



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")

UPDATE ON THE PROPOSED ACQUISITION OF PROPERTIES FROM THE SANLAM GROUP FURTHER CAUTIONARY ANNOUNCEMENT

1. Introduction

Vukile unitholders are referred to an announcement dated 29 October 2009, containing details of agreements entered into by Vukile with, *inter alia*, Sanlam Life Insurance Limited ("Sanlam Life" or "the vendor"), to acquire a portfolio of properties ("the properties") ("the property acquisition").

The property acquisition is subject to the fulfilment of a number of conditions precedent, one of them being the conclusion of a due diligence investigation in respect of the properties to the satisfaction of Vukile. Following on from the due diligence investigation, the number of properties forming part of the property acquisition have been reduced from thirteen to nine properties and the purchase consideration was reduced from ZAR775 million to ZAR527 million.

Vukile and Sanlam Life have now concluded an addendum to the agreements dated 28 April 2010 in order to give effect to, *inter alia*, the revised number of properties and revised purchase consideration. Details of the addendum to these agreements are set out below.

2. The property acquisition

2.1 Revised terms of the property acquisition

Vukile will, subject to the fulfilment of the remaining conditions precedent set out below, acquire a portfolio consisting of nine properties from Sanlam Life for an amount of ZAR527 million ("the purchase price"), to be settled on the date of registration of transfer of the properties into Vukile's name either in cash in full or partly in cash and partly by way of an allotment and issue to the vendor of such number of Vukile linked units ("the consideration units") as shall result in the vendor receiving the full purchase price in cash. The purchase price shall be increased by an amount of 0.01644% for each day from 1 May 2010 to the date of registration of transfer of the properties into Vukile's name.

2.2 Vendor placing

If the purchase price is settled partly in cash and partly by way of an allotment and issue of the consideration units to the vendor, Vukile shall place the consideration units with third parties ("the vendor placing"), in compliance with the JSE Limited ("the JSE") Listings Requirements, such that the vendor receives the full purchase price in cash.

2.3 Conditions precedent

The property acquisition is subject to fulfilment of the remaining conditions precedent on or before 31 July 2010:

- 2.3.1 the required approval and consents by the Vukile unitholders;
- 2.3.2 the obtaining of the requisite funding to fund the purchase price;
- 2.3.3 approval by the relevant competition authority, to the extent required; and
- 2.3.4 any other regulatory approvals that may be required including, but not limited to, the approval of the JSE and the Securities Regulation Panel.

2.4 Property specific information

Set out below is information on the properties:

Property	Region	Total rentable area (m ²)	Purchase price (ZAR' million)
Amanzimtoti Jeffels Road Warehouse	KwaZulu-Natal	22 645	60.391
Kimberley Kim Park	Northern Cape	10 494	46.681
Nelspruit Sanlam Centre	Mpumalanga	13 934	38.947
Pinetown Westmead Kyalami Park	KwaZulu-Natal	16 914	57.776
Pretoria Hatfield Sanlam Building	Gauteng	5 358	40.747
Pretoria Sanwood Park	Gauteng	6 388	54.003
Rustenburg Edgars Building	Northwest	9 784	81.593
Sandton St Andrews Complex	Gauteng	10 169	74.777
Sandton Sunninghill Place	Gauteng	8 774	72.085

2.5 Related party transaction

As the Sanlam group currently holds more than 10% of Vukile's issued capital, the property acquisition is a related party transaction in terms of the JSE Listings Requirements, which requires, *inter alia*, a circular to Vukile unitholders ("the property acquisition circular") and their approval. The property acquisition circular will be issued in due course.

3. Further cautionary announcement

As the *pro forma* financial effects and profit forecast relating to the property acquisition, as well as other property specific information required by the JSE Listings Requirements, have not yet been published, Vukile unitholders are advised to continue to exercise caution until such time as these have been published.

Roodepoort
29 April 2010

Investment bank, corporate
adviser and transaction
sponsor to Vukile



Attorneys to Vukile



JSE sponsor to Vukile



NSX sponsor to Vukile

