

VUKILE PROPERTY FUND LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number 2002/027194/06)  
JSE share code: VKE NSX share code: VKN  
ISIN: ZAE000056370  
(Granted REIT status with the JSE)  
("Vukile" or "the company")

## DECLARATION OF SPECIAL DISTRIBUTION

The company advised linked unitholders in its audited condensed results for the year ended 31 March 2013, which were released on SENS on 27 May 2013, that in order to report a more predictable and stable income stream for investors, abnormal sales commission and other non-recurring income earned less expenses would be paid as a separately identified special distribution in the financial year in which such non-recurring income is earned. In line with the above, the board of directors of Vukile has declared a special distribution of non-recurring income of 13.83060 cents per linked unit out of distributable income (the "special distribution").

The salient dates pertaining to the special distribution are as follows:

	2013
Last day to trade in order to participate in the special distribution	Friday, 22 November
Linked units to trade 'ex' special distribution	Monday, 25 November
Record date for receipt of the special distribution	Friday, 29 November
Posting of cheques or electronic bank transfers in respect of the special distribution	Monday, 2 December
Safe custody accounts credited and updated with CSDPs in respect of the special distribution	Monday, 2 December

No dematerialisation or rematerialisation of Vukile linked units may take place between Friday, 22 November 2013 and Friday, 29 November 2013, both days inclusive.

Tax treatment of distributions under REIT legislation

Linked unitholders are advised that the tax treatment of the special distribution is identical to that of any other distribution of the company given that each such distribution would be considered a "qualifying distribution" under REIT legislation, more fully detailed below.

Vukile was granted REIT status by the JSE Limited with effect from 1 April 2013 in line with the REIT structure as provided for in the Income Tax Act, No. 58 of 1962, as amended (the "Income Tax Act") and section 13 of the JSE Listings Requirements.

The REIT structure is a tax regime that allows a REIT to deduct qualifying distributions paid to investors, in determining its taxable income.

The special distribution meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act (a "qualifying distribution") with the result that:

- qualifying distributions received by resident Vukile linked unitholders must be included in the gross income of such linked unitholders (as a non-exempt dividend in terms of section 10(1)(k)(aa) of the Income Tax Act), with the effect that the qualifying distribution is taxable as income in the hands of the Vukile linked unitholder. These qualifying distributions are however exempt from dividend withholding tax;
- qualifying distributions received by non-resident Vukile linked unitholders will not be taxable as income and instead will be treated as ordinary dividends but which are exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. It should be noted that until 31 December 2013 qualifying distributions received by non-residents are not subject to dividend withholding tax. From 1 January 2014, any qualifying distribution will be subject to dividends tax.

Vukile's Income Tax Reference Number is: 9331/617/114/3.

This special distribution, similarly to any other normal distribution, may have tax implications for resident as well as non-resident linked unitholders. Linked unitholders are therefore encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

The special distribution is subject to approval by the Exchange Control Department of the South African Reserve Bank. A finalisation announcement confirming receipt of such approval will be published on SENS by no later than Friday, 15 November 2013.

Linked unhitholders are further advised that details of the interim distribution for the period ended 30 September 2013 will be published on SENS on or about 15 November 2013 in order to facilitate the timeline for the implementation of the distribution reinvestment option, which will be offered to linked unitholders in respect of the interim normal distribution.

8 November 2013

JSE sponsor: Java Capital

NSX sponsor: IJG Securities (Pty) Ltd

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Issued by du Plessis Associates on behalf of Vukile Property  
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