Investec Property Fund Limited
2015

Reviewed condensed consolidated interim results
for the six months ended 30 September 2015

Investec
Property Fund Limited

Highlights

9.1% dividend growth on prior year

Interim dividend of 59.63 cps

>62 000m^2 space let in current period

with positive reversions

Strong base portfolio net property income growth of

8.8%

driven by underlying property fundamentals

Griffin and Zenprop acquisitions announced

R7.9bn

doubling the size of the Fund's portfolio to R16.4bn

Vacancy rate of

2.8%

one of the lowest in the sector

Rights issue and vendor placement announced

R3.6bn

Long WALE of

4.0 years

40% expires after 5 years

Consolidated statement of comprehensive income

R'000	Notes	Reviewed Six months ended 30 September 2015	Reviewed Six months ended 30 September 2014	Audited Year ended 31 March 2015
Revenue, excluding straight-line rental revenue adjustment		438 923	336 231	725 664
Straight-line rental revenue adjustment		68 845	45 590	120 765
Revenue		**507 768**	**381 821**	**846 429**
Property expenses		(78 452)	(60 192)	(120 559)
Net property income		**429 316**	**321 629**	**725 870**
Other operating expenses		(28 536)	(21 541)	(42 703)
Operating profit		**400 780**	**300 088**	**683 167**
Fair value adjustments	2, 3	36 478	(14 418)	293 118
Profit on disposal of investment property		2 630	–	2 444
Income from investment		19 314	8 483	32 981
Finance costs		(89 837)	(60 521)	(136 648)
Finance income		2 632	3 173	9 602
Profit before taxation		**371 997**	**236 805**	**884 664**
Taxation		(789)	(193)	–
Profit after taxation		**371 208**	**236 612**	**884 664**
Items that may be reclassified to profit and loss:				
Other comprehensive income: (loss) on cash flow hedge		–	(276)	(276)
Total comprehensive income attributable to equity holders		**371 208**	**236 336**	**884 388**

Dividend reconciliation

Profit after taxation		371 208	236 612	884 664
Less: Fair value adjustments		(36 478)	14 418	(293 118)
Profit on disposal of investment property		(2 630)	–	(2 444)
Straight-line rental revenue adjustment		(68 845)	(45 590)	(120 765)
Antecedent dividend		2 065[1]	3 458	32 530
Interim dividend		**265 320**	**208 898**	**500 867**
Number of shares				
Shares in issue	5	444 978 329[2]	382 234 219[3]	436 690 118[3]
Weighted average number of shares in issue		441 562 857	368 570 813	391 664 683
Cents				
Interim dividend per share		59.63	54.65	119.15
Basic earnings per share		84.07	64.12	225.87
Headline earnings per share		83.47	64.20	142.17

1 *Antecedent interest is as a result of the DRIP programme, issued 15 June 2015.*
2 *At 30 September 2015. A further 35.8 million new shares were listed on 28 October 2015 at R15,70 in terms of the Griffin vendor placement.*
3 *These periods include shares to be issued.*

Consolidated statement of financial position

R'000	Reviewed Six months ended 30 September 2015	Audited 31 March 2015	Reviewed Six months ended 30 September 2014
ASSETS			
Non-current assets	8 868 534	8 706 536	6 911 154
Investment property	8 017 017	7 964 158	6 468 862
Straight-line rental revenue adjustment	306 311	237 467	162 292
Derivative financial instruments	14 732	2 815	–
Investment	530 474	502 096	280 000
Current assets	245 461	127 960	153 141
Trade and other receivables	101 615	66 965	70 467
Cash and cash equivalents	143 846	60 995	82 674
Total assets	9 113 995	8 834 496	7 064 295
EQUITY AND LIABILITIES			
Shareholders' interest	6 857 226	6 615 768	5 370 350
Stated capital	5 813 900	5 677 360	4 874 558
Retained earnings	1 043 326	938 408	495 792
Non-current liabilities	1 815 968	1 736 164	1 231 542
Long-term borrowings	1 795 589	1 718 109	1 229 757
Derivative financial instruments	20 379	18 055	1 785
Current liabilities	440 801	482 564	462 403
Trade and other payables	200 822	148 564	128 403
Current portion of non-current liabilities	239 979	334 000	334 000
Total equity and liabilities	9 113 995	8 834 496	7 064 295

Condensed consolidated statement of cash flows

R'000	Reviewed Six months ended 30 September 2015	Audited Year ended 31 March 2015	Reviewed Six months ended 30 September 2014
Cash generated from operations	359 489	613 090	283 232
Finance income received	2 632	9 602	3 173
Finance costs paid	(83 965)	(118 258)	(47 080)
Income from investment	17 824	24 551	7 982
Taxation paid	(789)	–	380
Dividends paid to shareholders	(281 650)[1]	(426 026)	(206 927)
Net cash inflow from operating activities	13 541	102 959	40 760
Net cash outflow from investing activities[2]	(50 229)	(1 882 117)	(1 032 616)
Net cash inflow from financing activities[3]	119 540	1 481 837	716 214
Net increase/(decrease) in cash and cash equivalents	82 852	(297 321)	(275 642)
Cash and cash equivalents at the beginning of the year	60 995	358 316	358 316
Cash and cash equivalents at the end of the period	143 847	60 995	82 674

[1] *Dividends paid are shown gross of R15.3 million antecedent dividends later recovered.*
[2] *Investing activities include investment property acquired, additions and improvements to investment properties and proceeds from sale of investment properties.*
[3] *Financing activities include term loans raised and repaid, corporate bonds issued and repaid and proceeds from issue of shares.*

Condensed consolidated statement of changes in equity

R'000	Reviewed Six months ended 30 September 2015	Reviewed Six months ended 30 September 2014	Audited 31 March 2015
Balance at the beginning of the year	6 615 768	5 112 629	5 112 629
Total comprehensive income attributable to equity holders	371 208	236 336	884 388
Shares issued	136 540	228 801[1]	1 044 777[1]
Dividends paid	(266 290)	(207 416)	(426 026)
Balance at the end of the period	6 857 226	5 370 350	6 615 768

[1] *These periods include shares that were to be issued post period end in terms of contractual obligations.*

Condensed consolidated segmental information

For the six months ended 30 September 2015

R'000	Office	Industrial	Retail	Total
Statement of comprehensive income extract				
Revenue, excluding straight-line rental revenue adjustment	166 077	93 964	178 882	438 923
Straight-line rental revenue adjustment	14 354	10 527	43 964	68 845
Revenue	180 431	104 491	222 846	507 768
Property expenses	(25 272)	(17 108)	(36 072)	(78 452)
Net property income	155 159	87 383	186 774	429 316
Statement of financial position extracts				
Investment property opening balance	3 206 963	1 529 919	3 464 743	8 201 625
Net additions, acquisitions and disposals	(5 482)	4 490	53 850	52 858
Straight-lining	14 354	10 527	43 964	68 845
Fair value of investment property	3 215 835	1 544 936	3 562 557	8 323 328

For the six months ended 30 September 2014

R'000	Office	Industrial	Retail	Total
Statement of comprehensive income extract				
Revenue, excluding straight-line rental revenue adjustment	126 200	79 260	130 771	336 231
Straight-line rental revenue adjustment	24 760	6 461	14 369	45 590
Revenue	150 960	85 721	145 140	381 821
Property expenses	(23 174)	(13 757)	(23 261)	(60 192)
Net property income	127 786	71 964	121 879	321 629
Statement of financial position extracts				
Investment property opening balance	2 394 397	1 343 734	2 086 702	5 824 833
Net additions, acquisitions and disposals	149 799	–	610 932	760 731
Straight-lining	24 760	6 461	14 369	45 590
Fair value of investment property	2 568 956	1 350 195	2 712 003	6 631 154

Notes to the condensed consolidated financial results

R'000	Reviewed Six months ended 30 September 2015	Reviewed Six months ended 30 September 2014	Audited 31 March 2015
1. Reconciliation of basic earnings to headline earnings			
Total comprehensive income attributable to equity holders	371 208	236 336	884 388
Other comprehensive income	–	276	276
Less: Net fair value adjustment – investment property	–	–	(327 848)
Less: Profit on disposal of investment property	(2 630)	–	–
Headline earnings attributable to shareholders	368 578	236 612	556 816

2. Financial instruments

Financial instruments held by the group include the investment in Investec Australia Property Fund ("IAPF") and derivatives. The valuation of IAPF is based on the closing share price times the number of shares held at the reporting date, which is a level 1 valuation. Derivative financial instruments hedge interest rate and foreign exchange risk. Interest rate hedging instruments are valued by discounting future cash flows using the market rate indicated on the interest rate curve at the dates when the cash flows will take place. Foreign exchange hedging instruments are valued by making reference to market prices for similar instruments and discounting for the effect of the time value of money. Derivatives are considered to be level 2 valuations.

For cash and cash equivalents, trade and other receivables, trade and other payables and variable and fixed rate loans which are carried at amortised cost, the carrying value is a reasonable approximation of fair value. In accordance with IFRS 7.29 no disclosure around fair value is required for these items.

3. Fair value adjustments of investment property

The Fund's policy is to value investment properties, with independent valuations performed on a rotational basis to ensure each property is valued at least every three years by an independent external valuer. The directors' valuation methods include using the discounted cash flow model and the capitalisation model. No fair value adjustment was made in the six months ended 30 September 2015 (Rnil: 30 September 2014) as the directors did not consider the valuation to have changed materially.

4. Subsequent events

On 5 June 2015 and 11 August 2015 the Fund announced two acquisitions; namely the Griffin portfolio for R826 million and the Zenprop portfolio for R7.1 billion. At period end neither of these acquisitions had transferred to the Fund. On 29 October 2015, R633 million of the Griffin portfolio transferred to the Fund. More details are included in point 4 of the commentary in this report.

5. Share capital

The Fund has authorised share capital of one billion no par value shares at 30 September 2015.

During the period the Fund issued 8 288 211 shares on implementation of the dividend re-investment programme ("DRIP") completed in June 2015 (22 236 654 shares were issued in the same period in the prior year). As at 30 September 2015, 444 978 329 shares were in issue. In October 2015, the Fund issued 35 761 709 shares to Investec Securities Limited to part fund the R826 million acquisition for Griffin.

Commentary

1. Introduction

Investec Property Fund ("the Fund" or "IPF") is a South African Real Estate Investment Trust, which listed on the JSE in the Real Estate Holdings and Development Sector on 14 April 2011. At 30 September 2015 the portfolio is comprised of 80 properties in South Africa with a total GLA of 835 809m^2 valued at R8.3 billion and a R0.5 billion investment in Investec Australia Property Fund Limited.

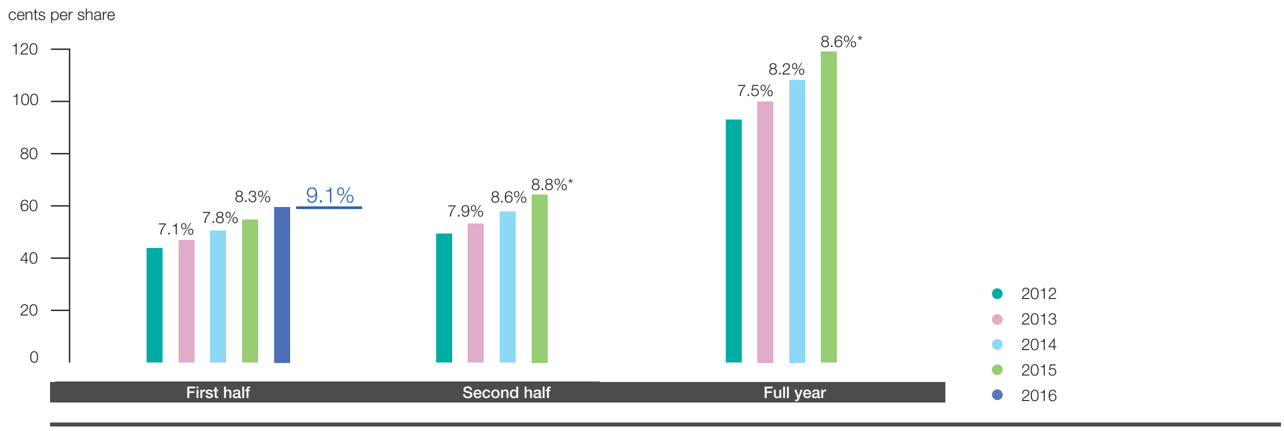
The Fund's existing portfolio reflects a quality tenant base with a high proportion of single-tenanted assets. Together with low vacancies and a medium-term lease expiry profile, the portfolio provides a sound base for earnings and capital growth over the long term. The six-month period ending 30 September 2015 has been an active period for the Fund in terms of acquisitions. The Fund has collectively acquired 48 properties with a value of R7.9 billion through the announced Griffin and Zenprop acquisitions. These acquisitions almost double the size and enhance the quality and real estate fundamentals of the existing portfolio.
The Directors believe that the acquisition of both the Griffin and the Zenprop Portfolios offer attractive value and will enhance the prospects of the Fund over time.

Since listing in April 2011, Investec Property Fund has delivered consistent growth in dividend distributions to its Shareholders while growing its property portfolio over nine times (including the announced Griffin and Zenprop acquisitions) with properties that maintain or enhance the quality of the portfolio. This has been achieved despite an uncertain economic outlook, highly competitive landscape and upward pressure on regulated and other operating costs.

2. Financial results

The board of directors is pleased to announce a 9.1% increase in the interim dividend to 59.63 cents per share (cps) for the six months ended 30 September 2015 (30 September 2014: 54.65 cps).

Dividend growth



* After removal of the once-off impact of the IAPF antecedent dividend.

Growth was achieved as a result of strong underlying property performance with base portfolio net property income growth of 8.8%, strong performance from the R1.9 billion of acquisitions made in FY2015 and 9.4% growth in distribution from the investment in IAPF. The Fund let or renewed 62 428m^2 during the period which enabled the Fund to maintain its vacancy at 2.8% which remains one of the lowest in the sector. This space, which equates to 7.5% of total GLA, was let with positive reversions and attractive escalations across all sectors. The Fund's weighted average lease expiry ("WALE") is 4.0 years and is anchored by average portfolio in-force escalations of 8.1% with 40% of the Fund's leases expiring after five years.

Portfolio	Total	Office	Industrial	Retail
Number of properties	80	21	26	33
Asset value	R8.3bn	R3.2bn	R1.5bn	R3.6bn
GLA	835 809	163 562	373 797	298 450
Vacancy	2.8%	4.9%	3.1%	1.4%
WALE (years)	4.0	4.5	4.0	3.8

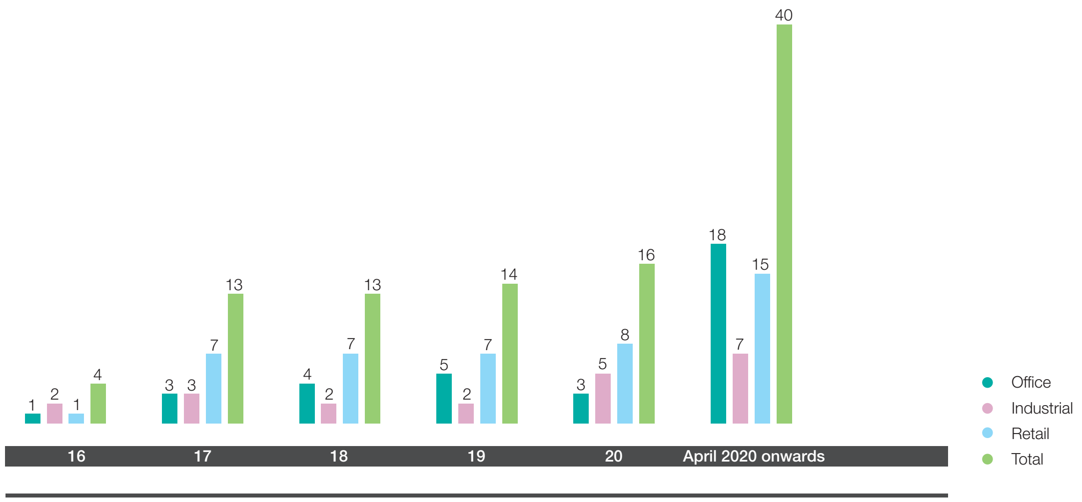
3. Letting activity

The Fund began the period with an opening vacancy of 23 546m² which increased by a further 61 915m² expiring during the period. 82% (50 623m²) of this expiring space was either renewed or re-let. In addition 11 026m² of the existing vacant space at the beginning of the period was also re-let. This letting activity displays the quality of the Fund's asset base and its active asset management approach resulting in the closing vacancy being maintained at 2.8% (23 812m²).

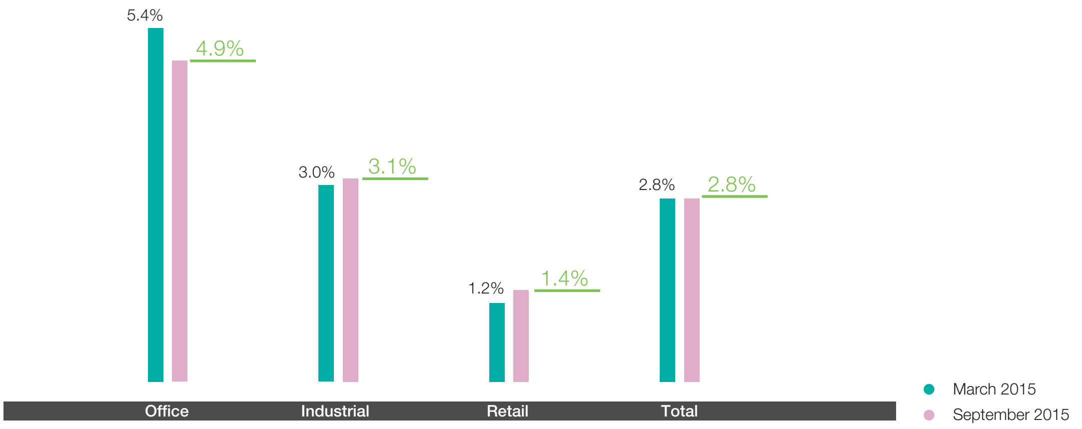
The table below demonstrates the effect of the rental reversions that the Fund achieved during the six months under review:

	Expiries GLA m²	Average gross expiry rental R/m²	Renewals and new lets GLA m²	Average gross rental renewals/ new lets R/m²	Rental reversion %	Average escalation achieved %
Office	5 882	163.37	5 778	175.21	7.2	8.6
Industrial	42 885	53.35	42 489	54.11	1.4	8.1
Retail	13 148	153.26	14 161	165.45	8.0	7.9
Total	61 915		62 428			8.1

Lease expiry profile by sector (% revenue)



Vacancy profile



4. Acquisitions

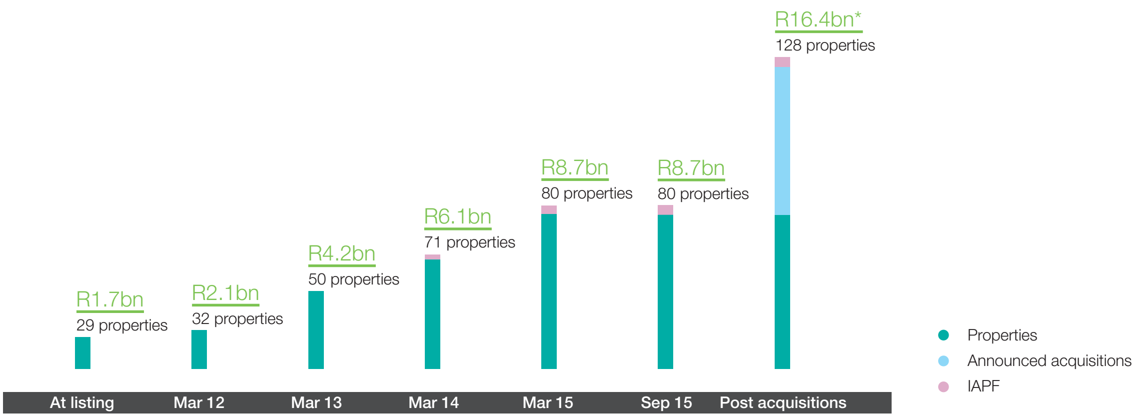
The Fund has enjoyed a transformative year from an acquisition perspective with the Fund's asset portfolio base due to almost double to R16.4 billion.

4.1 Griffin update

On 5 June 2015, the Fund announced the acquisition of the Griffin industrial property portfolio consisting of 22 properties for an aggregate value of R826 million and at a blended yield of 9.3%. The Griffin acquisition is now unconditional in respect of 19 of the 22 properties, and these properties valued at R633.3 million transferred to the Fund on 29 October 2015. As a result the Fund issued the vendor placement shares for a value of R561.4 million at an ex-dividend price of R15.70. The balance of R71.9 million was funded using existing debt facilities.

The AGCO industrial property in Pomona, Danmar/Sabaru dealership in Longmeadow and the Commerce Corner multi-tenanted office building in Randburg ("Remaining Properties") which have a combined value of R193.1 million, are in the process of being transferred to the Fund. The transfers are expected to be completed prior to the end of November 2015. The purchase of the Remaining Properties will be funded using existing debt facilities.

Portfolio growth



* Announced acquisitions' includes the Griffin and Zenprop porfolios (R825 million; 22 properties and R7.1 billion; 26 properties respectivley).

4.2 Zenprop update

On 11 August 2015 the Fund announced the acquisition of the iconic Zenprop property portfolio ("Zenprop Acquisition") consisting of 26 properties for an aggregate acquisition value of R7.1 billion ("Acquisition consideration") at a blended yield of 7.5%.

The Zenprop portfolio contains award-winning properties, with exceptional and striking architectural designs, along with strong property fundamentals consisting of 12 office properties, 11 industrial properties and 3 retail properties. The portfolio is underpinned by strong real estate fundamentals and contractual cash flows.

On 14 October 2015, the Fund's shareholders overwhelmingly approved the Zenprop Acquisition and the placing of the shares under the control of the directors. The Zenprop Acquisition remains subject to the approval of the Competition Authorities which is expected to be obtained late November 2015, early December 2015.

The Zenprop Acquisition consideration is to be funded from a combination of 50% debt and 50% equity, the detail of which is set out below:

Zenprop Debt

The Fund engaged both banks and debt capital market investors to raise R3.6 billion to fund the debt portion of the purchase consideration. The Fund received significant levels of interest from all funders approached and has signed either legal documents or irrevocable undertakings with lenders to fund the transaction.

The weighted average debt expiry of the funding package is 5.4 years at an average credit margin of 1.75% above JIBAR. The Fund was able to raise 52% of the debt on an unsecured basis, keeping the Fund's encumbrance ratio at 35% post transaction. Post the transaction, the Fund's gearing ratio will move to c. 35%.

Zenprop rights offer

The R3.6 billion equity component of the Zenprop transaction, as per the details of the Zenprop circular issued 11 September 2015, will be funded as follows:

- R0.80 billion will be settled through the issue of Investec Property Fund shares to Zenprop at a price of R16.51 (ex dividend) per share;
- R0.20 billion will be settled through the transfer to Zenprop of Investec Australia Property Fund shares owned by the Fund at a price of R11.58 per share (ex dividend) per IAPF share; and
- The remaining equity will be funded through a rights offer of c. R2.57 billion ("Rights Offers") at an ex-dividend Right Offer price of R15.00 per share.

The Fund has received irrevocable undertakings and letters of support from 65.6% of IPF shareholders, and therefore R1.69 billion of the rights offer has been covered by commitments or indications of support. To the extent the rights offer is not fully subscribed, any shortfall will be taken by Zenprop and will be settled by the issue of IPF shares at the rights offer price of R15.00 per share.

The Rights Offer and clean out dividend ("Clean Out Dividend") timetable will be aligned, as far as possible, with the receipt of approval of the Acquisition by the Competition Authorities. Full details of the Rights Offer including the salient dates will be included in the Rights Offer circular which will be posted to IPF shareholders once clarity regarding approval by the Competition Authorities has been obtained. To the extent that the Competition Authorities do not approve the Zenprop Acquisition by early December, the Rights Offer is likely to take place early in the new calendar year.

Clean Out Dividend

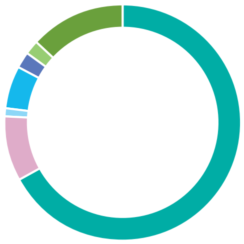
In order to enable all existing shareholders to receive their share of accrued income prior to the issue of the Rights Offer shares, IPF will pay a Clean Out Dividend. The Clean Out Dividend will be paid to all shareholders recorded in the register on the date prior to the listing of the rights offers shares.

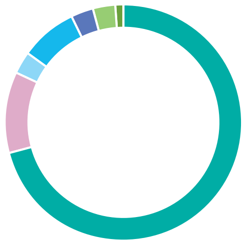
The Clean Out Dividend will be calculated as the *pro rata* of the dividend from the existing IPF and Griffin portfolios for the period 1 October 2015 to the record date of the Rights Offer. An announcement in relation to the quantum and the timing of the Clean Out Dividend will be released on SENS in due course. The Clean Out Dividend enables existing IPF shares and the Rights Offer shares to rank *pari passu* to the entitlement to dividends from the date of issue of the Rights Offer shares.

5. Portfolio profile

The Fund's acquisition strategy is to source quality assets that meet its investment criteria of sustainability and growth in income and capital in the long term. This is aligned to management statements from the outset that the Fund may acquire quality assets that are initially dilutive if the property fundamentals meet the Fund's long-term growth criteria, as is the case with the Zenprop portfolio.

Geographic spread





Revenue

Gauteng	67%
Western Cape	9%
Other*	1%
Free State	6%
Limpopo	2%
Mpumalanga	2%
KwaZulu-Natal	13%

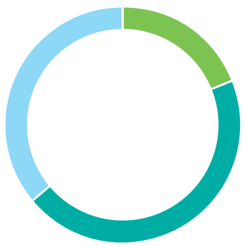
GLA

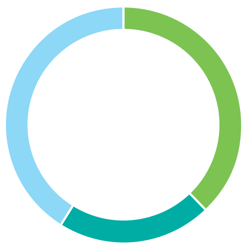
Gauteng	71%
Western Cape	11%
Other*	3%
Free State	8%
Limpopo	3%
Mpumalanga	3%
KwaZulu-Natal	1%

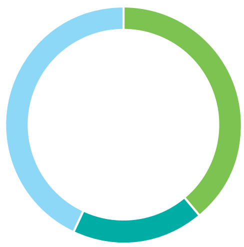
* "Other" includes Eastern Cape, North West and Northern Cape

Sectoral Spread

Sectoral spread







GLA

Office	19%
Industrial	45%
Retail	36%

Revenue

Office	38%
Industrial	21%
Retail	41%

Asset value

Office	39%
Industrial	18%
Retail	43%

6. Capital management

During the period the Fund's debt levels remained relatively unchanged from year-end due to timing of new acquisitions. Gearing remains low at 23.0% and the Fund's hedged ratio is 91%. The Fund's all-in cost of funding has remained flat since year-end at 8.5%.

7. Credit rating

The Global Credit Rating Co. ("GRC") recently upgraded the Fund's corporate rating upgrade to $A_{(ZA)}$ (previously $A-_{(ZA)}$), with outlook accorded as stable, evidencing further support for the strength of the Fund's covenants.

The rationale for the upgrade is that the new acquisitions add scale and post-acquisition the Fund will sit comfortably on the upper end of middle tier domestic REITs. The acquisitions add defensiveness and income predictability to an already robust portfolio and enhance the underlying property fundamentals such as WALE, lease expiry and tenant quality. The portfolio also has a high percentage of 'A' grade tenants. All of the above is supported by a conservative funding profile, a low LTV, a low-asset encumbrance and ample untapped facilities driven by an asset manager with proven real estate credentials.

8. Capital expenditure and redevelopment

The newly completed R86 million Dihlabeng Woolworths anchored extension of 4 612m^2 was successfully opened on 31 July 2015 and entrenched its dominance in the region.

9. Investment in IAPF

The Fund's investment in IAPF amounts to R0.5 billion (18.6% of IAPF), representing 5.7% of the Fund's total portfolio.

IAPF continues to deliver on its listing objectives of acquiring quality real estate underpinned by real estate fundamentals. IAPF has acquired eight properties with a total value of AUD211 million since its rights offer in October 2014. The attractive yields of the assets acquired, relative to low funding costs of 4% and the increase in gearing has resulted in IAPF delivering strong half-year distribution growth of 9.4% in ZAR (post withholding tax).

10. Changes to the Board

In a SENS announcement dated 17 June 2015, shareholders were advised that Khumo L Shuenyane had been appointed to the Fund's Board as an independent non-executive Director and as a member to the Audit and Risk Committee. The Board look forward to Khumo's contribution and welcome him to the Board.

Shareholders were further advised on 18 August 2015 that David AJ Donald, having served as Financial Director of the Fund since its listing, retired with effect from 17 August 2015. The Board wishes to express their gratitude towards David for his contribution to the Fund. With the retirement of David, the Board announced the appointment of Andrew R Wooler to the Board as Financial Director with effect from 17 August 2015. The Board is pleased to welcome Andrew and look forward to benefiting from his continued contribution to the growth of the Fund.

11. Prospects

The Fund expects dividend growth on the existing portfolio in line with previous guidance. The second half dividend will, however, be impacted by the dilutionary impact of the Zenprop transaction. The extent of the dilution will depend on the date of transfer of the Zenprop portfolio, which is expected to be December 2015.

This forecast is based on the assumptions that the macro-economic environment will not deteriorate markedly, no major corporate failures will occur, forecasted renewals will be concluded, that clients will be able to absorb the recovery of rising rates and utility costs and that the ZAR/AUD exchange rate remains at similar levels to the last financial year. Rental income forecast was based on contractual escalations and market related renewals.

The information and views expressed above are recorded and expressed in good faith and are based upon sources believed to be reliable. No representation, warranty, undertaking or guarantee of whatever nature is made or given with regards to the accuracy and/or completeness of such information and/or the correctness of such opinions.

This forecast has not been reviewed or audited by the Fund's independent external auditors.

On behalf of the Board of Investec Property Fund Limited

Sam Hackner
Non-executive Chairman

Nick Riley
Chief Executive Officer

19 November 2015

12. Basis of accounting

The reviewed condensed consolidated interim financial information for the period ended 30 September 2015 has been prepared in compliance with International Financial Reporting Standards (IFRS), the presentation and disclosure requirements of IAS 34, Interim Financial Reporting, the SAICA Financial Reporting Guide as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by The Financial Reporting Standards Council, the Companies Act (71 of 2008, as amended) of South Africa and the JSE Listings Requirements.

The accounting policies applied in the preparation of the interim reviewed condensed consolidated results for the period ended 30 September 2015 are consistent with those adopted in the financial statements for the period ended 30 March 2015, other than the adoption of those standards that became effective in the current period, which had no impact on the financial results. These reviewed condensed consolidated financial statements have been prepared under the supervision of Andrew Wooler, ACA.

13. Review conclusion

Ernst & Young Inc., the Fund's independent auditors, have reviewed the consolidated statement of comprehensive income, consolidated statement of financial position, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity, condensed consolidated segmental information and notes to the consolidated condensed financial results, as set out on pages 3 to 6 of the preliminary condensed consolidated financial results and have expressed an unmodified review conclusion. A copy of their review conclusion is available for inspection at the company's registered office.

14. Interim dividend

Notice is hereby given that a gross interim dividend No. 9 of 59.62549 cents per share has been declared in respect of the six months ended 30 September 2015.

Other information:

- The dividend portion has been declared from income reserves
- A dividend withholding tax of 15% will be applicable on the dividend portion to all shareholders who are not exempt
- The issued share capital at the declaration date is 480 740 038 ordinary shares of no par value

In accordance with Investec Property Fund's status as a REIT, shareholders are advised that the dividend meets the requirements of a 'qualifying distribution' for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 (Income Tax Act). The dividends on the shares will be deemed to be dividends for South African tax purposes in terms of section 25BB of the Income Tax Act.

Tax implications for South African resident shareholders:

Dividends received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from the income tax in terms of the exclusion to the general dividend exemption contained in section 10(1)(k)(i)(aa) of the Income Tax Act because they are dividends distributed by a REIT. These dividends are however exempt from dividend withholding tax (Dividend Tax) in the hands of South African resident shareholders provided that the South African resident shareholders have provided to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Fund, in respect of certificated shares, a DTD(EX) (Dividend Tax: Declaration and undertaking to be made by the beneficial owner of a share) form to prove their status as South African residents.

If resident shareholders have not submitted the abovementioned documentation to confirm their status as South African residents, they are advised to contact their CSDP, or broker, as the case may be, to arrange for the documents to be submitted prior to the payment of the dividend.

Tax implications for non-resident shareholders

Dividends received by non-resident shareholders from a REIT will not be taxable as income and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption section 10(1)(k) of the Income Tax Act. It should be noted that up to 31 December 2013 dividends received by non-residents from a REIT were not subject to Dividend Tax. With effect from 1 January 2014, any dividend received by a non-resident from a REIT will be subject to Dividend Tax at 15%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (DTA) between South Africa and the country of residence of the non-resident shareholder. Assuming Dividend Tax will be withheld at a rate of 15%, the net amount due to non-resident shareholders is 50.68167 cents per share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Fund, in respect of certificated shares:

- A declaration that the dividend is subject to a reduced rate as a result of the application of the DTA; and
- A written undertaking to inform the CSDP, or broker or the company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner of the South African Revenue Services.

If applicable, non-resident shareholders are advised to contact the CSDP, broker or the Fund, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted.

Summary of the salient dates relating to the dividend are as follows:

	2015
Last day to trade ("LDT") *cum* dividend	Friday, 4 December
Shares to trade *ex*-dividend	Monday, 7 December
Record date	Friday, 11 December
Payment date	Monday, 14 December

Shares will not be dematerialised or rematerialised between Monday, 7 December 2015 and Friday, 11 December 2015.

By order of the Board

Investec Bank Limited
Company Secretary

19 November 2015

Company Information

Directors

S Hackner (*Chairman*)#
SR Leon (*Deputy Chairman*)#
N Riley (*Chief Executive Officer*)
A Wooler (*Financial Director*)
LLM Giuricich#
S Mahomed#*
CM Mashaba#*
MM Ngoasheng#*
GR Rosenthal#*
KL Shuenyane#*
Non-executive
* *Independent*

Investec Property Fund Limited

(Incorporated in the Republic of South Africa)
(Registration number 2008/011366/06)
Share code: IPF ISIN: ZAE000180915
(Income tax reference number 9332/719/16/1)

Registered office

C/o Company Secretarial, Investec Limited
100 Grayston Drive, Sandown, Sandton, 2196

Transfer secretary

Computershare Investor Services (Pty) Limited
(Registration number 2004/003647/07)
Ground Floor, 70 Marshall Street, Johannesburg, 2001

Sponsor

Investec Bank Limited
100 Grayston Drive, Sandown, Sandton, 2196