

MEDIA RELEASE

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Investec property Fund to Expand Property Portfolio

Investec Property Fund Limited ("The Fund"), Investec's recently launched listed property vehicle announces its intention to acquire two new properties as it grows its portfolio of quality South African real estate. This proposed transaction marks the Fund's first acquisition since listing in April this year. The total value of the transaction will be R185 million, which will be paid in cash and funded initially by way of a bridging loan facility provided by Investec Bank.

Commenting on the news, Sam Leon, Chief Executive Officer of The Fund said: "As the first acquisition for the Fund, these are two attractive properties, in prime locations with strong tenants, which we believe offer good value at an attractive yield, which will enhance the earnings and growth prospects of the Fund."

The properties are both located in Gauteng, in strong commercial areas. The first, The Innovation Building, is located in Randburg, and following a recent refurbishment provides 15,000 square metres of quality office accommodation, including parking and storage. It is situated on Bram Fischer Drive, one of the main arteries of the Randburg CBD, in easy reach of the highways and is a landmark building in the area. A ten year lease has been concluded with a tenant.

The second property is the 5,733 square metre Scientific Building, part of the new Cosmo Business Park, just north of the Kya Sands industrial node, with direct access to Malibongwe Drive and in close proximity to Lanseria Airport. The building is home to the Scientific Group who have signed a seven year, triple net lease.

An independent valuation performed on the properties provided a valuation of R194.5 million which is above the purchase consideration. In terms of the unaudited forecast financial performance of the properties over the next 18 months the directors are confident that the proposed transaction will increase the distributions to be paid to the linked unit holders of the Fund.

Sam Leon added: "The Fund was established with the purpose of investing in direct real estate where there is potential for income generation and capital growth. These properties fulfill our acquisition criteria with quality tenants in place and will enhance the distribution prospects of the Fund going forward."

The acquisition is subject to the approval of the unit holders of the Fund and this will be sought at a general meeting.