

GROWTHPOINT

PROPERTIES

MEDIA RELEASE FROM GROWTHPOINT PROPERTIES

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Growthpoint and Acucap announce terms of potential acquisition offer

Acucap Properties and Growthpoint Properties today jointly announced they have concluded an implementation agreement for the terms and conditions of a potential offer by Growthpoint to acquire all the shares in Acucap that Growthpoint doesn't already own.

In April 2014, Growthpoint secured pre-acquisition interests of 34.7% of Acucap Properties and 15,6% of Sycom. Acucap currently holds 83.4% of Sycom and 100% of Sycom Property Fund Managers, the fund manager of Sycom Property Fund. On 27 August 2014, Acucap and Growthpoint formally advised the market they were engaged in discussions.

The preconditions in the implementation agreement, if met, will progress Growthpoint's potential offer to a scheme of arrangement that would see Acucap become a wholly-owned subsidiary of Growthpoint. In addition, the scheme would also result in Growthpoint owning Sycom Property Fund Managers Limited and, directly or indirectly, some 99% of Sycom units.

Norbert Sasse, CEO of Growthpoint, comments, "We are pleased to have finalised the implementation agreement with Acucap and to move forward together with a clear roadmap."

The scheme of arrangement proposes a share exchange of 1.97 Growthpoint shares for one Acucap share. This equates to approximately R49.17 per Acucap share and represents a premium of 8% on the Acucap 30-day clean volume weighted average share price on 11 November 2014. In addition, if the scheme is implemented, Growthpoint will also match this share exchange rate with the vendors of the pre-acquisition interests it already holds in Acucap and Sycom.

The preconditions in the implementation agreement state that an independent expert must conclude that the terms of the scheme are fair and reasonable for Acucap shareholders, other than Growthpoint; and that Growthpoint must obtain the requisite approval from its shareholders to place sufficient Growthpoint shares under the control of its directors to settle the scheme considerations.

Acucap's Independent Board, comprising only its independent non-executive directors, has appointed RMB's Corporate Finance Division as its independent expert, and will evaluate the terms of the scheme. Growthpoint has advised it will post a circular to its shareholders in the next few days regarding placing the requisite shares under the control of the Directors.

When the preconditions are met, the implementation agreement automatically becomes notification by Growthpoint of its firm intention to make an offer to Acucap shareholders and Acucap's Board of Directors will propose the scheme to Acucap shareholders, other than Growthpoint. The Scheme Circular will include an opinion from the Independent Expert as well as the views of Acucap's Independent Board. Then the requisite majority of Acucap shareholders must approve it at a general meeting. Approvals will also be required from the JSE, the Take-over Regulation Panel, the Competition Tribunal and any other relevant regulatory authorities.

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Based on the indicative dates agreed upon by the companies, the preconditions could be met as early as mid-December 2014. Then, should the proposed offer become firm and be accepted by shareholders and receive the other requisite approvals, the transaction could be effective from 1 March 2015 and the scheme implemented by 30 March 2015, at which point Acucap could be delisted from the JSE.

The combination of Growthpoint and the enlarged Acucap including Sycom, delivers benefits for shareholders of both the companies.

For Acucap shareholders, it ensures an immediate capital price uplift and potential for further capital appreciation should Growthpoint's share price re-rate positively as a result of this transaction. It would also provide a greater spread of assets and significantly reduced concentration risk, and a more diversified sectoral spread, which Acucap does not presently have. In addition, Acucap shareholders would enter into a much larger fund with substantially higher market capitalisation and greater liquidity. They would also gain access to a good quality foreign asset base and Rand hedge through Growthpoint's shareholding in Growthpoint Properties Australia Limited, and a meaningful exposure to a unique, high quality and iconic asset through Growthpoint's 50% stake in Cape Town's V&A Waterfront.

For Growthpoint shareholders this is a unique opportunity for Growthpoint to defensively grow the size of its South African property portfolio to just over R72 billion, with complementary and quality enhancing assets. It creates access to a large, high quality retail portfolio in a single transaction that would meaningfully increase the retail weighting of the fund and complement the high quality of Growthpoint's retail portfolio. It also includes the take-on of an experienced asset management team that deepens the skill sets within Growthpoint. Importantly, operational synergies and cost savings would be a consequence in the case of a combined Growthpoint, Acucap and Sycom portfolio.

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