

Vukile Property Fund Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 2002/027194/06)  
JSE code: VKE NSX code: VKN  
ISIN: ZAE000056370  
("Vukile" or "the company")

## Update on the proposed acquisition of properties from Sanlam Life Insurance Limited

### 1. Introduction

Vukile unitholders ("Unitholders") are referred to the announcements dated 29 October 2009, 29 April 2010 and 25 May 2010, containing details of the agreement and addenda entered into by Vukile with Sanlam Life Insurance Limited ("Sanlam Life"), to acquire a portfolio of nine properties ("the Properties") for R527 million ("the Property Acquisition").

Unitholders are advised that following the publication of the announcement on 25 May 2010, the following developments with respect to the Property Acquisition have taken place:

- 1.1 a further addendum to the agreement, dated 6 July 2010, was entered into between Vukile and Sanlam Life amending the date for fulfilment of the last of the conditions precedent to 15 September 2010;
- 1.2 the company was requested by the JSE Limited ("the JSE") to replace Gensec Property Services Limited, trading as JHI, as the independent property valuer. Accordingly, the company appointed Colliers Property and Facilities Management (Proprietary) Limited ("Colliers") as the independent property valuer; and
- 1.3 due to the passage of time, the forecast financial information relating to the Property Acquisition has been updated.

Accordingly, this announcement contains updated information on the Properties and forecast financial information relating to the Property Acquisition.

### 2. Updated property specific information

Updated information on the Properties is set out below:

Property name	Weighted average rent per m <sup>2</sup> (R/m <sup>2</sup> )	Total rentable area (m <sup>2</sup> )	Purchase Price <sup>(1)</sup> (ZAR' m)	Value of property <sup>(2)</sup> (ZAR 'm)
Amanzimtoti Jeffels Road Warehouse	18.96	22,645	60.4	56.9
Kimberley Kim Park	62.37	10,494	46.7	50.6
Nelspruit Sanlam Centre	53.07	13,934	38.9	44.4
Pinetown Westmead Kyalami Park	34.36	16,914	57.8	60.1
Pretoria Hatfield Sanlam Building	74.53	5,358	40.7	37.9
Pretoria Sanwood Park	77.47	6,388	54.0	38.9
Rustenburg Edgars Building	70.05	9,784	81.6	109.6
Sandton St Andrews	73.23	10,169	74.8	62.3

Complex				
Sandton Sunninghill Place	73.02	8,774	72.1	76.9
		<b>104,460</b>	<b>527.0</b>	<b>537.6</b>

Note:

- (1) The purchase price of R527 million excludes estimated acquisition costs of R4.1 million and an escalation of 0.01644% of the purchase price for each property for each day from 1 May 2010 to the date(s) of registration of the transfer of each property into Vukile's name in the relevant deeds registry office.
- (2) The value of the Properties was determined during July 2010 by the independent external property valuer, Colliers.

Set out below is the updated information relating to the geographic and sectoral profiles of the Properties:

Analysis	Rentable Area [m <sup>2</sup> ]	Weighted average rental Year One [R/m <sup>2</sup> /month]	Net Income Year One (7 months) [R'000]	Average Rental Escalation Existing Leases	Average annualised property yield	Vacant Area September 2010 [m <sup>2</sup> /%]	
<b>Geographical</b>	<b>104,460</b>	<b>53.08</b>	<b>32,241</b>	<b>8.1%</b>	<b>9.9%</b>	<b>5,441</b>	<b>5.2%</b>
Gauteng	30,690	80.25	13,756	8.8%	9.3%	2,844	9.3%
KwaZulu-Natal	39,559	25.83	6,465	8.6%	8.9%	358	0.9%
Mpumalanga	13,933	48.73	2,879	8.1%	11.7%	771	5.5%
Northwest	9,784	84.77	6,123	7.0%	11.8%	-	0.0%
Northern Cape	10,494	52.56	3,018	7.6%	10.8%	1,468	14.0%
<b>Sectoral</b>	<b>104,460</b>	<b>53.08</b>	<b>32,241</b>	<b>8.1%</b>	<b>9.9%</b>	<b>5,441</b>	<b>5.2%</b>
Retail	20,278	68.10	9,140	7.2%	11.4%	1,468	7.2%
Office	30,690	80.25	13,756	8.8%	9.3%	2,844	9.3%
Industrial	39,559	25.83	6,465	8.6%	8.9%	358	0.9%
Mixed use	13,933	48.73	2,880	8.1%	11.7%	771	5.5%

### 3. Updated forecast information relating to the Property Acquisition

The updated forecast financial information relating to the Property Acquisition for the 7 months ending 31 March 2011 and the 12 months ending 31 March 2012 is set out below. The updated forecast financial information has been reviewed and reported on by the reporting accountant in terms of Section 8 of the JSE Listings Requirements and is the responsibility of the company's directors.

	Forecast 7 months ending 31 March 2011	Forecast 12 months ending 31 March 2012
	R'000	R'000
Forecast revenue <sup>(1)(2)</sup>	51,258	93,260
Property expenditure	(19,017)	(35,792)
Operational net income	32,241	57,468
Net profit after tax	21,295	30,710
Earnings available for distribution	14,999	29,615
Yield <sup>(3)</sup>	9,9%	10,6%

Note:

- (1) Contracted rental income 7 months to 31 March 2011 is 80% and for the 12 months to 31 March 2012 is 59% based on existing signed lease agreements.
- (2) Uncontracted rental income for the 7 months to 31 March 2011 is 20% and for the 12 months to 31 March 2012 is 41% of forecast gross rental income.
  - Leases expiring during the periods have been forecast on a lease-by-lease basis, with particular regard as to the likelihood of existing tenants renewing their leases. Where appropriate a vacancy provision has been allowed based on the expected lettable of the particular premises. Revenues forecast for the period after the expiry of the leases have been included in uncontracted revenue and have been based on current market-related rentals.
- (3) Based on operational net income for a full 12 months to 31 March 2011 and assuming a total purchase price at 1 September 2010, inclusive of costs, of R541.7 million.

#### 4. Salient dates and times

Set out below are the salient dates and times relating to the property acquisition:

	<b>2010</b>
Circular and notice of general meeting posted to Vukile unitholders on	Monday, 2 August
Last day to lodge forms of proxy for the general meeting (by 10:00) on	Monday, 23 August
General meeting to be held at 1 <sup>st</sup> Floor, Meersig Building 1, Constantia Boulevard, Constantia Kloof, Gauteng (10:00) on	Tuesday, 24 August
Results of the general meeting released on Sens on	Tuesday, 24 August
Results of the general meeting published in the press on	Wednesday, 25 August

**Note:** These dates and times are subject to amendment. Any such amendment will be released on SENS and in the press.

Roodepoort

2 August 2010

#### **Investment bank, corporate adviser and transaction sponsor**

Nedbank Capital, a division of Nedbank Limited

#### **JSE sponsor**

Barnard Jacobs Mellet Corporate Finance (Proprietary) Limited

#### **NSX sponsor**

IJG Securities (Proprietary) Limited

#### **Independent Reporting Accountants**

Grant Thornton

#### **Independent valuer**

Colliers Property and Facilities Management (Proprietary) Limited