

MEDIA RELEASE FROM GROWTHPOINT PROPERTIES

4 March 2014

Growthpoint implements acquisition of Tiber property portfolio

The Competition Commission gave Growthpoint Properties the green light to acquire the entire Tiber Group portfolio of properties and management business as at the end of January 2014. This was the last condition precedent to Growthpoint concluding its largest single transaction to date of R6,1 billion, and will see it gaining ownership of one of the most exclusive property portfolios in South Africa.

Norbert Sasse, CEO of Growthpoint Properties, says the acquisition became effective today when the properties and shares were transferred into the name of Growthpoint. “The real benefits will come through in FY2015 when shareholders will enjoy the full 12-month impact of the transaction.”

The portfolio spans 320,000sqm of mainly P- and A-grade office space concentrated in Sandton and its surrounds, including multiple multinational head offices such as Nestlé, PPC, AngloGold Ashanti, Norton Rose, Merrill Lynch, Barclays and Absa Capital. It comprises 27 prime properties and a 50% stake in a further 9 properties. It also incorporates 48,000sqm of undeveloped bulk.

Securing continuity of management and expertise in the transaction, Growthpoint will internalise the asset management and property management business from Tiber Projects. Growthpoint has also secured an initial three-year strategic agreement with the Tiber Projects executive team of Stephen Scott, Germano Cardoso and Artur Carrazedo.

At a 7.7% property yield on income-producing properties, the deal will also enhance Growthpoint’s distribution per share, based on the mix of funding Growthpoint is planning to use to pay for the acquisition which includes the bulk of the cash it raised in May 2013, when it issued 90 million shares at R28 per share thereby raising R2.5 billion in new equity.

The portfolio holds even more upside potential in undeveloped bulk attached to the acquired properties. As part of the agreement, Growthpoint will enjoy continued access to Tiber Bonvec Construction’s development and construction expertise for this bulk and when exploring other development and redevelopment opportunities for its growth pipeline.

Growthpoint is the largest South African REIT and a JSE ALSI Top 40 Index company. Growthpoint owns and manages 388 properties in South Africa, 49 properties in Australia through its investment in Growthpoint Properties Australia and a 50% interest in the properties at V&A Waterfront, Cape Town.

~ ends ~

Norbert Sasse
Chief Executive Officer
Growthpoint Properties Limited
Tel: +27 (0) 11 944 6285

By: Jaclyn Lovell
Marketing Concepts
Tel: +27 (0) 11 783 0700