

# SUMMARY OF THE YEAR 2011

Growthpoint Properties Limited's audited results for the year ended 30 June 2011 have been published on SENS and are available on [www.growthpoint.co.za](http://www.growthpoint.co.za)

## GROWTHPOINT AT A GLANCE

The largest listed property company on the JSE with property assets valued at **R45,7 billion**

Market capitalisation of **R29,1 billion** at 30 June 2011

Diversified property portfolio comprising

**424**  
PROPERTIES IN SOUTH AFRICA  
**R32,5 billion**



**50% interest**  
IN THE V&A WATERFRONT  
**R4,8 billion**



**37**  
PROPERTIES IN AUSTRALIA  
**R8,4 billion**

Fully integrated internally managed property company

**456 staff**

Retail  
**R12,0 billion**



Office  
**R13,7 billion**



Industrial  
**R6,8 billion**



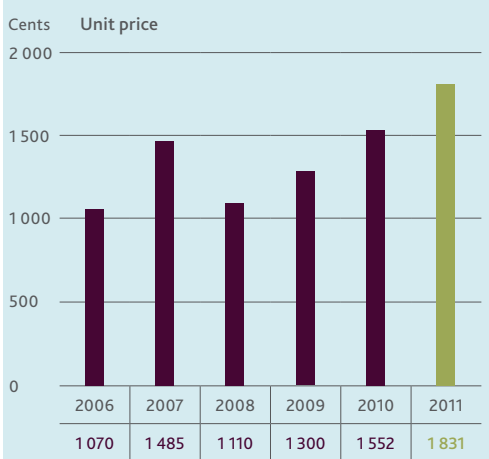
V&A Waterfront  
**R4,8 billion**



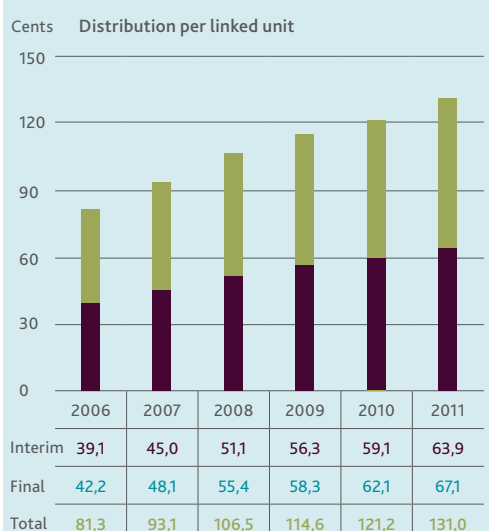
Australia  
**R8,4 billion**



The largest listed property company on the JSE with tangible assets of R47 billion.



11.3% compound annual growth in linked unit price over the last 5 years.



10.1% average annual growth in distributions over the last 5 years.

### HIGHLIGHTS OF 2011

**26.4%**  
Return to investors for the year

**8.4%** INCOME YIELD      **18.0%** CAPITAL GROWTH

Distribution per linked unit

**131.0** CENTS      **8.1%** GROWTH

Aquisition of **50%** interest in V&A Waterfront

On 7 June 2011, Growthpoint realised a long-held ambition, when it, joined the Government Employees Pension Fund represented by the Public Investment Corporation Limited (PIC), acquired, 100% of the V&A Waterfront for a total of R9,9 billion.

The V&A is a landmark South African property asset and is the country's top tourist destination. The developed property portfolio boasts a well established and high quality portfolio of properties offering attractive rentals, rental escalations and lease expiry profiles. Whilst the transaction is consistent with Growthpoint's objectives of providing its linked unit holders with long-term sustainable income and capital growth, it also creates the opportunity to unlock significant value through the development of the undeveloped bulk. The acquisition also improves the diversification of Growthpoint's property portfolio, through greater exposure to the Retail and Leisure sectors and to the Western Cape.

Entry into Corporate Bond market raising **R1,0 billion**

In December 2010 Growthpoint issued its first unsecured corporate bond. The four-year floating rate note was issued at a margin of 156 bps over 3-month Jibar. We were extremely pleased with the strong demand from institutions and the ability to access debt capital markets directly for long-term unsecured funding. In May 2011 we followed up with a further issue of a five-year unsecured bond. Strong demand for the paper saw margins reduce to 134 bps over Jibar.

**28.6%** Return on **R1,5 billion** AUSTRALIAN INVESTMENT

Growthpoint Properties Limited Australia (GOZ) acquired 15 properties during the year, bringing its total number of properties to 37 across Australia and increasing the value of the GOZ portfolio to AUD1,2 billion. This has diversified the fund from purely industrial properties to include a 28% spread of offices at year end. GOZ's investment property portfolio has nearly doubled since Growthpoint's initial investment some 18 months ago. Growthpoint's investment in GOZ continues to perform positively with the strong Australian Dollar providing an additional boost to Growthpoint's distributions. Growthpoint has achieved a nominal return in excess of 50% since investing in GOZ in September 2009.

### COMMENTARY ON RESULTS

Growthpoint has declared a final distribution of 67,1 cents per linked unit for the six months ended 30 June 2011, bringing the total distribution for the year ended 30 June 2011 to 131,0 cents per linked unit. This is in line with our expectations at the time of announcing the interim results and has achieved the targets set in Growthpoint's budgets.

The recovery from the recession is proving to be sluggish, with slow economic growth, an uncertain and volatile global outlook and increases in energy and transport costs that are well above inflation.

The positive side of this has been the slow-down in the development of new commercial premises which would have increased the supply of lettable space at a time of weak demand.

It is pleasing to be able to report that in these difficult conditions the company has achieved a modest decrease in vacancies, bad debts and arrears percentages.

The inclusion of our 50% share of the profits of the V&A Waterfront from 7 June 2011 resulted in an approximate R595 000 dilution to profits after borrowing costs in the current financial year. This is in line with our expectations as we anticipate that it will take just over a year for rental escalations in the V&A to increase net income above funding costs.

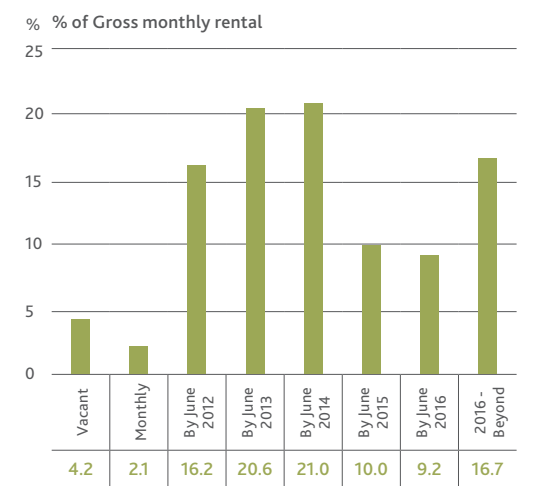
The investment in GOZ continues to enhance overall profits, based on the attractive yield of the investment as well as hedging strategies that take advantage of Rand weakness relative to the Australian dollar from the time to enhance the distributions receivable from GOZ when converted to Rands.

### HIGHLIGHTS SUBSEQUENT TO YEAR END

Additional equity raised **100 million** LINKED UNITS      **R1,8 billion**

Additional investment in Growthpoint Properties Australia **R469 million** PARTICIPATION IN RIGHTS ISSUE

### RSA LEASE EXPIRY BY SECTOR (EXCL V&A)



### CASH DISTRIBUTION WITH THE ELECTION TO RE-INVEST THE CASH

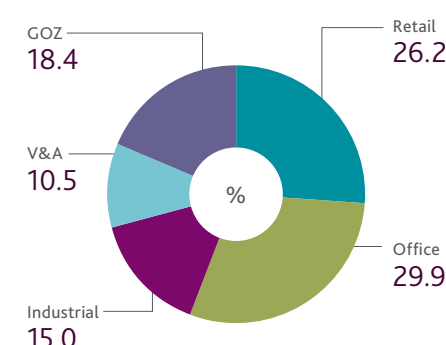
#### DISTRIBUTION IN RETURN FOR GROWTHPOINT LINKED UNITS

Linked unit holders will be entitled to elect to re-invest the Cash Distribution in return for linked units (Linked Unit Alternative), failing which they will receive the Cash Distribution in respect of all or part of their linked unitholding.

DISTRIBUTION TIMETABLE		2011
Circular and form of election posted to linked unitholders		Friday, 26 August
Announcement of linked unit ratio		Friday, 2 September
Last day to trade in order to participate in the Cash Distribution and Linked Unit Alternative		Friday, 9 September
Linked units to trade ex distribution		Monday, 12 September
Listing of maximum number of Linked Unit Alternative linked units commences on the JSE		Monday, 12 September
Last day to elect to receive a Linked Unit Alternative and/or to receive the Cash Distribution (by 12:00)		Friday, 16 September
Record date		Friday, 16 September
Announcement of results of Cash Distribution and Linked Unit Alternative on SENS		Monday, 19 September
Linked unit certificates posted and Cash Distribution posted/paid to certificated linked unitholders		Monday, 19 September
Accounts credited by CSDP or broker to dematerialised linked unitholders		Monday, 19 September
Announcement of results of election of Cash Distribution or Linked Unit Alternative in the press		Tuesday, 20 September
Adjustment to linked unit listed on or about		Tuesday, 20 September

Linked units may not be dematerialised between Monday, 12 September 2011 and Friday, 16 September 2011, both days inclusive. The above dates and times are subject to amendment. Any such amendment will be released on SENS and published in the press.

### PROPERTY PORTFOLIO ANALYSIS BY VALUE



### PROSPECTS

Given the global and local economic uncertainties, higher interest margins on debt refinance, continuing cost pressures and lacklustre demand in particular in the office sector, Growthpoint expects to show growth in distributions of between 3.0% and 7.0% for FY2012. The forecast has been based on the company's budgets for the year to 30 June 2012, taking into account that the majority of the company's income is contractual rental income as well as the fact that from 30 September 2011, 94% of the company's debt has been fixed for the remainder of FY2012. This forecast has not been reviewed by the company's independent external auditors.

Included in JSE - Socially Responsible Investments Index (SRI)

Most empowered property company on JSE

4th year