



Contents

| | |
|---------------------------------------|-----|
| Directorate and administration | 7 |
| Profile of directors | 9 |
| Company profile and mission statement | 11 |
| Corporate governance | 12 |
| Chairman's statement | 19 |
| Directors' review of operations | 21 |
| Annual financial statements | |
| Report of the independent auditors | 31 |
| Declaration by company secretary | 31 |
| Directors' report | 32 |
| Income statements | 36 |
| Balance sheets | 37 |
| Statement of changes in equity | 38 |
| Cash flow statements | 39 |
| Notes to the financial statements | 40 |
| Property portfolio | 76 |
| Linked unitholders' analysis | 99 |
| Members' diary | 101 |
| Notice to members | 102 |
| Form of proxy | 107 |

Managed by



Highlights of the year

Total distributions increased by 11,1% to 81,3 cents per linked unit

27,1% total return to unitholders
(18,1 % capital growth and 9,0 % income yield)

Property acquisitions of R4,3 billion

Property assets exceed R15,0 billion

Market capitalisation exceeds R10,0 billion

39,2% increase in net asset value per linked unit to 1026 cents per linked unit

BEE consortium acquires 100 million Growthpoint linked units (14,2% of total linked units in issue)
on 30 August 2005

Major transactions concluded

| | | |
|---------------|-----------------------------------------------------------------------------------------|----------------|
| August 2005 | BEE partners acquire 100 million units direct shareholding | R990 million |
| November 2005 | First issue under R5 billion CMBS programme | R805 million |
| June 2006 | Acquisition of 23 properties from Tresso Trading 119 (Pty) Limited | R1 430 million |
| June 2006 | Metboard scheme of arrangement Acquisition of industrial portfolio of 163 properties | R2 378 million |
| June 2006 | Second issue under R5 billion CMBS programme | R969 million |

CORPORATE INFORMATION



Directorate and administration

as at 30 September 2006

DIRECTORS

S Hackner (Chairman)
J F Marais (Deputy chairman)
M G Diliza
P H Fechter
J C Hayward
H S Herman
S R Leon
H S P Mashaba (appointed 21 June 2006)
R Moonsamy (appointed 31 August 2005)
B Ngcuka (appointed 31 August 2005)
L N Sasse * (Chief Executive Officer)
C G Steyn
J H N Strydom
F J Visser
* Executive

AUDITORS

KPMG Inc
(Registration Number 1999/021543/21)
85 Empire Road, Parktown, 2193
Private Bag 9, Parkview, 2122

TRANSFER SECRETARIES

Computershare Investor Services 2004 (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

SECRETARY

R A Krabbenhöft
100 Grayston Drive, Sandown, Sandton 2196
PO Box 78949, Sandton, 2146

DEBENTURE TRUSTEE

Bell Dewar Hall Inc.
(Registration No.1995/004675/21)
Landwell Place, 37 West Street,
Houghton, 2198
PO Box 1972, Houghton, 2041

MANAGEMENT COMPANY

Growthpoint Managers (Proprietary) Limited
(Registration No. 1987/004982/07)
100 Grayston Drive, Sandown, Sandton, 2196
PO Box 78949, Sandton, 2146

REGISTERED OFFICE

Growthpoint Properties Limited
(Registration No. 1987/004988/06)
100 Grayston Drive, Sandown, Sandton, 2196
PO Box 78949, Sandton, 2146

Directorate and administration

AUDIT COMMITTEE

C G Steyn (Chairman)
P H Fechter
J H N Strydom

RISK MANAGEMENT COMMITTEE

J H N Strydom (Chairman)
P H Fechter
C G Steyn

The audit committee and risk management committee members are all non-executive directors.

By standing invitation, the following parties are represented at audit committee and risk management committee meetings:

Chief executive officer (L N Sasse)
Chief financial officer (S M Snowball)
Investec Bank Limited Internal Audit & Risk Management divisions
Investec Property Group Limited (Property Managers)

The external auditors, KPMG Inc., attend all meetings of the audit committee

PROPERTY COMMITTEE

P H Fechter (Chairman)
M G Diliza (appointed 2 November 2005)
L N Sasse
C G Steyn
J H N Strydom

By standing invitation:

S Hackner
S R Leon

TRANSFORMATION COMMITTEE

L N Sasse (Chairman)
M G Diliza
P H Fechter
S M Snowball
C G Steyn
J H N Strydom

NOMINATION COMMITTEE

J F Marais (Chairman)
Plus all other non-executive directors in office.

REMUNERATION COMMITTEE

S Hackner (Chairman)
L N Sasse
S M Snowball

WEBSITE

www.growthpoint.co.za

Profile of directors

SAM HACKNER (51)

BCom (Hons) CA (SA)

Chief Executive Officer: Investec Global Private Bank and Investec Property Group Limited. Appointed to the board in 1991.

JACOBUS FRANCOIS MARAIS (51)

BCom, LLB, H. Dip (Company Law)

One of the founding partners of Jowell Glyn Marais Inc. Director and chairman of a number of listed companies. Previously chairman of Primegro Properties Limited. Appointed to the board in 2003.

LEON NORBERT SASSE (41) (Chief Executive Officer)

BCom (Hons) CA (SA)

Ten years experience in corporate finance dealing with, inter alia, listings, delistings, mergers, acquisitions and capital raising. Director of Investec Property Group Limited. Chairman of Property Loan Stock Association. Appointed to the board in 2003.

MZOLISI GOODMAN DILIZA (57)

BCom (Rhodes)

Bachelor of Business Management and Administration (Hons) (Stell.)

Chief Executive: Chamber of Mines of South Africa. Appointed to the board in 2001.

PETER HENRY FECHTER (60)

BSc (Eng)

More than 30 years experience in construction, property development, management and investment. Previously a director of Primegro Properties Limited. Appointed to the board in 2003.

JOHN CARY HAYWARD (55)

BSc (Hons), Fellow of Institute of Actuaries Actuary.

25 years experience of investment and investment related activities. Appointed to the board in 2001.

HUGH SIDNEY HERMAN (65)

BA LLB

Chairman of Investec Bank (UK) Limited
Chairman of Investec plc
Chairman of Investec Bank Limited
Chairman of Investec Securities Limited
Director of Investec Property Group Limited
Appointed to the board in 1994

SAMUEL RONALD LEON (57)

LLB (London) Bachelor of Laws

Managing Director of Investec Property Group Limited
27 years in the real estate business
Appointed to the board in 1998

HERMAN SAMTSEU PHILIP MASHABA (47)

Founder of Black Like Me products in 1985. Chairman of Leswikeng Minerals and Energy (Pty) Limited, the Phatsima group of companies and Stocks Building Africa (Pty) Limited. Independent non-executive director of Edcon Limited. Appointed to the board in 2006

RAGAVAN MOONSAMY (42)

Founder of Kascara Financial Services (Pty) Limited
Chief Executive of UniPalm Investments (Pty) Limited
Director of Afripalm (Pty) Limited
Appointed to the board in 2005.

BULELANI NGCUKA (52)

BProc, LLB, MA (International Relations) (Webster University, Geneva)

Director of Amabubesi Investments
Director of STRB Attorneys, Transnet and Mutual and Federal
Chairman of V&A Waterfront Holdings and City Couriers
Appointed to the board in 2005.

Profile of directors

COLIN GRAHAM STEYN (65)

FCIS, Senior Management Program, Harvard University, Boston USA

Retired.

Formerly Chairman of Barprop Limited.

Past President of SAPOA.

Director of Pareto Limited.

Appointed to the board in 2001.

JAN HENDRIK NICOLAAS STRYDOM (67)

MCom (Acc) CA (SA)

Co-founder of Stydom's Incorporated, a firm of Chartered Accountants, specialising in business valuations, forensic investigations, litigation support and arbitrations. Director of MTN Group Limited, Director of the Public Investment Corporation Limited and senior member of the Special Income Tax Court. Previously a director of Primegro Properties Limited. Appointed to the board in 2003.

FREDERICK JOHANNES VISSER (54)

BCom (Hons) (Ind. Psychology)

Chief Executive Officer Mine Pension Funds.

Appointed to the board in 2001.

Company profile and mission statement

COMPANY PROFILE

Growthpoint Properties Limited (“Growthpoint”) is a property investment holding company, incorporated and registered as a public company on 12 October 1987, and is listed under the “Financial - Real Estate” sector of the JSE Securities Exchange South Africa (“JSE”).

Growthpoint’s capital structure comprises ordinary shares, which are linked to unsecured, subordinated, variable rate debentures in the ratio of one ordinary share of five cents linked to ten debentures of 250 cents each. This linkage means that each share may only be issued and traded on the JSE as a linked unit together with the debentures to which it is linked.

Growthpoint has a diversified portfolio of 350 properties valued at R15,0 billion at 30 June 2006. Retail properties comprised 40% of the value, commercial 37% and industrial 23%. The bulk of Growthpoint’s gross lettable area is situated in Gauteng (65%) with the balance located in the Western Cape (16%), KwaZulu Natal (11%), and other provinces throughout South Africa and Namibia (8%).

Measured by market capitalisation and total assets, Growthpoint is currently the largest listed South African property company on the JSE with a market capitalisation in excess of R10 billion.

MISSION STATEMENT

“To be the point of reference for listed property investment in South Africa, offering investors a highly liquid, tradeable instrument producing consistently growing income returns and long-term capital appreciation.”

In striving towards achieving this mission, Growthpoint endeavours to:

- offer low-risk, superior returns backed by premier assets
- maintain an optimal balance of well-located, sectorally and geographically diversified property assets
- maximise the letting of available space to financially sound tenants with long leases
- preserve and enhance the value of properties owned through ongoing maintenance, upgrading and refurbishment
- enhance long-term returns to linked unitholders through the use of conservative gearing and financing at the most competitive rates
- limit exposure to interest rate risk by fixing interest rates over periods matching lease expiries

Corporate governance

INTRODUCTION

Growthpoint Properties Limited and the board of directors are committed to the Code of Corporate Practice and Conduct as set out in the King II Report. The directors recognise the need to conduct the enterprise with integrity and accountability in accordance with sound corporate practices.

BOARD OF DIRECTORS

The constitution of the board of directors is set out on page 7 of this report. The board meets at least quarterly and consists of thirteen non-executive directors, including the chairman, and one executive director. The non-executive directors' remuneration is subject to the recommendations made by the remuneration committee and approved from time to time in general meeting.

Ten of the non-executive directors are independent of management and free from any relationship that could materially interfere with the execution of their independent judgement. Their business experience enables them to evaluate strategy and act in the company's best interest.

The board operates in terms of a written charter that sets out its terms of reference, its overall purpose, its responsibilities, and its authority and governs matters such as board membership, meeting procedures and ethical conduct.

DEALING IN THE COMPANY'S LINKED UNITS

Directors have to obtain written clearance from the chairman of the company of any intention to buy or sell linked units in the company whether directly or indirectly. Directors and any employees who become aware of price-sensitive financial information cannot directly or indirectly deal in the company's linked units until two days after such information is in the public domain.

ASSET MANAGEMENT AND PROPERTY ADMINISTRATION

The management company is Growthpoint Managers (Pty) Limited which has in turn outsourced the property management to Investec Property Group Limited ("IPG"). The chief executive officer meets with IPG monthly and approves all major transactions within the authority levels framework approved by the board.

INTERNAL AUDIT

Investec's internal audit division performs certain internal audit functions as set out in a Service Level Agreement. The functions include:

- meeting with the Chairman of the audit committee to agree on the audit plan for the year
- preparing an audit strategy for the year, for approval by the audit committee
- attending meetings of and reporting to the audit committee
- meeting with the external auditors to co-ordinate planning and promote reliance on work performed
- carrying out the audit work, including testing of controls, as agreed in the audit plan.

EXTERNAL AUDIT

The company's external auditors are KPMG Inc. The independence of the external auditors is recognised, and reviewed with the auditors by the audit committee on an annual basis. The external auditors attend the audit committee meetings and have access to the Chairman of the audit committee.

AUDIT COMMITTEE

The audit committee comprises three non-executive directors. The chief executive officer, chief financial officer, internal and external auditors and fund managers are represented at meetings by invitation. The audit committee meets at least four times a year and operates according to written terms of reference approved by the board of directors. These include the review of the annual

financial statements before they are presented to the board, the review of internal control systems with reference to the findings of the internal and external auditors, considering any changes in accounting policies and considering any recommendations of the internal and external auditors.

RISK MANAGEMENT COMMITTEE

The risk management committee comprises three non-executive directors, including the Chairman of the audit committee as well as the chief executive officer, the chief financial officer and a director of Investec Property Group Limited.

The risk management committee meets at least four times a year and operates according to written terms of reference approved by the board of directors. These include the review of the company's risk management function, internal control systems, the risk philosophy, strategies and policies and risk-related performance measures and indicators.

RISK MANAGEMENT

A formalised enterprise risk assessment model is used to identify all material risks to which the company is exposed and evaluate these risks in terms of severity of impact and likelihood of occurrence. Key risk indicators have been identified in order to monitor these risks on an on-going basis. Investec Property Group's risk management division reports to the risk management committee at each quarterly meeting.

PROPERTY COMMITTEE

The property committee comprises four non-executive directors as well as the chief executive officer.

This committee meets as often as required and assists the board of directors in the discharge of their duties relating to the purchase, sale and management of the property portfolio of the company.

The committee's terms of reference are:

- review the annual net income budget, the proposed capital expenditure budget and the projected earnings for the linked units for next financial year.
- appraise proposed purchases and sales of property that exceed the levels of authority of the executive director.
- evaluate proposed unbudgeted capital expenditure that exceeds the levels of authority of the executive directors.
- review the annual business and strategic plan of the company.

REMUNERATION COMMITTEE

The remuneration committee consists of the Chairman, the chief executive officer and the chief financial officer. The terms of reference of the committee are to make recommendations to the board regarding remuneration of non-executive directors.

The company has no employees as the asset management and property management functions are outsourced to Growthpoint Managers (Pty) Limited and Investec Property Group Limited ("IPG") respectively. Directors of the company who are employed by Investec Bank Limited or any of its subsidiaries, receive no fees or other remuneration from the company.

NOMINATION COMMITTEE

The nomination committee consists of all non-executive directors and is chaired by the Deputy Chairman. The terms of reference of the committee are to make recommendations to the board regarding the appointment of new directors. The committee is also responsible for ensuring that all new directors are properly inducted and informed of all aspects of the business.

Corporate governance

TRANSFORMATION COMMITTEE

The transformation committee consists of four independent non-executive directors, the chief executive officer and the chief financial officer.

The company fully supports the principles of empowering previously disadvantaged groups in South Africa and through its management company was actively involved in the formulation of a property sector transformation charter.

It was announced on 31 August 2005 that a black consortium has acquired 14,2% direct share ownership in Growthpoint. This was facilitated through the provision by the company of R203,75 million of mezzanine financing on market related terms. Messrs B Ngcuka and R Moonsamy were appointed to the board of directors in terms of this BEE transaction.

The company will continue to strive to achieve the expected targets for procurement from black empowered entities as well as investing in socially responsible projects and assisting in the development of black owned enterprises.

EMPLOYMENT EQUITY

As the company has no employees, having contracted out the asset management and property management functions, it has neither employee share incentive schemes nor any other employee targeted programmes. It does, however, encourage and support such practices within its contracted third party managers.

DIRECTORS' RESPONSIBILITY

The directors are responsible for the preparation of the annual financial statements that fairly present the state of affairs of the company at the end of the financial year and the results for the year. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The external auditors are responsible for reporting on the annual financial statements.

The directors are of the opinion that adequate accounting records are maintained and that no major deficiencies exist in the systems of internal control. All the accounting functions are outsourced to IPG, which reports to management monthly.

Appropriate accounting policies, supported by reasonable and prudent judgments and estimates, have been applied in the preparation of the annual financial statements. There have been no material departures from relevant accounting standards.

ATTENDANCE AT MEETINGS

Details of directors' attendance at meetings from 1 July 2005 to 30 June 2006 are set out below:

| DIRECTOR | BOARD | | AUDIT | | RISK | | PROPERTY | | TRANSFORMATION | |
|----------------|-------|---|-------|---|------|---|----------|----|----------------|---|
| | A | B | A | B | A | B | A | B | A | B |
| S Hackner | 9 | 7 | | | | | | | | |
| J F Marais | 9 | 9 | | | | | | | | |
| M G Diliza | 9 | 6 | | | | | 7 | 7 | 1 | 1 |
| P H Fechter | 9 | 9 | 5 | 5 | 4 | 4 | 13 | 13 | 1 | 1 |
| J C Hayward | 9 | 9 | | | | | | | | |
| H S Herman | 9 | 5 | | | | | | | | |
| S R Leon | 9 | 6 | | | | | | | | |
| H S P Mashaba* | 0 | 0 | | | | | | | | |
| J Molobela# | 3 | 3 | | | | | | | | |
| R Moonsamy+ | 5 | 5 | | | | | | | 1 | 1 |
| B Ngcuka+ | 5 | 4 | | | | | | | 1 | 1 |
| L N Sasse | 9 | 9 | | | | | 13 | 13 | 1 | 1 |
| C G Steyn | 9 | 9 | 5 | 5 | 4 | 4 | 13 | 13 | | |
| J H N Strydom | 9 | 9 | 5 | 5 | 4 | 4 | 13 | 9 | 1 | 1 |
| F J Visser | 9 | 5 | | | | | | | | |

* Appointed 21 June 2006

+ Appointed 31 August 2005

Resigned 31 December 2005

Column A is the number of meetings held during the year that the director was eligible to attend.

Column B is the number of meetings attended by the director.

GOING CONCERN

The annual financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

The auditors have concurred with the directors' statement on internal control and going concern.

SUSTAINABILITY

The directors believe that the nature of the business is highly sustainable. By investing in South African property, Growthpoint contributes significantly to the socio-

economic development of the country. The company's operations do not produce any waste or have a harmful effect on the environment. The company aims to cultivate sustainable relationships with all stakeholders, characterised by openness and integrity.

The board has established a body known as Growth Foundation to channel expenditure on social responsibility projects as well as enterprise development, training and skills development and procurement from black empowerment entities.

Corporate governance

RELATIONS WITH UNITHOLDERS

The board is also committed to transparency and disclosure of relevant and appropriate information in the annual report and through other communication channels to enable all unitholders, potential unitholders and other stakeholders access to relevant information.

ETHICS

The directors are bound in terms of a written code of ethics to ensure that the company and its agents conduct the business according to the highest ethical standards, in particular to comply with all the laws of the country and any applicable regulatory bodies and to conduct all business activities in a manner that is beyond reproach.

CHAIRMAN'S STATEMENT AND DIRECTORS' REVIEW



Chairman's statement

INTRODUCTION

The year to 30 June 2006 saw Growthpoint deliver strong growth in distributions of 11.1% while at the same time it grew its physical property assets to over R15 billion. Greater diversification was achieved through the acquisition of the Metboard industrial portfolio, at a time when the industrial sector seems set for strong growth in rentals.

Property fundamentals remain strong with continuing low vacancy levels in the retail sector, industrial vacancies declining to less than 2% and vacancies in the office sector declining from 7% to just over 5%.

DEVELOPMENTS IN COMMERCIAL REAL ESTATE

The listed property sector yielded a satisfactory total return of 30.5% over the year to 30 June 2006 compared with 67% in the previous financial year. After an exceptionally strong run from January 2006 to mid May 2006 that saw prices rise by over 20%, the sector subsequently lost nearly all of these gains as a confluence of factors triggered a wave of selling. The sell off in emerging equity markets and a rise in domestic interest rates negatively impacted the listed property sector given the high level of sensitivity to movements in these markets.

PERFORMANCE OF THE SOUTH AFRICAN ECONOMY

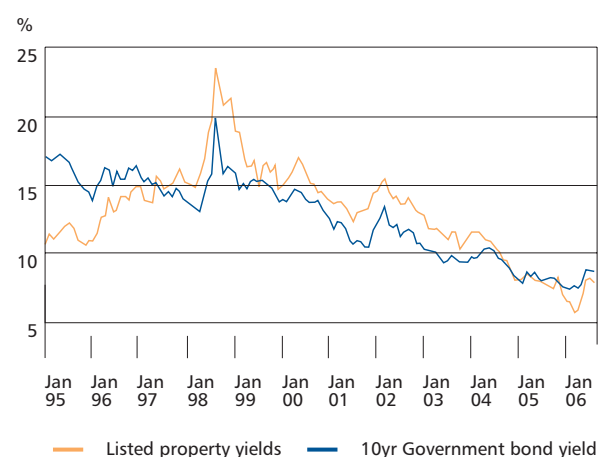
The upswing in the business cycle has entered its seventh year, making this the longest period of expansion since World War II. Inflationary pressures also remained benign, as the firmer Rand helped lower the costs of imported goods. During the 1990's, consumer price inflation averaged 9.9% whereas the average rate over the past two years was 2.4%. This allowed short-term interest rates to stay in a range of about 7% to 7.2% from April 2005 to June 2006, which provided further impetus to final demand in the economy.

The favourable fundamentals over the last few years supported the physical property market, as well as equities and bonds. This allowed a rerating of listed property as capitalisation yields declined and distribution yields benefited from stronger growth.

Growth in the economy, however, was largely fuelled by domestic demand, while the productive sectors of the economy such as mining and manufacturing, suffered on the back of a strong rand. The imbalanced nature of growth resulted in a deterioration of the deficit on the current account, which rose to 6.4% of GDP in the first quarter of 2006, the highest level since 1981. This affected the rand negatively in May and June, when global portfolios were rebalanced in view of a review of the risk premium for emerging market assets and a further tightening of interest rates in the United States. Short term interest rates in South Africa have also increased by more than 1% since the end of June 2006.

LISTED PROPERTY YIELDS VS. LONG BONDS

The graph below shows the strong correlation between long term interest rates and listed property share prices.



Chairman's statement

GROWTH PROSPECTS

The Reserve Bank increased the repo rate by 50bps in June 2006 and again in August 2006. It is clear that the monetary authorities have adopted a pre-emptive stance in containing inflationary pressures and safeguarding financial stability. The interest rate markets are currently anticipating further rate increases of approximately 50 bps in October 2006 and December 2006, with the possibility of a further increase in April 2007.

With building costs expected to continue rising at double digits rates, vacancies in industrial parks and office blocks should reduce further, putting upward pressure on rentals.

Yields on listed property are likely to increase in line with the anticipated increases in interest rates, but strong underlying property fundamentals will support distributions.

DIRECTORATE CHANGES

In August 2005, Messrs. Bulelani Ngcuka and Ragavan Moonsamy were appointed to the board, following the acquisition by a broad based BEE consortium of 100 million Growthpoint linked units. In June 2006, Mr. Herman Mashaba, formerly a director of Metboard Properties Limited joined the Growthpoint board, following the scheme of arrangement whereby Growthpoint acquired 100% of the linked units in Metboard.

We welcome them and look forward to benefiting from their business expertise and believe they will add great value to the company.

Mr. Jeff Molobela resigned as director in December 2005 as he had accepted a directorate with another listed property company. Jeff was a former director of Primegro Properties Limited and joined Growthpoint following the merger with Primegro in 2003. We thank him for his contribution over the years and wish him well in his new position.

ACKNOWLEDGMENTS

Growthpoint has been transformed over the last few years to the largest, most diversified South African listed property company. This has been done in a responsible way that has seen linked unitholders benefit from growing distributions and increased capital values.

To conclude so many large transactions over this time required Growthpoint's directors, especially the independent non-executives, to make themselves available often at short notice, to attend numerous special board meetings to consider each matter. It is gratifying to have the calibre of directors, highly respected in the market and with solid track records, who are so committed to the success of Growthpoint.

There is no doubt that the market also has great respect for our CEO, Norbert Sasse and the entire Growthpoint team. Norbert is currently chairman of the Property Loan Stock Association. His corporate finance background and the support the team receives from the various divisions within Investec Bank have been key factors in driving the growth of the company.

Independent analysts are also extremely complimentary about the quality of management. Investec Property Group has over 200 staff dedicated to the management of Growthpoint's portfolio, ably led by Stephan Le Roux (retail), Rudolf Pienaar (commercial), Tyrone Govender (industrial), Stuart Snowball (financial) and Estienne de Klerk (corporate actions).

I would like to thank each person for their contribution. We look forward to growing the company from strength to strength for the benefit of all stakeholders.



S Hackner
22 August 2006
Sandton

Directors' review of operations

FINANCIAL RESULTS

The year was once again a milestone in the history of Growthpoint, with two major transactions being concluded. On 1 June 2006 the company took transfer of a diversified, quality portfolio of 24 properties from Tresso Trading 119 (Pty) Limited ("Tresso"), acquired at a cost of R1,4 billion. Income from these properties accrued to Growthpoint from 1 June 2006. One of the stated goals of Growthpoint a year ago was to increase its exposure to industrial properties as this sector is poised to start showing good growth in rentals as strong demand for space has seen industrial vacancies across the country decline to levels of below 2%. This goal was realised when linked unitholders of Metboard Properties Limited ("Metboard") voted in favour of the scheme of arrangement proposed by Growthpoint, whereby Metboard linked unitholders other than Growthpoint, on Monday 21 August 2006, received 1 new Growthpoint linked unit for every 1.9 Metboard linked units held on the record date, 18 August 2006. All required conditions for the scheme of arrangement were fulfilled by 30 June 2006, the effective date, and Metboard's balance sheet at 30 June 2006 has been consolidated into the group's figures. The value of the new Growthpoint linked units issued on 21 August 2006 has been disclosed as a current liability at 30 June 2006. There has been no income statement effect in the current year.

The year under review has once again seen excellent returns to Growthpoint linked unitholders. Distributions increased by 11,1 % from 73,2 cents to 81,3 cents per linked unit and in addition the market value of Growthpoint linked units increased by 18,1%, from R9.06 to R10.70 per linked unit. Based on the linked unit price of R9.06 as at 30 June 2005, the total income return plus capital appreciation for the year was 27,1%.

Apart from normal rental escalations, the 28% increase in revenue was mainly due to the acquisition of the R1,1 billion portfolio from Tresso in June 2005. No income from this portfolio was included in the prior year's figures, whereas a full 12 month's income was included in the current year. In the current year, income from the R1,4 billion second Tresso acquisition accrued from 1 June 2006. Excluding acquisitions and disposals, on a "like for

like" basis property net income increased by 10,4% from 2005 to 2006.

The increase in other operating expenses was largely due to the increase in asset management fees, which is a function of the increased market capitalisation and debt following the acquisitions made over the last two years and the improved trading prices of Growthpoint linked units.

The bulk of the company's listed property investments were sold between January and June 2005, resulting in the decrease in investment income. Subsequent to 30 June 2005, the company sold the balance of its Hyprop linked units, retaining only its 13,8% shareholding in Metboard, which increased to 17,7% as additional Metboard linked units were purchased on the market during the year.

The value of investment property increased by R1,6 billion following the discounted cash flow valuation carried out for the entire portfolio as at 30 June 2006. The increase in overall values is due to projected income increasing and lower discount rates applied by the valuers.

The revaluation of fixed rate borrowings and interest rate swaps gave rise to a fair value credit adjustment in the income statement of R287,6 million, mainly as a result of the recent increase in market interest rates.

Included in finance income of R49,5 million were two large amounts. R26,1 million was the recoverable portion of distributions paid on new linked units issued during the year to the vendors of properties acquired. The recipients of these new units agreed to divest themselves of the portion of the distribution on the units that accrued prior to their paying for the units. R17,8 million was interest charged on a loan to Quick Leap Investments 429 (Pty) Limited ("Quick Leap"), a company that acquired 1 000 000 000 Growthpoint debentures in August 2005 on behalf of Growthpoint's BEE shareholders. Growthpoint provided R203,75 million mezzanine funding to Quick Leap at market related rates. The interest on this loan is payable at the end of 10 years from 31 August 2005.

Directors' review of operations

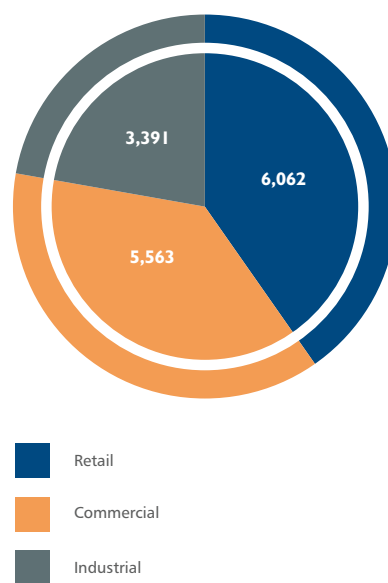
ACQUISITIONS

As mentioned above, the industrial portfolio has increased substantially as a result of the Metboard transaction. The Metboard portfolio consists of 163 properties valued at R2,4 billion. The portfolio is split by value between warehousing (41%), industrial parks and mini-units (24%), manufacturing (13%), light industrial (14%) and retail warehouse/ motor trade (8%). It is expected that this acquisition will be enhancing to existing Growthpoint linked unitholders from the first year.

The other major transaction concluded during the year was the purchase of a portfolio of 24 properties from Tresso for R1,5 billion. All 24 of the properties acquired were transferred to Growthpoint on 1 June 2006. 42% of the value was made up by two retail properties, a 66% share in Lakeside Mall in Benoni and Hatfield Plaza in Pretoria. There were 14 office properties making up 45% of the value, including River Park office park in Cape Town, the recently renovated Fredman Towers in Sandton and Grayston Office Park, also in Sandton. Eight industrial properties made up the balance of the portfolio. The total portfolio was acquired at an initial forward yield of slightly over 9%.

A further seven properties were acquired in individual transactions during the year for R360,2 million. These include a state of the art, new head office, sales, assembly and distribution centre in Midrand purchased for R83 million from Rectron (Pty) Limited, a leading computer distributor in South Africa. Their Umhlanga premises were also acquired for R12 million. Other acquisitions included City Mall shopping centre in Klerksdorp (R105 million), Healthcare Business Park in Woodmead (R65 million) and the Auditor General building in Brooklyn, Pretoria (R58 million). All of these properties are expected to show a combined yield of slightly over 10% on cost in the year to 30 June 2007.

Growthpoint property assets at 30 June 2006 (R millions)

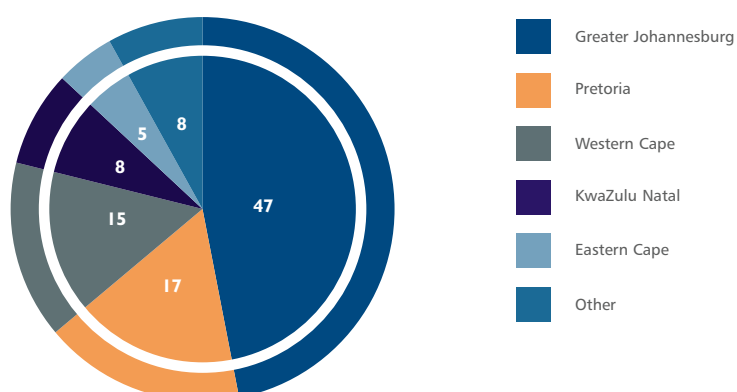


DISPOSALS

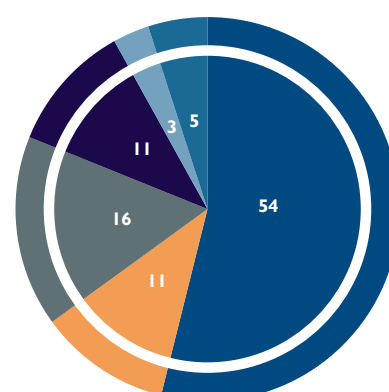
Strong demand from purchasers enabled the company to dispose of 15 older properties which no longer met the criteria of core long-term investments, for a total consideration of R214,1 million. A surplus of R24,7 million over the June 2005 book value and R49,4 million over original cost was realised on all these disposals.

GEOGRAPHIC ANALYSIS

Geographic spread by value (%)



Geographic spread by GLA (%)



The table below shows the geographic split of properties acquired in the year ended 30 June 2006 as well as the net property income (excluding straight line lease income adjustments).

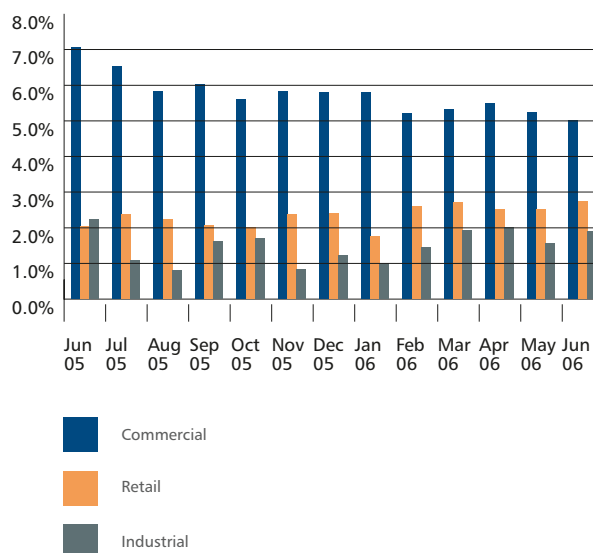
| | PROPERTY ACQUISITIONS R'000 | NET PROPERTY INCOME R'000 |
|----------------------|-----------------------------|---------------------------|
| Greater Johannesburg | 2,686,369 | 395,677 |
| Pretoria | 370,084 | 199,744 |
| Western Cape | 732,135 | 125,950 |
| KwaZulu Natal | 314,206 | 86,920 |
| Eastern Cape | 33,806 | 49,816 |
| Other | 139,079 | 89,530 |
| | 4,275,679 | 947,637 |

Directors' review of operations

VACANCY LEVELS

Including the Metboard industrial portfolio, vacancies as a % of Gross Lettable Area (GLA) at 30 June 2006 were 2,9% for the entire portfolio. The Metboard portfolio vacancy level at 30 June 2006 was 1,9% almost identical to Growthpoint's industrial portfolio prior to Metboard of 1,8%. These low vacancy levels for the industrial sector are reflected in the statistics of other owners throughout the country and indicate that the shortage of quality industrial space should lead to real rental increases. Retail vacancies remain low, particularly at the large regional shopping centres, ending the year at 2,7%. There has been a marked decline in office vacancies from 7% a year ago to 5,2% at 30 June 2006. This again, together with the high increases in construction costs which will limit new supply, points to upward pressure on rentals in the near future.

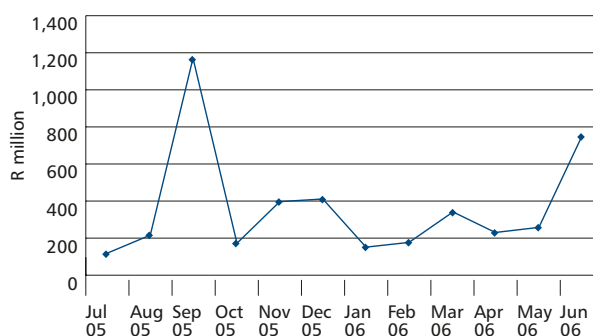
Growthpoint Vacancy by Sector



LIQUIDITY AND TRADEABILITY

Growthpoint's linked units continue to enjoy high levels of liquidity and tradeability. During the year to 30 June 2006, R4,4 billion of Growthpoint linked units traded on the JSE Securities Exchange, representing 59% of units in issue. The monthly average value traded was R366,8 million.

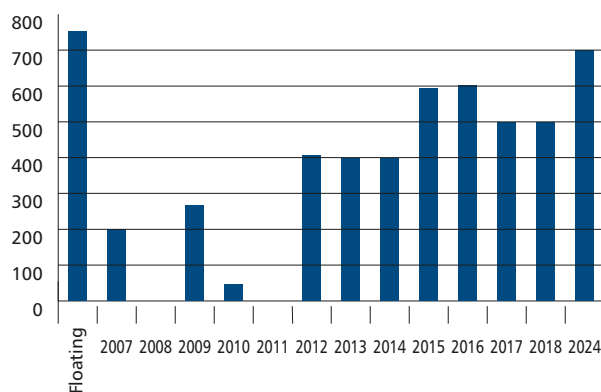
Value of Growthpoint linked units traded



BORROWINGS AND CASH BALANCES

At 30 June 2006, the fair value of long term debt amounted to R5 747,8 million, including R118,7 million of zero-coupon loans. The nominal value of interest-bearing long term debt was R5 374,1 million. The loan to value ratio, determined by dividing the total fair value of all debt (excluding debentures) by the fair value of property assets was 38,3%. Taking into account a fixed rate contract with a forward starting date of 1 September 2006, 86% of interest-bearing debt was fixed at a weighted average rate of 9,4%. At year-end the company had unutilised debt facilities in place of R760,2 million.

Fixed interest rate expiry profile



Directors' review of operations

SECURITISATION

In November 2005 Growthpoint launched its R5 billion commercial mortgage backed securitisation ("CMBS") programme with an issue of five-year notes to the value of R805 million, the largest issue at the time in South Africa. The issue attracted strong investor interest and achieved an average margin of 47 points. In June 2006 the company issued a further R969 million five year notes at an average margin of 45 points .

The proceeds of these CMBS issues were used mainly to finance the cash portions of the first and second Tresso acquisitions, with the surplus being used to repay more expensive debt.

A further R1 billion CMBS issue is planned to take place on 7 September 2006, mainly to finance the Metboard acquisition. A R1,5 billion issue is planned for the end of October 2006 to refinance existing more expensive debt, which should result in annual interest savings of approximately R14 million.

BLACK EMPOWERMENT

On Tuesday 30 August 2005, the company announced that a consortium of BEE partners have acquired 100 million Growthpoint linked units, or 14,2% of the total linked units then in issue, with a current market value of over R1 billion. The Growthpoint linked units were acquired from existing unitholders and did not involve the issue by Growthpoint of any additional linked units.

At the same time, the BEE Consortium acquired a 14,2% interest in the Growthpoint asset management contract from Investec Property Group.

Growthpoint advanced mezzanine funding of R203,75 million with the balance of the acquisition cost being provided by ABSA Group Limited and Old Mutual Specialised Finance (Pty) Limited.

The BEE Consortium consists of the following partners:

- Amabubesi Consortium, 80% owned by Amabubesi a new generation black controlled and managed investment holding company led by chairman Bulelani Ngcuka, 15% by Desert Wind Properties (Pty) Limited, a company controlled and managed by black women with the balance being owned by a broad based community trust.
- Miganu, a wholly black owned and managed investment company formed in 2002 by Mzolisi Diliza, a non-executive director of Growthpoint. Dr. Penuell Maduna, former Minister of Justice and Constitutional Affairs is a key member and significant investor. The company also has a broad based rural community trust as one of the main beneficiaries.
- Unipalm is a black owned and managed company established in 2001 and chaired by Thandi Ramathesele. The largest shareholder is Afripalm, an investment vehicle owned by Ragavan Moonsamy and Lazarus Zim. The Unipalm shareholder base also includes a national broad base of 35 000 people including women, with strong rural and urban participation.

Messrs. Bulelani Ngcuka and Ragavan Moonsamy were appointed to the board of Growthpoint on 31 August 2005.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

The company has concluded an agreement to acquire a portfolio of 8 properties from the Business Connexion group (BCX) for approximately R379 million at a yield of 8,5%. The effective date of the transaction will be on transfer of the properties, which is expected in the next two months.

In July 2006 the company acquired five million linked units in Atlas Properties Limited, a Cape Town focused listed property fund for R70 million.

Growthpoint issued 121 654 873 new linked units on 21 August 2006 to acquire the balance of the linked units in Metboard that it did not already own.

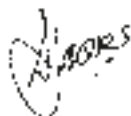
DEFERRED TAXATION

As mentioned in the previous year's annual report, deferred taxation has been provided at the income tax rate of 29% on the fair value adjustments to investment property. Although this is offset by an opposite deferred tax credit on the fair value adjustment to debentures, the company believes that providing for deferred tax on the revaluation of investment property at the income tax rate is wrong in principle and this provision is not commensurate with the company's principal investment

activities. The investment properties and listed portfolio are held as long term investments to generate revenue. If it is necessary to provide for deferred taxation at all, the rate should be the rate at which any capital gain would be taxed, which is currently 14,5%. The current accounting treatment is unlikely to change until the International Accounting Standards Board brings out a new standard dealing with deferred taxation, which is currently being worked on.



L N Sasse
Chief Executive Officer
22 August 2006
Sandton



S Hackner
Chairman

ANNUAL FINANCIAL STATEMENTS



Report of the independent auditors

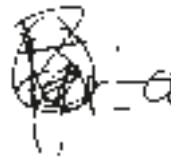
TO THE MEMBERS OF GROWTHPOINT PROPERTIES LIMITED

We have audited the company and group annual financial statements of Growthpoint Properties Limited set out on pages 32 to 74 for the year ended 30 June 2006. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with statements of International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and group at 30 June 2006 and the results of their operations and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act in South Africa.

KPMG Inc.
Registered Auditor



Per C Ngorima
Chartered Accountant (SA)
Registered Auditor
Director
22 August 2006
Johannesburg

Declaration by company secretary

In terms of section 268G(d) of the Companies Act, 1973, as amended, I hereby certify that, to the best of my knowledge and belief, the company has lodged with the Registrar of Companies, for the financial year ended 30 June 2006, all such returns as are required of a public company in terms of this Act and that such returns are true, correct and up to date.



R A Krabbenhöft
22 August 2006
Sandton

Directors' report

Your directors have pleasure in submitting their 18th Annual Report, which forms part of the audited financial statements of the company and the group for the year ended 30 June 2006.

NATURE OF BUSINESS

Growthpoint Properties Limited is a variable rate property loan stock company with a portfolio of 350 properties valued at R15,0 billion. (2005: 166 properties valued at R9,1 billion).

The business of the company is to invest in quality rental generating properties as long-term investments. The properties will be maintained, upgraded and refurbished where necessary so as to at least maintain the value of the investment in the long term.

Growthpoint Properties Limited is listed on the JSE Securities Exchange South Africa ("JSE") under the "Financial - Real Estate" sector.

INTEREST IN SUBSIDIARIES

| Subsidiary | Issued capital R'000 | Interest in net profit/(loss) R'000 | Investment - 2006 | | Investment - 2005 | |
|--------------------------------------------------------|-------------------------|----------------------------------------|-------------------|----------------|-------------------|----------------|
| | | | Shares R'000 | Loans R'000 | Shares R'000 | Loans R'000 |
| Changing Tides 5 (Pty) Limited | - | - | - | - | - | - |
| Growthpoint Finance Company (Pty) Limited | - | - | - | - | - | 12,271 |
| Growthpoint Finance Company Security SPV (Pty) Limited | - | - | - | - | - | - |
| Majorshelf 184 (Pty) Limited | - | 12,742 | - | 15,952 | - | 15,836 |
| Metboard Properties Limited | 2,808 | - | 1,565,983 | 810,204 | - | - |
| New Heights 344 (Pty) Limited | - | - | - | - | - | - |
| Scopeful 157 (Pty) Limited | - | 2,014 | - | 1,801 | - | 2,217 |
| Skilfull 82 (Pty) Limited | - | - | - | - | - | - |
| Skilfull 115 (Pty) Limited | - | 2,599 | - | 4,402 | - | 4,423 |
| Tresso Trading 337 (Pty) Limited | - | - | - | 2,795 | - | - |
| Tuinweg Property Investments (Pty) Limited | - | (1,714) | - | 12,143 | - | - |
| TOTAL | 2,808 | 15 641 | 1,565,983 | 847,297 | - | 34,747 |

Share Code: GRT
ISIN: ZAE 0000 37669 ("Growthpoint")

SHARE AND DEBENTURE CAPITAL

The authorised share capital is R75 000 000 divided into one and a half billion ordinary shares of five cents each. Each ordinary share is linked to ten variable rate debentures of 250 cents each.

The ordinary shares and debentures trade as linked units on the JSE. In terms of the debenture trust deed, the interest payable on the debenture component of the linked unit is always 1000 times greater than the dividend payable per ordinary share.

During the year to 30 June 2006, the company issued 117 835 368 new linked units to partly finance the Tresso 1 and Tresso 2 portfolio acquisitions.

INTEREST AS VESTED BENEFICIARY OF A TRUST

On 30 September 2005, the Master of the High Court approved the appointment of Steinway Trustees (Pty) Limited, an independent company, as trustee of the Growthpoint Securitisation Warehouse Trust and the adoption of a new Trust Deed by the Trust. The purpose of the Trust is to hold various properties in a ring-fenced, insolvency remote vehicle for the purposes of raising funds through Commercial Mortgage Backed

Securitisation ("CMBS") issues of debt notes to the bond market. In terms of the Trust Deed, Growthpoint is the sole, vested beneficiary of the Trust in respect of income and capital gains. Accordingly the balance sheet and income statement of the trust are consolidated in the group financial statements. The net income from operations of the Trust is included in Growthpoint's company income statement and the assets are likewise included in Growthpoint's company balance sheet.

Following are the salient financial results of the Trust for the period ended 30 June 2006:

| | 2006 R'000 | 2005 R'000 |
|------------------------------------------------------------------------------------------------|---------------|---------------|
| Net operating profit | 88,452 | - |
| Investment property at cost plus improvements | 3,375,258 | - |
| Fair value adjustment of Investment Property (before straight line lease income adjustment) | 294,911 | - |

CAPITAL COMMITMENTS AS AT 30 JUNE 2006

Capital commitments in respect of major building projects authorised and contracted for but not yet paid at 30 June 2006 amounted to R127 693 345 (2005: R132 629 000). In addition the company has entered into agreements to purchase a portfolio of 8 properties from the Business Connexion group for R379 212 046 as well as a property in Pretoria from Pybus 106 (Pty) Limited for R29 000 000. These commitments will be funded from existing funding facilities.

DIRECTORS AND SECRETARY

Details of the directors and secretary can be found on page 7.

Messrs J C Hayward, H S Herman, C G Steyn and F J Visser retire by rotation in terms of article 13.1 of the company's articles of association but, being eligible, offer themselves for re-election.

Mr H S P Mashaba retires pursuant to his appointment on 21 June 2006 but, being eligible, offers himself for re-election.

Directors' report

At 30 June the directors' interests in linked units were:

| DIRECTOR | BENEFICIAL | | NON-BENEFICIAL | | TOTAL |
|-------------|------------|------------|----------------|-----------|-------------|
| | DIRECT | INDIRECT | DIRECT | INDIRECT | |
| | | | | | 2006 |
| M G Diliza | - | 12,748,725 | - | - | 12,748,725 |
| P H Fechter | - | - | - | 2,871,428 | 2,871,428 |
| S Hackner | - | 240,000 | - | - | 240,000 |
| R Moonsamy | - | 3,500,000 | - | - | 3,500,000 |
| B Ngcuka | - | 3,330,000 | - | - | 3,330,000 |
| | | | | | 2005 |
| P H Fechter | - | - | - | 2,859,784 | 2,859,784 |

During the year ended 30 June 2006, directors carried out the following transactions:

| DIRECTOR | DATE | NUMBER OF UNITS | SALE/PURCHASE | PRICE/UNIT |
|-----------|-------------------|-----------------|---------------|------------|
| S Hackner | 14 September 2005 | 90 000 | Purchase | R10.00 |
| S Hackner | 03 November 2005 | 60 000 | Purchase | R9.60 |
| S Hackner | 4 November 2005 | 90 000 | Purchase | R9.55 |

Mr P H Fechter acquired an additional 11,644 linked units during the year as a result of a distribution from the Primegro Transaction Trust.

Messrs Diliza, Moonsamy and Ngcuka acquired their holdings pursuant to the BEE transaction entered into on 30 August 2005.

Fees earned for services as directors (non-executive):

| | 2006 R | 2005 R |
|----------------------------------------|------------------|----------------|
| M G Diliza | 99,000 | 88,000 |
| P H Fechter | 274,000 | 170,000 |
| R Harman | - | 19,000 |
| J C Hayward | 89,000 | 58,000 |
| J F Marais | 105,000 | 86,000 |
| J Molobela (resigned 31 December 2005) | 39,000 | 68,000 |
| R Moonsamy (appointed 31 August 2005) | 51,000 | - |
| B Ngcuka (appointed 31 August 2005) | 51,000 | - |
| C G Steyn | 259,000 | 172,500 |
| J H N Strydom | 218,000 | 164,500 |
| F J Visser | 59,000 | 59,000 |
| | 1,244,000 | 885,000 |

MANAGEMENT AND ADMINISTRATION

The business of Growthpoint and its subsidiaries is managed by Growthpoint Managers (Pty) Limited in terms of a management agreement dated 12 October 1987. The shareholders of Growthpoint Managers (Pty) Limited are:

| | |
|----------------------------------------|-------|
| AMU Trust (Growthpoint's BEE partners) | 14,2% |
| Investec Property Group Limited | 85,8% |

Growthpoint Managers (Pty) Limited in turn have appointed Investec Property Group Limited to administer the properties on its behalf.

The following fees and commissions were paid during the year ended 30 June 2006:

Property management fees paid to Investec Property Group Limited: R55 304 000 (2005: R40 198 000). The property management fee is calculated at 4% of gross collections.

Letting commission paid at market tariffs recommended by South African Property Owners Association (SAPOA) to Investec Property Group Limited: R17 260 000 (2005: R10 843 000).

Asset management fees paid to Investec Property Group Limited: R48 448 000 (2005: nil).

Asset management fees paid to AMU Trust: R7 051 000 (2005: nil).

Asset management fees paid to Growthpoint Managers (Pty) Ltd: R15 000 (2005: R39 345 000).

The monthly asset management fee payable by Growthpoint is based on one twelfth of 0,5% of the sum of Growthpoint's average market capitalisation on the JSE for the last five business days of the relevant month plus debt.

SUBSEQUENT EVENTS

The company has concluded an agreement to acquire a portfolio of 8 properties from the Business Connexion group (BCX) for approximately R379 million at a yield of 8,5%. The effective date of the transaction will be on transfer of the properties, which is expected in the next two months.

In July 2006 the company acquired 5 million linked units in Atlas Properties Limited, a Cape Town focused listed property fund for R70 million.

Growthpoint issued 121 654 873 new linked units on 21 August 2006 to acquire the balance of the linked units in Metboard that it did not already own.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements, as set out on pages 32 to 74 for the year ended 30 June 2006 were approved by the board of directors on 22 August 2006 and signed on its behalf by:



L N Sasse
Chief Executive Officer
22 August 2006
Sandton



S Hackner
Chairman

Income Statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | NOTES | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|---------------------------------------------------------|-------|------------------------|------------------------|
| 1,105,719 | 1,011,272 | Revenue excluding straight line lease income adjustment | | 1,298,549 | 1,013,939 |
| 81,344 | 159,049 | Straight line lease income adjustment | 13.1 | 81,623 | 167,775 |
| 1,187,063 | 1,170,321 | Revenue | 2 | 1,380,172 | 1,181,714 |
| (292,181) | (252,513) | Property expenses | 3 | (350,912) | (255,434) |
| 894,882 | 917,808 | Net property income | | 1,029,260 | 926,280 |
| (65,471) | (45,649) | Other operating expenses | 4 | (65,788) | (45,649) |
| 829,411 | 872,159 | Net property income after other operating expenses | | 963,472 | 880,631 |
| 122,135 | 58,714 | Investment income | 5 | 33,683 | 58,714 |
| (49,228) | (100,549) | Fair value adjustments | 6 | (49,438) | (107,085) |
| 902,318 | 830,324 | Operating profit | | 947,717 | 832,260 |
| (315,898) | (298,096) | Finance costs | 7 | (361,369) | (298,096) |
| (9,434) | (36,169) | Non-cash financing charges | 8 | (9,434) | (36,169) |
| 49,405 | 11,175 | Finance income | 9 | 49,478 | 9,240 |
| 626,391 | 507,234 | Profit before debenture interest | | 626,392 | 507,235 |
| (602,641) | (481,792) | Debenture interest | | (602,641) | (481,792) |
| 23,750 | 25,442 | Profit before taxation | | 23,751 | 25,443 |
| (23,147) | (24,960) | Taxation charge | 10 | (23,148) | (24,961) |
| (96) | (349) | - Normal and secondary tax on companies | | (97) | (350) |
| (23,051) | (24,611) | - Capital gains taxation | | (23,051) | (24,611) |
| 603 | 482 | Profit after taxation | | 603 | 482 |
| cents 81.30 | cents 73.20 | Distribution per linked unit | 11 | cents 81.30 | cents 73.20 |
| 0.09 | 0.07 | Basic earnings per share | 12 | 0.09 | 0.07 |

Balance Sheets

as at 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | NOTES | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|-----------------------------------------------------------|-------|------------------------|------------------------|
| | | ASSETS | | | |
| 15,320,871 | 9,498,994 | Non-current assets | | 15,352,882 | 9,527,824 |
| 8,792,287 | 7,852,605 | Fair value of investment property for accounting purposes | 13 | 14,542,771 | 8,783,264 |
| 395,795 | 314,451 | Straight line lease income adjustment | 13.1 | 473,745 | 335,898 |
| 9,188,082 | 8,167,056 | Fair value of property assets | | 15,016,516 | 9,119,162 |
| - | 390,857 | Listed property investments | 14 | - | 390,857 |
| 221,501 | - | Long term loans | 15 | 221,501 | - |
| 114,865 | 17,805 | Gain on fair value of derivatives | | 114,865 | 17,805 |
| 5,796,423 | 923,276 | Other investments | 16.1 | - | - |
| 137,549 | 131,442 | Current assets | | 191,250 | 132,174 |
| 126,515 | 85,555 | Trade and other receivables | 17 | 174,965 | 86,287 |
| 11,034 | 45,887 | Cash and cash equivalents | 18 | 16,285 | 45,887 |
| 15,458,420 | 9,630,436 | Total assets | | 15,544,132 | 9,659,998 |
| | | EQUITY AND LIABILITIES | | | |
| 38,910 | 33,018 | Ordinary share capital | 19 | 38,910 | 33,018 |
| 7,943,553 | 4,805,881 | Non-current liabilities - debentures | 20 | 7,943,553 | 4,834,477 |
| 7,982,463 | 4,838,899 | Linked unitholders' interest | | 7,982,463 | 4,867,495 |
| 5,733,959 | 3,520,306 | Other non-current financial liabilities | 21 | 5,747,838 | 3,834,794 |
| - | 314,488 | Amount owing to subsidiaries | 16.2 | - | - |
| 1,741,998 | 956,743 | Current liabilities | | 1,813,831 | 957,709 |
| 136,521 | 144,049 | Trade and other payables | 22 | 182,407 | 145,019 |
| 1,250,406 | - | Liability for the acquisition of subsidiary | 37 | 1,250,406 | - |
| - | 368,528 | Amount owing in respect of property acquisition | | - | 368,528 |
| - | 167,955 | Current portion of non-current liabilities | 21 | - | 167,955 |
| 23,351 | 24,751 | Taxation payable | | 23,333 | 24,747 |
| 331,720 | 251,460 | Linked unitholders for interest and dividends | | 357,685 | 251,460 |
| 15,458,420 | 9,630,436 | Total equity and liabilities | | 15,544,132 | 9,659,998 |
| 778,186,044 | 660,350,676 | Linked units in issue | | 778,186,044 | 660,350,676 |
| cents | cents | | | cents | cents |
| 1,026 | 733 | Net asset value per linked unit | | 1,026 | 737 |

Statement of Changes in Equity

for the year ended 30 June

| GROUP AND COMPANY | ORDINARY SHARE CAPITAL R'000 | RESERVES R'000 | TOTAL SHARE CAPITAL AND RESERVES R'000 |
|-------------------------|-------------------------------------------|-----------------------|-------------------------------------------------------|
| Balance at 30 June 2004 | 30,629 | - | 30,629 |
| Shares issued | 2,389 | | 2,389 |
| Profit for the year | | 482 | 482 |
| Dividends | | (482) | (482) |
| Balance at 30 June 2005 | 33,018 | - | 33,018 |
| Shares issued | 5,892 | | 5,892 |
| Profit for the year | | 603 | 603 |
| Dividends | | (603) | (603) |
| Balance at 30 June 2006 | 38,910 | - | 38,910 |

Cash Flow Statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | NOTES | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|------------------------------------------------------|-------|------------------------|------------------------|
| | | Cash flows from operating activities | | | |
| 1,064,759 | 979,491 | Cash received from tenants | | 1,238,230 | 983,679 |
| (365,180) | (264,502) | Cash paid to suppliers | | (435,697) | (267,091) |
| 699,579 | 714,989 | Cash generated from operations | 24 | 802,533 | 716,588 |
| 122,135 | 58,714 | Investment income | 5 | 33,683 | 58,714 |
| 49,405 | 11,175 | Finance income | 9 | 49,478 | 9,240 |
| (315,898) | (298,096) | Finance costs | 7 | (361,369) | (298,096) |
| (24,547) | (20,679) | Taxation paid | 25 | (24,562) | (20,684) |
| (522,984) | (449,312) | Distribution to unitholders | 26 | (497,019) | (449,312) |
| 7,690 | 16,791 | Net cash inflow from operating activities | | 2,744 | 16,450 |
| | | Cash flows from investing activities | | | |
| (782,022) | (497,077) | Investment in investment property | | (1,289,628) | (1,395,998) |
| (221,501) | - | Long term loan | | (221,501) | - |
| (89,217) | (26,892) | Investment in listed property companies | | (89,217) | (26,892) |
| 656,855 | 101,882 | Proceeds on sale of investment property | | 214,158 | 101,882 |
| 248,161 | 411,495 | Proceeds on sale of listed investments | | 248,161 | 411,495 |
| - | - | Cash of subsidiary acquired | 37 | 3,240 | - |
| (1,767,152) | (899,261) | Increase in loans to subsidiaries and joint ventures | | - | - |
| (1,954,876) | (909,853) | Net cash outflow from investing activities | 27 | (1,134,787) | (909,513) |
| | | Cash flows from financing activities | | | |
| 2,394,776 | 554,711 | Non current loans raised | | 2,080,396 | 869,199 |
| (167,955) | (298,051) | Repayment of non current financial liabilities | | (977,955) | (298,051) |
| - | 2,389 | Proceeds from issue of shares | | - | 2,389 |
| - | 279,111 | Proceeds from issue of debentures | | - | 279,111 |
| (314,488) | 314,488 | Increase in amount owing to subsidiaries | | - | - |
| 1,912,333 | 852,648 | Net cash inflow from financing activities | | 1,102,441 | 852,648 |
| (34,853) | (40,414) | Net (decrease)/increase in cash and cash equivalents | | (29,602) | (40,415) |
| 45,887 | 86,301 | Cash and cash equivalents at beginning of the year | | 45,887 | 86,302 |
| 11,034 | 45,887 | Cash and cash equivalents at end of the year | | 16,285 | 45,887 |

Notes to the financial statements

- 1 Accounting policies and basis of preparation
The financial statements and group financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the South African Companies Act and incorporate the following principal accounting policies set out below.

The policies set out below have been consistently applied to all the years presented and to years prior to transition to IFRS, unless stated otherwise.

Issued but not yet effective IFRS amendments as at 22 August 2006 are not expected to have a material impact on the group.

The financial statements are prepared on the fair value basis for investment properties, as set out in note 1.3, and financial instruments as set out in 1.2. Other assets, liabilities and equity are stated at historic cost. Fair value adjustments (where applicable) do not affect the calculation of distributable earnings but do affect the net asset value per linked unit to the extent that adjustments are made to the carrying values of assets and liabilities.

1.1 Basis of consolidation

The consolidated financial statements include the financial statements of Growthpoint Properties Limited and its subsidiary companies and controlled trusts and the group's share of the assets, liabilities, income, expenses and cash flows of joint ventures.

1.1.1 Subsidiaries and controlled trusts

Subsidiaries are those entities, including special purpose entities, controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Controlled trusts are trusts of which Growthpoint is the sole, vested beneficiary in respect of profits and capital gains. The financial statements of subsidiaries and controlled trusts are

included in the consolidated financial statements from the date that control commences until the date that control ceases. Investments in subsidiaries and controlled trusts are carried at fair value.

A list of the group's subsidiaries is set out in note 16.

1.1.2 Joint Ventures

Joint ventures are those enterprises over which the group exercises joint control in terms of a contractual agreement. Joint ventures are accounted for by using the proportionate consolidation method, whereby the group's share of the assets, liabilities, income, expenses and cash flows of the joint ventures are included on a line-by-line basis in the financial statements. Investments in joint ventures are carried at fair value.

Adjustments are made to bring the accounting policies of jointly controlled entities in line with the group, where appropriate.

1.1.3 Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.2 Financial Instruments

Financial instruments are contracts that give rise to a financial asset of one entity, and a financial liability or equity instrument of another entity. All transaction costs relating to these instruments are immediately expensed. Any gains or losses on these instruments arising from fair value adjustments, where appropriate, do not affect distributable earnings.

The company recognises financial instruments on the date it commits to purchase or sell such instruments. From this date any gains and losses in fair value of the assets and liabilities are recorded.

1.2.1 Listed property investments

Listed property investments are designated as held at fair value through profit and loss financial assets. These assets are initially recognised and subsequently stated at fair value, with gains or losses being recognised in the income statement. The fair value of these assets is their quoted bid price at the close of business on the balance sheet date.

1.2.2 Trade and other receivables

Trade and other receivables are initially recognised and subsequently stated at fair value. An estimate is made for impairment losses based on a review of all outstanding amounts at the year-end. Bad debts are written off to profit or loss during the year in which they are identified.

1.2.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in fair value. Cash and cash equivalents are stated at fair value.

1.2.4 Debentures

Debentures are designated as held at fair value through profit or loss financial liabilities. These instruments are measured initially at fair value, which is nominal value less debenture discount, and subsequently stated at fair value. Fair value represents the net asset value attributable to debenture holders after adjusting all other assets and liabilities to fair value. Until such time as the debenture discount is fully utilised, the net change in fair value of the assets and liabilities will increase or decrease the carrying amount of the debentures. Once the debenture discount has been fully utilised, any increase in net asset value will increase the reserves attributable to shareholders.

1.2.5 Trade and other payables

Trade and other payables are initially recognised and subsequently stated at fair value.

1.2.6 Derivative financial instruments

The group uses derivative financial instruments to hedge its exposure to interest rate risk arising from its financing activities. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes. However, as the hedge relationship is not designated as a hedge for accounting purposes, the derivatives are accounted for as trading instruments.

Derivative financial instruments are initially recognised and subsequently stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The only derivative instruments held by the entity are interest rate swaps. The fair value of interest rate swaps is the estimated amount that the group would receive or pay to terminate the swap at balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

1.2.7 Other financial liabilities

Non-derivative financial liabilities other than debentures are measured initially and subsequently at fair value by discounting the future cash payments using the market rate applicable at balance sheet date.

1.2.8 Finance lease liabilities

Finance lease liabilities are initially recognised in the balance sheet at the present value of the minimum lease payments, which is calculated using the company's incremental borrowing rate. Subsequently the lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is charged to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Notes to the financial statements

1.2.9 Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.3 Investment Property

Investment property consists of land and buildings, installed equipment and vacant land held to earn rental income for the long term. Properties are stated initially at cost on acquisition and subsequent additions that enhance the value of the property are capitalised. Investment property under construction is valued at cost. Direct costs relating to major capital projects are capitalised until the properties are brought into commercial operation. Subsequent to initial recognition, investment properties are stated at their fair value.

Investment property is maintained, upgraded and refurbished where necessary, in order to preserve or improve the capital value as far as is possible to do so. Maintenance and repairs which neither materially add to the value of the properties nor prolong their useful lives are charged against income.

Independent valuations are obtained on a rotational basis, ensuring that every property is valued every three years. The directors value the remaining properties annually on an open market basis.

The calculations are prepared by considering the aggregate of the net annual rents receivable from the properties and where relevant, associated costs, using the discounted cash flow method. This method takes projected cash flows and discounts them at a rate which is consistent with comparable market transactions. The discount rates reflect the risks inherent in the net cash flows and are constantly monitored by reference to comparable market transactions.

Surpluses and deficits on revaluation or disposals of investment properties are recognised in net profit and loss. Such surpluses or deficits are excluded from the calculation of distributable earnings.

1.4 Leases

The company is party to numerous leasing contracts as the lessor of property. The company does not enter into such contracts as lessee. All leases are operating leases, which are those leases where the Group retains a significant portion of risks and rewards of ownership. Contractual rental income is recognised on a straight line basis over the period of the lease term.

An adjustment is made to contractual rental income earned to bring to account in the current period the difference between the rental income that the company is currently entitled to and the rental for the period calculated on a smoothed, straight line basis.

1.5 Revenue recognition

1.5.1 Rental income

Revenue from the letting of investment property comprises gross rental income and recoveries of fixed operating costs. Recoveries of cost from lessees, where the company merely acts as agent and makes payment of these costs on behalf of lessees, are offset against the relevant costs.

1.5.2 Investment income

Interest from the company's listed property investments is recognised on the accrual basis. Dividends from the company's listed property investments are recognised on the record date. Interest earned on cash invested with financial institutions is recognised on an accrual basis using the effective yield method.

1.6 Property letting commissions

Letting commissions are written off over the period of the lease. Letting commissions, in respect of new developments, are capitalised to the cost of the property.

1.7 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and in addition a reliable estimate of the amount can be made.

1.8 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for when they arise on initial recognition of assets or liabilities, and the initial recognition affects neither accounting profit nor taxable income. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Secondary tax on companies is recognised at the same time as the liability to pay the related dividend.

1.9 Borrowing costs

All borrowing costs are recognised in the period in which they are incurred using the effective rate method. In the event that borrowing costs are incurred prior to the qualifying assets being ready for its intended use, such costs will be capitalised until such time as the asset is substantially ready for its intended use. Qualifying assets are those that necessarily take a substantial period of time to prepare for their intended use. Capitalisation is suspended during extended periods in which active development is interrupted. All other borrowing costs are expensed upon recognition.

1.10 Segment Reporting

The risks and rewards faced by the entity relate primarily to the business segments and therefore these form the primary business segments. The major business segments are retail, commercial and industrial. Properties are classified as retail, commercial and industrial according to the nature of their tenants and income and expenses for all of the properties comprising the various segments are consolidated accordingly.

The geographical split is a secondary segment, the major geographical segments are Gauteng, Western Cape, KwaZulu Natal, Eastern Cape and Other. The geographic breakdown of the value and gross lettable area of the property portfolio is disclosed in the Directors' review of operations.

1.11 Key judgments and sources of estimation uncertainty

Information regarding judgments that have the most significant effect on the amounts recognised in the financial statements as well as the key sources of estimation uncertainty are set out in notes 1.2, 1.3, 1.8, 23 and 35.4.

Notes to the financial statements

Other matters that required key judgment in the preparation of these financial statements are:

a) Tax deductibility of debenture discount

As more fully detailed in note 20, the company has issued debentures at a discount of R 14,9 billion. Legal opinion has confirmed that the obligation of the company issuing the debentures remains the payment of the par value of those debentures. Currently, there is some uncertainty regarding the tax treatment of the discount upon redemption of the debentures. The directors believe that the debentures achieved a funding objective and thus the difference between the par value and the issue price represents a finance charge. However, this is yet to be fully established. Measuring the debentures at fair value results in a potential deferred tax asset of R997,0 million (2005: R454,6 million). As detailed in note 23, this deferred tax asset is largely offset by other net deferred tax liabilities.

b) Accounting treatment of BEE transaction

The company has provided funding to one of the Special Purpose Entities ("SPEs") that was created for purposes of the Black Economic Empowerment ("BEE") transaction by way of a subordinated fixed-rate loan of R203.75 million. The capital and interest on this loan is repayable in 2015. Senior and junior funding by other financiers to the transaction totals R565.5 million and R130.5 million respectively.

The directors have considered whether or not the company and group bear the majority of the residual risk of the funding structure. They have concluded, based on assumptions and market conditions as at 30 June 2006, that this is not the case. This conclusion was reached after taking into account the following key assumptions:

- Growth in distributions in line with the company's budget, but reducing to 5% for the period 2011 to 2015;

- A return of 7% per annum on the assets held by the SPEs; and
- Market price of Growthpoint linked units of at least R5.38 in 2015.

Consequently the SPE's have not been consolidated in the group financial statements.

c) Accounting treatment of major property acquisitions

During the year the group acquired the remaining investment properties of the Tresso II portfolio as well as a 100% interest in Metboard Properties Limited. In order to determine the appropriate accounting treatment for both these transactions, the directors have concluded that the acquisitions represent acquisition of investment properties by the group. Consequently, the transactions have not been accounted for as business combinations.

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|---------------------------------------------------------|------------------------|------------------------|
| | | 2 Revenue | | |
| 45,495 | 35,664 | Assessment rates recovered | 56,165 | 35,814 |
| 10,725 | 9,262 | Casual parking | 10,725 | 9,262 |
| 103,581 | 91,420 | Contracted operating cost recoveries | 122,754 | 91,434 |
| 927,305 | 860,033 | Contracted rental | 1,085,733 | 862,536 |
| 7,172 | 3,890 | Other income | 7,866 | 3,890 |
| 11,441 | 11,003 | Turnover rental | 15,306 | 11,003 |
| 1,105,719 | 1,011,272 | Revenue excluding straight line lease income adjustment | 1,298,549 | 1,013,939 |
| 81,344 | 159,049 | Straight line lease income adjustment | 81,623 | 167,775 |
| 1,187,063 | 1,170,321 | | 1,380,172 | 1,181,714 |
| | | 3 Property expenses | | |
| 64,443 | 56,157 | Assessment rates | 79,018 | 56,349 |
| 2,581 | 2,622 | Bad debts written off | 2,847 | 2,621 |
| 19,536 | 17,527 | Cleaning | 22,409 | 17,527 |
| 6,629 | 4,331 | Consulting fees | 8,344 | 4,404 |
| 915 | 3,145 | Electricity - net | 2,186 | 3,148 |
| 92,016 | 82,533 | - cost | 106,178 | 82,563 |
| (91,101) | (79,388) | - recovery | (103,992) | (79,415) |
| 10,463 | 5,788 | Insurance | 12,198 | 5,864 |
| 14,985 | 14,231 | Letting commissions | 17,864 | 14,307 |
| 26,862 | 16,427 | Other property expenses | 31,786 | 16,541 |
| 3,488 | 3,151 | Promotions and marketing costs - net | 3,830 | 3,151 |
| 11,584 | 10,722 | - cost | 13,335 | 10,722 |
| (8,096) | (7,571) | - recovery | (9,505) | (7,571) |
| 47,895 | 42,004 | Property management fee | 56,811 | 42,279 |
| 37,461 | 36,831 | Repairs and maintenance | 46,649 | 38,835 |
| 33,472 | 29,813 | Security | 39,792 | 29,870 |
| 13,966 | 10,964 | Tenant installation costs | 16,252 | 10,979 |
| 9,485 | 9,522 | Water and other municipal charges - net | 10,926 | 9,559 |
| 27,182 | 22,349 | - cost | 31,879 | 22,453 |
| (17,697) | (12,827) | - recovery | (20,953) | (12,894) |
| 292,181 | 252,513 | | 350,912 | 255,434 |

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|-------------------------------------------------------------|------------------------|------------------------|
| | | 4 Other operating expenses | | |
| 1,454 | 2,334 | Administration costs | 1,454 | 2,334 |
| 58,018 | 39,345 | Asset management fees | 58,018 | 39,345 |
| 1,020 | 719 | Auditors' remuneration | 1,020 | 719 |
| 908 | 730 | Audit fee - current year | 908 | 730 |
| 112 | (11) | - prior year | 112 | (11) |
| 1,244 | 885 | Directors' fees | 1,244 | 885 |
| 924 | 133 | Legal fees | 1,241 | 133 |
| 2,811 | 2,233 | Other fund expenses | 2,811 | 2,233 |
| 65,471 | 45,649 | | 65,788 | 45,649 |
| | | 5 Investment income | | |
| 33,683 | 58,714 | Distributions from listed investments | 33,683 | 58,714 |
| 33,639 | 58,662 | - Interest | 33,639 | 58,662 |
| 44 | 52 | - Dividends | 44 | 52 |
| 88,452 | - | Income from controlled trust as vested beneficiary | - | - |
| 122,135 | 58,714 | | 33,683 | 58,714 |
| | | 6 Fair value adjustments | | |
| 1,264,387 | 1,295,468 | Gross investment property revaluation | 1,581,837 | 1,325,018 |
| (81,344) | (159,049) | Less: straight line income adjustment | (81,623) | (167,775) |
| 1,183,043 | 1,136,419 | Net investment property revaluation | 1,500,214 | 1,157,243 |
| 345,977 | - | Investment in subsidiaries and interest in controlled trust | - | - |
| 33,278 | 207,227 | Listed investment portfolio | 33,278 | 207,227 |
| 116,544 | - | Interest bearing borrowings - profit | 116,544 | - |
| - | (242,769) | Interest bearing borrowings - loss | - | (242,769) |
| 169,027 | 22,557 | Derivatives - profit | 169,027 | 22,557 |
| (8,683) | (183,002) | Derivatives - loss | (8,683) | (183,002) |
| 10,729 | (17,530) | Zero-coupon loans | 10,729 | (17,530) |
| (1,899,143) | (1,023,451) | Debentures | (1,870,547) | (1,050,811) |
| (49,228) | (100,549) | | (49,438) | (107,085) |

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | 6.1 Debenture fair value adjustment | | |
| | | Debentures are adjusted to fair value which represents the net asset value attributable to debentureholders. The adjustment consists of: | | |
| | | Fair value adjustments for other assets and liabilities excluding fair value adjustment on debentures (Note 6) | | |
| (1,849,915) | (922,902) | Straight line lease income adjustment | (1,821,109) | (943,726) |
| (81,344) | (159,049) | Capital gains taxation | (81,623) | (167,775) |
| 23,051 | 24,611 | Notional interest on zero-coupon loan | 23,051 | 24,611 |
| 13,687 | 39,492 | Interest adjustment on stepped-rate loan | 13,687 | 39,492 |
| (4,253) | (3,323) | Distributable earnings retained (Note 11) | (4,253) | (3,323) |
| (369) | (2,280) | | (300) | (90) |
| (1,899,143) | (1,023,451) | | (1,870,547) | (1,050,811) |
| | | 7 Finance costs | | |
| 1,486 | 6,591 | Occupational interest | 1,486 | 6,591 |
| 314,395 | 291,505 | Interest paid on long- term loans | 359,866 | 291,505 |
| 17 | - | Interest paid - other | 17 | - |
| 315,898 | 298,096 | | 361,369 | 298,096 |
| | | Borrowings costs capitalised to investment property developments (at a rate of 9,5% per annum). | | |
| 6,779 | - | | 6,779 | - |
| | | 8 Non-cash financing charges | | |
| 13,687 | 39,492 | Notional interest on zero-coupon loans | 13,687 | 39,492 |
| (4,253) | (3,323) | Interest adjustment on stepped-rate loan | (4,253) | (3,323) |
| 9,434 | 36,169 | | 9,434 | 36,169 |
| | | 9 Finance income | | |
| 3,157 | 948 | Interest received from banks | 3,157 | 948 |
| 26,124 | 5,913 | Interest received from antecedent divestiture of distribution.* | 26,124 | 5,913 |
| 17,751 | - | Interest received from BEE loan | 17,751 | - |
| 2,373 | 4,314 | Interest received from other | 2,446 | 2,379 |
| 49,405 | 11,175 | | 49,478 | 9,240 |
| | | * Where Growthpoint issued linked units as part payment for properties acquired, the recipients of these linked units agreed to divest themselves of that portion of the Growthpoint distributions that accrued prior to Growthpoint becoming entitled to income from the properties. | | |

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | 10 Taxation charge | | |
| | | South African taxation | | |
| - | 337 | Normal - current year | - | 338 |
| 21 | (49) | - prior year (over)/under provision | 22 | (49) |
| 75 | 61 | Secondary tax on companies | 75 | 61 |
| 23,051 | 24,611 | Capital gains taxation on realised capital profits | 23,051 | 24,611 |
| 23,147 | 24,960 | | 23,148 | 24,961 |
| | | The taxation rate is reconciled as follows: | | |
| 29.0% | 29.0% | Statutory taxation rate | 29.0% | 29.0% |
| (0.1%) | -0.1% | Exempt income | (0.1%) | -0.1% |
| 1.1% | 0.1% | Disallowable expenses | 1.5% | 0.1% |
| 0.1% | -0.2% | Current and prior year taxation overprovision | 0.1% | -0.2% |
| 132.5% | 165.8% | Deferred taxation asset not raised | 207.2% | 165.8% |
| (65.4%) | -96.7% | Effect of capital gains taxation payable at a lower rate | (140.5%) | -96.7% |
| 0.3% | 0.2% | Secondary tax on companies | 0.3% | 0.2% |
| 97.5% | 98.1% | Effective tax rate | 97.5% | 98.1% |
| | | Debentures are adjusted to fair value which represents the net asset value attributable to debentureholders. The deferred tax asset not raised arises from the net revaluation of debentures, other financial liabilities, investment property, listed property investments and other provisions and prepayments. | | |

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|----------------------------------------------|------------------------|------------------------|
| | | 11 Distribution to linked unitholders | | |
| | | Calculation of distributable earnings | | |
| 917,863 | 872,159 | Net property income after operating expenses | 963,472 | 880,631 |
| (81,344) | (159,049) | Less: straight line lease income adjustment | (81,623) | (167,775) |
| 33,683 | 58,714 | Investment income | 33,683 | 58,714 |
| (315,898) | (298,096) | Finance costs | (361,369) | (298,096) |
| 49,405 | 11,175 | Finance income | 49,478 | 9,240 |
| (96) | (349) | Taxation | (97) | (350) |
| 603,613 | 484,554 | Distributable earnings | 603,544 | 482,364 |
| | | Distribution comprises : | | |
| 602,641 | 481,792 | Debenture interest | 602,641 | 481,792 |
| 603 | 482 | Ordinary dividend | 603 | 482 |
| 603,244 | 482,274 | Total distribution | 603,244 | 482,274 |
| 369 | 2,280 | Retained distributable earnings | 300 | 90 |
| | | | | |
| cents | cents | | cents | cents |
| 81.30 | 73.20 | Distribution per linked unit | 81.30 | 73.20 |
| 81.22 | 73.13 | Interest on debentures | 81.22 | 73.13 |
| 0.08 | 0.07 | Dividend | 0.08 | 0.07 |
| | | | | |
| 81.30 | 73.20 | Distribution for the year | 81.30 | 73.20 |
| 39.10 | 35.50 | Interim six months ended 31 December | 39.10 | 35.50 |
| 42.20 | 37.70 | Final six months ended 30 June | 42.20 | 37.70 |

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | 12 Earnings per share | | |
| | | The disclosure of earnings per share and headline earnings per share set out below, while obligatory in terms of accounting standards, 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 1000 to 1. In addition, headline earnings include fair value adjustments for listed property investments and for financial liabilities as well as notional interest on non interest bearing long term loans and accounting adjustments required to account for lease income on a smoothed, straight line basis. These adjustments do not affect distributable earnings. The calculation of distributable earnings and the distribution per linked unit as shown on page 49 are more meaningful. | | |
| Number of shares | Number of shares | | Number of shares | Number of shares |
| 778,186,044 | 660,350,676 | Shares in issue at end of year | 778,186,044 | 660,350,676 |
| 705,248,004 | 655,916,674 | Weighted average number of shares in issue | 705,248,004 | 655,916,674 |
| cents | cents | | cents | cents |
| 0.09 | 0.07 | Basic earnings per share | 0.09 | 0.07 |
| (119.02) | (124.97) | Headline (loss) per share | (150.95) | (125.92) |
| (33.57) | (51.52) | Headline (loss) per linked unit | (65.50) | (52.47) |
| R'000 | R'000 | | R'000 | R'000 |
| 603 | 482 | Basic earnings are reconciled to headline earnings as follows: | 603 | 482 |
| (1,183,043) | (1,136,419) | Net income after taxation | (1,500,214) | (1,157,243) |
| 343,082 | 316,220 | Add back - fair value adjustment - investment property | 435,062 | 330,829 |
| (839,358) | (819,717) | Less - Taxation applicable thereto | (1,064,549) | (825,932) |
| 602,641 | 481,792 | Headline loss attributable to shareholders | 602,641 | 481,792 |
| (236,717) | (337,925) | Add back debenture interest paid | (461,908) | (344,140) |
| | | Headline (loss) attributable to linked unitholders | | |

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------|
| | | 13 Property assets (refer to property portfolio schedule on page 76) | | |
| 8,167,056 | 6,107,865 | Opening fair value of property assets | 9,119,162 | 6,131,500 |
| 173,289 | 739,722 | Additions at cost - acquisitions | 4,275,679 | 1,626,565 |
| 240,205 | 137,883 | - capital expenditure | 253,996 | 137,961 |
| (656,855) | (101,882) | Disposals at carrying value | (214,158) | (101,882) |
| - | (12,000) | Other property movements | - | - |
| 1,264,387 | 1,295,468 | Gross fair value adjustment on investment property | 1,581,837 | 1,325,018 |
| 9,188,082 | 8,167,056 | Property valuation | 15,016,516 | 9,119,162 |
| (395,795) | (314,451) | Less: straight line lease income adjustment (Note 13.1) | (473,745) | (335,898) |
| | | Fair value of investment property for accounting purposes | 14,542,771 | 8,783,264 |
| 8,792,287 | 7,852,605 | Straight line lease income adjustment | 473,745 | 335,898 |
| 395,795 | 314,451 | | | |
| 9,188,082 | 8,167,056 | Closing fair value of property assets | 15,016,516 | 9,119,162 |
| | | | | |
| 6,262,726 | 6,463,277 | - cost | 11,743,953 | 7,385,625 |
| 2,925,356 | 1,703,779 | - cumulative fair value surplus | 3,272,563 | 1,733,537 |
| | | | | |
| | | Mortgage bonds have been registered over investment property with a value of R11, 939 million (2005: R7 864 million) as security for long-term interest bearing liabilities amounting to R4 550 million (2005: R3 701 million) | | |
| | | The properties were valued at 30 June 2006 using the discounted cash-flow of future income streams method by the following valuers who are all registered valuers in terms of Section 19 of the Property Valuers Profession Act (Act No.47 of 2000): | | |
| | | Mills Fitchett | PG Mitchell | |
| | | | N Dip (Prop Val), M.I.V. (S.A.), C.I.E.A. | |
| | | Glenross | A G Rostovsky | |
| | | | M.I.V. (SA), Professional valuer, Appraiser | |
| | | Old Mutual Properties | T King | |
| | | | BSc DipSurv MRICS Valuer (SA) | |
| | | | S Crous | |
| | | | Dip Real Estate (Prop Val), M.I.V.(SA) | |
| | | CB Richard Ellis | RM Fitchet | |
| | | | BA FIV (SA) | |

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | 13 Property assets (continued) | | |
| | | Rode and Associates K Scott B Com (Hons). Registered valuer (SA Council for property valuers) | | |
| | | Investec Property Group S Levinson B Com (Real Estate Valuation) Professional associated valuer | | |
| | | 13.1 Straight line lease income adjustment | | |
| 314,451 | 155,402 | Opening balance | 335,898 | 168,123 |
| 81,344 | 159,049 | Arising during the year | 81,623 | 167,775 |
| - | - | Arising on acquisition | 56,224 | - |
| 395,795 | 314,451 | Closing balance | 473,745 | 335,898 |
| | | 14 Listed property investments | | |
| 390,857 | 568,233 | Opening valuation | 390,857 | 568,233 |
| 89,217 | 26,892 | Additions at cost | 89,217 | 26,892 |
| (248,161) | (411,495) | Disposals at carrying value | (248,161) | (411,495) |
| 33,278 | 207,227 | Fair value adjustment on listed investments | 33,278 | 207,227 |
| (265,191) | - | Transfer to investments in subsidiaries | (265,191) | - |
| - | 390,857 | Closing valuation | - | 390,857 |
| | | 15 Long term loans | | |
| | | BEE consortium | | |
| 203,750 | - | Amount advanced | 203,750 | - |
| 17,751 | - | Accrued interest | 17,751 | - |
| 221,501 | - | | 221,501 | - |
| | | Amount advanced R203 750 000 | | |
| | | Date advanced 2 September 2005 | | |
| | | Repayment date | | |
| | | (capital and interest) 30 September 2015 | | |
| | | Fixed interest rate 10.25% | | |
| | | The rights to repayment are subordinate to the rights of the senior lenders (R565 000 000) and junior lenders (R130 500 000). Should the growth in Growthpoint's distributions and linked unit price be sufficient, an additional 2% interest may be charged at the end of the loan period, as well as a participation in equity, limited to an internal rate of return on the loan of 15%. In order to protect its interests, Growthpoint is entitled but not obligated to provide guarantees to the senior and junior lenders should there be a breach of any of their loan covenants at any time. | | |

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | 16 Balances with controlled entities | | |
| | | 16.1 Other investments | | |
| | | Investments in subsidiaries | | |
| 1,515,598 | 1 | Shares and interest in linked units at cost | | |
| 50,385 | - | Fair value adjustment | | |
| 810,204 | - | Long term loan | | |
| 37,093 | 34,746 | Amounts due by subsidiaries | | |
| 2,413,280 | 34,747 | | | |
| | | The company owns 100% of the shares in : | | |
| | | Changing Tides 5 (Pty) Limited | | |
| | | Growthpoint Finance Company (Pty) Limited | | |
| | | Growthpoint Finance Company Security SPV (Pty) Limited | | |
| | | Majorshelf 184 (Pty) Limited | | |
| | | Metboard Properties Limited | | |
| | | New Heights 344 (Pty) Limited | | |
| | | Scopeful 157 (Pty) Limited | | |
| | | Skillful 115 (Pty) Limited | | |
| | | Skillful 82 (Pty) Limited | | |
| | | Tresso Trading 337 (Pty) Limited | | |
| | | Tuinweg Property Investments (Pty) Limited | | |
| | | All the subsidiaries are incorporated in South Africa, except for Tuinweg Property Investments (Pty) Limited which is incorporated in Namibia | | |
| | | Investments in joint venture | | |
| - | - | Shares at cost | | |
| - | 1,686 | Amount due by joint venture | | |
| - | 1,686 | | | |
| | | Investments in the Growthpoint Securitisation Warehouse Trust | | |
| 1,451,032 | 356,843 | Contribution | | |
| 294,911 | - | Fair value adjustment | | |
| 1,637,200 | 530,000 | Amount due by trust | | |
| 3,383,143 | 886,843 | | | |
| 5,796,423 | 923,276 | Total other investments | | |
| | | 16.2 Amounts owing to subsidiaries | | |
| - | 314,488 | Amount owing to subsidiary | | |

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| 12,681 | 14,041 | 17 Trade and other receivables | | |
| (3,958) | (5,008) | Rental debtors | 21,202 | 14,066 |
| 2,719 | 12,431 | Impairment of debtors | (6,757) | (5,031) |
| 38,721 | 27,134 | Prepaid expenses | 18,908 | 12,431 |
| - | - | Deferred expenditure | 41,680 | 27,134 |
| 76,352 | 36,957 | Value added tax | 4,579 | - |
| 126,515 | 85,555 | Sundry debtors | 95,353 | 37,687 |
| | | | 174,965 | 86,287 |
| | | 18 Cash and cash equivalents | | |
| 10,850 | 20,262 | Call account for municipal and other guarantees | 10,850 | 20,262 |
| 184 | 25,625 | Other call accounts | 5,435 | 25,625 |
| 11,034 | 45,887 | | 16,285 | 45,887 |
| | | 19 Ordinary share capital | | |
| | | Authorised | | |
| 75,000 | 50,000 | 1 500 000 000 (2005: 1 000 000 000) ordinary shares with a nominal value of 5 cents each | 75,000 | 50,000 |
| | | Issued | | |
| | | 778 186 044 (2005: 660 350 676) ordinary shares of 5 cents each | | |
| 33,018 | 30,629 | In issue at beginning of the year | 33,018 | 30,629 |
| 5,892 | 2,389 | Issued during the year | 5,892 | 2,389 |
| 38,910 | 33,018 | In issue at end of the year | 38,910 | 33,018 |
| | | In terms of the memorandum of association and the debenture trust deed, the shares are linked with unsecured, subordinated, variable-rate debentures of 250 cents (2005: 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 memorandum of association and the debenture trust deed. | | |
| | | On 21 August 2006, 121 658 510 ordinary shares were issued for an amount of R 1 301 707 141 owing in respect of the Metboard acquisition. The unissued shares are under the control of the directors of the company subject to the provisions of the Companies Act, 1973 and the requirements of the JSE Securities Exchange of South Africa. | | |

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | 20 Debentures | | |
| | | 7 781 860 440 (2005: 6 603 506 760) unsecured variable rate subordinated debentures | | |
| 4,805,881 | 3,503,319 | Fair value at beginning of the year | 4,834,477 | 3,504,555 |
| 1,238,529 | 279,111 | Issued during the year | 1,238,529 | 279,111 |
| 6,044,410 | 3,782,430 | | 6,073,006 | 3,783,666 |
| 1,899,143 | 1,023,451 | Fair value adjustment | 1,870,547 | 1,050,811 |
| 7,943,553 | 4,805,881 | Fair value at end of the year | 7,943,553 | 4,834,477 |
| 7,943,553 | 4,805,881 | | 7,943,553 | 4,834,477 |
| 19,454,651 | 16,508,767 | Nominal value | 19,454,651 | 16,508,767 |
| (14,949,148) | (13,241,793) | Discount on issue | (14,949,148) | (13,241,793) |
| 4,505,503 | 3,266,974 | Issue value | 4,505,503 | 3,266,974 |
| 1,538,907 | 515,456 | Fair value adjustment - previous years | 1,567,503 | 516,692 |
| 1,899,143 | 1,023,451 | Fair value adjustment - current year | 1,870,547 | 1,050,811 |
| | | <p>The rights of the debenture holders 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.</p> <p>Subject to the subordination provisions, the debentures will be repayable if a final court order is granted or an effective special resolution is passed for the winding up of the company or if the company, inter alia, commits a material breach of a material obligation under the trust deed. The debentures are redeemable at the instance of the debenture holders at any time after 25 years from the date of incorporation.</p> <p>This right must be exercised by special resolution of the debenture holders. Upon passing of the said special resolution, the debentures shall be redeemed on the last Friday in December of the fifth year after the year in which the special resolution is passed</p> <p>The yield on the debentures is dependant upon the dividend paid on ordinary shares. For this reason, limitations have been placed on the company in that it may not change it's share capital if such change results in a change in the equity to debenture ratio.</p> | | |

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| 810,000 | - | 21 Non-current financial liabilities | | |
| | | 21.1 Variable rate loan - unsecured | 810,000 | - |
| | | The loan is an unsecured bridging facility and was settled on 7 September 2006 from the proceeds of a R1 billion CMBS issue. Interest was charged at prime overdraft rate less 1,82%. | | |
| | | 21.2 Variable rate loans - secured by investment property | | |
| - | 651,871 | 21.2.1 Variable rate mortgage loans | - | 966,359 |
| 498,923 | - | 21.2.2 Variable rate mortgage loan | 498,923 | - |
| | | Interest is charged at a rate of Jibar plus 1,05% per annum. The capital is repayable on 28 February 2013 | | |
| 487,572 | - | 21.2.3 Variable rate mortgage loan | 487,572 | - |
| | | Interest is charged at a rate of Jibar plus 1,15% per annum. The capital is repayable on 28 February 2011 | | |
| 164,000 | - | 21.2.4 Variable rate mortgage loan | 164,000 | - |
| | | Interest is charged at the prime overdraft rate less 2% per annum. The capital is repayable on 28 February 2011 | | |
| | | 21.3 Fixed rate mortgage loans secured by investment property | | |
| - | 24,000 | 21.3.1 Stepped-rate loan | - | 24,000 |
| - | 153,980 | 21.3.2 Fixed rate mortgage loan - Tranche 2 | - | 153,980 |
| - | 153,980 | 21.3.3 Fixed rate mortgage loan - Tranche 3 | - | 153,980 |
| - | 100,000 | 21.3.4 Fixed rate mortgage loan - Tranche 4d | - | 100,000 |
| 212,500 | 212,500 | 21.3.5 Fixed rate mortgage loan - Tranche 6a | 212,500 | 212,500 |
| | | Interest is charged at a rate of 11,21% per annum. The capital is repayable on 31 August 2007. | | |
| 212,500 | 212,500 | 21.3.6 Fixed rate mortgage loan - Tranche 6b | 212,500 | 212,500 |
| | | Interest is charged at a rate of 11,48% per annum. The capital is repayable on 31 August 2009. | | |

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| 212,500 | 212,500 | 21.3.7 Fixed rate mortgage loan - Tranche 6c Interest is charged at a rate of 11,62% per annum. The capital is repayable on 31 August 2011. | 212,500 | 212,500 |
| 212,500 | 212,500 | 21.3.8 Fixed rate mortgage loan - Tranche 6d Interest is charged at a rate of 11,67% per annum. The capital is repayable on 31 August 2013. | 212,500 | 212,500 |
| 52,500 | 52,500 | 21.3.9 Fixed rate mortgage loan - Tranche 7a Interest is charged at a rate of 10,26% per annum. The capital is repayable on 15 October 2007. | 52,500 | 52,500 |
| 52,500 | 52,500 | 21.3.10 Fixed rate mortgage loan - Tranche 7b Interest is charged at a rate of 10,51% per annum. The capital is repayable on 13 October 2009. | 52,500 | 52,500 |
| 52,500 | 52,500 | 21.3.11 Fixed rate mortgage loan - Tranche 7c Interest is charged at a rate of 10,61% per annum. The capital is repayable on 13 October 2011. | 52,500 | 52,500 |
| 52,500 | 52,500 | 21.3.12 Fixed rate mortgage loan - Tranche 7d Interest is charged at a rate of 10,66% per annum. The capital is repayable on 14 October 2013. | 52,500 | 52,500 |
| 702,500 | 602,500 | 21.3.13 Fixed rate mortgage loan - Investec Interest is charged at a rate of 9,01% per annum. The capital is repayable on 28 February 2009. | 702,500 | 602,500 |
| 805,000 | - | 21.3.14 Fixed rate mortgage loan - Securitisation issue 1 Interest is charged at a rate of 9,37% per annum. The scheduled repayment date is 2 August 2010. | 805,000 | - |
| 832,200 | - | 21.3.15 Fixed rate mortgage loan - Securitisation issue 2 Interest is charged at a rate of 8,48% per annum. The scheduled repayment date is 1 August 2011. | 832,200 | - |
| | | Loans listed from 21.2.2 to 21.3.15 are secured by first mortgage bonds over investment property with a value of R11 939 million. | | |

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | 21.4 Fixed rate loans secured by listed property investments | | |
| - | 100,000 | 21.4.1 Fixed rate loan - Tranche 5a | - | 100,000 |
| - | 100,000 | 21.4.2 Fixed rate loan - Tranche 5b | - | 100,000 |
| - | - | 21.5 Finance lease liability Finance leases over leasehold properties with a market value of R 31 796 000. The leases have been capitalised in terms of the classification alternative offered in IAS 40. The liability, which equates to the present value of the future lease payments, has been calculated using the company's incremental borrowing rate of 8,52%. The lease over Metprop Cape is repayable in monthly instalments of R 36 000 and is subject to an annual escalation of 10% until 31 December 2009 and an annual escalation of 8% thereafter. The lease expires in March 2028. The lease over Foreshore is repayable in annual instalments of R 226 000 and expires in March 2024. | 13,879 | - |
| 5,360,195 | 2,946,331 | Total nominal value of long-term interest bearing loans | 5,374,074 | 3,260,819 |
| 255,047 | 494,420 | Fair value adjustment: | 255,047 | 494,420 |
| 37,727 | 150,414 | - fixed interest rate loans - loss | 37,727 | 150,414 |
| (95,501) | (32,099) | - fixed interest rate loans - profit | (95,501) | (32,099) |
| 312,821 | 376,105 | - interest rate swaps (derivatives) - loss | 312,821 | 376,105 |
| 5,615,242 | 3,440,751 | Fair value of long term interest bearing loans and derivatives | 5,629,121 | 3,755,239 |

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | 21.6 Non-interest bearing long-term liabilities | | |
| | | 21.6.1 Non-interest bearing long-term loan | | |
| 153,388 | 153,388 | Nominal value | 153,388 | 153,388 |
| (69,600) | (81,771) | Unamortised discount | (69,600) | (81,771) |
| 83,788 | 71,617 | Book value prior to revaluation | 83,788 | 71,617 |
| | | The balance is payable as follows : | | |
| | | R96 513 884 - November 2009 | | |
| | | R56 874 239 - November 2010 | | |
| | | The loan is secured by second covering mortgage bonds over investment property with a value of R2 312 000 000 | | |
| | | 21.6.2 Non-interest bearing loan | | |
| - | 1,145 | Nominal value | - | 1,145 |
| - | - | Unamortised discount | - | - |
| | | 21.6.3 Non-interest bearing loan | | |
| 24,000 | 24,000 | Nominal value | 24,000 | 24,000 |
| (10,718) | (12,235) | Unamortised discount | (10,718) | (12,235) |
| 13,282 | 11,765 | Book value prior to revaluation | 13,282 | 11,765 |
| | | The loan is unsecured and will be discharged as follows: | | |
| | | - to the extent that any portion of the vacant land acquired in terms of this arrangement is sold or developed, from the proceeds of the sale or on completion of the development. | | |
| | | - to the extent that any portion of the land remains unsold or undeveloped at 31 October 2009, the unpaid amount will become due and payable at that date. | | |
| | | 21.6.4 Non- interest bearing loan | | |
| - | 29,366 | Nominal value | - | 29,366 |

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | 21.6 Non-interest bearing long-term liabilities (continued) | | |
| - | 1,241 | 21.6.5 Non- interest bearing loan Nominal value | - | 1,241 |
| - | 100,000 | 21.6.6 Non- interest bearing loan Nominal value | - | 100,000 |
| 97,070 | 215,134 | Total book value of long-term non-interest bearing loans | 97,070 | 215,134 |
| 21,647 | 32,376 | Fair value adjustment of non-interest bearing loans | 21,647 | 32,376 |
| 118,717 | 247,510 | Fair value of non-interest bearing loans | 118,717 | 247,510 |
| 5,733,959 | 3,688,261 | Total financial liabilities | 5,747,838 | 4,002,749 |
| - | (167,955) | Less portion repayable within the next 12 months | - | (167,955) |
| - | (36,203) | - interest bearing | - | (36,203) |
| - | (131,752) | - non interest bearing | - | (131,752) |
| 5,733,959 | 3,520,306 | Total non current financial liabilities | 5,747,838 | 3,834,794 |
| 5,421,138 | 3,144,201 | - loans | 5,435,017 | 3,458,689 |
| 312,821 | 376,105 | - derivatives | 312,821 | 376,105 |
| | | Loan covenants | | |
| | | Interest times cover - 2 times | | |
| | | Loan to value ratio for Growthpoint in total - 50% | | |
| | | Loan to value for loans shown in notes 21.2.2 to 21.3.8 - 55% | | |
| | | Loan to value for loans shown in notes 21.3.9 to 21.3.12 - 66,7% | | |
| | | In respect of the Investec loan shown in note 21.3.13, the net asset value of the company may not be less than R 1 billion and the ratio of total debt to net asset value may not exceed 1,6:1 | | |
| | | In respect of the loans shown in notes 21.3.14 and 21.3.15, the loan to value ratio may not exceed 90% and the interest cover ratio may not decrease below 1,3 times | | |

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | 22 Trade and other payables | | |
| 63,287 | 81,372 | Accrued expenses | 84,240 | 81,585 |
| 26,538 | 16,317 | Accrued interest | 26,538 | 16,317 |
| 25,379 | 21,037 | Tenant deposits | 46,128 | 21,076 |
| 19,770 | 17,998 | Trade creditors | 23,171 | 18,332 |
| 1,259 | 7,025 | Value added tax | - | 7,409 |
| 288 | 300 | Income received in advance | 2,330 | 300 |
| 136,521 | 144,049 | Total trade and other payables | 182,407 | 145,019 |
| | | 23 Deferred Taxation | | |
| | | On temporary differences arising from : | | |
| (846,698) | (493,578) | Fair value adjustment - property assets | (947,557) | (502,377) |
| (24,838) | (50,879) | Fair value adjustment - listed investments | - | (50,879) |
| 997,035 | 446,283 | Fair value adjustment - debentures | 997,035 | 454,576 |
| (33,311) | - | Fair value adjustment - gain on fair value of derivatives | (33,311) | - |
| (92,061) | - | Fair value adjustment - other investments | - | - |
| 104,812 | 169,826 | Fair value adjustment - non current liabilities | 104,812 | 169,826 |
| 861 | 1,094 | Provision for impairment of trade receivables | 1,470 | 1,094 |
| (1,596) | - | Interest accrued on linked debentures | (1,596) | - |
| 84 | 87 | Income received in advance | 676 | 87 |
| 104,288 | 72,833 | Deferred taxation asset not raised | 121,529 | 72,327 |
| | | Deferred tax assets are recognised on deductible temporary differences to the extent that they offset deferred tax liabilities arising from taxable temporary differences | | |
| | | A deferred tax asset has not been recognised in respect of the net deductible temporary differences because in practice all taxable income is distributed to linked unit holders | | |
| | | Movement in deferred tax relates to: | | |
| 72,833 | 33,577 | Balance at beginning of the year (unrecognised) | 72,327 | 33,577 |
| - | (1,119) | Change in tax rate | - | (1,119) |
| | | Temporary differences reversed on disposal of assets | | |
| 6,808 | 9,191 | - investment property | 6,808 | 9,191 |
| 34,294 | 37,171 | - listed property investments | 34,294 | 37,171 |
| (9,647) | (5,987) | Temporary differences arising during the year | 8,100 | (6,493) |
| 104,288 | 72,833 | Balance at the end of the year (unrecognised) | 121,529 | 72,327 |

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|---------------------------------------------------------------------------|------------------------|------------------------|
| | | 24 Cash generated from operations | | |
| 829,411 | 872,159 | Net property income after other operating expenses | 963,472 | 880,631 |
| (81,344) | (159,049) | Straight line lease income adjustment | (81,623) | (167,775) |
| (40,960) | (31,781) | Increase in trade and other receivables | (88,678) | (30,260) |
| (7,528) | 33,660 | Increase/(decrease) in trade and other payables | 37,388 | 33,992 |
| | | Non cash movements relating to Metboard transaction: | | |
| | | - trade and other receivables | 28,359 | - |
| | | - Trade and other payables | (56,385) | - |
| 699,579 | 714,989 | Total cash generated from operations | 802,533 | 716,588 |
| | | 25 Taxation paid | | |
| 24,751 | 20,470 | Amounts unpaid at beginning of the year | 24,747 | 20,470 |
| 23,147 | 24,960 | Amounts charged to the income statement | 23,148 | 24,961 |
| (23,351) | (24,751) | Amounts unpaid at end of the year | (23,333) | (24,747) |
| 24,547 | 20,679 | Taxation paid during the year | 24,562 | 20,684 |
| | | 26 Distribution to unitholders | | |
| 251,460 | 218,498 | Amounts unpaid at beginning of the year | 251,460 | 218,498 |
| 602,641 | 481,792 | Interest | 602,641 | 481,792 |
| 603 | 482 | Dividends | 603 | 482 |
| (331,720) | (251,460) | Amounts unpaid at end of the year | (357,685) | (251,460) |
| 522,984 | 449,312 | Distribution to unitholders | 497,019 | 449,312 |
| | | 27 Net cash outflow from investing activities | | |
| 9,498,994 | 6,700,113 | Opening balance of non current assets | 9,527,824 | 6,699,733 |
| 3,867,001 | 1,889,028 | Non cash movements | 4,687,031 | 1,918,578 |
| 1,183,043 | 1,136,419 | Fair value adjustment of investment property | 1,500,214 | 1,157,243 |
| 81,344 | 159,049 | Straight line lease income adjustment | 81,623 | 167,775 |
| (368,528) | 368,528 | Amount (paid)/owing for purchase of investment property | (368,528) | 368,528 |
| 33,278 | 207,227 | Fair value adjustment of listed investments | 33,278 | 207,227 |
| 97,060 | 17,805 | Fair value adjustment on derivatives | 97,060 | 17,805 |
| 345,977 | - | Fair value adjustment on investment in subsidiaries and interest in trust | - | - |
| 1,244,421 | - | Properties acquired by issue of linked units | 1,244,421 | - |
| 1,250,406 | - | Net movement as a result of the Metboard transaction | 2,098,963 | - |
| (15,320,871) | (9,498,994) | Closing balance of non current assets | (15,352,882) | (9,527,824) |
| - | - | Cash from acquisition of additional linked units in subsidiary (note 37) | 3,240 | - |
| (1,954,876) | (909,853) | Net cash outflow from investing activities | (1,134,787) | (909,513) |

| | RETAIL | COMMER- CIAL | INDUSTRIAL | INVEST- MENTS | CORPORATE | TOTAL |
|---------------------------------------------------------|------------------|------------------|----------------|------------------|--------------------|---------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| 28 Group Segmental Analysis | | | | | | |
| Income Statement | | | | | | 2006 |
| Revenue excluding straight line lease income adjustment | 610,104 | 585,527 | 102,918 | - | - | 1,298,549 |
| Straight line lease income adjustment | 24,543 | 58,055 | (975) | - | - | 81,623 |
| Revenue | 634,647 | 643,582 | 101,943 | - | - | 1,380,172 |
| Property expenses | (163,192) | (157,811) | (29,909) | - | - | (350,912) |
| Net property income | 471,455 | 485,771 | 72,034 | - | - | 1,029,260 |
| Other operating expenses | - | - | - | - | (65,788) | (65,788) |
| Investment income | - | - | - | 33,683 | - | 33,683 |
| Fair value adjustments | 818,939 | 573,571 | 107,704 | 33,278 | (1,582,930) | (49,438) |
| Operating profit | 1,290,394 | 1,059,342 | 179,738 | 66,961 | (1,648,718) | 947,717 |
| Finance costs | - | - | - | - | (361,369) | (361,369) |
| Non-cash financing charges | - | - | - | - | (9,434) | (9,434) |
| Finance income | - | - | - | - | 49,478 | 49,478 |
| Profit before debenture interest | 1,290,394 | 1,059,342 | 179,738 | 66,961 | (1,970,043) | 626,392 |
| Debenture interest | - | - | - | - | (602,641) | (602,641) |
| Profit before taxation | 1,290,394 | 1,059,342 | 179,738 | 66,961 | (2,572,684) | 23,751 |
| Income Statement | | | | | | 2005 |
| Revenue excluding straight line lease income adjustment | 515,259 | 443,552 | 55,128 | - | - | 1,013,939 |
| Straight line lease income adjustment | 45,901 | 116,035 | 5,839 | - | - | 167,775 |
| Revenue | 561,160 | 559,587 | 60,967 | - | - | 1,181,714 |
| Property expenses | (148,758) | (94,288) | (12,388) | - | - | (255,434) |
| Net property income | 412,402 | 465,299 | 48,579 | - | - | 926,280 |
| Other operating expenses | - | - | - | - | (45,649) | (45,649) |
| Investment income | - | - | - | 58,714 | - | 58,714 |
| Fair value adjustments | 609,186 | 501,732 | 46,325 | 207,227 | (1,471,555) | (107,085) |
| Operating profit | 1,021,588 | 967,031 | 94,904 | 265,941 | (1,517,204) | 832,260 |
| Finance costs | - | - | - | - | (298,096) | (298,096) |
| Non-cash financing charges | - | - | - | - | (36,169) | (36,169) |
| Finance income | - | - | - | - | 9,240 | 9,240 |
| Profit before debenture interest | 1,021,588 | 967,031 | 94,904 | 265,941 | (1,842,229) | 507,235 |
| Debenture interest | - | - | - | - | (481,792) | (481,792) |
| Profit before taxation | 1,021,588 | 967,031 | 94,904 | 265,941 | (2,324,021) | 25,443 |

Notes to the financial statements

for the year ended 30 June

| | RETAIL | COMMER- CIAL | INDUSTRIAL | INVEST- MENTS | CORPORATE | TOTAL |
|------------------------------------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| 28 Group Segmental Analysis (continued) | | | | | | |
| Balance sheet | | | | | | 2006 |
| Non-current assets | | | | | | |
| - Investment property | | | | | | |
| Opening balance | 4,383,016 | 4,180,471 | 555,675 | - | - | 9,119,162 |
| Reclassification | - | (58,986) | 58,986 | - | - | - |
| Acquisitions | 750,926 | 850,936 | 2,673,817 | - | - | 4,275,679 |
| Capital expenditure | 160,728 | 76,082 | 17,186 | - | - | 253,996 |
| Disposals | (75,814) | (117,120) | (21,224) | - | - | (214,158) |
| Net fair value adjustments | 818,939 | 573,571 | 107,704 | - | - | 1,500,214 |
| Straight line lease income adjustment | 24,543 | 58,055 | (975) | - | - | 81,623 |
| Closing balance | 6,062,338 | 5,563,009 | 3,391,169 | - | - | 15,016,516 |
| - Long term loans | - | - | - | - | 221,501 | 221,501 |
| - Gain on fair value of derivatives | - | - | - | - | 114,865 | 114,865 |
| Trade and other receivables | 34,625 | 52,526 | 6,292 | - | 81,522 | 174,965 |
| Cash and cash equivalents | 42 | 5 | - | - | 16,238 | 16,285 |
| Segment assets | 6,097,005 | 5,615,540 | 3,397,461 | - | 434,126 | 15,544,132 |
| Linked unitholders interest | - | - | - | - | 7,982,463 | 7,982,463 |
| Other non-current financial liabilities | - | - | - | - | 5,747,838 | 5,747,838 |
| Liability for acquisition of Metboard | - | - | - | - | 1,250,406 | 1,250,406 |
| Trade and other payables | 40,001 | 16,423 | 11,625 | - | 114,358 | 182,407 |
| Taxation payable | - | - | - | - | 23,333 | 23,333 |
| Linked unitholders for interest and dividends | - | - | - | - | 357,685 | 357,685 |
| Segment equity and liabilities | 40,001 | 16,423 | 11,625 | - | 15,476,083 | 15,544,132 |

| | RETAIL | COMMER- CIAL | INDUSTRIAL | INVEST- MENTS | CORPORATE | TOTAL |
|-------------------------------------------------|------------------|------------------|----------------|------------------|------------------|------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| 28 Group Segmental Analysis (continued) | | | | | | |
| Balance sheet | | | | | | 2005 |
| Non-current assets | | | | | | |
| - Investment property | | | | | | |
| Opening balance | 3,302,541 | 2,584,306 | 244,653 | - | - | 6,131,500 |
| Acquisitions | 382,645 | 985,479 | 258,441 | - | - | 1,626,565 |
| Capital expenditure | 114,643 | 22,901 | 417 | - | - | 137,961 |
| Disposals | (71,900) | (29,982) | - | - | - | (101,882) |
| Net fair value adjustments | 609,186 | 501,732 | 46,325 | - | - | 1,157,243 |
| Straight line lease income adjustment | 45,901 | 116,035 | 5,839 | - | - | 167,775 |
| Closing balance | 4,383,016 | 4,180,471 | 555,675 | - | - | 9,119,162 |
| - Listed investments | - | - | - | 390,857 | - | 390,857 |
| - Gain on fair value of derivatives | - | - | - | - | 17,805 | 17,805 |
| Trade and other receivables | 30,261 | 23,888 | 1,133 | 390,857 | 31,005 | 86,287 |
| Cash and cash equivalents | 764 | 2 | - | - | 45,121 | 45,887 |
| Segment assets | 4,414,041 | 4,204,361 | 556,808 | - | 93,931 | 9,659,998 |
| Linked unitholders interest | - | - | - | - | 4,867,495 | 4,867,495 |
| Other non-current financial liabilities | - | - | - | - | 3,834,794 | 3,834,794 |
| Current portion of non-current liabilities | - | - | - | - | 167,955 | 167,955 |
| Amount owing in respect of property acquisition | - | - | - | - | 368,528 | 368,528 |
| Trade and other payables | 54,277 | 58,226 | 17,548 | - | 14,968 | 145,019 |
| Taxation payable | - | - | - | - | 24,747 | 24,747 |
| Linked unitholders for interest and dividends | - | - | - | - | 251,460 | 251,460 |
| Segment equity and liabilities | 54,277 | 58,226 | 17,548 | - | 9,529,947 | 9,659,998 |

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|---------------------------------------------------|------------------------|------------------------|
| | | 29 Joint ventures | | |
| | | Income Statement | | |
| | | Revenue | 112,762 | 97,262 |
| | | Property operating profit | 91,617 | 77,682 |
| | | Fair value adjustments | 165,340 | 145,666 |
| | | Operating profit | 256,957 | 223,348 |
| | | Balance sheet | | |
| | | Non-current assets | | |
| | | Property assets | | |
| | | Opening balance | 868,502 | 701,598 |
| | | Acquisitions | 436,448 | - |
| | | Capital expenditure | 25,179 | 21,238 |
| | | Net fair value adjustments | 165,340 | 145,666 |
| | | Less: Straight line lease income adjustment | (9,429) | (17,185) |
| | | Closing balance | 1,486,040 | 851,317 |
| | | Straight line lease income adjustment | 9,429 | 17,185 |
| | | | 1,495,469 | 868,502 |
| | | Current assets | 9,498 | 7,127 |
| | | Total assets | 1,504,967 | 875,629 |
| | | Current liabilities | 3,964 | 15,037 |
| | | Owner's equity | 1,501,003 | 860,592 |
| | | Total liabilities | 1,504,967 | 875,629 |
| | | Joint ventures comprise the following properties: | | |
| | | - Northgate Shopping Centre (50,0%) | | |
| | | - Kolonnade Shopping Centre (50,0%) | | |
| | | - Longbeach Mall (50,1%) | | |
| | | - Alberton City (35,7%) | | |
| | | - Westgate (50,0%) | | |
| | | - Eagle Industrial Park (50,0%) | | |
| | | - Lakeside Mall (66,7%) | | |

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | 30 Borrowing powers The borrowing capacity of the company and its subsidiaries, in terms of their articles of association is unlimited. | | |
| 127,693 | 132,629 | 31 Capital commitments Authorised and contracted | 127,693 | 132,629 |
| | | The capital expenditure will be financed from existing funding facilities. | | |
| | | 32 Contingent liabilities Certain wholly-owned subsidiaries of the company have guaranteed the income of their wholly-owned subsidiary companies to certain financial institutions. The total value of this income over the next eight years amounts to approximately R257 million and is due, in terms of lease agreements, by the following tenants: Centre for Diabetes and Endocrinology (Pty) Limited - R 23 million Ernst and Young South Africa - R 201 million Merck (Pty) Limited - R 33 million Growthpoint Properties Limited has a total investment in these long-lease subsidiaries of approximately R22,2 million. (2005: R22,5 million). | | |
| | | 33 Minimum contracted rental income Contractual amounts due in terms of operating lease agreements : | | |
| 921,336 | 836,295 | Less than one year | 1,563,246 | 1,043,854 |
| 2,259,986 | 1,968,283 | between one and five years | 3,731,774 | 2,614,692 |
| 2,942,722 | 3,171,959 | More than five years | 3,459,644 | 3,432,683 |
| 6,124,044 | 5,976,537 | | 8,754,664 | 7,091,229 |

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | <p>34 Related party transactions</p> <p>Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party making financial or operational decisions.</p> <p>Details of the transactions with directors are set out in the directors report.</p> <p>Balances with controlled entities are disclosed in note 16</p> <p>In view of the fact that Investec Bank Limited ("Investec") is a shareholder of Growthpoint and a controlling shareholder of the asset management company, Growthpoint Managers (Pty) Limited and Investec Property Group Limited ("IPG") is responsible for property management of the properties, the following additional disclosure is given in the interests of greater transparency and good corporate governance</p> <p>Acquisition of The Paddocks shopping centre in Milnerton, Cape Town from IPG</p> <p>Acquisition of a portfolio of 48 properties from Tresso Trading 119 (Pty) Limited, an unlisted fund, 70% owned by Investec and managed by IPG</p> <p>Acquisition of a portfolio of 24 properties from Tresso Trading 119 (Pty) Limited, an unlisted fund, 70% owned by Investec and managed by IPG</p> <p>Rental income from Investec</p> <p>- per lease agreement</p> <p>- straight line lease income accrual</p> <p>Interest paid on loan from Investec (note 21.3.13)</p> <p>Interest paid on loan from Investec (variable)</p> <p>Interest paid on loan from Investec (bridging loan)</p> <p>Interest paid on loan from Investec (swaps)</p> <p>Interest paid to Investec as part of lending consortium of banks</p> | | |
| - | 88,375 | | - | 88,375 |
| - | 1,080,000 | | - | 1,080,000 |
| 1,430,000 | - | | 1,430,000 | - |
| 99,031 | 88,421 | | 99,031 | 88,421 |
| 72,428 | 83,039 | | 72,428 | 83,039 |
| 57,318 | 48,304 | | 57,318 | 48,304 |
| 17,690 | - | | 17,690 | - |
| 4,623 | - | | 4,623 | - |
| 5,341 | - | | 5,341 | - |
| 6,415 | 31,225 | | 6,415 | 31,225 |

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| 85 | 85 | 34 Related party transactions (continued) | | |
| | | Company sponsor fee paid to Investec | 85 | 85 |
| 16,530 | 4,801 | Corporate finance fees paid to Investec | 16,530 | 4,801 |
| - | 1,535 | Introductory commissions paid to Investec | - | 1,535 |
| 7,047,250 | 1,467,500 | Swap contracts entered into with Investec (note 35.5) | 7,047,250 | 1,467,500 |
| 702,500 | 602,500 | Direct loans from Investec | 702,500 | 602,500 |
| - | 301,208 | Investec portions of loans from banking consortia | - | 301,208 |
| 17,260 | 10,843 | Letting commission paid to IPG (refer to directors' report) | 17,260 | 10,843 |
| 55,303 | 39,923 | Property management fee paid to IPG | 55,303 | 40,198 |
| 58,018 | 39,345 | Asset management fees paid to Growthpoint Managers (Pty) Limited | 58,018 | 39,345 |
| 5,978 | 5,411 | Other balances as at 30 June | 5,978 | 5,411 |
| 10,087 | 14,250 | - Fees payable included in trade and other payables | 10,087 | 14,250 |
| 13,045 | 41,706 | - loan included in trade and other receivables | 13,045 | 41,706 |
| | | - cash and cash equivalents | | |
| | | 35 Financial risk management | | |
| | | The financial instruments of the group consist mainly of deposits with banks, long-term borrowings, derivative instruments, accounts receivable and accounts payable. The group purchases or issues financial instruments in order to finance operations and to manage the interest rate risks that arise from these operations and the source of finance. | | |
| | | 35.1 Credit Risk | | |
| | | Exposure to credit risk in respect of trade receivables is spread over a wide client base. | | |
| | | The group monitors the financial position of its tenants on an on-going basis. | | |
| | | Impairment losses have been recorded for those debts whose recovery was not reasonably assured at year-end. | | |
| | | The maximum credit exposure at balance sheet date was R21 202 000 (2005: R14 066 000). | | |

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | <p>35.2 Liquidity Risk</p> <p>Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet the funding requirements of the group.</p> <p>In terms of covenants with certain banks, the nominal value of long-term interest bearing borrowings may not exceed 50% of the value of non-current assets</p> <p>Value of property assets and investments 50% thereof Nominal value of borrowings utilised at year end Potential borrowing capacity</p> <p>Facilities available in terms of existing agreements</p> | | |
| | | | 15,016,516 | 9,510,019 |
| | | | 7,508,258 | 4,755,010 |
| | | | 5,374,074 | 3,260,819 |
| | | | 2,134,184 | 1,494,191 |
| | | | 760,228 | 408,205 |
| | | <p>35.3 Interest Rate Risk</p> <p>It is estimated that for the year to 30 June 2007, a 1% increase in interest rates would decrease the company's profit before debenture interest by approximately R3,3 million.</p> <p>The expiry profile of fixed interest rate contracts is shown in the Directors' review of operations.</p> | | |

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | <p>35.4 Estimation of Fair Value</p> <p>The following summarises the major methods and assumptions used in estimating the fair values of financial instruments:</p> <p>Listed property investments Listed property investments are designated as held at fair value through profit and loss financial assets on the basis that these investments are managed and their performance is evaluated on a fair value basis and the quarterly reports presented to the board are prepared on this basis.</p> <p>These assets are valued at the closing quoted market prices of the listed units on the balance sheet date.</p> <p>Trade and other receivables These are valued at their nominal value (less cumulative impairment losses) as the time value of money is immaterial for these current assets. Impairment losses are estimated at the year end by reviewing amounts outstanding and assessing the likelihood of recoverability.</p> <p>Non-current liabilities (excluding debentures) at fair value In line with its business model as a property loan stock entity, the company relies on long-term debt to fund the acquisition of investment properties. The company adopts the fair value model to measure the investment properties, with fair value adjustments being recorded through profit and loss. In order to eliminate any mismatch that would otherwise arise from measuring the non-current liabilities on a different basis, the non-current liabilities are also measured at fair value through profit and loss.</p> <p>The value of these liabilities is estimated using a discounted cash flow analysis. Each future cash flow is discounted using the market rate indicated on the interest rate curve (see definition below) at the dates when the cash flows will take place.</p> | | |

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | <p>35.4 Estimation of Fair Value (continued)</p> <p>Debentures</p> <p>Debentures are designated as held at fair value through profit and loss financial liabilities. It is believed that this method results in the most relevant measure of the debenture liability as it represents the net asset value attributable to debenture holders after all other liabilities and assets are reflected at fair values. In addition, this method eliminates possible measurement inconsistencies that may arise by valuing the debenture liability on some other basis. This is so because the debenture discount would have to be amortised based on unknown and uncertain future profits and increases in net asset values. These instruments are measured initially at issue price, which is nominal value less debenture discount, and subsequently at fair value. Fair value represents the net asset value attributable to debenture holders after adjusting all other assets and liabilities to fair value.</p> <p>Until such time as the debenture discount is fully utilised, the net change in fair value of the assets and liabilities will increase or decrease the carrying amount of the debentures. Once the debenture discount has been fully amortised, any increase in net asset value will increase the reserves attributable to ordinary shareholders.</p> <p>Derivative financial instruments</p> <p>Derivative financial instruments consist of interest rate swaps and are valued by discounting future cash flows using the market rate indicated on the interest rate curve at the dates when the cash flows will take place.</p> <p>Trade and other payables</p> <p>Trade and other payables are valued at their nominal value as the time value of money is immaterial for these current liabilities.</p> | | |

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | <p>35.4 Estimation of Fair Value (continued)</p> <p>Definition of the "interest rate curve"</p> <p>The interest rate curve is the SA swap curve which represents a benchmark interest rate curve for all JIBAR-related transactions in the market. JIBAR itself is a benchmark short term interest rate and as such, the swap curve gives a representation of future expectations of JIBAR. It is constructed using both short-dated financial instruments (such as FRA's) as well as longer dated instruments (such as swaps) where the movements in the curve are reflected through price changes of the underlying instruments.</p> <p>35.5 Derivatives</p> <p>Derivative instruments are used to hedge the company's exposure to any increases in interest rates on variable rate loans.</p> <p>Swap contracts are entered into whereby the company swaps its variable rate obligation for a fixed rate obligation.</p> <p>Details of the swap contracts are as follows:</p> | | |

| | AMOUNT (R'000) | START DATE | END DATE | PAY | RECEIVE |
|---------|-------------------|-------------------|-------------------|--------|---------|
| Swap 1 | 702,500 | 01 March 2009 | 28 February 2024 | 15.42% | Jibar |
| Swap 2 | 702,500 | 01 March 2009 | 28 February 2011 | Jibar | 10.21% |
| Swap 3 | 255,000 | 02 August 2010 | 02 August 2012 | 8.53% | Jibar |
| Swap 4 | 255,000 | 02 August 2010 | 03 August 2015 | 8.69% | Jibar |
| Swap 5 | 183,750 | 02 September 2005 | 30 September 2015 | 8.25% | Jibar |
| Swap 6 | 20,000 | 02 September 2005 | 30 September 2015 | 8.25% | Jibar |
| Swap 7 | 67,500 | 01 August 2011 | 31 August 2013 | 7.91% | Jibar |
| Swap 8 | 200,000 | 01 August 2011 | 28 November 2014 | 7.78% | Jibar |
| Swap 9 | 65,000 | 01 August 2011 | 15 October 2015 | 7.89% | Jibar |
| Swap 10 | 600,000 | 01 August 2011 | 03 July 2016 | 7.56% | Jibar |
| Swap 11 | 500,000 | 02 September 2011 | 01 September 2017 | 8.63% | Jibar |
| Swap 12 | 500,000 | 02 September 2011 | 03 September 2018 | 8.61% | Jibar |
| Swap 13 | 1,000,000 | 02 September 2006 | 01 September 2011 | 8.25% | Jibar |
| Swap 14 | 120,000 | 15 June 2006 | 01 September 2006 | 7.51% | Jibar |
| Swap 15 | 357,000 | 15 June 2006 | 01 September 2006 | 7.51% | Jibar |

Notes to the financial statements

for the year ended 30 June

| COMPANY 2006 R'000 | COMPANY 2005 R'000 | | GROUP 2006 R'000 | GROUP 2005 R'000 |
|--------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | | <p>36 Share based payments</p> <p>In the year to 30 June 2006, the company issued new linked units as part of the purchase consideration for the following acquisitions:</p> <p>1) Tresso 1 portfolio</p> <p>This acquisition was effective from 30 June 2005. The total purchase consideration of R1 080 000 000 was paid for in cash to the extent of R810 000 000 and the balance of R270 000 000 was settled by the issue of 43 548 387 linked units at R6.20 per linked unit.</p> <p>2) Tresso 2 portfolio</p> <p>This acquisition was effective from 1 June 2006. The total purchase consideration of R1 429 887 000 was paid for in cash to the extent of R638 730 000 and the balance of R791 157 000 was settled by the issue of 74 286 981 linked units at R10.65 per linked unit.</p> | | |
| | | <p>37 Liability for the acquisition of subsidiary</p> <p>On 30 June 2006, the group acquired the remainder of the Metboard Properties Limited linked units that it did not already own. The fair value of the assets and liabilities of Metboard as at this date, and the net amount due by the group under this transaction were as follows:</p> | | |
| | | Investment property | 2,364,154 | - |
| | | Trade and other receivables | 28,359 | - |
| | | Long term liabilities | (823,771) | - |
| | | Trade and other payables | (56,385) | - |
| | | Cash and cash equivalents acquired | 3,240 | - |
| | | Total assets and liabilities acquired | 1,515,597 | - |
| | | Less value of linked units already owned | (265,191) | - |
| | | Purchase consideration due by the group | 1,250,406 | - |
| | | Cash flow on acquisition | | |
| | | - purchase consideration due by the group | (1,250,406) | - |
| | | - cash and cash equivalents acquired | 3,240 | - |
| | | - year end liability for the acquisition | 1,250,406 | - |
| | | | 3,240 | - |
| | | The above purchase consideration due by the group was settled on 21 August 2006 by the issue of 1 Growthpoint linked unit for every 1,9 Metboard linked units | | |

PROPERTY PORTFOLIO



Property portfolio

at 30 June 2006

| NO | PROPERTY NAME | CITY | 2006 VALUE R' 000 | % OF FUND BY VALUE | VALUE PER M ² RAND |
|----|---------------------------------------|-----------------|-------------------------|--------------------------|-------------------------------------|
| | RETAIL | | | | |
| | Regional shopping centres | | 3,898,231 | 26.0% | 10,143 |
| 1 | Brooklyn Mall | Pretoria | 925,000 | 6.2% | 17,276 |
| 2 | Waterfall Mall | Rustenburg | 584,223 | 3.9% | 11,743 |
| 3 | Kolonnade (50,0%) | Pretoria | 435,700 | 2.9% | 12,856 |
| 4 | La Lucia Mall | Durban | 428,084 | 2.9% | 12,201 |
| 5 | Northgate Shopping Centre (50,0%) | Johannesburg | 388,539 | 2.6% | 9,361 |
| 6 | Lakeside Mall (66,7%) | Benoni | 374,026 | 2.5% | 9,921 |
| 7 | River Square Centre | Vereeniging | 326,944 | 2.2% | 8,402 |
| 8 | The Avenues | Springs | 179,091 | 1.2% | 4,781 |
| 9 | Alberton City (35,7%) | Alberton | 129,167 | 0.9% | 9,240 |
| 10 | Game City | Durban | 127,457 | 0.8% | 2,999 |
| | Community shopping centres | | 1,924,746 | 12.8% | 6,925 |
| 1 | Constantia Village | Cape Town | 334,148 | 2.2% | 16,383 |
| 2 | Walmer Park Shopping Centre | Port Elizabeth | 329,068 | 2.2% | 9,685 |
| 3 | Beacon Bay | East London | 235,754 | 1.6% | 8,777 |
| 4 | Hatfield Plaza | Pretoria | 202,315 | 1.3% | 10,456 |
| 5 | Longbeach Mall (50,1%) | Cape Town | 127,568 | 0.8% | 8,414 |
| 6 | City Mall - Klerksdorp | Klerksdorp | 117,331 | 0.8% | 6,412 |
| 7 | Picbel Parkade | Cape Town | 104,882 | 0.7% | 7,470 |
| 8 | Meadowdale Value Centre | Germiston | 86,508 | 0.6% | 4,681 |
| 9 | Mark Park | Vereeniging | 82,874 | 0.6% | 4,104 |
| 10 | The Paddocks | Cape Town | 79,400 | 0.5% | 8,339 |
| 11 | Centurion South Lake | Pretoria | 73,668 | 0.5% | 5,625 |
| 12 | Arcadia Centre | Pretoria | 44,047 | 0.3% | 1,752 |
| 13 | Barclay Square | Pretoria | 43,800 | 0.3% | 2,374 |
| 14 | OK Springs | Springs | 38,755 | 0.3% | 2,694 |
| 15 | OK Empangeni | Empangeni | 24,628 | 0.2% | 2,330 |
| | Neighbourhood shopping centres | | 173,964 | 1.2% | 4,334 |
| 1 | Norkem Mall | Kempton Park | 49,046 | 0.3% | 5,289 |
| 2 | Atlasville Shopping Centre | Boksburg | 38,523 | 0.3% | 4,062 |
| 3 | Blackheath | Randburg | 30,278 | 0.2% | 7,022 |
| 4 | Bronkhorstspuit Shopping Centre | Bronkhorstspuit | 22,445 | 0.1% | 3,427 |
| 5 | Otjiwarongo | Namibia | 14,463 | 0.1% | 2,507 |
| 6 | Welkom Retail | Welkom | 9,947 | 0.1% | 3,771 |
| 7 | Pavilion Shopping Centre | Pretoria | 9,262 | 0.1% | 4,390 |
| | Retail warehouse | | 7,200 | 0.0% | 1,840 |
| 1 | Amrel Alberton | Alberton | 7,200 | 0.0% | 1,840 |
| | Speciality centres | | 46,397 | 0.3% | - |
| 1 | Waterfall Value Mart | Rustenburg | 35,578 | 0.2% | Under construction |
| 2 | Vereeniging Virgin Active | Vereeniging | 10,819 | 0.1% | 3,329 |

| GROSS MONTHLY RENTAL /M ² (LET AREA) RAND | GROSS LETTABLE AREA M ² | % OF FUND BY GLA | VACANCY M ² | VACANCY % OF GLA | FORWARD YIELD |
|------------------------------------------------------|------------------------------------|------------------|------------------------|------------------|---------------|
| 88 | 384,329 | 11.3% | 6,474 | 1.7% | 8.6% |
| 128 | 53,541 | 1.6% | 1,273 | 2.4% | |
| 97 | 49,750 | 1.5% | 499 | 1.0% | |
| 95 | 33,890 | 1.0% | - | - | |
| 121 | 35,087 | 1.0% | 401 | 1.1% | |
| 77 | 41,504 | 1.2% | 36 | 0.1% | |
| 84 | 37,702 | 1.1% | 2,090 | 5.5% | |
| 80 | 38,911 | 1.1% | 128 | 0.3% | |
| 57 | 37,462 | 1.1% | 1,132 | 3.0% | |
| 85 | 13,979 | 0.4% | 204 | 1.5% | |
| 44 | 42,503 | 1.3% | 711 | 1.7% | |
| 69 | 277,930 | 8.2% | 10,485 | 3.8% | 9.4% |
| 138 | 20,396 | 0.6% | 145 | 0.7% | |
| 84 | 33,976 | 1.0% | 92 | 0.3% | |
| 75 | 26,861 | 0.8% | - | - | |
| 96 | 19,349 | 0.6% | - | - | |
| 86 | 15,161 | 0.4% | 801 | 5.3% | |
| 61 | 18,300 | 0.5% | 44 | 0.2% | |
| 56 | 14,040 | 0.4% | 1,254 | 8.9% | |
| 55 | 18,479 | 0.5% | 2,088 | 11.3% | |
| 55 | 20,195 | 0.6% | 85 | 0.4% | |
| 100 | 9,522 | 0.3% | 511 | 5.4% | |
| 54 | 13,096 | 0.4% | 636 | 4.9% | |
| 28 | 25,147 | 0.7% | 1,483 | 5.9% | |
| 37 | 18,451 | 0.5% | 914 | 5.0% | |
| 43 | 14,387 | 0.4% | 2,432 | 16.9% | |
| 34 | 10,570 | 0.3% | - | - | |
| 57 | 40,138 | 1.2% | 2,690 | 6.7% | 10.6% |
| 60 | 9,274 | 0.3% | 835 | 9.0% | |
| 53 | 9,484 | 0.3% | 199 | 2.1% | |
| 99 | 4,312 | 0.1% | 674 | 15.6% | |
| 41 | 6,550 | 0.2% | 48 | 0.7% | |
| 41 | 5,770 | 0.2% | 326 | 5.6% | |
| 51 | 2,638 | 0.1% | 608 | 23.0% | |
| 84 | 2,110 | 0.1% | - | - | |
| 20 | 3,914 | 0.1% | - | - | 10.5% |
| 20 | 3,914 | 0.1% | - | - | |
| - | - | - | - | - | - |
| Under construction | - | - | - | - | - |
| 52 | 3,250 | 0.1% | - | - | 11.8% |

Property portfolio

at 30 June 2006

| NO | PROPERTY NAME | CITY | 2006 VALUE R' 000 | % OF FUND BY VALUE | VALUE PER M ² RAND |
|-----------|-------------------------------|--------------|-------------------------|--------------------------|-------------------------------------|
| | RETAIL (continued) | | | | |
| | Long lease retail properties: | | | | |
| 1 | Edgars Bloemfontein | Bloemfontein | - | - | - |
| 2 | Jet Bloemfontein | Bloemfontein | - | - | - |
| | Vacant land | | | | |
| 1 | Lakeside Mall | Benoni | 6,700 | 0.0% | - |
| 2 | Brooklyn Mall | Pretoria | 5,100 | | |
| 39 | TOTAL RETAIL | | 6,062,338 | 40.3% | 8,439 |
| | COMMERCIAL | | | | |
| | Offices - High Rise | | | | |
| 1 | Investec | Sandton | 1,087,100 | 7.2% | 23,157 |
| 2 | Investec | Cape Town | 276,300 | 1.8% | 21,525 |
| 3 | Fredman Towers | Sandton | 120,379 | 0.8% | 8,809 |
| 4 | Forum Building | Pretoria | 86,304 | 0.6% | 2,425 |
| 5 | Newlands on Main | Cape Town | 75,654 | 0.5% | 5,424 |
| 6 | Metropark | Pretoria | 44,396 | 0.3% | 2,404 |
| 7 | Infotech | Pretoria | 38,512 | 0.3% | 3,750 |
| 8 | Meersig | Pretoria | 30,961 | 0.2% | 3,411 |
| 9 | 174 Visagie Street | Pretoria | 22,278 | 0.2% | 1,650 |
| 10 | Braamfontein 4410 | Johannesburg | 15,068 | 0.1% | 2,681 |
| 11 | 115 Paul Kruger | Pretoria | 10,305 | 0.1% | 2,656 |
| | Offices - Low Rise | | | | |
| 1 | ABSA - Midrand | Midrand | 95,230 | 0.4% | 8,348 |
| 2 | Auditor General | Pretoria | 57,572 | 0.3% | 12,216 |
| 3 | Engen House | Johannesburg | 47,147 | 0.3% | 6,285 |
| 4 | 70 Grayston | Sandton | 40,792 | 0.3% | 10,670 |
| 5 | Grosvenor Corner | Johannesburg | 40,785 | 0.3% | 4,513 |
| 6 | Gestetner | Johannesburg | 40,780 | 0.2% | 9,189 |
| 7 | Wiphold | Johannesburg | 31,820 | 0.2% | 9,467 |
| 8 | Sunset Boulevard | George | 31,797 | 0.2% | 3,072 |
| 9 | Autopage | Midrand | 30,119 | 0.2% | 5,432 |
| 10 | N1 Medical Chambers | Cape Town | 29,937 | 0.2% | 6,727 |
| 11 | Meerlus | Pretoria | 26,991 | 0.2% | 4,934 |
| 12 | ADT House | Cape Town | 25,889 | 0.2% | 5,397 |
| 13 | LTA House | Sandton | 25,371 | 0.2% | 7,339 |
| 14 | Homechoice | Cape Town | 24,188 | 0.2% | 5,984 |
| 15 | 7 & 9 St David's | Johannesburg | 23,058 | 0.2% | 3,000 |
| 16 | 140 Daisy Street | Sandton | 22,324 | 0.1% | 8,937 |
| 17 | Honeywell | Sandton | 21,616 | 0.1% | 5,562 |

| GROSS MONTHLY RENTAL /M ² (LET AREA) RAND | GROSS LETTABLE AREA M ² | % OF FUND BY GLA | VACANCY M ² | VACANCY % OF GLA | FORWARD YIELD |
|------------------------------------------------------|------------------------------------|------------------|------------------------|------------------|---------------|
| - | 8,809 | 0.3% | - | - | - |
| - | 2,357 | 0.1% | - | - | - |
| - | 6,452 | 0.2% | - | - | - |
| - | - | - | - | - | - |
| 78 | 718,370 | 21.1% | 19,649 | 2.7% | 8.9% |
| 82 | 183,803 | 5.4% | 8,736 | 4.8% | 9.0% |
| 151 | 46,945 | 1.4% | - | - | - |
| 140 | 12,836 | 0.4% | - | - | - |
| 84 | 13,666 | 0.4% | 1,560 | 11.4% | - |
| 34 | 35,594 | 1.0% | 248 | 0.7% | - |
| 66 | 13,949 | 0.4% | 863 | 6.2% | - |
| 34 | 18,467 | 0.5% | 3,113 | 16.9% | - |
| 50 | 10,271 | 0.3% | 1,163 | 11.3% | - |
| 51 | 9,076 | 0.3% | - | - | - |
| 54 | 13,498 | 0.4% | 1,788 | 13.2% | - |
| 33 | 5,621 | 0.2% | 1 | 0.0% | - |
| 47 | 3,880 | 0.1% | - | - | - |
| 68 | 152,008 | 4.5% | 6,817 | 4.5% | 10.1% |
| 75 | 11,408 | 0.3% | - | - | - |
| 107 | 4,713 | 0.1% | - | - | - |
| 81 | 7,501 | 0.2% | - | - | - |
| 74 | 3,823 | 0.1% | - | - | - |
| 80 | 9,038 | 0.3% | 31 | 0.3% | - |
| 82 | 4,438 | 0.1% | - | - | - |
| 98 | 3,361 | 0.1% | - | - | - |
| 45 | 10,352 | 0.3% | - | - | - |
| 76 | 5,545 | 0.2% | - | - | - |
| 76 | 4,450 | 0.1% | 151 | 3.4% | - |
| 60 | 5,470 | 0.2% | 217 | 4.0% | - |
| 52 | 4,797 | 0.1% | - | - | - |
| 81 | 3,457 | 0.1% | - | - | - |
| 56 | 4,042 | 0.1% | - | - | - |
| 69 | 7,687 | 0.2% | 1,169 | 15.2% | - |
| 81 | 2,498 | 0.1% | - | - | - |
| 67 | 3,886 | 0.1% | 90 | 2.3% | - |

Property portfolio

at 30 June 2006

| NO | PROPERTY NAME | CITY | 2006 VALUE R' 000 | % OF FUND BY VALUE | VALUE PER M ² RAND |
|----|--------------------------------|----------------|-------------------------|--------------------------|-------------------------------------|
| | COMMERCIAL (continued) | | | | |
| | Offices - Low Rise (continued) | | | | |
| 18 | 24 Peter Place | Midrand | 20,956 | 0.1% | 5,590 |
| 19 | Endemol Productions | Sandton | 20,810 | 0.1% | 10,901 |
| 20 | J Walter Thompson | Sandton | 20,618 | 0.1% | 5,992 |
| 21 | 25 Rudd | Johannesburg | 19,886 | 0.1% | 6,585 |
| 22 | Primegro Place | Sandton | 19,782 | 0.1% | 5,561 |
| 23 | ABSA - Bruma | Johannesburg | 18,421 | 0.1% | 6,790 |
| 24 | Devcon Place | Sandton | 16,791 | 0.1% | 4,638 |
| 25 | Chiselhurst | Sandton | 15,919 | 0.1% | 7,312 |
| 26 | 295 Florida Road | Durban | 15,772 | 0.1% | 6,178 |
| 27 | 5 Sturdee | Johannesburg | 14,759 | 0.1% | 4,290 |
| 28 | 103 Central Street | Johannesburg | 13,594 | 0.1% | 5,802 |
| 29 | 166 Jan Smuts | Johannesburg | 12,763 | 0.1% | 3,573 |
| 30 | Lumley House | Johannesburg | 12,201 | 0.1% | 4,466 |
| 31 | Sony House | Johannesburg | 12,110 | 0.1% | 8,381 |
| 32 | ABSA - Goodwood | Cape Town | 11,487 | 0.1% | 10,130 |
| 33 | Nu Payment Solutions | Johannesburg | 10,162 | 0.1% | 8,426 |
| 34 | St. Peters Square | Sandton | 10,122 | 0.1% | 5,327 |
| 35 | Emerson Energy Systems | Sandton | 9,188 | 0.1% | 4,877 |
| 36 | Galileo House | Johannesburg | 9,098 | 0.1% | 5,558 |
| 37 | Parkway Place | Johannesburg | 8,500 | 0.1% | 3,000 |
| 38 | 5 St David's | Johannesburg | 8,201 | 0.0% | 2,170 |
| 39 | Shift Interactive | Sandton | 6,494 | 0.0% | 7,240 |
| | Office Parks: | | 2,026,738 | 13.5% | 5,993 |
| 1 | Constantia Office Park | Roodepoort | 365,373 | 2.4% | 6,982 |
| 2 | Riverpark | Cape Town | 141,269 | 0.9% | 11,290 |
| 3 | Hatfield Gardens | Pretoria | 135,212 | 0.9% | 5,905 |
| 4 | Central Park | Midrand | 129,273 | 0.9% | 4,186 |
| 5 | Sunnyside Ridge Office Park | Johannesburg | 117,823 | 0.8% | 21,055 |
| 6 | Grayston Office Park | Sandton | 108,053 | 0.7% | 7,980 |
| 7 | Belmont Towers | Cape Town | 91,124 | 0.6% | 6,307 |
| 8 | Gillooly's View | Johannesburg | 89,834 | 0.6% | 4,957 |
| 9 | The Oval (Newlands) | Cape Town | 81,305 | 0.5% | 10,786 |
| 10 | Healthcare Park | Woodmead | 76,213 | 0.5% | 5,704 |
| 11 | Tulbach Park | Pretoria | 66,968 | 0.4% | 3,988 |
| 12 | The Oval | Sandton | 65,191 | 0.4% | 6,551 |
| 13 | Fairview Office Park | Port Elizabeth | 64,268 | 0.4% | 3,833 |
| 14 | Sandton Close 2 | Sandton | 61,257 | 0.4% | 5,329 |
| 15 | 1 Montgomery | Durban | 60,825 | 0.4% | 6,262 |
| 16 | Brookfield Office Park | Pretoria | 52,748 | 0.4% | 7,290 |
| 17 | Greenacres Office Park | Port Elizabeth | 49,059 | 0.3% | 4,009 |
| 18 | Sandton Close 1 | Sandton | 47,000 | 0.3% | 3,816 |
| | less: development in progress | | | | |

| GROSS MONTHLY RENTAL /M ² (LET AREA) RAND | GROSS LETTABLE AREA M ² | % OF FUND BY GLA | VACANCY M ² | VACANCY % OF GLA | FORWARD YIELD |
|------------------------------------------------------|------------------------------------|------------------|------------------------|------------------|---------------|
| 39 | 3,749 | 0.1% | - | - | |
| 84 | 1,909 | 0.1% | - | - | |
| 88 | 3,441 | 0.1% | 580 | - | |
| 81 | 3,020 | 0.1% | - | 19.2% | |
| 49 | 3,557 | 0.1% | - | - | |
| 63 | 2,713 | 0.1% | - | - | |
| 58 | 3,620 | 0.1% | 528 | - | |
| 117 | 2,177 | 0.1% | 164 | 24.3% | |
| 71 | 2,553 | 0.1% | 552 | 6.4% | |
| 68 | 3,440 | 0.1% | - | 16.0% | |
| 70 | 2,343 | 0.1% | 1,108 | - | |
| 57 | 3,572 | 0.1% | 92 | 31.0% | |
| 59 | 2,732 | 0.1% | 1,445 | 3.4% | |
| vacant | 1,445 | 0.0% | - | 100.0% | |
| 41 | 1,134 | 0.0% | - | - | |
| 81 | 1,206 | 0.0% | - | - | |
| 58 | 1,900 | 0.1% | - | - | |
| 50 | 1,884 | 0.1% | - | - | |
| 63 | 1,637 | 0.0% | - | - | |
| sold | 2,833 | 0.1% | 690 | - | |
| 45 | 3,780 | 0.1% | - | 18.3% | |
| 70 | 897 | 0.0% | - | - | |
| 63 | 338,170 | 9.9% | 24,171 | 7.1% | 9.7% |
| 70 | 52,334 | 1.5% | 870 | 1.7% | |
| 90 | 12,513 | 0.4% | - | - | |
| 72 | 22,898 | 0.7% | 1,505 | 6.6% | |
| 56 | 30,884 | 0.9% | 6,065 | 19.6% | |
| 59 | 27,614 | 0.8% | 1,039 | 3.8% | |
| 68 | 13,540 | 0.4% | 1,124 | 8.3% | |
| 61 | 14,447 | 0.4% | 153 | 1.1% | |
| 42 | 18,123 | 0.5% | 2,065 | 11.4% | |
| 96 | 7,538 | 0.2% | 10 | 0.1% | |
| 72 | 13,362 | 0.4% | 966 | 7.2% | |
| 48 | 16,791 | 0.5% | 21 | 0.1% | |
| 63 | 9,952 | 0.3% | 1,682 | 16.9% | |
| 48 | 16,769 | 0.5% | 1,577 | 9.4% | |
| 66 | 11,495 | 0.3% | 1,505 | 13.1% | |
| 59 | 9,713 | 0.3% | - | - | |
| 77 | 7,236 | 0.2% | 189 | 2.6% | |
| 43 | 12,238 | 0.4% | 259 | 2.1% | |
| 75 | 12,318 | 0.4% | 8,982 | 0.73 | |
| | (8,982) | | (8,982) | | |

Property portfolio

at 30 June 2006

| NO | PROPERTY NAME | CITY | 2006 VALUE R' 000 | % OF FUND BY VALUE | VALUE PER M ² RAND |
|----|----------------------------------|--------------|-------------------------|--------------------------|-------------------------------------|
| | COMMERCIAL (continued) | | | | |
| | Office Parks: | | | | |
| 19 | Belvedere Office Park | Cape Town | 43,176 | 0.3% | 7,487 |
| 20 | Eton (Adcock Ingram) | Johannesburg | 35,671 | 0.2% | 7,729 |
| 21 | Eton Office Park | Johannesburg | 27,682 | 0.2% | 6,905 |
| 22 | Edgecombe Office Park | Durban | 26,373 | 0.2% | 6,020 |
| 23 | Sandhurst B & C | Sandton | 24,455 | 0.2% | 4,591 |
| 24 | Rosebank Office Park | Johannesburg | 20,635 | 0.1% | 5,867 |
| 25 | The Ridge | Johannesburg | 15,972 | 0.1% | 4,375 |
| 26 | Dunkeld Office Park | Johannesburg | 10,857 | 0.1% | 5,268 |
| 27 | 257 Oxford Rd | Sandton | 10,232 | 0.1% | 3,809 |
| 28 | Fourways Golf Park (Oakhill) | Randburg | 8,890 | 0.1% | 6,475 |
| | Office/warehouse: | | | | |
| 1 | Growthpoint Business Park | Midrand | 249,553 | 1.7% | 3,988 |
| | Mixed use: Office and retail: | | | | |
| 1 | Menlyn Piazza | Pretoria | 70,565 | 0.5% | 10,969 |
| | Motor related: | | | | |
| 1 | Ellenby Motors | Pretoria | 55,055 | 0.4% | 9,934 |
| 2 | Strijdom Commercial Park | Sandton | 51,208 | 0.3% | 3,694 |
| 3 | Fountains Motown | Pretoria | 48,891 | 0.3% | 3,956 |
| | Vacant land: | | | | |
| 1 | Ex-MPF bulk land | Johannesburg | 7,000 | 0.0% | - |
| 2 | Tresso Trading 337 | Sandton | 2,850 | 0.0% | - |
| 3 | PFG | Midrand | 2,200 | 0.0% | - |
| | Hotels: | | | | |
| 1 | Holiday Inn Durban | Durban | 107,372 | 0.7% | 5,583 |
| | Hospitals: | | | | |
| 1 | N1 City Hospital | Cape Town | 139,670 | 0.9% | 12,477 |
| | Long lease office properties: | | | | |
| 1 | Ernst & Young | Johannesburg | 54,800 | 0.4% | 4,976 |
| 2 | CDE Houghton | Johannesburg | 10,200 | 0.1% | 5,100 |
| 3 | Merck | Johannesburg | 6,600 | 0.0% | 2,296 |
| 4 | 540 Pretorius St | Pretoria | - | 0.0% | - |
| 92 | TOTAL COMMERCIAL | | 5,563,009 | 37.0% | *5,471 |
| | * - Excluding Investec Buildings | | | | |

| GROSS MONTHLY RENTAL /M ² (LET AREA) RAND | GROSS LETTABLE AREA M ² | % OF FUND BY GLA | VACANCY M ² | VACANCY % OF GLA | FORWARD YIELD |
|------------------------------------------------------|------------------------------------|------------------|------------------------|------------------|---------------|
| 66 | 5,767 | 0.2% | 254 | 4.4% | |
| 70 | 4,615 | 0.1% | - | - | |
| 62 | 4,009 | 0.1% | 1,320 | 32.9% | |
| 65 | 4,381 | 0.1% | - | - | |
| 57 | 5,327 | 0.2% | 1,550 | 29.1% | |
| 64 | 3,517 | 0.1% | 533 | 15.2% | |
| 66 | 3,651 | 0.1% | - | - | |
| 70 | 2,061 | 0.1% | - | - | |
| 64 | 2,686 | 0.1% | 1,484 | 55.2% | |
| 69 | 1,373 | 0.0% | - | - | |
| 45 | 62,579 | 1.8% | 2,915 | 4.7% | 12.8% |
| 45 | 62,579 | 1.8% | 2,915 | 4.7% | |
| 102 | 6,433 | 0.2% | - | - | 10.6% |
| 102 | 6,433 | 0.2% | - | - | |
| 53 | 31,766 | 0.9% | 60 | - | 10.5% |
| 85 | 5,542 | 0.2% | - | - | |
| 46 | 13,864 | 0.4% | - | - | |
| 47 | 12,360 | 0.4% | 60 | 0.5% | |
| - | - | - | - | - | |
| - | - | - | - | - | |
| - | - | - | - | - | |
| 52 | 19,233 | 0.6% | - | - | 9.4% |
| 52 | 19,233 | 0.6% | - | - | |
| 112 | 11,194 | 0.0% | - | - | 10.3% |
| 112 | 11,194 | 0.0% | - | - | |
| - | 22,218 | 0.7% | - | - | |
| - | 11,013 | 0.3% | - | - | |
| - | 2,000 | 0.1% | - | - | |
| - | 2,874 | 0.1% | - | - | |
| - | 6,331 | 0.2% | - | - | |
| *59 | 827,404 | 24.3% | 42,699 | 5.2% | 10.3% |

Property portfolio

at 30 June 2006

| NO | PROPERTY NAME | CITY | 2006 VALUE R' 000 | % OF FUND BY VALUE | VALUE PER M ² RAND |
|----|---------------------------|--------------|-------------------------|--------------------------|-------------------------------------|
| | INDUSTRIAL | | | | |
| | Warehousing | | 1,404,989 | 9.4% | 2,132 |
| 1 | Rectron - Midrand | Midrand | 83,000 | 0.6% | 4,334 |
| 2 | Nestle | Cape Town | 46,946 | 0.3% | 3,268 |
| 3 | Imperial | Germiston | 37,300 | 0.2% | 1,347 |
| 4 | Metkor | Durban | 34,241 | 0.2% | 1,597 |
| 5 | Bunkers Hill | Durban | 32,774 | 0.2% | 3,267 |
| 6 | Elvan | Germiston | 29,918 | 0.2% | 1,867 |
| 7 | Eagle Freight | Germiston | 28,814 | 0.2% | 4,309 |
| 8 | Racetrack | Midrand | 28,724 | 0.2% | 4,850 |
| 9 | Redwood | Alberton | 27,653 | 0.2% | 1,661 |
| 10 | Oude Moulén | Cape Town | 26,980 | 0.2% | 2,644 |
| 11 | Astron | Johannesburg | 26,605 | 0.2% | 2,161 |
| 12 | Mount Joy | Germiston | 25,028 | 0.2% | 2,486 |
| 13 | Western Province Park | Cape Town | 24,760 | 0.2% | 2,349 |
| 14 | OK Zandfontein | Johannesburg | 24,586 | 0.2% | 1,312 |
| 15 | Gateway | Alberton | 24,544 | 0.2% | 4,093 |
| 16 | Meadowbrook | Germiston | 24,277 | 0.2% | 1,771 |
| 17 | Boston Circle | Cape Town | 23,091 | 0.2% | 3,029 |
| 18 | Foreshore | Durban | 21,873 | 0.1% | 1,682 |
| 19 | Global | Kempton Park | 21,576 | 0.1% | 2,591 |
| 20 | Electron | Kempton Park | 21,395 | 0.1% | 3,463 |
| 21 | Alternator | Cape Town | 21,233 | 0.1% | 2,426 |
| 22 | Mandy Road | Johannesburg | 20,900 | 0.1% | 1,339 |
| 23 | Prolecon | Johannesburg | 20,722 | 0.1% | 1,048 |
| 24 | Chain | Cape Town | 19,936 | 0.1% | 1,570 |
| 25 | Gazelle | Midrand | 19,595 | 0.1% | 3,247 |
| 26 | Laser Isipingo Erf 3686 | Durban | 19,113 | 0.1% | 2,778 |
| 27 | Isowrench | Kempton Park | 18,857 | 0.1% | 4,624 |
| 28 | Tripark | Sandton | 18,538 | 0.1% | 1,352 |
| 29 | 2 Baker Street | Cape Town | 18,538 | 0.1% | 2,348 |
| 30 | Laser Cape Town Erf 32549 | Cape Town | 17,741 | 0.1% | 2,509 |
| 31 | Laser Clayville Erf 1007 | Midrand | 17,323 | 0.1% | 1,796 |
| 32 | Triangle | Germiston | 17,287 | 0.1% | 6,032 |
| 33 | Osram | Midrand | 16,591 | 0.1% | 2,695 |
| 34 | Ilnoy | East London | 16,454 | 0.1% | 1,745 |
| 35 | Ormonde | Johannesburg | 15,306 | 0.1% | 5,542 |
| 36 | Belgrade | Kempton Park | 15,051 | 0.1% | 2,179 |
| 37 | Goodenough | Cape Town | 14,890 | 0.1% | 1,746 |
| 38 | Eskom Road | New Germany | 13,704 | 0.1% | 2,086 |
| 39 | Fourwinds | Cape Town | 13,582 | 0.1% | 2,941 |
| 40 | Highway | Germiston | 13,078 | 0.1% | 3,925 |
| 41 | Metprop Cape | Cape Town | 12,820 | 0.1% | 1,022 |
| 42 | Hawland | Midrand | 12,658 | 0.1% | 2,410 |
| 43 | Protrans | Boksburg | 12,404 | 0.1% | 2,281 |

| GROSS MONTHLY RENTAL /M ² (LET AREA) RAND | GROSS LETTABLE AREA M ² | % OF FUND BY GLA | VACANCY M ² | VACANCY % OF GLA | FORWARD YIELD |
|------------------------------------------------------|------------------------------------|------------------|------------------------|------------------|---------------|
| 22 | 658,898 | 19.4% | 2,342 | 0.4% | 10.4% |
| 46 | 19,150 | 0.6% | - | - | |
| 24 | 14,364 | 0.4% | - | - | |
| 13 | 27,696 | 0.8% | - | - | |
| 20 | 21,442 | 0.6% | - | - | |
| 30 | 10,032 | 0.3% | - | - | |
| 16 | 16,024 | 0.5% | - | - | |
| 48 | 6,687 | 0.2% | - | - | |
| 46 | 5,923 | 0.2% | - | - | |
| 16 | 16,645 | 0.5% | - | - | |
| 31 | 10,205 | 0.3% | - | - | |
| 19 | 12,313 | 0.4% | - | - | |
| 21 | 10,067 | 0.3% | - | - | |
| 24 | 10,539 | 0.3% | - | - | |
| 19 | 18,742 | 0.6% | - | - | |
| 43 | 5,997 | 0.2% | 208 | 3.5% | |
| 16 | 13,712 | 0.4% | - | - | |
| 34 | 7,623 | 0.2% | - | - | |
| 21 | 13,006 | 0.4% | - | - | |
| 23 | 8,327 | 0.2% | - | - | |
| 28 | 6,178 | 0.2% | 668 | 10.8% | |
| 23 | 8,752 | 0.3% | - | - | |
| 14 | 15,611 | 0.5% | - | - | |
| 14 | 19,779 | 0.6% | - | - | |
| 17 | 12,698 | 0.4% | - | - | |
| 35 | 6,035 | 0.2% | - | - | |
| 35 | 6,881 | 0.2% | - | - | |
| 45 | 4,078 | 0.1% | - | - | |
| 27 | 13,711 | 0.4% | - | - | |
| 23 | 7,895 | 0.2% | - | - | |
| 24 | 7,071 | 0.2% | - | - | |
| 21 | 9,645 | 0.3% | - | - | |
| 47 | 2,866 | 0.1% | - | - | |
| 28 | 6,155 | 0.2% | - | - | |
| 19 | 9,427 | 0.3% | - | - | |
| 51 | 2,762 | 0.1% | - | - | |
| 21 | 6,909 | 0.2% | - | - | |
| 15 | 8,526 | 0.3% | - | - | |
| 24 | 6,569 | 0.2% | - | - | |
| 29 | 4,618 | 0.1% | - | - | |
| 35 | 3,332 | 0.1% | - | - | |
| 17 | 12,541 | 0.4% | - | - | |
| 25 | 5,252 | 0.2% | - | - | |
| 25 | 5,439 | 0.2% | - | - | |

Property portfolio

at 30 June 2006

| NO | PROPERTY NAME | CITY | 2006 VALUE R' 000 | % OF FUND BY VALUE | VALUE PER M ² RAND |
|----|-------------------------------|----------------|-------------------------|--------------------------|-------------------------------------|
| | INDUSTRIAL (continued) | | | | |
| | Warehousing | | | | |
| 44 | Kelsteel | Kempton Park | 12,240 | 0.1% | 1,342 |
| 45 | Millenium Park | Germiston | 12,090 | 0.1% | 3,588 |
| 46 | Loper | Kempton Park | 12,033 | 0.1% | 3,130 |
| 47 | Rectron - Uhmlanga | Durban | 12,000 | 0.1% | 5,233 |
| 48 | Hillclimb Road | Pinetown | 11,846 | 0.1% | 2,811 |
| 49 | Goodrich | Durban | 11,822 | 0.1% | 2,016 |
| 50 | Seaview | Durban | 11,648 | 0.1% | 1,333 |
| 51 | Norbertville | Roodepoort | 11,273 | 0.1% | 2,228 |
| 52 | Isipingo 2257 | Durban | 11,264 | 0.1% | 1,952 |
| 53 | Cornick | Midrand | 11,155 | 0.1% | 2,825 |
| 54 | Montani | Johannesburg | 10,930 | 0.1% | 900 |
| 55 | Laser Commercial Erf 65 | Midrand | 10,568 | 0.1% | 1,990 |
| 56 | Impala Road | Sandton | 10,432 | 0.1% | 1,700 |
| 57 | Wingfield | Boksburg | 10,260 | 0.1% | 1,564 |
| 58 | Andries Street | Johannesburg | 10,227 | 0.1% | 2,618 |
| 59 | Dominic Corner | Boksburg | 10,134 | 0.1% | 1,310 |
| 60 | Vinimark Bldg. - Linbro Park | Midrand | 10,116 | 0.1% | 3,613 |
| 61 | Sofia | Kempton Park | 9,978 | 0.1% | 3,368 |
| 62 | 23 Herman Road (Volvo) | Germiston | 9,682 | 0.1% | 2,755 |
| 63 | Laser Commercial Erf 64 | Midrand | 9,572 | 0.1% | 1,734 |
| 64 | Watt | Germiston | 8,889 | 0.1% | 3,129 |
| 65 | Hewitt | Cape Town | 8,850 | 0.1% | 1,259 |
| 66 | Novex | Sandton | 8,647 | 0.1% | 2,473 |
| 67 | Low Cost Marketing | Germiston | 8,546 | 0.1% | 2,833 |
| 68 | Elevation | Kempton Park | 8,431 | 0.1% | 3,754 |
| 69 | Alrode 706 | Alberton | 8,064 | 0.1% | 1,145 |
| 70 | Hulley | Kempton Park | 7,771 | 0.1% | 2,381 |
| 71 | Equitable | Roodepoort | 7,634 | 0.1% | 3,359 |
| 72 | Laser Commercial Erf 2 & 3 | Midrand | 7,618 | 0.1% | 3,010 |
| 73 | Alcom Center | Johannesburg | 7,420 | 0.0% | 1,481 |
| 74 | Kwaford | Port Elizabeth | 7,393 | 0.0% | 807 |
| 75 | Serenade | Boksburg | 6,900 | 0.0% | 2,001 |
| 76 | Denmaree | Johannesburg | 6,395 | 0.0% | 1,163 |
| 77 | Bison | Pretoria | 6,278 | 0.0% | 1,441 |
| 78 | Rittel | Johannesburg | 6,180 | 0.0% | 1,525 |
| 79 | Laser New Brighton 66 | Port Elizabeth | 5,989 | 0.0% | 1,482 |
| 80 | Fleming | Germiston | 5,921 | 0.0% | 4,409 |
| 81 | Gewel | Kempton Park | 5,631 | 0.0% | 2,561 |
| 82 | Repens | Johannesburg | 5,483 | 0.0% | 1,233 |
| 83 | Vereeninging Rd 5 | Alberton | 5,332 | 0.0% | 976 |
| 84 | Gemini | Sandton | 4,770 | 0.0% | 3,334 |
| 85 | Richard Drive | Midrand | 4,746 | 0.0% | 2,100 |
| 86 | Sarmcol | Johannesburg | 4,482 | 0.0% | 1,657 |

| GROSS MONTHLY RENTAL /M ² (LET AREA) RAND | GROSS LETTABLE AREA M ² | % OF FUND BY GLA | VACANCY M ² | VACANCY % OF GLA | FORWARD YIELD |
|------------------------------------------------------|------------------------------------|------------------|------------------------|------------------|---------------|
| 14 | 9,119 | 0.3% | - | - | |
| 26 | 3,370 | 0.1% | - | - | |
| 30 | 3,845 | 0.1% | - | - | |
| 45 | 2,293 | 0.1% | - | - | |
| 24 | 4,214 | 0.1% | - | - | |
| 17 | 5,864 | 0.2% | - | - | |
| 14 | 8,736 | 0.3% | - | - | |
| 25 | 5,061 | 0.1% | - | - | |
| 22 | 5,769 | 0.2% | - | - | |
| 27 | 3,948 | 0.1% | - | - | |
| 10 | 12,143 | 0.4% | - | - | |
| 21 | 5,310 | 0.2% | - | - | |
| 36 | 6,137 | 0.2% | - | - | |
| 19 | 6,558 | 0.2% | - | - | |
| 22 | 3,907 | 0.1% | - | - | |
| 15 | 7,737 | 0.2% | - | - | |
| 36 | 2,800 | 0.1% | - | - | |
| 30 | 2,963 | 0.1% | - | - | |
| 34 | 3,514 | 0.1% | - | - | |
| 19 | 5,520 | 0.2% | - | - | |
| 33 | 2,841 | 0.1% | - | - | |
| 12 | 7,031 | 0.2% | - | - | |
| 25 | 3,496 | 0.1% | - | - | |
| 31 | 3,017 | 0.1% | - | - | |
| 36 | 2,246 | 0.1% | - | - | |
| 11 | 7,045 | 0.2% | - | - | |
| 22 | 3,264 | 0.1% | - | - | |
| 32 | 2,273 | 0.1% | - | - | |
| 31 | 2,531 | 0.1% | - | - | |
| 15 | 5,011 | 0.1% | - | - | |
| 10 | 9,160 | 0.3% | - | - | |
| 18 | 3,449 | 0.1% | - | - | |
| 14 | 5,500 | 0.2% | - | - | |
| 15 | 4,356 | 0.1% | - | - | |
| 16 | 4,053 | 0.1% | - | - | |
| 18 | 4,041 | 0.1% | - | - | |
| 47 | 1,343 | 0.0% | - | - | |
| 24 | 2,199 | 0.1% | - | - | |
| 19 | 4,446 | 0.1% | - | - | |
| 10 | 5,465 | 0.2% | - | - | |
| 31 | 1,431 | 0.0% | - | - | |
| 24 | 2,260 | 0.1% | - | - | |
| 17 | 2,705 | 0.1% | - | - | |

Property portfolio

at 30 June 2006

| NO | PROPERTY NAME | CITY | 2006 VALUE R' 000 | % OF FUND BY VALUE | VALUE PER M ² RAND |
|----|-------------------------------|--------------|-------------------------|--------------------------|-------------------------------------|
| | INDUSTRIAL (continued) | | | | |
| | Warehousing | | | | |
| 87 | Engine | Cape Town | 4,421 | 0.0% | 2,555 |
| 88 | Clarens | Sandton | 4,244 | 0.0% | 3,552 |
| 89 | Sheidan | Pretoria | 4,154 | 0.0% | 940 |
| 90 | Burghers | East London | 4,090 | 0.0% | 1,213 |
| 91 | Afship | Kempton Park | 3,437 | 0.0% | 1,793 |
| 92 | Laser Silvertondale Erf 203 | Pretoria | 3,435 | 0.0% | 1,647 |
| 93 | Jansen | Boksburg | 2,815 | 0.0% | 776 |
| 94 | Laser Kimberley Erf 12802 | Kimberley | 875 | 0.0% | 897 |
| 95 | Trojan 14 | Johannesburg | 474 | 0.0% | 1,240 |
| | Industrial Parks | | 557,550 | 3.7% | 1,312 |
| 1 | Hilltop Ind Estate | Germiston | 87,739 | 0.6% | 1,507 |
| 2 | Central Park | Cape Town | 87,361 | 0.6% | 1,778 |
| 3 | Maitland Industrial | Cape Town | 58,633 | 0.4% | 2,097 |
| 4 | Runway Park | Durban | 44,834 | 0.3% | 1,231 |
| 5 | Omni Park | Johannesburg | 44,198 | 0.3% | 1,110 |
| 6 | Fitzmaurice | Cape Town | 41,197 | 0.3% | 1,113 |
| 7 | Gunners | Cape Town | 32,426 | 0.2% | 975 |
| 8 | Gold Reef Park | Johannesburg | 28,095 | 0.2% | 1,424 |
| 9 | Anchor Industrial | Boksburg | 24,333 | 0.2% | 1,632 |
| 10 | Bofors 2 | Cape Town | 17,862 | 0.1% | 1,366 |
| 11 | Trafford Park | Pinetown | 16,048 | 0.1% | 1,271 |
| 12 | Kew Park | Johannesburg | 15,689 | 0.1% | 630 |
| 13 | Newmarket Ind | Alberton | 14,185 | 0.1% | 498 |
| 14 | Isando Industrial Park | Kempton Park | 13,612 | 0.1% | 1,163 |
| 15 | Westmead | Pinetown | 11,394 | 0.1% | 1,983 |
| 16 | Strijdom Park 347 | Randburg | 10,138 | 0.1% | 2,178 |
| 17 | Janhope | Vereeniging | 9,805 | 0.1% | 1,366 |
| | Light Industrial | | 398,730 | 2.7% | 2,000 |
| 1 | Ebony | Germiston | 30,975 | 0.2% | 6,555 |
| 2 | African Products | Johannesburg | 30,912 | 0.2% | 6,920 |
| 3 | Penraz | Johannesburg | 28,155 | 0.2% | 1,425 |
| 4 | Rushair | Johannesburg | 26,305 | 0.2% | 2,717 |
| 5 | Chamberlain | Durban | 24,763 | 0.2% | 1,982 |
| 6 | Protec Park | Kempton Park | 20,264 | 0.1% | 3,687 |
| 7 | Avnett Kopp | Johannesburg | 19,600 | 0.1% | 4,231 |
| 8 | Olympic | Cape Town | 18,820 | 0.1% | 1,775 |
| 9 | Highland | Germiston | 16,080 | 0.1% | 4,065 |
| 10 | Corobrick | Johannesburg | 13,497 | 0.1% | 5,547 |
| 11 | Vintonia | Nelspruit | 13,016 | 0.1% | 4,473 |
| 12 | Pretzel Cape | Cape Town | 12,057 | 0.1% | 4,637 |
| 13 | New Germany | New Germany | 11,892 | 0.1% | 1,171 |

| GROSS MONTHLY RENTAL /M ² (LET AREA) RAND | GROSS LETTABLE AREA M ² | % OF FUND BY GLA | VACANCY M ² | VACANCY % OF GLA | FORWARD YIELD |
|------------------------------------------------------|------------------------------------|------------------|------------------------|------------------|---------------|
| 24 | 1,730 | 0.1% | - | - | |
| 34 | 1,195 | 0.0% | - | - | |
| 12 | 4,419 | 0.1% | - | - | |
| 14 | 3,372 | 0.1% | - | - | |
| 23 | 1,917 | 0.1% | - | - | |
| 18 | 2,085 | 0.1% | - | - | |
| 15 | 3,629 | 0.1% | 1,466 | 40.4% | |
| 11 | 975 | 0.0% | - | - | |
| 14 | 382 | 0.0% | - | - | |
| 16 | 424,824 | 12.5% | 10,644 | 2.5% | 10.0% |
| 13 | 58,235 | 1.7% | 4,225 | 7.3% | |
| 20 | 49,135 | 1.4% | 180 | 0.4% | |
| 25 | 27,961 | 0.8% | - | - | |
| 19 | 36,414 | 1.1% | 441 | 1.2% | |
| 18 | 39,802 | 1.2% | 1,754 | 4.4% | |
| 13 | 37,029 | 1.1% | - | - | |
| 13 | 33,256 | 1.0% | 921 | 2.8% | |
| 17 | 19,726 | 0.6% | - | - | |
| 24 | 14,908 | 0.4% | 976 | 6.5% | |
| 16 | 13,076 | 0.4% | - | - | |
| 15 | 12,629 | 0.4% | - | - | |
| 10 | 24,908 | 0.7% | 1,892 | 7.6% | |
| 6 | 28,460 | 0.8% | - | - | |
| 18 | 11,707 | 0.3% | - | - | |
| 20 | 5,746 | 0.2% | - | - | |
| 20 | 4,654 | 0.1% | - | - | |
| 17 | 7,178 | 0.2% | 255 | 3.6% | |
| 20 | 199,325 | 5.9% | 4,696 | 2.4% | 10.0% |
| 54 | 4,725 | 0.1% | - | - | |
| 56 | 4,467 | 0.1% | - | - | |
| 14 | 19,762 | 0.6% | - | - | |
| 27 | 9,683 | 0.3% | 1,430 | 14.8% | |
| 19 | 12,497 | 0.4% | - | - | |
| 33 | 5,496 | 0.2% | - | - | |
| 50 | 4,633 | 0.1% | 200 | 4.3% | |
| 18 | 10,600 | 0.3% | - | - | |
| 35 | 3,956 | 0.1% | - | - | |
| 46 | 2,433 | 0.1% | - | - | |
| 38 | 2,910 | 0.1% | - | - | |
| 33 | 2,600 | 0.1% | - | - | |
| 16 | 10,154 | 0.3% | - | - | |

Property portfolio

at 30 June 2006

| NO | PROPERTY NAME | CITY | 2006 VALUE R' 000 | % OF FUND BY VALUE | VALUE PER M ² RAND |
|----|-------------------------------|--------------|-------------------------|--------------------------|-------------------------------------|
| | INDUSTRIAL (continued) | | | | |
| | Light Industrial | | | | |
| 14 | Linus | Cape Town | 9,809 | 0.1% | 1,514 |
| 15 | Allen Road | Germiston | 9,323 | 0.1% | 2,196 |
| 16 | Italcraft | Johannesburg | 9,082 | 0.1% | 1,361 |
| 17 | Kinghall 1 | Cape Town | 8,168 | 0.1% | 1,650 |
| 18 | PS Property | Boksburg | 7,996 | 0.1% | 1,211 |
| 19 | Industry Road | Kempton Park | 6,532 | 0.0% | 1,167 |
| 20 | Rojolea | Roodepoort | 6,445 | 0.0% | 1,320 |
| 21 | Isando 103 | Kempton Park | 6,423 | 0.0% | 1,720 |
| 22 | North Reef | Germiston | 6,348 | 0.0% | 1,065 |
| 23 | Sebenza 137 | Edenvale | 5,827 | 0.0% | 2,363 |
| 24 | Stormill 51 | Roodepoort | 5,420 | 0.0% | 3,088 |
| 25 | Romatile | Boksburg | 5,365 | 0.0% | 1,183 |
| 26 | Whitworth | Johannesburg | 5,166 | 0.0% | 1,616 |
| 27 | Airrand | Germiston | 5,091 | 0.0% | 1,402 |
| 28 | Dacres | Cape Town | 5,081 | 0.0% | 1,050 |
| 29 | Aeroton 7 of 17 | Johannesburg | 4,630 | 0.0% | 1,426 |
| 30 | Chamroy | Krugersdorp | 4,509 | 0.0% | 432 |
| 31 | Cletal | Johannesburg | 4,017 | 0.0% | 532 |
| 32 | Trojan 40 | Johannesburg | 3,743 | 0.0% | 1,402 |
| 33 | Kinghall 2 | Cape Town | 3,681 | 0.0% | 1,483 |
| 34 | Isando 107 | Kempton Park | 3,287 | 0.0% | 1,704 |
| 35 | Witdrich | Witbank | 3,253 | 0.0% | 1,314 |
| 36 | Trojan 39 | Johannesburg | 1,089 | 0.0% | 1,452 |
| 37 | Trojan 20 | Johannesburg | 1,055 | 0.0% | 880 |
| 38 | Trojan 47 | Johannesburg | 1,055 | 0.0% | 338 |
| | Manufacturing | | 300,181 | 2.0% | 1,270 |
| 1 | Monteer | Kempton Park | 36,340 | 0.2% | 1,215 |
| 2 | Gillets | Pinetown | 33,516 | 0.2% | 1,721 |
| 3 | Gundle | Germiston | 32,514 | 0.2% | 2,209 |
| 4 | Moorsom | Cape Town | 23,703 | 0.2% | 1,410 |
| 5 | Freidlander | Roodepoort | 20,410 | 0.1% | 1,079 |
| 6 | Premier Equipment | Boksburg | 19,052 | 0.1% | 1,532 |
| 7 | Maitland | Cape Town | 17,063 | 0.1% | 1,754 |
| 8 | Portion 35 Alrode | Alberton | 13,081 | 0.1% | 1,149 |
| 9 | Serenade Park | Boksburg | 11,600 | 0.1% | 698 |
| 10 | Nuffield | Springs | 10,688 | 0.1% | 1,017 |
| 11 | Regina | Pinetown | 10,527 | 0.1% | 1,664 |
| 12 | Grenville | Cape Town | 10,058 | 0.1% | 1,098 |
| 13 | Neon | Springs | 8,714 | 0.1% | 797 |
| 14 | Altergen | Germiston | 7,670 | 0.1% | 1,364 |
| 15 | Covora | Boksburg | 7,488 | 0.0% | 1,338 |
| 16 | Garfield | Alberton | 7,068 | 0.0% | 905 |

| GROSS MONTHLY RENTAL /M ² (LET AREA) RAND | GROSS LETTABLE AREA M ² | % OF FUND BY GLA | VACANCY M ² | VACANCY % OF GLA | FORWARD YIELD |
|------------------------------------------------------|------------------------------------|------------------|------------------------|------------------|---------------|
| 20 | 6,478 | 0.2% | 1,547 | 23.9% | |
| 19 | 4,245 | 0.1% | 720 | 17.0% | |
| 14 | 6,673 | 0.2% | - | - | |
| 19 | 4,950 | 0.1% | - | - | |
| 13 | 6,600 | 0.2% | - | - | |
| 13 | 5,598 | 0.2% | - | - | |
| 13 | 4,882 | 0.1% | - | - | |
| 16 | 3,735 | 0.1% | - | - | |
| 15 | 5,963 | 0.2% | - | - | |
| 27 | 2,466 | 0.1% | - | - | |
| 19 | 1,755 | 0.1% | - | - | |
| 12 | 4,535 | 0.1% | - | - | |
| 17 | 3,197 | 0.1% | - | - | |
| 15 | 3,632 | 0.1% | - | - | |
| 12 | 4,840 | 0.1% | - | - | |
| 14 | 3,247 | 0.1% | - | - | |
| 5 | 10,437 | 0.3% | - | - | |
| 10 | 7,556 | 0.2% | 799 | 10.6% | |
| 19 | 2,669 | 0.1% | - | - | |
| 16 | 2,482 | 0.1% | - | - | |
| 15 | 1,929 | 0.1% | - | - | |
| 14 | 2,476 | 0.1% | - | - | |
| 20 | 750 | 0.0% | - | - | |
| 11 | 1,198 | 0.0% | - | - | |
| 5 | 3,116 | 0.1% | - | - | |
| 12 | 236,322 | 6.9% | 9,337 | 4.0% | 9.9% |
| 12 | 29,912 | 0.9% | 1,400 | 4.7% | |
| 15 | 19,471 | 0.6% | - | - | |
| 20 | 14,720 | 0.4% | - | - | |
| 15 | 16,808 | 0.5% | - | - | |
| 11 | 18,922 | 0.6% | - | - | |
| 14 | 12,436 | 0.4% | - | - | |
| 19 | 9,729 | 0.3% | - | - | |
| 10 | 11,384 | 0.3% | - | - | |
| 11 | 16,623 | 0.5% | 703 | 4.2% | |
| 10 | 10,514 | 0.3% | - | - | |
| 18 | 6,326 | 0.2% | - | - | |
| 11 | 9,162 | 0.3% | - | - | |
| 7 | 10,927 | 0.3% | - | - | |
| 11 | 5,623 | 0.2% | - | - | |
| 15 | 5,597 | 0.2% | - | - | |
| 1 | 7,806 | 0.2% | - | - | |

Property portfolio

at 30 June 2006

| NO | PROPERTY NAME | CITY | 2006 VALUE R' 000 | % OF FUND BY VALUE | VALUE PER M ² RAND |
|----|-------------------------------|--------------|-------------------------|--------------------------|-------------------------------------|
| | INDUSTRIAL (continued) | | | | |
| | Manufacturing | | | | |
| 17 | Maskew | Kempton Park | 5,944 | 0.0% | 1,104 |
| 18 | Propower | Cape Town | 5,631 | 0.0% | 1,730 |
| 19 | Alrodeprop Erf 34 | Alberton | 4,238 | 0.0% | 566 |
| 20 | Isando 104 | Kempton Park | 4,037 | 0.0% | 1,722 |
| 21 | Alrode 242 | Alberton | 3,960 | 0.0% | 1,149 |
| 22 | Salmart | Alberton | 3,603 | 0.0% | 1,086 |
| 23 | Vereeninging St 36 | Alberton | 3,275 | 0.0% | 639 |
| | High grade industrial | | 89,006 | 0.6% | 2,255 |
| 1 | Aeroporto Park | Kempton Park | 29,668 | 0.2% | 2,306 |
| 2 | Chemserve | Midrand | 28,241 | 0.2% | 2,990 |
| 3 | Fifers | Kempton Park | 16,982 | 0.1% | 2,833 |
| 4 | Inanda Rd | Durban | 10,420 | 0.1% | 1,881 |
| 5 | Chadwick | Sandton | 3,695 | 0.0% | 656 |
| | High-tech industrial | | 90,213 | 0.6% | 1,923 |
| 1 | Cummings (Propower) | Johannesburg | 26,582 | 0.2% | 3,770 |
| 2 | National Data Systems | Johannesburg | 21,304 | 0.1% | 1,591 |
| 3 | Linbro | Johannesburg | 17,110 | 0.1% | 4,173 |
| 4 | M1 Place | Sandton | 14,217 | 0.1% | 1,044 |
| 5 | TEK | Johannesburg | 11,000 | 0.1% | 1,258 |
| | Low grade industrial | | 24,165 | 0.2% | 1,311 |
| 1 | Epping 2 | Cape Town | 10,257 | 0.1% | 1,389 |
| 2 | Epping 5 | Cape Town | 3,686 | 0.0% | 1,421 |
| 3 | Epping 3 | Cape Town | 3,140 | 0.0% | 1,060 |
| 4 | Epping 4 | Cape Town | 2,961 | 0.0% | 1,263 |
| 5 | Epping 1 | Cape Town | 2,241 | 0.0% | 1,221 |
| 6 | Epping 6 | Cape Town | 1,880 | 0.0% | 1,427 |
| | Mini units | | 25,903 | 0.2% | 2,735 |
| 1 | Fern Towers | Randburg | 15,623 | 0.1% | 3,155 |
| 2 | Asetileen | Pretoria | 10,280 | 0.1% | 2,274 |
| | Midi units | | 335,220 | 2.2% | 1,950 |
| 1 | Galaxy Business park | Johannesburg | 41,540 | 0.3% | 3,611 |
| 2 | Route 24 | Johannesburg | 40,347 | 0.3% | 1,745 |
| 3 | Eastgate Business Park | Sandton | 37,816 | 0.3% | 2,796 |
| 4 | Meadowdale | Johannesburg | 36,485 | 0.2% | 2,413 |
| 5 | Scientia | Pretoria | 30,945 | 0.2% | 3,717 |
| 6 | Amalgam South | Johannesburg | 24,741 | 0.2% | 1,521 |
| 7 | Westgate (50,0%) | Pinetown | 24,462 | 0.2% | 1,545 |
| 8 | City Deep Production Park | Johannesburg | 17,287 | 0.1% | 1,581 |

| GROSS MONTHLY RENTAL /M ² (LET AREA) RAND | GROSS LETTABLE AREA M ² | % OF FUND BY GLA | VACANCY M ² | VACANCY % OF GLA | FORWARD YIELD |
|------------------------------------------------------|------------------------------------|------------------|------------------------|------------------|---------------|
| 13 | 5,385 | 0.2% | - | - | |
| - | 3,254 | 0.1% | 3,254 | 100.0% | |
| 6 | 7,491 | 0.2% | - | - | |
| 14 | 2,345 | 0.1% | - | - | |
| 12 | 3,447 | 0.1% | - | - | |
| 11 | 3,317 | 0.1% | - | - | |
| 41 | 5,123 | 0.2% | 3,980 | 77.7% | |
| 26 | 39,478 | 1.2% | 126 | 0.3% | 10.5% |
| 25 | 12,867 | 0.4% | - | - | |
| 35 | 9,445 | 0.3% | - | - | |
| 27 | 5,995 | 0.2% | - | - | |
| 25 | 5,540 | 0.2% | - | - | |
| 14 | 5,631 | 0.2% | 126 | 2.2% | |
| 19 | 46,908 | 1.4% | 1,168 | 2.5% | 8.8% |
| 33 | 7,050 | 0.2% | - | - | |
| 18 | 13,390 | 0.4% | - | - | |
| 38 | 4,100 | 0.1% | - | - | |
| 19 | 13,622 | 0.4% | 1,168 | 8.6% | |
| sold | 8,746 | 0.3% | - | - | |
| 15 | 18,438 | 0.5% | 134 | 0.7% | 10.3% |
| 17 | 7,385 | 0.2% | - | - | |
| 15 | 2,594 | 0.1% | 134 | 5.2% | |
| 12 | 2,962 | 0.1% | - | - | |
| 15 | 2,345 | 0.1% | - | - | |
| 15 | 1,835 | 0.1% | - | - | |
| 15 | 1,317 | 0.0% | - | - | |
| 32 | 9,473 | 0.3% | 350 | 3.7% | 9.7% |
| 37 | 4,952 | 0.1% | - | - | |
| 27 | 4,521 | 0.1% | 350 | 7.7% | |
| 25 | 171,864 | 5.0% | 5,918 | 3.4% | 10.8% |
| 40 | 11,505 | 0.3% | - | - | |
| 21 | 23,128 | 0.7% | - | - | |
| 35 | 13,524 | 0.4% | 253 | 1.9% | |
| 41 | 15,119 | 0.4% | - | - | |
| 43 | 8,325 | 0.2% | 4,237 | 50.9% | |
| 22 | 16,271 | 0.5% | - | - | |
| 16 | 15,837 | 0.5% | - | - | |
| 26 | 10,934 | 0.3% | 880 | 8.0% | |

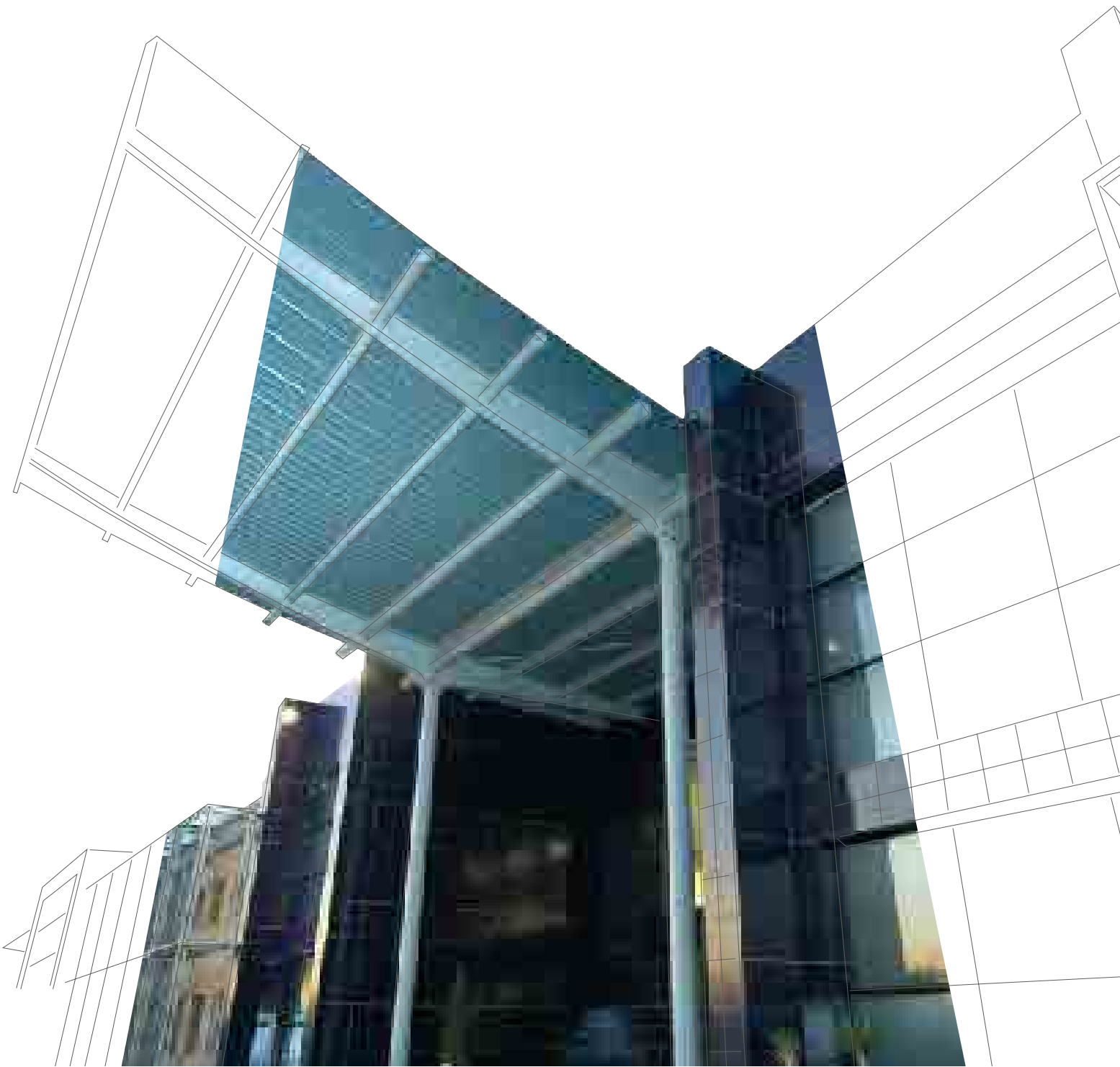
Property portfolio

at 30 June 2006

| NO | PROPERTY NAME | CITY | 2006 VALUE R' 000 | % OF FUND BY VALUE | VALUE PER M ² RAND |
|-----|-------------------------------|----------------|-------------------------|--------------------------|-------------------------------------|
| | INDUSTRIAL (continued) | | | | |
| | Midi units | | | | |
| 9 | Glen Murray | Durban | 15,455 | 0.1% | 1,863 |
| 10 | Gallagher Place | Midrand | 13,978 | 0.1% | 1,629 |
| 11 | Route 41 | Johannesburg | 13,511 | 0.1% | 1,076 |
| 12 | Ferndale Commercial Park | Randburg | 13,032 | 0.1% | 1,857 |
| 13 | Knightsgate | Germiston | 10,661 | 0.1% | 1,311 |
| 14 | Eagle Industrial Park (50%) | Richards Bay | 9,307 | 0.1% | 1,204 |
| 15 | Isando Industrial | Kempton Park | 5,653 | 0.0% | 1,150 |
| | Maxi units | | 20,621 | 0.1% | 1,425 |
| 1 | Lanner Place | Pinetown | 20,621 | 0.1% | 1,425 |
| | Motor dealership | | 19,084 | 0.1% | 2,018 |
| 1 | Gersident | Germiston | 11,577 | 0.1% | 1,921 |
| 2 | Middelbeek | Middelburg MP | 7,507 | 0.0% | 2,190 |
| | Motor Retail | | 73,492 | 0.5% | 3,470 |
| 1 | Kentyre | Randburg | 17,239 | 0.1% | 4,250 |
| 2 | Bonanza | Johannesburg | 13,100 | 0.1% | 2,706 |
| 3 | Snowy Owl | Pretoria | 10,682 | 0.1% | 4,364 |
| 4 | Bardene | Boksburg | 9,885 | 0.1% | 3,921 |
| 5 | N1 Tyre | Cape Town | 8,914 | 0.1% | 2,305 |
| 6 | Greenhills Centre | Germiston | 7,803 | 0.1% | 4,239 |
| 7 | Newton Park | Port Elizabeth | 5,869 | 0.0% | 3,654 |
| | Motor Showrooms | | 46,117 | 0.3% | 8,659 |
| 1 | Pasteur | Johannesburg | 29,441 | 0.2% | 9,577 |
| 2 | Herron | Johannesburg | 16,676 | 0.1% | 7,405 |
| | Petrol station | | 5,898 | 0.0% | 1,985 |
| 1 | Stormain | Roodepoort | 5,898 | 0.0% | 1,985 |
| 219 | TOTAL INDUSTRIAL | | 3,391,170 | 22.6% | 1,824 |
| 345 | TOTAL ALL SECTORS | | 15,016,517 | 100.0% | 4,411 |

| GROSS MONTHLY RENTAL /M ² (LET AREA) RAND | GROSS LETTABLE AREA M ² | % OF FUND BY GLA | VACANCY M ² | VACANCY % OF GLA | FORWARD YIELD |
|------------------------------------------------------|------------------------------------|------------------|------------------------|------------------|---------------|
| 26 | 8,296 | 0.2% | - | - | |
| 25 | 8,579 | 0.3% | 225 | 2.6% | |
| 15 | 12,556 | 0.4% | - | - | |
| 19 | 7,016 | 0.2% | - | - | |
| 24 | 8,129 | 0.2% | - | - | |
| 11 | 7,729 | 0.2% | 323 | 4.2% | |
| 18 | 4,916 | 0.1% | - | - | |
| 22 | 14,466 | | - | - | 11.8% |
| 22 | 14,466 | 0.4% | - | - | |
| 19 | 9,455 | 0.3% | | | 8.9% |
| 20 | 6,027 | 0.2% | - | - | |
| 19 | 3,428 | 0.1% | - | - | |
| 31 | 21,180 | 0.6% | | | 10.4% |
| 39 | 4,056 | 0.1% | - | - | |
| 22 | 4,841 | 0.1% | - | - | |
| 36 | 2,448 | 0.1% | - | - | |
| 34 | 2,521 | 0.1% | - | - | |
| 21 | 3,867 | 0.1% | - | - | |
| 47 | 1,841 | 0.1% | - | - | |
| 33 | 1,606 | 0.0% | - | - | |
| 74 | 5,326 | 0.2% | | | 10.8% |
| 75 | 3,074 | 0.1% | - | - | |
| 73 | 2,252 | 0.1% | - | - | |
| 25 | 2,972 | 0.1% | | | 11.6% |
| 25 | 2,972 | 0.1% | - | - | |
| 20 | 1,858,928 | 54.6% | 34,715 | 1.9% | 10.3% |
| 43 | 3,404,702 | 100.0% | 97,063 | 2.9% | 9.5% |

GENERAL SHAREHOLDER INFORMATION



Linked unitholders' analysis

| UNITHOLDERS' CLASSIFICATION | NO. OF UNITHOLDERS | % | NO. OF UNITS | % |
|------------------------------|--------------------|--------|--------------|--------|
| 1 - 500 units | 617 | 15.12 | 88,584 | 0.01 |
| 501 - 1,000 units | 240 | 5.89 | 203,498 | 0.03 |
| 1,001 - 5,000 units | 1,267 | 31.08 | 3,788,691 | 0.49 |
| 5,001 - 10,000 units | 705 | 17.29 | 5,491,148 | 0.71 |
| 10,001 - 20,000 units | 450 | 11.04 | 6,727,262 | 0.86 |
| 20,001 - 50,000 units | 309 | 7.58 | 10,069,597 | 1.29 |
| 50,001 - 100,000 units | 148 | 3.63 | 10,935,579 | 1.41 |
| 100,001 - 200,000 units | 105 | 2.58 | 15,436,098 | 1.98 |
| 200,001 - 1,000,000 units | 150 | 3.68 | 65,868,764 | 8.46 |
| 1,000,001 - 10,000,000 units | 73 | 1.79 | 233,950,837 | 30.06 |
| 10,000,001 units and over | 13 | 0.32 | 425,625,986 | 54.70 |
| | 4,077 | 100.00 | 778,186,044 | 100.00 |

| UNITHOLDERS' PROFILE | NO. OF UNITHOLDERS | % | NO. OF UNITS | % |
|----------------------|--------------------|--------|--------------|--------|
| Banks | 74 | 1.82 | 27,755,787 | 3.57 |
| Close Corporations | 60 | 1.47 | 2,282,523 | 0.29 |
| Endowment Funds | 86 | 2.11 | 4,784,124 | 0.61 |
| Individuals | 2,656 | 65.15 | 27,890,186 | 3.58 |
| Insurance Companies | 40 | 0.98 | 147,855,041 | 19.00 |
| Investment Companies | 19 | 0.47 | 22,975,470 | 2.95 |
| Medical Aid Schemes | 11 | 0.27 | 1,009,600 | 0.13 |
| Mutual Funds | 147 | 3.61 | 290,786,719 | 37.37 |
| Nominees and Trusts | 614 | 15.06 | 23,191,980 | 2.98 |
| Other Corporations | 40 | 0.98 | 1,420,015 | 0.18 |
| Empowerment | 1 | 0.02 | 100,000,000 | 12.85 |
| Own Holdings | 1 | 0.02 | 59,915 | 0.01 |
| Pension Funds | 172 | 4.22 | 110,243,589 | 14.17 |
| Private Companies | 144 | 3.53 | 17,190,400 | 2.21 |
| Public Companies | 12 | 0.29 | 740,695 | 0.10 |
| | 4,077 | 100.00 | 778,186,044 | 100.00 |

Linked unitholders' analysis

| UNITHOLDERS' SPREAD | NO. OF UNITHOLDERS | % | NO. OF UNITS | % |
|------------------------|--------------------|--------|--------------|--------|
| Non-Public Unitholders | 7 | 0.15 | 102 931 343 | 12.86 |
| Directors | 5 | 0.10 | 22,690,153 | 2.55 |
| Own Holdings | 1 | 0.02 | 59,915 | 0.01 |
| Empowerment | 1 | 0.02 | 80,181,275 | 10.30 |
| Public Unitholders | 4,070 | 99.85 | 675,254,701 | 87.14 |
| | 4,077 | 100.00 | 778,186,044 | 100.00 |

| BENEFICIAL UNITHOLDERS HOLDING 3% OR MORE | NO. OF UNITS | % |
|-------------------------------------------|--------------|-------|
| Old Mutual Group | 102,286,088 | 13.14 |
| AMU Trust (BEE shareholders) | 100,000,000 | 12.85 |
| Stanlib Funds | 86,450,762 | 11.11 |
| Investec | 53,694,837 | 6.90 |
| Public Investment Corporation | 46,862,512 | 6.02 |
| Investec Employee Benefits | 25,271,972 | 3.25 |

Members' diary

| | | |
|----------------------------------|----------|-----------------|
| Financial year end | | 30 June |
| Annual financial statements | | October |
| Annual general meeting | | 7 November 2006 |
| Dividends and debenture interest | Declared | Paid |
| Interim | February | March |
| Final | August | September |

Notice to members

Notice is hereby given that the Eighteenth annual general meeting of members of Growthpoint Properties Limited will be held at Investec Bank Limited, 100 Grayston Drive, Sandton 2196, on Tuesday, 07 November 2006 at 13:00 for the following purposes:

1. To receive and consider the annual financial statements of the company and the group for the year ended 30 June 2006, together with the reports of the directors and auditors thereon.
2. To re-elect, individually, the following directors who are to retire but, being eligible, offer themselves for re-election:
 - Messrs J C Hayward, H S Herman, C G Steyn and F J Visser who retire by rotation, and
 - Mr H S P Mashaba, who is to retire pursuant to his appointment on 21 June 2006.
3. To authorise the directors to determine the remuneration of the auditors for the past audit.
4. To approve the payment of remuneration to the directors.
5. To consider and, if deemed fit, pass with or without modification, the following ordinary resolutions:

5.1. Ordinary resolution No. 1

Resolved that the unissued shares in the authorised capital of the company be and are hereby placed under the control of the directors of the company to allot or issue any such shares at their discretion, subject at all times to the provisions of the Companies Act, 1973, as amended, the company's Articles of Association and the requirements of the JSE Securities Exchange of South Africa, provided that each ordinary share of five cents be issued together with ten unsecured variable-rate subordinated debentures of 250 cents each, as a linked unit.

However, no issue of linked units is contemplated at the present time and no issue will be made that

could effectively transfer control of the company without the prior approval of unitholders in general meeting.

5.2. Ordinary resolution No. 2

Resolved that, subject to the Listings Requirements of the JSE Securities Exchange of South Africa, the directors be and they are hereby authorised by way of a general authority, to issue ordinary shares of five cents each ("ordinary shares") together with unsecured variable-rate subordinated debentures of 250 cents each ("debentures") for cash as and when suitable situations arise, subject to the following limitations:

- that each ordinary share be linked to ten debentures to form linked units ("the linked units");
- this authority shall not extend beyond 15 (fifteen) months from the date of this general meeting;
- a paid press announcement giving full details, including the impact on net asset value and earnings per linked unit, will be published at the time of an issue representing, on a cumulative basis within one year, 5% or more of the number of linked units in issue prior to such issues;
- that issues in aggregate in any one financial year will not exceed 10% of the number of securities of any class in issue, including instruments which are compulsorily convertible into securities of that class;
- that, in determining the price at which an issue of linked units may be made in terms of this authority, the maximum discount permitted will be 5% of the weighted average traded price of the linked units in question, measured over the 30 business days prior to the date on which the price of such issue is determined or agreed by the directors; and

- that issues of linked units shall be made to public subscribers only and not to related parties.
 - At least 75% of the votes held by linked unitholders present or represented by proxy at the meeting need to be cast in favour of this resolution in order to give effect thereto.
6. To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

SPECIAL RESOLUTION (REPURCHASE OF LINKED UNITS)

"That the company or any of its subsidiaries be and are hereby authorised, by way of a general approval, to acquire ordinary shares and debentures issued as linked units by the company, in terms of Sections 85 (2) and 85 (3) of the Companies Act No. 61 of 1973, as amended, and in terms of the rules and requirements of the JSE Securities Exchange South Africa ("the JSE"), being that:

- Any such acquisition of linked units 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 (fifteen) 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 linked units constituting, on a cumulative basis, 3% of the number of linked units 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 linked units in aggregate in any one financial year may not exceed 20% of the company's issued ordinary share capital as at the date of passing of this special resolution;

- In determining the price at which ordinary linked units 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 linked units may be acquired will be 10% of the weighted average of the market value at which such linked units are traded on the JSE over the five business days immediately preceding the date of repurchase of such linked units;
- The company is duly authorised by its Articles of Association to acquire linked units issued by it;
- At any point in time, the company may only appoint one agent to effect any repurchase on the company's behalf;
- The company's sponsor must confirm the adequacy of the company's working capital for purposes of undertaking the repurchase of linked units 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 may not repurchase any linked units during a prohibited period as defined by the JSE Listings Requirements.

Although no repurchase of linked units is contemplated at the present time, the directors, having considered the effects of a repurchase of the maximum number of ordinary shares and debentures issued as linked units in terms of the foregoing 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 generally accepted

Notice to members

accounting practice, will exceed the liabilities of the company and the group;

- 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 the annual report of which this notice forms part, is provided in terms of the JSE Listings Requirements for purposes of the general authority:

- Directors and management - pages 7 and 8;
- Major beneficial shareholders - page 100;
- Directors' interests in linked units - page 34; and
- Share capital of the company - page 54.

Litigation statement

In terms of section 11.26 of the JSE Listings Requirements, the directors, whose names appear on page 7 of the annual report of which this notice forms part, 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 on page 7 of the annual report, 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 report, 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.

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.

The reason for and effect of the special resolution is to grant the directors of the company a general authority in terms of the Companies Act and the JSE Listings Requirements for the repurchase by the company, or a subsidiary of the company, of the company's linked units.

NOTES:

A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the company.

All proxy forms or other instruments of authority must be deposited with the Transfer Secretaries, Computershare Investor Services 2004 (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (P O Box 61051, Marshalltown 2107) so as to be received not less than 48 hours before the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

If you are a certificated Growthpoint linked unitholder or an own name dematerialised Growthpoint linked unitholder and are unable to attend the annual general meeting of Growthpoint linked unitholders to be held at 13:00 on Tuesday, 07 November 2006 ("the Growthpoint annual general meeting"), but wish to be represented thereat, you must complete the form of proxy attached hereto in accordance with the instructions therein and return it to the Transfer Secretaries, Computershare Investor Services 2004 (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (P O Box 61051, Marshalltown 2107) so as to be received by no later than 13:00 on FRIDAY, 03 NOVEMBER 2006.

If you are a dematerialised Growthpoint linked unitholder and are not an own name dematerialised Growthpoint linked unitholder then you must instruct your CSDP or broker as to how you wish to cast your vote at the

Growthpoint annual general meeting in order for them to vote in accordance with your instructions. If you wish to attend the Growthpoint annual general meeting 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 linked unitholder (who is not an own name dematerialised Growthpoint linked unitholder) and the CSDP or broker.

By order of the board

A handwritten signature in black ink, appearing to read 'R A Krabenhöft', is positioned above the typed name.

R A Krabenhöft
Company secretary
22 August 2006
Sandton

Form of proxy

TO BE COMPLETED BY CERTIFICATED AND OWN NAME DEMATERIALIZED LINKED UNITHOLDERS OF GROWTHPOINT PROPERTIES LIMITED ("Growthpoint") ONLY

I/We _____
 (Name in block letters)

of _____
 (Address in block capitals)

being the registered holder of _____ linked units in Growthpoint, hereby appoint _____
 _____ of _____ or failing him
 _____ of _____ or failing him
 _____ of _____ or failing him

the chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the company to be held at 100 Grayston Drive, Sandton 2196 on Tuesday, 07 November 2006 at 13:00 or any adjournment as follows:

| RESOLUTIONS | IN FAVOUR OF | AGAINST | ABSTAIN |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------|---------|
| 1. Adoption of annual financial statements | | | |
| 2. Re-election of the following directors who are to retire at the meeting: | | | |
| 2.1 J C Hayward | | | |
| 2.2 H S Herman | | | |
| 2.3 C G Steyn | | | |
| 2.4 F J Visser | | | |
| 2.5 H S P Mashaba | | | |
| 3. Auditors' remuneration | | | |
| 4. To approve payment of remuneration to the directors | | | |
| 5.1 To place the unissued shares in the authorised capital under the control of the directors | | | |
| 5.2 General authority to issue linked units for cash | | | |
| 6. Special resolution: Authority to repurchase linked units | | | |
| My/our proxy has been instructed to vote in accordance with my/our wishes as indicated by the placing of a cross in the appropriate space above. Unless so instructed, my/our proxy may vote as he/she thinks fit. | | | |

Signed at _____ this _____ day of _____ 2006

Signature/s of member/s _____

Telephone No. _____ Cell No. _____ Fax No. _____

(State area code)

Form of proxy

NOTES

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the company.

All proxy forms or other instruments of authority must be deposited with the Transfer Secretaries, Computershare Investor Services 2004 (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (P O Box 61051, Marshalltown 2107) so as to be received not less than 48 hours before the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

If you are a certificated Growthpoint linked unitholder or an own name dematerialised Growthpoint linked unitholder and are unable to attend the Annual General Meeting of Growthpoint linked unitholders to be held at 13:00 on TUESDAY, 07 NOVEMBER 2006 ("the Growthpoint Annual General Meeting") but wish to be

represented at the meeting, you must complete the form of proxy attached hereto in accordance with the instructions therein and return it to the Transfer Secretaries, Computershare Investor Services 2004 (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (P O Box 61051, Marshalltown 2107) so as to be received by them no later than 13:00 on FRIDAY, 03 NOVEMBER 2006.

If you are a dematerialised Growthpoint linked unitholder and are not an own name dematerialised Growthpoint linked unitholder then you must instruct your CSDP or broker as to how you wish to cast your vote at the Growthpoint Annual General Meeting in order for them to vote in accordance with your instructions. If you wish to attend the Growthpoint Annual General Meeting 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 linked unitholder (who is not an own name dematerialised Growthpoint linked unitholder) and the CSDP or broker.