


VUKILE
PROPERTY FUND LIMITED


THE CONDENSED FINANCIAL STATEMENTS AND INTERIM RESULTS

for the six months ended 30 September 2011

Distribution for the six months **up 7.5%** to 54.31 cents per linked unit	**Increase in net property revenue** over comparable period – **8%**	Weighted average **cost of debt reduces to 9.38%**	**Acquisition of R1.5 billion property portfolio** announced on 14 Nov 2011	**Ranked 29th in** recent Sunday Times **Top 100 Companies survey**

COMMENTS

1 Nature of operations

The group is a long-term investor in commercial properties with strong contractual cash flows for long-term sustainability and capital appreciation.

2 Basis of preparation

The unaudited condensed interim financial statements ("interim financial statements") for the six months ended 30 September 2011, and comparative information, have been prepared in accordance with and containing the information required by IAS 34 (Interim Financial Reporting), International Financial Reporting Standards ("IFRS"), AC 500 Standards as issued by the Accounting Practices Board, the JSE Listings Requirements and relevant sections of the South African Companies Act. The interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 31 March 2011. The interim financial statements have been approved for issue by the board of directors on 21 November 2011.

3 Significant events and transactions

During this reporting period, the refinancing of R450 million of bank debt was successfully concluded in August 2011 - refer to further details in paragraph 4.4.

During the course of the reporting period, Gerhard van Zyl resigned as CEO from the company and the board of Vukile Property Fund. The board would like to thank Gerhard for his dedication, care and commitment to Vukile throughout his term in office. Banus van der Walt resigned as a non-executive director during this period. The board is highly appreciative of the contribution he has made as director and co-founder of Vukile and wishes him well in his future endeavours.

Laurence Rapp was appointed as the new CEO with effect from 1 August 2011.

4 Financial results

The directors of Vukile are pleased to report that the distribution for the six months ended 30 September 2011 has increased by 7.5% to 54.314 cents per linked unit, up from 50.525 cents per linked unit. The group's net rental income, exclusive of straight-line rental accruals, has increased by 8% over the comparable period. Net profit before debenture interest has increased by 25%, from R209 million (September 2010) to R260.9 million for the six months ended 30 September 2011.

Summary of financial performance:

	Sept 2011	Sept 2010	Mar 2011
Net asset value per linked unit (cents)	**1 087**	1 074	1 003
Distribution per linked unit (cents)	**54.314**	50.525	117.65
Loan to value ratio (%)	**28.7**	29.5	31.5

A simplified distributable income statement is set out below:

R000	Sept 2011	Para	Sept 2010	% variance
Profit from property operations excluding straight-line adjustment	**276 209**	4.1	255 164	8
Asset management business	**9 101**	4.2	23 840	(62)
Asset management fees	**16 634**	4.2.1	17 134	(3)
Sales commission	**6 339**	4.2.1	16 720	(62)
Expenditure	**(13 872)**	4.2.2	(10 014)	(39)
Corporate administrative expenses	**(10 667)**	4.3	(12 531)	15
Net finance costs	**(74 950)**	4.4	(72 721)	(3)
Tax	**(6 682)**		(7 774)	14
Distributable income	**193 011**		**185 978**	**4**

4.1 PROPERTY PORTFOLIO

Market overview

Retail

Rural areas:

Retail in rural areas has held up well given the state of the economy. The disposable income of rural communities primarily consists of government grants, pension payouts and income remittances. The majority of customers fall into the lower income brackets.

Typical successful shopping centres in rural areas are located in close proximity to municipal offices, bus depots and taxi ranks. The majority of customers in rural areas rely on public transport.

Vukile is represented in the following areas:

- Malamulele;
- Giyani;
- Monsterlus (Moratiwa);
- Piet Retief; and
- Kokstad.

Vacancies in Vukile shopping centres in rural areas are low at 0.8% of GLA. National tenants represent 75% of the GLA of these rural centres and in most instances there is good demand from retailers to open new brands or to expand.

Urban areas:

Our major shopping centres in lower income areas, namely in Dobsonville Soweto, Daveyton and Phoenix were developed in the early nineties and are well established in these areas. Vacancy is low at 2.7% of GLA at these centres and there is good demand from retailers to either expand or to open new brands. The centres were recently upgraded and/or expanded.

The centres are anchored either by Pick n Pay or Shoprite which reported excellent trading densities. National tenants represent 68% of the GLA of these urban centres. Vukile is constantly investigating opportunities to expand the centres and to improve the tenant mix.

All three centres are characterised by strong customer loyalty driven by Vukile's involvement with the local communities. The majority of customers rely on public transport and taxi ranks are established on site. Most customers fall into the lower to middle income brackets.

Namibia:

Vukile is represented in Katatura, Oshakati, Ondangwa and Oshikango. The shopping centres in Namibia are performing extremely well and seldom have any vacancy. Vacancies are 0.3% of GLA. The centres are anchored by Shoprite, Spar, Pick n Pay and Game. Both the Oshakati and Oshikango Centres were recently upgraded and expanded and the opportunity exists to further expand Oshakati and also Ondangwa Shopping Centre.

The Oshakati Centre is dominating the market and hosts a variety of SA national retailers.

National tenants comprise 73% of the GLA of the Namibian shopping centres.

Offices

Due to the existing economic climate we have had an increase in vacancies as a result of tenants reducing their space and consolidating. The office market remains quiet with limited enquiries for new space. The renewal of leases in our CBD buildings with government tenants is becoming more difficult. We are achieving escalations of between 5% to 8% on renewals and new deals in the decentralised areas. However, the renewals and new deals that are done at the moment are mostly short-term leases which indicate that the existing market conditions are still under pressure due to the economic climate.

Industrial

In the last three months we have seen interest for new space in the industrial market and have been able to let some industrial units, particularly small to medium sized units. This is promising as the market for these size units is active and it is mostly short-term as tenants are inclined to renew year on year. The demand for larger size units is quiet. However, as the economic climate improves going forward, business will start expanding, and hence demand for larger size units will increase.

Performance of property portfolio

Net profit from property operations for the six months ended 30 September 2011 amounted to R276.2 million, 8% up on the comparable period. Details of the performance of the property portfolio during the six month period is set out below:

- The combined property portfolio currently comprises 74 properties with a gross lettable area of 930 405m².
- The sectoral spread by gross rentals comprises 56% retail, 29% offices, and 15% industrial.
- During the six month period under review, new leases and renewals with a total area of 94 847m² and a contract value of R252.7 million, were concluded.

Impairment allowance

Bad debt write-offs have increased in line with expectations for the six month period due to the difficult trading conditions being experienced. The impairment allowance for trade receivables at 30 September 2011 is R14.3 million (R9.9 million at 31 March 2011), which is considered adequate at this stage. A summary of the movement in the impairment allowance of trade receivables is set out below:

R000	
• Impairment allowance 1 Apr 2011	**9 911**
• Allowance for receivable impairment for six months	**4 674**
• Receivables written off as uncollectable	**(243)**
• Impairment allowance 30 Sept 2011	**14 342**
Bad debt write-off per the statement of comprehensive income	**660**

Vacancies

The vacancy profile graph (% gross rentals) indicates that the overall vacancy percentage has increased from 5.1% at 31 March 2011 to 6.9% at 30 September 2011.

A significant part of the increased vacancy has arisen at Randburg Square. Randburg Square is our fourth largest property by value and is well located in the Randburg CBD.

Following an intensive investigation at this centre it has been decided to upgrade the mall areas, create a banking mall and a food court and improve the sight lines and tenant exposure.

The increased vacancy of 4 259m² at Randburg Square is therefore due to the extensive upgrade at the centre which has required a tenant re-mix and relocation of tenants. Given the strong tenant demand, once the revamp is completed, it is anticipated that there will be little vacancy at Randburg Square, thereby reducing the retail vacancy to 3.9% and the overall vacancy to approximately 5.9% as compared to 6.9% based on a percentage of gross rentals.

Although vacancies have increased during the six months from April to September 2011 mainly in the office and industrial sectors, these increases were not generally attributable to the portfolio as a whole, but were at selected properties only, i.e. large tenants vacating at Germiston Meadowdale (3 155m²), Parow Industrial Park (4 423m²) and Sandton St Andrews (1 124m²). At Jhb Eva Park the vacancy has increased by a further 1 372m². We are in discussions with property brokers and architects to improve the marketability of this property as well as generating specific action plans for the properties referred to above. Although we have done a number of lettings at Midrand Allandale, there were also a number of tenants that vacated during the period, resulting in the overall vacancy at the property increasing by 520m². We have, however, seen an increase in enquiries for industrial space and remain confident that the vacancy at Allandale should improve as the economy recovers.

The retail sector has performed well in comparison to the industrial and office sectors. This is reflected in the lower increase in rental vacancies compared to the other sectors.

We have introduced attractive leasing incentives at selected properties in order to reduce the overall vacancy on the portfolio.

The renewal escalations on expiry rentals were positive, as follows:

- Retail up 4.7%
- Offices up 6.5%
- Industrial up 7.7%

This compares very favourably with SAPOA's Operating Cost Report 2011 H1 which indicated that base rentals have only grown by 0.3% compared to 2010 H1.

The contracted rental escalation profile graph reflects a positive average escalation across all sectors of 8.2%.

Property expenditure

Recurring property costs have increased by 21% over the comparable period, largely driven by the 25% increase in electricity costs. This increase reduces to approximately 13% if electricity costs are excluded from the current and comparable costs. The increase in bad debts makes up 3.6% of the adjusted 13% increase, resulting in an increase of 9.4% (excluding electricity costs and the increase in bad debts) in respect of all other property expenses.

4.2 ASSET MANAGEMENT BUSINESS

4.2.1 Net asset management fees are R500 000 lower than the comparable period following the sale by Sanlam of the R541 million portfolio to Vukile in September 2010. Sales commission of R6.3 million is lower than the R16.7 million earned in the comparable period. However, given the current sales pipeline, it is anticipated that a greater proportion of sales commission will be generated over the next six months, whereas in the previous period the bulk of sales commission was earned in the first six months. The asset management fees earned in respect of the Vukile portfolio have been excluded from gross revenue.

4.2.2 Asset management expenditure is R3.86 million higher than the comparable period primarily due to a short-term bonus of R1.9 million arising in respect of the results achieved for the year ended 31 March 2011 and payable in this reporting period.

4.3 CORPORATE ADMINISTRATIVE EXPENSES

Corporate administrative expenses are R1.9 million lower than the comparable period. A short-term provision of R1.9 million was reversed and reclassified to the asset management business as set out in paragraph 4.2.2 above and hence has had no impact on a group basis.

4.4 FINANCE COSTS

The company raised bank debt of R450 million in August 2011 to refinance an expiring bank facility. A R400 million three year loan was concluded at a fixed all-in rate of 8.66% per annum, inclusive of margin and costs. A variable rate three year loan of approximately R50 million also forms part of the facility.

Taking the benefits of the lower debt costs into account, the overall cost of funding of the Vukile group has reduced from 9.77% at 31 March 2011 to 9.38%.

The group's variable interest rate risk on long-term debt is hedged using interest rate swap agreements for periods expiring between one and three years. Due to the fact that 100% of the group's interest rate risk on long-term debt is hedged or fixed, changes in interest rates will have no impact on the group's cost of debt for the current financial year.

The group has a facility of R114 million available which can be utilised without credit approval due to the equity available in the non-securitised portfolio.

The group has initiated discussions with various banks to address the group's refinancing requirements in 2012.

5 Acquisition and disposals

As announced on SENS previously, Giyani Plaza was acquired in July 2011 at a cost of R68.4 million (including transaction costs). The projected net property revenue in respect of this acquisition of R5 million for the eight month period is in line with the acquisition forecast.

The Kleinfontein offices and the Namibian subsidiary which owned Oshakati Beares Shopping Centre were sold during the reporting period for a total of R7.5 million, which approximated fair value at 31 March 2011.

The movement in investment properties during the reporting period is summarised below:

R000	Investment properties	Capitalised lease com-mission	Total
Balance 1 Apr 2011	5 351 693	13 722	5 365 415
Change in fair value of investment properties	417 601	-	417 601
Expansion and development costs	12 413	-	12 413
Tenant installation costs	26 854	-	26 854
Portfolio acquisition including transaction costs	68 428	-	68 428
Sale of investment properties	(7 356)	-	(7 356)
Reduction of capitalised lease commissions	-	(452)	(452)
Balance 30 Sept 2011	**5 869 633**	**13 270**	**5 882 903**

R000	
Allocated as follows:	
Non-current assets	5 527 697
Non-current assets held for sale	355 206
Total	**5 882 903**

The following properties have been approved by the board for disposal as these properties are no longer considered core to the portfolio:

Property (m²)	GLA
Johannesburg CBD Truworths	6 919
Glencairn Building, Eloff Street	13 378
Goodwood (AAD)	3 024
Katima Mulilo Pep Stores	2 472
Rundu Ellerines	1 283
Pretoria VWL	16 933
Pretoria Midtown	8 086
Botbyl Subaru Hatfield	4 603*
Nelspruit Prorom	6 181
Johannesburg John Griffin	9 774
Lichtenburg Shopping Centre	8 407
Total	**81 060**

* *This property was sold on 4 November 2011 for R13.75 million.*

6 Valuations

The directors have valued the group's property portfolio at R5.87 billion as at 30 September 2011. Inclusive of the acquisition of Giyani Plaza for R68.4 million, this represents an increase in the directors' valuation of R417.6 million as compared to the valuation at 31 March 2011. The directors have valued the property portfolio utilising the discounted cash flow methodology.

In terms of the company's accounting policies, approximately 50% of all properties are valued every six months on a rotational basis by qualified independent external valuers. The external valuation by Old Mutual Investment Group South Africa (Pty) Ltd and Broll Valuation and Advisory Services of approximately 51% of the total portfolio is R85 million (2.9%) lower than the directors' valuation of the same properties at 30 September 2011.

This difference is attributable to a marginal difference in views with regards to future capitalisation rates and discount rates.

7 Developments and expansion projects

Details of current and completed developments and expansion projects are set out in the table below:

	Grosvenor Corner upgrade	Malamulele: Mala Plaza extension	Bellville: Louis Leipoldt Hospital upgrade
Approved capital	R7.50m	R16.75m	R33.50m
Extensions -	R16.75m	-	
Upgrade	R7.50m	-	-
Maintenance	-	-	R33.50m
Additional GLA (m²)	0	1 222	0
Increase in GLA (%)	0.0	24.8	0.0
Year 1 yield (%)	0.0	9.3	0.0
Start date	1 Jun 2011	1 Sept 2010	1 Nov 2010
Completion date	30 Nov 2011	31 Mar 2011	30 Apr 2013
Progress	The steel and aluminium cladding to the building are the only elements still outstanding.	The building work has been com-pleted. The last vacant shop has been let to King Pie.	Work is on schedule. This capex comprises replacement/ refurbishment of lifts, air con-ditioners, etc.

	Hillfox Centre: Cashbuild, Fruit & Veg extensions	Randburg Square: Maintenance and upgrade: Phase 1	Oshakati: Standard Bank redevelopment
Approved capital	R13.00m	R80.83m	R22.86m
Extensions R13.00m	-	R22.86m	
Upgrade	-	R64.02m	-
Maintenance	-	R16.81m	-
Additional GLA (m²)	1 300	0	2 312
Increase in GLA (%)	3.6	0.0	10.0
Year 1 yield (%)	10.0	1.9	10.7
Start date	1 Mar 2011	1 Jul 2011	1 Oct 2011
Completion date	5 Sept 2011	30 Apr 2012	31 Jul 2012
Progress	Building work has been completed.	The building work is progressing well and the upgrade to both levels of the escalator area at entrance 1 will be completed by end November 2011.	The demolition of the existing building has been completed. Changes requested by the local authority to the realignment of the road may cause the completion date to be delayed.

8 Operating segment report

The revenues and profit generated by the group's operating segments and segment assets are summarised in the table at the end of this circular.

During the six month period to 30 September 2011, there have been no changes from prior periods in the measurement methods used to determine operating segments and reportable segment profits.

9 Events after the reporting date

The SENS announcement on 14 November 2011 set out details of the agreement to purchase 20 properties from Sanlam Life Insurance Limited at a purchase price of R1.5 billion. A circular setting out the full details of this acquisition will be distributed to unitholders in due course.

10 Strategy

We have reviewed our longer-term strategy and are committed to growing the fund more aggressively than has previously been the case. We remain committed to being a diversified fund but staying overweight in the retail sector. To that end we are exploring acquisitions of retail centres as well as joint venture development opportunities in the retail environment that would complement our existing portfolio make-up. We continue to believe in the strength and growth of retail in the emerging market and based on the performance of our current retail assets will primarily focus our expansion in this market segment. We will however remain open to acquiring assets serving higher income groups should the right opportunities present themselves.

The acquisition of the portfolio from Sanlam is the first step in our growth strategy and will add some R1.5 billion to the value of our portfolio. Whilst we will acquire some retail assets in the portfolio, most notably Durban Workshop, the office assets being acquired will enhance the overall quality of our office portfolio.

Vukile has consistently delivered solid growth in distributions and this has laid the foundation for the next phase of our growth which will be more acquisitive and proactive in nature whilst not detracting focus or attention from delivering growth in distributions for our unitholders.

11 Prospects

While trading conditions are expected to remain soft in the office and industrial sectors and given a stable retail environment we remain positive about the prospects for the group for the remainder of the financial year and expect positive growth in the full year distributions. This information has not been audited or reviewed by Vukile's auditors.

12 Payment of debenture interest and dividend

Notice is hereby given of a distribution amounting to 54.314 cents per linked unit, for the six month period to 30 September 2011. The distribution comprises interest on debentures of 54.203 cents per linked unit and a dividend of 0.111 cents per linked unit.

Last day to trade cum distribution	Thursday, 8 December 2011
Linked units trade ex distribution	Friday, 9 December 2011
Record date for unitholders to participate in the distribution	Thursday, 15 December 2011
Payment of distribution	Monday, 19 December 2011

Linked unit certificates may not be dematerialised or re-materialised between Friday, 9 December 2011 and Thursday, 15 December 2011, both days inclusive.

On behalf of the board

AD Botha
Chairman

LG Rapp
Chief Executive Officer

Roodepoort
21 November 2011

Unaudited consolidated statement of comprehensive income

	Unaudited 30 Sept 2011 R000	Unaudited 30 Sept 2010 R000	Audited 31 Mar 2011 R000
Property revenue	442 667	394 870	836 124
Straight-line rental income accrual	61 174	15 262	14 368
Gross property revenue	503 841	410 132	850 492
Property expenses	(166 458)	(139 706)	(293 603)
Profit from property operations	337 383	270 426	556 889
Profit from the asset management business	9 101	23 840	44 913
Corporate administrative expenses	(10 667)	(12 531)	(25 509)
Investment and other income	7 771	5 701	14 380
Operating profit before finance costs	343 588	287 436	590 673
Finance costs	(82 721)	(78 422)	(161 803)
Profit before debenture interest	260 867	209 014	428 870
Debenture interest	(190 263)	(168 825)	(403 948)
Profit before capital items	70 604	40 189	24 922
Capital items			
Impairment of intangible asset	-	-	(49 935)
Loss on sale of investment properties	-	(14 753)	(14 798)
Goodwill written off on sale of properties by subsidiary	(762)	-	(5 192)
Amortisation of debenture premium	1 839	1 832	2 519
Profit/(loss) before fair value adjustments	71 681	27 268	(42 484)
Fair value adjustments	356 427	349 374	78 494
Gross change in fair value of investment properties	417 601	364 636	92 862
Straight-line rental income adjustment	(61 174)	(15 262)	(14 368)
Profit for the period before taxation	428 108	376 642	36 010
Taxation	(110 105)	(105 303)	(25 488)
Profit for the period after taxation	318 003	271 339	10 522
Other comprehensive (losses)/income			
Cash flow hedging	(15 029)	(7 848)	6 062
Available-for-sale financial assets	(6 122)	(820)	(3 556)
Other comprehensive (losses)/income for the period, net of tax	(21 151)	(8 668)	2 506
Total comprehensive income for the period	296 852	262 671	13 028
Earnings per linked unit			
Basic earnings per linked unit (cents)	144.80	131.99	120.85
Diluted earnings per linked unit (cents)	144.80	131.99	120.85
Total number of linked units in issue (000)	351 015	351 015	351 015
Weighted average number of linked units in issue (000)	351 015	333 478	342 949

Unaudited condensed consolidated statement of cash flows

	Unaudited 30 Sept 2011 R000	Unaudited 30 Sept 2010 R000	Audited 31 Mar 2011 R000
Cash flow from operating activities	278 998	270 664	570 910
Cash flow from investing activities	(111 340)	(536 532)	(371 782)
Cash flow from financing activities	(317 216)	200 877	(75 644)
Net (decrease)/increase in cash and cash equivalents	(149 558)	(64 991)	123 484
Cash and cash equivalents at the beginning of the period	337 809	214 325	214 325
Cash and cash equivalents at the end of the period	188 251	149 334	337 809

Reconciliation: headline earnings and distributable earnings

	Unaudited 30 Sept 2011 R000	Unaudited 30 Sept 2010 R000	Audited 31 Mar 2011 R000
Attributable profit for the period after taxation	318 003	271 339	10 522
Adjusted for:			
Debenture interest	190 263	168 825	403 948
Earnings per linked unit	508 266	440 164	414 470
Net change in fair value of investment properties	(356 427)	(349 374)	(78 494)
Total tax effects of adjustments	86 073	93 216	23 126
Goodwill written off on sale of properties by subsidiary	762	-	5 192
Loss on sale of investment properties	-	14 753	14 798
Impairment of intangible asset	-	-	49 935
Amortisation of debenture premium	(1 839)	(1 832)	(2 519)
Headline earnings of linked units	236 835	196 927	426 508
Straight-line rental accrual net of deferred taxation	(43 824)	(10 949)	(18 407)
Available for distribution	193 011	185 978	408 101
Distribution to unitholders			
Interest	190 263	168 825	319 231
Dividend	388	344	651
Total distribution	190 651*	169 169	319 882
Headline earnings per linked unit (cents)	67.47	59.05	124.36
Available for distribution per linked unit (cents)	54.99	55.77	119.00

* *Made up as follows:*	*Shares in issue*	*Dividends*	*Debenture interest*	*Participation period*
	351 015 218	*388 293*	*190 263 429*	*183 days*

Unaudited condensed consolidated statement of financial position

	Unaudited 30 Sept 2011 R000	Unaudited 30 Sept 2010 R000	Audited 31 Mar 2011 R000
ASSETS			
Non-current assets	5 937 406	6 225 147	5 487 419
Investment properties	5 412 925	5 662 078	4 984 840
Investment properties	5 527 697	5 763 405	5 083 993
Straight-line rental income adjustment	(114 772)	(101 327)	(99 153)
Other non-current assets	524 481	563 069	502 579
Intangible asset	312 832	362 767	312 832
Straight-line rental income asset	114 772	101 327	99 153
Development expenditure	-	166	2 723
Furniture, fittings and computer equipment	1 658	1 603	1 774
Financial asset at amortised cost	4 782	5 450	4 782
Available-for-sale financial asset	20 092	15 457	10 208
Goodwill	70 345	76 299	71 107
Current assets	252 628	202 264	409 218
Trade and other receivables	64 377	52 930	71 409
Cash and cash equivalents	188 251	149 334	337 809
Investment properties held for sale	355 206	30 441	281 422
Total assets	6 545 240	6 457 852	6 178 059
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent	1 701 326	1 653 186	1 404 550
Non-current liabilities	4 480 083	4 025 123	3 909 613
Linked debentures and premium	2 115 076	2 117 603	2 116 916
Other interest bearing borrowings	1 676 990	1 238 494	1 226 282
Derivative financial instruments	36 929	36 051	21 867
Deferred tax liabilities	651 088	632 975	544 548
Current liabilities	363 831	779 543	863 896
Trade and other payables	172 709	143 504	173 277
Short-term borrowings	-	461 360	449 600
Current taxation liabilities	471	5 510	5 416
Linked unitholders for distribution	190 651	169 169	235 603
Total equity and liabilities	6 545 240	6 457 852	6 178 059

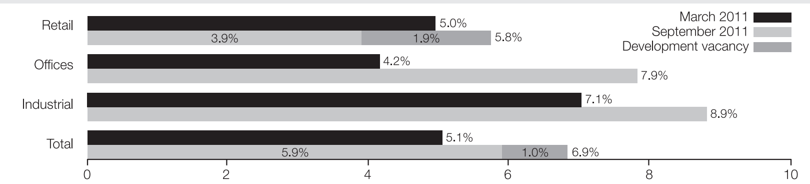
Unaudited condensed consolidated statement of changes in equity

	Share capital and share premium R000	Non-distributable reserves R000	Revaluation of available-for-sale financial assets R000	Cash flow hedges R000	Retained earnings R000	Total R000
Balance as at 31 March 2010	27 596	1 380 023	(16 274)	(28 290)	18 447	1 381 502
Issue of share capital	4 667	-	-	-	-	4 667
Dividend distribution	-	-	-	-	(344)	(344)
	32 263	1 380 023	(16 274)	(28 290)	18 103	1 385 825
Net profit for the period	-	-	-	-	271 339	271 339
Change in fair value of investment properties	-	364 636	-	-	(364 636)	-
Deferred taxation on change in fair value of investment properties and straight-line rental accrual	-	(97 529)	-	-	97 529	-
Share-based remuneration	-	4 690	-	-	-	4 690
Transfer from non-distributable reserve	-	(14 753)	-	-	14 753	-
Other comprehensive losses						
Revaluation of available-for-sale financial asset	-	-	(820)	-	-	(820)
Revaluation of interest rate swaps	-	-	-	(7 848)	-	(7 848)
Balance as at 30 September 2010	32 263	1 637 067	(17 094)	(36 138)	37 088	1 653 186
Dividend distribution	-	-	-	-	(480)	(480)
	32 263	1 637 067	(17 094)	(36 138)	36 608	1 652 706
Net loss for the period	-	-	-	-	(260 817)	(260 817)
Change in fair value of investment properties	-	(271 774)	-	-	271 774	-
Deferred taxation on change in fair value of investment properties and straight-line rental accrual	-	85 571	-	-	(85 571)	-
Share-based remuneration	-	1 487	-	-	-	1 487
Transfer from non-distributable reserve	-	(62 301)	-	-	62 301	-
Other comprehensive income						
Revaluation of available-for-sale financial asset	-	-	(2 736)	-	-	(2 736)
Revaluation of interest rate swaps	-	-	-	13 910	-	13 910
Balance as at 31 March 2011	32 263	1 390 050	(19 830)	(22 228)	24 295	1 404 550
Dividend distribution	-	-	-	-	(388)	(388)
	32 263	1 390 050	(19 830)	(22 228)	23 907	1 404 162
Net profit for the period	-	-	-	-	318 003	318 003
Change in fair value of investment properties	-	417 601	-	-	(417 601)	-
Deferred taxation on change in fair value of investment properties and straight-line rental accrual	-	(103 423)	-	-	103 423	-
Share-based remuneration	-	4 528	-	-	-	4 528
Disposal of Namibian subsidiary	-	(4 216)	-	-	-	(4 216)
Transfer from non-distributable reserves	-	(762)	-	-	762	-
Other comprehensive losses						
Revaluation of available-for-sale financial asset	-	-	(6 122)	-	-	(6 122)
Revaluation of interest rate swaps	-	-	-	(15 029)	-	(15 029)
Balance as at 30 September 2011	32 263	1 703 778	(25 952)	(37 257)	28 494	1 701 326

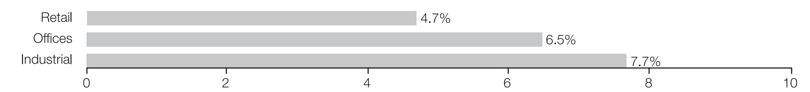
Operating segment report

	Industrial R000	Offices R000	Retail R000	Total R000	Asset management business R000	Total group R000
SEPTEMBER 2011						
Group income for the six months ended 30 September 2011						
Property revenue	65 161	127 001	250 505	442 667	22 973	465 640
Property expenses	(19 818)	(47 171)	(99 469)	(166 458)	(13 872)	(180 330)
	45 343	79 830	151 036	276 209	9 101	285 310
Add: Excluded item						
Straight-line rental income accrual	10 042	17 681	33 451	61 174		61 174
Profit from property and other operations	55 385	97 511	184 487	337 383	9 101	346 484
Group statement of financial position at 30 September 2011						
Assets						
Investment properties	937 559	1 522 695	3 054 173	5 514 427		5 514 427
Add: Lease commissions	-	-	-	13 270		13 270
	937 559	1 522 695	3 054 173	5 527 697		5 527 697
Add: Goodwill	3 889	5 091	61 365	70 345		70 345
Intangible asset					312 832	312 832
Investment properties held for sale	29 282	210 301	115 623	355 206		355 206
	970 730	1 738 087	3 231 161	5 953 248	312 832	6 266 080
Add: Excluded items						
Furniture, fittings and computer equipment						1 658
Available-for-sale financial asset						20 092
Financial asset at amortised cost						4 782
Trade and other receivables						64 377
Cash and cash equivalents						188 251
Total assets						**6 545 240**
Liabilities						
Linked debentures and premium	359 604	584 035	1 171 437	2 115 076		2 115 076
Interest bearing borrowings	285 121	463 066	928 803	1 676 990		1 676 990
	644 725	1 047 101	2 100 240	3 792 066	-	3 792 066
Add: Excluded items						
Equity attributable to owners of parent						1 701 326
Derivative financial instruments						36 929
Deferred taxation liabilities						651 088
Trade and other payables						172 709
Current taxation liabilities						471
Linked unitholders for distribution						190 651
Total equity and liabilities						**6 545 240**
SEPTEMBER 2010						
Group income for the six months ended 30 September 2010						
Property revenue	62 219	116 125	216 526	394 870	44 466	439 336
Property expenses	(22 686)	(36 247)	(80 773)	(139 706)	(20 626)	(160 332)
	39 533	79 878	135 753	255 164	23 840	279 004
Add: Excluded item						
Straight-line rental income accrual	2 405	4 488	8 369	15 262		15 262
Profit from property and other operations	41 938	84 366	144 122	270 426	23 840	294 266
Group statement of financial position at 30 September 2010						
Assets						
Investment properties	1 046 827	1 728 236	2 975 015	5 750 078		5 750 078
Add: Lease commissions	-	-	-	13 327		13 327
	1 046 827	1 728 236	2 975 015	5 763 405		5 763 405
Add: Goodwill	5 114	4 978	66 207	76 299		76 299
Intangible asset					362 767	362 767
Investment properties held for sale	30 441	-	-	30 441		30 441
	1 082 382	1 733 214	3 041 222	5 870 145	362 767	6 232 912
Add: Excluded items						
Development expenditure						166
Furniture, fittings and computer equipment						1 603
Available-for-sale financial asset						15 457
Financial asset at amortised cost						5 450
Trade and other receivables						52 930
Cash and cash equivalents						149 334
Total assets						**6 457 852**
Liabilities						
Linked debentures and premium	277 113	458 755	798 552	1 534 420	583 183	2 117 603
Interest bearing borrowings	306 990	508 214	884 650	1 699 854		1 699 854
	584 103	966 969	1 683 202	3 234 274	583 183	3 817 457
Add: Excluded items						
Equity attributable to owners of parent						1 653 186
Derivative financial instruments						36 051
Deferred taxation liabilities						632 975
Trade and other payables						143 504
Current taxation liabilities						5 510
Linked unitholders for distribution						169 169
Total equity and liabilities						**6 457 852**

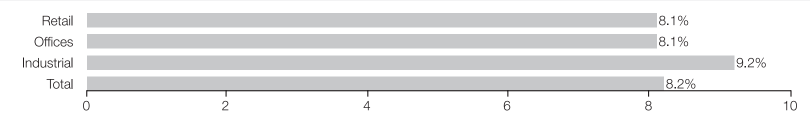
Vacancy profile (% of gross rental)



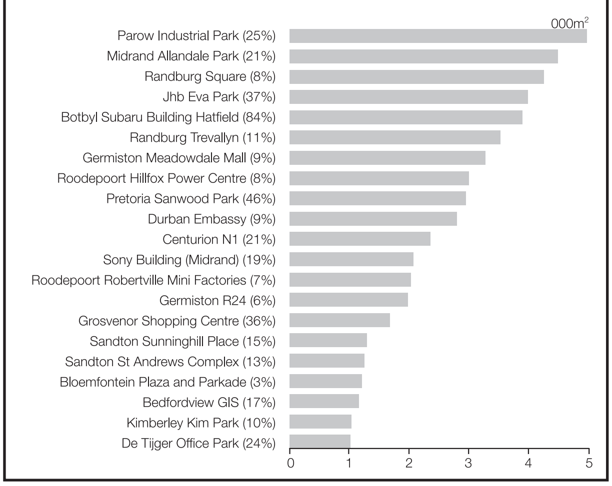
Lease renewals: escalation on expiry rentals (%)



Contracted rental escalation profile (%)



Individual properties vacancy profile >1 000m²



VUKILE PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa) • (Registration number 2002/027194/06) • **JSE Share code:** VKE • **ISIN:** ZAE000056370 • **NSX Share code:** VKN
JSE Sponsor: One Capital, Illovo, Sandton • **NSX Sponsor:** IJG Securities (Pty) Ltd, Windhoek, Namibia • **Executive directors:** LG Rapp *(chief executive)*, MJ Potts *(financial director)*, HC Lopion (*executive director: asset management*) • **Non-executive directors:** AD Botha *(chairman)*, HSC Bester, PJ Cook, JM Hlongwane, PS Moyanga, MH Serebro
Registered office: Ground floor Meersig Building, Constantia Boulevard, Constantia Kloof, 1709 • **Company secretary:** J Neethling
Transfer secretaries: Link Market Services South Africa (Pty) Ltd, Braamfontein, Johannesburg • **Investor and media relations:** Contact Helen McKane at vukile@dpapr.com, tel: 011 728-4701.
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