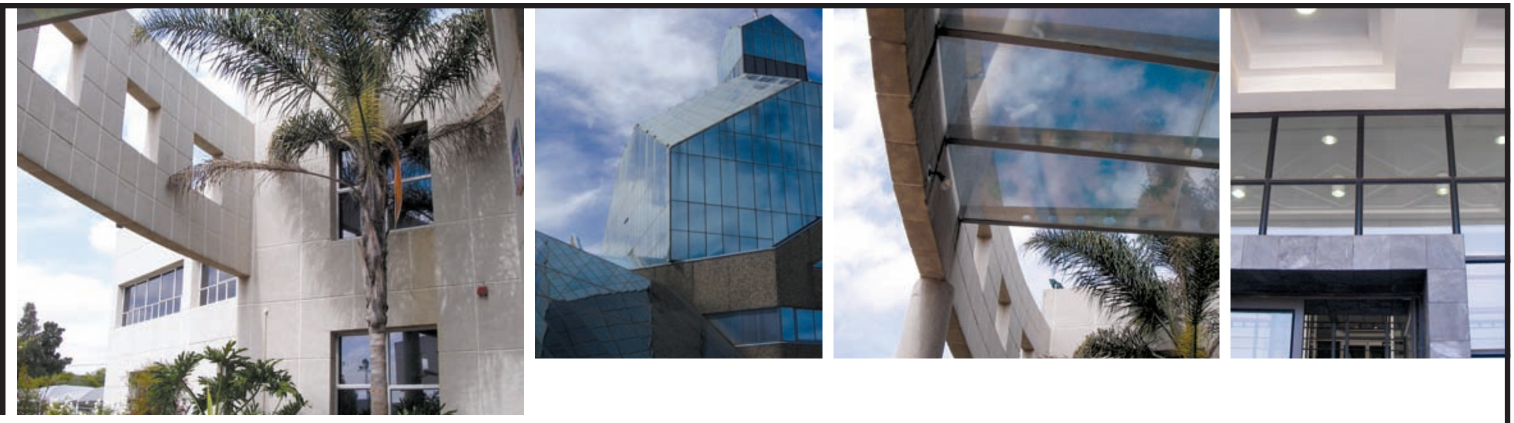
VUKILE

PROPERTY FUND LIMITED



AUDITED RESULTS

and distribution announcement for the year ended 31 March 2009 incorporating a further cautionary announcement

Annual distribution increased by 10.9%

Vacancies contained at 3.2% of gross rentals

Recurring cost to property revenue ratio reduced to 32.3% from 34.1%

Value of portfolio exceeds R4.5 billion

1 Basis of preparation

The abridged audited financial statements for the year ended 31 March 2009 have been prepared in terms of International Accounting Standard 34, 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 R289.9 million for the year ended 31 March 2009 compared to the R264.6 million for the previous year, an increase of 9.5%. If acquisitions and disposals are excluded, on a "like for like" basis, group net property revenue increased by 9.2% from 2008 to 2009.

Group finance costs, net of investment income, have increased by R7.8 million, from R114.8 million to R122.6 million, largely as a result of an increase in long-term borrowings of R53 million utilised to finance capital expenditure.

Summary of group financial performance

	March 2009	March 2008	% change
Headline earnings of linked units (Rm)	**294**	270	8.9
Available for distribution (cents per linked unit)	**98.09**	89.55	9.5
Net asset value per linked unit (cents)	**907**	890	1.9
Distribution per linked unit (cents)	**97.90**	88.25	10.9
Loan to value ratio	**28.5%**	27.9%	(2.2)

3 Distributions

The board of directors has approved a final distribution of 53.8 cents per linked unit for the six months to 31 March 2009, an increase of 12.0% over the comparable six month period. The distribution for the full year ended 31 March 2009 is 97.90 cents per linked unit, an increase of 10.9% over the previous year's distribution of 88.25 cents per linked unit.

The 9.65 cents per linked unit increase in distributions year-on-year is made up as follows:

	2009 Cents per linked unit	2008 Cents per linked unit
■ Contributions to increased rental income		
- Reduction in vacancies and increased rentals	13.9	13.7
- Additional rentals from prior year property acquisition	3.4	4.2
- Additional municipal service recoveries and other	3.4	2.0
	20.7	19.9
■ Less: Increase in property expenditure	(9.0)	(4.4)
■ Net increase in net group property revenue	11.7	15.5
■ (Increased)/reduced net finance costs	(2.7)	4.1
■ Reduced/(increased) administrative expenses, taxation and retained income	0.65	(3.5)
■ Adjustment for an increase in weighted average number of linked units in issue	-	(4.6)
■ Net increase in distribution	9.65	11.5

4 Borrowings

The group's long-term loans are hedged using interest rate swap agreements for periods expiring during the next one to three years. 93% of all interest bearing debt has been hedged at year-end at a weighted average rate of 10.3% per annum. Changes in interest rates will, therefore, have minimal impact on the group's cost of debt over the next year. The group has taken advantage of the previously 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%. (*)

(*) Excluding note margins

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 28.5% compared to the bank and securitisation covenants of 50% and 65% respectively. The group has unutilised bank facilities of R419 million which, together with a corresponding 55% equity issue, is available to fund acquisitions, developments and expansion opportunities amounting to R931 million.

5 Group property portfolio

The property portfolio currently comprises 74 properties with a gross lettable area of 920 232m².

At 31 March 2009, the portfolio's vacancy (measured as a percentage of gross rentals) was 3.2% compared to 2.8% at 31 March 2008.

The largest vacancy in the portfolio is the expansion at Midrand Allandale which reflected a vacancy at year-end of 2 922m². At this stage, 2 728m² of the expansion of 5 650m² has been let. If this vacancy is excluded, the year end vacancy, as a percentage of gross rentals, reduces to 3%.

New leases and renewals of 186 960m² with a contract value of R418 million, were concluded during the year. 80% of leases that expired during the year ended 31 March 2009 were renewed.

6 Expansions and revamps

The following expansion projects have been completed within the anticipated time period with savings of approximately R4 million compared to the originally approved capital outlay.

Property	Date of completion	Capital expenditure (R000)	Forecast initial yield (%)
Oshakati Game Centre	Nov 2008	24 275	7.5
Hellman International (IT Courier), Gauteng	Oct 2008	14 300	9.6
Nelspruit Truworths	Oct 2008	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 2009	16 700
Durban Phoenix Plaza	Apr 2009	27 300
Total		44 000

The cost of expansions, revamps and tenant installations for the year ended 31 March 2009 amounted to R92 million.

7 Valuation of portfolio

Valuations

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

The directors have valued the group's property portfolio at R4.53 billion as at 31 March 2009. This is R213 million or 4.9% higher than the valuation as at 31 March 2008.

The external valuations by JHI Real Estate Limited and Old Mutual Property Group (Pty) Ltd at 31 March 2009 of 54% of the total portfolio, amount to R131.5 million or 5.1% more than the directors' valuations of the same properties.

8 Insourcing of asset management function

Vukile announced on 3 March 2009 that its board of directors had approved the decision to internalise Vukile's asset management function, currently performed by Sanlam Properties (Proprietary) Limited. At a recent general meeting the Vukile unitholders approved the extension of the asset management contract by six months to 30 September 2009.

In this regard, the discussions entered into between Vukile and Sanlam Properties regarding the proposed acquisition by Vukile from Sanlam Properties of the IT infrastructure and software, furniture and equipment and the take-on of certain employees directly related to the asset management function of the Vukile property portfolio as a going concern are expected to be finalised shortly.

9 Segmental analysis

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.

10 Capital commitments

The group has authorised and has contracted to the refurbishment and expansion programmes at a combined cost of R30.3 million.

The group is authorised, but has not yet contracted, to upgrade shopping centres, replace air-conditioning units, refurbish lifts and other minor capex at a cost of R46 million.

11 Related party transactions

The following are related party transactions:

Related party	Type of transaction	Amount paid 2009 (R000)	Amounts owed to related parties 2009 (R000)	Amount paid 2008 (R000)	Amounts owed to related parties 2008 (R000)
Sanlam Limited	Sale of property	-	-	33 000	-
Sanlam Life Insurance Limited	Lease rentals	273	-	254	-
Sanlam Properties (Proprietary) Limited	Asset management and other fees	14 618	1 339	16 934	1 791
Sanlam Capital Markets Limited ("SCM")	Assumption of company's conditional financial obligations to senior management in terms of long-term bonus scheme	-	7 423	13 450	-

Related party transactions (continued)

Related party	Type of transaction	Amount paid 2009 (R000)	Amounts owed to related parties 2009 (R000)	Amount paid 2008 (R000)	Amounts owed to related parties 2008 (R000)
Gensec Property Services Limited trading as JHI	Property management and other fees	19 470	1 024	18 062	942
Kuper Legh Property Group	Property management and other fees	5 291	285	5 002	346
Khulela Properties (Proprietary) Limited	Investment fee, sales commission and due diligence fee	-	-	2 200	-

All the above amounts due were paid in April 2009 except for the amount owing to SCM

Sanlam Properties (Proprietary) Limited, Sanlam Life Insurance Limited and Sanlam Capital Markets Limited are subsidiaries of Sanlam Limited which held 67 487 459 or 22.8% of the issued linked units of Vukile Property Fund Limited at 31 March 2009. Sanlam Limited also holds a minority shareholding in Gensec Property Services Limited trading as JHI. Kuper Legh Property Group is controlled by an individual who is also a significant unitholder in Vukile.

12 Prospects

Compared to the previous period, trading conditions have deteriorated during the reporting period, especially during the last quarter. This is in spite of the fact that the short-term interest rates have started to come down. Although the lower interest rates should start to have a stimulating effect on the broad economy, the property sector tends to lag the broad economic cycle by 12 to 18 months. This means that, although there are some indications that we have seen the worst of the economic downturn, we can expect to see further increases in vacancies, resistance to higher rentals and increased bad debts.

We are, however, confident that the good fundamentals of the property sector (generally low vacancies, little new stock and huge infrastructure spending by government), in addition to our strong focus on tenant retention, tight control of expenses and general financial discipline, will enable us to show reasonable growth in distribution for the year ahead.

13 Payment of debenture interest and dividend

Notice is hereby given of a distribution amounting to 53.80 cents per linked unit for the six months ended 31 March 2009. The distribution comprises interest on debentures of 53.69 cents per linked unit and a dividend of 0.11 cents per linked unit.

■ Last date to trade cum distribution	Thursday, 11 June 2009
■ Linked units trade ex distribution	Friday, 12 June 2009
■ Record date for unitholders to participate in the distribution	Friday, 19 June 2009
■ Payment of distribution to unitholders	Monday, 22 June 2009

Linked unit certificates may not be dematerialised or re-materialised between Friday 12 June 2009 and Friday 19 June 2009, both days inclusive.

14 Further cautionary announcement

Unitholders are referred to the announcements dated 4 December 2008, 15 January 2009, 3 March 2009 and 14 April 2009 and are advised that the company is still in negotiations which, if successfully concluded, may have an effect on the price of the company's linked units.

Accordingly, unitholders are advised to continue to exercise caution when dealing in the company's linked units until a further announcement is made.

On behalf of the board

AD Botha
Chairman

G van Zyl
Chief executive

Roodepoort
25 May 2009

Segmental analysis

	Industrial R000	Commercial R000	Retail R000	Corporate R000	Total R000
Group income for the year ended 31 March 2009					
Property revenue	102 785	186 147	384 353		673 285
Straight-line rental income accrual	1 002	1 920	3 287		6 209
Property expenses	(39 269)	(61 317)	(135 020)		(235 606)
Net profit from property operations	64 518	126 750	252 620		443 888
Group balance sheet at 31 March 2009					
Investment properties	753 260	1 271 453	2 441 994	-	4 466 707
Other non-current assets	24 510	44 056	65 864	11 207	145 637
Current assets	10 001	16 553	34 071	50 518	111 143
Trade and other receivables	4 528	7 081	17 519	-	29 128
Cash and cash equivalents	1 786	3 089	5 414	50 518	60 807
Straight-line rental income asset	3 687	6 383	11 138	-	21 208
Non-current liabilities	471 646	796 117	1 528 977	-	2 796 740
Current liabilities	20 473	34 245	67 964	197 544	320 226
Trade and other payables	20 473	34 245	67 964	37 459	160 141
Linked unitholders	-	-	-	159 006	159 006
Taxation payable	-	-	-	1 079	1 079
Group income for the year ended 31 March 2008					
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					
Investment properties	640 918	1 210 479	2 354 009	-	4 205 406
Other non-current assets	32 578	61 308	95 804	10 294	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

Abridged group income statement for the year ended 31 March 2009

	2009 R000	2008 R000
Property revenue	673 285	612 727
Straight-line rental income accrual	6 209	7 226
Gross property revenue	679 494	619 953
Property expenses	(235 606)	(208 851)
Net profit from property operations	443 888	411 102
Administrative expenses	(20 137)	(20 914)
Investment and other income	8 712	9 262
Operating profit before finance costs	432 463	399 450
Finance costs	(131 358)	(124 059)
Net profit before debenture interest	301 105	275 391
Debenture interest	(288 755)	(260 292)
Net profit before capital items	12 350	15 099
Capital items		
Profit on sale of re-valued properties	-	11 051
Amortisation of debenture premium	1 007	544
Negative goodwill arising on acquisition of MICC subsidiary	-	297
Fair value adjustments	115 504	222 424
Gross change in fair value of investment properties	121 713	229 650
Straight-line rental income adjustment	(6 209)	(7 226)
Net profit before taxation	128 861	249 415
Taxation	(6 297)	(52 165)
Net profit	122 564	197 250

Reconciliation: Headline earnings and distributable earnings

	2009 Group R000	2009 Group Cents per linked unit	2008 Group R000	2008 Group Cents per linked unit
Attributable profit after taxation	122 564	41.47	197 250	66.74
Adjusted for:				
Net change in fair value of investment properties	(115 504)	(39.08)	(222 424)	(75.26)
Total tax effects of adjustments	(554)	(0.19)	46 782	15.83
Negative goodwill arising on an acquisition	-	-	(297)	(0.10)
Profit on sale of re-valued properties	-	-	(11 051)	(3.74)
Amortisation of debenture premium	(1 007)	(0.34)	(544)	(0.18)
Debenture interest	288 755	97.70	260 292	88.07
Headline earnings of linked units	294 254	99.56	270 008	91.36
Adjusted for:				
Straight-line rental accrual net of deferred taxation	(4 348)	(1.47)	(5 362)	(1.81)
Available for distribution	289 906	98.09	264 646	89.55
Total number of linked units in issue at 31 March	295 550 877		295 550 877	
Weighted average number of linked units in issue	295 550 877		295 550 877	
Earnings per linked unit (cents)	139.17		154.81	
Headline earnings per linked unit (cents)	99.56		91.36	

Abridged group balance sheet as at 31 March 2009

	31 March 2009 R000	31 March 2008 R000
ASSETS		
Non-current assets	4 612 344	4 405 390
Investment properties	4 466 707	4 205 406
Investment properties - at fair value	4 545 731	4 277 548
Straight-line rental income adjustment	(79 024)	(72 142)
Other non-current assets	145 637	199 984
Straight-line rental income asset	57 816	57 546
Development expenditure	315	-
Furniture, fittings and computer equipment	119	141
Available-for-sale financial assets	11 088	10 153
Derivative financial instruments	-	55 845
Goodwill	76 299	76 299
Current assets	111 143	77 844
Straight-line rental income	21 208	14 596
Trade and other receivables	29 128	21 839
Cash and cash equivalents	60 807	41 409
Non-current assets held-for-sale	-	53 450
Investment properties	-	52 777
Straight-line rental income asset	-	673
Total assets	4 723 487	4 536 684
EQUITY AND LIABILITIES		
Equity and reserves	1 145 101	1 095 851
Share capital	2 956	2 956
Share premium	17 341	17 341
Reserves	1 124 804	1 075 554
Non-current liabilities	3 258 160	3 184 109
Linked debentures and premium	1 534 420	1 535 427
Other interest bearing borrowings	1 245 827	1 190 744
Derivative financial instruments	16 493	-
Deferred taxation	461 420	457 938
Current liabilities	320 226	256 724
Trade and other payables	122 682	105 614
Short-term bank finance	37 459	9 200
Taxation payable	1 079	46
Linked unitholders for distribution	159 006	141 864
Total equity and liabilities	4 723 487	4 536 684

Abridged group cash flow statement for the year ended 31 March 2009

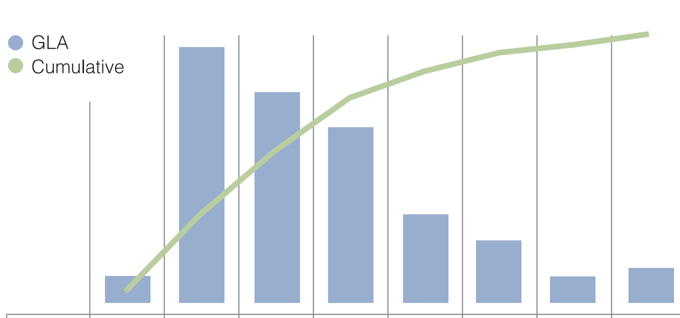
	2009 R000	2008 R000
Cash flows from operating activities	36 854	34 118
Cash generated from operations	433 484	393 864
Finance costs	(131 358)	(124 059)
Investment and other income	8 712	9 262
Distribution paid	(272 202)	(240 136)
Taxation paid	(1 782)	(4 813)
Cash flows utilised in investing activities	(100 798)	(225 732)
Cash flows generated from financing activities	83 342	46 012
Net increase/(decrease) in cash and cash equivalents	19 398	(145 602)
Cash and cash equivalents at the beginning of the year	41 409	187 011
Cash and cash equivalents at the end of the year	60 807	41 409

Abridged group statement of changes in equity

for the year ended 31 March 2009

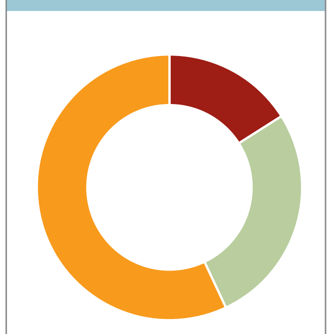
	Share capital and share premium R000	Non-distributable reserves R000	Retained income R000	Total R000
Balance at 31 March 2007	20 297	808 072	7 768	836 137
Net income recognised directly in equity	-	62 996	-	62 996
■ Cash flow hedges	-	73 898	-	73 898
■ Transferred to income statement	-	(10 902)	-	(10 902)
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 taxation 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
Net income recognised in equity	-	(72 104)	-	(72 104)
■ Cash flow hedges	-	(77 101)	-	(77 101)
■ Transferred to income statement	-	4 997	-	4 997
Net profit for the period	-	-	122 564	122 564
Change in fair value of investment properties	-	121 713	(121 713)	-
Deferred taxation on change in fair value of properties	-	554	(554)	-
Deferred taxation on straight-line rental accrual	-	(1 861)	1 861	-
Fair value adjustments for available-for-sale financial asset net of share based payment	-	(621)	-	(621)
Dividend distribution	-	-	(589)	(589)
Balance at 31 March 2009	20 297	1 111 101	13 703	1 145 101

Group lease expiry profile (% of GLA)



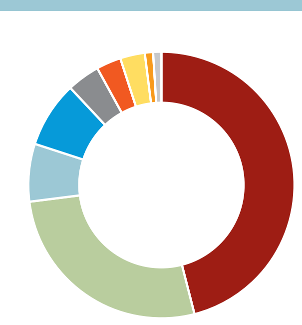
	Vacant	Mar 10	Mar 11	Mar 12	Mar 13	Mar 14	Mar 15	Beyond
GLA	3%	29%	24%	20%	10%	7%	3%	4%
Cumulative	3%	32%	56%	76%	86%	93%	96%	100%

Sectoral profile (% of gross rentals)



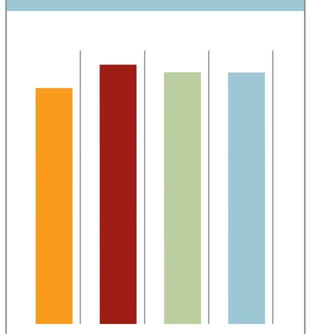
Retail	57
Industrial	16
Commercial	27

Geographical profile (% of gross rentals)



Gauteng	46	Mpumalanga	3
KwaZulu-Natal	27	Limpopo	3
Western Cape	7	Eastern Cape	1
Namibia	8	North West	1
Free State	4		

Vacancy profile (% of gross rentals)



Retail	3.0
Industrial	3.3
Commercial	3.2
Total	3.2

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

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