

MEDIA RELEASE

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Investec Property Fund raises capital for further expansion

Following the recent announcement by the Investec Property Fund ("IPF") of new acquisitions totalling R1.9 billion and the intention to finance these acquisitions through the issue of new IPF units, today's declaration announcement confirms IPF's plans to take advantage of the strong equity markets and demand for its share with a R1.5 billion rights offer. IPF has obtained significant irrevocable shareholder and investor support for both the property acquisitions and rights offer. The latter is subject to final ratification of the resolutions for the property acquisitions at the General Meeting set for 27 September 2012.

The property acquisitions include:

- The Giuricich Portfolio: comprising 12 mainly big box retail properties in prime locations, 95% tenanted by JSE listed tenants and valued at R743 million.
- The Investec Portfolio: comprising the prestigious Firs of Rosebank, the Investec Pretoria regional head office in Menlyn and the 36,000 square meter Balfour Park Shopping Mall in Johannesburg, in total valued at R839 million.
- Nonkqubela Mall in Khyalitsha, Cape Town, valued at R101 million.
- Megamark Mall in Kriel, Mpumalanga, valued at R218 million.

Post the acquisitions and rights offer, the Fund's conservative gearing will fall to just 11%, maintaining significant debt capacity to move with speed and agility when pursuing the right acquisition opportunities. The Fund's current debt facilities comprise a R1 billion domestic medium term note programme (of which only R450 million has been drawn down) and a R500 million bridge facility, which is currently unutilised.

"We will continue to stay focused on our stated strategy of being highly acquisitive while remaining patiently focused to underlying property fundamentals not only in acquisitions but in the active management of our portfolio" said Sam Leon, Investec Property Fund CEO.

Post the current acquisitions the Fund will have grown its asset base to R4.2 billion, an increase of 147% since its initial listing less than 18 months ago.

The portfolio composition will be well balanced across sectors by revenue with retail at 42%, office at 34% and industrial at 25%, although Sam Leon emphasised that this was the result of securing good property, not a strategic intent. "We seek to buy good real estate, not to balance the pie charts," said Leon.

The enlarged portfolio will comprise 51 properties, 41% occupied by high quality single tenancies on medium to long term leases.

The terms of IPF's rights offer are:

- Total quantum: R1.5 billion
- Number of new linked units to be issued: 113, 220,000
- Issue price: R13.82 per linked unit, which includes an accrued distribution of 57c per linked unit for the period from 1 April to 4 November 2012 giving an effective clean price of R 13.25 per linked unit.

The closing date of the rights offer is 2 November 2012.