

TEXTON PROPERTY FUND LIMITED

Granted REIT status by the JSE

(Incorporated in the Republic of South Africa)

(Registration number 2005/019302/06)

JSE code: TEX

ISIN: ZAE000190542

("Texton" or "the Company")



TEXTON
PROPERTY FUND

FURTHER ACQUISITION OF A PROPERTY IN THE UNITED KINGDOM ("UK") AND EXPANSION OF TEXTON'S UK PROPERTY PORTFOLIO

1. INTRODUCTION

Texton is pleased to advise the shareholders of the Company ("**Shareholders**") that it has concluded an agreement to acquire a retail park located in a prime location in Camborne in the UK ("**Camborne Retail Park**") for £9,850,000 at an acquisition yield of 6.40% (the "**Camborne Retail Park Acquisition**").

Camborne Retail Park is a purpose built single storey retail warehouse which is exclusively let to B&Q plc ("**B&Q**"), a British multinational DIY and home improvement retailing company. B&Q is a leading home improvement and garden centre retailer in Europe and the third largest in the world with currently 350 stores in the UK and 8 stores in Ireland.

The Camborne Retail Park is well located in the town of Camborne, and is within close proximity to the A30 highway, the Camborne railway station and the Newquay Cornwall Airport making it a desirable retail location.

Property information and other details pertaining to the Camborne Retail Park Acquisition are set out in section 3 below.

2. RATIONALE FOR THE CAMBORNE RETAIL PARK ACQUISITION

The Camborne Retail Park Acquisition strongly compliments the quality of Texton's existing underlying property portfolio providing, *inter alia*:

- prime retail property located in the busy market town of Camborne

- an underpin of a high quality blue chip tenant on a 25 year lease of which 12 years and 3 months are remaining;
- further retail and geographic diversification to Texton's portfolio; and
- additional scale, quality and diversity to Texton's existing UK portfolio through the acquisition of a portfolio enhancing property in a manner consistent with the Company's stated investment strategy to achieve geographic diversification beyond South African borders into the UK

3. INFORMATION RELATING TO THE CAMBORNE RETAIL PARK ACQUISITION

Details relating to the Camborne Retail Park are as follows:

Description:	Acquisition of the Camborne Retail Park from London and Metric Property plc through the acquisition of 100% of the issued share capital of Forbesdale Investment Holdings Limited, a new company registered in the British Virgin Islands, which in turn will own the Camborne Retail Park
Property description:	A modern design purpose built single storey retail warehouse which extends to approximately 4.014 acres / 1.624 hectares and has the benefit of 484 car parking bays
Tenants:	B&Q
Location:	Camborne, UK
GLA:	48,066 sq ft
Tenure:	Freehold
Lease expiry:	12 years
Net annual income:	£631,200 (R14,366,112 converted at the spot exchange rate as at 28 December 2015 of £1:R22.76)
Net rental per sq ft:	Retail: £13.15 per sq ft (R299.29 per sq ft converted at the spot exchange rate as at 28 December 2015 of £1:R22.76)
Purchase price:	£9,850,000 (R224,186,000 converted at the spot exchange rate as at 28 December 2015 of £1:R22.76)
Vendor:	London and Metric

Acquisition yield: 6.40%

Forbesdale Investment Holdings Limited will be a wholly owned subsidiary of Texton and its memorandum of incorporation will comply with the Listings Requirements of the JSE Limited (“Listings Requirements”).

The board of directors of Texton (“Board”) is satisfied that the property value of the Camborne Retail Park is in line with the purchase price being paid by Texton. The Board is not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No 47 of 2000.

4. PURCHASE CONSIDERATION

The purchase consideration for the Camborne Retail Park Acquisition amounts to £9,850,000 (R224,186,000 converted at the spot exchange rate as at 28 December 2015 of £1:R22.76). The aggregate purchase consideration of £9,850,000 will be funded through existing cash resources, via a currency swap, and initially no external borrowings will be required to affect the Camborne Retail Park Acquisition.

5. EFFECTIVE DATE

The effective date of the Camborne Retail Park Acquisition will be the date of transfer of the Camborne Retail Park, which is expected to be on or about 8 January 2016.

6. CLASSIFICATION OF THE CAMBORNE RETAIL PARK ACQUISITION

The Camborne Retail Park Acquisition constitutes a category 2 transaction, in terms of the Listings Requirements and accordingly does not require Shareholders’ approval.

Dunkeld West

29 December 2015

Investment Bank and Sponsor

Investec Bank Limited