



MEDIA RELEASE FROM GROWTHPOINT PROPERTIES

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***Growthpoint's maiden USD425 million Eurobond issue advances its international investment***

Leading JSE-listed international REIT Growthpoint Properties has successfully priced its inaugural US dollar-denominated 144A/Reg S Eurobond with a five-year maturity.

Growthpoint will swap the net proceeds into Euros to fund its expansion in Central and Eastern Europe (CEE), in line with its internationalisation strategy.

The USD425.0 million Eurobond matures on 2 May 2023 and carries a fixed interest rate of 5.872% payable semi-annually.

Norbert Sasse, Group CEO of Growthpoint, says: *"We are pleased with the support for our Eurobond debut. It is a reflection of our prudent approach to investment, balance sheet management and governance, and an endorsement of our internationalisation strategy. The success of this transaction further strengthens Growthpoint."*

Dirkje Bouma, Growthpoint's Group Treasurer, adds: *"With its first ever Eurobond, Growthpoint has taken advantage of a low interest-rate environment in the Eurozone to raise long-term debt, which also diversifies our sources of funding and extends our debt maturity profile."*

The Eurobond proceeds will be used by Growthpoint to refinance certain of its existing CEE investments and to fund its investment into Warsaw-listed pure-play Polish property investor Griffin Premium RE N.V. (GPPE), which is focused on office and mixed-use assets.

Growthpoint owns a 29.0% stake in the LSE AIM-listed Romania-based Globalworth Investments, the largest office property owner in Romania. Growthpoint recently invested a further EUR113.8m into Globalworth, which helped Globalworth acquire a 71.7% stake in GPPE, which is set to be rebranded Globalworth Poland.

Growthpoint will now also participate in the issue of new ordinary shares of GPPE, intended to raise capital for the expansion of Globalworth Poland. Growthpoint will invest between EUR120m and EUR150m in GPPE ordinary shares.

Growthpoint's investment in GPPE will be via its wholly-owned subsidiary Growthpoint Properties International (Pty) Limited (GPI). GPI is a South African incorporated Domestic Treasury Company denominated in Euros with a structure that is optimised for transactions involving foreign exchange controls. It supports Growthpoint's compliance and agility when investing internationally.

Growthpoint's strategy is to grow its international exposure to 30% of its earnings before interest and tax (EBIT) as well as 30% of the book value of its properties, over the next three years; this will require approximately ZAR10bn of capital investment. This Eurobond issue gives the internationalization strategy a considerable boost towards this three-year goal.

Growthpoint's internationalisation strategy is a multi-market diversification strategy, which supports its commitment to provide shareholders with growing and sustainable earnings.

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Commenting on Growthpoint's focus on investment in Romania and Poland with Globalworth, Sasse says: *"We identified this core market for our international expansion because of its positive economic growth rates - GDP estimates for 2018 are 4.1% and 3.8% respectively - and appealing office-market dynamics. It gives Growthpoint access to prime properties in the heart of thriving financial districts in major capital cities that are enjoying growing popularity with multinational tech and business outsourcing blue-chips. These markets offer positive yield spreads that are much wider than those currently found in Australia, where we also invest, not to mention South Africa where yield spreads are negative."*

In addition, strong synergies between the Romanian and Polish portfolios create opportunities to unlock superior regional efficiencies, client service, and other benefits that come from greater critical mass.

Sasse adds that Globalworth is delivering on both its strategy and its performance targets. Since Growthpoint's initial investment, GWI has shown a 77.8% growth in share price and a 265.2% increase in market capitalization. GWI has more than doubled the number of properties in its portfolio from 15 in Romania to 39 properties - 19 in Romania and 20 in Poland - and improved its portfolio metrics.

He concludes: *"We are pleased at the investment value that Globalworth and its CEE expansion represents for Growthpoint's investors. Our internationalisation strategy remains a key driver of our business and we will continue to support the growth trajectories of Globalworth and Growthpoint Properties Australia (GOZ), while also looking for other opportunities."*

Growthpoint's international investment approach is to buy into an existing local market platform that aligns with its investment objectives and overall values, and then grow with its partners. It has demonstrated this successfully in Australia, Romania and now Poland. Growthpoint does not buy individual assets in offshore markets.

The joint lead managers for the issue of Growthpoint's inaugural Eurobond are JP Morgan and Deutsche Bank and, locally, Absa and RMB acted as co-managers.

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

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RELEASED BY:

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