

MEDIA RELEASE FROM VISUAL INTERNATIONAL HOLDINGS

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***Visual International brings an investment in
high-demand residential property development to the JSE AltX***

Visual International Holdings will provide a unique opportunity for investors to share the benefits of an investment in developing mixed-use residential suburbs for the middle-income market – conceivably the fastest growing residential property market segment in South Africa – when it lists on the JSE AltX next month.

Established in 1993, Visual International is a South African property development company that develops mixed-use residential suburbs for the middle-income market. With its decade-long track record, it had grown its assets to around R126,5 million. Its net asset value is around R60 million, and spans some 80,000sqm of developable bulk that is ultimately expected to produce real estate investment of around R2 billion

The AltX, or alternative exchange, is a division of the JSE and a parallel market focused on good quality small-and medium-sized high-growth companies. It provides these companies with a clear growth path and access to capital, while giving investors fresh, exciting opportunities and the prospect of investing in a growing business.

And this is precisely the reason Visual International is headed for an AltX listing next month.

Visual International intends to raise R33 million prior to listing on the AltX, through the issue of 66,000,000 new shares at R0.50 per share. This will unlock the next chapter of its growth path, with the capital raised applied to fast-tracking its residential development plans at its flagship Stellendale Village over the next two years.

The award-winning Stellendale Village development is a 22 hectare mixed-use residential suburb just off the Stellenbosch Arterial in Kuils River, Cape Town, which will ultimately provide some 1,500 homes to middle-income households when completed. Visual International has already developed 440 homes at Stellendale Village, with a further 63 under construction, and plans to unlock further phases of development at Stellendale Village, including its integrated retirement estate. It will also acquire about 15% of the apartments in the precinct and make them available to rent.

The upshot of all this is a two-year long-term earnings per share growth forecast of 33,5% for Visual International. Being a long-term play focused on capital growth, Visual International plans to reinvest all profits for its first five years after listing without paying dividends. It will introduce dividends thereafter. "We've set our sights on a JSE main board listing at the right time," says Charles Robertson, Visual International founder and managing director.

And Visual International's potential for growth, by unlocking middle market residential opportunities, is extraordinary.

"Demand for quality housing from the growing middle-income market in South Africa is strong. Our model of developing mixed-use suburbs on suitable land near jobs and infrastructure, meets this demand. Right now, we are selling units at Stellendale Village faster than we are able to develop them," explains Robertson. "Listing Visual International will provide the capital needed to pick up the pace of development, as well as reproduce our successful model in other high-growth nodes around South Africa."

Visual International develops homes for the South Africa's growing middle-income bracket, priced from R400,000 to R700,000. "Historically, South Africa consisted of 'haves' and 'have-nots' but in recent years a new, growing middle market has emerged and will continue to develop even further," says Robertson.

"This market is driving performance in many sectors of the economy and the success of businesses like Shoprite and Pep. It is also supporting higher car sales figures and growing numbers of restaurant and fast food outlets. However, middle-income people are poorly served with suitable residential opportunities and are in need of quality apartments and homes to live in."

This is the important need that Stellendale Village is meeting and why Visual International sees excellent prospects for its business model, not only in the Western Cape, but also in Gauteng. According to South Africa's latest population statistics, both provinces are showing higher population growth than the national average and other South African provinces.

The new shares to be issued in Visual International's capital raising equate to 26% of the shares in the company, with 74% held by its executive team and a Kuils River empowerment initiative they have established. This aligns management interests strongly with those of investors.

Visual International is led by a skilled and experienced executive team with more than 70 years of combined experience in all aspects of the property development sector. Robertson is a property developer with 30 years experience, including projects like N1 City. Projects Director Peter Grobbelaar has extensive experience in both the construction and property development industries, including the V&A Waterfront Marina Residential Development and High Cape. Financial Director Grant Noble has extensive experience in financial management and administration of private security estates.

Their outlook for residential property for the middle market is undoubtedly positive. "We're seeing renewed interest in residential property in South Africa and potential for good strong capital growth. Many residential developers fell victim to the effects of the global economic crisis and there have been few new builds in recent years and many abandoned projects. As recovery steadily enters the marketplace, we see many opportunities for more developments like Stellendale Village and joint ventures."

Visual International has already secured a pipeline of future developments and is establishing strategic development partnerships in Gauteng.

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