

# Unaudited interim group results

FOR THE SIX MONTHS ENDED  
30 SEPTEMBER 2006

**VUKILE**  
PROPERTY FUND LIMITED

# Highlights



- Distribution up 10% on strong property performance, savings in debt costs
- Total return to unitholders for 12 months – 34.4%
- NAV per linked unit increases by 12.7%
- MICC debt restructured creating savings of ± R4 million per annum

## Salient features of results



- Net profit available for distribution up by 13.4% from R87.2 million to R98.9 million
- Net asset value up to 710 cents per linked unit from 630 cents per linked unit at September 2006 (+ 12.7%)
- Distribution for six months up 10% (35.75 cents vs 32.50 cents)
- Valuation of Vukile portfolio up 2.7% to R2.57 billion (compared to 31/03/06)
- Valuation of MICC portfolio down 20% to R919 million (sales)

# Group income statement

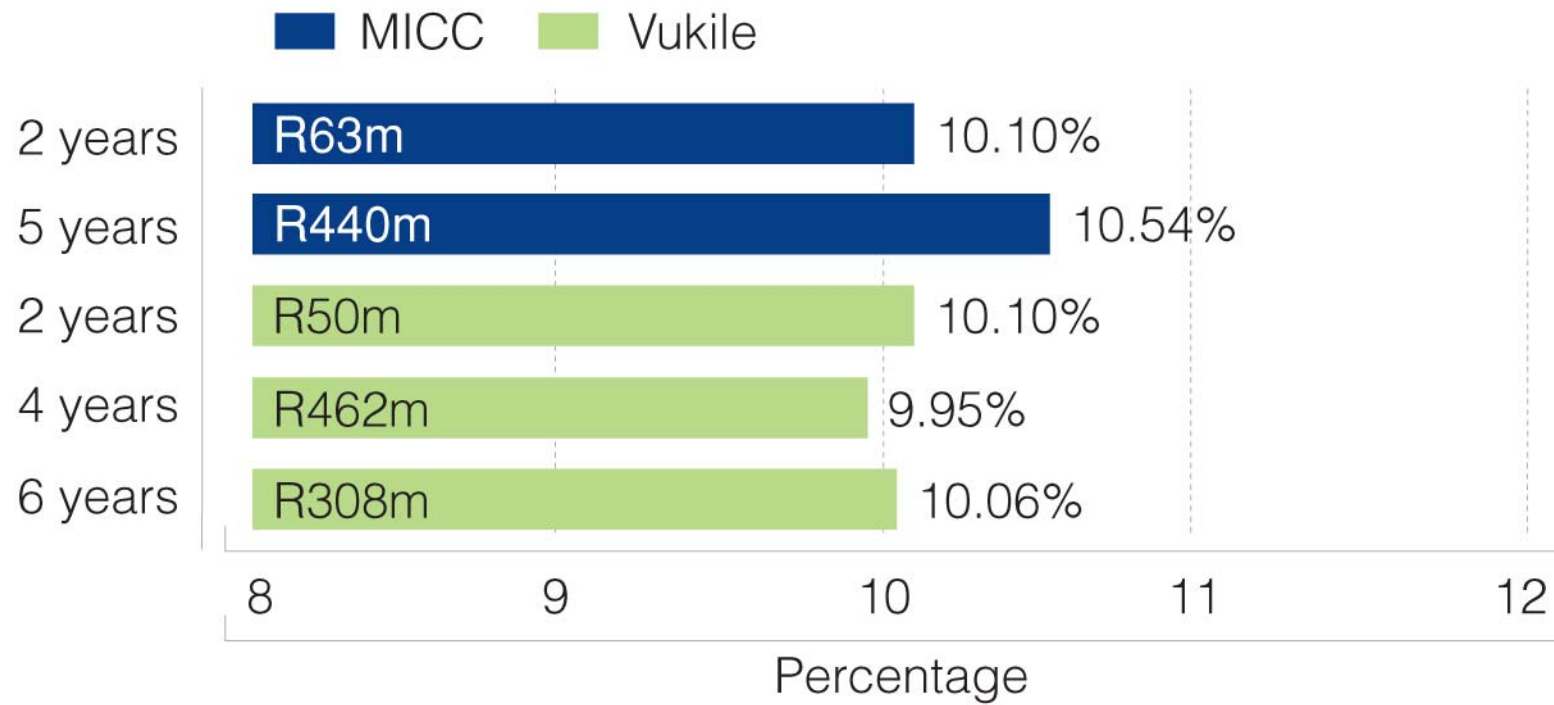


	Sept 2006 Cents per linked unit
Vukile net rental income	48.0
MICC net rental income	18.8
Net finance costs	(25.2)
Other (including taxation)	(4.6)
Headline earnings	<u>37.0</u>
Increase over six months prior period excluding straight-line rental income	13.4%

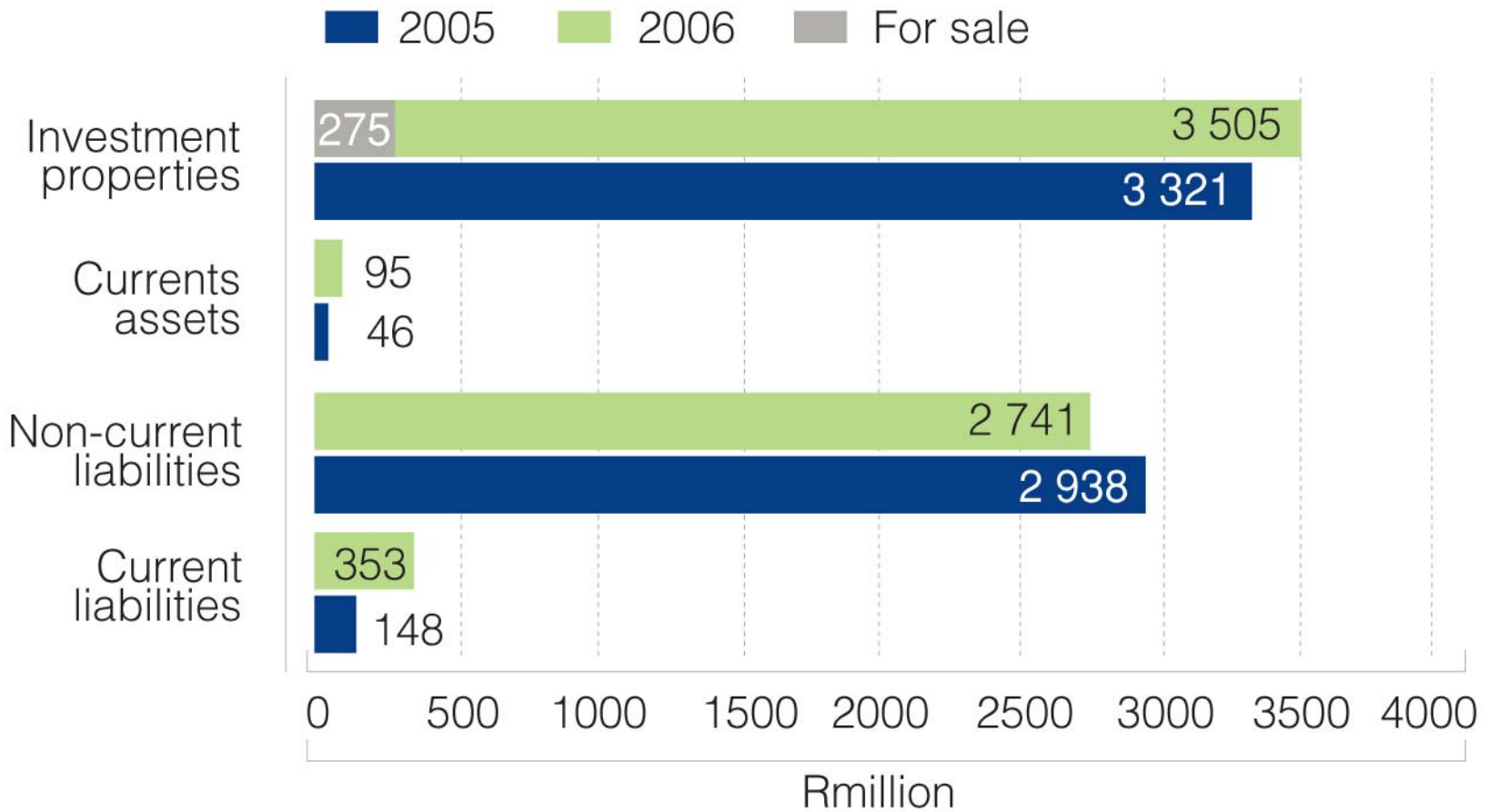
# Group income statement (cont'd)



## Cost of finance



# Group balance sheet



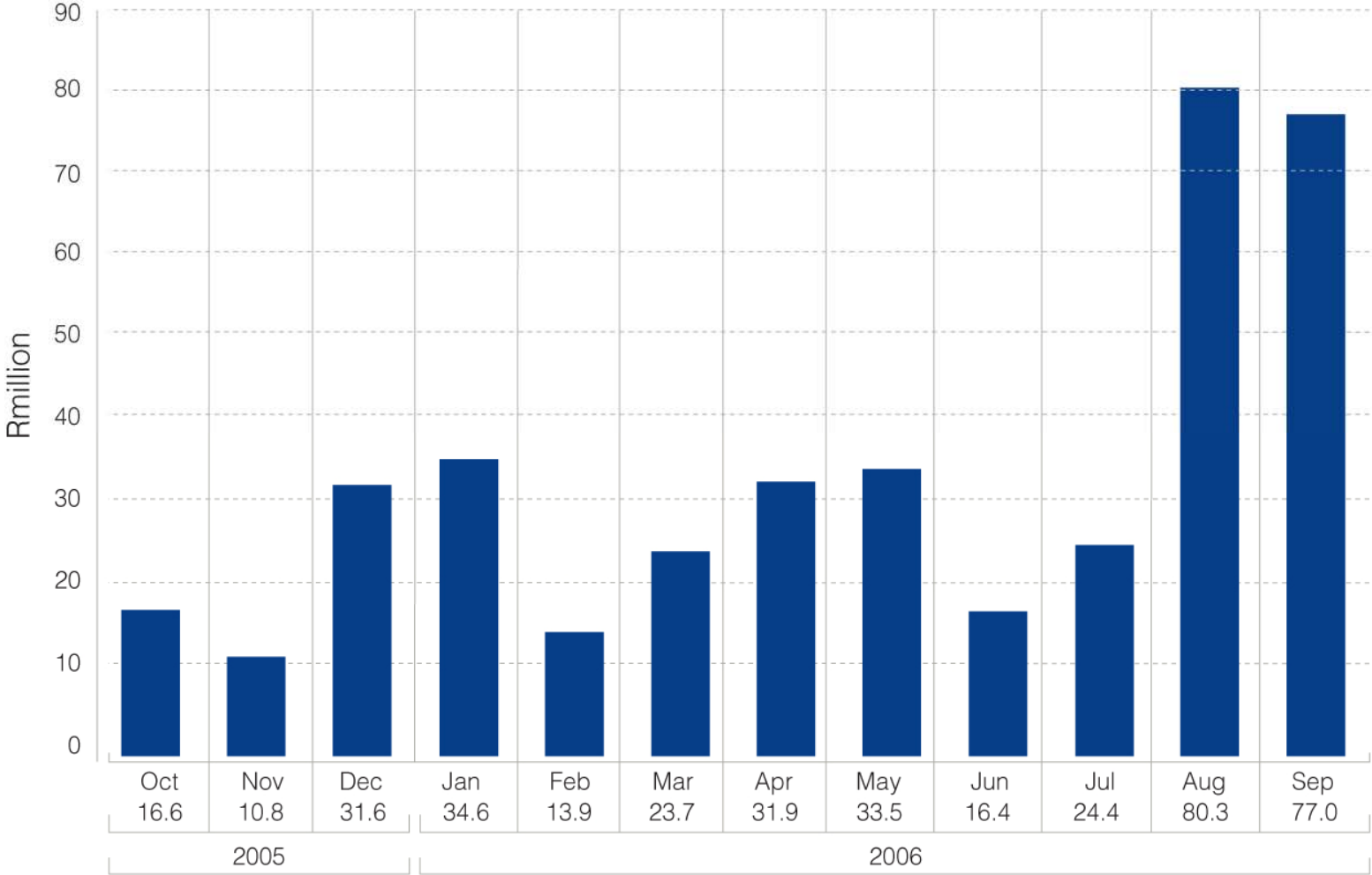
Unaudited interim group results for the six months ended 30 September 2006

## MICC contribution to Vukile



	Six months to 30 Sept 05	Six months to 30 Sept 06	Percentage difference
MICC distribution (cents)	45.0	40.5	- 10.0%
Vukile's share of MICC	75.0%	98.9%	+ 31.9%
MICC's contribution to Vukile (Rmillion)	22.6	26.8	+ 18.6%
Annualised yield on cost of acquisition of MICC (R455 million)		> 12%	

# Trading volumes

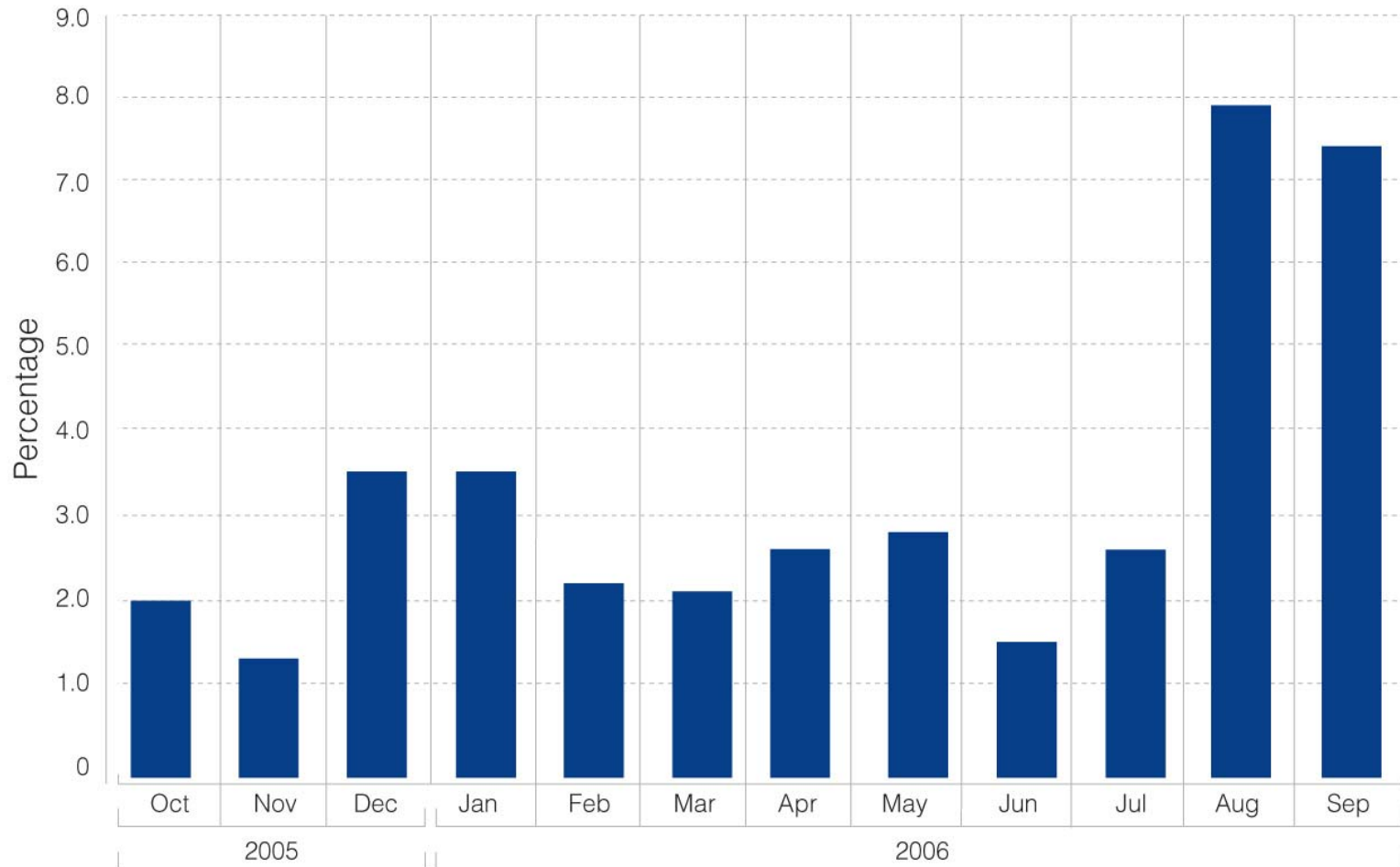


Unaudited interim group results for the six months ended 30 September 2006

# Trading volumes



## Trading volume as % of “Free Float”



Unaudited interim group results for the six months ended 30 September 2006

## The property portfolio



- Vukile: 52 properties – GLA of 669 331 m<sup>2</sup>
- MICC: 27 properties (39 at 30/09/06) – GLA of 286 816 m<sup>2</sup>  
(390 897 m<sup>2</sup> at 30/09/06)
- Vukile portfolio valuation:
  - Directors – R2 574.8 million total portfolio
  - External valuer (±50%) – R1 194.9 million
  - Directors (±50%) – R1 064.5 million
  - Difference – R130.4 million (10.9%)
- MICC portfolio valuation:
  - Directors – R918.9 million total portfolio

# Acquisitions / Upgrades



## Vukile

- Expansions to Phoenix/Dobsonville – R80 m – 10.7% (Nov 06)
- Acquisition of Parktown Oakhurst – R36.4 m – 10.5% (Apr 06)
- Acquisition of 50% of Kings Rd, Pinetown – R28 m – 10.3% (Nov 06)
- Acquisition of 50 Sixth Rd, Hyde Park – R57.2 m – 9.7% (Jul 06)
- Total – R201.6 million - ±10%

+

- Acquisition of ±25% of MICC – ±R250 m – 10.0%

## Disposals (Transferred)



Vukile – R71.0 million (R57.5 million) [+23.5%]

- OK Bazaars Phalaborwa – R26.0 m (R22.5 m)
- OK Bazaars West St Durban – R45.0 m (R35.0 m)

MICC – R245.0 million (R200.3 million) [+22.3%]

- 9 Fredman Drive Sandton – R60.3 m (R60.1 m)
- Overport City Durban – R45.0 m (R33.2 m)
- Hoskens House Witbank – R2.5 m (R2.3 m)
- Hi Tech Mini Units Strijdompark – R3.4 m (R5.1 m)
- WJM House Pinelands – R4.5 m (R8.4 m)
- Middelburg SAPS – R7.1 m (R9.0 m)
- Middelburg Plaza – R26.0 m (R24.4 m)
- Welkom State Rd – R11.9 m (R6.5 m)
- Mkuze Boxer Stores – R21.8 m (R15.9 m)
- Taung Forum – R24.9 m (R16.8 m)
- Ermelo Mall – R34.6 m (R15.0 m)
- Luderitz Pep Stores – R3.0 m (R3.6 m)

## Disposals (Approved to be sold)



Vukile – R27.9 million (R25.5 million) [+9.4%]

- Johannesburg Market Street Bradlows – R7.9 m (R10.9 m)
- Johannesburg Wynberg 57 Andries Street – R6.2 m (R2.9 m)
- Orkney Shopping Centre – R13.8 m (R11.7 m)

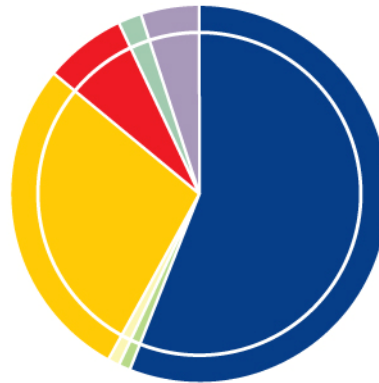
MICC – R65.6 million (R66.3 million) [-1.1%]

- Johannesburg Denver Relyant – R7.2 m (R5.6 m)
- Pinetown Halifax Road – R22.3 m (R20.3 m)
- Pietermaritzburg Heritage House – R11.6 m (R12.8 m)
- Randburg Hillview – R18.4 m (R17.4 m)
- Bethlehem Maluti Square – R6.2 m (R10.1 m)

# The Vukile portfolio



## Geographical profile - % of gross rentals



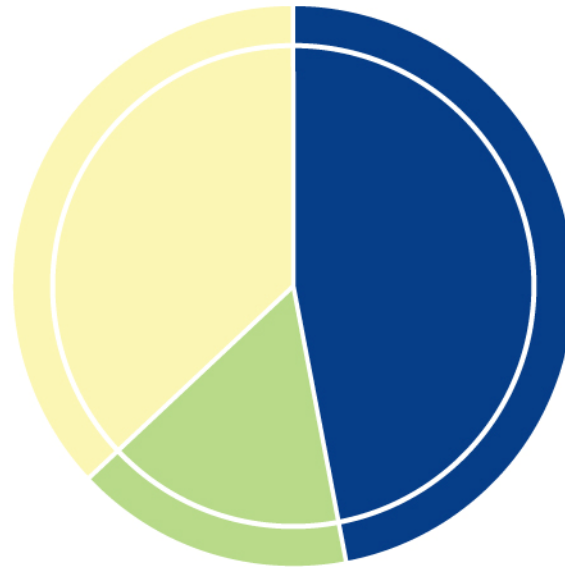
Percentage

	Gauteng	56
	Mpumalanga	1
	North West	1
	KwaZulu-Natal	28
	Northern Cape	0
	Western Cape	7
	Eastern Cape	2
	Free State	5
	Limpopo Province	0




# The Vukile portfolio



## Sectoral profile - % of gross rentals



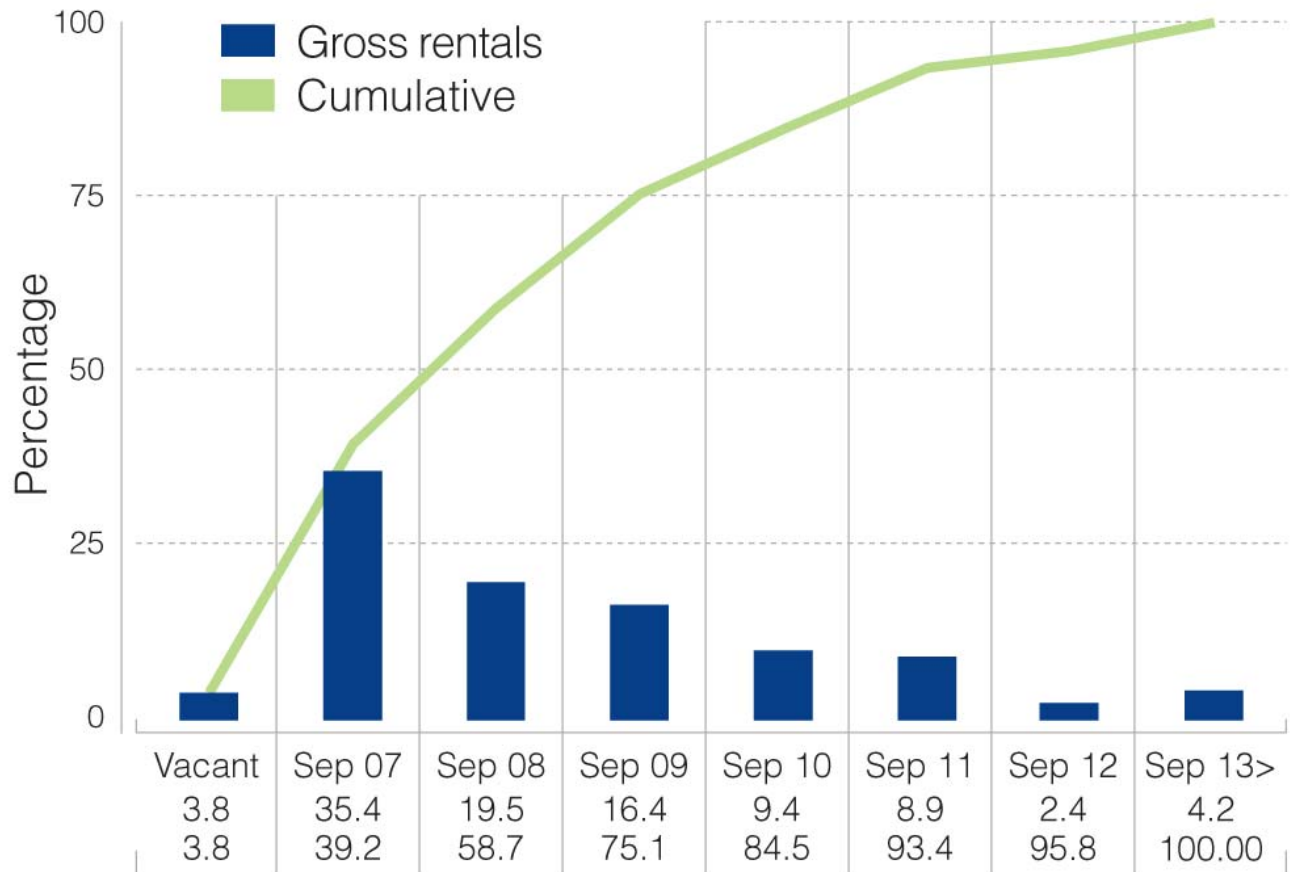
Percentage

	Retail	47
	Industrial	16
	Commercial	37

# The Vukile portfolio



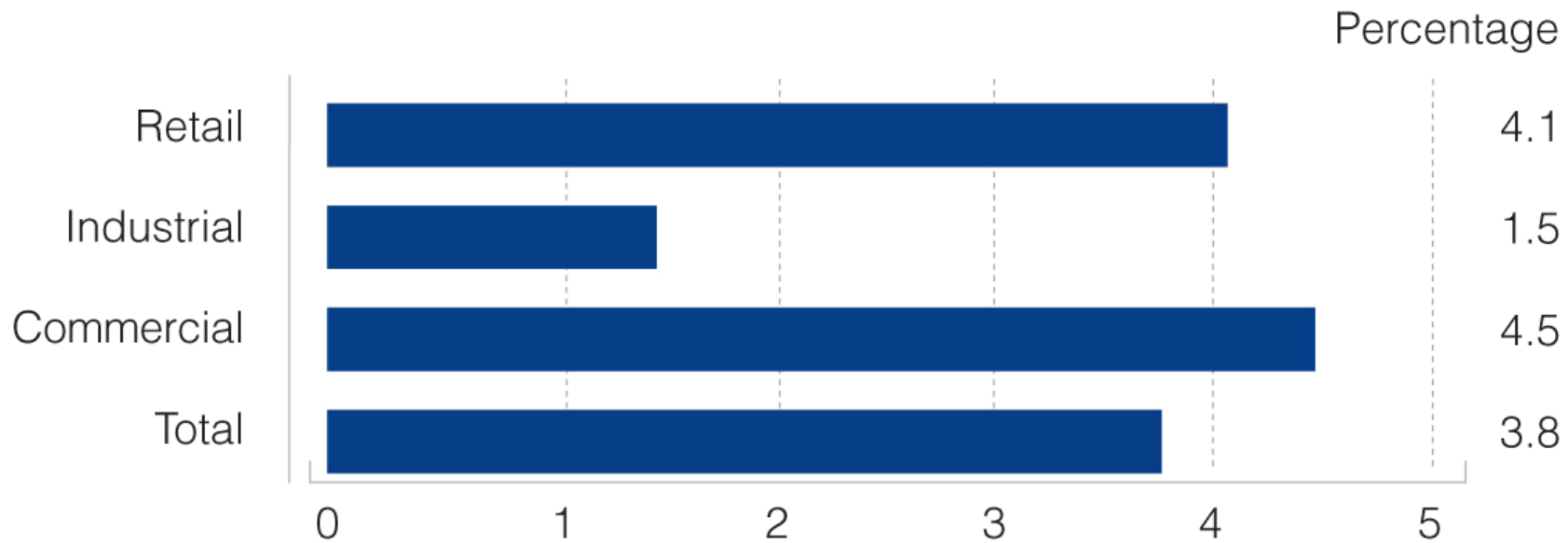
## Lease expiry profile - % of gross rentals



# The Vukile portfolio



## Vacancy profile - % of gross rentals



# The Vukile portfolio



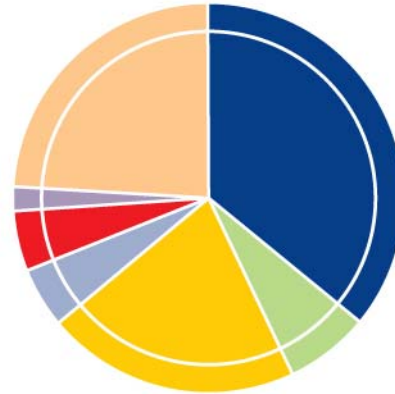
## New leases and renewals (six months ended 30 September 2006)

- Total contract value R142 million
- Total rentable area 91 491 m<sup>2</sup>
- Includes:
  - Bloemfontein Plaza
  - Randburg Trevallyn
  - Germiston Route 24
  - Randburg Square
  - Dobsonville

# The MICC portfolio



## Geographical profile - % of gross rentals



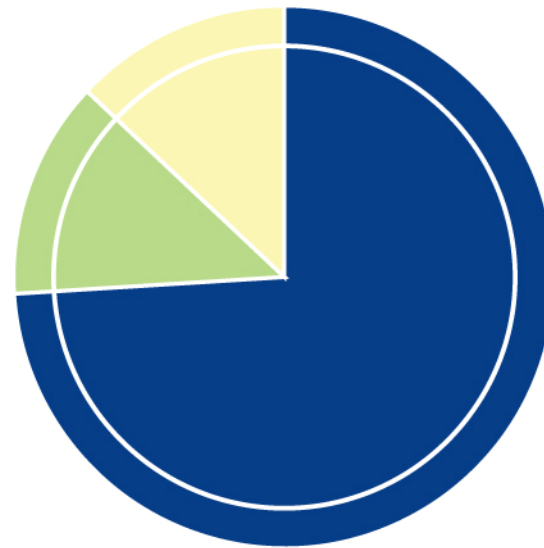
Percentage

	Gauteng	36
	Mpumalanga	7
	North West	0
	KwaZulu-Natal	21
	Limpopo	5
	Western Cape	5
	Northern Cape	0
	Free State	2
	Namibia	24




# The MICC portfolio



## Sectoral profile - % of gross rentals



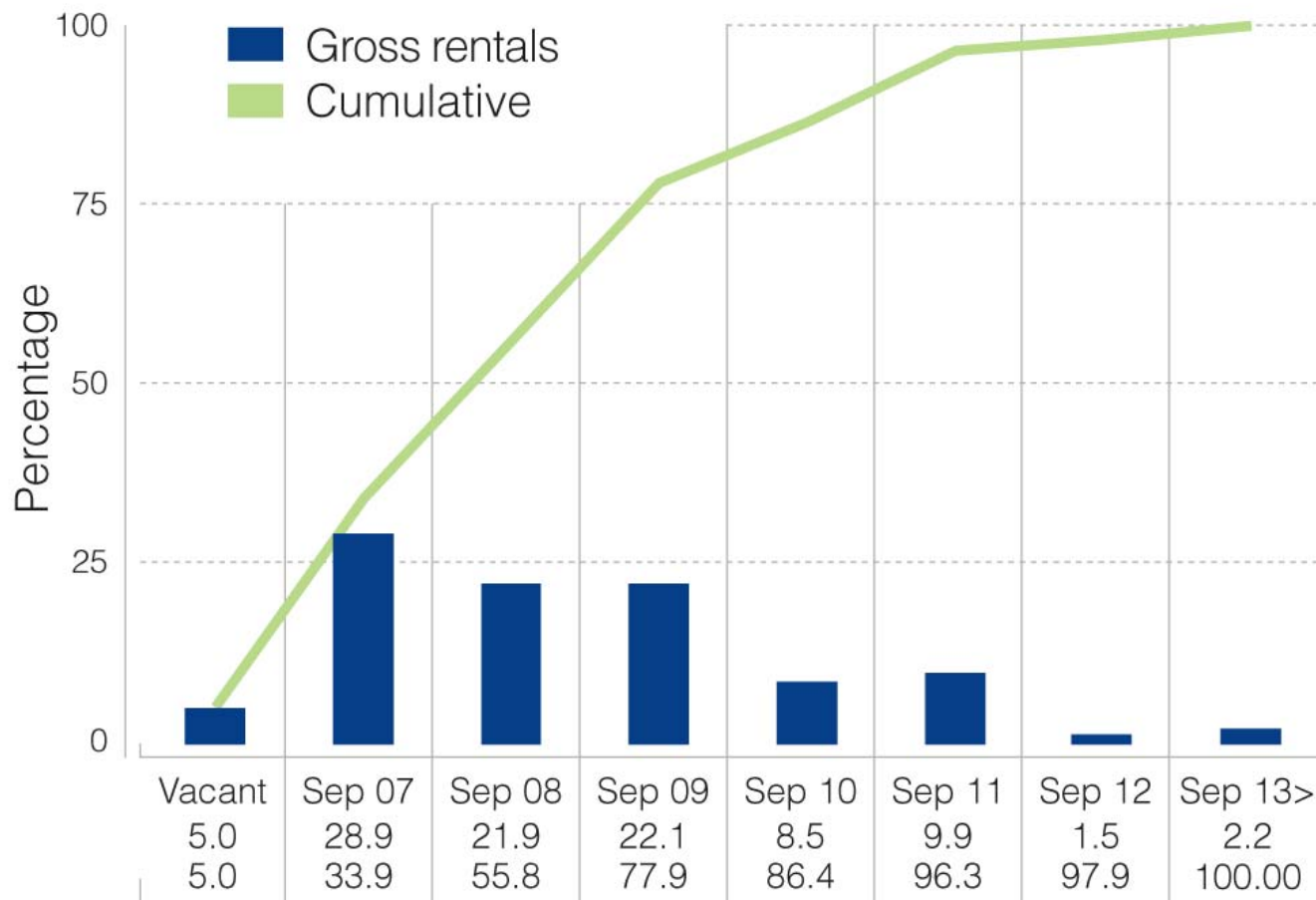
Percentage

	Retail	74
	Industrial	13
	Commercial	13

# The MICC portfolio



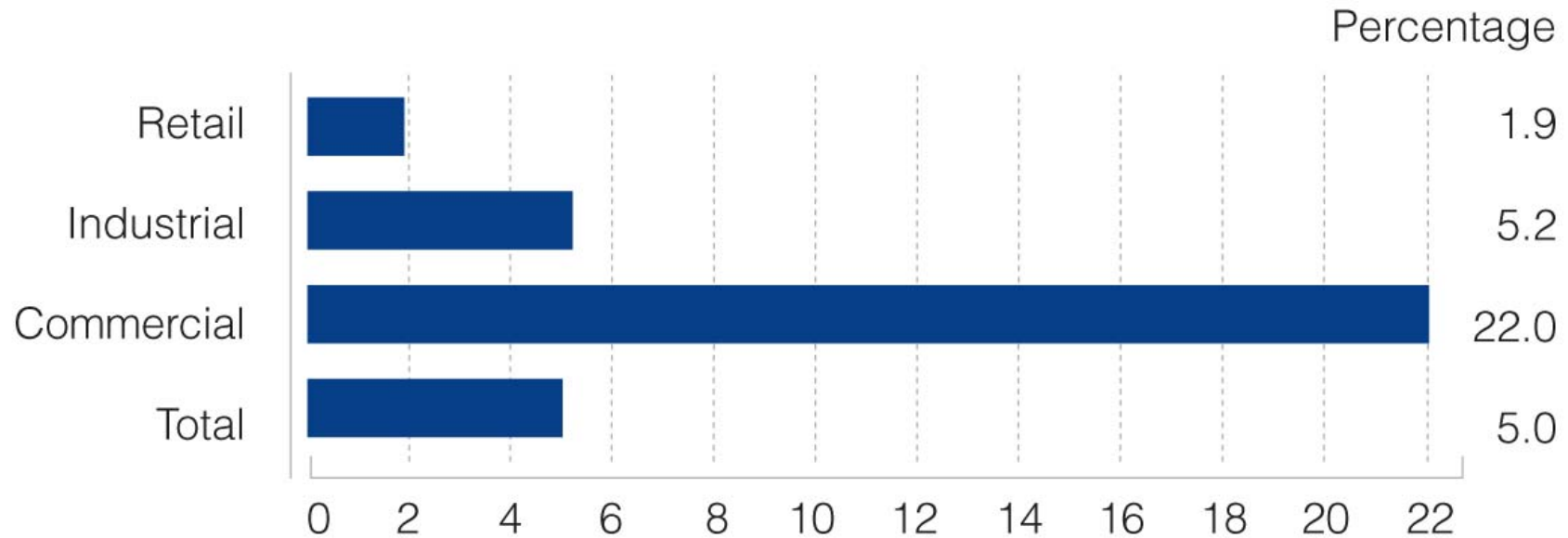
## Lease expiry profile - % of gross rentals



# The MICC portfolio



## Vacancy profile - % of gross rentals



# The MICC portfolio



## New leases and renewals (six months ended 30 September 2006)

- Total contract value R48 million
- Total rentable area 36 300 m<sup>2</sup>
- Includes:
  - Meadowdale Mall
  - Roodepoort Robertville
  - Randburg Tungsten
  - Oshakati Shopping Centre

## Vukile and MICC portfolios combined (Group)

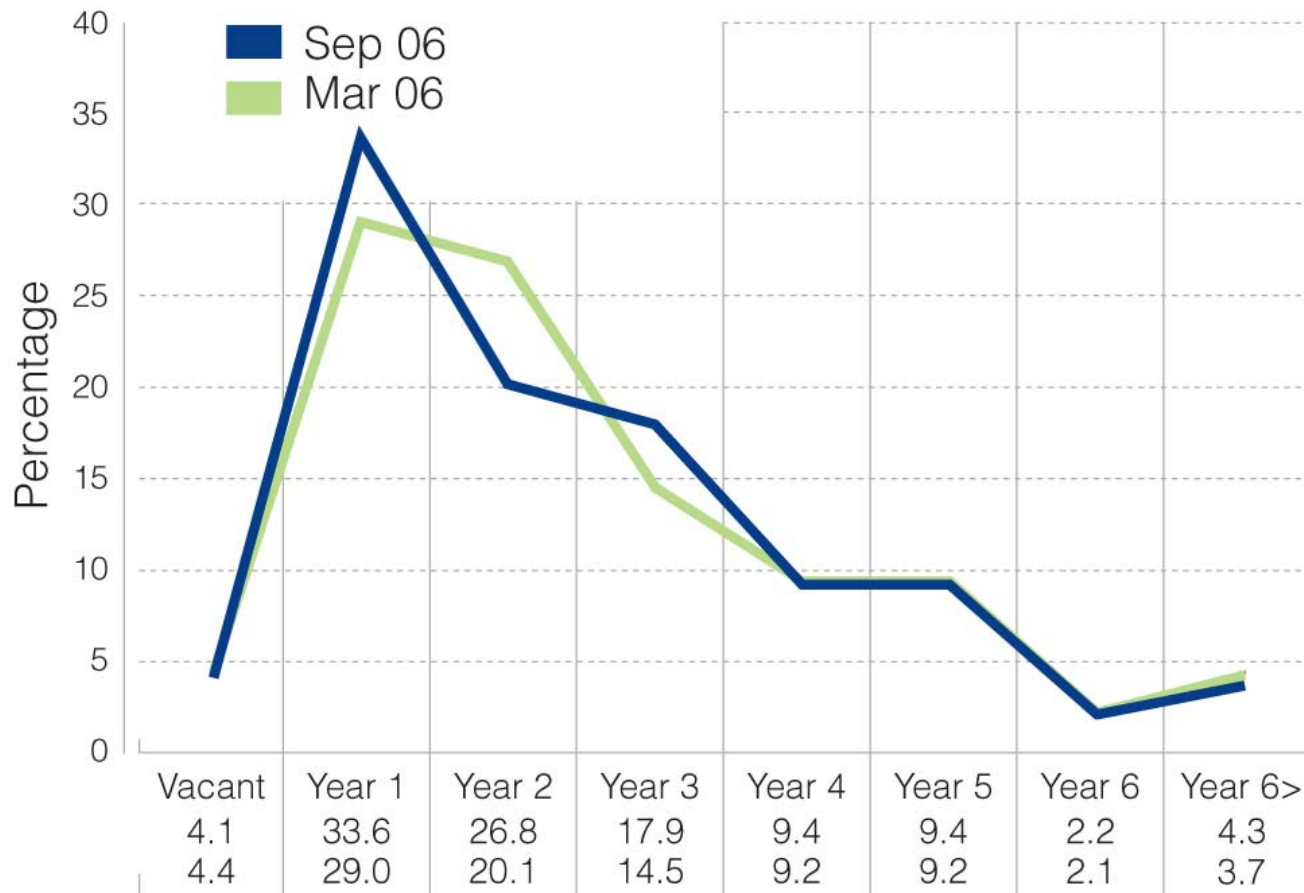


■ Number of properties	79
■ GLA	956 146 m <sup>2</sup>
■ Market value	R3.49 billion
■ Vacancy (% of gross rentals)	4.1%
■ Sectoral spread (% of gross rentals):	
■ Retail	51.6%
■ Commercial	32.7%
■ Industrial	15.7%

# Vukile and MICC portfolios combined (Group)



## Group lease expiry profile - % of gross rentals



Unaudited interim group results for the six months ended 30 September 2006

## Acquisition of MICC



- At 30 September 2006 Vukile owned 98.9% of MICC
- Vukile invoked provisions of S440 of Companies Act
- Linked unitholder owning 9 825 linked units (0.01%) filed motion opposing compulsory acquisition
- Vukile will oppose the application
- Hearing date to be confirmed

## Strategic priorities for coming year



- Grow portfolio through value adding acquisitions
- Full integration of MICC
- Develop opportunities brought by BEE credentials
- Increase liquidity of linked units
- Maintain focus on upgrades/expansion of existing properties

# Prospects



- Expect further good performance from existing portfolio, although limited scope for further reductions in vacancies
- Acquisitions will start contributing
- Full benefits of securitisation
- Benefits of restructuring of MICC debt
- Growth for full year broadly in line with growth at interim stage

# Questions



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