



Accelerate Property Fund Limited
(Incorporated in the Republic of South Africa)
(Registration No 2005/015057/06)
JSE code: APF
ISIN code: ZAE000185815
(REIT status approved)
("Accelerate" or "the fund")

ACCELERATE CONTINUES TO CREATE SHAREHOLDER VALUE

- 9.1% year-on-year distribution growth from 49.21 to 53.67 cents per share
- Property portfolio value growth by 24% year-on-year to R8.4 billion
- Net Asset Value growth of 25.5% for the reporting period
- Fourways expansion and redevelopment well underway

Monday, 27 June 2016 – Accelerate Property Fund, the JSE listed Real Estate Investment Trust with significant exposure in the dynamic Fourways node, Johannesburg, today reported strong Annual Results despite a challenging business environment and slow economic growth.

Accelerate reported year-on-year distribution growth of 9.1%, translating into a distribution per share of 53.67 cents, up from 49.21 cents in the comparative reporting period.

“Accelerate remained focussed on maximising rental income and tenant recoveries, reducing vacancies, effectively managing cost, increasing the quality of our property portfolio and creating value through selective acquisitions,” commented Andrew Costa, Chief Operating Officer of the Fund.

Accelerate’s property portfolio increased by 24% from R6.7 billion to R8.4 billion at the end of the reporting period. This is largely due to the acquisition of the KPMG portfolio of R850 million. The number of properties in the portfolio increased from 52 to 61 at year-end.

During the reporting period Accelerate successfully refinanced maturing debt through the debt capital markets, resulting in capital market debt increasing to R1 billion. Gearing increased marginally from 35.04% to 35.6%, providing headroom for growth.

The continued focus on tenant optimisation and letting activity resulted in vacancies (net of structural vacancies) reducing to 7.13% from 7.52% year-on-year whilst the weighted average lease period improved from 2.9 to 5.1 years during the reporting period. The company’s cost-to-income ratio decreased from 13.44% to 13.41% due to continued, effective asset management.

Construction to expand and upgrade Fourways Mall started towards the end of 2015. The centre will be supersized to approximately 170 000m² of lettable retail space upon completion in 2018, classifying it as a super-regional shopping centre and one of the largest on the continent. Fourways has been identified as one of the fastest growing and populated areas in Johannesburg. A number of role players recently invested heavily in infrastructure upgrades and Fourways Mall compliments plans to position Fourways as a new central business

district, underpinned by the surrounding residential areas such as Fourways Gardens, Dainfern and the sprawling Steyn City.

“Densification in the Fourways area keeps rising with increasing residential developments within the node, increasing retail demand despite current economic circumstances,” said Costa.

Post year-end, Accelerate has undertaken further portfolio enhancing acquisitions (Portside and Eden Meander, both in the Western Cape) and has also announced its strategy to establish a subsidiary that will focus on the acquisition, management and development of single tenant net leased properties that are strategic to blue-chip multinational or large regional tenants in Central and Eastern Europe (CEE), a strategy that complements Accelerate’s defensive focus in South Africa on quality retail and strategic nodes/properties.

“Despite the slowdown in the South African economy and the tough business environment, we are pleased with our ability to enhance the Fund through quality acquisitions to optimise returns for shareholders,” concluded Costa.

- **Ends** -

ENQUIRIES

Accelerate Property Fund

Andrew Costa – Chief Operating Officer

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NOTE TO THE EDITOR:

Leadership and Management Team

Accelerate Property Fund is run by a team of well-respected property professionals. They have intricate knowledge of the property sector and an excellent reputation in the industry.

Executive directors:

Michael Georgiou (CEO)

Andrew Costa (COO)

John Paterson

Dimitri Kyriakides (CFO)

Non-executive directors

Mr. Tito Mboweni

Dr. Gert Cruywagen

Mr. John Doidge

Mr. Tim Fearnhead

Ms. Kolosa Madikizela

Prof. Francois Viruly