

NEPI Rockcastle plc
(Incorporated and registered in the Isle of Man)
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("NEPI Rockcastle" or "the company")



ACQUISITION OF ALFA CENTRUM BIAŁYSTOK, POLAND

NEPI Rockcastle is pleased to announce that it has acquired Alfa Centrum shopping centre in the city of Białystok in Poland ("Alfa Białystok") from A-JWK Management sp. z o.o., effective from 9 November 2017.

RATIONALE FOR THE TRANSACTION

With a gross lettable area of 37,000m², Alfa Białystok is the largest, most dominant fashion destination in Białystok, Poland. The city is inhabited by approximately 290,000 people and is the most populous urban area within a radius of 200km in the north-east region of the country. Białystok has strong local macro-economic fundamentals and benefits from cross-border retail trade due to its proximity to the Belarussian border. Alfa Białystok is located near the city centre and is close to the internal ring road, ensuring connectivity to the immediate catchment from central areas and the densely inhabited districts of the city.

Alfa Białystok was opened in 2008 and is a modern three-level shopping mall with 150 retail units including key tenants such as C&A, CCC, Euro RTV AGD, H&M, Helios Cinema, Inditex brands (Zara, Stradivarius, Bershka, Pull & Bear, Oysho, Zara Home), LPP brands (Reserved, Cropp, House, Mohito, Sinsay, Home & You) and Piotr i Paweł supermarket. A positive economic environment has contributed to average tenants' turnover growth exceeding 10% and a footfall increase of over 7% to 5.5 million in the last 12 months. Planned future asset management initiatives by NEPI Rockcastle include improvements to the food court, the leisure and entertainment offering and tenant diversity.

The acquisition of Alfa Białystok reflects NEPI Rockcastle's strategy of establishing the company's presence in the largest Central Eastern European cities by acquiring or developing dominant shopping centres in these markets.

PURCHASE CONSIDERATION

The aggregate purchase price for Alfa Białystok was EUR 92.3 million, representing an acquisition yield of approximately 6.7%.

FUNDING

The acquisition of Alfa Białystok was funded by a combination of the sale of various listed securities held by NEPI Rockcastle, in line with management's strategy of decreasing this exposure, as well as a drawdown of the EUR76 million, 7-year secured investment facility provided by Berlin Hyp for the purposes of refinancing Galeria Warmińska at a rate consistent with the company's other secured funding for similar assets.

CATEGORISATION

The acquisition of Alfa Białystok is not categorisable in terms of the JSE Listings Requirements and the information in this announcement is accordingly presented for information purposes only.

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