

MEDIA RELEASE

22-May-2014

**Investec Australia Property Fund delivers on listing objectives**

The Investec Australia Property Fund ("IAPF") listed on the main board of the JSE on 23 October 2013. From the date of listing to its year end, IAPF has delivered a total rand return to its investors of 26%, outperforming its locally inward listed and Australian peers. This performance is underpinned by the strength of the portfolio's real estate fundamentals, cost containment and the efficient management of capital and interest rates, which positions IAPF well to continue to deliver long term capital and sustainable income growth to investors.

Investec Australia Property Fund delivers on listing objectives  
Announcing inaugural results for the year ended 31 March 2014

The Investec Australia Property Fund ("IAPF") listed on the main board of the JSE on 23 October 2013. From the date of listing to its year end, IAPF has delivered a total rand return to its investors of 26%, outperforming its locally inward listed and Australian peers. This performance is underpinned by the strength of the portfolio's real estate fundamentals, cost containment and the efficient management of capital and interest rates, which positions IAPF well to continue to deliver long term capital and sustainable income growth to investors.

Highlights

- First inward listed Australian REIT on the JSE
- Total rand return to investors of 26% within six months of listing
- Maiden distribution of 3.42 cents pre-withholding tax exceeding forecast in the Pre Listing Statement ("PLS")
- Property portfolio of nine properties with a value of AUD154 million and gross lettable area of 54,249m2 underpinned by strong property fundamentals
  - o Weighted average lease expiry profile of 7.3 years, with 59% of leases expiring after five years
  - o Occupancy of 99.5%
  - o Contractual escalations of 3.5%
  - o Strong tenant covenants
- 67% of listing capital deployed through announced acquisitions of AUD46.8 million
- Favourable interest rate environment, with all in debt cost of 4.69%, allowing for positive yield spread on IAPF's acquisition pipeline

IAPF CEO Graeme Katz said:

"We are particularly pleased with the performance during this period and the delivery of a strong first set of results since listing. Importantly, these results have beaten our PLS expectations and reinforce our investment strategy of investing in high-quality properties situated in key metropolitan areas. We continue to seek growth and diversification opportunities that enhance unitholder value and contribute to sustainable income growth."

In line with its strategy of investing in high quality properties, IAPF has completed two post-listing acquisitions with a total value of AUD 46.8 million. Both buildings are A-grade office properties located in key metropolitan areas, with weighted average lease expiry profiles of 6.2 years and 9 years respectively, A grade tenants, attractive contractual escalations and 100% occupancy.

The acquisitions have been funded with existing debt facilities at an all in fixed funding cost of 4.69%. This locks in the positive yield spread in excess of 2% which is a unique and attractive dynamic in Australia versus other global property markets. Post the acquisitions IAPF's gearing will be 26.8% which still provides head room for future growth.

Commenting on IAPF's future prospects Katz said: "Based on the strength of the property portfolio IAPF is well positioned to continue delivering on its strategy and is expected to perform in line with forecasts provided in the PLS. Whilst yields have compressed since the listing of IAPF due to strong investor demand for quality assets, IAPF has a pipeline of acquisition opportunities consisting of both on and off market transactions, which in the current favourable interest rate environment can be funded at attractive pricing."

**Important Information:**

Investec Property Limited ABN 93 071 514 246 AFS licence 290909 is the issuer of units in the Fund. The information in this document does not take account of your investment objectives, financial situation or needs and you should consider whether the product is appropriate for you.

This document may contain opinions, estimates and other forward-looking statements that are subject to risks and uncertainties. Actual events or results may differ materially from those reflected or contemplated in forward looking statements. Past performance is not a reliable indicator of future performance. Material in this document is based on our view at the date of preparation of the document and is subject to change without notice.

Investments in the Fund are not deposits with, or other liabilities of, Investec Bank (Australia) Limited or any Investec Group entity and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither Investec Bank (Australia) Limited nor any member of the Investec Group guarantee any particular rate of return or the performance of the Fund, nor do they guarantee the repayment of capital from the Fund.