

MEDIA RELEASE FROM GROWTHPOINT PROPERTIES

30 April 2015

Growthpoint's initial investment in GOZ trebles in Rand value

Growthpoint Properties Australia's (GOZ) share price has increased three-fold in ZAR terms in the six years since Growthpoint Properties acquired a controlling stake in the ASX-listed company in 2009.

When Growthpoint initially invested A\$200 million in GOZ, its recapitalisation price was A\$1.60 per share at an exchange rate of ZAR6.40 to A\$1. This week, GOZ's share price hit A\$3.20 for the first time, officially doubling the initial investment value in A\$ terms, while the exchange rate was ZAR9.50 to A\$1, effectively tripling the ZAR value of the initial investment.

Norbert Sasse, CEO of Growthpoint Properties, comments, "We are thrilled with the growth and success of GOZ. In 2009, GOZ was a distressed company in dire need of recapitalising. From a rescue situation GOZ has grown into a formidable property business in Australia. Our investment in GOZ has delivered excellent performance for Growthpoint."

In May 2009, Growthpoint announced it had acquired a controlling interest in Australia's Orchard Industrial Property Fund, later renamed Growthpoint Properties Australia, in its first venture offshore.

"Growthpoint made its move offshore in the aftermath of the global economic crisis, when many international property companies desperately needed to recapitalise their balance sheets to acceptable gearing levels," explains Sasse. "These refinancing risks were reflected in the depressed listed property equity prices, which were trading at significant discounts to historic prices and net tangible asset values. It was an ideal time to exploit opportunities in global property markets."

The Australian real estate sector was among those most affected by the global crisis, with the A-Reit trading at a discount of nearly 70% relative to valuations a year earlier. At the same time, the ZAR:A\$ exchange rate was attractive in comparison to other currencies

Growthpoint identified GOZ as the most suitable investment to establish a foothold in Australia. "We liked it because it had a quality portfolio 100% focused in Australia, and it was the right size for our initial investment," recalls Sasse.

Before Growthpoint's investment in 2009, GOZ's market cap was A\$50 million, today it has increased to A\$1.8 billion. Its assets have grown from A\$650 million to A\$2.2 billion. Its portfolio has been diversified from pure industrial property to a balance of office and industrial properties. It also enjoys greater diversification across Australian territories.

GOZ recently became a component of the ASX 300 Index and could be included in the ASX 200 Index in the not too distant future.

Sasse says, "Today, GOZ is a growing company with a portfolio of quality Australian real estate, a strong balance sheet and a conservative debt position. It has been financially rewarding to support GOZ's growth, and we intend to continue to do so."

/ends

Released by:
Growthpoint Properties Limited
CEO, Norbert Sasse
Tel: +27 (0) 11 944 6249

Distributed by:
Anne Lovell
Marketing Concepts
Tel: 011 783 0700