

## **VUKILE UPS FULL YEAR DISTRIBUTION WHILE GROWING PORTFOLIO BY 26%**

**Johannesburg, 27 June 2013** – Vukile overcame a lacklustre operating environment to increase its full year distribution by 5.4% to 131.59 cents per linked unit while at the same time enlarging the size of the portfolio by 26% to R7.7 billion in the 2013 financial year.

In its annual report, published today, chairman Anton Botha said the company made great strides towards its strategic objectives of growing the size of the property fund, increasing its retail exposure and improving the overall quality of the portfolio.

“In delivering on these objectives, Vukile posted some significant markers including the transfer of the R1.5 billion Sanlam portfolio acquisition; the finalisation of the acquisition of a 50% stake in the East Rand Mall, the transfer of which took place in April 2013; the agreement with Encha Properties to acquire four government-tenanted properties for R1.04 billion plus a put and call option over Encha’s Pretoria Momentum Building; and Vukile’s continued success in accessing both the equity and debt markets to fund its rapid expansion through a series of well over-subscribed issues,” Botha said.

“Net profit available for distribution came to R556.4 million for the year ended 31 March 2013, an increase of 26.7% on 2012’s R439.1 million. The growth in actual distribution includes non-recurring income of 11 cents per linked unit which arose from sales commission earned on the R1.5 billion portfolio bought from Sanlam in the period under review. Excluding this impact, the core business delivered a very healthy growth of 8.1% on the previous year,” said chief executive Laurence Rapp in the same report.

Rapp said Vukile will in future declare any non-recurring income, such as the sales commission of around R64 million from East Rand Mall, as a special distribution distinct from its core or normalised distribution. “Since acquiring the asset management business from Sanlam in 2010, the stable earnings pattern has been impacted by the inclusion of unpredictable and lumpy sales commission whenever assets are sold from the Sanlam portfolio. This impacts the certainty with which the investor community can predict Vukile’s distribution but also tends to mask the true operating performance, as was the case last year,” he said.

Looking ahead, Botha said Vukile is gearing its human capital, structures and systems to the demands of a rapidly expanding portfolio but that it will remain committed to the preservation of the characteristic qualities that have defined Vukile since its listing. “Building on the solid foundation laid over the past years, I am confident that the company has the strategies, the resources and the management expertise to sustain this momentum in the year ahead and beyond.”

“The board is therefore of the opinion that Vukile should again be able to deliver sustainable growth in its distributions in the year ahead,” Botha said.

*Unitholders are advised that the integrated annual report, incorporating the audited financial statements of the group for the year ended 31 March 2013, was dispatched today (to unitholders recorded in the Vukile register on Friday 21 June 2013) and contains no changes from the audited results of the company which were released on SENS on Monday 27 May 2013. The integrated annual report is also available on Vukile's website – [www.vukile.co.za](http://www.vukile.co.za).*

*The integrated annual report contains a notice of the annual general meeting of Vukile unitholders, which will be held in the Main Boardroom, One-on-Ninth, Corner Glenhove Road and Ninth Street, Melrose Estate, 2196, Gauteng, at 09:00 on Friday 30 August 2013.*

*The last day to trade in order to be eligible to participate in and vote at the annual general meeting is Friday 16 August 2013 and the record date for voting purposes is Friday 23 August 2013.*

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*Issued by du Plessis Associates on behalf of Vukile Property Fund Limited.*

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