MEDIA RELEASE

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Investec Property Fund continues to deliver consistent growth in distribution and assets

Announcing results for the year ended 31 March 2015

Highlights:

- Full year dividend per share growth of 10.1%
- Acquisitions of R2.1 billion concluded – 42% portfolio growth yoy
- Strong base portfolio net property income growth of 9.4%
- NAV per share growth of 8.3%
- Portfolio underpinned by strong property fundamentals:
  - Weighted average lease expiry of 4.4 years
  - Low vacancy at 2.8%
  - Contractual escalations of 8%

Commenting on the Investec Property Fund's last set of results under his leadership, former CEO Sam Leon said he was extremely pleased with the Fund's consistent positive performance since its listing in 2011.

Leon, who relinquished his executive role at the end of March to become non-executive deputy chairman said: "This is a strong set of results delivered against the backdrop of a challenging macroeconomic environment and points to the quality and defensive nature of our portfolio. As a result we continue to deliver on our year-on-year deliverables and are well on track to meet our target of growing the fund to R10bn in five years, as set out at listing, without compromising on property fundamentals. Importantly we have grown our team in skills and capacity and planned succession ahead of the curve."

The robust underlying property performance was driven by a 9.4% growth in the net property income of the base portfolio, generated from a combination of healthy contractual in-force escalations, high retention ratio on expiries, low portfolio vacancy and strong letting activity in the prior year.

During the period under review the Fund acquired R1.8 billion of new property and increased its investment in the Investec Australia Property Fund ("IAPF") by R222 million. This saw the total property portfolio of the Fund increase to R8.2 billion while the investment in IAPF increased to R500 million, bringing the total asset base of the Fund to R8.7 billion, representing a 42% increase year-on-year. The new acquisitions compliment the base portfolio and contribute to the strength of the existing real estate fundamentals.

The acquisition activity reflects the Fund's ability to compete for quality assets in a competitive environment. Approximately R1.3 billion was acquired directly from Investec Property, which highlights the benefit of the Fund's association with the broader Investec Group. Sizeable assets brought into the portfolio include 30 Jellicoe Avenue (Rosebank), Nicol Main (Bryanston), Dihlabeng Mall (Bethlehem) and Fleurdal Mall (Bloemfontein).

Commenting on the acquisitions, newly appointed CEO Nick Riley said: "The Fund's connection with Investec Group provides us with a strategic advantage over our peers and allows us access to quality properties and pipeline. Our investment decisions are premised on robust property fundamentals that enhance our existing portfolio.."

The Fund's current portfolio consists of a diverse base of 80 quality properties with its top ten tenants accounting for 37% of total gross income. The portfolio split is 82% listed companies, 13% large corporate and 5% professional firms. With a WALE of 4.4 years the Fund's lease expiry profile is one of the longest in the sector. The significant percentage of tenant lease renewals along with low vacancy rates have driven the base portfolio growth.

IAPF investment delivers strong returns

The Fund's 18.6% (R502 million) stake in IAPF delivered healthy returns, reflecting the latter's successful strategy of deploying capital into quality Australian real estate, The latter saw annualised full-year growth of 11% post withholding tax which translated into rand growth of 8.1% for IPF. The attractive hard currency growth in distribution is evidence of the broadened quality and diversity of the portfolio and geared growth effect of the increase in leverage of IAPF. The IAPF investment represents 5.8% of the Fund's total portfolio.

Commenting on IPF's outlook Nick Riley said: "The fund's portfolio remains appropriately defensive in the current macroeconomic environment, with the balance sheet and interest rate risk conservatively managed."

"We are well positioned to continue to take advantage of opportunities in the market, with our dividend growth expected to remain in line with core historical performance."