

MEDIA RELEASE

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Investec Property Fund announces the purchase of five properties

Investec Property Fund today announced the acquisition of five properties for a total consideration of R 318 million. The properties comprise one prime office building, two business properties, a motor dealership and an industrial property.

The office building, the largest of the current acquisitions, is a brand new A grade 5,870 m² office building situated in a prime location in Midrand, directly opposite the Gautrain station. The building was acquired for R 118.3 million, at an initial return of 8.4%. On completion in May 2013 it will be fully tenanted by Investec which has signed a 10 year fully repairing and maintaining lease.

The business properties comprise two properties of similar size situated in Belville in the Cape and in the prime Highveld Technopark in Centurion, Gauteng. These are tenanted by Minolta, a subsidiary of the Bidvest Group, on mostly fully repairing leases with nine years to run. The properties have been acquired for R 60,8 million with an initial return of 8.76%.

The industrial property, which is tenanted by a longstanding ladder manufacturer on a 10 year lease, is located in the older but highly desirable and well situated node of Alrode in Gauteng. The motor dealership, BMW Alpina, is excellently located directly opposite East Rand Mall on North Rand Road in Boksburg's retail hub. The acquisition value was R 75.0 million and R 63,4 million respectively, with initial returns of 10.2% and 9.5% .

"These recent acquisitions are in line with IPF's stated strategy of acquiring good, sustainable well located properties at prices which it considers to be based on solid property fundamentals," says CEO Sam Leon.

"The tenant base comprising brands such as Investec, Minolta and BMW add further to the Fund's A grade tenancy which makes up 71% of our total portfolio," adds Head of Asset Management Laetitia Steynberg.

The acquisitions will be funded out of existing cash resources, including proceeds from the disposal of two properties previously announced at the end of 2012. This keeps the Fund's gearing ratio low at 11%, which is further enhanced by the recent announcement of the increase of its DMTN programme to R 3 billion from R 1 billion.

"The Fund is therefore very well positioned to move quickly to make substantial acquisitions that meet our investment criteria," says Leon.