



MEDIA RELEASE

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LIBERTY HOLDINGS LIMITED (“LIBERTY”) INTENDS LISTING A PORTION OF ITS PREMIER PROPERTY PORTFOLIO IN A LANDMARK CAPITAL RAISE ON THE JSE

Liberty whose investments include the iconic Sandton City – “the richest square mile in Africa” – announces its intention to list a portion of its premium property portfolio on the JSE as a Real Estate Investment Trust (REIT), to be called Liberty Two Degrees before the end of 2016. The listing will enable Liberty to continue to invest and grow this portfolio to the benefit of its policyholders and other investors.

In this historic listing for the property sector on the JSE, Liberty is looking to raise up to R4 billion in new capital at listing. Liberty will also offer existing policyholders an exclusive opportunity to switch up to R3 billion of their current direct property holding into a new property portfolio that will invest in the listed entity. The REIT will have the ability to borrow and raise equity to create further growth opportunities and enhance returns for its shareholders. Liberty Two Degrees will be, managed by the same team within STANLIB that has managed the Liberty Property Portfolio for many years under the leadership of Amelia Beattie as the CEO.

On a successful listing of the REIT on the JSE, Liberty expects the Liberty Property Portfolio to increase in value by between 3 and 5%. This should lead to a direct increase in the amount held by policyholders.

Thabo Dloti, Group Chief Executive of Liberty Holdings says, “The JSE listing of our prestigious property portfolio will enhance the value proposition to Liberty’s customers and further improve the returns profile of this premier portfolio of properties. The capital raise will enable Liberty to expand and enhance its existing portfolio of quality property assets in South Africa and sub-Saharan Africa, gain access to a far wider investor community, and significantly add to the dynamics of the listed property sector of the JSE. This initiative further enhances Liberty’s reputation in property investment and demonstrates our ability to innovate and create an exciting investment opportunity for our customers and investor community at large.”

Seelan Gobalsamy, CEO of STANLIB says “I am excited by the prospect of Liberty Two Degrees, we have combined our existing property investment strengths and capabilities to introduce a new

opportunity that will benefit the Group's customers as well as institutional investors into the REIT. This initiative fits perfectly with STANLIB's strategy to create alternative investments to continue delivering to our customer promise."

Amelia Beattie, CEO of the new Liberty Two Degrees commented on the potential for new investments, "the REIT has a substantial pipeline of investment opportunities and new developments to grow the portfolio within South Africa and invest in select properties in growing sub-Saharan African countries, predominantly with a retail bias. We have the track record and expertise to do this. For us Liberty Two Degrees will be a property fund that sees things differently".

Although Liberty Two Degrees will issue shares only to institutional investors on listing, Liberty has crafted an exclusive opportunity for its retail customers and financial advisers, by creating a new property portfolio – the Liberty Real Estate Portfolio – which will invest solely in shares of the listed Liberty Two Degrees. Policyholders currently invested in the Liberty Property Portfolio can switch into the new portfolio on a limited basis, and those that elect to do so before the REIT lists will get preferential terms. This new portfolio, with returns driven by the Liberty REIT shares, enhances its customer value proposition.

It is important to note that the existing Liberty Property Portfolio that has been core to Liberty's property offering for many years remains unchanged. For those customers preferring a more stable, lower risk return they will have the option to remain.

David Lloyd, Managing Director of Innovation and Investments at Liberty says "the new Liberty Two Degrees was borne out of the collaborative effort between Liberty and STANLIB, creating a structure that unlocks value for our existing Liberty Property Portfolio customers, leveraging our existing portfolio of properties across two Portfolios and giving our customers increased choice when it comes to property investing. This collective effort has created an exciting investment option for all Liberty's customers that will be made available to them, exclusively, and at preferential terms. Details of which are scheduled to be announced at the beginning of September. We will be supporting this initiative with extensive assistance to our financial advisers so that they can suitably advise existing Liberty Property Portfolio customers on their options to switch or not."

Lloyd, adds "we, believe the longer-term performance of Liberty Two Degrees will be supported by a combination of the solid blue chip property base, a highly skilled property team with an enviable track record and the ability to borrow to gear returns further. We therefore anticipate demand for the shares to exceed the limited supply available."

The concept of a REIT is gaining momentum with some R400 billion of equity in REIT's now listed on the JSE. A REIT is highly tax-efficient, price transparent and well regulated, and offers investors exposure to real estate properties through a JSE-listed instrument.

Listed property has for the last 20 years been a leading South African asset class performer, with average annual total returns of 19%. For the same period local equities delivered annual returns of 16%; local bonds 12%; and cash 9%.

Dloti concludes “this unique opportunity demonstrates our commitment to continue meeting our customer’s changing investment needs, by leveraging capabilities and skills across the Group in order to deliver another innovative solution. Liberty’s retail customers have benefited over the years from our property investment expertise; we anticipate that they will similarly be very excited about our new related retail offering when it is formally launched in September.”

The listing is subject to all the necessary regulatory approvals being received.

ENDS

NOTES TO EDITORS

Additional detail on the current unlisted Liberty Property Portfolio (LPP) managed by STANLIB

The Liberty Property Portfolio has consistently outperformed its CPI + 5% benchmark over a rolling 5 year period since its launch 30 years ago. Its defensive retail properties dominate (at around 87% of total market value of the portfolio, and 47% by Gross Lettable Area), supported by mixed use, office and industrial space.

The portfolio’s prime and super-regional Retail real estate assets are strategically located in South Africa’s major economic nodes benefitting from tourism and exposure to the high LSM domestic consumers. These properties are occupied by a superior tenant base boasting leading international and local brands.

At present, the Sandton City Complex comprises around 35% of the total portfolio value, followed by Eastgate Mall at 31% and the interest in Melrose Arch, Liberty Midlands Mall and Nelson Mandela Square at 7% each. The Liberty Property Portfolio will continue to be run in the same way as previously for customers who remain in the current portfolio.

The REIT concept

A REIT is a highly tax-efficient, price transparent and well regulated structure, it offers investors exposure to real estate properties through a JSE-listed instrument.

Liberty Two Degrees

Listing is anticipated by the end of 2016 and expected to comprise of R10 billion premium property portfolio structured as a Real Estate Investment Trust (REIT) managed by STANLIB. The REIT aims to raise up to R4 billion at listing, in addition to R6 billion of properties comprising a portion of the prestigious R30 billion LPP portfolio driven by Liberty customers and Liberty shareholders’ funds that

have elected to switch from the LPP portfolio prior to the REIT listing. The REIT will offer greater diversification and employ gearing to enhance returns.

The new Liberty Real Estate Portfolio (LREP)

This new and innovative investment portfolio is a property fund which will invest solely in the shares of the newly created and JSE-listed Liberty Real Estate Investment Trust (Liberty Two Degrees). Liberty customers will have the opportunity to convert all or part of their existing holding in the current unlisted Liberty Property Portfolio on preferential terms.

Amelia Beattie – Liberty REIT CEO – Biography

17 years' experience in the property sector

Amelia joined STANLIB in 2012 to establish the STANLIB Direct Property Investment business after spending more than a decade at Old Mutual Property in senior positions, including that of Chief Operating Officer. Since joining STANLIB, Amelia has piloted the listing of Liberty's first Real Estate Investment Trust (REIT) in Kenya, also a first for East Africa. She spearheaded the launch of STANLIB's Africa Property Development fund securing developments projects in Kenya, Uganda, Ghana and Nigeria. As well as strategically leading and implementing the joint venture transaction with JHI Retail for property management services for the Liberty Property Portfolio.

Under her leadership the Liberty Property Portfolio (LPP) has enhanced in value with new developments, and continued delivering stable returns.

Amelia as part of STANLIB's Executive team brings strategic experience to all aspects of property fund management, risk management and international expansion and development initiatives.

During her tenure as President for the South African Property Association (SAPOA) in 2014-2015 which represents the voice of the Property Industry in South Africa, education was a primary focus and she successfully raised R40 million for the SAPOA Bursary fund.

Amelia is passionate about education, and is a founder and trustee of the Women's Property Network (WPN) Education Trust, which promotes the education and development of young women in property studies, winning the WPN Nedbank 5 Star Woman award in 2008.

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