

PROPERTY ACQUISITION

MAY 2010

VUKILE
PROPERTY FUND LIMITED

Background



- Vukile acquired the property asset management business of Sanlam Properties on 1 January 2010
- As part of the transaction, Vukile also obtained:
 - a call option to acquire certain properties valued at ZAR500 million from Sanlam Life; and
 - a right of first refusal in respect of the majority of the remainder of Sanlam Life's long-term commercial property portfolio

Introduction



- Agreement with Sanlam Life to acquire a portfolio of 9 properties for a purchase price of R527 million
- The purchase price will be funded as follows:
 - Cash: R100m (19%)
 - Debt: c.R198 million (37%)
 - Equity: R237m (44%)
- The equity portion will be raised in terms of a vendor placement – placement with third parties on behalf of Sanlam Life
- The placement price is proposed to be at 5% discount to the 20-day VWAP prior to the date of issue of the linked units

Key features of the properties



■ Number of properties:	9
■ GLA:	104 460m ²
■ Valuation:	Independent valuation R573.5m - 6.9% higher than the purchase price of R536.4m ¹
■ Yield (2011 financial year):	9.5%
■ Yield (2012 financial year):	10.5%
■ Vacancies:	4.7% of GLA (4,936m ²)

Note 1: Based on the assumption that the properties are transferred on 1 July 2010. The purchase price includes transaction costs of R4.1m and an escalation of 0.01644% per day from 1 May 2010 to 1 July 2010

Overview of the properties

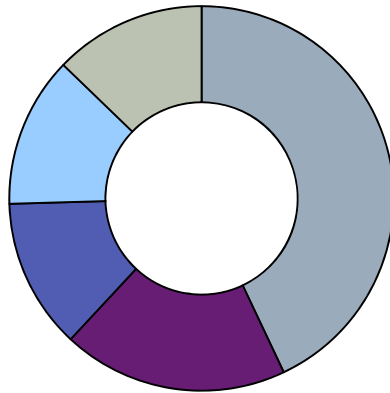


Property name	Region	Sector	Rentable area (m ²)	Weighted average rental/m ² (ZAR/m ²)	JHI Valuation (ZAR'000)	Purchase price plus costs (ZAR'000)
Amanzimtoti Jeffels Warehouse	KwaZulu-Natal	Industrial	22,645	18.96	52,000	61,500
Kimberly Kim Park	Northern Cape	Retail	10,494	65.00	38,000	47,500
Nelspruit Sanlam Centre	Mpumalanga	Mix use	13,934	48.40	72,000	39,600
Pinetown Westmead Kyalami Park	KwaZulu-Natal	Industrial	16,914	34.45	66,500	58,800
Pretoria Hatfield Sanlam Building	Gauteng	Office	5,358	73.93	43,000	41,400
Pretoria Sanwood Park	Gauteng	Office	6,388	76.72	57,000	55,000
Rustenburg Edgars Building	North-West	Retail	9,784	69.16	89,000	83,100
Sandton St Andrews Complex	Gauteng	Office	10,169	77.87	83,000	76,100
Sandton Sunninghill Place	Gauteng	Office	8,774	70.23	73,000	73,400
Total			104, 460		573,500	536,400



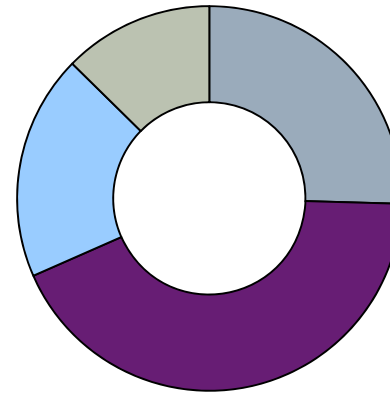
Profile of the portfolio of properties

Geographic profile (% of Gross Rentals)



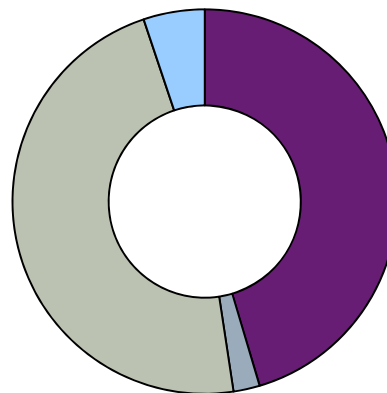
- Gauteng (43)
- KwaZulu-Natal (19)
- Mpumalanga (12)
- Northwest (13)
- Nothern Cape (13)

Sectoral profile (% of Gross Rentals)



- Retail (25)
- Office (43)
- Industrial (19)
- Mixed Use (13)

Tenant profile (% of Gross Rentals)

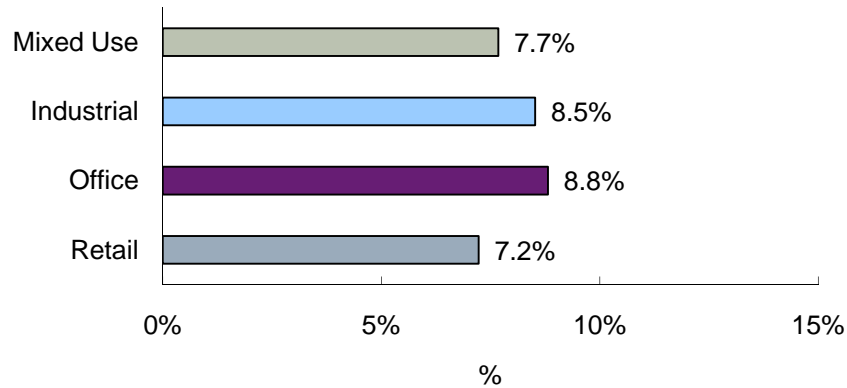


- Grade A (46)
- Grade B (2)
- Grade C (47)
- Vacant (5)

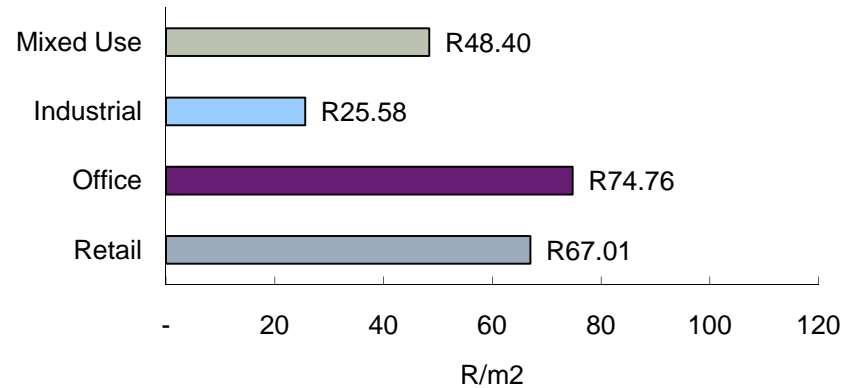
Profile of the portfolio of properties



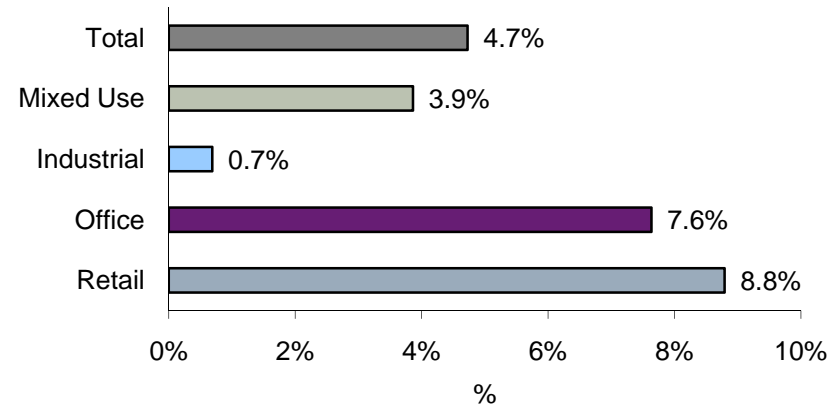
Weighted average rental escalation



Weighted average monthly rental per m²



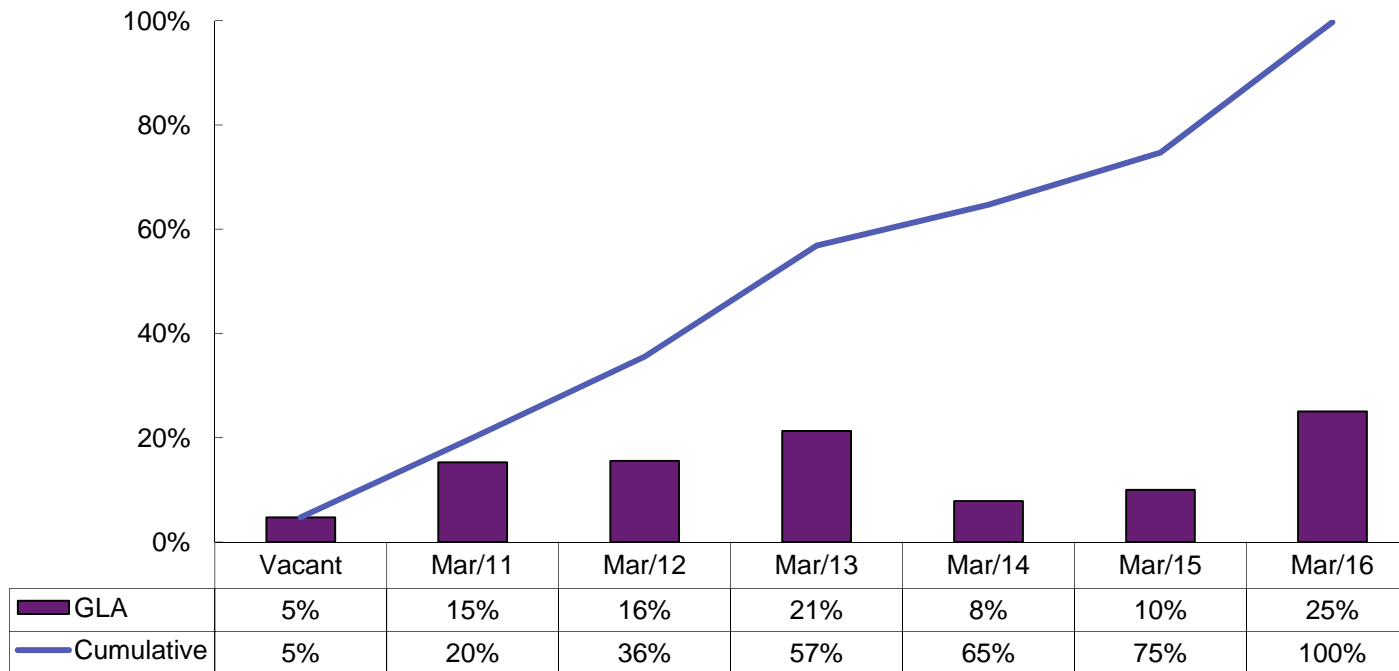
Vacancy Profile
(% of GLA)



Lease expiry profile of the properties



% of GLA



Forecasts for the properties



	9 months ending 31 March 2011	12 months ending 31 March 2012
	R'000	R'000
Forecast revenue	60,693	92,096
Property expenditure	(24,112)	(35,803)
Operational net income	36,581	56,293
Net profit after tax	24,702	34,620
Earnings available for distribution	16,853	30,014
Yield	9,5%	10,5%

- The *pro forma* financial effects of the property acquisition on net asset value and net tangible asset value per linked unit have not been disclosed as they are not significant

The properties



Amanzimtoti Jeffels Road



Kimberly Kim Park



Nelspruit Sanlam Centre



The properties



Pinetown Westmead Kyalami Park



Pretoria Hatfield Sanlam Building



Pretoria Sanwood Park



The properties



Rustenburg Edgars Building



Sandton St Andrews Complex



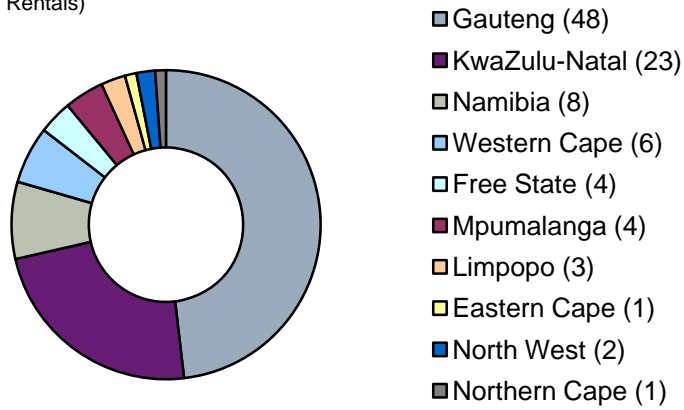
Sandton Sunninghill Place



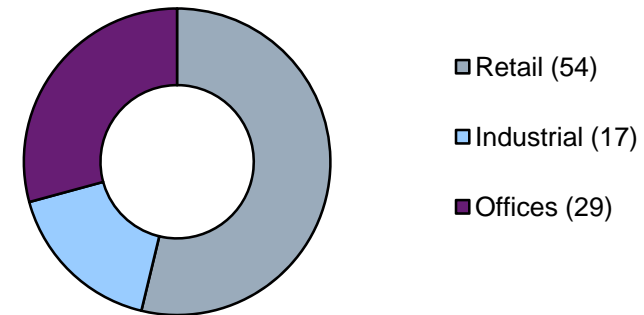
Vukile's *pro forma* property portfolio after the property acquisition



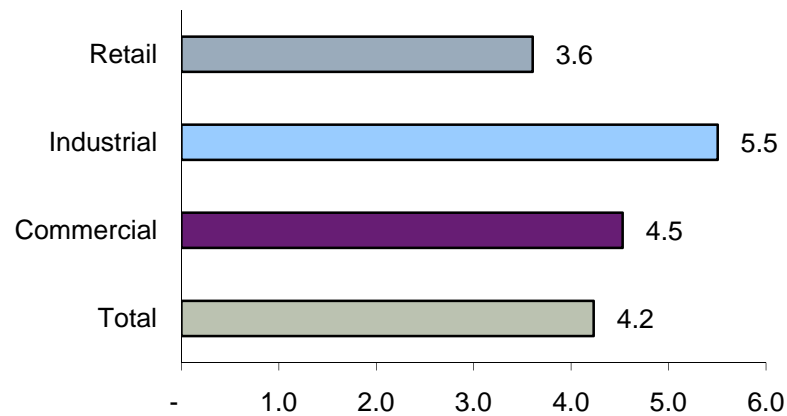
Geographical Profile
(% of Gross Rentals)



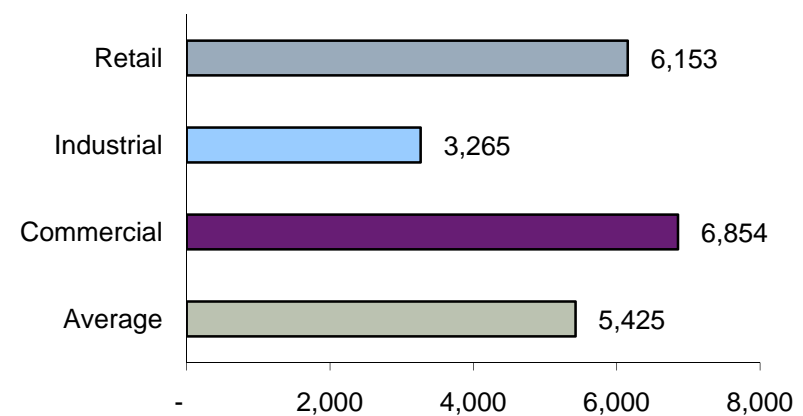
Sectoral Profile
(% of Gross Rentals)



Vacancy Profile
(% of Gross Rentals)



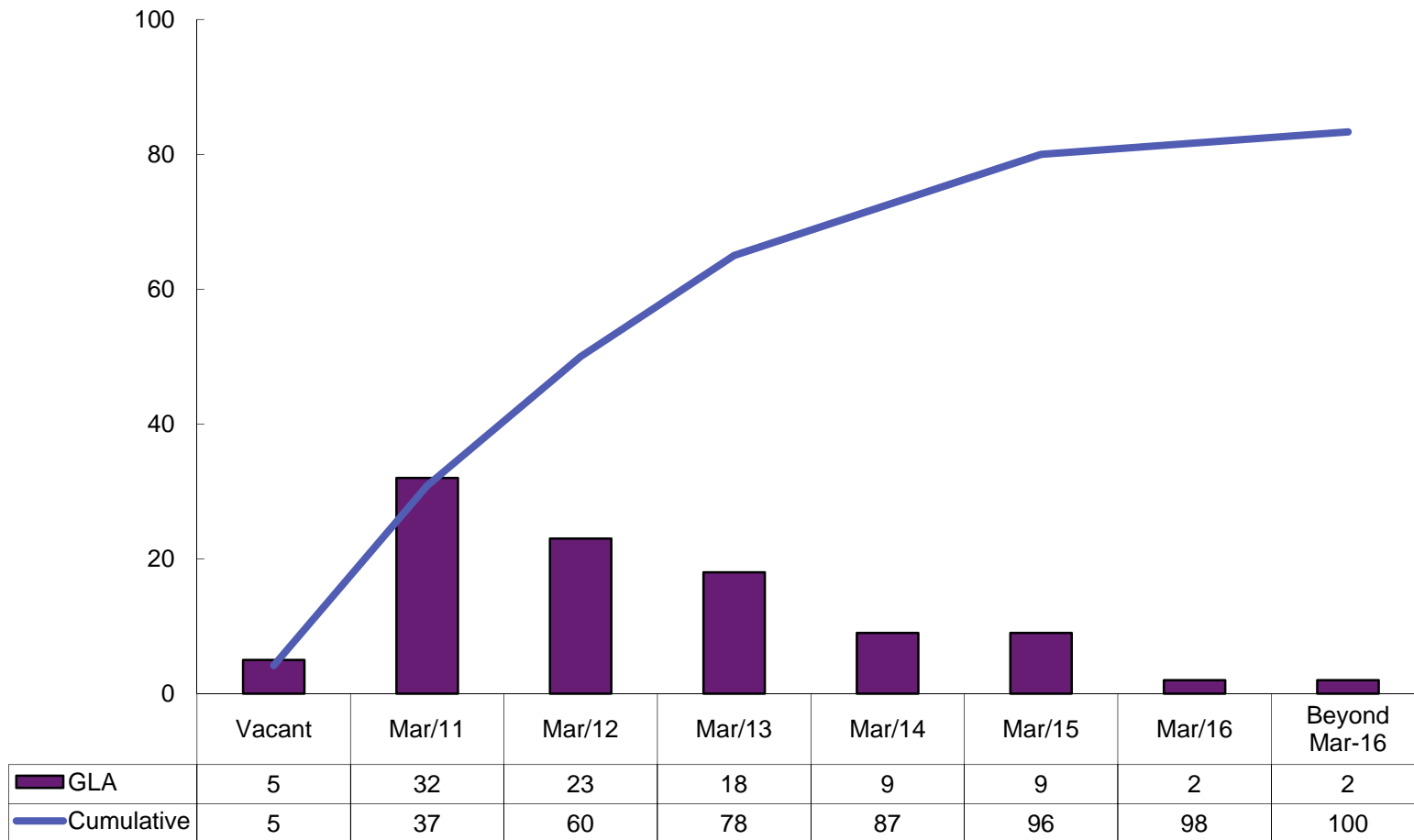
Sectoral valuation of portfolio
(R/m²)



Vukile's *pro forma* property portfolio after the property acquisition



Group Lease Expiry Profile
(% of GLA)



Way forward



Indicative dates

2010

Indications of interest to participate in the vendor placing received from potential participants

Friday, 4 June

Circular posted to unitholders

Monday, 5 July

General meeting of Vukile unitholders to approve the property acquisition

Tuesday, 27 July

Determination of placing price

Tuesday, 27 July

Commitments to participate in the vendor placing received from participants

Monday, 2 August

Funds from the vendor placement received by the transfer secretaries

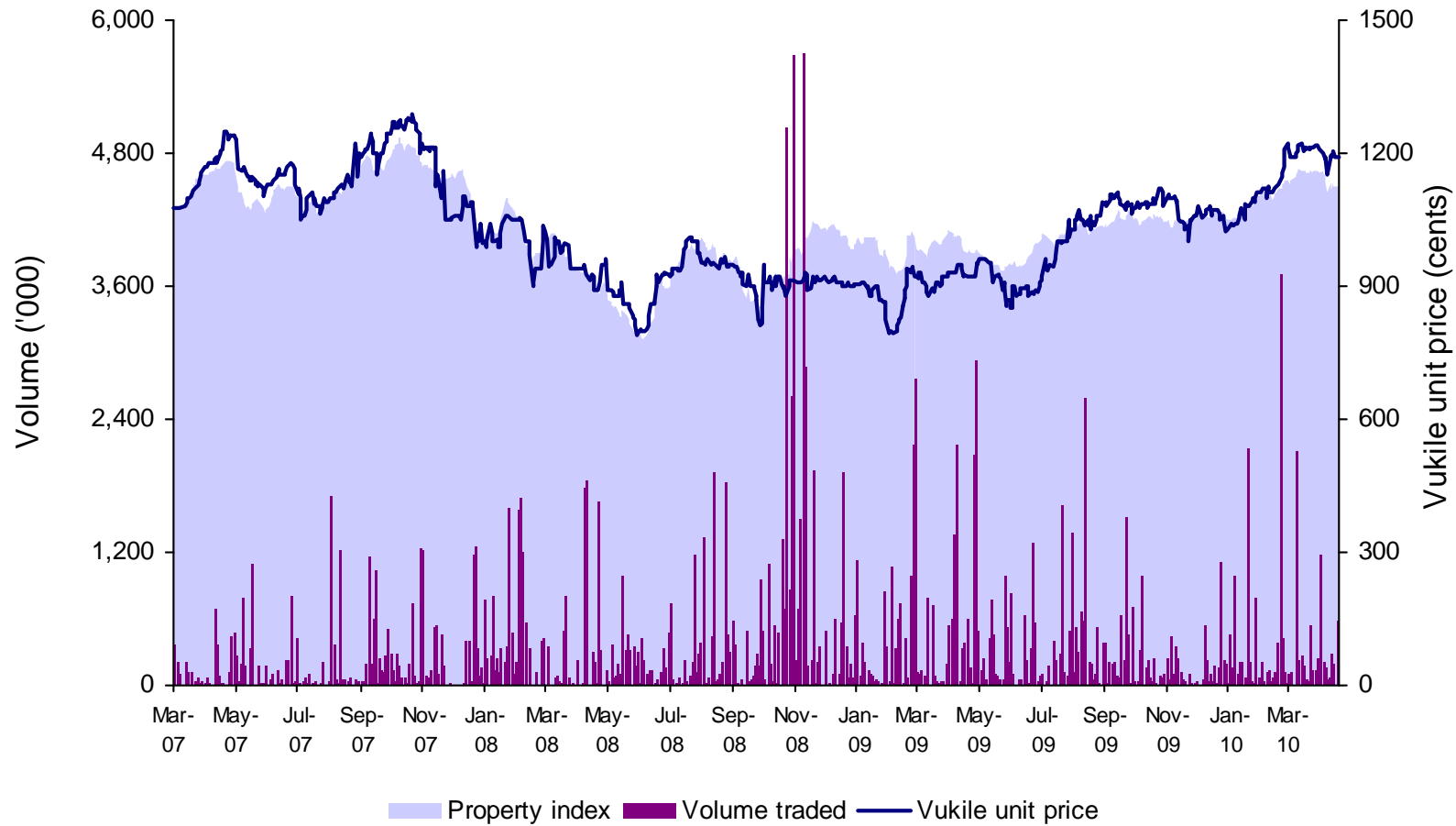
New units issued, allotted and listed

Friday, 6 August

Drawdown of debt



Vukile linked unit price performance



Questions

