

news release

28 May 2015

NEW ACQUISITION MORE THAN DOUBLES EQUITES PROPERTY FUND PORTFOLIO

Cape Town 28 May 2015. Specialist industrial property developer and landlord, Equites Property Fund Limited (“**Equites**”), today announced that it has concluded a merger with one of South Africa’s leading private property developers and owners, INTAPROP Proprietary Limited (“**INTAPROP**”), which involves the acquisition by Equites, of a R1,9 billion industrial property portfolio from INTAPROP in return for a strategic equity holding in the listed entity. Together with Equites’ own R1.4 billion portfolio, the transaction would create an industrial portfolio of scale and provide further geographic diversification to Equites.

Equites CEO, Andrea Taverna-Turisan, said that this transaction is more than just the acquisition of a R1,9 billion quality portfolio. “This deal sees the formation of a strategic partnership between the two entities. Equites will be acquiring INTAPROP’s industrial portfolio, with the purchase price being paid through the issuing of new Equites shares to the owners of INTAPROP. The transaction will be financed through a combination of debt and equity and will not require any new capital from the markets. The owners of INTAPROP will as a result become significant shareholders of Equites, with board representation. In addition, Equites has also concluded a development agreement with the INTAPROP Group in terms of which they will continue to develop quality distribution warehouses on the vacant land that Equites is acquiring as part of the merger. We see this as an important part of our growth strategy and to have a skilled, experienced developer such as INTAPROP generating a quality pipeline, will no doubt position us well in the future.”

The INTAPROP portfolio consists of 8 contemporary A-grade distribution warehouses, 2 office buildings and 21 hectares of strategic, industrial zoned land within key logistics nodes in Johannesburg and Cape Town. Taverna-Turisan also emphasized that new industrial warehouses like these rarely come to market and the transaction is an important step for Equites towards achieving its vision of becoming SA’s premier listed industrial property fund.

Andre Gouws, the CEO of INTAPROP, said that when INTAPROP made the strategic decision to dispose of their industrial portfolio in exchange for shares in a listed REIT, they required a partner with the correct profile who shares the same values and objectives.

“We were looking for a listed property counter which has sound property fundamentals and the ability to create significant shareholder value over the medium to long term. After an extensive process it became clear to us that Equites was the ideal partner for us. We share an entrepreneurial,

development background and a strong belief in the attractiveness of the industrial property sector. INTAPROP will continue operating as a private development company, with one of our key objectives being to unlock yield enhancing development opportunities for Equites.”

Equites is listed on the main board of the JSE in the “Industrial and Office REITs’ sector.

ENDS.

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About Equites Property Fund

Equites Property Fund is a leading South African property investment fund manager and developer, focused on high quality industrial assets at the top-end of the industrial property sector, with a selective small exposure to office property. Its portfolio of 20 prominent industrial and office properties is valued at approximately R1.4 billion. Equites is structured as a Real Estate Investment Trust (REIT). The fund is internally managed.

The portfolio properties are situated in prime locations, have very low vacancies with occupancy in excess of 97% and at least 66% of the portfolio has leases for longer than three years, with healthy escalations averaging 8.1%. Major tenants include Simba, Foschini, Execujet, Digistics, Imperial, Puma, UTI (Adidas), Avery Dennison, Courier-IT, Kuehne & Nagel AG, NGK Ceramics, Dole USA and Barloworld.

About INTAPROP

INTAPROP (Pty) Limited is a private property development and investment enterprise, which was founded in 1990. It has a successful track record of developing large scale corporate real estate and has completed developments in excess of R8 billion in value since inception. INTAPROP has

undertaken a variety of high profile developments of scale spanning the office, retail and industrial market. INTAPROP differentiates itself from the market in that it engages in the City Building process at a precinct level, conceptualising a development vision, leading precinct development and urban management in both the public and private realm, thereby fundamentally ensuring responsible development and urban upgrade at scale.

Sustainable precinct developments include:

- Illovo Boulevard, Illovo
- Sloan Precinct, Bryanston
- Riverside, Nelspruit
- Meadowview Business Estate

Properties developed include:

- Brait, Illovo
- 4 Fricker Road, Illovo, (5 000m²)
- Webber Wentzel Illovo, (10 600m²)
- Kagiso House, Illovo (3000m²)
- AMB, Illovo (4000m²)
- Mettle, Illovo (3000m²)
- 82 Grayston Drive, Sandton (7 500m²)
- UTi Pharma, Meadowview Business Estate, Linbro Park (42,000m²)
- Triton Express and Triton Fleet Management, Meadowview (17,000m²)
- Midas Head office and Distribution Centre, Meadowview (22,000m²)
- Premier Foods Distribution Centre, Meadowview (8,500m²)
- MAN Parts Distribution Centre, Isando (20,000m²)
- Super Group Convenience, Isando (22,000m²)
- Microsoft, Sloane Precinct, Bryanston (10,000m²)
- Receiver of Revenue, Alberton (27,000m²)
- Standard Bank, Riverside, Nelspruit (4,200m²)
- Standard Bank, Rustenburg (3,500m²)
- Tiger Brands, Sloane Precinct, Bryanston (16,000m²)
- 8 Melville Road, Illovo Boulevard (3,500m²)
- Vaal Mall, Vanderbijlpark (47,000m²)
- Willowbridge Centre, Cape Town (30,000m²)
- The Grove Shopping Centre, Nelspruit (35,000m²)

INTAPROP is committed to sustainable development and is a member of SAPOA and the Green Building Council of South Africa