



INDLUPLACE

DWELLING ON RESIDENTIAL

(previously Arrowhead Residential Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2013/226082/06)
JSE share code: "ILU" ISIN: ZAE000201125

INDLUPLACE LISTS AS THE JSE'S FIRST RESIDENTIAL REIT

IndluPlace Properties Limited ('IndluPlace' or 'the Company') today listed on the JSE main board. IndluPlace listed approximately 176 million ordinary shares in the Residential Real Estate Investment Trust (REIT) sector at R10 per share. This puts the Company's market capital at R1.76 billion at listing. The share price increased by 5% to R10.50 per share shortly after the 9:00 AM listing. IndluPlace will be the first residential focussed REIT listed on the JSE. "Indlu" is the Zulu word for "house".

Mr. Gerald Leissner, CEO of IndluPlace, said:

"IndluPlace, being the first listed focussed residential property fund, provides a diversification opportunity for traditional property investors and should attract new investors to the listed property sector. South Africa has strong demand for affordable rental housing and this translates to low vacancies and consistent rental growth. The fund will aggressively acquire additional revenue enhancing properties to generate growing income returns for shareholders. The fund has no debt on listing"

IndluPlace has a portfolio valued at approximately R1.6 billion consisting of 95 properties and over 3 600 individual rental units. The 12 month forward yield from listing day is forecast at 8.2% and for the year ended 30 September 2016 8.4%. Listed residential property comprises less than 2% of South Africa's listed property market, compared to over 13% in developed economies which shows opportunity for significant growth in this sector.

The listing follows a successful private placement and investor roadshow that was managed by Java Capital Proprietary Limited ('Java Capital') who acted as corporate advisor and book runner to IndluPlace. The private placement raised R400 million in an oversubscribed placement, the proceeds of which were used to extinguish debt.

Mr. Warren Lawlor, Director at Java Capital said:

"The reception from the investment community for a residential focussed property fund was very positive, supported by the quality of the management team and their proven experience in unlocking superior returns for their shareholders."

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Enquiries:

Indluplace	+27 10 1000 076
Carel de Wit	+27 82 808 5794
Gerald Leissner	+27 82 568 2236
Imraan Suleman	+27 78 801 1174
Mark Kaplan	+27 82 415 8091
Instinctif Partners	+27 11 447 3030
Pietman Roos	+27 72 360 5575
Morne Reinders	+27 11 050 7520

COMPANY EXECUTIVE DIRECTORS

Gerald Leissner - Chief executive officer

Gerald is a chartered accountant with 50 years' experience in the property industry, both in South Africa and abroad. He is the CEO of Arrowhead Properties Limited ("Arrowhead") which was listed on the JSE in December 2011 and which made a foray into residential property in 2013. Gerald was a non-executive director of the Johannesburg Housing Company, which led a pioneering path in the development of social housing in the Johannesburg inner city. Gerald was the CEO of ApexHi Properties Limited ("ApexHi") from its founding in 2001 until ApexHi was acquired by Redefine Properties Limited ("Redefine") in 2009, after which he served as a non-executive director of Redefine. He retired from Redefine when Arrowhead Properties was formed in 2011.

Carel de Wit - Financial director

Carel has extensive experience in a variety of commercial property investments and developments including the managing of the Johannesburg Housing Company portfolio of more than 4 000 rental units situated mainly in the Johannesburg inner city.

Imraan Suleman - Executive director

Imraan is the financial director of Arrowhead. He joined Java Capital in 2005 from one of the big four audit firms for which he had worked in both South Africa and the UK. Imraan advised clients on a wide range of transactions including listings, mergers and acquisitions, capital raisings and empowerment transactions. He is a non-executive director of the Johannesburg Housing Company, which provides homes to more than 12 000 people in the low to middle income communities.

Mark Kaplan - Executive director

Mark is the chief operating officer of Arrowhead. He was previously managing director of Aengus Property Holdings, which pioneered upmarket student accommodation in South Africa.