

Media release from Redefine International

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Redefine International acquires three prime shopping centres in Germany

Showcasing the opportunity for South African investors to invest in a reliable Rand hedge, Redefine International (PLC) today announced it has acquired three prime retail properties in Germany.

The acquisition is valued at €EUR189 million and offers a blended initial net yield of 5.5%. The acquisition represents the first of two significant transactions for Redefine International indicated in its recently released Interim Management Statement.

With its roots in South Africa, Redefine International is a billion-pound, diversified and income-focused property company listed on Main Market of the London Stock Exchange. In July, the South African Reserve Bank approved an inward listing for Redefine International on the Johannesburg Stock Exchange, effectively allowing South African buyers to invest directly in Redefine International - rather than indirectly through Redefine Properties International (RIN), as has been the case up until now.

The inward listing is scheduled to take place in the fourth quarter of this year.

Investing in offshore listed property can add much-needed balance to South African property investment portfolios, but the key is - as always - making good choices and picking offshore companies with reputable track records, as well as consistent overall returns.

"There are many options to choose from, but investors need to check they are making the optimal selection for their risk and return goals," says Michael Watters, CEO of the Redefine International Group.

The retail properties in this most recent acquisition include the prime 19,000sqm Schloss Shopping Centre in Berlin, the superbly located 15,000sqm Bahnhof Altona Shopping Centre in Hamburg and the prominent 10,000sqm City Arkaden Shopping Mall in Ingolstadt.

"The three strongly located shopping centres are attractive additions to our portfolio," explains Watters. "They will enhance the overall quality of our assets and provide the opportunity to create both strong income returns and long term capital growth for our shareholders."

Through acquisitions like these, Redefine International provides local investors with access to solid and economically secure first world property markets in Northern and Western Europe, including Germany, Switzerland and the Netherlands, as well as the fast-growth Australian market.

"As investors consider the opportunity for offshore property investment, the stability of international economies as well as their potential for solid growth is a key factor," points out Watters.

Redefine International continues to grow its value through share appreciation and increasing the number of shares released to the market.

Its new structure, facilitated by the inward listing, further allows Redefine International to internalise its management function, giving it greater control, and permitting its conversion to a UK Real Estate Investment Trust (REIT) structure.

The option offshore investment plays is even more important in the light of a highly volatile listed property market in South Africa in recent months.

With softer bond yields and the ongoing risk of Rand weakness, South African listed property has seen fluctuating recoveries and losses this year and remains pricey compared to bonds, making it an even harder sell - especially to risk-averse investors.

Investing wisely in well-managed and transparent offshore funds is a shrewd strategy for balancing unexpected market shifts in South African listed property and increasing exposure to foreign income streams.

"Redefine International offers investors a reliable Rand hedge based on revenue streams from first world property markets," adds Watters.

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