botha
Chairman

G van Zyl
Chief Executive

Roodepoort
24 November 2008



Segmental analysis

Group income for the six months ended 30 September 2008	Industrial R000	Comm-ercial R000	Retail R000	Corp-orate R000	Total R000
Rental income	49 405	91 123	180 888	-	321 416
Straight line rental income	703	1 545	1 374	-	3 622
Property expenses	(19 101)	(28 646)	(69 450)	-	(117 197)
Net profit from property operations	31 007	64 022	112 812	-	207 841
Group balance sheet at 30 September 2008					
Non-current assets					
Investment properties	673 327	1 167 191	2 189 420	-	4 029 938
Other non-current assets	33 413	60 822	89 379	7 276	190 890
Current assets					
Straight-line rental income asset	685	1 077	2 963	-	4 725
Trade and other receivables	3 841	6 477	13 700	1 766	25 784
Taxation	-	-	-	85	85
Cash and cash equivalents	1 242	2 377	5 262	39 493	48 374
Non-current liabilities	482 528	865 025	1 379 307	-	2 726 860
Current liabilities					
Trade and other payables	23 720	42 242	69 657	28 064	163 683
Linked unitholders	-	-	-	130 338	130 338

Abridged group income statement for the six months ended 30 September 2008

	Unaudited 30 Sept 2008 R000	Unaudited 30 Sept 2007 R000	Audited 31 March 2008 R000
Property revenue	321 416	295 140	612 727
Straight-line rental income accrual	3 622	6 918	7 226
Gross property revenue	325 038	302 058	619 953
Property expenses	(117 197)	(102 891)	(208 851)
Net profit from property operations	207 841	199 167	411 102
Administrative expenses	(8 865)	(10 516)	(20 914)
Investment and other income	4 658	5 268	9 262
Operating profit before finance costs	203 634	193 919	399 450
Finance costs	(64 228)	(60 105)	(124 059)
Net profit before debenture interest	139 406	133 814	275 391
Debenture interest	(130 072)	(118 717)	(260 292)
Net profit before capital items	9 334	15 097	15 099
Capital items			
Profit on sale of re-valued properties	-	-	11 051
Amortisation of debenture premium	356	410	544
Negative goodwill arising on acquisition of MICC subsidiary	-	-	297
Net profit before fair value adjustments	9 690	15 507	26 991
Fair value adjustments	(262 169)	319 421	222 424
Gross change in fair value of investment properties	(258 547)	326 339	229 650
Straight-line rental income adjustment	(3 622)	(6 918)	(7 226)
Net (loss)/profit before taxation	(252 479)	334 928	249 415
Taxation	98 221	(97 744)	(52 165)
Net (loss)/profit after taxation	(154 258)	237 184	197 250

Reconciliation: headline earnings and distributable earnings

	Unaudited 30 Sept 2008 R000	Unaudited 30 Sept 2007 R000	Audited 31 March 2008 R000
Attributable (loss)/profit after taxation	(154 258)	237 184	197 250
Adjusted for:			
Net change in fair value of investment properties	262 169	(319 421)	(222 424)
Total tax effects of adjustments	(101 014)	93 293	46 782
Negative goodwill arising on the acquisition of MICC House Namibia (Pty) Ltd	-	-	(297)
Profit on sale of re-valued properties	-	-	(11 051)
Amortisation of debenture premium	(356)	(410)	(544)
Debenture interest	130 072	118 717	260 292
Headline earnings of linked units	136 613	129 363	270 008
Straight-line rental accrual net of deferred taxation	(3 622)	(4 936)	(5 362)
Available for distribution	132 991	124 427	264 646
Distribution to unitholders			
Interest	130 072	118 717	260 292
Dividend	266	242	532
Total distribution	130 338	118 959	260 824
Total number of linked units in issue (000)	295 551	295 551	295 551
Weighted average number of linked units in issue (000)	295 551	295 551	295 551
(Loss)/earnings per linked unit (cents)	(8.18)	120.42	154.81
Headline earnings per linked unit (cents)	46.22	43.77	91.36
Available for distribution per linked unit (cents)	45.00	42.10	89.55

Abridged group balance sheet as at 30 September 2008

	Unaudited 30 Sept 2008 R000	Unaudited 30 Sept 2007 R000	Audited 31 March 2008 R000
ASSETS			
Non-current assets	4 220 828	4 485 148	4 405 390
Investment properties	4 029 938	4 276 797	4 205 406
■ Investment properties - at fair value	4 106 375	4 349 752	4 277 548
■ Straight-line rental income adjustment	(76 437)	(72 955)	(72 142)
Other non-current assets	190 890	208 351	199 984
Straight-line rental income asset	71 712	57 904	57 546
Investment properties under development	-	51 937	-
Furniture, fittings and computer equipment	137	173	141
Available-for-sale financial asset	7 139	-	10 153
Derivative financial instruments	35 603	22 038	55 845
Goodwill	76 299	76 299	76 299
Current assets	78 968	88 325	77 844
Straight-line rental income asset	4 725	15 051	14 596
Trade and other receivables	25 784	26 145	21 839
Taxation	85	-	-
Cash and cash equivalents	48 374	47 129	41 409
Non-current assets held for sale	-	14 448	53 450
Investment properties	-	14 151	52 777
Straight-line rental income asset	-	297	673
Total assets	4 299 796	4 587 921	4 536 684
EQUITY AND LIABILITIES			
Equity and reserves	920 351	1 101 336	1 095 851
Non-current liabilities	3 085 424	3 230 469	3 184 109
Linked debentures and premium	1 535 071	1 535 560	1 535 427
Other interest bearing borrowings	1 191 789	1 189 713	1 190 744
Deferred taxation	358 564	505 196	457 938
Current liabilities	294 021	256 116	256 724
Trade and other payables	109 888	90 524	105 614
Short-term bank finance	53 795	46 402	9 200
Taxation payable	-	231	46
Linked unitholders for distribution	130 338	118 959	141 864
Total equity and liabilities	4 299 796	4 587 921	4 536 684

Abridged group cash flow statement for the six months ended 30 September 2008

	Unaudited 30 Sept 2008 R000	Unaudited 30 Sept 2007 R000	Audited 31 March 2008 R000
CASH FLOW FROM OPERATING ACTIVITIES	(4 725)	(8 400)	34 118
Cash generated from operations	197 993	172 301	393 864
Finance costs	(64 228)	(60 105)	(124 059)
Investment and other income	4 658	5 268	9 262
Distributions paid	(141 864)	(121 176)	(240 136)
Taxation paid	(1 284)	(4 688)	(4 813)
CASH FLOW FROM INVESTING ACTIVITIES	(33 950)	(213 665)	(225 732)
CASH FLOW FROM FINANCING ACTIVITIES	45 640	82 183	46 012
Net increase/(decrease) in cash and cash equivalents	6 965	(139 882)	(145 602)
Cash and cash equivalents at the beginning of the period	41 409	187 011	187 011
Cash and cash equivalents at the end of the period	48 374	47 129	41 409

Statement of changes in group equity to 30 September 2008

	Share capital and share premium R000	Non-distri-butable reserves R000	Retained income R000	Total R000
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 and straight-line rental accrual	-	(95 276)	95 276	-
Dividend distribution	-	-	(242)	(242)
Balance at 30 September 2007	20 297	1 067 392	13 647	1 101 336
Revaluation of interest rate swaps	-	34 739	-	34 739
Net profit for the period	-	-	(39 934)	(39 934)
Change in fair value of investment properties	-	(96 689)	96 689	-
Deferred taxation on change in fair value of investment properties and straight-line rental accrual	-	46 631	(46 631)	-
Transfer to non-distributable reserves	-	11 347	(11 347)	-
Dividend distribution	-	-	(290)	(290)
Balance at 31 March 2008	20 297	1 063 420	12 134	1 095 851
Revaluation of interest rate swaps	-	(20 202)	-	(20 202)
Net profit for the period	-	-	(154 258)	(154 258)
Change in fair value of investment properties	-	(258 547)	258 547	-
Deferred taxation on change in fair value of investment properties and straight-line rental accrual	-	101 014	(101 014)	-
Revaluation of available-for-sale financial asset	-	(774)	-	(774)
Dividend distribution	-	-	(266)	(266)
Balance at 30 September 2008	20 297	884 911	15 143	920 351

Vukile Property Fund Limited

(Incorporated in the Republic of South Africa) ■ (Reg no. 2002/027194/06) ■ **JSE code:** VKE ■ **NSX code:** VKN ■ **ISIN:** ZAE000056370 ■ **JSE sponsor:** Barnard Jacobs Mellet Corporate Finance (Pty) Ltd, Illovo, Sandton ■ **NSX sponsor:** IJG Securities (Pty) Ltd, Windhoek, Namibia ■ **Executive directors:** G van Zyl *(CEO)*, MJ Potts *(Financial Director)* ■ **Non-executive directors:** AD Botha *(Chairman)*, S Bernic, HSC Bester, PJ Cook, JM Hlongwane, PS Moyanga, MH Serebro and UJ van der Walt ■ **Registered office:** 2nd floor Meersig Building, Constantia Boulevard, Constantia Kloof, 1709. ■ **Company Secretary:** EL Yates ■ **Transfer secretaries:** Link Market Services South Africa (Pty) Ltd, Sandton, Johannesburg ■ **Investor and media relations:** Contact Helen McKane at vukile@dpapr.com, or Tel: 011 728-4701.

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