

MEDIA RELEASE FROM GROWTHPOINT PROPERTIES

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***Growthpoint's national scale credit rating from Moody's
is significantly upgraded to Aaa.za***

Growthpoint Properties has been assigned the highest possible national scale credit rating of Aaa.za from Moody's Investor Services, significantly higher than its prior rating of A1.za.

Its senior unsecured medium-term debt programme rating was also upgraded to (P)Aaa.za from (P)A1.za.

Growthpoint's ratings upgrades follow Moody's recalibration of its National Scale Ratings methodology for South Africa. It is now one of only a few Aaa.za rated corporates in South Africa, of which some are subsidiaries of international corporates.

Dirkje Bouma, Growthpoint Corporate Treasurer, explains the new, higher investment-grade ratings will benefit Growthpoint in several ways, including giving it access to the most competitive cost of funding.

In addition, with an upgraded Aaa.za rating, new bonds issued by Growthpoint should now qualify as high-quality liquid assets for the banks.

Marcus Veller of Barclays Africa, Debt Capital Markets, Investment Banking, explains that this makes new Growthpoint bonds attractive to bank treasury teams who are required to hold a certain quantity of high-quality liquid assets to meet their Liquidity Coverage Ratio (LCR) targets. "The introduction of these new investors in Growthpoint's auctions going forward could have a positive impact on pricing."

This gives Growthpoint excellent access to debt capital markets and the opportunity to benefit from more favourable terms.

Growthpoint is the largest South African primary listed REIT and an ALSI Top 40 Index company. It is also a FTSE/JSE Socially Responsible Investment Index company and an index component of the Dow Jones Sustainability Indices (DJSI).

It owns and manages a diversified portfolio of 474 properties in South Africa, 57 properties in Australia through its investment in GOZ and a 50% interest in the properties at V&A Waterfront, Cape Town. Growthpoint's consolidated property assets are valued at over R110 billion.



As Growthpoint's operations, property exposure and distributable income derived from properties are concentrated in South Africa, its global scale credit rating cannot exceed that of the South Africa's sovereign global credit rating. Growthpoint's latest global rating from Moody's is on par with its global rating for South Africa. Growthpoint was removed from Moody's downgrade watch list and Moody's confirmed Growthpoint's Baa2/P-2 long term and short term global scale ratings with a negative outlook.

Moody's notes: "This rating is supported by Growthpoint's strong market position and the large size and good quality of its property portfolio that benefits from an active internal management team."

The rating also considers that Growthpoint's portfolio produces solid, recurring income underpinned by medium- to long-term leases, contractual annual rent escalation clauses above inflation and low vacancy rates. It also benefits from a diverse tenant base and assets in diverse property sectors.

Other factors include Growthpoint's concentrated geographical portfolio base in Gauteng, with substantial investments over the past three years in Australia and in Cape Town.

Moody's also notes it expects Growthpoint's development activity to increase as tenant demand in South Africa improves, but that the company will continue to limit development risk to only a moderate exposure and that its projects will be predominantly pre-let.

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