

news release

3 November 2015

Equites announces attractive joint venture with Grindrod

Cape Town 3 November 2015. Specialist industrial property developer and landlord, Equites Property Fund Limited (“Equites”), today announced that it has concluded a joint venture agreement with Grindrod Properties Proprietary Limited (“Grindrod”), a wholly owned subsidiary of Grindrod Limited, in terms of which Equites will be developing a 25 000 square metre state-of-art distribution warehouse and offices for Rohlig-Grindrod Proprietary Limited (“Rohlig-Grindrod”), a subsidiary of Grindrod Limited. The Grindrod group, which is listed on the JSE, is a fully integrated freight logistics and shipping service provider with offices in 43 countries worldwide.

The new R260 million distribution warehouse and office complex will be situated on vacant land already owned by Equites in Meadowview Business Estate in Gauteng and will be owned in equal shares by Equites and Grindrod. Rohlig-Grindrod will have a 10-year lease with annual escalations of 7,95%. The development will be yield accretive with a 1 year forward yield of 9%.

Equites CEO, Andrea Taverna-Turisan, said *“We are delighted with the transaction, as it will allow Equites to own half of a brand new, state of the art distribution centre, which will be occupied by an A-grade tenant on a long term lease. This distribution centre will further add to the quality, defensiveness and income predictability of our portfolio.*

Besides this transaction, the company concluded transactions worth more than R2.6 billion in acquisitions and new developments in recent months. Equites also announced in October that the company will seek shareholder approval to issue up to 120 million Equites shares for cash in order to reduce gearing and finance Equites’ pipeline of developments and acquisitions. The special general meeting to approve the issue of shares will take place tomorrow, 4 November 2015, and if approved, shares will be placed through private placement shortly thereafter.

Taverna-Turisan said that *“Equites continued to see strong demand for A-grade, modern logistics facilities in key nodes as a result of the ongoing centralisation of distribution by major retailers, increased level of imports into South Africa and a shift towards online retailing. The transaction with Grindrod will add to our high quality portfolio and we look forward to further realising our considerable pipeline of new developments, as well as a range of potential acquisitive opportunities”.*

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About Equites Property Fund

Equites Property Fund is the only specialist industrial fund listed on the JSE and is focused on quality industrial assets in the top end of the logistics sector with a selected exposure to office properties. Its portfolio consists of 28 prominent industrial and 5 office properties and is valued at approximately R3.5 billion. The majority of the properties are situated in key logistics nodes in Gauteng (55%) and Western Cape (45%).

Equites is structured as a Real Estate Investment Trust (REIT). The fund is internally asset and property managed.

The portfolio properties are situated in prime locations and have low vacancies with occupancy in excess of 99%. More than 60% of the portfolio has leases expiring in 2020 and beyond, with healthy escalations averaging approximately 8%. Major tenants include Simba, Foschini, Execujet, Digistics, Imperial, Puma, UTI , UTi Pharma, Avery Dennison, Courier-IT, Kuehne & Nagel AG, NGK Ceramics, Corvest, Triton, Premier Foods, Wasteman, Esco, Dole South Africa and Barloworld.