

MEDIA RELEASE FROM GROWTHPOINT PROPERTIES

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Moody's upgrades Growthpoint's rating to Baa2/A1.za, outlook stable

Growthpoint Properties' leading market position, strong balance sheet and its property portfolio's increased resilience and defensive nature have contributed to Moody's Investors Service upgrading Growthpoint Properties global scale issuer and senior unsecured ratings to Baa2/P-2 from Baa3/P-3, its national scale issuer ratings to A1.za/P-1.za from A2.za/P-2.za.

Moody's also upgraded Growthpoint's national scale senior unsecured Medium Term Note Programme (MTN) ratings to (P)A1.za/P-1.za from (P)A2.za/P-2.za.

The outlook on all ratings is stable, reflecting Moody's view that despite a weakening economic climate in South Africa, Growthpoint will continue to produce steady revenues and operating profits and will continue to maintain conservative credit metrics within its current rating guidance levels.

Gerald Völkel, Growthpoint Properties Financial Director, comments, "The upgrade of our investment-grade ratings from Moody's shows increased confidence in Growthpoint's core credit quality on a globally comparable basis for REITs and other commercial property firms. We are extremely pleased with our new rating."

Dirkje Bouma, Growthpoint Properties Treasurer, adds, "Growthpoint's upgraded rating should favour our ability to raise funding and benefit our funding costs."

Dion Bate, Moody's Vice President and Senior Analyst, explains "The upgrade recognises Growthpoint's sizable property portfolio - around ZAR95 billion post its Acucap acquisition - track record of sound liquidity management and strong financial metrics."

Growthpoint is a JSE ALSI Top 40 Index company. It owns and manages a diversified portfolio of 477 properties in South Africa, 51 properties in Australia through its investment in Growthpoint Properties Australia (GOZ) and a 50% interest in the properties at V&A Waterfront, Cape Town.

Moody's notes Growthpoint's Baa2/A1.za issuer ratings are supported by its strong market position as the largest REIT (Real Estate Investment Trust) company in South Africa. It adds that Growthpoint's recent Acucap acquisition further strengthens its portfolio quality, giving it increased exposure to the relatively resilient and defensive nature of the retail property sector.

Growthpoint's ratings are also based on its property portfolio's size and quality that benefits from an active internal management team and produces solid, recurring rental income. Its rental income is underpinned by medium- to long-term leases, contractual annual rent escalation clauses above inflation, low vacancy rates, and diversification.

Völkel remarks, “Growthpoint benefits from significant access to capital from diverse sources, thanks to the strength of our balance sheet, our investment-grade credit rating, quality and diversity of our properties and clients, strong culture of good corporate governance, respected and experienced management and our good track record of consistently delivering on our promises. We intend to sustain a strong balance sheet through conservative gearing and credit metrics that are well within covenants.”