

This document is important and requires your immediate attention

1. If you are in any doubt as to the action you should take, please consult your CSDP, broker, banker, accountant, attorney or other professional adviser immediately.
2. If you have disposed of all your linked units in Growthpoint Properties Limited ("Growthpoint"), please forward this document to the CSDP, broker, banker or agent through whom you disposed of such linked units.

Action required

3. If you are a certificated Growthpoint linked unitholder or an own name dematerialised Growthpoint linked unitholder and are unable to attend the general meeting of Growthpoint linked unitholders to be held at 09:00 on Tuesday, 21 August 2007 ("the general meeting") but wish to be represented thereat, you must complete the form of proxy (yellow) attached hereto in accordance with the instructions therein and return it to Growthpoint's transfer secretaries, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 09:00 on Friday, 17 August 2007.
4. If you hold dematerialised Growthpoint linked units and have not elected own name registration then your CSDP or broker, as the case may be, should contact you to ascertain how you wish to cast your vote at the general meeting, and thereafter cast your vote in accordance with your instructions. Such instructions should be communicated to the CSDP or broker, as the case may be, and these instructions communicated by the CSDP or broker to Growthpoint's transfer secretaries by no later than 09:00 on Friday, 17 August 2007. If such dematerialised Growthpoint linked unitholders have not been contacted it would be advisable for them to contact their CSDP or broker, as the case may be, and furnish them with their instructions. Dematerialised Growthpoint linked unitholders who are not own-name dematerialised linked unitholders and who wish to attend the general meeting must obtain their necessary letter of representation from their CSDP or broker. This must be done in terms of the agreement entered into between the dematerialised Growthpoint linked unitholder and their CSDP or broker in the manner and cut-off time stipulated therein. **Growthpoint does not accept responsibility and will not be held liable for any failure on the part of a CSDP or broker of a dematerialised Growthpoint linked unitholder to notify such Growthpoint linked unitholder of the general meeting or any business to be conducted thereat.**



(Incorporated in the Republic of South Africa)
(Registration number 1987/004988/06)
Share code: GRT ISIN: ZAE000037669

Circular to Growthpoint linked unitholders

relating to:

- the proposed acquisition by Growthpoint Management Services (Proprietary) Limited (the "Growthpoint Subsidiary") of:
 - the property fund management business from Investec Property Group Limited ("IPG");
 - the Management Agreement Rights from the trustees for the time being of the AMU Trust and Phatsima Properties (Proprietary) Limited ("Phatsima");
 - the shares in the issued share capital of Buildmain (Proprietary) Limited ("Buildmain") from IPG; and
 - the property administration business from IPG;collectively, "the proposed acquisition";
- the implementation of a proposed staff incentive scheme for the benefit of the current IPG staff who will be transferred to the employ of Growthpoint as a result of the proposed acquisition;

and incorporating:

- a notice convening a general meeting of Growthpoint linked unitholders; and
- a form of proxy (yellow) for use by certificated and own-name dematerialised Growthpoint linked unitholders.

**Independent expert to
Growthpoint linked
unitholders**



Lead sponsor



Joint sponsor



**Independent reporting
accountants**



**Growthpoint debenture
trustee**



**Independent advisors and
attorneys to the BEE partners**



**Attorneys to
Growthpoint**



Date of issue: 6 August 2007

Copies of this circular are only available in English and may be obtained from the registered office of Growthpoint, the offices of the lead and joint sponsors to Growthpoint, the addresses of which are set out in the "Corporate information" section of this circular, as well as all other broking members of the JSE.

CORPORATE INFORMATION

Directors

S Hackner (*Chairman*) # †
J F Marais (*Deputy Chairman*) *
L N Sasse (*Chief Executive Officer*) †
M G Diliza * †
P H Fechter *
J C Hayward *
H S Herman # †
S R Leon# †
B Ngcuka *
R Moonsamy * †
C G Steyn *
J H N Strydom *
F J Visser *
H S P Mashaba* †
Non-executive
* *Independent non-executive*
† *Related parties to the proposed acquisition*

Independent expert to Growthpoint linked unitholders and lead sponsor

Ernst & Young Advisory Services Limited
(Registration number 2006/018260/06)
Ernst & Young Sponsors (Proprietary) Limited
(Registration number 2000/031843/07)
Wanderers Office Park, 52 Corlett Drive
Illovo, 2196
(PO Box 2322, Johannesburg, 2000)

Attorneys to Growthpoint

Jowell Glyn & Marais Inc
(Registration number 2001/020379/21)
Fourth Floor, Jowell Glyn & Marais House
72 Grayston Drive
Sandton, 2196
(PO Box 652361, Benmore, 2010)

Independent reporting accountants

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

Independent advisors and attorneys to the BEE Partners

Fluxmans Inc
(Registration number 2000/024775/21)
Fluxmans House
11 Biermann Avenue
Rosebank, 2196
(Private Bag X41, Saxonworld, 2132)

Company Secretary and registered office

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

Transfer secretaries

Computershare Investor Services 2004
(Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor, 70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Growthpoint debenture trustee

Bell Dewar & Hall Inc
(Registration number 1995/004675/21)
37 West Street
Houghton, 2041
(PO Box 1972 Houghton, 2041)

Joint sponsor

Investec Bank Limited
(Registration number 1969/004763/06)
Second Floor, 100 Grayston Drive
Sandown
Sandton, 2196
(PO Box 785700, Sandton, 2146)

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SALIENT FEATURES

This summary contains the salient features of the information detailed in this document, which should be read in its entirety for a full appreciation hereof. The definitions given on pages 8 to 10 of this document apply, as necessary, to the salient features.

I. THE PROPOSED ACQUISITION

Growthpoint has entered into an acquisition agreement with IPG and the BEE partners, in terms of which the Growthpoint Subsidiary will acquire, with effect from 1 July 2007:

- the property fund management business from IPG;
- the Management Agreement Rights from the BEE partners;
- the shares in the issued share capital of Buildmain from IPG;
- the property administration business from IPG,

collectively referred to herein as "the proposed acquisition", for a total purchase consideration of R1 572 800 000. The proposed acquisition is subject to the fulfilment of the suspensive conditions set out in paragraph 5 below.

The purchase consideration will be settled through the issue of 98 300 000 new Growthpoint linked units at a price of 1 600 cents per linked unit, ex-distribution for the six-month period ended 30 June 2007.

The Property Services businesses employ approximately 243 staff located in Johannesburg, Durban and Cape Town who will be transferred, with effect from the effective date, to the employ of Growthpoint as a result of the proposed acquisition, as contemplated in section 197 of the Labour Relations Act.

Growthpoint also intends to implement a staff incentive scheme. It is envisaged that initially Growthpoint will issue up to a maximum of 11 million fully paid-up linked units to the staff incentive scheme trust for allocation in terms of the scheme. Any subsequent issue of ongoing staff incentive scheme units will be at the discretion of the committee and subject to the further terms of the proposed staff incentive scheme.

2. RATIONALE FOR THE PROPOSED ACQUISITION AND THE PROPOSED STAFF INCENTIVE SCHEME

2.1 Rationale

Growthpoint's rationale for entering into the proposed acquisition includes the following:

- perceived conflicts of interest arising from the external management model will be eliminated;
- the transaction is earnings enhancing for Growthpoint;
- international and local investors tend to favour internally managed property funds over externally managed property funds;
- increased cost savings and the achievement of economies of scale from employing own staff versus paying a management fee;
- alignment of staff and management's interests with Growthpoint linked unitholders;
- Growthpoint is preparing itself for the introduction of the REIT or similar structure in South Africa. In a REIT environment internationally most property funds are internally managed; and
- removal of the asset management fee will allow Growthpoint to be more competitive in pricing new acquisitions.

As Growthpoint approaches the size for potential inclusion in the FTSE/JSE Alsi Top 40 Index, and as South Africa's largest property holding and investment company, the Growthpoint Board is of the view that the company should have its own management and should conform with international trends in the REIT industry.

Growthpoint's rationale for introducing the proposed staff incentive scheme includes:

- ensuring the retention of staff and key executives;
- motivating key staff to drive the business to a new level;
- aligning the interests of staff and executive management with those of linked unitholders; and
- ensuring that executives have a meaningful stake in the company.

3. IRREVOCABLE UNDERTAKINGS BY LINKED UNITHOLDERS

Unrelated linked unitholders holding at least 559 569 408 Growthpoint linked units, representing approximately 64.5% of Growthpoint linked unitholders eligible to vote, have indicated their support for the proposed acquisition and have irrevocably undertaken to vote in favour of the ordinary resolution required to implement the proposed acquisition at the general meeting of Growthpoint linked unitholders.

Linked unitholders holding at least 647 201 578 Growthpoint linked units, representing approximately 60.3% of the Growthpoint linked units in issue, have indicated their support for the proposed staff incentive scheme and have irrevocably undertaken to vote in favour of the ordinary resolution required to implement the proposed staff incentive scheme at the general meeting of Growthpoint linked unitholders.

4. FUTURE PROSPECTS OF GROWTHPOINT

Growthpoint, as the largest South African listed property loan stock company continues to be a point of reference for investors seeking exposure to the South African property market. Growthpoint will endeavor to provide linked unitholders with long-term sustainable growing returns by investing in quality real estate assets. Growthpoint continues to look for opportunities to grow its total asset base and market capitalisation. This growth strategy will be undertaken in a structured manner having regard to opportunities that arise within the respective sectors and regions.

5. SUSPENSIVE CONDITIONS

The implementation of the proposed acquisition is conditional upon the fulfilment of the following suspensive conditions, on or before 31 December 2007:

- Growthpoint and Investec entering into a co-operation agreement as regards, *inter alia*, their future preferred reciprocal referral relationship and such agreement becoming unconditional in accordance with its terms;
- Growthpoint linked unitholders, at a general meeting, passing the requisite resolutions (including the requisite resolutions required in terms of the provisions of the JSE listings requirements in respect of related party transactions) approving;
 - this proposed acquisition and the allotment and issue by Growthpoint of the requisite number of consideration units;
 - the adoption of the proposed staff incentive scheme and the allotment and issue by Growthpoint of the requisite number of initial staff incentive scheme units; and
- the obtaining of the approval by the Competition Authorities in terms of the Competition Act, without any conditions which are not agreed to in writing by IPG and/or Growthpoint.

6. FINANCIAL INFORMATION

The table below sets out the unaudited financial information of the proposed acquisition and proposed staff incentive scheme at an implied forward yield of 9.26% based upon the purchase consideration and the budgeted net income of the Property Services businesses to 31 March 2008 of R145.67 million.

	Forecast 12 months ending 31 March 2008
Aggregate purchase price R1 572 800 000	
Forecast net income to 31 March 2008	R145 670 385
Consideration units to be issued	98 300 000
Initial staff incentive scheme units to be issued	11 000 000
Distribution per new Growthpoint linked unit issued (cents)	133 .3
1 year forward yield to 31 March 2008*	9.26%
1 year forward yield to 31 March 2008**	8.33%

* Based on an aggregate purchase consideration of R1 572 800 000 and forecast net property income of R145 670 385.

** Based on an aggregate purchase consideration of R1 572 800 000 and the value of the initial 11 000 000 units to be issued, at 1 600 cents per unit, relating to the proposed staff incentive scheme and forecast net property income of R145 670 385.

The above distribution relates only to the new Growthpoint linked units to be issued assuming that the forecast net profit of the Property Services businesses is attributable only to these units. It is not reflective of the distributions that may be earned on the increased number of Growthpoint linked units and does not reflect the incremental effect which the proposed acquisition may have on the distribution to existing linked unitholders.

An independent reporting accountants' report, on the unaudited profit forecast of the Property Services businesses for the 12 months ending 31 March 2008 has been prepared by KPMG, the full text of which is included in Annexure V to this document.

7. RELATED PARTIES

In terms of the Listings Requirements of the JSE, IPG and Investec (as a result of it being IPG's parent) and each of the BEE partners are related parties to Growthpoint, consequently, the proposed acquisition is regarded as a related party transaction.

As a result IPG, Investec and the BEE partners are precluded from voting on the ordinary resolution to approve the entering into of the proposed acquisition at the general meeting.

8. GENERAL MEETING

A general meeting of Growthpoint linked unitholders will be held at 09:00 on Tuesday, 21 August 2007, for the purpose of considering and, if deemed fit, approving the ordinary resolutions to be proposed thereat. The notice of general meeting has been bound into and forms part of this document with details of the ordinary resolutions given in such notice of general meeting. A form of proxy (yellow) for use by certificated and own-name dematerialised Growthpoint linked unitholders who are unable to attend the general meeting, but who wish to be represented thereat, is attached to this document.

9. CONSIDERATION UNITS

The consideration units to be issued to IPG and the BEE partners pursuant to the conclusion of the proposed acquisition will be allotted and issued at a price of 1 600 cents per linked unit, ex-distribution for the six-month period ended 30 June 2007. The consideration units will therefore be issued at an effective "clean" price of 1 600 cents per Growthpoint linked unit. Any distribution paid by Growthpoint on the consideration units that relates to a period prior to 1 July 2007 will be refunded by IPG and the BEE partners to Growthpoint.

10. PROPOSED STAFF INCENTIVE SCHEME

The Growthpoint Board is proposing the implementation of a staff incentive scheme which is to be approved by linked unitholders at the general meeting.

Growthpoint will issue the initial staff incentive scheme units, to replicate the existing Investec scheme benefits, to the staff incentive scheme trust. The initial staff incentive scheme units will vest with the beneficiaries over a period of four years from the date of issue, in tranches of 25% per year from 1 September 2008.

Subsequent to the issue of the initial staff incentive scheme units and subject to the provision of the proposed staff incentive scheme the committee, consisting of non-executive directors, may from time to time issue ongoing staff incentive scheme units to any employee, on such terms and conditions as the committee may determine. When issuing any ongoing staff incentive scheme units the committee will be sensitive towards possible dilution to existing linked unitholders and will take into consideration buying existing linked units in the market rather than the issue of new ongoing staff incentive scheme units. The committee, in awarding ongoing staff incentive scheme units, will take into consideration total cost to company of the employee which will be benchmarked on a regular basis. In making such awards, which is entirely within the discretion of the committee, due consideration will be given to the appropriate performance by employees.

No issue of linked units may be granted in terms of the proposed staff incentive scheme to the extent that after the acceptance thereof the aggregate number of linked units held under the proposed staff incentive scheme exceeds 7.5% of the total number of linked units in the issued share and debenture capital of Growthpoint. No individual may participate in the proposed staff incentive scheme with respect to more than 0.5% of the total number of linked units in issue unless the committee determines exceptional circumstances.

The committee shall have absolute discretion regarding the application relative to the initial and ongoing staff incentive scheme units, of any dividends or distributions declared and paid in respect of any such units and whether these vest with the participants under the proposed staff incentive scheme or not.

The salient features of the proposed staff incentive scheme are set out in Annexure VIII to this document.

11. OPINIONS AND RECOMMENDATIONS

The non-related independent directors have considered the terms and conditions of the proposed acquisition as well as the independent fair and reasonable opinion, the full texts of which are included in Annexure I, and are of the unanimous opinion that the terms of the proposed acquisition are fair and reasonable to Growthpoint linked unitholders and unanimously recommend that Growthpoint linked unitholders vote in favour of the ordinary resolution required to implement the proposed acquisition at the general meeting.

The non-related independent directors also recommend that linked unitholders vote in favour of the ordinary resolution giving directors the authority to implement the proposed staff incentive scheme.

The non-related independent directors of Growthpoint intend to vote in favour of all the ordinary resolutions in respect of the Growthpoint linked units beneficially owned by them including those relating to the proposed staff incentive scheme.

12. CONTINUED RELATIONSHIP WITH INVESTEC

The future relationship between Growthpoint, Investec and IPG has been formalised in a co-operation agreement in terms of which Investec and IPG will continue to offer properties within the Investec portfolio of properties to Growthpoint first, whilst Growthpoint will offer new and redevelopment opportunities in its portfolio to IPG's property development arm first. It is also agreed that Growthpoint will administer all properties under the effective control of IPG. All transactions will take place on an arm's length basis and on market-related terms.

13. ACTION TO BE TAKEN BY GROWTHPOINT LINKED UNITHOLDERS

Certificated Growthpoint linked unitholders who are unable to attend the general meeting but wish to be represented thereat are requested to complete and return the attached form of proxy (*yellow*) in accordance with the instructions contained therein. Growthpoint's transfer secretaries must receive duly completed forms of proxy by no later than 09:00 on Friday, 17 August 2007.

Dematerialised Growthpoint linked unitholders, who have elected own-name registration, and who are unable to attend but wish to vote at the general meeting must complete and return the attached form of proxy (*yellow*) in accordance with the instructions contained therein. Growthpoint's transfer secretaries must receive duly completed forms of proxy by no later than 09:00 on Friday, 17 August 2007.

Dematerialised Growthpoint linked unitholders, who have not elected own-name registration, and who wish to attend the general meeting must instruct their CSDP or broker to issue them with the necessary letter of representation to do so in the manner and cut-off time stipulated in the agreement between such dematerialised Growthpoint linked unitholder and their CSDP or broker.

Dematerialised Growthpoint linked unitholders, who have not elected own-name registration, and who are unable to attend but wish to vote at the general meeting should ensure that the person or entity (such as a nominee) whose name has been entered into the sub-register maintained by a CSDP completes and returns the attached form of proxy (*yellow*) in terms of which he appoints a proxy to vote at the general meeting.

Growthpoint does not accept responsibility and will not be held liable for any failure on the part of a CSDP or broker of a dematerialised Growthpoint linked unitholder to notify such Growthpoint linked unitholder of the general meeting or any business to be conducted thereat.

SALIENT DATES AND TIMES

2007

Circular and notice of general meeting posted to Growthpoint linked unitholders	Monday, 6 August
Last day to lodge proxies for the general meeting (by 09:00)	Friday, 17 August
General meeting (at 09:00)	Tuesday, 21 August
Publication of results of the general meeting:	
– on SENS	Tuesday, 21 August
– and in the press	Thursday, 23 August
Consideration units issued in terms of the proposed acquisition listed in the “Real Estate – Real Estate Holding & Development” sector of the JSE lists	Mid-September*

* The date is subject to change, based on the date on which approval for the proposed acquisition is received from the Competition Commission and Tribunal.

The dates and times in this document are subject to change and any changes will be released on SENS and published in the press.

DEFINITIONS

In this document, unless otherwise stated, the words in the first column have the meaning stated opposite them in the second column, words in the singular include the plural and *vice versa*, words signifying one gender include the other gender and references to a person include references to a body corporate:

“acquisition agreement”	the agreement, dated 25 July 2007, between Growthpoint, Growthpoint Managers, the Growthpoint Subsidiary, Investec, IPG and the BEE partners in respect of the proposed acquisition (a copy of which is available for inspection at Growthpoint’s registered office in terms of paragraph 24);
“Act”	the Companies Act, 1973 (Act 61 of 1973), as amended;
“AMU Trust”	the trustees for the time being of the AMU Trust, an <i>inter vivos</i> trust duly registered by the Master of the High Court in Pretoria (Master Reference Number IT 8040/2005), incorporated in South Africa;
“BEE partners”	the AMU Trust and Phatsima;
“Buildmain”	Buildmain Managers (Proprietary) Limited (Registration number 1998/014895/07), being, prior to the proposed acquisition, a wholly-owned subsidiary of IPG;
“business day”	means a day other than a Saturday, Sunday or official public holiday in the RSA;
“certificated Growthpoint linked unitholders”	Growthpoint linked unitholders who hold certificated Growthpoint linked units;
“certificated Growthpoint linked units”	Growthpoint linked units which have not yet been dematerialised, title to which is represented by a paper linked unit certificate or other document of title;
“closing date”	first day of the month following the date of fulfilment of the last of the suspensive conditions;
“CMBS”	Commercial Mortgage-Backed Securitisation;
“Commercial Mortgage-Backed Securitisation”	facilities secured via mortgage bonds registered over a property portfolio;
“committee”	a committee comprising the members of the remuneration committee of Growthpoint and by invitation from the remuneration committee, any executive director of Growthpoint;
“consideration units”	the 98 300 000 new Growthpoint linked units that will be issued to IPG and the BEE partners as consideration for the proposed acquisition. The consideration units will be issued at a price of 1 600 cents per new Growthpoint linked unit, ex-distribution;
“co-operation agreement”	the agreement, dated 20 July 2007, between Investec, IPG and Growthpoint which provides for the future preferred referral relationship between them (a copy of which is available for inspection at Growthpoint’s registered office in terms of paragraph 24);
“CSDP”	Central Securities Depository Participant;
“debenture holders”	holders of Growthpoint debentures by virtue of their holdings of Growthpoint linked units;
“debenture trustee”	Bell Dewar & Hall Inc (Registration number 1995/004675/21);
“dematerialised Growthpoint linked unitholders”	Growthpoint linked unitholders who hold dematerialised Growthpoint linked units;
“dematerialised Growthpoint linked units”	Growthpoint linked units that have been dematerialised in accordance with Strate and which unitholding is recorded electronically;
“this document”	this document, the annexures hereto, the notice of general meeting of Growthpoint linked unitholders and a form of proxy (<i>yellow</i>);

“effective date”	1 July 2007;
“FTSE/JSE Alsi Top 40 Index”	the FTSE/JSE Alsi Top 40 Tradeable Index, a capitalisation weighted index comprising of the 40 largest companies by market capitalisation traded on the JSE;
“general meeting”	the general meeting of Growthpoint linked unitholders to be held at 09:00 on Tuesday, 21 August 2007, at the registered office of Growthpoint, being 100 Grayston Drive, Sandown, Sandton, 2196 for the purposes of considering and if deemed fit, approving the ordinary resolutions to be proposed thereat;
“Growthpoint” or “the company”	Growthpoint Properties Limited (Registration number 1987/004988/06), a public company incorporated in South Africa, the linked units of which are listed on the JSE;
“Growthpoint Board”	the board of directors of Growthpoint;
“Growthpoint debentures” or “debentures”	unsecured, subordinated, variable rate debentures with a nominal value of 250 cents each in the debenture capital of Growthpoint;
“linked unitholders” or “Growthpoint linked unitholders”	holders of Growthpoint linked units;
“Growthpoint linked units” or “linked units”	Growthpoint shares linked to Growthpoint debentures in the ratio of one Growthpoint share to ten Growthpoint debentures, trading as a linked unit on the JSE;
“Growthpoint Managers”	Growthpoint Managers (Proprietary) Limited (Registration number 1987/004982/07), being a wholly-owned subsidiary of Growthpoint;
“Growthpoint Subsidiary”	Growthpoint Management Services (Proprietary) Limited (Registration number 2004/015933/07), being a wholly-owned subsidiary of Growthpoint and the purchaser in terms of the proposed acquisition;
“Growthpoint shares”	ordinary shares with a nominal value of 5 cents each in the share capital of Growthpoint;
“initial staff incentive scheme units”	initial issue of up to a maximum of 11 million fully paid-up new Growthpoint linked units to be issued to the staff incentive scheme trust;
“Investec”	Investec Limited (Registration number 1925/002833/06), the shares of which are listed on the JSE;
“IPG”	Investec Property Group Limited (Registration number 1947/025753/06), being a wholly-owned subsidiary of Investec;
“IT”	Information Technology;
“JSE”	JSE Limited (registration number 2005/022939/06), licensed as an exchange under the Securities Services Act, Act 36, as amended;
“Labour Relations Act”	the Labour Relations Act, Act 66 of 1995, as amended;
“last practicable date”	being the last practicable date prior to the finalisation of this document;
“management agreements”	means: <ul style="list-style-type: none"> • the management agreement entered into between Growthpoint Managers and Growthpoint dated 12 October 1987 as read with the first and second addenda thereto dated 31 August 2001 and 8 July 2003, respectively, in terms of which Growthpoint appointed Growthpoint Managers to manage its properties; • the management agreement entered into between Growthpoint Managers and IPG dated 31 August 2001 in terms of which Growthpoint Managers appointed IPG as asset manager and the sole letting agent and managing agent in respect of the properties owned from time to time by Growthpoint; and • the agreements dated August 2005 and 6 June 2006 in terms of which the BEE partners purchased a portion of IPG’s right to income under and in terms of the management agreement referred to the second bullet above;

"Management Agreement Rights"	the right of the BEE partners to receive a portion of the income accrued under and in terms of the management agreements;
"non-related independent directors"	those members of the Growthpoint board that are independent of the related parties, being P H Fechter, J C Hayward, J F Marais, B Ngcuka, C G Steyn, J H N Strydom and F J Visser;
"ongoing staff incentive scheme units"	the issue of new Growthpoint linked units, subsequent to the issue of the initial staff incentive scheme units, to the staff incentive scheme trust;
"own-name dematerialised Growthpoint linked unitholders"	dematerialised Growthpoint linked unitholders who have instructed their CSDP to hold their dematerialised Growthpoint linked units in their own name on the sub-register (the list of linked unitholders maintained by the CSDP and forming part of Growthpoint's linked unitholder register);
"Phatsima"	Phatsima Properties (Proprietary) Limited (Registration number 2002/025261/07), a private company incorporated in South Africa;
"purchase consideration"	the total consideration of R1 572 800 000 payable to IPG and the BEE partners pursuant to the proposed acquisition in terms of the acquisition agreements;
"Property Services businesses"	collectively: <ul style="list-style-type: none"> • the property fund management business; • the business conducted by Buildmain; and • the property administration business;
"proposed staff incentive scheme"	an incentive scheme for the executives and staff of Growthpoint;
"REIT"	Real Estate Investment Trust which is an international structure for property investors;
"related parties"	each of Investec, IPG, the BEE partners and the directors designated as such on page 20;
"RSA" or "South Africa"	the Republic of South Africa;
"SENS"	the Securities Exchange News Service of the JSE;
"staff incentive scheme trust"	the staff incentive trust to be registered with the Master of the High Court on the necessary ordinary resolution being passed at the general meeting;
"Strate"	the share settlement and clearing system utilised by the JSE for all share transactions concluded on the JSE, managed by Strate Limited (Registration number 1998/022242/06);
"subsidiary"	has the meaning ascribed to the term in section 1(3) of the Act;
"suspensive conditions"	the suspensive conditions to the proposed acquisition set out in paragraph 6 of this document;
"the offer"	the final conditional offer made by Growthpoint to IPG and the BEE partners dated 24 May 2007, in terms of which Growthpoint made an offer to enter into the proposed acquisition for the purchase consideration;
"the proposed acquisition"	the proposed acquisition by the Growthpoint Subsidiary, in terms of the proposed acquisition agreement, of: <ul style="list-style-type: none"> • the property fund management business from IPG; • the Management Agreement Rights from the BEE partners; • the shares in the issued share capital of Buildmain from IPG; and • the property administration business from IPG;
"the trust deed"	the principal debenture trust deed, together with all supplemental trust deeds, between Growthpoint and the debenture trustee;
"transfer secretaries"	Computershare Investor Services 2004 (Proprietary) Limited (Registration number 2004/003647/07); and
"VAT"	Value-Added Taxation.



(Incorporated in the Republic of South Africa)
(Registration number: 1987/004988/06)
Share code: GRT ISIN: ZAE000037669

CIRCULAR TO GROWTHPOINT LINKED UNITHOLDERS

This document should be read in its entirety for a complete understanding of the proposed acquisition and the proposed staff incentive scheme. This document is not an invitation to the public to subscribe for new Growthpoint linked units, but is issued in compliance with the JSE Listings Requirements or the purpose of giving information to the public regarding Growthpoint and the proposed acquisition, the adoption of the proposed staff incentive scheme and to convene a general meeting of Growthpoint linked unitholders to consider and, if deemed fit, pass the ordinary resolutions required to implement the proposed acquisition (which is deemed to be a related party transaction in terms of the JSE Listings Requirements) and the adoption of the proposed staff incentive scheme.

I. INTRODUCTION

Growthpoint had made an offer, in terms of which Growthpoint proposed to acquire the Property Services businesses for a purchase consideration amounting in aggregate to R1 572 800 000, the terms of which were concluded on Thursday, 24 May 2007. It was released on SENS on Wednesday, 30 May 2007 and published in the press on Thursday, 1 June 2007.

On Wednesday, 25 July 2007, Growthpoint, the Growthpoint Subsidiary, Growthpoint Managers, Investec, IPG and each of the BEE partners signed the acquisition agreement which set out the terms and conditions of the proposed acquisition. As set out in paragraph 14 below, Growthpoint, IPG, Investec and each of the BEE partners are related parties as defined in the JSE Listings Requirements. Accordingly, Growthpoint is required to obtain an independent fair and reasonable opinion in respect of the proposed acquisition, the full text of which is set out in Annexure I to this document. Furthermore, Growthpoint is required to obtain linked unitholder approval in a general meeting for the proposed acquisition.

The purpose of this document, which includes all the relevant information relating to the proposed acquisition and the proposed staff incentive scheme, is to inform Growthpoint linked unitholders of the implications of the proposed acquisition and the adoption of the proposed staff incentive scheme. The document provides the information required by linked unitholders to enable them to make an informed decision as to how they should vote at the Growthpoint general meeting to be held at 09:00 on Tuesday, 21 August 2007 for the purpose of considering, and if deemed fit, approving with or without modification the ordinary resolutions necessary to implement the proposed acquisition and the adoption of the proposed staff incentive scheme.

The Property Services businesses employ approximately 243 staff located in Johannesburg, Durban and Cape Town who will be transferred, with effect from the effective date, to Growthpoint as a result of the proposed acquisition, as contemplated in section 197 of the Labour Relations Act. IPG and Investec will indemnify the Growthpoint Subsidiary against any loss, liability, damage and expense of any nature (including legal costs) which the Growthpoint Subsidiary may suffer as a result of any claim by any of the IPG and Buildman employees, or former employees, in respect of any act or omission of IPG or Buildman prior to the effective date.

The current Johannesburg premises occupied by the Property Services businesses will be taken over by the Growthpoint Subsidiary and accordingly the lease relating to the Johannesburg premises will be assigned to the Growthpoint Subsidiary with effect from the effective date. In respect of the premises occupied by the Property Services businesses in Cape Town and Durban, IPG will allow the occupation of these premises subject to the same terms and conditions as presently charged to IPG for a period to 30 September 2008.

Growthpoint will in addition implement a staff incentive scheme. It is envisaged that initially Growthpoint will issue up to a maximum of 11 million fully paid-up linked units to the staff scheme incentive trust for allocation in terms of the scheme. Any subsequent issue of ongoing staff incentive scheme units will be at the discretion of the committee and subject to the further terms of the proposed staff incentive scheme.

2. THE PROPOSED ACQUISITION

2.1 Terms of the proposed acquisition

Growthpoint has entered into an acquisition agreement with IPG and the BEE partners, in terms of which the Growthpoint Subsidiary will acquire, with effect from 1 July 2007:

- the property fund management business from IPG;
- the Management Agreement Rights from the BEE partners;
- the shares in the issued share capital of Buildmain from IPG; and
- the property administration business from IPG;

collectively "the Property Services businesses",

for a total purchase consideration of R1 572 800 000.

The proposed acquisition is subject to the fulfilment of the suspensive conditions set out in paragraph 6 below.

The purchase consideration will be settled through the issue of 98 300 000 new Growthpoint linked units at a price of 1 600 cents per linked unit, ex-distribution for the six-month period ended 30 June 2007, the allotment of which shall be as follows:

- 86 878 057 linked units to IPG;
- 9 584 847 linked units to the AMU Trust; and
- 1 837 096 linked units to Phatsima.

2.2 Adjustment account

As per the acquisition agreement, IPG will prepare an adjustment account after the closing date (but in any event not later than ten business days thereafter) which shall reflect:

- as credits to IPG any amounts paid by IPG for any period beyond the effective date in respect of the Property Services businesses which is to be transferred with effect from the effective date to the purchaser in terms of the acquisition agreement;
- as credits to Growthpoint any amounts paid by Growthpoint for any period beyond the effective date in respect of the Property Services businesses which is to be transferred with effect from the effective date to the purchaser in terms of the acquisition agreement;
- as debits to IPG any amounts which are in arrear and have not been paid by IPG prior to the effective date in respect of the Property Services businesses which is to be transferred with effect from the effective date to the purchaser in terms of this acquisition agreement;
- as debits to Growthpoint any amounts which are in arrear and have not been paid by Growthpoint prior to the effective date in respect of the Property Services businesses which is to be transferred with effect from the effective date to the purchaser in terms of this acquisition agreement.

If the adjustment account reflects a net balance:

- to the credit of IPG, the purchaser shall pay IPG the amount of such net balance within five business days after delivery of the adjustment account to the purchaser;
- to the debit of IPG, IPG shall pay the purchaser the amount of such net balance within five business days after delivery of the adjustment account to the purchaser.

2.3 Directors' restraints

No restraint of trade payment has been made to any Growthpoint directors.

2.4 Details of the vendors

The vendors are as follows:

- of the property fund management business, IPG;
- of the Management Agreement Rights, the BEE partners;
- the shares in the issued share capital of Buildmain, IPG; and
- the property administration business, IPG.

Details of the vendors are provided in the "Definitions" section of this document.

2.5 Warranties and claims

Each of IPG, Investec and the BEE partners has provided warranties to Growthpoint and the Growthpoint Subsidiary normal for a transaction of this nature.

2.6 Competition

Each of the parties in terms of the acquisition agreements have provided reciprocal undertakings to one another not to compete with each others businesses and/or solicit any employees of one another in the two-year period following the effective date.

2.7 Taxation

Growthpoint assumes no liability for accrued taxation in terms of the acquisition agreement.

2.8 Consideration units

The consideration units will be allotted and issued at a price of I 600 cents per linked unit, ex any distributions for the six-month period ended 30 June 2007. The consideration units will therefore be allotted and issued at an effective "clean" price of I 600 cents per Growthpoint linked unit. Any distribution paid by Growthpoint on the consideration units that relates to a period prior to the effective date will be refunded by the vendors to Growthpoint.

2.9 Continued relationship with Investec

The future relationship between Growthpoint, Investec and IPG has been formalised in a co-operation agreement in terms of which Investec and IPG will continue to offer the properties within the Investec portfolio of properties to Growthpoint first, whilst Growthpoint will offer new and redevelopment opportunities in its portfolio to IPG's property development arm first by way of a right of first refusal subject to certain terms. It is also agreed that Growthpoint will administer all properties under the effective control of Investec. All transactions will take place on an arm's length basis and on market-related terms.

In general, in respect of opportunities presented by third parties which neither Growthpoint nor IPG and/or Investec take up themselves each undertake in favour of the other that it/they will introduce such opportunity to the other party with a view to concluding a deal in respect of such opportunity which would be in the best interests of the parties generally.

3. PROPOSED STAFF INCENTIVE SCHEME

The Growthpoint Board is proposing the implementation of a staff incentive scheme which is to be approved by linked unitholders at the general meeting.

Growthpoint will issue the initial staff incentive scheme units, to replicate the existing Investec scheme benefits, to the staff incentive scheme trust. The initial staff incentive scheme units will vest with the beneficiaries over a period of four years from the date of issue, in tranches of 25% per year from 1 September 2008.

Subsequent to the issue of the initial staff incentive scheme units and subject to the provision of the proposed staff incentive scheme the committee may from time to time issue ongoing staff incentive scheme units to any employee, on such terms and conditions as the committee may determine. When issuing any ongoing staff incentive scheme units the committee will be sensitive towards possible dilution to existing linked unitholders and will take into consideration buying existing linked units in the market rather than the issue of new ongoing staff incentive scheme units. The committee in awarding ongoing staff incentive scheme units will take into consideration total cost to company which will be benchmarked on a regular basis. In making such awards, which is entirely within the discretion of the committee, due consideration will be given to the appropriate performance by employees.

No issue of linked units may be granted in terms of the proposed staff incentive scheme to the extent that after the acceptance thereof the aggregate number of linked units held under the proposed staff incentive scheme exceeds 7.5% of the total number of linked units in the issued share and debenture capital of Growthpoint. No individual may participate in the proposed staff incentive scheme with respect to more than 0.5% of the total number of linked units in issue, unless the committee determines exceptional circumstances.

The committee shall have absolute discretion regarding the application relative to the initial and ongoing staff incentive scheme units, of any dividends or distributions declared and paid in respect of any such units and whether these vest with the participants under the proposed staff incentive scheme or not.

The salient features of the proposed staff incentive scheme are set out in Annexure VIII to this document.

4. RATIONALE FOR THE PROPOSED ACQUISITION AND PROPOSED STAFF INCENTIVE SCHEME

4.1 Rationale

Growthpoint's rationale for entering into the proposed acquisition includes the following:

- perceived conflicts of interest arising from the external management model will be eliminated;
- the transaction is earnings enhancing for Growthpoint;
- international and local investors tend to favour internally managed property funds over externally managed property funds;
- increased cost savings and the achievement of economies of scale from employing own staff versus paying a management fee;
- alignment of staff and management's interests with Growthpoint linked unitholders;
- Growthpoint is preparing itself for the introduction of the REIT or similar structure in South Africa. In a REIT environment internationally most property funds are internally managed; and
- removal of the asset management fee will allow Growthpoint to be more competitive in pricing new acquisitions.

As Growthpoint approaches the size for potential inclusion in the FTSE/JSE Alsi Top 40 Index, and as South Africa's largest property holding and investment company, the Growthpoint Board is of the view that the company should have its own management and should conform with international trends in the REIT industry.

Growthpoint's rationale for introducing the proposed staff incentive scheme includes:

- ensuring the retention of staff and key executives;
- motivating key staff to drive the business to a new level;
- aligning the interests of staff and executive management with those of linked unitholders; and
- ensuring that executives have a meaningful stake in the company.

5. IRREVOCABLE UNDERTAKINGS BY LINKED UNITHOLDERS

Unrelated linked unitholders holding at least 559 569 408 Growthpoint linked units, representing approximately 64.5% of Growthpoint linked unitholders eligible to vote, have indicated their support for the proposed acquisition and have irrevocably undertaken to vote in favour of the ordinary resolution required to implement the proposed acquisition at the general meeting of Growthpoint linked unitholders.

Linked unitholders holding at least 647 201 578 Growthpoint linked units, representing approximately 60.3% of the Growthpoint linked units in issue, have indicated their support for the proposed staff incentive scheme and have irrevocably undertaken to vote in favour of the ordinary resolution required to implement the proposed staff incentive scheme at the general meeting of Growthpoint linked unitholders.

6. SUSPENSIVE CONDITIONS

The implementation of the proposed acquisition is conditional upon the fulfilment of the following suspensive conditions, on or before 31 December 2007:

- Growthpoint and Investec entering into a co-operation agreement as regards, *inter alia*, their future preferred reciprocal referral relationship and such agreement becomes unconditional in accordance with its terms;
- Growthpoint linked unitholders, at a general meeting, passing the requisite resolutions (including the requisite resolutions required in terms of the provisions of the JSE Listings Requirements in respect of related party transactions) approving:
 - this proposed acquisition and the allotment and issue by Growthpoint of the requisite number of consideration units;
 - the adoption of the proposed staff incentive scheme and the allotment and issue by Growthpoint of the requisite number of initial staff incentive scheme units; and
- the obtaining of the approval by the Competition Authorities in terms of the Competition Act, without any conditions which are not acceptable to IPG and/or Growthpoint and/or which are not agreed to in writing by IPG and/or Growthpoint.

7. FUTURE PROSPECTS OF GROWTHPOINT

Growthpoint, as the largest South African-listed property loan stock company continues to be a point of reference for investors seeking exposure to the South African property market. Growthpoint will endeavor to provide linked unitholders with long-term sustainable growing returns by investing in quality real estate assets. Growthpoint continues to look for opportunities to grow its total asset base and market capitalisation. This growth strategy will be undertaken in a structured manner having regard to opportunities that arise within the respective sectors and regions.

8. FINANCIAL INFORMATION

8.1 Unaudited profit forecast of the Property Services businesses

The unaudited profit forecast for the Property Services businesses has been prepared for illustrative purposes only, to provide information about the projected net income for the 12-month period ending 31 March 2008. The information should be read in conjunction with the independent reporting accountants' report on the unaudited profit forecast of the Property Services businesses for the year to 31 March 2008.

	Unaudited Forecast 12 months ending 31 March 2008 R
Income	
Asset management fee	133 169 811
Property management fees	168 868 379
Other	2 140 613
Net income	304 178 803
Expenses	158 508 418
Salaries	118 038 897
General operating expenses	40 469 521
Net income before debenture interest	145 670 385
Debenture interest	(145 670 385)
Net income before taxation	–
Taxation charge	–
Net income after taxation	–
New consideration units to be issued	98 300 000
Initial staff incentive scheme units to be issued in terms of the staff incentive scheme	11 000 000
Distribution per new Growthpoint linked unit issued (cents)	133.3
Yield calculated on a purchase consideration of R1 572 800 000	9.26%
Yield calculated on a purchase consideration of R1 572 800 000 and the value of the initial 11 000 000 units issued, at 1 600 cents per unit, relating to the proposed staff incentive scheme	8.33%

Note:

(1) Assumptions:

The basis of preparation and assumptions included in the compilation of the profit forecast for the 12 months ending 31 March 2008 are set out below. This is not an exhaustive list and further assumptions have been noted in this document.

- The management contract will continue in terms of the existing agreement until expiry of the contract. The current terms are:
 - asset management fee is calculated at 0.50% of the "enterprise value";
 - enterprise value is measured by taking the sum of the nominal value of external debt plus market capitalisation;
 - market capitalisation is based on 1 074 429 960 linked units currently in issue at an average price of R16.00 per linked unit; and
 - average debt is calculated at R9.3 billion.

- Letting commission on new deals is calculated at 100% of recommended SAPOA tariffs whilst letting commission on renewals is calculated at 50% of recommended SAPOA tariffs.
- Collection fees range from 1% to 4% of cash collected on a property by property basis.
- Salaries are in respect of staff of 243 people currently employed by IPG responsible for the management of Growthpoint.
- Operating expenditure has been determined based on discussions with the previous property managers and after consideration of historic costs and include rental of premises, IT systems and support, marketing and other expenses necessary for operating a listed company.
- All profits will be distributed to linked unitholders and thus no tax will be payable.

The above assumptions are material to the forecast and the actual profit of the Property Services business will depend on them. Unforeseen events or circumstances may also occur subsequent to the date of this document and the actual results achieved during the 12-month period ending 31 March 2008 may therefore differ materially from the forecast.

The independent reporting accountants' report on the unaudited profit forecast is set out in Annexure V to this document.

Growthpoint's unaudited *pro forma* consolidated balance sheet

The independent reporting accountants' report on the unaudited *pro forma* balance sheet for Growthpoint is set out in Annexure IV to this document.

The unaudited *pro forma* balance sheet has been prepared to illustrate the financial position of Growthpoint assuming the acquisition of the Property Services businesses had occurred on the 31 December 2006, this being the half year-end of Growthpoint and is set out in Annexure II to this document.

The directors of Growthpoint are responsible for the preparation of the unaudited *pro forma* consolidated balance sheet.

9. SHARE CAPITAL OF GROWTHPOINT

At the date of this document, the authorised and issued share capital of Growthpoint is as follows:

	Before transaction R'000	After transaction R'000
Authorised share capital		
Ordinary shares (1 500 000 000 shares of 5 cents each)	75 000	75 000
Issued share capital		
Ordinary shares (1 074 126 195 shares of 5 cents each before the proposed acquisition and proposed staff incentive scheme and 1 183 426 195 shares of 5 cents each after the proposed acquisition and proposed staff incentive scheme)	53 706	59 171
Share capital	53 706	59 171

10. DIRECTORS

10.1 Directors' remuneration

For the financial year ended 30 June 2007, the following amounts were paid to the directors of Growthpoint for services as directors:

Non-executive	2007 (R'000)
J F Marais*	167
M G Diliza *	206
J C Hayward *	158
F J Visser *	143
J Molobela *(1)	–
H S P Mashaba	161
P H Fechter*	290
H S Herman	–
S Hackner	–
S R Leon	–
C G Steyn*	318
R Moonsamy *(2)	155
B Ngcuka*(2)	103
J H N Strydom*	274
	1 975

Notes:

(1) Resigned 31 December 2005.

(2) Appointed 31 August 2005.

* Independent.

No amounts were paid in the form of basic salaries, bonuses and performance-related payments, expense allowances, material benefits, contributions under pension schemes, commissions, gains or profit sharing arrangements or any share options.

As a result of the proposed acquisition Messrs Norbert Sasse and Estienne de Klerk will be employed by Growthpoint on terms detailed in four-year service contracts (salient features which are included in Annexure IX to this document). Messrs Sasse and de Klerk will participate in the proposed staff incentive scheme and bonus process.

Other than Messrs Sam Hackner, Sam Leon and Hugh Herman who, as a result of the proposed acquisition will start earning certain directors' fees, there will be no changes to the remuneration of the current Growthpoint non-executive directors as a result of the proposed acquisition or proposed staff incentive scheme.

It is envisaged that, post the implementation of the proposed acquisition, the composition of the Growthpoint Board will be re-assessed taking into consideration the balance between executive and non-executive directors as well as the size of the overall Growthpoint Board.

10.2 Directors' interests

At 30 June 2007, being the date of Growthpoint's latest financial reporting period for the 12-month period then ended, the directors of Growthpoint had the following interests in Growthpoint linked units:

	Beneficial		Non-beneficial		Total	Total (%)
	Direct	Indirect	Direct	Indirect		
M G Diliza ⁽¹⁾	–	12 748 725	–	–	12 748 725	1.19
H S P Mashaba	–	22 000 000	–	–	22 000 000	2.05
R Moonsamy ⁽¹⁾	–	3 500 000	–	–	3 500 000	0.33
J H N Strydom ⁽¹⁾	20 000	–	–	80 000	100 000	0.01
P H Fechter ⁽¹⁾	–	–	–	2 871 428	2 871 428	0.27
S Hackner ⁽¹⁾	1 125 000	424 211	–	–	1 549 211	0.14
	1 145 000	38 672 936	–	2 951 428	42 769 364	3.99

(1) Non-executive director.

Messrs Diliza, Moonsamy and Ngcuka acquired their holdings pursuant to the BEE transaction entered into on 30 August 2005. Subsequent to the date of Growthpoint's latest audited financial reporting period, 30 June 2006, Mr Ngcuka sold his interest and, at the date of this document, has no interest in Growthpoint linked units.

Dealings by the directors of Growthpoint for the period commencing 30 June 2006, being the last audited financial year-end of Growthpoint, and terminating on the last practicable date, are set out below.

Director	Date	Nature of transaction	Number of securities	Price (cents)
S Hackner	21 August 2006	Purchase	184 211	1 070
S Hackner	25 August 2006	Purchase	250 000	1 129
S Hackner	28 August 2006	Purchase	85 000	1 151
S Hackner	30 August 2006	Purchase	90 000	1 167
S Hackner	4 September 2006	Purchase	100 000	1 098
S Hackner	5 September 2006	Purchase	100 000	1 080
S Hackner	30 May 2007	Purchase	100 000	1 585
S Hackner*	31 May 2007	Purchase	6 500	1 545
J H N Strydom	1 June 2007	Purchase	30 000	1 531
J H N Strydom	1 June 2007	Purchase	20 000	1 533
S Hackner	5 June 2007	Purchase	100 000	1 537
J H N Strydom	11 June 2007	Purchase	20 000	1 481
J H N Strydom	11 June 2007	Purchase	10 000	1 465
J H N Strydom	11 June 2007	Purchase	8 347	1 474
J H N Strydom	11 June 2007	Purchase	11 653	1 475
S Hackner	11 June 2007	Purchase	100 000	1 494
S Hackner	15 June 2007	Purchase	200 000	1 473

* Securities purchased by Gary Hackner, son of Sam Hackner (Non-executive director).

Other than as disclosed above, the Growthpoint directors have no personal interests in the proposed acquisition.

10.3 Growthpoint directors' interests in transactions

Other than as a result of the proposed acquisition and the proposed staff incentive scheme as disclosed in this document, the directors of Growthpoint have no interests, whether direct or indirect, in transactions which are or were either unusual in their nature or conditions or material to the business of Growthpoint during the current financial year, the financial year ended 30 June 2006 or in any earlier financial year which remain in any respect outstanding or unperformed.

11. MAJOR GROWTHPOINT LINKED UNITHOLDERS

Insofar as is known to the Growthpoint directors, Growthpoint linked unitholders who, directly or indirectly, held a beneficial interest in 5% or more of Growthpoint linked units in issue, prior to and subsequent to the implementation of the proposed acquisition, at the last practicable date, are set out in the table below:

Growthpoint linked unitholder	Number of Growthpoint linked units, before the proposed acquisition	Linked unit holding, before the proposed acquisition (%)	Number of Growthpoint linked units, after the proposed acquisition	Linked unit holding, after the proposed acquisition (%)
Old Mutual Asset Managers	124 209 783	11.56	124 209 783	10.50
Stanlib Asset Management	114 518 881	10.66	114 518 881	9.68
Investec Listed Property Investments	107 117 984	9.97	107 117 984	9.05
AMU Trust *	100 000 000	9.31	109 584 847	9.26
Investec Bank Limited	7 038 875	0.65	93 916 932	7.94
Investec Employee Benefits	65 632 170	6.11	65 632 170	5.55
	518 517 693	48.26	614 980 597	51.98

* Growthpoint's BEE Consortium.

12. DEBENTURES

Growthpoint has not issued any debentures, loan stock or other form of loan capital and does not have any off-balance sheet finance commitments, save as disclosed in this document.

In terms of the Growthpoint debenture trust deed 10 741 261 950 debentures have been issued up to the last practicable date. Each Growthpoint linked unit comprises one Growthpoint share of 5 cents linked to ten Growthpoint debentures with a nominal value of 250 cents per debenture. Pursuant to the proposed acquisition, a further 983 000 000 Growthpoint debentures will be issued and pursuant to the proposed staff incentive scheme a further 1 10 000 000 Growthpoint debentures will be issued.

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

Subject to subordination provisions, the Growthpoint 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 Growthpoint debenture trust deed. The Growthpoint debentures will be redeemable at the instance of the debenture holders at any time after 25 years from the date of allotment of the relevant Growthpoint debentures. This right must be exercised by special resolution of the debenture holders. Upon the passing of the said special resolution, the Growthpoint debentures shall be redeemed at the appropriate issue price on the last Friday in December of the fifth year after the year in which the special resolution is passed.

Full details of the terms and conditions of the Growthpoint debentures are set out in the Growthpoint debenture trust deed, which is available for inspection at the registered office of Growthpoint as set out in paragraph 24 below.

Details of all material loans to Growthpoint are set out in Annexure VII to this document.

13. MATERIAL CONTRACTS

Material contracts entered into by Growthpoint, otherwise than in the normal course of business, within the two years prior to the last practicable date, are as follows:

- the provision of mezzanine debt by Growthpoint to facilitate the acquisition by the AMU Trust of 100 million Growthpoint linked units in a deal worth R1.01 billion, effective 30 August 2005;
- acquisition of Metboard via a scheme of arrangement for a total purchase consideration of R2 378 million, effective June 2006;
- the provision of mezzanine debt by Growthpoint to facilitate the acquisition by Phatsima of 22 million Growthpoint linked units in a deal worth R244 million, effective December 2006; and
- acquisition of Paramount Property fund in a share for share deal, effective date January 2007.

Growthpoint has not entered into any contract containing an obligation or settlement that is material to Growthpoint or any of its subsidiaries at the last practicable date.

14. RELATED PARTIES

In terms of the JSE Listings Requirements, IPG, Investec (as a result of it being IPG's parent) and each of the BEE partners are related parties to Growthpoint, consequently, the proposed acquisition is regarded as a related party transaction.

As a result IPG, Investec and the BEE partners are precluded from voting on the ordinary resolution to approve the entering into of the proposed acquisition at the general meeting.

15. LITIGATION STATEMENT

There are no legal or arbitration proceedings that are pending or threatened against Growthpoint, nor is the Growthpoint Board aware of any proceedings which are pending or threatened, which may have, or have had, in the 12-month period preceding the date of this document, a material effect on the financial position of Growthpoint.

16. MATERIAL CHANGES

Save as relating to the proposed acquisition and the proposed staff incentive scheme and as disclosed in paragraph 13 above, there have been no material changes in the financial or trading position of Growthpoint or its subsidiaries between 31 December 2006 and the date of issue of this document.

There has been no change in the controlling shareholders of Growthpoint and trading objects of Growthpoint during the five-year period prior to the last practicable date.

17. EXPENSES

The estimated expenses payable by Growthpoint in relation to the proposed acquisition and proposed staff incentive scheme are estimated at R2.92 million (excluding VAT) as set out in the table below:

Expense	R'000
Legal fee	300
Competition Commission	125
Independent expert and lead sponsor	600
Independent advisor to the board	900
Joint sponsor	450
JSE documentation fee	11
JSE linked unit listing fees	265
Independent reporting accountants	120
Printing, publication, distribution and advertising expenses	150
	2 921

18. CONSENTS

The lead sponsor and independent expert, joint sponsor, attorneys to Growthpoint, reporting accountants, debenture trustee and transfer secretaries have consented in writing to act in the capacities stated and to their names being included in this document and have not withdrawn their consents prior to the publication of this document. The reporting accountants and independent advisors have consented to the inclusion of their reports in the form and context in which they appear and have not withdrawn such consents prior to the publication of this document.

19. OPINIONS AND RECOMMENDATIONS

The non-related independent directors have considered the terms and conditions of the proposed acquisition as well as the independent fair and reasonable opinion, the full text of which are included in Annexure I to this document, and are of the unanimous opinion that the terms of the proposed acquisition are fair and reasonable to Growthpoint linked unitholders and unanimously recommend that Growthpoint linked unitholders vote in favour of the ordinary resolution required to implement the proposed acquisition at the general meeting.

The non-related independent directors also recommend that linked unitholders vote in favour of the ordinary resolution giving directors the authority to implement the proposed staff incentive scheme.

The non-related independent directors of Growthpoint intend to vote in favour of all the ordinary resolutions in respect of the Growthpoint linked units beneficially owned by them including those relating to the proposed staff incentive scheme.

20. ADEQUACY OF WORKING CAPITAL

The Growthpoint Board has considered the effects of the proposed acquisition and the proposed staff incentive scheme and is of the opinion that:

- Growthpoint will be able to pay its debts in the ordinary course of business for a period of 12 months after the date of issue of this document;
- consolidated assets of Growthpoint will be in excess of the consolidated liabilities of Growthpoint for a period of 12 months after the date of issue of this document. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the audited results of the company for the year ended 30 June 2006;
- the share capital and reserves of Growthpoint will be adequate for its requirements for a period of at least 12 months after the date of issue of this document;
- the working capital available to Growthpoint will be sufficient for its requirements for a period of at least 12 months after the date of issue of this document.

21. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of Growthpoint, whose names are set out in the "Corporate information" section of this document, collectively and individually, accept full responsibility for the accuracy of the information contained in this document and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this document contains all information required by law and the JSE Listings Requirements.

22. JSE LISTING

Upon fulfilment of the suspensive conditions an application will be made to the JSE to grant a listing of the consideration units in the "Real Estate – Real Estate Holding & Development" sector of the JSE lists within seven days following the date of transfer of the Property Services businesses into the name of Growthpoint.

23. INFORMATION REGARDING NOTICE OF GENERAL MEETING

Following hereafter and forming part of this document is a notice convening a general meeting of Growthpoint linked unitholders to be held at the registered office of Growthpoint, 100 Grayston Drive, Sandown, Sandton at 09:00 on Tuesday, 21 August 2007.

In terms of the notice of general meeting attached to and forming part of this document, linked unitholders will be required to vote on three ordinary resolutions to be proposed at the general meeting:

- Ordinary resolution number 1 is for the purpose of considering and, if deemed fit, approving the resolution necessary to implement the proposed acquisition. In terms of the JSE Listings Requirements, the related parties will be precluded from voting on this resolution to the extent that they hold linked units in Growthpoint;
- Ordinary resolution number 2 is for the purpose of considering and, if deemed fit, approving the resolution necessary to adopt the proposed staff incentive scheme; and
- Ordinary resolution number 3 is for the purpose of considering and, if deemed fit, approving the resolution necessary to give authorisation to any one director of the company to do all things and sign all documents necessary to carry into effect the aforesaid resolutions.

Further details on the ordinary resolutions are given in the notice of the general meeting. A form of proxy (*yellow*) for use by certificated and own-name dematerialised Growthpoint linked unitholders who are unable to attend the general meeting, but who wish to be represented thereat, is attached to this document.

Certificated Growthpoint linked unitholders who are unable to attend the general meeting but wish to be represented thereat are requested to complete and return the attached form of proxy (*yellow*) in accordance with the instructions contained therein. Growthpoint's transfer secretaries must receive duly completed forms of proxy by no later than 09:00 on Friday, 17 August 2007.

Dematerialised Growthpoint linked unitholders, who have elected own-name registration, and who are unable to attend but wish to vote at the general meeting should complete and return the attached form of proxy (*yellow*) in accordance with the instructions contained therein. Growthpoint's transfer secretaries must receive duly completed forms of proxy by no later than 09:00 on Friday, 17 August 2007.

Dematerialised Growthpoint linked unitholders, who have not elected own-name registration, and who wish to attend the general meeting must instruct their CSDP or broker to issue them with the necessary letter of representation in order to do so.

Dematerialised Growthpoint linked unitholders, who have not elected own-name registration, and who are unable to attend but wish to vote at the general meeting should ensure that the person or entity (such as a nominee) whose name has been entered into the sub-register maintained by a CSDP completes and returns the attached form of proxy (*yellow*) in terms of which he appoints a proxy to vote at the general meeting.

Growthpoint does not accept responsibility and will not be held liable for any failure on the part of a CSDP or broker of a dematerialised Growthpoint linked unitholder to notify such Growthpoint linked unitholder of the general meeting or any business to be conducted thereat.

24. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of Growthpoint during business hours (Saturdays, Sundays and official public holidays in the RSA excluded) from the date of issue of this document up to and including Thursday, 16 August 2007:

- the acquisition agreement and the co-operation agreement;
- the fair and reasonable report;
- the independent reporting accountants' reports;
- the material contracts referred to in paragraph 13 above;
- the management agreements;
- the staff incentive scheme trust documents;
- the memorandum and articles of association of Growthpoint;
- the Growthpoint debenture trust deed and supplemental Growthpoint debenture trust deeds;
- the consent letters from the joint sponsor, legal adviser, independent expert and lead sponsor; reporting accountants, debenture trustee, independent advisors and attorneys to the BEE partners and transfer secretaries to the issue of this document and reference to their names, and in the case of the reporting accountants, independent experts, fair and reasonable report and reporting accountants' reports in the form and context in which they appear;
- the audited financial statements of Growthpoint for the three financial years ended 30 June 2006; and
- a signed copy of this document.

For and on behalf of the Growthpoint Board

GROWTHPOINT PROPERTIES LIMITED

6 August 2007

Registered office

100 Grayston Drive
Sandown
Sandton, 2196
(PO Box 78949, Sandton, 2146)

INDEPENDENT FAIR AND REASONABLE OPINION

Growthpoint Properties Limited
Ground Floor
1 Sandton Close
Corner 5th Street and Norwich Place
Sandown
Sandton
2196

1 August 2007

ATTENTION: THE BOARD AND UNITHOLDERS OF GROWTHPOINT PROPERTIES LIMITED

Dear Sirs/Madams

INDEPENDENT ADVICE IN RESPECT OF THE PROPOSED ACQUISITION OF THE PROPERTY SERVICES BUSINESSES

INTRODUCTION

The definitions outlined on pages 8 to 10 of the attached document of which this opinion letter forms an integral part have been used *mutatis mutandis* throughout this letter.

On 30 May 2007 Growthpoint unitholders were informed via a SENS release that Growthpoint had entered into an acquisition agreement on 24 May 2007, in terms of which Growthpoint would acquire the property fund management business from IPG, the AMU Trust and Phatsima and the property administration business from IPG (collectively the "Property Services Businesses"), both as going concerns ("the proposed acquisition"), for a purchase consideration of R1.5728 billion.

The aggregate purchase consideration is to be settled through the issue of 98 300 000 new Growthpoint linked units at a price of 1 600 cents per linked unit, ex the distribution for the six-month period ended 30 June 2007.

In terms of the asset management agreement entered into between IPG, Growthpoint and Growthpoint Managers, a wholly-owned subsidiary of IPG ("the manco agreement"), IPG was appointed as the asset manager to Growthpoint. Pursuant to Growthpoint's empowerment transactions, IPG entered into agreements with AMU Trust and Phatsima (collectively "the BEE partners") in terms of which the AMU Trust and Phatsima acquired 12% and 2.3% respectively, of the rights to the income and the obligations accruing to IPG in terms of the manco agreement. The proposed acquisition includes the purchase by Growthpoint of the right to income from the manco agreements owned by the BEE partners.

In terms of a separate agreement ("the property administration agreement") between Growthpoint and IPG, IPG was appointed as the property administrator of the Growthpoint property portfolio.

On conclusion of the proposed acquisition, the manco agreement and property administration agreement will be terminated and the asset management and property administration functions will be performed internally within Growthpoint.

As Growthpoint, IPG, Investec and each of the BEE partners are related parties as defined in the JSE Listings Requirements, Growthpoint is required to obtain an independent fair and reasonable opinion in respect of the proposed acquisition. We have accordingly been appointed by the independent sub-committee of the board of Growthpoint to specifically provide an opinion as to whether the proposed acquisition of the Property Services Businesses is fair and reasonable.

DEFINITION OF FAIR AND REASONABLE

The consideration payable in respect of the acquisition of the Property Services Businesses or alternatively as compensation for the loss of an income producing asset will generally be considered to be fair and reasonable if the amount of the payment is within the fair range of typical payments made within the listed sector of the property industry in similar circumstances. Fairness is primarily based on quantitative factors, whilst reasonableness includes the qualitative issues surrounding the payment. Even if the consideration is considered to be above the market's fair range that payment may nevertheless be considered to be reasonable after considering other qualitative factors.

SOURCES OF INFORMATION AND PROCEDURES PERFORMED

In arriving at our opinion, which is set out later herein, our procedures included the following:

- understanding and evaluating background information provided by the executives and the independent sub-committee of non-executive directors of Growthpoint – in respect of the conduct of the negotiations which took place between those representatives of Growthpoint and the representative/s of IPG regarding the relevant purchase consideration;
- analysing presentations made to the Growthpoint and IPG boards in negotiating the proposed acquisition;
- gaining a broader understanding of the property market and recent transactions through an analysis of press releases and announcements, a review of the BFA McGregor's, I-Net Bridge and our own records as well as discussion with industry experts. Our review also encompassed obtaining independent economic forecasts prepared by, *inter alia*, the Standard Bank and the Bureau of Economic Research in Stellenbosch;
- conducting a detailed review and analysis of the manco and property administration agreements in place prior to the proposed acquisition;
- reviewing the sale of right to income agreements entered into by and between Growthpoint and AMU Trust and Phatsima;
- assessing the asset management and property administration budgets compiled by IPG for the financial year ending 31 March 2008;
- considering the recent management accounts of IPG, specifically as such relate to the asset management and Property Administration businesses;
- perusing and considering the text of various independent analyst reports on the property sector in general and on Growthpoint in particular;
- evaluating the most recent audited annual financial statements and half-year results of Growthpoint to 31 December 2006, management accounts to 31 May 2007 as well as the budget for its financial year ending 30 June 2008;
- analysing the distribution history of Growthpoint;
- analysing the historical linked unit prices, trading, liquidity and volatility of the linked units of Growthpoint on the JSE over the past three years;
- performing an independent assessment of matters that would affect future income – e.g. contractual provisions, new revenue and cost structures as a result of the internalised manco and property administration arrangements;
- critically comparing the forecast and resultant net present value calculations performed by Growthpoint management to ensure that:
 - key assumptions were reasonable for the purpose in which such were being used by comparing those to historic trends, industry norms and/or independent economic forecasts;
 - key inputs from the management contracts and/or the annual financial statements were properly recorded;
 - the relevant model/s had been prepared according to sound financial principles and that all calculations were accurate in all material respects;
 - the impact of change/s in various inputs on the resultant net present value output/s had been properly assessed and an appropriate sensitivity analysis prepared; and
 - the results were reasonable and capable of commercial justification;
- considering the legal and commercial justification for the proposed consideration based on an assessment of the value of such agreements to IPG – i.e. considering the loss by IPG of two significant income-producing contracts – and whether based on similar fact evidence such payments have been made by other listed JSE property counters; and ultimately
- determining whether, based upon industry practice surrounding the valuation of property management companies, the actual quantum of the proposed payment (in the form of the consideration units) could be considered to be fair and reasonable.

VALUATION APPROACHES

The primary valuation approach adopted in respect of the Property Services Businesses being acquired by Growthpoint was the net present value of future cash flow method, a valuation technique applied to the valuation of fixed income producing interests and in this case adapted to cater for the potential value of the asset management contract post the expiry of the current contractual period, assuming various alternative scenarios namely that the contract will/will not be renewed.

We also performed an independent high level valuation of Growthpoint linked units using the present value of future cash flow method. The resulting fair value was then compared to the valuation of Growthpoint linked units using the dividend discount model, net asset value approach and the ruling market price in order to assess whether Growthpoint linked units were fairly priced at the time of the proposed acquisition.

The resultant fair value for the Property Services Businesses was ultimately compared to the fair valuation of the consideration units.

LIMITING CONDITIONS

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. The opinion outlined later herein is dependent on such information being accurate in all material aspects. Where practical we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether such has been obtained in writing or alternatively obtained through discussion with the directors and/or senior management of Growthpoint. While our work has involved an analysis of, *inter alia*, the annual financial statements of the relevant constituents of IPG and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Our opinion is necessarily based upon the information available to us, including the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date hereof. Accordingly, it should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

OPINION

We have considered both the nature and the quantum of the proposed consideration payable by Growthpoint to IPG, the AMU Trust and Phatsima respectively and based upon and subject to the conditions set out below, are of the opinion that such is fair and reasonable to unitholders of Growthpoint.

This opinion does not purport to cater for each individual unitholder's perspective, but rather that of the general body of Growthpoint unitholders taken as a whole. Should a unitholder be in any doubt as to what action to take, he or she should consult an independent advisor.

INDEPENDENCE AND CONSENT TO PUBLICATION

We will receive a fixed fee for the services provided in connection with the preparation of this opinion, which fee is payable upon delivery hereof. Other than the aforementioned, we have no interest, direct or indirect, beneficial or non-beneficial, in Growthpoint, IPG, AMU Trust or Phatsima nor any of their respective shareholders.

We hereby consent to the inclusion of this letter; and the references thereto, in the attached document which is to be issued by Growthpoint on or about 6 August 2007 in the form and context in which they appear therein. We furthermore confirm that we have given and have not withdrawn that consent prior to the issue of the said document to Growthpoint unitholders.

Yours faithfully

D J THAYSER

Director

Ernst & Young Advisory Services Limited"

UNAUDITED PRO FORMA BALANCE SHEET OF GROWTHPOINT

The unaudited *pro forma* consolidated balance sheet of Growthpoint, before and after the acquisition, is set out below. The unaudited *pro forma* consolidated balance sheet of Growthpoint has been presented for illustrative purposes only and because of its nature may not give a fair reflection of Growthpoint's results, financial position and changes in equity, after the acquisition. It has been assumed for purposes of the unaudited *pro forma* consolidated balance sheet that the offer took place with effect from 31 December 2006. The directors of Growthpoint are responsible for the preparation of the unaudited *pro forma* consolidated balance sheet.

	Unaudited Growthpoint Before⁽¹⁾ R'000 (Note 1)	Acquisition of the Property Services Businesses R'000	Staff incentive scheme R'000	Growthpoint After R'000
ASSETS				
Non-current assets	19 769 663	1 572 800	176 000	21 518 463
Investment property	19 432 243	–	–	19 432 243
Furniture and equipment	–	5 000 ⁽³⁾	–	5 000
Listed investments	8 615	–	–	8 615
Intangible asset	–	1 483 379 ⁽³⁾	–	1 483 379
Goodwill	–	84 421 ⁽³⁾	–	84 421
Staff incentive plan asset	–	–	176 000 ⁽⁴⁾	176 000
Long-term loans	290 818	–	–	290 818
Gain on fair value of derivatives	37 987	–	–	37 987
Current assets	395 293	–	–	395 293
Trade and other receivables	277 153	–	–	277 153
Cash and cash equivalents	118 140	–	–	118 140
Total assets	20 164 956	1 572 800	176 000	21 913 756
EQUITY AND LIABILITIES				
Ordinary share capital	48 416	4 915 ⁽²⁾	550 ⁽⁴⁾	53 881
Non-current liabilities – debentures	10 171 133	1 567 885 ⁽²⁾	175 450 ⁽⁴⁾	11 914 468
Linked unitholders' interest	10 219 549	1 572 800	176 000	11 968 349
Other non-current liabilities	8 294 695	–	–	8 294 695
Current liabilities	1 650 712	–	–	1 650 712
Total equity and liabilities	20 164 956	1 572 800	176 000	21 913 756
Linked units in issue	968 304 090	98 300 000	11 000 000	1 077 604 090 ⁵
Net tangible asset value per linked unit (cents)	1 055	5	–	965
NAV per linked unit (cents)	1 055	1 600	1 600	1 111

Notes:

- (1) The "Before" column is based on Growthpoint's published unaudited balance sheet at 31 December 2006.
- (2) "Ordinary share capital and non-current liabilities debentures" have been adjusted for the 98.3 million new linked units to be issued by Growthpoint, at an ex-dividend price of 1 600 cents per linked unit in settlement of the consideration owing for the purchase of IPG.
- (3) The acquisition has been accounted for under IFRS 3: Business Combinations, and furniture and fittings and intangible assets have been recognised. Goodwill, representing the difference between the fair value of the identifiable net assets and the purchase consideration due, has been raised. No deferred tax has arisen on the intangible asset as required by IFRS 3: Business Combinations, Appendix 16B, paragraph (i).

- (4) In accordance with IAS 19: Employee Benefits, a staff incentive asset has been raised for the 11 million new linked units to be issued by Growthpoint to the Staff incentive scheme. The linked units will be held in trust until the vesting period has been completed. These assets will be used to settle an employee benefit obligation which will be raised over the period of service required in order to allow these instruments to vest.
- (5) "Linked units in issue" has been adjusted for the 98.3 million linked units to be issued and the 11 million linked units to be issued to the Staff incentive scheme.
- (6) The financial effects have been prepared on a basis which is consistent with the accounting policies of Growthpoint.
- No adjustments have been made for any other transactions, other than the proposed acquisitions, which may have taken place subsequent to 31 December 2006.

UNAUDITED PROFIT FORECAST OF THE PROPERTY SERVICES BUSINESSES

The unaudited profit forecast for the Property Services businesses has been prepared for illustrative purposes only, to provide information about the projected net income for the 12-month period ending 31 March 2008.

The information should be read in conjunction with the independent reporting accountants' report on the unaudited profit forecast of the Property Services businesses for the year to 31 March 2008.

	Unaudited Forecast 12 months ending 31 March 2008 R
Income	
Asset management fees	133 169 811
Property management fee	168 868 379
Other	2 140 613
Net income	304 178 803
Expenses	158 508 418
Salaries	118 038 897
General operating expenses	40 469 521
Net income before debenture interest	145 670 385
Debenture interest	(145 670 385)
Net income before taxation	–
Taxation charge	–
Net income after taxation	–
New consideration units to be issued	98 300 000
New staff incentive scheme units to be issued in terms of the staff incentive scheme	11 000 000
Distribution per new Growthpoint linked unit issued (cents)	133.3
Yield calculated on a purchase consideration of R1 572 800 000	9.26%
Yield calculated on a purchase consideration of R1 572 800 000 and the value of the initial 11 000 000 units issued, at 1600 cents per unit, relating to the proposed staff incentive scheme	8.33%

Notes:

(1) Assumptions:

The basis of preparation and assumptions included in the compilation of the profit forecast for the 12 months ending 31 March 2008 are set out below. This is not an exhaustive list and further assumptions have been noted in this document.

- The management contract will continue in terms of the existing agreement until expiry of the contract. The current terms are:
 - asset management fee is calculated at 0.50% of the "enterprise value";
 - enterprise value is measured by taking the sum of the nominal value of external debt plus market capitalisation;
 - market capitalisation is based on 1 074 429 960 linked units currently in issue at an average price of R16.00 per linked unit; and
 - average debt is calculated at R9.3 billion.
- Letting commission on new deals is calculated at 100% of recommended SAPOA tariffs whilst letting commission on renewals is calculated at 50% of recommended SAPOA tariffs.
- Collection fees range from 1% to 4% of cash collected on a property-by-property basis.
- Salaries are in respect of staff of 243 people currently employed by IPG responsible for the management of Growthpoint.
- Operating expenditure has been determined based on discussions with the previous property managers and after consideration of historic costs and include rental of premises, IT systems and support, marketing and other expenses necessary for operating a listed company.
- All profits will be distributed to linked unitholders and thus no tax will be payable.

The above assumptions are material to the forecast and the actual profit of the Property Services businesses will depend on them. Unforeseen events or circumstances may also occur subsequent to the date of this document and the actual results achieved during the 12-month period ending 31 March 2008 may therefore differ materially from the forecast.

The independent reporting accountants' report on the unaudited profit forecast is set out in Annexure V to this document.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA BALANCE SHEET OF GROWTHPOINT

"The Directors
Growthpoint Properties Limited
PO Box 78949
Sandton
2146

6 August 2007

Dear Sirs

Independent reporting accountants' limited assurance report on the unaudited *pro forma* financial effects, balance sheet**Introduction**

We have performed our limited assurance engagement with regard to the unaudited *pro forma* financial effects, balance sheet (collectively, "the *pro forma* financial information") of Growthpoint Properties Limited ("Growthpoint") set out in Annexure II to the document to be dated 6 August 2007 issued in connection with the offer by Growthpoint to acquire the Fund Management and Property Management businesses of Investec Property Group ("IPG") from Investec Bank Limited ("Investec") ("document").

The *pro forma* financial information has been prepared for purposes of complying with the requirements of the JSE Limited ("JSE"), for illustrative purposes only, to provide information about how the "transaction" might have affected the reported financial information had the transaction been undertaken on [beginning of period] for income statement purposes and on [end of period] for balance sheet purposes.

Because of its nature, the *pro forma* financial information may not present a fair reflection of the financial position, changes in equity, results of operations or cash flows of Growthpoint, after the transaction.

Directors' responsibility

The directors of Growthpoint are solely responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the document and for the financial information from which it has been prepared.

Their responsibility includes determining that the *pro forma* financial information contained in the document has been properly compiled on the basis stated, the basis is consistent with the accounting policies of Growthpoint and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information as disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express a limited assurance conclusion on the *pro forma* financial information included in the document. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the *Revised Guide on Pro Forma Financial Information* issued by The South African Institute of Chartered Accountants.

This standard requires us to comply with ethical requirements and to plan and perform the assurance engagement to obtain sufficient appropriate audit evidence to support our limited assurance conclusion, expressed below.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted audited historical financial information of Growthpoint with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Growthpoint, considering the evidence supporting the *pro forma* adjustments, recalculating the amounts based on the information obtained and discussing the *pro forma* financial information with the directors of Growthpoint.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of Growthpoint and other information from various public, financial and industry sources.

Whilst our work performed involved an analysis of the historical audited financial information and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information undertaken in accordance with the International Standards on Auditing or the International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe that our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Opinion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that, in terms of Sections 8.17 and 8.30 of the JSE Listings Requirements:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of Growthpoint; and
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed pursuant to section 8.30 of the JSE Listings Requirements.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the prospectus to be issued by Growthpoint in the form and context in which it appears.

Yours faithfully

KPMG Inc.

Registered Accountants and Auditors

Chartered Accountant (SA)

Director

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED PROFIT FORECAST OF THE PROPERTY SERVICES BUSINESSES

"The Directors
Growthpoint Properties Limited
PO Box 78949
Sandton
2146

6 August 2007

Dear Sirs

Independent reporting accountants' limited assurance report on the forecast of Investec Property Group ("IPG") relating to the offer by Growthpoint Properties Limited ("Growthpoint") to acquire the Fund Management and Property Management businesses of IPG from Investec Bank Limited ("Investec")

We have examined the profit forecast of IPG for the period 1 April 2007 to 31 March 2008, set out in the circular to Growthpoint's unitholders dated on or about 6 August 2007 ("circular").

Directors' responsibility

The directors of IPG are responsible for the forecast, including the assumptions set out in paragraph [•] to the circular, on which it is based and for the financial information from which it has been prepared. This responsibility, arising from compliance with the requirements of the JSE Limited ("JSE Listings Requirements"), includes determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast, whether the forecast has been properly compiled on the basis stated and whether the forecast is presented on a basis consistent with the accounting policies of IPG.

Reporting accountants' responsibility

Our responsibility is to provide a limited assurance report on the forecast prepared for the purpose of complying with the JSE Listings Requirements and for inclusion in the circular. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to the *Examination of Prospective Financial Information*. This standard requires us to obtain sufficient appropriate evidence as to whether:

- management's best-estimate assumptions on which the forecast is based are not unreasonable and are consistent with the purpose of the information;
- the forecast is properly prepared on the basis of the assumptions;
- the forecast is properly presented and all material assumptions are adequately disclosed;
- the forecast, is prepared and presented on a basis consistent with the accounting policies of IPG for the period concerned.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained, than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention which causes us to believe that:

- the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast;
- the forecast has not been properly compiled on the basis stated;
- the forecast has not been properly presented and all material assumptions are not adequately disclosed;
- the forecast, is not presented on a basis consistent with the accounting policies of IPG.

Actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation may be material accordingly no assurance is expressed regarding the achievability of the forecast.

Yours faithfully

KPMG Inc.

Registered Accountants and Auditors

*Chartered Accountant (SA)
Director"*

TRADING HISTORY OF GROWTHPOINT LINKED UNITS ON THE JSE

GROWTHPOINT LINKED UNITS

The highest and lowest prices as well as the volumes and values at which the Growthpoint linked units traded on the JSE for each quarter commencing on 1 July 2004 and ended on 30 June 2006 or each month from 1 July 2006 to 30 June 2007 and for each day from 18 June 2007 to the last practicable date, are set out below:

	High (cents)	Low (cents)	Volume (linked units)	Value (linked units)
Quarterly				
2004 – 2005				
Quarter 1	665	595	53 177 844	337 147 531
Quarter 2	830	610	137 043 535	916 821 249
Quarter 3	930	760	56 847 763	475 815 776
Quarter 4	910	800	62 459 015	539 645 890
2005 – 2006				
Quarter 1	1 130	895	164 420 109	1 512 665 003
Quarter 2	1 140	946	97 447 504	990 066 641
Quarter 3	1 387	1 000	53 556 153	665 702 982
Quarter 4	1 360	994	101 632 706	1 212 478 183
Monthly				
2006				
July	1 105	980	37 028 863	386 951 618
August	1 170	1 025	31 007 438	345 112 785
September	1 140	1 050	30 567 133	330 430 708
October	1 250	1 010	25 370 861	281 362 848
November	1 290	1 235	50 305 518	640 389 244
December	1 284	1 220	24 482 329	309 456 639
2007				
January	1 375	1 235	48 522 228	638 067 298
February	1 582	1 340	41 383 509	588 473 498
March	1 500	1 390	36 943 675	539 008 218
April	1 600	1 480	26 504 927	409 766 171
May	1 705	1 500	37 919 116	614 668 870
June	1 600	1 420	32 400 659	484 389 852
Daily				
2007				
18/06/2007	1 508	1 490	639 514	9 560 734
19/06/2007	1 512	1 494	1 810 837	27 234 988
20/06/2007	1 530	1 510	506 082	7 702 568
21/06/2007	1 544	1 520	833 262	12 757 241
22/06/2007	1 529	1 500	1 854 949	28 009 730
25/06/2007	1 500	1 460	983 665	14 577 915
26/06/2007	1 480	1 451	1 235 910	18 204 954
27/06/2007	1 480	1 455	1 150 574	16 809 886
28/06/2007	1 485	1 470	2 437 880	35 958 730
29/06/2007	1 500	1 470	1 089 150	16 173 878
2/07/2007	1 485	1 475	1 799 870	26 656 075
3/07/2007	1 550	1 489	1 848 060	28 330 760
4/07/2007	1 570	1 531	7 406 575	114 727 847
5/07/2007	1 600	1 555	4 057 563	64 109 495
6/07/2007	1 610	1 590	2 258 009	36 082 984

	High (cents)	Low (cents)	Volume (linked units)	Value (linked units)
Daily				
2007				
9/07/2007	1 650	1 610	3 392 178	54 783 675
10/07/2007	1 625	1 615	2 998 444	48 514 824
11/07/2007	1 620	1 581	684 508	11 047 959
12/07/2007	1 620	1 610	1 137 310	18 413 049
13/07/2007	1 620	1 540	781 555	12 465 802
16/07/2007	1 589	1 550	221 729	3 503 318
17/07/2007	1 600	1 561	762 153	12 034 396
18/07/2007	1 584	1 575	338 617	5 353 535
19/07/2007	1 609	1 575	806 185	12 818 342
20/07/2007	1 610	1 590	713 892	11 429 411
23/07/2007	1 611	1 600	1 599 805	25 708 866

Source: Bfa McGregor.

DETAILS OF INTER-COMPANY FINANCE AND BORROWINGS OF GROWTHPOINT

BORROWINGS AT 31 December 2006

	R'000
I.1 Variable rate loans – secured by investment property	
Variable rate mortgage loan	498 923
Interest is charged at a rate of Jibar + 1.05% per annum. The capital is repayable on 28 February 2013	
Variable rate mortgage loan	534 172
Interest is charged at a rate of Jibar + 1.15% per annum. The capital is repayable on 28 February 2011	
I.2 Fixed rate mortgage loans – secured by investment property	
1.2.1 Fixed rate mortgage loan – Tranche 7a	52 500
Interest is charged at a rate of 10.26% per annum. The capital is repayable on 15 October 2007.	
1.2.2 Fixed rate mortgage loan – Tranche 7b	52 500
Interest is charged at a rate of 10.51% per annum. The capital is repayable on 13 October 2009.	
1.2.3 Fixed rate mortgage loan – Tranche 7c	52 500
Interest is charged at a rate of 10.61% per annum. The capital is repayable on 13 October 2011.	
1.2.4 Fixed rate mortgage loan – Tranche 7d	52 500
Interest is charged at a rate of 10.66% per annum. The capital is repayable on 14 October 2013.	
1.2.5 Fixed rate mortgage loan – Investec	702 500
Interest is charged at a rate of 9.01 % per annum. The capital is repayable on 28 February 2009.	
1.2.6 Fixed rate mortgage loan – Securitisation issue 1	805 000
Interest is charged at a rate of 9.37% per annum. The scheduled repayment date is 2 August 2010.	
1.2.7 Fixed rate mortgage loan – Securitisation issue 2	969 000
Interest is charged at a rate of 8.48% per annum. The scheduled repayment date is 1 August 2011.	
1.2.8 Fixed rate mortgage loan – Securitisation issue 4	1 270 908
Fixed rate mortgage loan – Securitisation issue 3	1 000 000
1.2.9 Paramount borrowings	1 729 241
Total nominal value of long-term interest bearing loans	7 719 744
Fair value adjustment	448 228
– fixed interest rate loans – loss	12 268
– fixed interest rate loans – profit	(66 153)
– interest rate swaps (derivatives) – loss	502 113
Fair value of long-term interest bearing loans and derivatives	8 167 972

I.3 Non-interest bearing long-term liabilities

1.3.1 Non-interest bearing long-term loan	
Nominal value	153 388
Unamortised discount	(62 481)
Book value prior to revaluation	90 907

The balance is payable as follows:

96 513 884 – November 2009

56 874 239 – November 2010

The loan is secured by second covering mortgage bonds over investment property with a value of R2 312 million.

1.3.2 Non-interest bearing loan	
Nominal value	24 000
Unamortised discount	(9 831)
Book value prior to revaluation	14 169

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; and

– 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.

Total book value of long-term non-interest bearing loans	105 067
Fair value adjustment of non-interest bearing loans	21 647
Fair value of non-interest bearing loans	126 723

Total non-current financial liabilities 8 294 695

– loans	7 792 582
– derivatives	502 113

There have been no significant changes in the borrowings of Growthpoint subsequent to 31 December 2006, other than the debt raised for the transactions specified in paragraph 13 of this document.

SALIENT FEATURES OF THE PROPOSED STAFF INCENTIVE SCHEME

1. NATURE

The scheme is intended to provide an incentive to participants to promote the continued growth of Growthpoint by awarding them linked units so as to enable them to participate in such growth.

2. EXTENT OF SCHEME

The aggregate number of linked units, which may be utilised for the purposes of the scheme, shall not at any time exceed 7.5% of the total number of issued linked units of the company from time to time. Subject to the provisions of the Act and the JSE Listings Requirements, this allocation may be increased by way of an ordinary resolution of the directors of the company. The aggregate number of scheme linked units that any one participant may hold in terms of the scheme and in respect of which a participant may hold options shall be determined by the committee of directors and trustees formed for this purpose but shall not exceed 0.5% of the total number of linked units issued by the company

3. PARTICIPANTS

Participants include any employee or persons involved in the business of Growthpoint, who participate in the scheme and excludes any trustees or non-executive directors. The interest in the scheme linked units will be on the basis of purchases, options, deferred purchases, acquisitions or such other alternative bases as may be appropriate.

4. PRICING

The award price shall be determined by a committee of directors and trustees formed for this purpose.

5. PAYMENT

A participant shall exercise his right to the linked units by giving notice of his intention to do so in writing to the company secretary and to the trustees. The linked units in respect of which an option is duly exercised shall be fully paid and shall be allotted and issued or transferred by the trustees as soon as practicable after the exercise of the option.

6. EXERCISE PERIODS

The exercise period will be determined by a committee of directors and trustees formed for this purpose.

7. DEATH, RETIREMENT, DISABILITY, REDUNDANCY, RETRENCHMENT, DISMISSAL OR RESIGNATION

In the event of a participant ceasing to be employed by the company, the following provisions shall apply:

- in the event of retirement, on the grounds of ill-health or permanent disability or of the death of a participant, the participant or the executor of his estate, as the case may be, may exercise any option that he would have been entitled to exercise at the date of ceasing to be employed or such death; and
- in any other circumstance a committee of directors and trustees formed for this purpose shall have the discretion as to whether an option can be exercised or not and the release date in respect thereof.

8. AMENDMENTS

The directors and the trustees are entitled to amend the trust deed and the rules of the scheme as they deem necessary, from time to time, for the proper administration of the scheme and the trust, provided that the vested rights of any participant who has been offered linked units may not be altered without such consent on the part of the participants concerned as would be required under the companies' articles of association for the variation or cancellation of the rights attached to those linked units and subject to the prior approval of the JSE where required.

9. VARIATIONS IN SHARE AND DEBENTURE CAPITAL

Every participant shall have the same rights as any other holder of linked units where there is a variation on the ordinary share and debenture capital which a committee of directors and trustees formed for this purpose believe will have an effect on the value of the linked units held by the scheme.

10. ANNUAL DISCLOSURE

The company shall disclose in its annual financial statements:

- the number of linked units reserved for the scheme remaining unissued on the last day of each financial year;
- the number of linked units issued by the trust to the participants, which linked units are still subject to the terms of the trust;
- the number of linked units allocated by the trust to participants during each financial year;
- the number of linked units available for allocation by the trustees to proposed participants; and
- if the company linked units are listed on the JSE such other disclosures as may be required in terms of the JSE Rules.

SALIENT FEATURES OF DIRECTORS' SERVICE CONTRACTS

Prior to 31 July 2007, no written service contracts had been entered into between Leon Norbert Sasse and Growthpoint. At 31 July 2007 the following service contracts were entered into:

1. SERVICE CONTRACT ENTERED INTO BETWEEN LEON NORBERT SASSE AND GROWTHPOINT, DATED 31 JULY 2007

1.1 Commencement date and duration

1.1.1 Commencement date

1 July 2007, subject to certain suspensive conditions set out in paragraph 6 of main body of this document.

1.1.2 Duration

Four years subject to summary termination by Growthpoint in certain circumstances.

1.1.3 Notice period

Subject to 1.1.2 above, two calendar months' written notice.

1.1.4 Capacity, function and duties

Leon Norbert Sasse is employed in the capacity as the chief executive officer of Growthpoint which will embrace all functions, activities and duties reasonably necessary, incidental and ancillary thereto and in such other capacity as he may from time to time be appointed, provided that such other appointments and/or capacities will be consistent with the capacities and functions assigned to the executive in terms of the service contract.

1.2 Remuneration

1.2.1 Leon Norbert Sasse shall be paid an annual salary at a total cost to company of R3 250 000.

1.2.2 Leon Norbert Sasse shall be entitled to participate as a beneficiary in the group's bonus process, on merit, in accordance with the rules in force in respect of such scheme from time to time.

1.2.3 Leon Norbert Sasse will participate in the group's staff incentive scheme.

2. SERVICE CONTRACT ENTERED INTO BETWEEN ESTIENNE KONRAD DE KLERK AND GROWTHPOINT, DATED 31 JULY 2007

2.1 Commencement date and duration

2.1.1 Commencement date

1 July 2007, subject to certain suspensive conditions set out in paragraph 6 of main body of this document.

2.1.2 Duration

Four years subject to summary termination by Growthpoint in certain circumstances.

2.1.3 Notice period

Subject to 2.1.2 above, two calendar months' written notice.

2.1.4 Capacity, function and duties

Estienne de Klerk is employed in the capacity as the executive director of Growthpoint which will embrace all functions, activities and duties reasonably necessary, incidental and ancillary thereto and in such other capacity as he may from time to time be appointed, provided that such other appointments and/or capacities will be consistent with the capacities and functions assigned to the executive in terms of the service contract.

2.2 Remuneration

2.2.1 Estienne de Klerk shall be paid an annual salary at a total cost to company of R2 000 000.

2.2.2 Estienne de Klerk shall be entitled to participate as a beneficiary in the group's bonus process, on merit, in accordance with the rules in force in respect of such scheme from time to time.

2.2.3 Estienne de Klerk will participate in the group's staff incentive scheme.

The logo for Growthpoint Properties Limited features the word "growthpoint" in a bold, lowercase, sans-serif font. Above the letters "t", "i", and "n" are several small black squares of varying sizes, arranged in a pattern that suggests a staircase or a rising line graph. Below the word "growthpoint" are the words "P R O P E R T I E S L I M I T E D" in a smaller, uppercase, sans-serif font, with wide letter spacing.

growthpoint

P R O P E R T I E S L I M I T E D

(Incorporated in the Republic of South Africa)
(Registration number: 1987/004988/06)
Share code: GRT ISIN: ZAE000037669
("Growthpoint" or "the company")

NOTICE OF GENERAL MEETING OF GROWTHPOINT LINKED UNITHOLDERS

Notice is hereby given that a general meeting of Growthpoint linked unitholders will be held at 09:00 on Tuesday, 21 August 2007 at Growthpoint's registered office, 100 Grayston Drive, Sandown, Sandton, 2196, to consider and, if deemed fit, to pass, with or without modification, the ordinary resolutions set out below:

ORDINARY RESOLUTION NUMBER 1

"Resolved that the acquisition by Growthpoint of:

- the property fund management business from Investec Property Group Limited ("IPG");
- certain management agreement rights from the trustees for the time being of the AMU Trust ("AMU") and Phatsima Properties (Proprietary) Limited ("Phatsima");
- the shares in the issued share capital of Buildmain (Proprietary) Limited from IPG; and
- the property administration business from IPG,

for a total consideration of R1 572 800 000 to be settled by Growthpoint through the issue of 98 300 000 new Growthpoint linked units at R16.00 per linked unit, be and is hereby approved in terms of an agreement entered into between Growthpoint, Growthpoint Managers (Proprietary) Limited, Growthpoint Management Services (Proprietary) Limited, IPG and Investec Limited, the trustees for the time being of AMU and Phatsima on Wednesday, 21 July 2007, subject to the fulfilment of certain conditions, including approval of the acquisition by Growthpoint's linked unitholders in general meeting, a copy of which agreement will be tabled at the general meeting at which this resolution is to be proposed, initialled by the chairman for identification purposes, which copy will have lain for inspection at the registered office of Growthpoint during business hours from the date of issue of this notice of general meeting up to and including the date of this general meeting."

ORDINARY RESOLUTION NUMBER 2

"Resolved that the adoption of the staff incentive scheme ("the Scheme") as proposed in the document containing the notice of this general meeting, the details of which Scheme are set out therein, and the allotment and issue of the initial staff incentive scheme units and which scheme details will have lain for inspection at the registered office of Growthpoint during business hours from the date of issue of this notice of general meeting up to and including the date of this general meeting, be and is hereby approved."

ORDINARY RESOLUTION NUMBER 3

"Resolved that any one director of the company be and is hereby authorised to do all things and sign all documents necessary to carry into effect the aforesaid resolutions."

NOTES:

I. Voting

On a show of hands, every linked unitholder of the company, other than Investec Bank Limited, AMU and Phatsima for ordinary resolution number 1 to the extent they hold linked units in Growthpoint, who (being an individual) is present in person or by proxy at the general meeting or which (being a company or body corporate) is represented thereat by a representative appointed pursuant to section 188 of the Act, shall have one vote (irrespective of the number of

shares held), and on a poll, every linked unitholder of the company who (being an individual) is present in person or by proxy at the general meeting or which (being a company or body corporate) or represented by proxy at the general meeting, shall have one vote for every Growthpoint share of which it is the holder.

2. Proxies

A Growthpoint linked unitholder entitled to attend and vote at the general meeting may appoint one or more persons as its proxy to attend, speak and vote in its stead. A proxy need not be a linked unitholder of the company.

A form of proxy (*yellow*) is attached for the convenience of certificated Growthpoint linked unitholders and own-name dematerialised Growthpoint linked unitholders who are unable to attend the general meeting, but who wish to be represented thereat. In order to be valid, duly completed forms of proxy must be received by Growthpoint's transfer secretaries, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) so as to be received by no later than 09:00 on Friday, 17 August 2007.

Dematerialised Growthpoint linked unitholders who are not own-name dematerialised Growthpoint linked unitholders must instruct their CSDP or broker as to how they wish to cast their vote at the general meeting in order for their CSDP or broker to vote in accordance with such instructions. If dematerialised Growthpoint linked unitholders who are not own-name dematerialised Growthpoint linked unitholders wish to attend the general meeting in person, they must request their CSDP or broker to issue the necessary letter of representation to them. 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 in the manner and cut-off time stipulated in the agreement between such dematerialised Growthpoint linked unitholder and their CSDP or broker. Should any such linked unitholders not have been contacted by their CSDP or broker they are requested to contact their CSDP or broker without delay.

For and on behalf of the Growthpoint Board

R A Krabbenhöft

Company Secretary

6 August 2007

Registered office

Growthpoint Properties Limited
100 Grayston Drive
Sandown
Sandton, 2196
(PO Box 78949, Sandton, 2146)

Transfer secretaries

Computershare Investor Services 2004 (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

growthpoint

PROPERTIES LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1987/004988/06)
Share code: GRT ISIN: ZAE000037669
("Growthpoint" or "the company")

FORM OF PROXY

FOR THE GENERAL MEETING OF GROWTHPOINT LINKED UNITHOLDERS, FOR USE BY HOLDERS OF CERTIFICATED GROWTHPOINT LINKED UNITS OR HOLDERS OF DEMATERIALISED LINKED UNITS WHO HAVE ELECTED OWN-NAME REGISTRATION ONLY.

For use by holders of certificated Growthpoint linked units or holders of dematerialised Growthpoint linked units who have elected own-name registration, at the general meeting of the company to be held at 09:00 on Tuesday, 21 August 2007 (or such later date as is released on SENS and published in the press in relation to any adjournment of the general meeting) ("the general meeting") at the registered office of Growthpoint, 100 Grayston Drive, Sandown, Sandton, 2196. Such persons, being entitled to attend and vote at the general meeting, may appoint one or more persons as his/her proxy to attend, speak or vote in his/her stead at the general meeting. A proxy need not be a linked unitholder of the company.

The CSDP or broker, as the case may be, of dematerialised Growthpoint linked unitholders who have not elected own-name registration, should contact such Growthpoint linked unitholders to ascertain how they wish to cast their vote at the general meeting and thereafter cast their vote in accordance with their instructions. Such instructions should be communicated to the CSDP or broker, as the case may be, in terms of the agreement between the Growthpoint linked unitholder and his/her CSDP or broker. If such dematerialised Growthpoint linked unitholders have not been contacted it would be advisable for them to contact their CSDP or broker, as the case may be. This must be done in terms of the agreement entered into between the dematerialised Growthpoint linked unitholder and their CSDP or broker. If the CSDP or broker, as the case may be, does not obtain instructions from such dematerialised Growthpoint linked unitholders, they will be obliged to act in terms of the mandate furnished to them, or if the mandate is silent in this regard, to abstain from voting. **Such dematerialised Growthpoint linked unitholders, other than own-name dematerialised Growthpoint linked unitholders, must not complete this form of proxy and should read note 3 overleaf.**

I/We (FULL NAMES IN BLOCK LETTERS)

of (ADDRESS)

Telephone: (Work) (state area code)

Telephone: (Home) (state area code)

Fax: (state area code)

Cell number:

being the holder(s) of linked units in Growthpoint, hereby appoint:

1. or failing him/her;
2. or failing him/her;
3. the chairman of the general meeting,

as my/our proxy to vote for me/us on my/our behalf at the general meeting of Growthpoint linked unitholders or any adjournment thereof, as follows:

Resolution	For	Against	Abstain
Ordinary resolution number 1 Approval of proposed acquisition			
Ordinary resolution number 2 Approval of proposed adoption of the executive and staff incentive scheme			
Ordinary resolution number 3 Authority to do all that is necessary to implement preceding resolutions			

Signed at _____ this _____ day of _____ 2007

Signature _____

Assisted by me (if applicable) _____

Please read the notes on the reverse side hereof.

Notes:

1. A certificated Growthpoint linked unitholder or an own-name dematerialised Growthpoint linked unitholder may insert the name(s) of one or more proxies (who need not be a unitholder(s) of the company) in the space provided, with or without deleting the words "the chairman of the general meeting". The person whose name appears first on this form of proxy and has not been deleted and who is present at the general meeting will be entitled to act in priority to those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairman of the general meeting.
2. A certificated Growthpoint linked unitholder's or an own-name dematerialised Growthpoint linked unitholder's instructions to the proxy must be indicated by the insertion of an "X" or the relevant number of units in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote as he/she thinks fit. However, where the proxy is the chairman, such failure shall be deemed to authorise the chairman to vote in favour of all the relevant ordinary resolutions. A certificated Growthpoint linked unitholder or an own-name dematerialised Growthpoint linked unitholder or his/her proxy is not obliged to use all the votes exercisable by the certificated Growthpoint linked unitholder or his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the linked unitholder or by the proxy.
3. Growthpoint linked unitholders, who are not own-name dematerialised unitholders, must instruct their CSDP or broker as to how they wish to cast their vote at the general meeting in order for their CSDP or broker to vote in accordance with such instructions. If dematerialised Growthpoint linked unitholders who are not own-name dematerialised Growthpoint linked unitholders wish to attend the general meeting in person, they must request their CSDP or broker to issue the necessary Letter of Representation to them for registration at the general meeting. 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.
4. The completion and lodging of this form of proxy shall in no way preclude the certificated Growthpoint linked unitholder or the own-name dematerialised Growthpoint linked unitholder from attending, speaking and voting in person at the general meeting to the exclusion of any proxy appointed in terms hereof.
5. Should this form of proxy not be completed in accordance with these notes, the chairman may accept or reject it, provided, that in respect of its acceptance, he is satisfied as to the manner in which the certificated Growthpoint linked unitholder or the own-name dematerialised Growthpoint linked unitholder wishes to vote.
6. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy unless it has previously been registered with Growthpoint.
7. Where Growthpoint linked units are held jointly, all joint holders are required to sign this form of proxy.
8. This form of proxy must be completed in accordance with the instructions therein and returned to the Growthpoint's transfer secretaries, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) so as to be received by no later than 09:00 on Friday, 17 August 2007.