

ECHO POLSKA PROPERTIES N.V.
(Incorporated in the Netherlands)
(Company number 64965945)
JSE share code: EPP
ISIN: NL0011983374
("EPP" or "the company")



ACQUISITION OF 70% INTEREST IN WARSAW RETAIL DEVELOPMENT

EPP shareholders are referred to EPP's prospectus published on 30 August 2016 and pre-listing statement published on 31 August 2016 wherein details of the acquisition of a stake in a retail development site in Warsaw were disclosed and are advised that EPP and Echo Investment S.A. ("**Echo Investment**") (collectively, "**the purchasers**") have concluded a formal agreement in terms of which the purchasers will acquire the 22 Towarowa Street property on which the retail development will be undertaken ("**the property**") from Griffin Real Estate ("**Griffin**"), Poland's leading real estate fund ("**the purchase agreement**").

In terms of the purchase agreement, EPP will acquire a 70% interest in a special purpose vehicle that owns the property, with Echo Investment acquiring the remaining 30%. Echo Investment has also been appointed to develop the property, with EPP appointed to manage the property. The total purchase price payable for the property is up to EUR 120 million, EUR 5 million of which was paid as security upon signature of the purchase agreement. EUR78 million (including EUR 5 million already paid) is payable upon the completion of the purchase of the property, with payment of an additional amount of up to EUR 42 million dependent on the timing of satisfaction of various conditions. EPP and Echo will each be liable for only their *pro rata* portion of the purchase price. The purchase agreement remains conditional upon receipt of consent from Poland's anti-monopoly office, UOKiK.

The property consists of a number of plots acquired through five separate transactions. The property is the biggest commercial area located in the center of Warsaw, with a total area of about 6.5 ha and development capacity of over 100 000 sqm gross lettable area.

"The property – because of its location and attractiveness – will be the perfect fit in EPP's portfolio," said Hadley Dean, EPP's CEO. He added that it was probably the last site of this nature available in Warsaw.

He noted further that despite seemingly high retail space saturation in Warsaw, when compared to other cities, the average retail area per 1 000 inhabitants is still relatively small at 450 sqm in Warsaw as compared to over 600 sqm in Poznań or Wrocław. Hadley Dean also commented on Varsovians' high purchasing power, being 80 percent higher than the national average.

"We are very happy to sell the property to Echo and EPP. This way we can be sure it will be in good hands," said Piotr Fijołek, a partner at Griffin. "We had a lot of similar offers from other investors, but we decided to keep Towarowa in the family."

"The Towarowa project fits perfectly with our strategy. Echo Investment is aiming to develop big projects which supplement local urban planning vision and also meet the expectation of habitants. There are plans to deliver around 1 million square metres of offices in this area as well as the district of Wola which are the most active areas in terms of new residential developments. The Towarowa project will add new retail, entertainment and restaurant functions to this part of the city and renew this significant quarter." - said Nicklas Lindberg, CEO, Echo Investment.

He added that the retail development on the property is expected to be one of Echo's flagship projects, similar to Browary Warszawskie and equally unique.

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.

About Echo Investment SA

Echo Investment is one of the largest development companies in Poland. It carries out investments in three main sectors of the real estate market, being residential buildings, shopping centers and office buildings. Since 1996, it has been listed on Warsaw Stock Exchange. Echo Investment has completed over 120 projects in dozens of Polish cities, with a total area close to 1,300,000 sqm. In 2015, Echo Investment joined the dynamic developing capital group of Griffin Real Estate – Oaktree – PIMCO.

About Griffin Real Estate

Griffin is Poland's largest and the most dynamic investor in the commercial real estate market, with assets valued at more than EUR 3 billion. Its strategic partners are Oaktree Capital Management and Pacific Investment Management Company (PIMCO) that entered the Polish market by jointly acquiring a stake in Echo Investment.

4 October 2016

JSE sponsor



LuxSE Listing Agent



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