



NEWS RELEASE

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*For further information contact
Gerhard van Zyl, CEO Vukile Property Fund Limited,
on 011 288 1002*

VUKILE SHRUGS OFF SLOW RECOVERY TO POST ROBUST RESULTS

Johannesburg, 29 June 2011 – Property loan stock company Vukile shrugged off a sluggish economic recovery to increase its full year distribution to linked unitholders by 9% and to grow its net asset value by 7.6% in the 2010 financial year.

In its annual report, published today, chairman Anton Botha said that the listed property sector delivered a robust performance during the 2010 calendar year as illustrated by the fact that the South African Listed Property Index recorded a total return of 29.6% for the year, outperforming the other traditional asset classes. This he attributed mainly to strong demand from both retail and institutional investors as well as the listing of a few smaller funds, which caused the market capitalisation of the sector to grow over the last year from R100 billion to R120 billion.

However, despite the strong performance from the listed property sector, conditions at the coal face remained as tough as ever. “Vacancies remained high and bad debts and arrears have not yet started to improve from previous levels. This, coupled with the fact that retail sales have remained depressed while energy costs and rates and taxes have increased dramatically, has caused rental levels to remain under pressure and business conditions were as tough as at any time during the past two to three years,” he said.

“We are of the opinion that the outlook for property, given that the economy has experienced several successive quarters of growth, is more positive than negative. Consumer spending remains weak, however, and, as the property cycle lags the general economy by between 12 and 18 months, we consider any possible recovery over the next 12 months to be muted and fairly fragile. Higher municipal rates and taxes and energy costs remain a cause for concern and this will continue to make rental bargaining difficult and keep vacancy levels under pressure.”

Unitholders are advised that the integrated annual report for the year ended 31 March 2011, will be posted on 29 June 2011. The annual financial statements contained in the integrated annual report are identical to the audited results of the company which were released on SENS on Monday, 23 May 2011.

Notice is hereby given that the annual general meeting of Vukile will be held in the Vukile boardroom, First floor, Meersig 1 Building, Constantia Boulevard, Constantia Kloof, 1709, Gauteng, on Wednesday, 31 August 2011 at 11:00.

The notice of annual general meeting is issued with the integrated annual report, which contains the annual financial statements of Vukile for the year ended 31 March 2011.



*Issued by du Plessis Associates on behalf of Vukile Property Fund Limited.
dPA contact Helen McKane Tel : +27 11 728 4701, Fax: +27 11 728 2547,
Mobile: 082 330 2034 or e-mail: vukile@dpapr.com
website: www.vukileprops.co.za*