

## **Largest SA property company, Growthpoint, launches ADR programme to attract US investors and to increase liquidity**

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Growthpoint Properties Limited, the largest listed South African property company on the JSE and the largest REIT in emerging markets, has launched a DR programme. Growthpoint recently became a REIT (Real Estate Investment Trust) on 1 July 2013.

Later today, it will launch its American Depositary Receipt (ADR) Programme on the over-the-counter (OTC) market in the United States through a sponsored ADR program with BNY Mellon.

Each Growthpoint DR represents two ordinary shares and trades on the OTC market in the U.S. under the symbol "GWPTY." Growthpoint ordinary shares trade on the JSE under the symbol "GRT."

Estienne de Klerk, Executive Director of Growthpoint explains the rationale for the programme, "We aim to increase the percentage of foreign shareholding in Growthpoint to enhance the diversification of our shareholder base. The US market is constantly looking for investment opportunities so we want to make the investment in Growthpoint as accessible as possible. Additionally certain existing shareholders requested that we establish an ADR programme. A benefit of the DR programme is that it is a relatively low-cost way to develop name recognition and attract more attention amongst the US financial community. An important additional benefit is increasing liquidity in our shares."

The investment proposition for US investors is that they can now buy a dollar denominated share in a South African based diversified property company that distributes all its net rental income every half year.

De Klerk continues, "As all income is distributed on a half-yearly basis, management seriously considers the capital allocation of new investments (either acquisitions or developments) and carefully evaluates whether a new investment is sufficiently yield-enhancing for Growthpoint. The management team has proven in the past that this gives investors a better return."

Lauren de Klerk, Vice President of BNY Mellon's Depositary Receipts business, says that the international acceptance of the REIT structure has meant that two South African property opportunities became available this month to US investors. "We expect more to follow and will work closely with Growthpoint to enhance its profile and meet its objectives. Now 34 of the JSE top 40 have a DR programme," she says.

### **Growthpoint is the largest REIT in emerging markets**

Growthpoint management has worked with the industry body, the SA REIT Association, and the South African National Treasury for over six years to get the REIT (Real Estate Investment Trust) structure in place. This became possible in South Africa this year and international investors are familiar with the REIT label.

Once all listed property companies and property unit trusts have converted to a REIT, South Africa is expected to have the eighth largest REIT sector globally. Growthpoint is the 40<sup>th</sup> largest REIT globally by market capitalisation and is the largest REIT in emerging markets.

“Now that the REIT status is in place, we want to leverage this status to enhance our ability to access capital, as we are a capital-intensive business. The REIT structure will put South Africa on the map as a choice for REIT investors and specifically REIT indices. Global REIT indices represent general trends in real estate equities worldwide, where real estate activities represent the ownership, disposal and development of income-producing real estate. It also allows small investors to obtain exposure to large commercial property,” says De Klerk.

### **About Growthpoint Properties**

Growthpoint Properties is the largest listed South African property company on the JSE and owns, develops and manages its property assets. With property assets valued at R59,8 billion (as at 30 June 2013) and a market capitalisation of R49,9 billion (as at 30 June 2013), its diversified property portfolio comprises:

- 393 properties in South Africa,
- 44 properties in Australia (through Growthpoint Properties Australia (GOZ), which is 66.4% Growthpoint owned) and
- a 50% interest in the V&A Waterfront in Cape Town.

Through this portfolio, the business provides more than 5,3 million square metres of retail, office and industrial space to South African and Australian businesses.

### **About DRs and BNY Mellon**

- 34 of the JSE top 40 have a DR programme.
- BNY Mellon is the market leader in DRs worldwide with 70% market share in South Africa.
- The US market has more than one trillion dollars invested in DRs.
- DRs increase liquidity on the JSE which drives up prices through increased demand. An independent study of 628 companies was performed and findings showed that within the first year of establishing a DR programme, liquidity increased by 48% on average and share prices increased by an average of 30%.

BNY Mellon acts as depository for more than 2,700 American and global depository receipt programs from 68 countries. Learn more at [www.bnymellon.com/dr](http://www.bnymellon.com/dr)

BNY Mellon is a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment lifecycle. BNY Mellon delivers informed investment management and investment services in 35 countries and more than 100 markets. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation (NYSE: BK).

#### **For interviews or further information:**

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