



MEDIA RELEASE FROM GROWTHPOINT PROPERTIES

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Growthpoint outperforms to win 2015 IPD Direct Property Investment Awards

Growthpoint Properties was announced the overall winner of the 2015 IPD Direct Property Investment Award for the highest annualised direct property return. It received this top award for the second year running. Growthpoint also won the 2015 IPD Direct Property Investment Award for office property market sector performance.

The awards were announced last night by MSCI, a leading provider of research-based indexes and analytics worldwide, at the 13th IPD South Africa Property Investment Conference at the Table Bay Hotel in Cape Town's V&A Waterfront.

The annual IPD Direct Property Investment Awards recognise consistent top performance of the listed and unlisted property funds in the IPD database, by property market sector. The overall IPD database covers 67% of all institutional and professionally managed property in South Africa. The awards were given to the funds that achieved the highest annualised direct property total return on capital employed over three years to 31 December 2014, measured by MSCI.

Norbert Sasse, CEO of Growthpoint Properties, comments: "We are thrilled to receive these esteemed awards that confirm Growthpoint is outperforming industry benchmarks to the benefit of our clients and our investors."

Sasse adds: "The overall IPD Direct Property Investment Award, which considers performance across all property market sectors - office, retail and industrial - is a great tribute to the constant quality of asset management and outstanding performance of our entire South African property portfolio. The award for best performance in the office market sector shows the stand-out results we are delivering in this highly-competitive area of commercial property."

For the awards, Growthpoint achieved a 17.2% total return for the three-year period across its entire South African portfolio - comprising 7.2% capital growth and 9.5% income return - compared with the IPD overall benchmark return of 14.8%.

Growthpoint's winning office portfolio delivered a 16.7% total return over the three years, outperforming the IPD retail benchmark of 13.0%. It notched-up the top figures in this sector with 6.6% capital growth and 9.5% income return.

Paul Kollenberg, Growthpoint Properties Office Sector Acting Director comments: "Growthpoint's office portfolio benefits from well-located properties with their better-than-market vacancy levels reflecting the quality of our portfolio."

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Growthpoint's assets are in prime office nodes across South Africa's major metropolitan areas. Its clients are mostly blue-chip businesses with longer leases. Over 75% of its properties are P- or A-grade, creating a high-quality portfolio.

Among the business hubs where Growthpoint has a strong footprint is the Sandton Central and surrounding node. Sandton Central still dominates the supply of top-end space in the country, with 45% of the P-grade market, and 10% of the A-grade market. A burgeoning centre of new office development, Kollenberg confirms that 80% of development in Sandton is prelet, making it demand driven.

However Kollenberg believes that the success of Growthpoint's office portfolio goes beyond its quality to the innovative approach it takes to creating spaces for businesses to thrive and people to excel.

"We put our clients first and work on building strong relationships. We go to great lengths to help our clients keep their occupation costs low and increase their productivity," says Kollenberg. "We also provide a compelling business case to operate in Growthpoint buildings with initiatives like Smartmove, which gives businesses 100% of their first year's rental in allowances when they move into one of Growthpoint's Smartmove buildings and, UNdeposit."

Growthpoint is environmentally innovative and owns South Africa's largest number of office buildings to receive Green Star SA certifications from the Green Building Council of South Africa. In this way, it offers its clients healthy, productive and efficient workspaces. It works closely with brokers, engaging them with special programmes like Operation Millionaire.

Driven by demand and opportunity, Growthpoint also acquires premium sites and develops innovative, operationally efficient and cost effective sustainable buildings for blue-chip companies. Its development skills and capacity ensures that both Growthpoint and its clients benefit from buildings of the right quality.

Among Growthpoint's developments is Discovery's new global head office in Sandton. Growthpoint is developing the 87,000sqm headquarters in joint venture with Zenprop Property Holdings. This is the largest single commercial office development in Africa, and is also one of the most innovative. It is a purpose-designed, ground-breaking green building, which is highly efficient, accommodates Discovery's future growth and ensures the most resourceful use of space, time and money.

Growthpoint is a JSE ALSI Top 40 Index company with combined assets valued at nearly R100 billion. As South Africa's largest JSE-listed REIT, Growthpoint 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.

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