



MEDIA RELEASE FROM GROWTHPOINT PROPERTIES

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Growthpoint becomes the first company to issue a Green Bond on the JSE

Growthpoint Properties is the first South African company to issue a Green Bond on the Johannesburg Stock Exchange (JSE). The Growthpoint Green Bonds, for terms of five, seven and ten years, were issued and listed on the JSE on Friday, 9 March 2018.

Green Bonds raise money that is specially allocated for funding projects that result in positive environmental and climate benefits. The R1.1 billion (USD94 million) Green Bonds issued by Growthpoint will be used to fund the green buildings and green initiatives of South Africa's leading REIT.

The Green Bonds form part of Growthpoint's R20 billion Domestic Medium Term Note (DMTN) Programme. Growthpoint has a national scale Aaa.za Moody's rating, with many banks opting to hold Growthpoint paper as High-Quality Liquid Assets (HQLA).

The Green Bonds are priced at 139 basis points (1.39%) for the five-year term, at 169 basis points (1.69%) for the seven-year term and at 200 basis points (2.00%) for the 10-year term above three-month JIBAR.

The bond auction took place on Tuesday, 6 March 2018, and is believed to be the first public auction in South Africa for a 10-year bond for a real estate company.

The Growthpoint Green Bonds constitute green instruments falling within the Green Bond Principles of the Real Estate Sector and the green segment of the JSE's Interest Rate Market.

Donna Nemer, Director Capital Markets at the JSE, says: *"The JSE is proud to welcome Growthpoint Properties to the Green Bond Segment as the first corporate in South Africa to issue a Green Bond. Growthpoint's successful inaugural Green Bond proves there are benefits in committing to promoting South Africa's climate-resilient future as well as for being at the forefront of the financial sector's response to the investment challenges posed by climate change. Growthpoint is laying new foundations for the capital flows needed to achieve the commitments within the South African context for securing investments and jobs in future and is to be greatly congratulated for this."*

Norbert Sasse, Group CEO of Growthpoint Properties, comments: *"Growthpoint's inaugural Green Bonds link our sustainable developments and green buildings with capital markets. This gives investors a unique opportunity to participate in supporting greater environmental sustainability and climate change mitigation and enables them to evaluate the environmental impact of their investment. The work of the JSE, bond arranger RMB and our team at Growthpoint, as well as the interest and support of investors in our pioneering Green Bonds, has been exciting. We are pleased with the results of the issue and the positive response from local and international investors. We intend to continue to be a catalyst for a more sustainable property sector."*



Dirkje Bouma, Growthpoint's Group Treasurer, adds: *"The new Green Bonds give Growthpoint access to alternative sources of funding and allow us to lengthen the weighted average term of our debt book."*

RMB was the lead arranger of the bonds and **Delia Patterson, Senior Transactor - Debt Capital Markets Distribution at RMB, explains:** *"Growthpoint is the first corporate issuer to offer Green Bonds to the debt capital markets and this was very well received with strong interest from a wide group of local investors and specific international funds. Investors appreciate the additional level of oversight that is provided to meet the Green classification criteria and this usually results in stronger appetite at better pricing than the nominal bonds. Through this issuance Growthpoint has successfully positioned themselves as a world-class property fund clearly committed to supporting and investing in environmental sustainability, with their Green Bond Framework and reporting commitment attached to the bonds issued, and with the longest 10-year bond maturing in 2028."*

Among the investors in the new Growthpoint Green Bonds is the African Local Currency Bond Fund (ALCB Fund), an initiative of KfW Development Bank and the German Government backed by additional investors. It aims to promote the development of African capital markets by acting as an anchor investor in primary bond issuance. It has invested around USD70 million since inception in 13 countries. In addition to anchor investments, the ALCB Fund offers technical assistance to cover transaction related costs, including compliance with international Green Bond standards.

Karl von Klitzing, Chairman of the Board of the ALCB Fund, says: *"We are delighted to be investing in Growthpoint's inaugural Green Bond and to be supporting the sustainable real estate sector. As the first corporate Green Bond issuance in Sub-Saharan Africa, it represents a milestone for the market. Growthpoint has developed a comprehensive framework with the Green Building Council of South Africa to ensure investors are well informed of the environmental impact of its green buildings. We hope to contribute towards improved reporting standards as a catalyst for further Green Bond issuance in renewable energy, housing and infrastructure sectors."*

Growthpoint is a leader in green building and climate change mitigation. Over 86 of its properties are green-certified buildings and have a combined property value of R18.7bn.

The proceeds of the bonds will be used exclusively to finance or refinance Growthpoint's new and existing sustainable green properties and its projects which reduce environmental impact.

It will be mainly used to refinance funding for the green office buildings in the new Growthpoint THRIVE Portfolio and specifically the THRIVE Platinum Portfolio, which includes its top green-rated office properties. Buildings in this portfolio have a South African Property Owners Association (SAPOA) Premium- or A-grade rating. They also have a Green Building Council of South Africa (GBCSA) Green Star SA rating of Four Stars or higher (design, as-built or existing building performance).

In addition, suitable industrial and retail properties with Four-Star Green Star ratings or higher will also be eligible. Environmental projects related to Growthpoint's buildings that have positive environmental impacts, such as solar energy projects, will also qualify for Green Bond funds.

The green buildings to which Growthpoint will assign proceeds are all independently certified by the GBCSA and their costs assured by Growthpoint's auditors. Besides annual reporting on each building's carbon emissions, energy, water and waste, investors can access Growthpoint's app which records the water and energy consumption on an ongoing basis.

Growthpoint provides space to thrive with innovative and sustainable property solutions. It is an international property company and the largest South African primary REIT listed on the JSE. It owns and manages a diversified portfolio of 559 property assets, locally and internationally. Growthpoint



is a Founding Member of GBCSA, a member of the GBCSA's Green Building Leader Network, a component of the FTSE4Good Emerging Index and has been included in the FTSE/JSE Responsible Investment Index for eight years running. It owns and co-owns the largest portfolio of certified green buildings of any company in South Africa and is recognised as a leading developer of green buildings.

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