Out of the Ordinary®

Investec
Property Fund Limited

Investec Property Fund Limited

Interim condensed financial results
for the six months to 30 September 2012

Statement of comprehensive income

R'000	Unaudited Six months to 30 September 2012	Reviewed Six months to 30 September 2011	Audited Year to 31 March 2012
Revenue, excluding straight-line rental revenue adjustment	**127 704**	95 047	211 558
Straight-line rental revenue adjustment	**15 192**	11 863	30 507
Revenue	**142 896**	106 910	242 065
Property expenses	**(25 813)**	(16 386)	(38 498)
Net property income	**117 083**	90 524	203 567
Other operating expenses	**(1 669)**	(1 321)	(2 701)
Asset management fee	**(6 616)**	(4 303)	(9 157)
Operating profit	**108 798**	84 900	191 709
Fair value adjustments	**(15 192)**	(11 863)	(30 507)
Finance costs	**(20 047)**	–	(6 034)
Finance income	**6 081**	1 335	3 016
Profit before debenture interest	**79 640**	74 372	158 184
Debenture interest	**(79 561)**	(74 298)	(158 026)
Profit before taxation	**79**	74	158
Taxation	**(22)**	(25)	(49)
– normal taxation	**(22)**	(25)	(49)
– deferred taxation charge	**(4 254)**	(3 322)	(25 733)
– deferred taxation credit	**4 254**	3 322	25 733
Total comprehensive income attributable to equity holders	**57**	49	109

Reconciliation of attributable income to distributable earnings

R'000	Unaudited Six months to 30 September 2012	Reviewed Six months to 30 September 2011	Audited Year to 31 March 2012
Total comprehensive income attributable to equity holders	**57**	49	109
Debenture interest	**79 561**	74 298	158 026
Distributable earnings to linked unitholders	**79 618**	74 347	158 135
– debenture interest	**79 561**	74 298	158 026
– ordinary dividend	**57**	49	109
Number of linked units			
Linked units in issue at the end of the period	**170 000 000**	170 000 000	170 000 000
Weighted average number of linked units in issue	**170 000 000**	170 000 000	170 000 000
Cents			
Distribution per linked unit	**46.83**	43.73	93.02
Earnings per linked unit	**46.83**	43.73	93.02
Headline earnings per linked unit	**51.38**	43.73	106.96
Dividend per share	**0.03**	0.03	0.06
Earnings per share	**0.03**	0.03	0.06
Headline earnings/(loss) per share	**0.03**	0.03	(52.08)

Statement of financial position

R'000	Unaudited 30 September 2012	Audited 31 March 2012	Reviewed 30 September 2011
Assets			
Non-current assets	**2 309 981**	2 065 400	1 708 363
Investment property	**2 264 282**	2 034 893	1 696 500
Straight-line rental revenue adjustment	**45 699**	30 507	11 863
Current assets	**111 976**	16 634	92 910
Trade and other receivables	**16 492**	12 064	11 363
Taxation receivable	**3**	3	–
Cash and cash equivalents	**95 481**	4 567	81 547
Total assets	**2 421 957**	2 082 034	1 801 273
Equity and liabilities			
Equity – ordinary share capital	**1 700**	1 700	1 700
Non-current liabilities – debentures	**1 845 779**	1 836 379	1 710 163
Total unitholders' interest	**1 847 479**	1 838 079	1 711 863
Other non-current liabilities	**456 860**	1 169	–
Long-term borrowings	**450 000**	–	–
Other non-current financial liabilities	**6 860**	1 169	–
Current liabilities	**117 618**	242 786	89 410
Trade and other payables	**38 000**	28 097	15 038
Current portion of other non-current liabilities	**–**	130 900	–
Taxation payable	**–**	–	25
Linked unitholders for interest and dividends	**79 618**	83 789	74 347
Total equity and liabilities	**2 421 957**	2 082 034	1 801 273

Condensed statement of cash flows

R'000	Unaudited Six months to 30 September 2012	Reviewed Six months to 30 September 2011	Audited Year to 31 March 2012
Cash generated from operations	**89 442**	76 712	173 486
Finance income received	**6 081**	1 335	3 016
Finance costs paid	**(10 409)**	–	(2 285)
Taxation paid	**(22)**	–	(52)
Distribution paid to unitholders	**(83 789)**	–	(74 346)
Net cash inflow from operating activities	**1 303**	78 047	99 819
Net cash outflow from investing activities	**(229 389)**	(1 696 500)	(1 926 152)
Net cash inflow from financing activities	**319 000**	1 700 000	1 830 900
Net increase in cash and cash equivalents	**90 914**	81 547	4 567
Cash and cash equivalents at the beginning of the period	**4 567**	–	–
Cash and cash equivalents at the end of the period	**95 481**	81 547	4 567

Condensed statement of changes in equity

R'000	Unaudited Six months to 30 September 2012	Reviewed Six months to 30 September 2011	Audited Year to 31 March 2012
Balance at the beginning of the period	**1 700**	–	–
Total comprehensive income attributable to equity holders	**57**	49	109
Issue of ordinary shares	**–**	1 700	1 700
Dividends payable to ordinary shareholders	**(57)**	(49)	(109)
Balance at the end of the period	**1 700**	1 700	1 700

Condensed segmental information

For the six months to 30 September 2012 R'000	Office	Industrial	Retail	Total
Statement of comprehensive income extracts				
Revenue, excluding straight-line rental revenue adjustment	64 355	49 569	13 780	127 704
Property expenses	(12 280)	(11 592)	(1 941)	(25 813)
Segment results	**52 075**	**37 977**	**11 839**	**101 891**
Statement of financial position extracts				
Investment property opening balance	1 182 600	697 300	185 500	2 065 400
Additions and acquisitions	1 658	80 039	147 692	229 389
Straight-line rental revenue adjustment	10 282	3 593	1 317	15 192
Fair value of investment property	**1 194 540**	**780 932**	**334 509**	**2 309 981**

For the six months to 30 September 2011 R'000	Office	Industrial	Retail	Total
Statement of comprehensive income extracts				
Revenue, excluding straight-line rental revenue adjustment	51 279	35 906	7 862	95 047
Property expenses	(7 073)	(9 157)	(156)	(16 386)
Segment results	44 206	26 749	7 706	78 661
Statement of financial position extracts				
Investment property opening balance	–	–	–	–
Additions and acquisitions	976 500	545 800	174 200	1 696 500
Straight-line rental revenue adjustment	6 760	3 957	1 146	11 863
Fair value of investment property	983 260	549 757	175 346	1 708 363

Highlights

- 7.1% distribution growth to 46.83 cpu
- 11.8% growth in property portfolio following two acquisitions during the period
- Debt capacity significantly enhanced with R1.0 billion DMTN programme now in place
- Successful R1.5 billion Rights Offer closed 5 November 2012 to fund new acquisitions post period end

Commentary

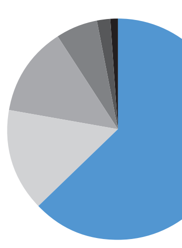
Introduction
Investec Property Fund Limited (the "Fund") is a variable loan stock property company having listed on the JSE Limited ("JSE") on 14 April 2011. It currently comprises a portfolio of 34 properties in South Africa with a total Gross Lettable Area ("GLA") of 431 926 m² valued at R2.3 billion.

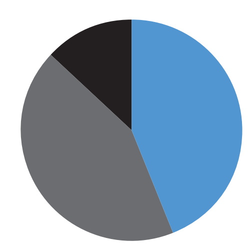
The objective of the Fund is to grow its asset base by investing in well-priced income-producing properties in the office, industrial and retail sectors to optimise capital and income returns over time for unitholders. Effectively, all rental income, less operating costs and interest on debt, is distributed to unitholders semi-annually. The Fund does not distribute capital profits.

Financial results
The board of directors is pleased to announce a 7.1% increase in the interim dividend to 46.83 cents per unit ("cpu") for the six months to 30 September 2012 (30 September 2011: 43.73 cpu). This has been achieved, despite a tough economic and operating environment, through strong focus on tenant retention, renewals of lease expiries, marketing of vacant space and the addition of yield-enhancing properties to the portfolio.

The financial results include the impact of a cash drag resulting from delays in the timing of property transfers, caused primarily by delays in obtaining municipal clearances and other statutory requirements, which are out of the control of the Fund.

Geographical and sectoral weightings by revenue (%)



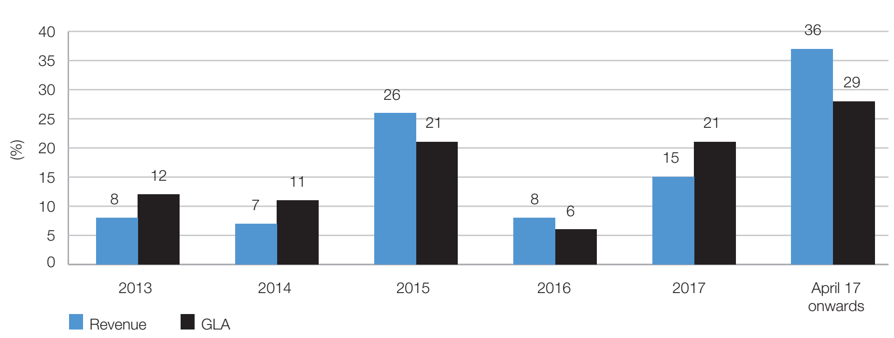


Vacancy levels
At 30 September 2012, the property portfolio reported a 3.3% vacancy, representing a marginal increase from the 2.7% vacancy at 31 March 2012. The decline relates mainly to one office tenant vacating the Business Connexion building (6 759 m²). Excluding this impact, the remainder of the portfolio showed a vacancy rate at period end of 1.8%, with industrial vacancies reducing from 4.1% at 31 March 2012 to 2.6%, although the Fund expects a marginal uptick in vacancy rates in this sector in the second half of the year. The increase in the retail vacancy rate is due to the enlarged property portfolio.

Sectoral vacancies

	Total GLA (m²)	Vacant 30 September 2012	Vacant 31 March 2012
Office	104 067	6.5%	0.0%
Industrial	279 737	2.6%	4.1%
Retail	48 122	0.7%	0.0%
Total	431 926	3.3%	2.7%

Forward lease expiries by GLA and revenue
The forward lease expiry profile of the Fund's portfolio for years ending 31 March is detailed below:



Reconciliation of lease expiries with renewals and new leases
The table below provides a summary of lease expiries, renewals and new leases over the six month period from 1 April 2012 to 30 September 2012:

	Expiries and cancellations (m²)	Average gross expiry rent (Rm²)	Renewals and new leases (m²)	Average gross rent on renewals and new leases (Rm²)	Average escalation (%)
Office	6 759	80.04	–	–	–
Industrial	7 718	27.82	12 302	29.84	8.9
Retail	334	154.00	–	–	–
Total	**14 811**	**52.72**	**12 302**	**29.84**	**8.9**

The following table places the six month pattern of expiries, renewals and new leases within the context of an overall reconciliation of change in the GLA of the Fund's combined portfolio:

	GLA at 31 March 2012 (m²)	Expiries (m²)	Renewals and new leases (m²)	Net change in GLA (m²)	GLA at 30 September 2012 (m²)
Leased	395 588	(14 811)	12 302	24 475	417 554
Vacant	11 118	12 598	(10 160)	816	14 372
Total	**406 706**	**(2 213)**	**2 142**	**25 291**	**431 926**

Acquisitions
During the period, the Fund made the following two acquisitions from third parties, both fully funded by debt:

	Transfer date	Cost	GLA (m²)	Forward yield	Weighted average annual escalation
General Electric Property*	25 July 2012	R76.8 million	11 180	9.0%	8.5%
Great North Road Plaza**	6 June 2012	R145.0 million	13 561	9.2%	8.3%

* *The property is entirely let to General Electric South Africa Proprietary Limited, a wholly-owned subsidiary of the General Electric Company. The lease is a triple net lease that expires in December 2019. In terms of the sales agreement as announced on 17 November 2011, the Fund has undertaken the obligation of the Vendor to refurbish the property for a total fixed cost of R42.3 million (the "Refurbishment"). The Fund entered into a separate development agreement with Investec Property Limited, a related party, to effect this Refurbishment, with an anticipated date of completion of December 2012.The Refurbishment will not adversely impact the forward yield of the property.*

** *The property is located in Musina, a vibrant commercial retail trading centre in Northern Limpopo Province. National tenants and national brand franchises occupy 88% of the combined space and contribute 83% of the contractual income.*

Fair value adjustments of investment properties
With the exception of the two recently acquired properties that were valued on acquisition, the entire property portfolio was independently valued at 31 March 2012. As such, the board does not believe that a revaluation of the properties is warranted for this reporting period, as the board is not aware of any factors which would materially affect the valuation of the properties.

Arrears
Receivables have been tightly managed during the period under review and at the period end, arrears were limited to 0.2% (31 March 2012: 0.7%) of total collectables over the period.

Borrowings
At 30 September 2012, the Fund's loan to value ratio was 19.5% (31 March 2012: 6.3%) with R450 million of long-term debt placed. In line with the Fund's hedging commitment, 75% of long-term borrowings have been fixed giving the Fund a weighted average funding cost of 8.2%.

During the period, the Fund registered a R1 billion Domestic Medium Term Note ("DMTN") programme, of which R450 million was placed, the repayment profile of which is set out below. Additionally, the Fund has in place a R500 million bridge facility that at period end was unutilised. This bridge facility carries interest at JIBAR plus 2.25%.

DMTN programme	Expiry	Interest rate	R'million
Tranche 1	13 April 2015	3-month JIBAR + 1.40%	134.0
Tranche 2	13 April 2016	3-month JIBAR + 1.55%	40.0
Tranche 3	13 April 2017	3-month JIBAR + 1.55%	50.0
Tranche 6	13 April 2017	Fixed at 8.80%	226.0
Total long-term borrowings			**450.0**

The Fund will continue to evaluate its optimal long-term debt funding strategy that will support the acquisition strategy of the Fund.

Note: Included in other non-current liabilities is R6.8 million relating to the fair value adjustment of the interest rate swap entered into on 28 March 2012, the terms of which remain unchanged from the year end.

Post-balance sheet events
As announced on 5 November 2012, the Fund successfully raised R1.5 billion by way of a Rights Offer to existing unitholders, the proceeds of which will be used to part settle the consideration payable for the acquisitions set out below. The 113.2 million new linked units were issued at a Rights Offer Issue Price of R13.82 per linked unit, which effectively included an estimated accrued distribution of 57 cents for the period from 1 April 2012 to 4 November 2012. On this basis, the Rights Offer Issue Price excluding the accrued distribution for the applicable periods ("Clean Price") at which the Rights Offer Linked Units were issued was R13.25 per linked unit. The new linked units were issued on 5 November 2012.

	Estimated transfer date	Cost R'million	Vendor placement R'million	Cash consider-ation R'million	Yield R'million	Segment R'million
Guiricich Portfolio†	November 2012	742.8	208.9	533.9	8.3%	Retail
The Firs††	November 2012	272.3	215.2	57.1	8.8%	Office
Investec Pretoria††	November 2012	169.9	–	169.9	8.0%	Office
Balfour††	November 2012	397.0	–	397.0	9.0%	Retail
Megamark Mall	December 2012	218.0	–	218.0	9.0%	Retail
Nonkqubela Mall	December 2012	100.5	–	100.5	9.0%	Retail
		1 900.5	**424.1**	**1 476.4**		

† *The Guiricich portfolio comprises 12 retail properties (primarily triple net leases) from various subsidiaries of S Giuricich Holdings Proprietary Limited. Part of the R742.8 million consideration will be settled by way of a vendor placement of 17 million new linked units at an issue price of R12.29, calculated with reference to the 30-day volume weighted average traded Clean Price of the Fund's linked units as at 3 July 2012.*

†† *The Firs, Investec Pretoria and Balfour were acquired from Investec Property Limited, a related party. Part of the total consideration of R839.2 million will be settled by way of a vendor placement of 17 million new linked units at an issue price of R12.66, calculated with reference to the 30-day volume weighted average traded Clean Price of the Fund's linked units as at 19 July 2012.*

Share and debenture capital
The authorised share capital is one billion ordinary shares of 1 cent each. Each ordinary share is linked to one unsecured variable rate debenture of 999 cents. The ordinary shares and debentures trade as linked units on the JSE. In terms of the debenture trust deed, the interest payable on the debenture component of the linked unit is 999 over 1 000 times the profit before debenture interest.

No linked units were issued during the period.

Unitholders
Investec Limited and Stanlib are the only unitholders holding in excess of 5% of the Fund's total issued linked units at 30 September 2012, holding 50.01% and 8.64% thereof, respectively.

Prospects
The board expects underlying property performance in the second half of the year to be in line with that of the first half. The acquisitions made by the Fund as part of the Rights Offer will support this growth. The second half's results will be impacted by the cash drag resulting from the delay in transfer of several of these properties, which cannot be predicted with any degree of certainty for the reasons explained earlier.

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

On behalf of the board of Investec Property Fund Limited

Sam Hackner — *Chairman*
Sam Leon — *Chief Executive Officer*

15 November 2012

Basis of accounting
The condensed financial results for the six months to 30 September 2012 has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS"), the presentation and disclosure requirements of IAS 34: Interim Financial Reporting, the AC 500 Standards as issued by the Accounting Practices Board and the Companies Act 71, of 2008.

The accounting policies applied in the preparation of the results for the period ended 30 September 2012 are consistent with those adopted in the financial statements for the year ended 31 March 2012. These interim condensed financial results have been prepared under the supervision of Dave Donald, CA(SA).

Investment property comprises land and buildings held to generate rental income and capital growth over the long term and is carried at fair value. Should any properties no longer meet the company's investment criteria and be sold, anyprofits or losses will be of a capital nature and will be taxed at rates applicable to capital gains. Deferred taxation on the revaluation of investment property is offset against the deferred taxation asset that arises on the revaluation of the company's issued debentures.

Distribution
Notice is hereby given of an interim dividend declaration number 3 of 0.034 cents per share (after applying the dividend withholding tax of 15% would provide a net dividend of 0.0289 cents per share) and debenture interest payment number 3 of 46.800 cents per linked unit totalling 46.834 cents per linked unit for the six months ended 30 September 2012, payable to holders of the linked units as recorded in the books of the company at the close of business on Friday, 07 December 2012. No secondary tax on companies credits were utilised in the net dividend determination.

The salient dates relating to the distribution are as follows:

Last day to trade in order to participate in the distribution	Friday, 30 November 2012
Linked units to trade *ex* distribution	Monday, 03 December 2012
Record date	Friday, 07 December 2012
Distribution posted/paid to certificated linked unitholders	Monday, 10 December 2012
Accounts credited by CSDP or broker to dematerialised linked unitholders	Monday, 10 December 2012

Linked units may not be dematerialised between Monday, 03 December 2012 and Friday, 07 December 2012, both days inclusive. The above dates and times are subject to amendment. Any such amendment will be released on SENS and published in the press.

Numbers of units in issue: 283 220 000
Tax number: 9332719161

By order of the board

Investec Bank Limited
Company Secretary

15 November 2012

Directors
S Hackner^ *(Chairman)*
SR Leon^ *(Chief Executive Officer)*
MP Crawford *(Lead Independent Director)*‡
DAJ Donald^
S Mahomed‡
CM Mashaba‡
MM Ngoasheng‡
GR Rosenthal‡
^ *Executive*
‡ *Independent non-executive*

Changes to the board
S Mahomed was appointed to the board effective 14 May 2012. There were no other changes during the period.

Investec Property Fund Limited
(Registration number 2008/011366/06)

Share code: IPF

ISIN: ZAE000155099

Registered office
C/o Company Secretarial, Investec Limited
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Transfer secretary
Computershare Investor Services Proprietary Limited
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Johannesburg, 2001

Sponsor
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Sandton, 2196

For a copy of the Fund's results, refer to the website:
http:/www.investecpropertyfund.com

Investec