NOTICE OF AND PROXY FOR ANNUAL GENERAL MEETING AND SUMMARISED AUDITED FINANCIAL STATEMENTS

30 JUNE 2013

GROWTHPOINT PROPERTIES

HIGHLIGHTS

- **7.2%** distribution growth to 149,0 cents per linked unit
- **21.2%** total return to investors for the year
- **35.2%** return on R3,4 billion Australian investment
- **R1,5 billion** capital raised through Distribution Re-Investment
- **R2,5 billion** capital raised through new equity issue
- **REIT** – successful conversion post year-end

CONTENTS

The summarised audited consolidated financial statements set out in Annexure 1 summarise the audited consolidated financial statements approved on 27 August 2013 by the Board of Directors and issued on 30 September 2013.

The complete annual financial statements and integrated annual review of the company and the Group for the financial years ended 30 June 2013 and 2012 may be obtained:

- from the Transfer Secretaries, Computershare Investor Services (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg, 2001, or
- from the company's website at: www.growthpoint.co.za, or
- by request from the company.

The consolidated financial statements include the financial statements of Growthpoint Properties Limited (Growthpoint or the company), its subsidiary companies and controlled trusts (together referred to as the Group and individually as group companies), the share of the profit or loss and other comprehensive income of equity-accounted investees and the Group's share of the assets, liabilities, income, expenses and cash flows of jointly-controlled operations.

LETTER TO SHAREHOLDERS

Dear shareholder

I invite you to attend the 25th annual general meeting (AGM) of Growthpoint Properties Limited (Growthpoint) which will be held at The Place, 1 Sandton Drive, Sandown, Sandton, 2196, on Tuesday, 12 November 2013 at 09:00.

I encourage you to attend and vote at the AGM, as this is your opportunity to participate in the review of the company's financial performance for the year ended 30 June 2013, to engage with the directors, raise issues on strategic and financial management, participate in decisions on future direction, goals and objectives and to raise any matters pertaining thereto.

The integrated annual report will not be mailed to all shareholders as part of our strategy to contain costs. However, all the information that you need to make an informed decision on how to vote at the AGM is included in this booklet, including the detailed notice of the AGM, the summarised audited financial statements and other supporting documentation. The notice is accompanied by explanatory notes setting out the reasons and the effects of all the proposed special resolutions.

The date on which you must be registered as a shareholder in the company's register for the purposes of being entitled to attend and vote at the meeting is Friday, 1 November 2013 (the "Record Date"). The last day to trade to be entitled to attend and vote at the meeting is therefore Friday, 25 October 2013. Only shareholders physically present at the meeting or represented by a valid proxy or letter of representation will be entitled to cast a vote on any matter put to a vote of shareholders.

If you are not able to attend the AGM, you may vote by proxy according to the instructions in the AGM notice and form of proxy.

Yours sincerely

JF Marais
Chairman

9 September 2013

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th annual general meeting (AGM) of Growthpoint Properties Limited will be held at The Place, 1 Sandton Drive, Sandown, Sandton, 2196 on Tuesday, 12 November 2013 at 09:00 **to consider and if deemed fit, to pass with or without modification, the ordinary and special resolutions set out in this notice**, subject at all times to the Companies Act 2008, as amended, and the Listings Requirements of the JSE Ltd.

Participation in this AGM by telephone conference will be facilitated as detailed in Note 10 at the end of this notice.

1. ORDINARY RESOLUTIONS

Each of the ordinary resolutions 1.1 to 1.10 requires the support of a simple majority (that is, 50% + 1) of the votes exercised in respect of each resolution in order to be adopted, save for ordinary resolution 1.9 which, in terms of the JSE Listings Requirements, requires the support of at least 75% of shareholders of the company.

1.1 Adoption of annual financial statements

To receive, consider and adopt the annual financial statements of the company and the Group for the year ended 30 June 2013, together with the reports of the directors and auditors thereon, and the report of the Audit Committee.

Additional information

The full annual financial statements which are the subject matter of ordinary resolution 1.1 have been published on the company's website at http://www.growthpoint.co.za and are also available on request from the company secretary or via the company's share transfer secretary.

1.2 Election of directors appointed by the Board

In accordance with the company's Memorandum of Incorporation, to elect, by individual resolutions, the following directors who were appointed by the Board of Directors to fill vacancies and are to retire at this annual general meeting but hold themselves available for election as directors, as designated:

- Mr SP Mngconkola (appointed 13 November 2012) as a non-executive director;
- Mr G Völkel (appointed 1 February 2013) as financial director.

1.3 Re-election of non-executive directors who are to retire at the meeting and hold themselves available for re-election

To re-elect, by individual resolutions, the following non-executive directors who are to retire but, being eligible, offer themselves for re-election:

- Mr PH Fechter, Mrs LA Finlay and Mrs NBP Nkabinde, who are to retire by rotation.

Mr JHN Strydom, who also retires by rotation at this meeting, is not holding himself available for re-election and will retire from the Board of Directors with effect from the close of business on 12 November 2013.

Additional information relative to items 1.2 and 1.3

The Memorandum of Incorporation of the company requires one third of the non-executive directors to retire by rotation at an AGM. Directors retiring in that manner and any standing for election pursuant to appointment by the Board to fill a causal vacancy, remain eligible and may hold themselves for election or re-election as directors.

Through its Nomination Committee, the Board, with due regard to its composition and that of its respective committees, also having reviewed the independence of the independent non-executive directors including those with nine years' service or longer, during the course of the financial year ended 30 June 2013, recommends the re-election of the directors mentioned in 1.2 and 1.3 above who hold themselves available for election/re-election, on the basis of their respective fields of expertise, qualifications, past performance as well as their contribution to both the Board and the committees on which they serve and to the company as a whole; and, in the case of Mr Mngconkola, also on the basis that his appointment was pursuant to nomination by the Public Investment Corporation (SOC) Limited in its capacity as a major shareholder of the company.

Brief CVs of the directors standing for election and re-election appear in Annexure 3 of the booklet containing this notice.

1.4 Election of Audit Committee members

To elect, on the Board's recommendation, by individual resolutions, the following non-executive directors as members of the Audit Committee of the company and the Group:

- Mrs LA Finlay, as Committee Chairperson
- Mr PH Fechter
- Mr JC Hayward
- Mr CG Steyn

Additional information

The Audit Committee, collectively, should be adequately skilled to perform its role having regard to the size and circumstances of the company. Individual committee members therefore ought to possess appropriate qualifications, skills and experience in order to discharge their responsibilities. However, it is not expected that each committee member possess all the required qualifications, skills and experience. The collective skills set includes an understanding of financial and sustainable reporting practices, internal audit controls, external audit processes, corporate law, risk management, IT governance as it relates to integrated reporting and the governance processes of the company. The Board, having considered the above, and with reference to comments contained in the 2013 Directors' Report on page 26 of this booklet, recommends the non-executive directors named above for appointment to the Audit Committee.

Brief CVs of the Audit Committee members appear in Annexure 3 of the booklet containing this notice.

1.5 Appointment of auditor

To reappoint KPMG Inc. as auditor of the company on the recommendation of the Audit Committee, for the period until the company's next annual general meeting.

Additional information

The Audit Committee recommends KPMG Inc. for reappointment as the registered auditor of the company. The Audit Committee is satisfied that, in all material respects, KPMG Inc. is independent of the company as required by section 90 of the Companies Act 2008, as amended.

1.6 Advisory, non-binding approval of remuneration policy

To approve, on the Board's recommendation and on an advisory, non-binding basis, the company's remuneration policy on base salary, benefits, short-term incentives and long-term incentives, including executive and non-executive directors, as set out on pages 52 to 53 of the 2013 annual financial statements and in Annexure 5 of the booklet containing this notice.

Additional information

The King Code of Governance Principles for South Africa, 2009 (King III) recommends that the remuneration policy of a company be submitted for a non-binding advisory vote by shareholders at each AGM. The objective of a remuneration policy is to guide the Board in its decision-making process and in particular the determination of remuneration of non-executive directors.

1.7 To place the unissued authorised ordinary shares of the company under the control of the directors

"Resolved that, the unissued authorised ordinary shares of no par value in the company be and they are hereby placed under the control of the directors of the company who are authorised to allot or issue any such shares at their discretion, subject at all times to the provisions of the Companies Act 2008, as amended, the company's Memorandum of Incorporation and the JSE Listings Requirements, provided that the number of shares issued at any time may not exceed 10% of the total number of shares in issue determined immediately prior to each issue of new shares."

Note: No issue will be made that could effectively transfer control of the company without the prior approval of shareholders at a general meeting.

Additional information

In terms of the company's Memorandum of Incorporation (MOI), shareholders must approve the placement of the unissued authorised ordinary shares under the control of the directors. The existing authority renewed at the linked unitholders' meeting held on 28 June 2013 expires at this AGM. The renewed authority will be subject at all times to the Companies Act 2008, the Listings Requirements and the restrictions imposed by the company's MOI as stated above. In line with best practice, the directors of the company have elected to seek renewal of this authority to issue ordinary unissued shares. This is to ensure that the company has maximum flexibility in managing capital resources.

1.8 Specific authority to issue shares to afford shareholders distribution re-investment alternatives

"Resolved that, subject to the provisions of the Companies Act 2008, as amended and the Listings Requirements of the JSE Limited, the directors be and they are hereby authorised by way of a specific standing authority to issue ordinary shares of no par value (ordinary shares) as and when they deem appropriate, for the exclusive purpose of affording shareholders opportunities from time to time to elect to re-invest their distributions in new ordinary shares of the company."

1.9 General but restricted authority to issue shares for cash

"Resolved that, subject to the provisions of the Companies Act 2008, as amended and the Listings Requirements of the JSE Limited, the directors be and they are hereby authorised by way of a general authority, to issue ordinary shares of no par value (ordinary shares) for cash as and when suitable situations arise, subject to the following limitations:

- this authority shall not extend beyond 15 months from the date of this annual general meeting;
- a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of an issue representing, on a cumulative basis within one year, 5% or more of the number of ordinary shares in issue prior to such issues;
- that issues in aggregate in any one financial year, including instruments which are or may be compulsorily convertible into shares of any class, will not exceed 189 155 833 ordinary shares which represents 10% of the number of shares in issue as at the date of the notice of this annual general meeting, being 1 891 558 328 ordinary shares;
- that, in determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 5% of the weighted average traded price, adjusted for any cum distribution portion if applicable, of the ordinary shares in question, measured over the 30 business days prior to the date on which the price of such issue is agreed between the company and the subscribers for the shares to be issued;
- that issues of shares in the company shall be made to public subscribers only (material shareholders are excluded from participating) and not to related parties; and
- that this authority shall be restricted to the issue of shares to finance the acquisition of property assets or at any time to settle debt in respect of any of the company's property assets, and further, provided that any such issues for cash may be made prior to the registration of transfer of any property assets to be acquired."

In terms of the Listings Requirements of the JSE Limited, at least 75% of the votes held by shareholders present or represented by proxy at the meeting need to be cast in favour of this resolution in order to give effect thereto.

1.10 To receive and accept the report of the chairman of the Social, Ethics and Transformation Committee

To receive and accept the report of the chairman of the Social, Ethics and Transformation Committee in respect of the financial year ended 30 June 2013 in Annexure 8 of the booklet containing this notice.

2. SPECIAL RESOLUTIONS

Each of the special resolutions 2.1 to 2.3 requires a minimum 75% majority of the votes exercised in its favour in order for the resolution to be adopted.

2.1 Non-executive directors' fees for the financial year ending 30 June 2014

To pass the following resolution as a special resolution:

"Resolved that the payment of non-executive directors' fees in respect of the financial year ending 30 June 2014 be and it is hereby approved on the following basis:

	2014	2013
Basic fees:		
Chairman	R965 000	R900 000
Deputy chairman	R115 000	R106 500
Non-executive director	R46 000	R42 500
Attendance fees per meeting:		
Board chairman	R162 000	R150 000
Board deputy chairman	R78 000	R72 000
Board non-executive director	R52 000	R48 000
Audit Committee chairman	R48 500	R45 000
Audit Committee member	R34 500	R32 000
Risk Management Committee chairman	R43 000	R40 000
Risk Management Committee member	R29 000	R27 000
Property Committee chairman	R43 000	R40 000
Property Committee member	R29 000	R27 000
Social, Ethics and Transformation Committee chairman	R37 500	R35 000
Social, Ethics and Transformation Committee member	R24 000	R22 500
Remuneration Committee chairman	R43 000	R40 000
Remuneration Committee member	R29 000	R27 000
Nomination Committee chairman	R37 500	R35 000
Nomination Committee member	R24 000	R22 500

Reason for and effect of this special resolution: To approve the basis and authorise the payment of non-executive directors' fees for the financial year ending 30 June 2014 in terms of the requirements of section 66(9) of the Companies Act 2008, as amended.

2.2 Financial assistance to related or inter-related companies

To pass the following resolution as a special resolution:

"Resolved that the company's provision of financial assistance to related or inter-related companies as defined in the Companies Act 2008, as amended, by way of loans, as set out in Annexure 2 of this booklet, be and it is hereby ratified; and further:

that any direct or indirect provision of financial assistance granted by the company by way of inter-company loans or in any other form, during the two-year period ending 11 November 2015, be and it is hereby approved and that the Board of the company be and it is hereby authorised and empowered to give effect to any such financial assistance."

Reason for and effect of this special resolution: To the extent necessary under section 45 of the Companies Act 2008, as amended, to ratify financial assistance to related or inter-related companies granted during the financial year ended 30 June 2013 and to approve, and also to authorise the Board to give effect to any financial assistance deemed appropriate to implement during the two-year period ending 11 November 2015.

The Board will not authorise any financial assistance in terms of the above unless it has considered and is satisfied that:

- considering all reasonably foreseeable financial circumstances of the company at that time, the company will, immediately after providing the financial assistance to related or inter-related companies, satisfy the solvency and liquidity test as required in terms of the Companies Act 2008, as amended;
- the terms under which any financial assistance is proposed to be given are fair and reasonable to the company; and
- any conditions or restrictions in respect of the granting of any financial assistance as set out in the company's Memorandum of Incorporation have been met.

2.3 Authority to repurchase ordinary shares

To pass the following resolution as a special resolution:

"Resolved that the company or any of its subsidiaries be and are hereby authorised, by way of a general approval, to acquire ordinary shares issued by the company, in terms of the Companies Act 2008, as amended, the company's Memorandum of Incorporation and the rules and requirements of the JSE Limited (the JSE), being that:

- any such acquisition of ordinary shares shall be implemented on the open order book of the JSE and without any prior arrangement;
- this general authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 months from the date of registration of this special resolution;
- an announcement will be published as soon as the company or any of its subsidiaries has acquired ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue prior to the acquisition pursuant to which the aforesaid 3% threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions;
- acquisitions of ordinary shares in aggregate in any one financial year may not exceed 20% of the company's issued ordinary shares in issue as at the date of passing of this special resolution;
- in determining the price at which ordinary shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% of the weighted average of the market value at which such ordinary shares are traded on the JSE over the five business days immediately preceding the date of repurchase of such ordinary shares;
- the company is duly authorised by its Memorandum of Incorporation to acquire shares it has issued;
- at any point in time, the company may only appoint one agent to effect any repurchase of shares on the company's behalf;
- the Board authorises the acquisition, the company passes the solvency and liquidity test and that, from the time that test is done, there are no material changes to the financial position of the company;
- the company's sponsor must confirm the adequacy of the company's working capital for purposes of undertaking the repurchase of ordinary shares in writing to the JSE before entering the market to proceed with the repurchase;
- the company shall remain in compliance with the minimum shareholder spread requirements of the JSE, and
- the company and/or its subsidiaries do not repurchase any shares during a prohibited period in accordance with the JSE Listings Requirements, unless they have in place a repurchase programme in terms of which the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement on the JSE's Securities Exchange News Service (SENS) prior to the commencement of the prohibited period."

Reason for and effect of this special resolution: To permit the company or any of its subsidiaries, by way of a general approval, to acquire ordinary shares by the company as and when suitable opportunities to do so arise.

Note: Although no repurchase of ordinary shares is contemplated at the time of this notice, apart from specific repurchases authorised by the Board on 30 May 2013 and in progress, subject to authority to be granted by shareholders at special general meetings to be convened for that purpose, the directors, having considered the effects of a repurchase of the maximum number of ordinary shares in terms of the aforegoing general authority, are of the opinion that for a period of 12 (twelve) months after the date of the notice of annual general meeting:

- the company and the Group will be able, in the ordinary course of business, to pay its debts;
- the assets of the company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the company and the Group; and
- the company and the Group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, some of which may appear elsewhere in this booklet, is provided in terms section 11.26 of the JSE Listings Requirements, for purposes of the general authority:

- Directors and management – pages 48 and 49.
- Major beneficial shareholders – page 37.
- Directors' interests in linked units (ordinary shares with effect from 2 August 2013) – pages 29 to 32.
- Share capital of the company – page 45.

Litigation statement
In terms of section 11.26 of the JSE Listings Requirements, the directors, whose names appear in Annexure 3 of this booklet, are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 (twelve) months, a material effect on the company's or Group's financial position.

Directors' responsibility statement
The directors, whose names appear in Annexure 3 of this booklet, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information.

Material changes
Other than the facts and developments reported on in the annual financial statements, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

Intentions
The directors have no specific intention, at present, for the company to repurchase any of its shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the company and its shareholders.

NOTES:

1. The company has elected not to set a Notice Record Date (STRATE special Gazette S12-2012) but this notice shall have been posted to shareholders by not later than 30 September 2013.
2. A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the company. Notwithstanding the appointment of a proxy by a shareholder who is a natural person, such member may attend the AGM in person and vote thereat, to the exclusion of the appointed proxy.
3. A proxy form is included in the booklet containing this notice. Additional proxy forms are obtainable from the company's share transfer secretaries or may be reproduced by photocopying the proxy form provided in the annual financial statements.
4. The "record date" for the meeting in terms of section 62(3)(a) of the Companies Act 2008, as amended and STRATE special Gazette S12-2012 shall be Friday, 1 November 2013.
5. All proxy forms or other instruments of authority must be deposited with the transfer secretaries, Computershare Investor Services (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) so as to be received not less than 24 hours before the appointed time for the holding of the meeting (excluding Saturdays, Sundays and public holidays).
6. If you are a certificated Growthpoint shareholder or an own name dematerialised Growthpoint shareholder and are unable to attend the AGM of Growthpoint shareholders to be held at 09:00 on Tuesday, 12 November 2013 (the Growthpoint AGM), but wish to be represented thereat, you are required to complete the form of proxy attached hereto in accordance with the instructions therein and return it to the transfer secretaries, Computershare Investor Services (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) so as to be received by no later than 09:00 on Monday, 11 November 2013.
7. If you are a beneficial owner of dematerialised Growthpoint ordinary shares and are not an own name dematerialised Growthpoint shareholder, then you may instruct your CSDP or broker as to how you wish to cast your vote at the Growthpoint AGM in order for them to vote in accordance with your instructions. If you wish to attend the Growthpoint AGM in person, please request your CSDP or broker to issue the necessary letter of representation to you. This must be done in terms of the agreement entered into between the dematerialised Growthpoint shareholder (who is not an own name dematerialised Growthpoint shareholder) and the CSDP or broker.

8. The complete annual financial statements of the company and Group for the financial years ended 30 June 2013 and 2012 may be obtained:
   – from the transfer secretaries, Computershare Investor Services (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg, 2001, or
   – the company's website at: http://www.growthpoint.co.za, or
   – by request from the company.

9. It is a requirement in terms of section 62(3)(e)(iii) of the Companies Act 2008, as amended that attendees and/or participants at shareholders' meetings must provide satisfactory identification. Production of a valid South African ID document or current passport or drivers' licence upon arrival at the meeting and before signing of the attendance register shall be acceptable.

10. Participation in this AGM by telephone conference call:

    Shareholders or their proxies may participate in (but not vote at) the general meeting of shareholders by way of a teleconference call. If they wish to do so, they must contact Bennie Janse van Vuuren at Computershare on 011 370 7873 or email bennie.vanvuuren@computershare.co.za (for the attention of B Janse van Vuuren) by no later than 09:30 on Monday, 11 November 2013 and identify themselves to the satisfaction of Mr Janse van Vuuren to obtain the dialling code and pin number. Shareholders participating in this manner will still have to appoint a proxy to vote on their behalf at the general meeting of shareholders. Access by this means of communication will be at the expense of the shareholder.

By order of the Board

RA Krabbenhöft
Company Secretary

9 September 2013

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

	Notes	30 June 2013 Rm	30 June 2012 Rm
Revenue, excluding straight-line lease income adjustment		**5 773**	5 107
Straight-line lease income adjustment		**9**	183
Revenue		**5 782**	5 290
Property expenses		**(1 237)**	(1 102)
Net property income		**4 545**	4 188
Other operating expenses		**(236)**	(176)
Operating profit		**4 309**	4 012
Fair value adjustments	1	**(816)**	(756)
Equity-accounted investment profit/(loss) – V&A Waterfront (net of tax)	2	**326**	(38)
Finance costs		**(1 782)**	(1 677)
Non-cash charges	3	**(102)**	(108)
Capital items		**(25)**	(17)
Finance income	4	**566**	501
Profit before debenture interest		**2 476**	1 917
Debenture interest		**(2 725)**	(2 392)
Loss before taxation		**(249)**	(475)
Taxation		**(460)**	(298)
Normal taxation (including withholding tax on GOZ distribution)		**(19)**	(1)
Capital gains taxation (CGT)		**(2)**	(2)
Deferred taxation charge		**(439)**	(295)
Loss after taxation		**(709)**	(773)
Loss attributable to:			
Equity holders		**(1 006)**	(921)
Non-controlling interest		**297**	148
Other comprehensive income:			
Foreign currency translation gain		**498**	646
Total comprehensive income		**(211)**	(127)
Attributable to:			
Equity holders		**(665)**	(492)
Non-controlling interest		**454**	365

	Notes	30 June 2013 Rm	30 June 2012 Rm
Calculation of distributable earnings			
Operating profit		**4 309**	4 012
Less: Straight-line lease income adjustment		**(9)**	(183)
Finance costs		**(1 782)**	(1 677)
Finance income		**566**	501
Interest received exceeding distributable income – V&A Waterfront		**(55)**	(76)
Non-controlling interest's share of distribution from GOZ (excluding fair value adjustments)		**(228)**	(171)
Distributable income from GOZ retained (including NCI portion)		**(35)**	–
Realised foreign exchange loss		**(19)**	(10)
Taxation (excluding deferred tax and CGT)		**(19)**	(1)
Distributable earnings		**2 728**	2 395
Total distribution		**2 728**	2 395
Debenture interest		**2 725**	2 392
Ordinary dividend		**3**	3
		Number of shares	Number of shares
Shares in issue at the end of the year		**1 891 558 328**	1 743 080 918
Weighted number of shares in issue		**1 891 558 328**	1 743 080 918
		Cents	Cents
Distribution per linked unit		**149.0**	139.0
Six months ended 31 December		**72.7**	67.8
Six months ended 30 June		**76.3**	71.2
Basic and diluted loss per share	5	**(53.18)**	(52.84)
Headline earnings per linked unit	6	**138.67**	72.69

STATEMENT OF FINANCIAL POSITION
as at 30 June 2013

	Notes	30 June 2013 Rm	30 June 2012 Rm
ASSETS			
Non-current assets		**61 120**	54 288
Fair value of investment property for accounting purposes		**51 908**	45 056
Straight-line lease income adjustment		**1 778**	1 693
Payments made to acquire investment property		**–**	842
Fair value of long-term property-related assets		**53 686**	47 591
Equity-accounted investment – V&A Waterfront	7	**5 444**	4 912
Intangible assets		**1 354**	1 447
Equipment		**8**	2
Long-term loans granted		**624**	336
Derivative assets		**4**	–
Current assets		**3 034**	1 498
Investment property reclassified as held for sale		**545**	515
Trade and other receivables		**577**	588
Cash and cash equivalents		**1 912**	395
Total assets		**64 154**	55 786
EQUITY AND LIABILITIES			
Shareholders' interest		**208**	893
Ordinary share capital		**95**	87
Foreign currency translation reserve		**962**	621
Non-distributable reserve		**(849)**	185
Non-current liabilities – debentures	8	**36 537**	27 650
Linked unitholders' interest		**36 745**	28 543
Non-controlling interest		**2 485**	2 181
Total unitholders' interest		**39 230**	30 724
Other non-current liabilities		**20 160**	20 744
Other non-current financial liabilities		**18 805**	19 894
Other long-term employee benefits		**101**	35
Deferred tax liability		**1 254**	815
Current liabilities		**4 764**	4 318
Trade and other payables		**1 196**	1 478
Current portion of other non-current liabilities		**2 000**	1 495
Taxation payable		**5**	–
Linked unitholders for interest and dividends		**1 563**	1 345
Total equity and liabilities		**64 154**	55 786
		Cents	Cents
Net asset value per linked unit		**1 943**	1 638
Tangible net asset value per linked unit which excludes intangible assets and deferred tax		**1 937**	1 601

STATEMENT OF CASH FLOWS
for the year ended 30 June 2013

	30 June 2013 Rm	30 June 2012 Rm
Cash generated from operations	**3 903**	4 130
Finance income	**524**	451
Finance costs	**(1 795)**	(1 663)
Taxation paid	**(16)**	(6)
Capital items	**(25)**	(17)
Distribution to unitholders	**(2 757)**	(2 366)
Net cash (outflow)/inflow from operating activities	**(166)**	529
Net cash outflow from investing activities	**(1 550)**	(3 598)
Net cash inflow from financing activities	**3 228**	3 196
Net increase in cash and cash equivalents	**1 512**	127
Translation effects on cash and cash equivalents of foreign operation	**5**	17
Cash and cash equivalents at beginning of the year	**395**	251
Cash and cash equivalents at end of the year	**1 912**	395

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2013

	Ordinary share capital Rm	Non-distributable reserve (NDR) Rm
Balance at 30 June 2011	79	1 150
Shares issued	8	–
Total comprehensive income – loss after taxation	–	–
Total comprehensive income – other comprehensive income	–	–
Transfer amortisation net of deferred taxation to NDR	–	(71)
Rights issue and acquisition – GOZ	–	–
Transfer to NDR reserves with NCI	–	(41)
Transfer fair value adjustment on GOZ to NDR	–	(853)
Dividends declared – NCI	–	–
Dividends declared	–	–
Balance at 30 June 2012	**87**	**185**
Shares issued	**8**	**–**
Total comprehensive income – loss after taxation	**–**	**–**
Total comprehensive income – other comprehensive income	**–**	**–**
Transfer amortisation net of deferred taxation to NDR	**–**	**(71)**
Distribution re-investment plan taken up – GOZ	**–**	**–**
Transfer to NDR reserves with NCI	**–**	**(25)**
Transfer fair value adjustment on GOZ to NDR	**–**	**(938)**
Dividends declared – NCI	**–**	**–**
Dividends declared	**–**	**–**
Balance at 30 June 2013	**95**	**(849)**

Foreign currency translation reserve (FCTR) Rm	Retained earnings Rm	Total shareholders' interest Rm	Non-controlling interest (NCI) Rm	Total equity Rm
192	–	1 421	1 372	2 793
–	–	8	–	8
–	(921)	(921)	148	(773)
397	–	397	249	646
–	71	–	–	–
32	(41)	(9)	583	574
–	41	–	–	–
–	853	–	–	–
–	–	–	(171)	(171)
–	(3)	(3)	–	(3)
621	**–**	**893**	**2 181**	**3 074**
–	**–**	**8**	**–**	**8**
–	**(1 006)**	**(1 006)**	**297**	**(709)**
323	**–**	**323**	**175**	**498**
–	**71**	**–**	**–**	**–**
18	**(25)**	**(7)**	**60**	**53**
–	**25**	**–**	**–**	**–**
–	**938**	**–**	**–**	**–**
–	**–**	**–**	**(228)**	**(228)**
–	**(3)**	**(3)**	**–**	**(3)**
962	**–**	**208**	**2 485**	**2 693**

NOTES
for the year ended 30 June 2013

	30 June 2013 Rm	30 June 2012 Rm
Note 1:		
Fair value adjustments	**(816)**	(756)
Gross investment property fair value adjustment	**3 765**	1 953
Less: Straight-line lease income adjustment	**(9)**	(183)
Net investment property revaluation	**3 756**	1 770
Borrowings and derivatives – gain/(loss)	**404**	(892)
Foreign exchange – loss	**(3)**	(6)
Long-term loans granted – profit/(loss)	**8**	(103)
Debentures	**(4 981)**	(1 525)
Debentures are adjusted to fair value which represents the net asset value attributable to Growthpoint's debenture holders, excluding the intangible assets.		
Fair value adjustments		
The debenture fair value adjustment consists of:		
Fair value adjustments on other assets and liabilities, excluding fair value adjustment on debentures	**(4 165)**	(769)
Straight-line lease income adjustment	**(9)**	(183)
Capital gains taxation	**2**	2
Deferred taxation (excluding deferred taxation credit accounted for in NDR)	**468**	323
Fair value adjustment on GOZ	**(938)**	(853)
Equity-accounted investment – V&A Waterfront	**(381)**	(38)
Foreign exchange losses and retained income	**(43)**	(10)
Non-controlling interest's portion of fair value adjustments	**57**	(23)
Other long-term employee benefits	**3**	9
Capital items	**25**	17
Debenture fair value adjustment	**(4 981)**	(1 525)
Note 2:		
Equity-accounted investment profit/(loss) – V&A Waterfront (net of tax)	**326**	(38)
Interest received from investment	**(367)**	(369)
Distributable income	**312**	293
Interest received exceeding distributable income*	**(55)**	(76)
Non-distributable income from investment (fair value adjustments, capital items and deferred taxation)	**381**	38

* *The distribution of the finance income amounting to R367 million earned on the investment in the V&A Waterfront, is limited to the distributable income earned by the V&A Waterfront, which amounted to R312 million during the 2013 financial year.*

	30 June 2013 Rm	30 June 2012 Rm
Note 3:		
Non-cash charges	**(102)**	(108)
Amortisation of intangible asset	**(99)**	(99)
Other long-term employee benefits	**(3)**	(9)
Note 4:		
Finance income	**566**	501
Banks	**33**	25
Investment in joint venture – V&A Waterfront	**367**	369
Antecedent divestiture of distribution	**77**	23
Long-term loans	**47**	43
Long-term loans (additional interest on refinanced BEE loan)	**31**	34
Other	**11**	7

Note 5:
The directors are of the view that the disclosure of earnings per share, while obligatory in terms of IAS 33, *Earnings per Share*, and the JSE Limited Listings Requirements, is not meaningful to investors as the shares are traded as part of a linked unit and practically all the revenue earnings are distributed in the form of debenture interest plus dividends in the ratio of 1 000 to 1. In addition, headline earnings include fair value adjustments for financial liabilities and accounting adjustments required to account for lease income on a straight-line basis, as well as other non-cash accounting adjustments that do not affect distributable earnings. The calculation of distributable earnings and the distribution per linked unit as set out below is more meaningful.

Note 6:
In terms of Circular 2/2013, issued by SAICA, both the fair value adjustment on investment property and debentures are added back in the calculation of headline earnings per linked unit. The Circular does not make provision for the fair value adjustment on other non-current financial liabilities to be added back.

Basic loss is reconciled to headline earnings as follows:	**30 June 2013 Rm**	30 June 2012 Rm
Loss after taxation – attributable to equity holders	**(1 006)**	(921)
Add back: Net fair value adjustment – investment property	**(4 077)**	(1 302)
Fair value adjustment, net of straight-line lease income	**(3 717)**	(1 666)
Fair value adjustment (V&A Waterfront, included in equity-accounted investment)	**(321)**	(38)
NCI portion of fair value adjustment	**(39)**	(105)
Applicable taxation	**–**	507
Headline loss attributable to shareholders	**(5 083)**	(2 223)
Add back: Net fair value adjustment – debentures	**4 981**	1 098
Fair value adjustment	**4 981**	1 525
Applicable taxation	**–**	(427)
Add back: Debenture interest paid	**2 725**	2 392
Headline earnings attributable to linked unitholders	**2 623**	1 267

Note 7:

Equity-accounted investment – V&A Waterfront	**5 444**	4 912
Investment in joint venture – opening balance	**118**	156
Debentures in/loan to joint venture	**5 000**	4 794
Share of equity-accounted results	**326**	(38)

Note 8:

Non-current liabilities – debentures		
Fair value at the beginning of the year	**27 650**	23 463
Issued during the year	**3 906**	2 662
Fair value adjustment (Note 1)	**4 981**	1 525
Fair value at the end of the year	**36 537**	27 650

SEGMENTAL ANALYSIS
for the year ended 30 June 2013

	South Africa						
	Retail Rm	Office Rm	Industrial Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Total Rm
Statement of comprehensive income extracts 2013							
Revenue, excluding straight-line lease income adjustment	1 576	1 776	1 002	1 419	5 773	442	6 215
Property expenses	(439)	(423)	(216)	(159)	(1 237)	(118)	(1 355)
Segment results	1 137	1 353	786	1 260	4 536	324	4 860
Fair value adjustment:							
Investment property	1 740	1 297	616	73	3 726	372	4 098
Investment property – non-controlling interest	–	–	–	39	39	–	39
Total fair value adjustment on total investment property	1 740	1 297	616	112	3 765	372	4 137

	South Africa Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Total Rm
Further extracts of statement of comprehensive income					
Other operating expenses	(175)	(61)	(236)	(29)	(265)
Finance costs	(1 272)	(510)	(1 782)	(4)	(1 786)
Finance income	561	5	566	22	588

	South Africa						
	Retail Rm	Office Rm	Industrial Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Total Rm
Statement of financial position extracts at 30 June 2013							
Investment property							
Opening balance 1 July 2012	13 145	14 592	7 251	13 118	48 106	4 950	53 056
Acquisitions	13	435	44	748	1 240	–	1 240
Developments and capital expenditure	197	432	275	681	1 585	227	1 812
Disposals	(180)	(545)	(144)	(688)	(1 557)	–	(1 557)
Foreign exchange gain	–	–	–	1 092	1 092	–	1 092
Fair value adjustments	1 740	1 297	616	112	3 765	372	4 137
Fair value of total property-related assets – 30 June 2013	14 915	16 211	8 042	15 063	54 231	5 549	59 780
Fair value of long-term property assets	14 565	16 086	7 972	15 063	53 686	5 549	59 235
Investment property reclassified as held for sale	350	125	70	–	545	–	545

	South Africa Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Total Rm
Further extracts of statement of financial position					
Intangible assets	1 354	–	1 354	–	1 354
Trade and other receivables	540	37	577	66	643
Cash and cash equivalents	1 827	85	1 912	90	2 002
Trade and other payables	(1 021)	(175)	(1 196)	(200)	(1 396)
Other financial liabilities	(13 388)	(7 417)	(20 805)	(194)	(20 999)
Nominal value – interest-bearing liabilities	(12 468)	(7 103)	(19 571)	(194)	(19 765)
Fair value adjustment	(920)	(264)	(1 184)	–	(1 184)
Foreign translation differences	–	(50)	(50)	–	(50)

SEGMENTAL ANALYSIS CONTINUED
for the year ended 30 June 2013

	South Africa						
	Retail Rm	Office Rm	Industrial Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Total Rm
Statement of comprehensive income extracts 2012							
Revenue, excluding straight-line lease income adjustment	1 441	1 712	943	1 011	5 107	412	5 519
Property expenses	(401)	(390)	(206)	(105)	(1 102)	(107)	(1 209)
Segment results	1 040	1 322	737	906	4 005	305	4 310
Fair value adjustment:							
Investment property	850	618	211	170	1 849	39	1 888
Investment property – non-controlling interest	–	–	–	104	104	–	104
Total fair value adjustment on total investment property	850	618	211	274	1 953	39	1 992

	South Africa Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Total Rm
Further extracts of statement of comprehensive income					
Other operating expenses	(128)	(48)	(176)	(25)	(201)
Finance costs	(1 276)	(401)	(1 677)	(372)	(2 049)
Finance income	492	9	501	17	518

	South Africa						
	Retail Rm	Office Rm	Industrial Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Total Rm
Statement of financial position extracts at 30 June 2012							
Investment property							
Opening balance 1 July 2011	11 985	13 669	6 841	8 424	40 919	4 783	45 702
Acquisitions	424	146	5	1 441	2 016	–	2 016
Payments made to acquire investment property	–	–	–	842	842	–	842
Developments and capital expenditure	174	350	359	831	1 714	128	1 842
Disposals	(288)	(191)	(165)	(43)	(687)	–	(687)
Foreign exchange gain	–	–	–	1 349	1 349	–	1 349
Fair value adjustments	850	618	211	274	1 953	39	1 992
Fair value of total property-related assets – 30 June 2012	13 145	14 592	7 251	13 118	48 106	4 950	53 056
Fair value of long-term property assets	13 105	14 187	7 181	13 118	47 591	4 950	52 541
Investment property reclassified as held for sale	40	405	70	–	515	–	515

	South Africa Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Total Rm
Further extracts of statement of financial position					
Intangible assets	1 447	–	1 447	–	1 447
Trade and other receivables	560	28	588	29	617
Cash and cash equivalents	100	295	395	14	409
Trade and other payables	(890)	(588)	(1 478)	(204)	(1 682)
Other financial liabilities	(14 933)	(6 456)	(21 389)	–	(21 389)
Nominal value – interest-bearing liabilities	(13 613)	(6 118)	(19 731)	–	(19 731)
Fair value adjustment	(1 320)	(318)	(1 638)	–	(1 638)
Foreign translation differences	–	(20)	(20)	–	(20)

COMMENTARY
for the year ended 30 June 2013

INTRODUCTION

Growthpoint is the largest South African listed property company with a quality portfolio of 393 directly owned properties in South Africa valued at R39,1 billion, a 65.8% interest in Growthpoint Properties Australia (GOZ) which owns 44 properties in Australia valued at R15,1 billion and a 50% interest in the V&A Waterfront with Growthpoint's share of the properties valued at R5,6 billion.

The company's objective is to grow and nurture a diversified portfolio of quality investment properties, providing accommodation to a wide spectrum of users and delivering sustainable income distributions and capital appreciation, while optimising effective financial structures. Effectively, net property income received by the property portfolios of South Africa and GOZ, including interest received, and the 50% portion of distributable income received from the V&A Waterfront, less operating costs, interest on debt and normal taxation, is distributed to shareholders bi-annually. Growthpoint's distributions are based on sustainable income generated from rentals. The company does not distribute capital profits.

Growthpoint is included in the JSE ALSI Top 40 Companies Index, with a market capitalisation of R49,9 billion at 30 June 2013. Over the last year, on average, more than 77,9 million linked units traded per month (2012: 62,8 million). The monthly average value traded was R2,0 billion (2012: R1,2 billion). This makes Growthpoint the most liquid and tradable way to own commercial property in South Africa.

The South African (RSA) portfolio represents 65.5% of the total portfolio by value, and 79.4% by gross lettable area (GLA), and is well diversified in the three major sectors of commercial property, being retail, office and industrial. The bulk of the value of the South African properties is situated in strong economic nodes within the major metropolitan areas.

GROWTH IN DISTRIBUTIONS

Growthpoint delivered growth in distributions per linked unit for the year ended 30 June 2013 of 7.2%. This growth exceeds the guidance released to the market in the prior year-end financial results of around 6.1%.

The growth in the unit price from R23,00 at 30 June 2012 to R26,39 at 30 June 2013 gave investors a capital growth of 14.7% for the year. The distribution of 149,0 cents per share accounts for an income yield of 6.5%, providing a total return of 21.2% for the year.

Apart from normal escalations in the RSA property portfolio's revenue, the increase in distributions was further enhanced by the investment in GOZ, where a weaker Rand against the Australian Dollar (AUD) was in Growthpoint's favour and distributions per unit from GOZ grew by 10.2% in Rand terms on a like-for-like basis. For the year ended 30 June 2013, Growthpoint entered into foreign exchange contracts to hedge the distributions received at an average rate of R8,65:AUD1, compared to R7,82:AUD1 for the year ended 30 June 2012.

EQUITY RAISED

Refer to the Directors' Report – Annexure 2, in the booklet for equity raised during the year.

The equity raised from the DRIPs was utilised to finance Growthpoint's investing activities during the financial year. The R2,5 billion equity raise will be utilised to fund the capital expenditure and acquisition programmes for the 2014 financial year. The cash proceeds were partly utilised to reduce liabilities which incorporate drawdown facilities, with the balance of R1,9 billion reflected as cash on the statement of financial position at 30 June 2013.

BASIS OF PREPARATION

The consolidated financial statements are considered preliminary based on the JSE Listings Requirements and are summarised from a complete set of the Group financial statements on which the independent auditors, KPMG Inc., has expressed an unmodified audit opinion, which is available for inspection at the company's registered office. This report is extracted from audited information, but is not itself audited. The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the company's registered office.

The directors of Growthpoint take full responsibility for the preparation of this report and that the financial information has been correctly extracted from the underlying annual financial statements.

These summarised consolidated financial statements have been prepared in accordance with the measurement and recognition requirements of International Financial Reporting Standards (IFRS), and the presentation and disclosure requirements of IAS 34: *Interim financial reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Companies Act 2008, as amended, and the JSE Listings Requirements.

Mr G Völkel (CA(SA)), Growthpoint's Financial Director, was responsible for supervising the preparation of the annual financial statements and these summarised financial statements.

The company's accounting policies as set out in the audited financial statements for the year ended 30 June 2012 have been consistently applied in the current year compared to the prior year.

GROWTHPOINT PROPERTIES AUSTRALIA (GOZ)

The investment in GOZ has been accounted for in terms of IAS 21, *The effects of changes in foreign exchange rates*. The consolidated statement of financial position includes 100% of the assets and liabilities of GOZ, converted at the closing exchange rate at 30 June 2013 of R9,03:AUD1 (2012: R8,35:AUD1). The consolidated statement of comprehensive income also includes 100% of the revenue and expenses of GOZ, which was translated at an average exchange rate of R9,07:AUD1 (2012: R8,04:AUD1) for the year ended 30 June 2013. The resulting foreign currency translation difference is recognised in other comprehensive income. A non-controlling interest was raised for the 34.2% (2012: 35.5%) not owned by Growthpoint.

V&A WATERFRONT

The investment in the V&A Waterfront has been accounted for in terms of IAS 31, *Interests in Joint Ventures*. The equity accounting method was used, whereby the Group's share of the profit or loss and other comprehensive income of the V&A Waterfront was accounted for. The equity-accounted results in profit or loss relate to non-distributable items of the V&A Waterfront, of which the upward fair valuation of investment property, amounting to R372 million (2012: R38 million), was the most significant.

Growthpoint earned interest on the loan of R4,8 billion advanced to the V&A Waterfront at the prime overdraft rate less 1% up to 30 September 2012, subsequent to which the loan was converted to a linked unit structure. A further R206 million was advanced in the current year for capital expenditure. The distribution of the finance income earned of R367 million (Note 2) is, however, limited to the distributable income delivered by the V&A Waterfront, which amounted to R312 million, an increase of 6.5% on the prior year and representing 11.4% of total distributable income for the current year.

The investment in the V&A Waterfront has been accounted for in the statement of financial position as the fair value of Growthpoint's 50% interest in the V&A Waterfront amounting to R5 444 million (2012: R4 912 million).

NET PROPERTY INCOME (NPI)

The increase in revenue (13.0%) from the prior year was largely due to the effects of contractual rental escalations and higher revenue from GOZ (40.4%), resulting from property acquisitions made, and a favourable increase in the average exchange rate applied. NPI from GOZ contributed 27.8% (2012: 22.6%) to total NPI.

The ratio of property expenses to revenue for the Group has improved slightly from 21.6% to 21.4% in the current year as a result of the increase in the NPI contribution from GOZ, with a cost to income ratio of 11.2% (2012: 10.4%). For the South African operations the ratio has increased from 24.3% to 24.8% due to cost pressures, particularly in the office sector.

FAIR VALUE ADJUSTMENTS

The revaluation of properties resulted in an upward revision of R3,8 billion (7.5%) to R54,2 billion for investment property (including investment properties reclassified as held for sale). This was due to a decrease in the discount rate applied to the valuation as a result of a decrease in the risk free rate, based on the 10-year long bond rate, a revision of market cap rates, as well as increased future contractual rentals. Interest-bearing borrowings and derivatives were fair valued using the yield curve at 30 June 2013, resulting in a decrease in the overall liability of R404 million (1.9%).

The trading market value of the investment in GOZ, based on a stapled security price of AUD2,40 (2012: AUD2,10) at the closing exchange rate of R9,03:AUD1 (2012: R8,35:AUD1) at the financial year-end, resulted in a positive fair value adjustment of R938 million.

FINANCE COSTS

Finance costs increased by 6.3% to R1 782 million (2012: R1 677 million), as a result of the funding of GOZ's acquisitions. Finance costs for the South African operation of R1 272 million decreased slightly compared to the prior year. Most of the capital expenditure was funded by the cash raised through the DRIPs, as well as the capital raising done in May 2013.

COMMENTARY CONTINUED

for the year ended 30 June 2013

The weighted average interest rate for RSA borrowings is 9.7% (2012: 9.5%). The weighted average maturity of the fixed interest rate profile was maintained at 4.9 years (2012: 4.9 years).

FINANCE INCOME

The increase is mainly attributable to the accrued distribution interest included in the market prices at which the capital raisings took place. The accrued interest portion is included in finance income as antecedent divestiture of distributions, amounting to R77 million (2012: R23 million).

ACQUISITIONS AND COMMITMENTS

Growthpoint acquired three office and two industrial properties amounting to R492 million (2012: R575 million) during the year. Development and capital expenditure for South Africa amounting to R904 million (2012: R883 million) relates to various projects undertaken during the year, of which 44 On Grand Central (office development) and Meadowbrook Estate (industrial development) with costs to date of R75 million and R86 million respectively, were the largest.

GOZ acquired three adjoining industrial properties in Erskine Park, NSW for a total purchase price of R748 million (AUD83 million). Two of the properties are existing income producing properties; the third comprises vacant land on which a new pharmaceutical warehouse is being developed. Practical completion is expected in August 2013. GOZ has a capital commitment at year-end towards this development amounting to R229 million (AUD25 million). The development expenditure of R681 million (AUD75 million) mainly relates to two office developments, 219-247 Pacific Highway and 1231-1241 Sandgate Road that were completed during the year.

In addition, Growthpoint South Africa has commitments outstanding in respect of developments amounting to R303 million (2012: R910 million) and acquisitions amounting to R99 million (2012: R401 million).

The development at the V&A Waterfront for Allan Gray commenced during the 2012 financial year with an amount of R253 million spent to date. Growthpoint's share of the V&A Waterfront's commitments outstanding at 30 June 2013 amounted to R226 million, which mainly relates to residential developments.

DISPOSALS AND HELD FOR SALE ASSETS

Growthpoint South Africa disposed of 23 properties in the current year (2012: 23) for R869 million (2012: R644 million) with a collective R292 million (2012: R184 million) profit on cost achieved.

GOZ disposed of one property during the year for R688 million (AUD74 million).

At 30 June 2013, 9 properties (2012: 14 properties) valued at R545 million (2012: R515 million) were classified as held for sale assets.

LONG-TERM LOANS GRANTED

An amount of R273 million was advanced to 323 Festival Street (Pty) Ltd (Festival) during the year for the construction of the Tshedimosetso House in Hatfield. Festival entered into a five year lease with the Department of Government Communications and Information Systems.

ARREARS

Total RSA arrears at 30 June 2013 amounted to R29,9 million (2012: R32,6 million) with a provision for bad debts of R14,6 million (2012: R14,6 million). Total RSA bad debt expenses amounted to R10,9 million (2012: R7,8 million).

VACANCY LEVELS

At 30 June 2013 the total m^2 of Growthpoint's portfolio and vacancy levels expressed as a percentage of GLA were:

	GLA		VACANCY	
	m^2 2013	m^2 2012	**% 2013**	% 2012
Retail	**942 501**	975 373	**3.7**	3.1
Office	**1 151 079**	1 156 944	**7.8**	5.8
Industrial	**2 176 887**	2 219 781	**3.0**	3.4
RSA Total	**4 270 467**	4 352 098	**4.4**	4.0
V&A Waterfront	**193 873**	192 086	**0.6**	1.6
GOZ	**886 975**	900 676	**0.4**	0.3
Total	**5 351 315**	5 444 860	**3.6**	3.3

The ongoing challenging economic conditions resulted in the loss of several major tenants in the office sector during the year, the vacancy was further impacted by developments that were not fully let. This is being addressed through various initiatives including the UNdeposit campaign, which to date has received significant traction.

BORROWINGS

At 30 June 2013, the consolidated loan to value ratio (LTV) measured by dividing the nominal value of interest-bearing borrowings (net of cash) by the fair value of property assets, including investment property held for sale, plus the equity accounted investment of the V&A Waterfront was 29.6% (2012: 36.5%). As a result of the cash proceeds from the equity raised, Growthpoint's liabilities have been reduced and cash balances are elevated, resulting in the decrease in LTV. The upward revaluation of properties further contributed to the decrease.

Growthpoint RSA's available unutilised credit facilities amounted to R3,3 billion at 30 June 2013.

SHARE AND DEBENTURE CAPITAL

Refer to the Directors' Report – Annexure 2, as well as Ordinary share capital and debentures – Annexure 7 in the booklet for details on the share and debenture capital.

With effect from the start of Growthpoint's 2014 financial year on 1 July 2013, Growthpoint will be subject to tax in terms of section 25BB of the Income Tax Act, whereby the distribution to shareholders will be a deductible qualifying distribution for the company. The full income distribution received by shareholders will be in the form of a taxable dividend. For South African shareholders this dividend will not be subject to dividend withholding tax.

The company adopted a new Memorandum of Incorporation (MOI) to replace its Memorandum and Articles of Association by special resolution on 28 June 2013, which was registered on 23 July 2013. The new MOI entrenches the relevant REIT provisions.

WITHDRAWAL OF THE FOUNTAINHEAD OFFER

Growthpoint shareholders are referred to the various announcements released on SENS in relation to the offer to acquire the property assets of Fountainhead Properties Limited. The Directors confirm that the prospective transaction is no longer being pursued and the company will no longer pursue any action involving the Regulators.

UPDATE ON BEE SHARE BUY-BACK TRANSACTIONS

As noted in SENS announcements released on 28 June 2013 and 1 July 2013, Growthpoint entered into agreements with Phatsima Properties (Pty) Ltd (Phatsima), Unipalm Investment Holdings Limited (Unipalm), as well as Desert Wind Properties 84 (Pty) Ltd (Desert Wind). Unipalm and Desert Wind are both beneficiaries of the AMU Trust (AMU). AMU and Phatsima own 100 million and 22 million Growthpoint shares respectively.

In terms of these agreements, Unipalm and Desert Wind agreed to sell their entire indirect beneficial holding of Growthpoint shares to Growthpoint Management Services, Growthpoint Staff Incentive Scheme Trust and Miganu Investment Holdings (Pty) Ltd (Miganu). Subsequent to signature of these agreements, the parties agreed to include the Amabubesi Consortium as a party who wished to purchase a portion of the shares being sold by Unipalm and Desert Wind.

Further details and an update on the above transactions are contained in a separate SENS announcement and a Circular to shareholders will be posted on or about 10 September 2013.

SUBSEQUENT EVENTS

As mentioned in the Directors' Report, Growthpoint converted to a REIT subsequent to year-end. The linked unit capital structure was also converted to an all-equity structure as part of the conversion.

PROSPECTS

Should current economic conditions prevail, growth in distribution per share for the year to 30 June 2014 is expected to be similar to that achieved this year.

This forecast has been based on the company's budgets for the year to 30 June 2014, taking into account that the majority of the company's income is contractual rental income, as well as the fact that 87.8% of the South African debt has been fixed for the next year.

This forecast has not been subject to audit or review by the company's independent external auditors.

DIRECTORS' REPORT
for the year ended 30 June 2013

The directors are pleased to present their 25th annual report which forms part of the annual financial statements for the year ended 30 June 2013.

NATURE OF BUSINESS

On 1 July 2013, Growthpoint converted from a Property Loan Stock company to a Real Estate Investment Trust (REIT), which status was granted by the JSE in accordance with the REIT provisions contained in section 13 of the JSE Listings Requirements, as amended. Growthpoint's listing on the JSE has been moved to "Financial Services – Real Estate Investment Trusts".

Growthpoint's Sector Share Code remains: GRT.

The company's new ISIN code, with effect from 1 July 2013, is: ZAE000179420 (formerly ISIN: ZAE00037669).

The primary business of Growthpoint is long-term investment in quality, rental-generating properties. Properties are maintained, upgraded and refurbished, where necessary, so as to increase their long-term value.

As at 30 June 2013, Growthpoint's property portfolio comprised 393 owned and managed properties in the South African Industrial, Office and Retail sectors valued at R39,1 billion (2012: R35,0 billion). More information on the nature of the business of these sectors is reported on separately in the integrated annual review.

In addition, Growthpoint has a 50% shareholding in properties owned by V&A Waterfront Holdings (Pty) Limited in Cape Town, with property assets totalling R11,1 billion (2012: R9,9 billion) as part of a joint arrangement with the Government Employees' Pension Fund (GEPF) represented by the Public Investment Corporation (SOC) Limited (PIC), and holds a majority stake of 65.8% (2012: 64.5%) in Growthpoint Properties Australia, a listed Australian Securities Exchange (ASX) A-REIT (Code: GOZ), which owns 44 properties valued at AUD1,67 billion (R15,1 billion).

As part of the REIT conversion, the company converted its linked unit capital structure to an all-equity capital structure, aligned with international REIT capital structures. By approval of debentureholders and linked unitholders at separate general meetings held on 28 June 2013, the company's debentures have, subsequent to 30 June 2013, been delinked from the ordinary shares in issue and capitalised to stated capital. The record date for the delinking of the Growthpoint linked units, the capitalisation of the Growthpoint debentures, the conversion of Growthpoint's ordinary par value shares to ordinary shares of no par value and the increase in the authorised share capital of Growthpoint was Thursday, 8 August 2013. The last day to trade in Growthpoint linked units on the JSE was Thursday, 1 August 2013. Trading in Growthpoint's delinked ordinary shares under the new ISIN code commenced on Friday, 2 August 2013.

SHARE AND DEBENTURE CAPITAL

At general meetings held on 28 June 2013, Growthpoint's linked unitholders and debentureholders approved the uncoupling of Growthpoint's debentures from its ordinary shares, the conversion of the ordinary shares of 5 cents each to shares of no par value and an increase in the number of authorised ordinary shares from 2 000 000 000 to 4 000 000 000. As at 30 June 2013, Growthpoint's issued share capital comprised 1 891 558 328 ordinary shares of 5 cents each.

The following issues of new linked units were effected during the financial year ended 30 June 2013:

- 25 September 2012: 24 522 641 linked units, pursuant to elections of the distribution re-investment alternative offered in respect of the final 2012 cash distribution of 71,2 cents per linked unit for the financial year ended 30 June 2012. These linked units were issued at a price of R25.00 per linked unit, at a 4.9% discount to the five-day volume weighted average price (ex-distribution) as at the close of business on Thursday, 6 September 2012.
- 26 March 2013: 33 954 769 linked units, pursuant to elections of the distribution re-investment alternative offered in respect of the interim 2013 cash distribution of 72,7 cents per linked unit for the six month period ended 31 December 2012. These linked units were issued at a price of R25.25 per linked unit, at a 4.4% discount to the five-day volume weighted average price (ex-distribution) as at the close of business on Wednesday, 6 March 2013.
- 28 May 2013: 90 000 000 linked units at a price of R28.00 per linked unit, to local and international investors as a general capital raising of R2 520 million, authorised by the Board pursuant to the authority granted to it at Growthpoint's annual general meeting held on 13 November 2012.

INTEREST IN SUBSIDIARIES

	Investment – 2013				Investment – 2012	
	Issued capital Rm	Interest in net profit Rm	Shares and debentures Rm	Loan Rm	Shares Rm	Loan Rm
Changing Tides 5 (Pty) Limited	–	–	–	–	–	–
Growthpoint Building Managers (Pty) Limited	–	–	–	–	–	–
Growthpoint Management Services (Pty) Limited	–	–	–	1 404	–	1 488
Growthpoint Properties Australia* (Australia)	6 845	431	5 744	208	4 290	169
Growthpoint Security SPV Number 1 (Pty) Limited	–	–	–	–	–	–
Growthpoint Security SPV Number 2 (Pty) Limited	–	–	–	–	–	–
Growthpoint Security SPV Number 3 (Pty) Limited	–	–	–	–	–	–
Majorshelf 184 (Pty) Limited	–	–	–	(120)	–	(120)
Metboard Properties Limited	3	–	2 763	1 067	2 480	1 001
New Heights 344 (Pty) Limited	–	–	–		–	–
Paramount Property Fund Limited	25	–	2 399	544	2 088	691
Scopeful 157 (Pty) Limited	–	–	–	(13)	–	(13)
Skilfull 82 (Pty) Limited	–	–	–	–	–	–
Skilfull 115 (Pty) Limited	–	–	23	–	21	–
Tuinweg Property Investments (Pty) Limited (Namibia)	–	–	13	203	9	204
Total	**6 873**	**431**	**10 942**	**3 293**	8 888	3 420

* *This includes Growthpoint Properties Australia Limited and Growthpoint Properties Australia Trust, together being a stapled group. Growthpoint Properties Australia Limited is the responsible entity for Growthpoint Properties Australia Trust.*

INTEREST AS VESTED BENEFICIARY OF A TRUST

The Growthpoint Securitisation Warehouse Trust (the Trust) holds a portfolio of properties, which serves as security for funds raised by Growthpoint from time to time. In terms of the Trust Deed, Growthpoint is the sole beneficiary of income and capital gains held by the Trust.

Accordingly, the statement of financial position and statement of comprehensive income of the Trust are consolidated in the Group financial statements.

The table below shows the salient financial results and position of the Trust for the year ended 30 June 2013:

	2013 Rm	2012 Rm
Profit before taxation	**1 763**	1 190
Fair value adjustments included in profit before taxation:	**1 020**	491
Net fair value adjustment of investment property	**1 020**	489
Fair value adjustment of interest-bearing borrowings	–	2
Investment property at fair value	**9 106**	8032

DIRECTORS' REPORT CONTINUED
for the year ended 30 June 2013

CAPITAL COMMITMENTS
Details are included on page 50 of the annual financial statements.

DIRECTORS AND SECRETARY
Brief CVs of the Directors and Company Secretary have been included in the integrated annual review on pages 14, 15 and 122. Also see Annexure 3 of this booklet.

Growthpoint's Financial Director, Mr SM Snowball, passed away on Friday, 3 August 2012. His successor, Mr G Völkel, was appointed on 1 February 2013.

Mr ZJ Sithole, a non-executive director and a member of both the Audit Committee and Risk Management Committee, passed away on 18 August 2012, after a period of illness. Mr SP Mngconkola was appointed in his place on 13 November 2012.

Mr PH Fechter, Ms LA Finlay and Ms NBP Nkabinde will retire by rotation at the forthcoming annual general meeting and hold themselves available for re-election as non-executive directors. Mr JHN Strydom, who also retires by rotation at the forthcoming annual general meeting, will be retiring from the Board on 12 November 2013 and will, accordingly, not hold himself available for re-election.

In preparation for Mr CG Steyn's retirement from the Board during 2014, the Board recommends that Ms LA Finlay should succeed him as chairman of the Audit Committee with effect from the conclusion of the annual general meeting on 12 November 2013. Mr Steyn will, for the time being, remain a member of the Audit Committee, subject to shareholders' approval of these changes at the annual general meeting.

The appointments of Messrs SP Mngconkola and G Völkel are to be confirmed at the forthcoming annual general meeting and they will stand for election thereat.

MANAGEMENT AND ADMINISTRATION
Growthpoint Management Services (Pty) Limited (GMS), is a wholly owned subsidiary of Growthpoint, and has been responsible, in terms of a management agreement, for Growthpoint's property, fund management and administration services since 1 July 2007. GMS employed 457 (2012: 457) employees nationally as at 30 June 2013.

SUBSEQUENT EVENTS
Information on material events which occurred after 30 June 2013 is included on page 50 of the annual financial statements.

DIRECTORS' INTERESTS IN LINKED UNITS AS AT 30 JUNE 2013

Director	Beneficial Direct	Beneficial Indirect	Non-beneficial	Total
2013				
EK de Klerk	–	812 764	–	812 764
EK de Klerk: Staff Incentive Scheme Options 2008	63 033	–	–	63 033
EK de Klerk: Staff Incentive Scheme Options 2009	95 955	–	–	95 955
EK de Klerk: Staff Incentive Scheme Options 2010	111 730	–	–	111 730
EK de Klerk: Staff Incentive Scheme Options 2011	114 754	–	–	114 754
EK de Klerk: Staff Incentive Scheme Options 2012	476 246	–	–	476 246
EK de Klerk: Staff Incentive Scheme Options 2013	77 882	–	–	77 882
MG Diliza	–	–	24 158 700	24 158 700
MG Diliza	–	–	21 900 000#	21 900 000
MG Diliza	–	–	2 258 700	2 258 700
PH Fechter	–	1 291 355	3 000 000	4 291 355
LA Finlay	74 256	–	–	74 256
JC Hayward	68 038	–	–	68 038
HS Herman	–	126 970	–	126 970
JF Marais	–	77 451	–	77 451
HSP Mashaba	–	9 900 000#	–	9 900 000
R Moonsamy	–	13 333 333#	–	13 333 333
LN Sasse	914 625	–	–	914 625
LN Sasse: Staff Incentive Scheme Options 2008	137 172	–	–	137 172
LN Sasse: Staff Incentive Scheme Options 2009	210 965	–	–	210 965
LN Sasse: Staff Incentive Scheme Options 2010	245 454	–	–	245 454
LN Sasse: Staff Incentive Scheme Options 2011	251 366	–	–	251 366
LN Sasse: Staff Incentive Scheme Options 2012	898 416	–	–	898 416
LN Sasse: Staff Incentive Scheme Options 2013	97 352	–	–	97 352
JHN Strydom	–	–	153 057	153 057
	3 837 244	25 541 873	27 311 757	56 690 874

BEE interests

Note: On 1 July 2013, Mr Diliza's indirect, non-beneficial interest in Growthpoint linked units increased by 4 903 603 via an increase of 13.6% to 79.3% in Mr Diliza's interest in the linked unitholder Miganu Investments (Pty) Limited.

DIRECTORS' REPORT CONTINUED
for the year ended 30 June 2013

DIRECTORS' INTERESTS IN LINKED UNITS AS AT 30 JUNE 2012

Director	Beneficial Direct	Beneficial Indirect	Non-beneficial	Total
2012				
EK de Klerk	–	768 148	–	768 148
EK de Klerk: Staff Incentive Scheme Options 2008	63 033	–	–	63 033
EK de Klerk: Staff Incentive Scheme Options 2009	95 955	–	–	95 955
EK de Klerk: Staff Incentive Scheme Options 2010	111 730	–	–	111 730
EK de Klerk: Staff Incentive Scheme Options 2011	114 754	–	–	114 754
EK de Klerk: Staff Incentive Scheme Options 2012	476 246	–	–	476 246
MG Diliza	–	–	24 077 421	24 077 421
MG Diliza	–	–	21 900 000#	21 900 000
MG Diliza			2 708 153	2 708 153
MG Diliza (adjustment for overstatement in 2012)	–	–	(530 732)	(530 732)
PH Fechter	–	–	3 000 000	3 000 000
LA Finlay	70 180	–	–	70 180
JC Hayward	64 303	–	–	64 303
HS Herman	–	120 000	–	120 000
HSP Mashaba	–	9 460 000#	–	9 460 000
R Moonsamy	–	13 333 333#	–	13 333 333
LN Sasse	864 417	–	–	864 417
LN Sasse: Staff Incentive Scheme Options 2008	137 172	–	–	137 172
LN Sasse: Staff Incentive Scheme Options 2009	210 965	–	–	210 965
LN Sasse: Staff Incentive Scheme Options 2010	245 454	–	–	245 454
LN Sasse: Staff Incentive Scheme Options 2011	251 366	–	–	251 366
LN Sasse: Staff Incentive Scheme Options 2012	898 416	–	–	898 416
JHN Strydom	–	–	153 057	153 057
	3 603 991	23 681 481	27 230 478	54 515 950

BEE interests

DIRECTORS' TRANSACTIONS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Director	Date	Number of units	Purchase/Sale	Price per unit
2013				
EK de Klerk	1 September 2012	77 882	Award of Scheme options 2013	nil
EK de Klerk	26 September 2012	21 873	Distribution re-investment	R25.00
EK de Klerk	26 March 2013	22 743	Distribution re-investment	R25.25
MG Diliza	26 September 2012	44 328	Distribution re-investment	R25.00
MG Diliza	26 March 2013	32 263	Distribution re-investment	R25.25
MG Diliza	26 September 2012	2 713	Distribution re-investment	R25.00
MG Diliza	26 March 2013	1 975	Distribution re-investment	R25.25
LA Finlay	26 September 2012	1 998	Distribution re-investment	R25.00
LA Finlay	26 March 2013	2 078	Distribution re-investment	R25.25
PH Fechter	12 September 2012	312 752	Off-market purchase of CFDs*	R25.65
PH Fechter	13 September 2012	815 478	Off-market purchase of CFDs*	R25.62
PH Fechter	14 September 2012	163 125	Off-market purchase of CFDs*	R25.65
JC Hayward	26 September 2012	1 831	Distribution re-investment	R25.00
JC Hayward	26 March 2013	1 904	Distribution re-investment	R25.25
HS Herman	26 September 2012	3 417	Distribution re-investment	R25.00
HS Herman	26 March 2013	3 553	Distribution re-investment	R25.25
JF Marais	3 September 2012	73 200	On-market purchase	R27.32
JF Marais	26 September 2012	2 084	Distribution re-investment	R25.00
JF Marais	26 March 2013	2 167	Distribution re-investment	R25.25
HSP Mashaba	4 April 2013	440 000	Change of interest in BEE holding company (43.00% to 45.00%)	n/a
LN Sasse	1 September 2012	97 352	Award of Scheme options 2013	nil
LN Sasse	26 September 2012	24 615	Distribution re-investment	R25.00
LN Sasse	26 March 2013	25 593	Distribution re-investment	R25.25

* *Contracts for difference.*

DIRECTORS' REPORT CONTINUED
for the year ended 30 June 2013

UNVESTED OPTIONS GRANTED TO EXECUTIVE DIRECTORS AND VESTING DATES

	Total	1 Sep 13	1 Sep 14	1 Sep 15	1 Sep 16
2008 options					
LN Sasse	68 586	68 586	–	–	–
EK de Klerk	31 516	31 516	–	–	–
2009 options					
LN Sasse	140 644	70 322	70 322	–	–
EK de Klerk	63 970	31 985	31 985	–	–
2010 options					
LN Sasse	184 090	61 363	61 364	61 363	–
EK de Klerk	83 797	27 932	27 933	27 932	–
2011 options					
LN Sasse	251 366	62 841	62 842	62 841	62 842
EK de Klerk	114 754	28 689	28 688	28 689	28 688
2012 options					
LN Sasse	673 812	224 604	224 604	224 604	–
EK de Klerk	357 184	119 061	119 062	119 061	–
2013 options					
LN Sasse	97 352	32 450	32 450	32 452	–
EK de Klerk	77 882	25 960	25 960	25 962	–

REMUNERATION POLICY

Growthpoint's Remuneration Policy is incorporated in the 2013 integrated annual review, which will be tabled at the annual general meeting on 12 November 2013. It includes the policy on non-executive directors' fees. Refer to Annexure 5.

BOARD OF DIRECTORS
for the year ended 30 June 2013

* *Audit Committee members*

JF (FRANCOIS) MARAIS (58)
Chairman
Appointed to the Board in 2003
Independent non-executive
Committees: Nomination, Remuneration, standing invitation to Risk Management Committee meetings
BCom, LLB, H Dip (Company Law)
A founding member of Glyn Marais Inc., a legal firm, a director of Growthpoint Properties Australia and V&A Waterfront Holdings (Pty) Ltd.

HSP (HERMAN) MASHABA (54)
Deputy Chairman, Non-executive, BEE structure stakeholder
Appointed to the Board in 2006
Committees: Nomination, Remuneration
BSc (Eng) (Hons) (Mettallurgy)
Founder of Black Like Me products.
Executive chairman of Lephatsi Investments (Pty) Ltd, non-executive director of Black Like Me (Pty) Ltd and PG Group (Pty) Ltd. Chairman of the Free Market Foundation and past chairman of the Institute of Directors in Southern Africa.

LN (NORBERT) SASSE (48)
Chief Executive Officer
Appointed to the Board in 2003
Committees: Participates in all committee meetings by invitation
BCom (Hons) (Acc), CA(SA)
Experience in corporate finance dealing with listings, de-listings, mergers, acquisitions and capital raising. Director of Metboard Properties Ltd, Paramount Property Fund Ltd, Growthpoint Properties Australia, Growthpoint Management Services (Pty) Ltd. Chairman of the South African REIT Association.

EK (ESTIENNE) DE KLERK (44)
Executive Director
Appointed to the Board in 2008
Committees: Participates in all committee meetings by invitation
BCom (Industrial Psych), BCom (Hons) (Marketing), BCom (Hons) (Acc), CA(SA)
Extensive experience in listed property, involved in BEE transactions, mergers and acquisitions
Director of Metboard Properties Ltd, Paramount Property Fund Ltd, Growthpoint Properties Australia, Growthpoint Management Services (Pty) Ltd. President of the South African Property Owners Association (SAPOA).

MG (MZOLI) DILIZA (64)
Non-executive, BEE structure stakeholder
Appointed to the Board in 2001
Committees: Social, Ethics and Transformation, Property
BCom, Bachelor of Business Management and Administration (Hons)
Executive chairman of Strategic Partnership Group (Pty) Ltd, Chairman Black Management Forum (Border Branch), former Chief Executive of the Chamber of Mines of South Africa.

PH (PETER) FECHTER* (67)
Independent non-executive
Appointed to the Board in 2003
Committees: Audit, Property
BSc (Eng)
More than 40 years' experience in construction, property development, management and investment.

BOARD OF DIRECTORS CONTINUED
for the year ended 30 June 2013

LA (LYNETTE) FINLAY* (53)
Independent non-executive
Appointed to the Board in 2009
Committees: Audit, Social, Ethics and Transformation
B Compt (Hons), CA(SA)
Chief Executive Officer of Finlay and Associates whose core focus is property leasing, shopping centre and building management, lease administration and property financial services. First female president of the South African Property Owner's Association (SAPOA) and former director of the Services Sector Education and Training Authority (SETA) and co-founding member of NOAH.

JC (JOHN) HAYWARD* (62)
Independent non-executive
Appointed to the Board in 2001
Committees: Audit, Risk Management
BSc (Hons)
Fellow of Institute of Actuaries, 25 years' experience in the investment and investment-related activities.

HS (HUGH) HERMAN (72)
Independent non-executive
Appointed to the Board in 1995
Committees: Property, Remuneration
BA LLB
Hugh was Managing Director of Pick n Pay from 1986, before joining Investec Bank. Former chairman of Investec Bank (UK) Ltd and non-executive director of Pick n Pay Holdings Ltd and Pick n Pay Stores Ltd.

SP (PATRICK) MNGCONKOLA (51)
Independent non-executive
Appointed to the Board in 2012
Committees: Risk Management, Social, Ethics and Transformation (since 20 August 2013)
BTech Business Administration, BA (Human Resources Management), National Diploma in Police Administration, Diploma in Personnel and Training Management and Project Management
Non-executive director of the Public Investment Corporation (SOC) Ltd and a former trustee of the Government Employee Pension Fund.

R (RAGAVAN) MOONSAMY (49)
Non-executive, BEE structure stakeholder
Appointed to the Board in 2005
Committees: Property, Social, Ethics and Transformation
Founder of Kascara Financial Services (Pty) Ltd. Managing Director of UniPalm Investment Holdings (Pty) Ltd.

NBP (MPUME) NKABINDE (53)
Independent non-executive
Appointed to the Board in 2009
Committees: Risk Management, Social, Ethics and Transformation
MBA, Honour in HRD, Diploma in Adult Education, Diploma in Property Development and Management
Co-founder and Managing Director of Sigma Lifts and Escalators (Pty) Ltd. Director of Finlay and Associates and Cities Hub Africa. Trustee of the Otis Pension Fund and Providend Fund (Pty) Ltd.

CG (COLIN) STEYN* (72)
Independent non-executive
Appointed to the Board in 2001
Committees: Audit, Property
FCIS, Senior Management Programme Harvard University
Former president of SAPOA, and former chairman of Barprop Limited.

JHN (JAN) STRYDOM* (74)
Independent non-executive
Appointed to the Board in 2003
Committees: Audit, Risk Management
MCom (Acc), CA(SA)
Co-founder of Strydom's Incorporated, a firm of Chartered Accountants specialising in business valuations, forensic investigations, litigation support and arbitrations. Non-executive director of MTN Group Ltd, Afrisam Ltd and director of the Public Investment Corporation (SOC) Ltd and senior member of the Special Income Tax Court for Taxation Appeals.

FJ (ERIC) VISSER (61)
Independent non-executive
Appointed to the Board in 2001
Committees: Risk Management, Remuneration
BCom (Hons)
Chief Executive Officer of the Sentinel Mining Industry Retirement Fund.

G (GERALD) VÖLKEL (52)
Financial Director
Appointed to the Board in 2013
Committees: Participates in all committee meetings by invitation
BAcc, CA(SA)
Ended 15 years in the auditing profession as an audit partner with former Ernst & Young before joining the JD Group Ltd in November 1995, where he was appointed to its board in April 2001 as the Chief Financial Officer having fulfilled that role for 12 years.

Annexure 4

LINKED UNITHOLDERS' ANALYSIS
as at 30 June 2013

Linked unitholder spread	Number of linked unitholders	% of total linked unitholders	Number of linked units	% of issued capital
1 – 500 linked units	3 527	17.56	514 592	0.03
501 – 1 000 linked units	1 530	7.62	1 208 500	0.06
1 001 – 5 000 linked units	7 825	38.97	21 066 041	1.11
5 001 – 10 000 linked units	2 875	14.32	21 032 903	1.11
10 001 – 20 000 linked units	1 773	8.83	25 214 176	1.33
20 001 – 50 000 linked units	1 227	6.11	38 138 868	2.02
50 001 – 100 000 linked units	462	2.30	32 432 249	1.71
100 001 – 200 000 linked units	290	1.44	40 977 660	2.17
200 001 – 500 000 linked units	272	1.35	87 893 605	4.65
500 001 – 1 000 000 linked units	108	0.54	75 003 851	3.97
1 000 001 – 10 000 000 linked units	167	0.83	521 875 798	27.59
10 000 001 linked units and over	26	0.13	1 026 200 085	54.25
Total	**20 082**	**100.00**	**1 891 558 328**	**100.00**
Distribution of linked unitholders				
Collective investment schemes	497	2.48	697 633 058	36.88
Retirement benefit funds	371	1.85	661 854 318	34.99
Empowerment companies	2	0.01	122 000 000	6.45
Retail linked unitholders	14 815	73.77	84 145 650	4.45
Trusts	3 065	15.26	61 820 374	3.27
Assurance and insurance companies	62	0.31	59 154 720	3.13
Sovereign funds	31	0.15	43 215 759	2.28
Custodians	60	0.30	32 308 749	1.71
Foundations and charitable funds	294	1.46	23 989 235	1.27
Private companies	392	1.95	22 267 298	1.18
Organs of state	2	0.01	21 348 703	1.13
Stockbrokers and nominees	43	0.21	17 365 232	0.92
Scrip lending	29	0.15	15 146 879	0.80
Managed funds	54	0.27	14 737 741	0.78
Hedge funds	19	0.10	4 658 563	0.25
Close corporations	195	0.97	3 673 230	0.19
Medical aid funds	22	0.11	2 517 073	0.13
Public companies	20	0.10	1 951 858	0.10
Investment partnerships	77	0.38	1 625 531	0.09
Linked unit schemes	1	0.01	91 289	0.00
Public entities	2	0.01	40 275	0.00
Unclaimed scrip and control accounts	29	0.14	12 793	0.00
Total	**20 082**	**100.00**	**1 891 558 328**	**100.00**

	2013	2013	2012	2012
National split of linked unitholders				
South African unitholders	1 557 200 701	82.32	1 476 503 437	84.71
Non-South African unitholders	334 357 627	17.68	266 577 481	15.29
	1 891 558 328	100.00	1 743 080 918	100.00

	Number of linked unitholders	% of total linked unitholders	Number of linked units	% of issued capital
Linked unitholder type				
Non-public linked unitholders	**15**	**0.07**	**468 739 863**	**24.78**
Directors and Associates (excluding Staff Incentive Scheme)	**11**		**53 910 550**	**2.85**
Government Employees Pension Fund	**3**		**414 738 024**	**21.93**
Growthpoint Staff Incentive Scheme	**1**		**91 289**	**0.00**
Public linked unitholders	**20 067**	**99.93**	**1 422 818 465**	**75.22**
Total	**20 082**	**100.00**	**1 891 558 328**	**100.00**

	Number of linked units	% of issued capital
Beneficial linked unitholders with a holding greater that 1% of the issued linked units		
Government Employees Pension Fund (represented by the Public Investment Corporation)	**414 738 024**	**21.93**
BEE Consortia (AMU Trust & Phatsima Consortium)	**122 000 000**	**6.45**
Stanlib	**119 566 254**	**6.32**
Old Mutual Group	**71 583 222**	**3.78**
Investec	**69 300 254**	**3.66**
Investment Solutions	**54 135 593**	**2.86**
Vanguard	**53 214 669**	**2.81**
Eskom Pension & Provident Fund	**52 878 038**	**2.80**
Momentum	**43 880 550**	**2.32**
Sanlam Group	**39 624 152**	**2.10**
Prudential	**29 041 737**	**1.54**
Liberty Group	**24 631 666**	**1.30**
Transnet Retirement Funds	**24 357 662**	**1.29**
I Shares	**22 594 264**	**1.19**
Public Investment Corporation	**21 348 703**	**1.13**
Coronation Fund Managers	**20 121 398**	**1.06**
	1 183 016 186	**62.54**
Balance	**708 542 142**	**37.46**
Total	**1 891 558 328**	**100.00**

Linked unit performance – 12 months ended	**2013**	2012
Linked units traded	**934 533 217**	905 149 630
Monthly average	**77 879 435**	62 836 909
Linked units in issue	**1 891 558 328**	1 743 080 918
Linked units traded as % of number of linked units in issue	**49.40%**	51.93%
Value traded	**R27 951 449 966**	R17 557 917 868
Monthly average	**R2 000 077 522**	R1 236 049 101
Opening price July	**R23.19**	R18.45
Closing price June	**R26.39**	R23.00
Intraday high for the period	**R30.94**	R23.06
Intraday low for the period	**R22.60**	R17.03

REMUNERATION PHILOSOPHY AND STRATEGY

2013 REMUNERATION REPORT

The Board of Growthpoint Properties Limited (the company) and the Remuneration Committee (the Committee) have pleasure in submitting the Remuneration Report for the financial year ended 30 June 2013. This report sets out the company's remuneration policy and strategy for all employees and sets out the detailed implementation and disclosure of remuneration for executive directors, prescribed officers and non-executive directors. The information provided in this report has been approved by the Board on the recommendation of the Committee.

The company has worked with its independent advisors, PwC, to ensure that responsible and appropriate remuneration principles are adopted and implemented. The Committee has also taken cognisance of the performance of the company and the value creation for shareholders during the year and believe that our remuneration policy and the implementation thereof reflect the alignment with the Group's business strategy and long-term goals.

The Committee is satisfied that the overall principles laid down by the King Code of Governance for South Africa (King III) and the Companies Act 2008 (the Act) have been adhered to unless specifically stated.

The report this year has been segmented into two parts, separating the disclosure of policy (Part 1) and its implementation (Part 2).

PART 1: REMUNERATION PHILOSOPHY AND POLICY

The Committee

Role of the Committee

The Committee assists the Board in setting the company's remuneration policy and directors' and prescribed officers' remuneration. The Committee's Terms of Reference are set out on page 126 of the Corporate Governance section of the integrated annual review.

Members of the Committee

Details of the members of the Committee can be found on page 121 of the Corporate Governance section of the integrated annual review.

The majority of the current members of the Committee, other than the chairman, are independent non-executive directors. The Committee met four times during the financial year ended 30 June 2013. The Chief Executive Officer, Executive Director and Head of Human Resources attended the Committee meetings by invitation and assisted the Committee in its deliberations, except when issues relating to their own remuneration were discussed or the Committee felt the need to discuss matters without the executives present. PwC attended the meetings in its capacity as independent advisors to the Committee.

Summary of remuneration activities/decisions undertaken during the year

The main issues considered and approved by the Committee during FY2013 were as follows:

- Approval of the remuneration report
- Short-term incentives for executive directors and prescribed officers
- 2012 share incentive plan awards to all eligible employees and approval of vesting of awards
- Annual salary review for executive directors and prescribed officers
- Mandate for salary increases for all other employees
- Review of executive directors' service contracts
- Review of fees to non-executive directors
- Review and approval of remuneration policy
- Review and approval of succession plan in respect of senior management
- Consideration of a number of proposals relating to the proposed implementation of an Executive Outperformance Long-Term Incentive Scheme (OLTIS)

Elements of remuneration

The table below summarises the elements of the total remuneration package offered to employees during FY2013:

Element	Fixed/variable	Definition
Guaranteed pay	Fixed	The fixed element of remuneration is referred to as Guaranteed Cost to Company (GCTC).
Benefits	Fixed	Benefits include contributions to a defined contribution retirement plan and a medical aid scheme (which are included in the GCTC) and company paid personal accident, dreaded disease and AdmedGap (hospitalisation gap cover) insurance policies on which fringe benefits tax is paid.
Short-term incentive (STI)	Variable	An annual short-term incentive, paid partly in cash and partly deferred into long-term incentive shares, provides executive directors, prescribed officers and senior management with an incentive to achieve the company's short and medium-term goals, with payment levels based on six Key Performance Areas (KPAs) and their associated Key Performance Indicators (KPIs). For other employees, an annual bonus, determined against individual performance, is paid in cash once approved.
Long-term incentives (LTI)	Variable	The LTI comprise different elements: • The existing Growthpoint Staff Incentive Scheme (GSIS), available to all employees • A deferred portion of the short-term incentive that is converted into Growthpoint shares, vesting over a three-year period, applicable to executive directors, prescribed officers and executive management • An OLTIS which has been agreed in principle and which will be applicable to executive directors and prescribed officers. The details of the scheme, which would be based on achievement of economic profit or value creation above a certain hurdle, still need to be finalised and approved and had not yet been implemented at 30 June 2013.

General staff remuneration philosophy and strategy

The remuneration strategy's objective is to ensure that Growthpoint can offer a total remuneration package for general staff that can:

- attract qualified, skilled staff with experience and/or good potential in the market place (attraction), based on a market-related GCTC salary
- drive and reward short-term performance (reward) through the STI
- retain staff over time (especially those with key skills or that have future potential) for the organisation (retention) through the LTI

To achieve these objectives Growthpoint aims to pay GCTC salaries that on average range between the market median for general skills to the 75th percentile/upper quartile of the market for critical skills and/or key staff (i.e. high performing or high potential), taking into consideration the specific sector and industry circumstances in which Growthpoint operates, where appropriate.

Individual performance is rewarded through the payment of a bonus or STI which is determined annually following an assessment of each individual's performance against pre-determined goals and objectives for such individual considering his/her role and responsibility. STI payments typically vary between amounts equivalent to one to four months' salary.

REMUNERATION PHILOSOPHY AND STRATEGY CONTINUED

The GSIS provides for all Growthpoint's staff to become shareholders in the company, thereby engendering and fostering a culture and mindset of ownership in all staff and supporting one of Growthpoint's core values of being "owners and managers" of our property portfolio. Continued participation in the scheme is subject to employees maintaining a satisfactory performance and disciplinary record.

Growthpoint's philosophy on remuneration recognises that remuneration, together with other human resource policies, practices and organisational initiatives (including non-cash), benefits and conditions of employment, forms an integral part of the employment offering that enables us to attract, reward and retain the staff we require to manage the company effectively and efficiently.

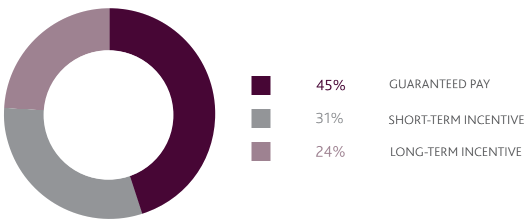
Since the Growthpoint management "buy-in" transaction was finalised in 2007, a conscious and concerted effort has been made to uplift and improve the employment offering, especially remuneration at the lowest levels of all staff in the Growthpoint Group and this is further elaborated in the "Our Employees" section of the integrated annual review on page 22.

Executive directors, prescribed officers and management remuneration philosophy and strategy
The company's remuneration strategy for executive directors, prescribed officers and management is to attract and retain high-calibre individuals and to incentivise them to develop and implement the company's business strategy in order to optimise long-term shareholder value creation. The strategy conforms to King III and is based on the following principles:

- Attract qualified, skilled executive directors and management with experience and good leadership/succession potential in the market place **(attraction)**, based on a market-related GCTC salary
- Reward short-term performance **(reward)** through the variable pay, and more specifically the short-term cash portion of variable pay
- Ensure sustainability of performance **(sustained performance)** and retain executive directors and management for the reward pay-out period **(short-term retention)** of specifically the deferred component of the short-term incentive
- Through the proposed OLTIS, retain executive directors and senior management over the longer term **(long-term retention)**, whilst linking the award of the OLTIS to performance targets and value creation for shareholders **(performance)**

Package design
Growthpoint aims to reward executive directors and management with performance-based variable pay that has both a short-term cash component and a deferred remuneration component. The variable pay will, depending on the role, function and responsibility of the executive director, prescribed officer or manager, constitute between 40% and 60% of the total remuneration of that executive director, prescribed officer or manager.

The average mix between fixed and variable remuneration for executive directors and prescribed officers is currently as follows:



Guaranteed pay
GCTC is set to be competitive and in general is on average set at the median of the comparator group. GCTC is subject to annual review, with company performance, affordability, individual performance, changes in responsibilities, taken into consideration when determining the size of any increases.

Benefits

Structured into the GCTC is a contribution to one of two defined contribution retirement benefit funds and one of two medical aid plans that the company subscribes to. In addition, but excluded from the GCTC, are benefits in terms of a corporate personal accident, dreaded diseases and hospitalisation gap cover policy, for which employees incur no cost but are subject to fringe benefits tax in terms of current legislation.

Short-term incentive

The annual short-term incentive is paid in cash once approved for all eligible staff except for executive management, for whom this is partly deferred into shares. For executive management between 50% and 70% would be paid in cash and 30% to 50% would be converted into shares vesting over three years. The plan is neither contractual nor pensionable. However, the cash incentive may be made pensionable at the employee's election.

Details of the Key Performance Areas (KPAs) for the 2013 financial year are disclosed in Part 2 of this report. The specific targets and relative weightings of each measure and/or Key Performance Indicator (KPI) within the KPAs are in the process of being finalised. Performance achievement against these KPAs and KPIs will also be benchmarked against a peer group of companies in the property sector, namely Redefine, Capital, Acucap, Fountainhead, Emira, Resilient, Hyprop, Sycom and SA Corporate. In exceptional cases, the Committee has the discretion to make ex gratia payments, where considerable value has been added to shareholders.

Long-term incentives

Deferred portion of the short-term incentive

The longer-term retention element of the bonus is deferred into shares that vest over a three-year period. The deferred element of the bonus comprises 30% to 50% of the overall annual short-term incentive percentage.

Growthpoint Staff Incentive Scheme (GSIS)

The GSIS is extended to the executive directors, prescribed officers, management and all other employees. This scheme is a traditional option scheme, in terms of which eligible staff are awarded nil-cost options of Growthpoint shares which vest over five years. The vesting profile allows for 0% of the shares to vest after year one and 25% in each successive year after the second year to the fifth year of vesting. The quantum of shares awarded to each eligible employee is based on a target multiple of their respective annual GCTC, based on market benchmarks, which can be increased by approval of the Committee for critical skills and individual retention.

Proposed Outperformance Long-Term Incentive Scheme (OLTIS)

An OLTIS has been agreed in principle which will be applicable to executive directors, prescribed officers and certain executive management. The details of the scheme, which would in part be based on achievement of economic profit or value creation above a certain hurdle, have yet to be finalised. The scheme will probably be a restricted participation type scheme with a longer vesting period than the GSIS in order to retain participants over the longer term, whilst linking the award of the OLTIS to predetermined performance targets and value creation for shareholders.

Executive directors' service contracts

During the year ended 30 June 2013, Growthpoint finalised the framework for and concluded new service contracts with the CEO and Executive Director. The Financial Director having only joined Growthpoint in February 2013, is on a standard employment contract with a six-month reciprocal notice of termination provision.

The service contracts concluded, in terms of key considerations, provide for the following:

- An indefinite period of service, subject to the normal retirement age of the company, with a six-month reciprocal notice of termination provision
- The termination provisions provide for paid "garden leave" for the executives at the company's election
- In addition to "garden leave" there are also restraints, in relation to the company's clients, staff and corporate opportunities
- KPAs and KPIs have been identified in the contracts, and the executives are currently being measured against them
- The KPAs and KPIs provide the performance measures that will be used as determinants for STI and LTI awards and are already a consideration for the STI awards and deferred STI awards (that form part of the broader LTI awards)
- An OLTIS scheme is provided for in principle with the details to be finalised
- The basis for remuneration, aligned to the approach in the Remuneration Report, is articulated for each executive

Non-executive directors

The following principles apply to the remuneration of non-executive directors:

- Non-executive directors' fees are reviewed annually and proposed at annual general meetings for approval
- The remuneration of non-executive directors is targeted at the median of the comparator group, using the same comparator group which is used to benchmark executive directors' remuneration
- The fees will comprise an annual retainer component and attendance fee for scheduled meetings, as tabulated in Part 2 of this report
- Attendance at meetings of any *ad hoc* sub-committee, established for special purposes, shall be remunerated on the basis applicable to the established sub-committees. It is expected that non-executive directors will attend at least two *ad hoc* meetings without being paid with payments for the *ad hoc* committee meetings determined on a case by case basis by the Remuneration Committee
- In addition, non-executive directors are compensated for travel and subsistence on official business where necessary and to attend meetings
- Attendance at board strategy sessions, whether spanning one or more days, shall be treated as a single board meeting for purposes of attendance fees

Non-executive directors do not participate in the company's annual bonus plan or in any of its long-term incentive plans.

None of the non-executive directors has a contract of employment with the company. Their appointments are made in terms of the company's Memorandum of Incorporation and are confirmed at the first annual general meeting of shareholders following their appointment, and thereafter at three-yearly intervals when they retire by rotation in terms of the Memorandum of Incorporation.

External appointments

Executive directors are not permitted to hold external directorships or offices outside of the Group, without the approval of the Board. If such approval is granted, the executive directors may retain such earnings in their individual capacities.

PART 2: DISCLOSURE OF THE IMPLEMENTATION OF THE POLICIES FOR THE FINANCIAL YEAR

Guaranteed pay

In determining the GCTC increases for executive directors, the Committee considered relevant comparator group market data. The comparator companies were selected in 2012 and continue to be: African Bank, Capitec, Discovery, Liberty, Nedbank, Rand Merchant Insurance, Redefine, Sanlam and Santam. Benchmarks were selected based on a number of factors, including, but not limited to, company size and complexity of comparable listed companies by reference to market capitalisation, turnover, profitability, number of employees and sector. The comparator group will be reconsidered for the purposes of any increases in respect of the financial year ending 30 June 2015. In certain cases, market data from 21st Century and PECS was used, specifically in the non-core functions of the executive management team.

Short-term incentive outcome

In determining the STI outcome, the following KPAs were taken into consideration:

- Total shareholder returns (rolling five-year weighted average)
- Return on equity (rolling five-year weighted average)
- Distribution growth per share
- Financial management (e.g. loan to value ratios and debt expiry profile)
- Operational metrics (e.g. property cost to income and operating expense ratio)
- Qualitative factors (e.g. compliance, development of people, culture and values).

Though specific targets and relative weightings of each measure and/or Key Performance Indicator (KPI) within the KPAs had not been finalised, these were the KPAs which were taken into consideration in determining the STI. Performance achievement against these KPAs and KPIs will in future also be benchmarked against a peer group of companies in the property sector, namely Redefine, Capital, Acucap, Fountainhead, Emira, Resilient, Hyprop, Sycom and SA Corporate.

The disclosures regarding STI payments made in the annual financial statements (AFS) on page 52 were paid in September 2012 and relate to performance achieved for the year ended 30 June 2012. It is the intention to change the disclosure of STI next year so that the STI expense in a given year will relate to the financial performance achieved in that year, and not as it relates to the prior year as is currently the case.

Long-term incentives granted in the current year
Pending the finalisation of the new OLTIS, no GSIS awards were made in the 2013 financial year to executive directors and prescribed officers. The awards disclosed for executive directors in the AFS, on page 11 under 2013 options refer to the deferred portion of the STI award which was introduced in 2012.

Disclosure of the value of long-term incentives earned
In line with international best practice, the methodology for disclosure of long-term incentives earned in the year has changed. The value attributable to long-term incentives that vested in the FY2013 in terms of the GSIS is disclosed in the AFS. During the September 2012 vesting period (1 September 2012 to 30 November 2012) executive directors and prescribed officers were subject to a closed period and could not exercise their vested options.

Executive directors' and prescribed officers' remuneration
Please refer to the AFS, on page 52.

Share awards schedule for executive directors
Please refer to the AFS, on page 11.

Non-executive director fees for 2013
The fees paid to non-executive directors for the year ended 30 June 2013 were paid on the basis presented in the tables in the AFS, on page 52, as approved by the Committee and by the Board, on authority granted by shareholders at the annual general meeting held on 13 November 2012:

The Committee has reviewed the proposed increases to non-executive directors' fees for the year ended 30 June 2014, and these have been recommended and approved by the Board, subject to shareholder approval at the annual general meeting. The proposed non-executive directors' fees are reflected in the table below:

	Chairman		**Deputy chairman**		**Director/committee member**	
	2014 R	2013 R	**2014 R**	2013 R	**2014 R**	2013 R
Basic annual fee	**965 000**	900 000	**115 000**	106 500	**46 000**	42 500
Fees per meeting attended						
Board	**162 000**	150 000	**78 000**	72 000	**52 000**	48 000
Audit Committee	**48 500**	45 000	**–**	–	**34 500**	32 000
Risk Management Committee	**43 000**	40 000	**–**	–	**29 000**	27 000
Property Committee	**43 000**	40 000	**–**	–	**29 000**	27 000
Social, Ethics and Transformation Committee	**37 500**	35 000	**–**	–	**24 000**	22 500
Remuneration Committee	**43 000**	40 000	**–**	–	**29 000**	27 000
Nomination Committee	**37 500**	35 000	**–**	–	**24 000**	22 500

Approval
This remuneration report was recommended by the Committee for approval by the Board of Directors of Growthpoint Properties Limited on 27 August 2013.

Signed on behalf of the Board of Directors

HSP Mashaba
Remuneration Committee Chairman

Johannesburg
27 August 2013

Annexure 6

MATERIAL CHANGE STATEMENT

The directors report that there have been no material changes in the affairs, financial or trading position of the Group between 30 June 2013 and 27 August 2013, the date on which the financial results were approved by the Board.

ORDINARY SHARE CAPITAL AND DEBENTURES

	2013 Rm	2012 Rm
ORDINARY SHARE CAPITAL		
Authorised		
2 000 000 000 (2012: 2 000 000 000) ordinary shares with a nominal value of 5 cents each	**100**	100
Issued		
Ordinary shares of 5 cents each:		
In issue at beginning of the year – 1 743 080 918 (2012: 1 591 971 441)	**87**	79
Issued during the year – 148 477 410 (2012: 151 109 477)	**8**	8
In issue at end of the year – 1 891 558 328 (2012: 1 743 080 918)	**95**	87

In terms of the Debenture Trust Deed, the shares are linked with unsecured, subordinated, variable-rate debentures of 250 cents (2012: 250 cents), each in the ratio of one ordinary share to 10 debentures.

This linkage means that each share may only be issued and traded together with the debentures with which it is linked, until such time as it is de-linked in accordance with the terms of the Memorandum and Articles and the Debenture Trust Deed.

The unissued shares are under the control of the directors of the company subject to the provisions of the Companies Act 2008, as amended, and the requirements of the JSE Limited.

After the reporting date, the ordinary shares were converted to shares of no par value and the number of shares that the company is authorised to issue increased from two billion to four billion.

	2013 Rm	2012 Rm
DEBENTURES		
Unsecured, subordinated, variable-rate debentures		
Fair value at beginning of the year – 17 430 809 180 (2012: 15 919 714 410)	**27 650**	23 463
Issued during the year – 1 484 774 100 (2012: 1 511 094 770)	**3 906**	2 662
	31 556	26 125
Fair value adjustment	**4 981**	1 525
Fair value at end of the year – 18 915 583 280 (2012: 17 430 809 180)	**36 537**	27 650
Fair value	**36 537**	27 650
Nominal value	**47 289**	43 577
Net discount on issue	**(27 031)**	(27 225)
Issue value	**20 258**	16 352
Fair value adjustment – previous years	**11 298**	9 773
Fair value adjustment – current year	**4 981**	1 525

The rights of the debentureholders to repayment of capital are subordinated to the claims of all other secured and unsecured creditors. The interest payable on 10 debentures in each linked unit will be a multiple of 1 000 times the dividend payable on each share.

A special resolution of the debentureholders was passed on 28 June 2013 to redeem the debentures. This resolution was registered on 23 July 2013.

Annexure 8

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT TO SHAREHOLDERS

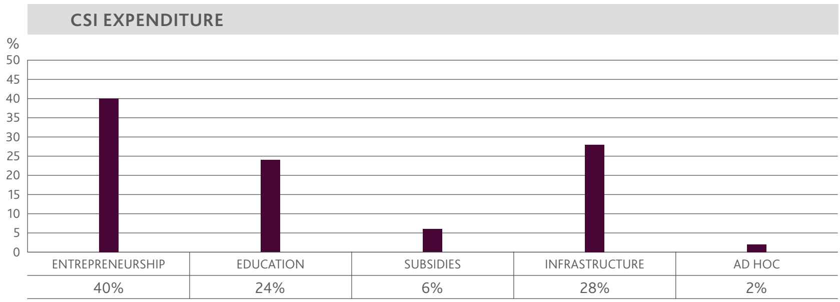
The Board of Growthpoint and the Social, Ethics and Transformation Committee (Committee) have pleasure in submitting its report for the financial year ended 30 June 2013.

The purpose of this report is to outline how the Committee has satisfied its responsibilities as set out in section 72 of the South African Companies Act No 71 of 2008, as amended and regulation 43 of the Companies Regulations, 2011, issued in terms of the Act.

1. COMMITTEE INITIATIVES

During the year under review, the Committee was allocated R11,635 million for corporate social investment, which represents an 18.1% increase over 2012.

The Committee's budget allocation was as follows:



1.1 Good corporate citizenship

Property Point is an initiative introduced by Growthpoint to promote job creation and promote empowerment.

Property Point provides the following services to small enterprises:

- Administrative support (strategic, legal, financial and governance)
- Facilitation of finance
- Public relations and communication
- Business relations
- Marketing e.g. strategy/branding

Since its establishment in 2009, Property Point has given rise to 492 sustainable jobs, and generated market opportunities for Growthpoint of approximately R80 million, and the property industry as a whole of approximately R53 million.

1.2 Social and economic development

The Committee selected the following beneficiaries:

- *Genesis Trust:* Growthpoint provided funding and professional services for the development of the Genesis Trust Youth Centre for the benefit of the Mkholombe, Bobhoyi, Merelewood and Marburg communities in KwaZulu-Natal.
- *Progressive Primary School (Braamfontein):* Growthpoint refurbished the music and dance facilities at Progressive Primary School (Johannesburg's inner city).
- *Reach for a Dream Foundation:* Growthpoint realised the dreams of five children fighting life threatening illnesses.
- *The Dad Fund:* Recently launched, DreamGirls International Outreach and Mentoring Programme, which aims to promote the enrolment and success of young women from disadvantaged communities in institutions of higher learning, through community role models and leaders. The programme endeavours to create all-round wellness in teen girls focusing on areas such as life design, education, entrepreneurship and career, health and spiritual wellness, etiquette and grooming and dignity.
- *The Field Band Foundation:* Promotes youth development through music and dance, which allows for large group participation and develops essential life skills.
- *Opera Africa:* Is a national non-profit organisation, which nurtures and develops graduate/undergraduate opera singers and arts administrator trainees from disadvantaged backgrounds.

- *Education Africa:* Is a non-profit organisation, which was established in 1992 to facilitate the education and upliftment of disadvantaged communities in South Africa through education, thereby positioning them as productive and competitive global citizens.
- *Childline South Africa:* Endeavours to protect children from all forms of violence, and create a culture of children's rights in South Africa. Programmes delivered at provincial and national level include a 24-hour crisis line, training for volunteers and professionals in child protection, therapy, court preparation and analysis of law and policy.
- *Stop Hunger Now:* Stop Hunger Now is driven to end world hunger by coordinating the distribution of food and other life-saving aid, and helping to mobilise the necessary resources to the world's most vulnerable people.
- *HALO:* Facilitates Growthpoint employee participation in social and economic development in their local communities.

1.3 Consumer relationships

Growthpoint complies with consumer protection laws when embarking on advertising campaigns and public relations activities.

1.4 Transformation

Recent revisions to BEE legislation have resulted in a decrease in Growthpoint's accreditation to a Level 5 contributor (2012: Level 4 contributor), and steps have been initiated to align Group targets with the revised Property Charter.

Growthpoint continues to excel in the area of enterprise development and socio-economic development, and remains committed to driving transformation objectives to create a diverse workforce in an inclusive environment.

1.5 Human resource development

- Growthpoint spent R151 715 on bursaries in the property and building science disciplines during the financial year. Three students received Growthpoint bursaries, and a fourth student was awarded a bursary by Growthpoint via the SAPOA Bursary Trust.

  Consideration is being given to the recruitment of two additional candidates in 2014, in addition to funding provided via the SAPOA Bursary Trust.

- GROWSMART is a literacy programme introduced by Growthpoint in the Western Cape, aimed at creating awareness and raising literacy levels in primary schools. 70 000 learners in 162 schools have been introduced to additional curriculum-based reading material and are invited to participate in a competition, which awards the top three schools with educational support and financial assistance e.g. improvements to buildings of R830 000 were awarded.

1.6 Environment, health and public safety

Growthpoint was awarded several accolades during the 2013 financial year, namely:

- Continued recognition in the JSE Socially Responsible Investment Index, which measures companies' policies, performance and reporting in relation to the three pillars of the triple bottom line (environmental, economic and social sustainability), as well as corporate governance practice;
- Gold Status Disclosure Score of 95% for the Carbon Disclosure Project, an independent non-profit organisation holding the largest database of primary corporate climate change information in the world; and
- Winner of the Infrastructure and Renewable Energy Category of the 2013 Nedbank Capital Sustainable Business Awards for Project Lincoln on the Lake Solar Photovoltaics.

In addition to the aforesaid awards, Growthpoint assisted its clients in achieving an annual energy savings of approximately 4,5 million kWh and saving 13 750 kl of water.

The health and public safety, including the impact of Growthpoint's activities and that of its products and/or services, is monitored as a function of the Risk Management Committee.

2. **The Group** operates in a manner that is consistent with the following international guidelines and best practices:
   - The 10 principles set out in the United Nations Global Compact Principles;
   - The Organisation for Economic Co-operation and Development's (OECD) Anti-corruption guidelines;
   - The Employment Equity Act, No 55 of 1998; and
   - The Broad-Based Black Economic Empowerment Act, No 53 of 2003.

   There have been no violations of the aforementioned guidelines and/or practices during the 2013 financial year, and the Committee is satisfied that the overall principles laid down by the King Code of Governance for South Africa (King III) and the Companies Act 2008, as amended, have been adhered to.

DIRECTORATE AND ADMINISTRATION

DIRECTORS
JF Marais (Chairman)º
HSP Mashaba (Deputy Chairman)¤
EK de Klerk* (Executive Director)
MG Diliza¤
PH Fechterº
LA Finlayº
JC Haywardº
HS Hermanº
SP Mngconkola@
R Moonsamy¤
NBP Nkabindeº
LN Sasse* (Chief Executive Officer)
CG Steynº
JHN Strydomº
FJ Visserº
G Völkel* (Financial Director)
º *Independent*
¤ *BEE structure stakeholders*
@ *Related party and major shareholder's nominee*
* *Executive directors*

AUDITORS
KPMG Inc.
(Registration No 1999/021543/21)
85 Empire Road, Parktown, 2193
Private Bag 9, Parkview, 2122

TRANSFER SECRETARIES
Computershare Investor Services (Pty) Limited
(Registration No 2004/003647/07)
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

SPONSOR
Investec Bank Limited
(Registration No 1969/004763/06)
100 Grayston Drive, Sandown, Sandton, 2196
PO Box 785700, Sandton, 2146

REGISTERED OFFICE
Growthpoint Properties Limited
(Registration No 1987/004988/06)
The Place, 1 Sandton Drive, Sandown, Sandton, 2196
PO Box 78949, Sandton, 2146

COMPANY SECRETARY
RA Krabbenhöft
The Place, 1 Sandton Drive, Sandown, Sandton, 2196
PO Box 78949, Sandton, 2146

DEBENTURE TRUSTEE (as at 30 June 2013)
Fasken Martineau (Incorporated in South Africa as Bell Dewar Inc.)
(Registration No 1995/004675/21)
Inanda Greens
54 Wierda Road West, Sandton, 2196
PO Box 652057, Benmore, 2010

MANAGEMENT COMPANY
Growthpoint Management Services (Pty) Limited
(Registration No 2004/015933/07)
The Place, 1 Sandton Drive,
Sandown, Sandton, 2196
PO Box 78949, Sandton, 2146

AUDIT COMMITTEE
CG Steyn (Chairman)
PH Fechter
LA Finlay
JC Hayward
JHN Strydom

The Audit Committee members are all independent non-executive directors.

RISK MANAGEMENT COMMITTEE
JHN Strydom (Chairman)
JC Hayward
SP Mngconkola
NBP Nkabinde
FJ Visser

By invitation: JF Marais (Board Chairman)

The following parties attend or are represented at Audit Committee and Risk Management Committee meetings:
AL Davis (Chief Information Officer)
EK de Klerk (Executive Director)
RA Krabbenhöft (Company Secretary)
SA Nizetich (Head of Internal Audit and Risk Management)
JB Phakathi (Head of Human Resources)
LN Sasse (Chief Executive Officer)
ME Steinau (Financial Manager)
G Völkel (Financial Director)

By invitation:
E Binedell (Fund Director – Industrial)
SA le Roux (Fund Director – Retail)
RG Pienaar (Fund Director – Office)

The external auditors, KPMG Inc., attend all regular meetings of the Audit Committee and *ad hoc* meetings as required, as well as Risk Management Committee meetings.

PROPERTY COMMITTEE
PH Fechter (Chairman)
MG Diliza
HS Herman
R Moonsamy
CG Steyn

The following members of management attend Property Committee meetings:
LN Sasse (Chief Executive Officer)
E Binedell (Fund Director – Industrial)
K Bourhill (Valuer)
EK de Klerk (Executive Director)
RA Krabbenhöft (Company Secretary)
SA le Roux (Fund Director – Retail)
S Paul (Assistant Company Secretary)
RG Pienaar (Fund Director – Office)
G Völkel (Financial Director)

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE
MG Diliza (Chairman)
LA Finlay
SP Mngconkola
R Moonsamy
NBP Nkabinde

The following members of management attend Social, Ethics and Transformation Committee meetings:
EK de Klerk (Executive Director)
P Engelbrecht (Developments Head)
RA Krabbenhöft (Company Secretary)
S Paul (Assistant Company Secretary)
JB Phakathi (Head of Human Resources)
F Sibanyona (National Facilities Head)
S Theunissen (CSI Manager)
G Völkel (Financial Director)

NOMINATION COMMITTEE
JF Marais (Chairman)
HSP Mashaba
(with involvement of the remainder of the Board)

REMUNERATION COMMITTEE
HSP Mashaba (Chairman)
HS Herman
JF Marais
FJ Visser

Standing attendees:
LN Sasse (Chief Executive Officer)
EK de Klerk (Executive Director)
RA Krabbenhöft (Company Secretary)
JB Phakathi (Head of Human Resources)

EXECUTIVE COMMITTEE OF MANAGEMENT (EXCO)
LN Sasse (Chief Executive Officer) (Committee Chairman)
EK de Klerk (Executive Director)
E Binedell (Fund Director – Industrial)
AL Davis (Chief Information Officer)
G de Klerk (Regional Head – Durban)
N Kuzmanich (Head of Marketing)
SA le Roux (Fund Director – Retail)
G Muchanya (Deal Manager)
JB Phakathi (Head of Human Resources)
RG Pienaar (Fund Director – Office)
DS Stoll (Regional Head – Cape Town)
G Völkel (Financial Director)

Standing attendees:
RA Krabbenhöft (Company Secretary)
S Paul (Assistant Company Secretary)

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GROWTHPOINT
PROPERTIES

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