



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

ACCELERATE REPORTS ROBUST RESULTS FOCUSED NODAL STRATEGY PROVIDES RESILIENCE

- 8.1% year-on-year distribution growth from 26.617 to 28.766 cents per share
- Property portfolio value growth up 17% year-on-year to R9.1 billion
- Net Asset Value growth of 20.0% year-on-year
- Fourways redevelopment on track
- Successful acquisition of Portside Tower in Cape Town and Eden Meander in George
- Offshore diversification strategy well advanced

Tuesday, 8 November 2016 – Accelerate Property Fund, the JSE listed Real Estate Investment Trust with significant exposure in the dynamic Fourways node, Johannesburg, today reported robust interim results notwithstanding a challenging macro-economic and political environment.

Accelerate reported year-on-year distribution growth of 8.1%, translating into a distribution per share of 28.766 cents, up from 26.617 cents in the comparative reporting period.

“Our focused nodal strategy has assisted us in the current challenging business environment that we operate in. Our retail concentration in the Fourways area and portfolio of high quality assets underpinned by long-term leases with strong performing tenants provides resilience over the long-term.

“Accelerate remains focussed on maximising rental income and tenant recoveries, reducing vacancies, effectively managing costs and enhancing the quality of our property portfolio,” commented Andrew Costa, Chief Operating Officer of the Fund.

During the reporting period, Accelerate earned gross rental income, excluding straight line rental revenue adjustments, of R498 million compared to R417 million for the previous comparable period. The fund reported a decrease cost-to-income ratio of 13.96% (2015: 17.93%), largely due to lower net property expenses of R27.7 million compared to R40.6 million for the same period in 2015.

Accelerate’s property portfolio value increased by 17% to R9.1 billion at the end of the reporting period. This is largely due to the successful acquisition of approximately 50% of the Portside Tower in Cape Town, a Premium-grade office and retail building, for a purchase price of R755 million. The Portside Tower is the tallest building in Cape Town with a 5-star green rating. It holds 1 444 parking bays, 70 of which are designated for hybrid or alternative fuel vehicles with 16 holding electric car chargers; 70 motorcycle bays; and space for 227 bicycles

with community bicycle racks also available to the public. The building is designed to encourage employees to cycle to work with clear cycle routes allocated and change rooms with showers as well as lockers.

“The Portside transaction is in line with our strategic objective to develop and grow key nodes in South Africa. This asset gives us the opportunity to expand in the growing Foreshore node in the Western Cape,” commented Costa.

Post the reporting period, Eden Meander lifestyle centre in George successfully transferred to Accelerate.

The expansion and upgrade of Fourways Mall is on track with the first phase anchored by a flagship Bounce store. This phase also comprises an upgraded Food court and certain parkades, scheduled to be opened within the next month.

“We are very excited about the Fourways Mall redevelopment. Approximately 90 000m² of retail space will be added to the existing Fourways Mall with a projected completion date of 2018 making it one of the largest malls in Africa,” said Costa.

On 24 October 2016, Accelerate announced the conclusion of a pre-agreement regarding the acquisition of nine well located retail warehouse properties tenanted by OBI GmbH & Co. Deutschland KG’s (“OBI”), six properties in Austria and three in Slovakia, for an aggregate acquisition value of €82.1 million.

“We carefully considered our offshore strategy which is underpinned by a defined investment philosophy to development and acquire single tenant net long-term leased properties that are strategic to blue-chip multinational or large regional tenants in Central and Eastern Europe (“CEE”). This strategy which we believe provides South African investors with unique exposure to the region, complements Accelerate’s defensive focus in South Africa on quality retail and strategic nodes as well as properties.

“OBI is the largest specialist do-it-yourself (“DIY”) retailer in CEE. Our locations have good access, exceptional visibility and are situated in established retail nodes within a large catchment area or in close proximity to retail that is complementary to DIY stores.”

The current Accelerate portfolio split by revenue comprises 66.8% retail, 26.6% office and 6.6% industrial with focus in strategic nodes being the Fourways Precinct, Charles Crescent, Foreshore and Somerset West in Cape Town.

“Despite the current market conditions we are confident in our ability to maximise value creation by optimally managing our portfolio and successfully conclude high quality acquisitions locally and offshore,” 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