

INVESTEC PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Reg. No: 2008/011366/06)
Approved as a REIT by the JSE
Share Code: IPF
ISIN: ZAE000180915
("IPF" or the "Fund")

DISPOSAL OF SIMBA DISTRIBUTION CENTRE IN GAUTENG

1. INTRODUCTION

Shareholders are advised that IPF has concluded a sale agreement with Equites Property Fund Limited ("Equites"), to dispose of the property situated at 117 Greenhills (the "**Property**"), for a disposal price of R462 million ("**Purchase Price**") (the "**Disposal**"). The Purchase Price reflects an exit yield of 7.0% and represents a R25m (5.7%) premium to the current book value, assuming the Disposal becomes effective on 1 November 2018.

The Property is a 40 428 m² distribution centre let to Simba Proprietary Limited and is situated on a 101 769 m² site in Elandsfontein, Germiston.

2. RATIONALE

The Disposal is in line with IPF's stated strategy of value creation through the efficient recycling of capital and enables the Fund to deleverage its balance sheet on both an earnings and net asset value accretive basis. The attractively priced Disposal also provides the Fund with further balance sheet capacity to:

- take advantage of existing opportunities, being the remaining Euro 83.5 million commitment to the Fund's Pan-European logistics platform which is delivering initial cash on cash returns in excess of 10% with further attractive growth prospects, and
- capitalise on opportunities in the direct market to the extent there is a re-pricing in line with the recent movement in the listed property sector.

3. SALIENT TERMS OF THE AGREEMENT

The Disposal is subject to the fulfilment of the following conditions:

- Completion of a due diligence investigation and Equites confirming it is satisfied with the results thereof;
- approval by the Competition Authorities;
- general conditions considered ordinary in the course of property transfers

4. CATEGORISATION

The Disposal is not categorisable for IPF in terms of the JSE Listings Requirements and this announcement is voluntary and for information purposes only.

Investec Property Fund Limited
Johannesburg

6 August 2018

Sponsor and Financial Advisor
Investec Bank Limited