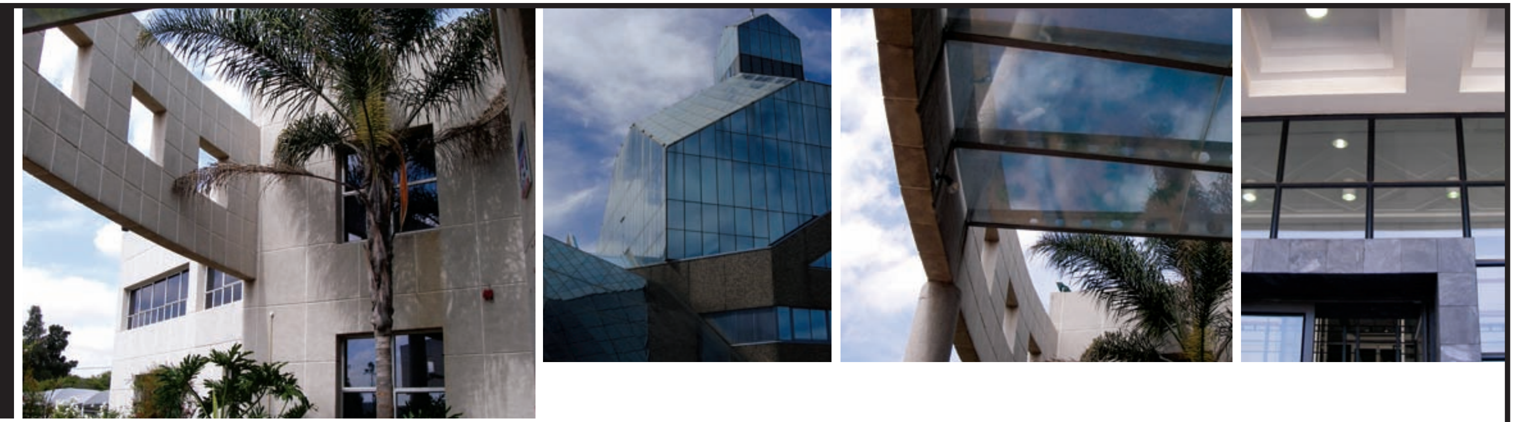
VUKILE
PROPERTY FUND LIMITED



AUDITED RESULTS

and distribution announcement for the year ended 31 March 2008

Net profit for distribution **up 23.2%**

Annual distribution **increased by 15%**

Acquisitions and developments **total R256m**

Vacancy level **reduced** further

1 Basis of preparation

The audited financial statements for the year ended 31 March 2008 have been prepared in terms of International Financial Reporting Standards (IFRS) and relevant sections of the South African Companies Act 1973, as amended. The accounting policies applied are consistent with those applied in the previous year.

The financial statements have been audited by Grant Thornton, whose unqualified audit report is available for inspection at the company's registered office.

2 Financial results

The group's net profit available for distribution amounted to R264.6 million for the year ended 31 March 2008 compared to the R214.8 million for the previous year, an increase of 23.2%. If acquisitions and disposals are excluded, on a "like for like" basis, group net property revenue increased by 12% from 2007 to 2008.

The increase in group corporate administration expenditure from R12 million to R20.9 million was primarily due to:

- A higher long-term incentive bonus of R3.3 million (2007: R1 million) recognised in the income statement according to the relevant accounting standard, as part of a long-term conditional incentive scheme realisable in June 2010.
- A R1.3 million short term bonus payment that related to the previous year's results.
- A short-term bonus accrual of R4 million for the current year (2007: R1 million), payable over a two-year period.

Group finance costs, net of interest income, have reduced by R12.1 million, from R126.9 million to R114.8 million, largely as a result of the utilisation of the proceeds from property sales to repay debt in the first half of the year. The optimal use of surplus cash within the group during the year has also assisted in reducing the cost of debt.

Summary of group financial performance

	March 2008	March 2007	% change
Headline earnings of linked units (Rm)	**270**	230	17.4
Available for distribution (cents per linked unit)	**89.54**	77.56	15.4
Net asset value attributable to equity holders of parent per linked unit (cents)	**890**	803	10.8
Distribution per linked unit (cents)	**88.25**	76.75	15.0
Loan to value ratio	**27.9%**	29.9%	(6.7)

The net asset value per linked unit increased by 10.8% from R8.03 per linked unit as at 31 March 2007 to R8.90 per linked unit as at 31 March 2008.

3 Distributions

The board of directors has approved a final distribution of 48.0 cents per linked unit for the six months to 31 March 2008, an increase of 17.0% over the comparable six month period. The distribution for the full year ended 31 March 2008 is 88.25 cents per linked unit, an increase of 15% over the previous year's distribution of 76.75 cents per linked unit. The 11.5 cents per linked unit increase in distributions year-on-year is made up as follows:

	Cents per linked unit
■ Contributions to increased rental income	
- Reduction in vacancies and increased rentals	17.8
- Additional rentals from property acquisition	4.2
- Other	2.0
	24.0
Less: Increase in property expenditure	(4.4)
Income foregone on properties sold in prior year	(4.1)
■ Net increase in group property revenue	15.5
■ Net finance costs reduced by	4.1

The income foregone of 4.1 cents per linked unit referred to above was compensated for by the reduction in net finance costs of an equivalent amount as the proceeds of the previous year's property disposals were utilised to reduce borrowings.

■ Increased administrative expenses (as outlined in paragraph 2 above), taxation and retained income	(3.5)
■ Adjustment for an increase in weighted average number of linked units in issue	(4.6)
Net increase in distribution	11.5

4 Borrowings

The group's long-term debt is hedged using interest rate swap agreements for periods expiring during the next two to four years. 99.2% of all interest bearing debt has been hedged at year-end at a weighted average rate of 10.27% per annum. Changes in interest rates will, therefore, have minimal impact on the group's cost of debt over the next two years.

The company's borrowing capacity is, in terms of its articles of association, not limited. The board policy is to limit gearing to 45%. The group's gearing ratio at the end of the financial year was 27.9%. The group has unutilised bank facilities of R400 million available to fund acquisitions, redevelopments and expansion opportunities.

5 Group property portfolio

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

At 31 March 2008, the portfolio's vacancy (measured as a percentage of gross rentals) was 2.8% compared to 2.9% at 31 March 2007.

Midrand Allandale reflected a 22.3% vacancy at year-end due to the expansion of 5 650m² which is still in the process of being let. If this vacancy is excluded then the year end vacancy, as a percentage of gross rentals, reduces to 2.4%.

6 Acquisitions, developments and disposals

Acquisitions and developments:

- The development of a 5 650m² mini factory and warehousing complex on undeveloped land at Vukile's existing Allandale Park mini factory complex in Midrand was completed, on schedule, in November 2007 at a capital outlay of R17.2 million, with an anticipated net initial yield of 10.4%.
- The development of a 12 359m² shopping centre at Moratiwa Crossing, district Jane Furse, Limpopo Province was completed in November 2007 at a cost of R61.5 million, with a net initial yield of 9.5%. Vukile holds an 86.5% share in this centre.
- A 4 394m² "A" grade office complex located in West Street Houghton was acquired on 4 September 2007 at a total capital outlay of R33.5 million, with an initial yield of 9.2%.
- The group acquired BPI House in Windhoek for approximately R110 million with effect from 1 July 2007. BPI House is an A-grade office and retail complex in the heart of the Windhoek CBD. It has a total gross lettable area of 12 915m² and a blue-chip tenant line-up which includes the Government of Namibia, Pick n Pay, Truworths, Dunns, Engen and Mobile Telecom Company. The anticipated yield is 9.1% in the first year.
- An A-grade office building complex, with a gross lettable area of 3 480m², as well as an undeveloped erf measuring 2 263m² located in Lynnwood Road Pretoria, was acquired in March 2008 at a total capital outlay of R34.0 million, with a net initial yield of 8.6% in the first year.

The cost of acquisitions and developments for the year ended 31 March 2008 amounted to R256 million.

Disposals:

As part of Vukile's ongoing process to improve the quality of its portfolio, the following non-core property was disposed of during the year:

Building	Purchase price R000	Directors' valuation at 31 March 2007 R000	Net sales price R000	Transfer date
Hallmark Building	80 693	66 997	78 046	08/03/14

7 Valuation of portfolio

Valuations

The accounting policies of the company require that the entire portfolio be valued every six months to fair market value by the directors. One half of the portfolio will be valued every six months, on a rotational basis, by registered independent third party valuers.

The directors have valued the group's property portfolio at R4.32 billion as at 31 March 2008. This is R455 million (11.8%) higher than the valuation at 31 March 2007.

The external valuations by JHI Real Estate Limited and Old Mutual Property Group (Pty) Ltd at 31 March 2008 of 53% of the total portfolio, amount to R160.5 million (7.0%) more than the directors' valuations of the same properties.

8 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.

9 Capital commitments

The company is authorised and has contracted to develop:

- An additional warehouse of 1 750m² plus offices of 840m² on the existing Courier IT premises in Spartan (Hellman International), at a cost of R14.5 million.
- The conversion of 3 420m² of Oshakati Game centre, together with a 1 529m² extension at a capital outlay of R30.7 million.

The company is authorised, but has not yet contracted, to:

- Develop a 1 594m² extension of the Dobsonville shopping centre at a cost of R12.6 million.
- Upgrade shopping centres, replace chillers and expend other minor capex at a cost of R27.5 million.

Other commitments

Guarantees in lieu of municipal service deposits, amount to R6.3 million (2007: R11.5 million).

10 Related party transactions

The following related party transactions have been entered into:
(see table below)

Sanlam Properties (Pty) Ltd is a subsidiary of Sanlam Limited which held 74 555 531 of the issued linked units of Vukile Property Fund Limited at 31 March 2008. Sanlam Limited also holds a minority shareholding in Gensec Property Services Limited, trading as JHI. Sanlam Properties (Pty) Ltd has a majority shareholding in Khulela Properties (Pty) Ltd. Kuper Legh Property Group is controlled by an individual who is also a significant unitholder in Vukile.

11 Prospects

In spite of the general slowdown in the economy, higher interest rates, the electricity crisis and the slowdown in retail sales, property fundamentals remain fairly strong. This is a result of the robust economic growth of the past years and a general shortage of space in the market, which is evidenced by low vacancies and record distribution growth. We therefore anticipate that trading conditions will, although not as good as the year under review, remain positive. We do expect the higher interest rate environment to have a negative effect on the growth of portfolio income over the short to medium term. Taking all this into account we remain optimistic that there could still be further upward pressure on rentals which has allowed us to budget for reasonable growth in distributions in the forthcoming year.

12 Payment of debenture interest and dividend

Notice is hereby given of a distribution amounting to 48.00 cents per linked unit for the year ended 31 March 2008. The distribution comprises interest on debentures of 47.90 cents per linked unit and a dividend of 0.10 cents per linked unit.

■ Last date to trade cum distribution	Thursday, 12 June 2008
■ Linked units trade ex distribution	Friday, 13 June 2008
■ Record date for unitholders to participate in the distribution	Friday, 20 June 2008
■ Payment of distribution to unitholders	Monday, 23 June 2008

Linked unit certificates may not be dematerialised or re-materialised between Friday 13 June 2008 and Friday 20 June 2008, both days inclusive.

On behalf of the board

AD Botha
Chairman

G van Zyl
Chief executive

Roodepoort
23 May 2008

Segmental analysis

Group income for the year ended 31 March 2008	Industrial R000	Commercial R000	Retail R000	Corporate R000	Total R000
Property revenue	88 643	187 468	336 616		**612 727**
Straight-line rental income accrual	1 288	3 265	2 673		**7 226**
Property expenses	(35 350)	(56 558)	(116 943)		**(208 851)**
Net profit from property operations	54 581	134 175	222 346		**411 102**
Group balance sheet at 31 March 2008					
Non-current assets					
Investment properties	640 918	1 210 479	2 354 009		**4 205 406**
Other non-current assets	34 512	64 939	100 533		**199 984**
Investment properties held for sale	53 450	-	-	-	**53 450**
Current assets	6 163	11 682	27 130	32 869	**77 844**
Trade and other receivables	2 738	5 207	13 894	-	**21 839**
Cash and cash equivalents	1 236	2 339	4 965	32 869	**41 409**
Straight-line rental asset	2 189	4 136	8 271	-	**14 596**
Non-current liabilities	415 478	784 698	1 525 995	-	**2 726 171**
Current liabilities	15 472	29 260	60 882	151 110	**256 724**
Trade and other payables	15 472	29 260	60 882	9 200	**114 814**
Linked unitholders	-	-	-	141 864	**141 864**
Taxation payable	-	-	-	46	**46**

Related party transactions

Related party	Type of transaction	Amount paid 2008 R000	Amounts owed to related parties 2008 R000	Amount paid 2007 R000	Amounts owed to related parties 2007 R000
Sanlam Limited(1)	Sale of property, lease rentals	**33 254**	**-**	-	-
Sanlam Properties (Pty) Ltd Amount due was paid in April 2008	Asset management and other fees	**16 934**	**1 791**	16 259	1 396
Gensec Property Services Limited trading as JHI Amount due was paid in April 2008	Property management fees, letting commission and other fees	**18 062**	**942**	22 241	4 261
MCH Properties (Pty) Ltd	Expansion of Phoenix Plaza and Dobsonville development costs	**-**	**-**	73 041	-
Kuper Legh Property Group Amount due was paid in April 2008	Property management fee, letting commission and other fees	**5 002**	**346**	2 919	671
Khulela Properties (Pty) Ltd	Investment fee, sales commission and due diligence fees	**2 200**	**-**	-	-

(1) Sold by African Life Assurance Company Limited, a subsidiary of Sanlam Limited.

Group income statement for the year ended 31 March 2008

	2008 R000	2007 R000
Property revenue	612 727	553 480
Straight-line rental income accrual	7 226	22 100
Gross property revenue	619 953	575 580
Property expenses	(208 851)	(195 751)
Net profit from property operations	411 102	379 829
Administrative expenses	(20 914)	(12 032)
Investment and other income	9 262	12 122
Operating profit before finance costs	399 450	379 919
Finance costs	(124 059)	(139 022)
Net profit before debenture interest	275 391	240 897
Debenture interest	(260 292)	(213 088)
Net profit before capital items	15 099	27 809
Capital items		
Profit/(loss) on sale of re-valued properties	11 051	(5 878)
Amortisation of debenture premium	544	416
Negative goodwill arising on acquisition of MICC subsidiary	297	-
Fair value adjustments	222 424	436 068
Gross change in fair value of investment properties	229 650	458 168
Straight-line rental income adjustment	(7 226)	(22 100)
Net profit before taxation	249 415	458 415
Taxation	(52 165)	(137 273)
Net profit	197 250	321 142
Attributable to:		
Linked unitholders of the company	197 250	320 639
Minority	-	503
	197 250	321 142

Reconciliation: headline earnings and distributable earnings

	2008 R000	2008 Cents per linked unit	2007 R000
Attributable profit after taxation	197 250	66.74	320 639
Adjusted for:			
Net change in fair value of investment properties	(222 424)	(75.26)	(436 068)
Total tax effects of adjustments	46 782	15.83	127 161
Total minority interest of adjustments	-	-	96
Negative goodwill arising on the acquisition of MICC House Namibia (Pty) Ltd	(297)	(0.10)	-
(Profit)/loss on sale of re-valued properties	(11 051)	(3.74)	5 878
Amortisation of debenture premium	(544)	(0.18)	(416)
Debenture interest	260 292	88.07	213 088
Headline earnings of linked units	270 008	91.36	230 378
Adjusted for:			
Straight-line rental accrual net of minority interest and deferred taxation	(5 362)	(1.81)	(15 577)
Available for distribution	264 646	89.55	214 801
Distribution to unitholders	260 824		212 839
Interest	260 292		212 406
Dividend	532		433
Total number of linked units in issue (000)	295 551		295 551
Weighted average number of linked units in issue (000)	295 551		276 927
Earnings (cents per linked unit)	154.81		192.49
Headline earnings (cents per linked unit)	91.36		83.19

Group balance sheet as at 31 March 2008

	31 March 2008 R000	31 March 2007 R000
ASSETS		
Non-current assets	4 405 390	3 937 807
Investment properties	4 205 406	3 810 296
Investment properties - at fair value	4 277 548	3 876 332
Straight-line rental income adjustment	(72 142)	(66 036)
Other non-current assets	199 984	127 511
Straight-line rental income asset	57 546	51 206
Furniture, fittings and computer equipment	141	205
Available-for-sale financial assets	10 153	-
Derivative financial instruments	55 845	-
Goodwill	76 299	76 100
Current assets	77 844	223 382
Straight-line rental asset	14 596	14 830
Trade and other receivables	21 839	21 541
Cash and cash equivalents	41 409	187 011
Non current assets held for sale	53 450	-
Investment properties	52 777	-
■ Investment properties at fair value	53 450	-
■ Straight-line rental income adjustment	(673)	-
Straight-line rental income asset	673	-
Total assets	4 536 684	4 161 189
EQUITY AND LIABILITIES		
Equity and reserves	1 095 851	836 137
Share capital	2 956	2 956
Share premium	17 341	17 341
Reserves	1 075 554	815 840
Non-current liabilities	3 184 109	3 079 211
Linked debentures and premium	1 535 427	1 535 971
Other interest bearing borrowings	1 190 744	1 127 403
Derivative financial instruments	-	7 720
Deferred taxation	457 938	408 117
Current liabilities	256 724	245 841
Trade and other payables	105 614	93 883
Short term bank finance	9 200	26 529
Taxation payable	46	4 253
Linked unitholders for distribution	141 864	121 176
Total equity and liabilities	4 536 684	4 161 189

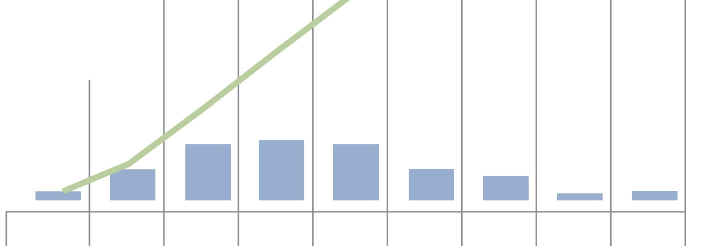
Abridged group cash flow statement for the year ended 31 March 2008

	2008 R000	2007 R000
Cash flows from operating activities	34 118	19 276
Cash generated from operations	393 864	349 089
Finance costs	(124 059)	(139 022)
Investment and other income	9 262	12 122
Distributions paid	(240 136)	(195 469)
Taxation paid	(4 813)	(7 444)
Cash flows (utilised in)/generated from investing activities	(225 732)	236 081
Cash flows generated from/(utilised in) financing activities	46 012	(148 023)
Net (decrease)/increase in cash and cash equivalents	(145 602)	107 334
Cash and cash equivalents at the beginning of the year	187 011	79 677
Cash and cash equivalents at the end of the year	41 409	187 011

Statement of changes in equity for the year ended 31 March 2008

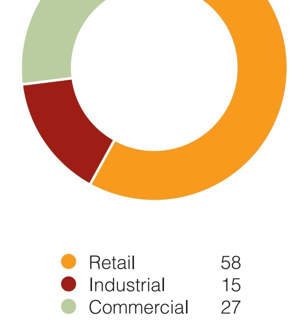
	Share capital and share premium R000	Non-distributable reserves R000	Retained income R000	Minority interest R000	Total R000
Group					
Balance at 31 March 2006	16 078	450 798	5 390	10 473	482 739
Linked units issued in acquiring property	4 219	-	-	-	4 219
Increased holding in business combination acquired previously	-	-	-	(10 976)	(10 976)
Revaluation of interest rate swaps	-	39 446	-	-	39 446
Net profit for the year	-	-	320 639	503	321 142
Change in fair value of investment properties	-	458 168	(458 168)	-	-
Deferred taxation on change in fair value of investment properties	-	(127 366)	127 366	-	-
Deferred tax on straight-line rental accrual	-	(6 561)	6 561	-	-
Allocation of change in fair value of investment properties in respect of minorities	-	(535)	535	-	-
Transfer from non-distributable reserves	-	(5 878)	5 878	-	-
Dividend distribution	-	-	(433)	-	(433)
Balance at 31 March 2007	20 297	808 072	7 768	-	836 137
Revaluation of interest rate swaps	-	62 996	-	-	62 996
Net profit for the year	-	-	197 250	-	197 250
Change in fair value of investment properties	-	229 650	(229 650)	-	-
Deferred taxation on change in fair value of investment properties	-	(46 781)	46 781	-	-
Deferred tax on straight-line rental accrual	-	(1 864)	1 864	-	-
Transfer to non-distributable reserves	-	11 347	(11 347)	-	-
Dividend distribution	-	-	(532)	-	(532)
Balance at 31 March 2008	20 297	1 063 420	12 134	-	1 095 851

Group lease expiry profile (% of GLA)

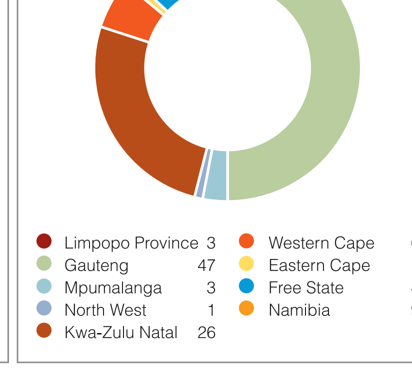


	Vacant	Mar 08	Mar 09	Mar 10	Mar 11	Mar 12	Mar 13	Mar 14	Mar 15>
GLA	2.96	10.91	20.01	21.44	19.82	11.02	8.59	2.08	3.17
Cumulative	2.96	13.87	33.88	55.32	75.14	86.16	94.75	96.83	100.00

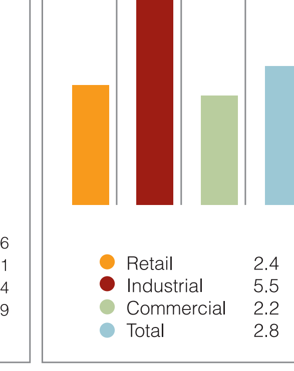
Sectoral profile (% of gross rentals)



Geographical profile (% of gross rentals)



Vacancy profile (% of gross rentals)



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 (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, PS Moyanga, JM Hlongwane, M 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, Johannesburg ■ **Investor and media relations:** Contact Helen McKane on vukile@dpapr.com, or Tel: 011 728-4701.

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