

GROWTHPOINT

PROPERTIES

MEDIA RELEASE FROM GROWTHPOINT PROPERTIES

12 March 2015

It's final: Growthpoint and Acucap merger to go ahead

Growthpoint Properties and Acucap Properties have jointly announced that all the conditions precedent for Growthpoint's offer to acquire all the shares in Acucap that it doesn't already own by way of a scheme of arrangement, have now been fulfilled.

The last conditions for the deal were met, when the Competition Tribunal and Takeover Regulation Panel confirmed their approval, without any conditions.

Norbert Sasse, CEO of Growthpoint, comments: "We are pleased to conclude this milestone transaction with Acucap. It will bring significant future benefits to all Growthpoint shareholders, including those joining us from Acucap and Sycom."

The transaction will boost Growthpoint's property assets by R18 billion to nearly R100 billion. Its South African portfolio will grow in value over R75 billion. Growthpoint is the largest South African REIT and a JSE ALSI Top 40 Index company. It will own and manage a diversified portfolio of 477 properties in South Africa post Acucap and Sycom, 51 properties in Australia through its investment in GOZ and a 50% interest in the properties at the V&A Waterfront, Cape Town.

This landmark deal has been nearly a year in the making. Growthpoint first acquired stakes in Acucap and Sycom in April 2014. In August 2014, Acucap and Growthpoint announced they were in merger discussions. Then, in November 2014, they together announced they had entered into an implementation agreement. The offer gained 91% Acucap Shareholder approval in February 2015.

The effective date of the scheme has been set for 1 April 2015 and it will be implemented on 28 April 2015, when all Acucap shares will be transferred to Growthpoint. Acucap shareholders will receive 1.97 Growthpoint shares for every Acucap share they hold. Acucap will become a wholly-owned subsidiary of Growthpoint and be delisted from the JSE. Growthpoint will also own 99% of Sycom Property Fund and 100% of the shares in Sycom Property Fund Managers Limited, the statutory fund manager of Sycom Property Fund.

Acucap and Growthpoint will both declare a special dividend to their investors.

For Acucap shareholders this distribution will be a cash dividend for the six-month period 1 October 2014 to 31 March 2015.

For Growthpoint, its distribution will be a cash dividend, or shares if shareholders elect to reinvest their distribution, for the three-month period from 1 January to 31 March 2015.

Sasse remarks: "This deal achieves strategic and significant growth for our portfolio and our business. It adds highly desirable assets which have an excellent fit with Growthpoint's

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existing portfolio. It also secures valuable expertise from an experienced and talented team who have a good understanding of the properties and the sectors. Our immediate focus now is wrapping up the transaction and integrating our new investments.”

With around R11 billion of retail centres included in the new properties, the acquisition also furthers Growthpoint’s goal to rebalance its portfolio with more retail properties. The merger will add a meaningful 5% to Growthpoint’s retail weighting, bringing retail properties to 39% of the value of its portfolio, with the Growthpoint retail portfolio aggregate value soaring to R27 billion.

Growthpoint’s retail portfolio gains significant mall assets across South Africa, including N1 City Mall and Bayside Mall in Cape Town, Paarl Mall in Paarl, Greenacres in Port Elizabeth, Vaal Mall in Vanderbijlpark , Key West in Krugersdorp and Festival Mall in Kempton Park.

Sasse says: “With this transaction, Growthpoint furthered its strategic objective of being a large, quality, diverse and defensive investment for our shareholders. This puts us in a confident position to continue to deliver sustainable, growing value to our shareholders.”

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