

## **ECHO POLSKA PROPERTIES N.V.**

(Incorporated in the Netherlands)

(Company number 64965945)

JSE share code: EPP

ISIN: NL0011983374

(“EPP” or “the company”)



---

## **Acquisition of Zakopianka Shopping Centre**

---

Shareholders are advised that on [12 December 2016], EPP concluded a preliminary agreement to acquire 100% of the equity in EPISO 3 Zakopianka sp. z o.o (the “**acquired entity**”) that is the holder of leasehold rights (“**Zakopianka lease rights**”) that entitle the acquired entity to all rental income derived from leases concluded by tenants occupying premises within Park Handlowy Zakopianka (“**Zakopianka Shopping Centre**” or the “**Centre**”) other than those portions of the Centre leased to owner occupied Carrefour and Castorama stores (“**the transaction**”). The Zakopianka lease rights owned by the acquired entity relate to that portion of the Centre with a GLA of 27,463m<sup>2</sup>. The Centre forms part of a retail park located within the affluent southern part of Krakow with a catchment area of 1.3 million inhabitants.

The acquired equity will be purchased for an aggregate acquisition cost of approx. EUR 54 million. The vendor of the equity in the acquired entity is EPISO 3 Netherlands Holding B.V. (“**the seller**”).

### **RATIONALE FOR THE TRANSACTION**

The Zakopianka Shopping Centre is well established in Krakow, trading since 1998. It is well located with easy access by both car and public transportation. The Centre trades well and has a diversified tenant mix with WAULT of *circa* 4 years. There is the potential for extensions to be completed. The acquisition price of approximately EUR 54 million (inclusive of *circa* EUR 400 000 transaction costs) represents an acquisition yield of approximately 10%. Krakow is Poland’s top tourist destination and a leading destination for business process outsourcing and IT outsourcing in Europe. The transaction is in line with EPP’s stated strategy of acquiring retail assets in strategic locations.

### **SALIENT TERMS OF THE TRANSACTION**

The transaction is expected to close on 20 April 2017 and is conditional on:

1. any indebtedness that the acquired entity has to any lender being discharged at the cost of the seller prior to closing such that the acquired entity will be acquired free of any debt
2. the issuance of an insurance policy in favour of EPP to cover any liability of the seller under the seller’s warranties and representations furnished in terms of the transaction agreement

The purchase price of approximately EUR 54 million represents the value attributed to the Zakopianka lease rights as determined by the directors of the company. The directors of the company are not independent and are not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No 47 of 2000.

### **CATEGORISATION OF THE TRANSACTION**

The transaction is classified as a category 2 transaction in terms of paragraph 9.5(a) of the Listing Requirements of the JSE Limited.

### **About Echo Polska Properties**

Echo Polska Properties is a real estate investment fund that follows the REIT formula, investing in commercial office, retail, and industrial properties throughout Poland. With a current portfolio that includes six office and ten retail projects totaling GLA 446,400 sqm, its initial portfolio is highly diversified. The buildings are located in eleven major cities across Poland each characterized by a strong economy and purchasing power and an ability to attract

international investment interests. The goal of EPP is to create Poland's leading cash-generating platform of well performing office, retail, and industrial assets that will deliver consistently high returns to our shareholders. More information can be found on [www.echo-pp.com](http://www.echo-pp.com).

12 December 2016

---

JSE sponsor and Corporate Advisor



LuxSE Listing Agent



**More information:**

**Magda Cieliczko**, Marketing Director Echo Polska Properties,  
Mobile: +48 603 203 619  
[magda.cieliczko@echo-pp.com](mailto:magda.cieliczko@echo-pp.com)

**Java Capital**, JSE Sponsor  
Phone: +27 11 722 3050

**M Partners**, Luxembourg Listing Agent  
Phone: +352 263 868 602

**Jacques de Bie**, South Africa, Investor Relations, Singular Systems IR  
Mobile: +27 (0)82 691 5384