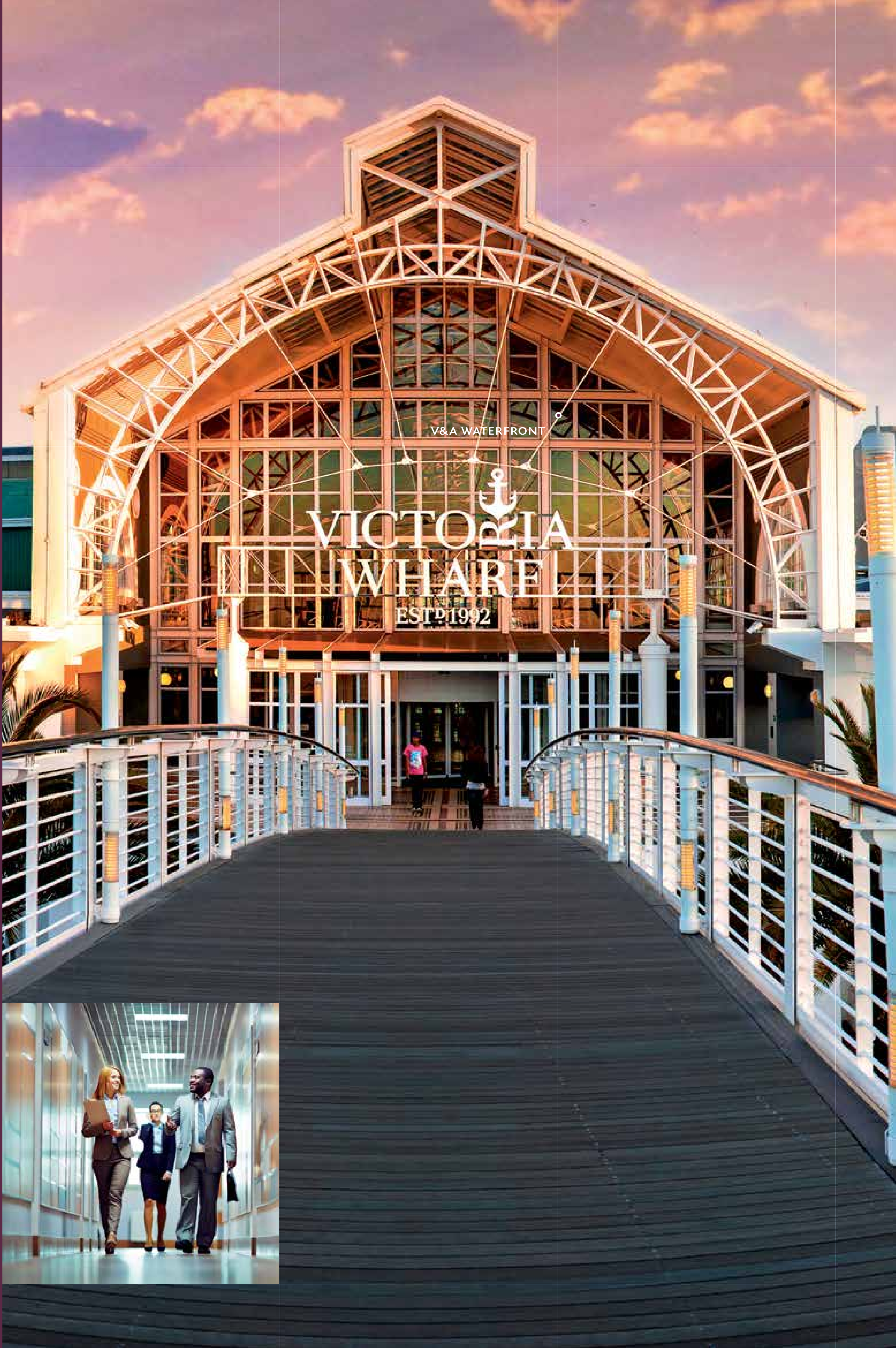
LA LUCIA MALL, DURBAN


V&A WATERFRONT
VICTORIA
WHARF
ESTD 1992

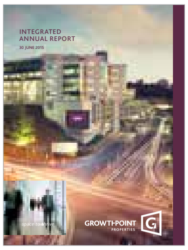
ABOUT THIS REPORT

In preparing this report we have endeavoured to present a holistic and integrated representation of the company's performance in terms of both its profitability and its long-term sustainability. This report aims to inform our stakeholders about the objectives and strategies of the company, as well as its performance with regard to financial, human and environmental issues.

These consolidated financial statements have been audited by KPMG Inc. in compliance with s30 of the Companies Act 2008, as amended, and the preparation of the consolidated financial statements has been supervised by Gerald Völkel CA(SA), Growthpoint's Financial Director. These consolidated annual financial statements require publication by 30 September 2015. The complete annual financial statements and integrated annual report of the company and Group for the financial years ended 30 June 2015 and 2014 may be obtained:

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

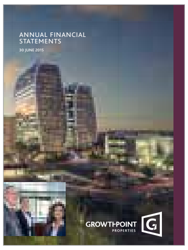
GROWTHPOINT'S REPORTING CONSISTS OF



INTEGRATED ANNUAL REPORT (IAR)

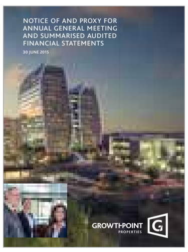
Incorporating an overview of our organisation, key operational matters, our strategic intent, performance reviews including reports from our Chairman, Chief Executive Officer and Financial Director, sectoral reviews, corporate social responsibility, corporate governance and risk management.

The integrated annual report should be read together with the statutory annual financial statements, which combined provide a complete overview of Growthpoint's performance and prospects.



ANNUAL FINANCIAL STATEMENTS (AFS)

The statutory annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS), JSE Listings Requirements and the requirements of the Companies Act 2008, as amended.



AGM NOTICE

The booklet containing the AGM notice also includes the summarised audited AFS for FY15, relevant extracts from the IAR supporting the notice and the report to shareholders by the Social, Ethics and Transformation Committee.

COUNTRY CLUB ESTATE, JONHANNESBURG

BRIDGEWAY PARK, CAPE TOWN

ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the Group annual financial statements of Growthpoint Properties Limited. These financial statements comprise the following:

- Statement of profit or loss and other comprehensive income for the year ended 30 June 2015
- Statement of financial position at 30 June 2015
- Statement of changes in equity for the year ended 30 June 2015
- Statement of cash flows for the year ended 30 June 2015
- Notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2008, as amended. In addition, the directors are responsible for preparing the Directors' Report.

The directors are also responsible for such internal control as they may determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management, as well as the preparation of the supplementary schedules included in these financial statements.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF GROUP ANNUAL FINANCIAL STATEMENTS

The Group annual financial statements of Growthpoint Properties Limited, as identified in the first paragraph, were approved by the Board of Directors on 25 August 2015 and are signed on their behalf by:

LN Sasse
Chief Executive Officer

25 August 2015
Sandton

JF Marais
Chairman

25 August 2015
Sandton

DECLARATION BY COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act 2008, as amended (the Act), I hereby certify that the company has filed the required returns and notices in terms of the Act in respect of the financial year ended 30 June 2015 and that, to the best of my knowledge and belief, all such returns and notices are true, correct and up to date.

RA Krabbenhöft
Company Secretary

25 August 2015
Sandton

REPORT OF THE AUDIT COMMITTEE

The activities of the Audit Committee (the committee) are determined by its terms of reference. The committee considers that it has adequately performed its functions in terms of its mandate, the King Code of Governance Principles for South Africa 2009, and the Companies Act, No 71 of 2008, as amended.

The committee carried out its duties by reviewing the following on a quarterly basis:

- internal audit reports
- financial management reports
- dashboard reflecting key financial, property and operational information/ indicators
- information technology reports pertaining specifically to financial reporting related matters
- annual returns and tax status reports
- external audit reports
- Risk Management Committee minutes.

The aforementioned information, together with the interactions with persons attending the meetings in an *ex officio* capacity, collectively enabled the committee to conclude that the systems of internal financial control had been designed effectively and were operating effectively during the financial period under review.

Furthermore, the committee is satisfied:

- with the independence of the external auditor, including the provision of non-audit services and compliance with the company policy in this regard. The external auditor attended all meetings of the committee
- with the terms, nature, scope and proposed fee of the external auditor for the financial year ended 30 June 2015
- with the annual financial statements and the accounting practices utilised in the preparation thereof and have recommended the financial statements for approval to the Board
- with the company's continuing viability as a going concern, which it has reported to the Board for its deliberation
- that the company's Financial Director had the necessary expertise and experience to carry out his duties.

No concerns and complaints were received from within or outside the Group relating to accounting practices and internal financial controls, and the content or auditing of the company's financial statements.

The committee assesses its performance on an annual basis to determine whether or not it had delivered on its mandate and continuously enhanced its contribution to the Board. The assessment takes the form of a questionnaire, which is independently completed by each member of the committee. The composition of the self-assessment questionnaire, as well as the consolidation of the related results, is the responsibility of the Company Secretary in conjunction with the Head of Internal Audit and Risk Management.

LA Finlay
Audit Committee Chairman

25 August 2015
Sandton

DIRECTORS' REPORT

The directors are pleased to present their 27th annual report that forms part of the annual financial statements for the year ended 30 June 2015.

NATURE OF BUSINESS

On 1 July 2013, Growthpoint converted from a Property Loan Stock company to a Real Estate Investment Trust (REIT), which status was granted by the JSE in accordance with the REIT provisions contained in section 13 of the JSE Listings Requirements.

Growthpoint's listing on the JSE (ISIN code: ZAE000179420) is in the Sector: Financial Services – Real Estate Investment Trusts (Diversified REITs).

The primary business of Growthpoint is long-term investment in quality, rental-generating properties, which are maintained and upgraded or refurbished as necessary, so as to increase the long-term value of the property assets.

As at 30 June 2015, Growthpoint's property portfolio comprised 471 owned and managed properties in the South African Industrial, Office and Retail Sectors valued at R71,6 billion (2014: R49,4 billion). More information on the nature of the business of these sectors is reported on separately in the FY15 integrated annual report.

In addition, Growthpoint has a 50% shareholding in properties owned by V&A Waterfront Holdings (Pty) Ltd in Cape Town, with property assets totalling R13,5 billion (2014: R11,9 billion) as part of a joint arrangement with the Government Employees' Pension Fund (GEPF) represented by the Public Investment Corporation (SOC) Limited (PIC), and holds a majority stake of 65.0% (2014: 64.0%) in Growthpoint Properties Australia, listed on the Australian Securities exchange (ASX) as an A-REIT (Code: GOZ), which owns 53 properties valued at AUD2,3 billion (R22,0 billion) as at 30 June 2015.

REGULATION

As a REIT, the company is regulated by the JSE.

SHARE CAPITAL

The number of authorised ordinary shares of no par value is 4 000 000 000. As at 30 June 2015, there were 2 711 056 264 ordinary shares of no par value in issue.

The following share issues took place during the financial year ended 30 June 2015:

- On 1 September 2014: 3 792 120 shares at R25.00 per share, as consideration for the remaining 50% interest in the properties owned by Truzen 75 Trust from its remaining beneficiaries and the remaining 50% shares in Erf 99 and 100 Parktown Township Share Block (Pty) Ltd from its remaining shareholder.
- On 23 September 2014: 42 221 311 shares, pursuant to elections of the dividend re-investment alternative offered in respect of the final 2014 dividend of 82.80 cents per share, issued at a price of R24.20 per share (which equated to a 1.71% discount to the five-day volume weighted average price of R25.45 less the dividend, as at the close of business on Thursday, 4 September 2014).
- On 1 April 2015: 46 472 377 shares, pursuant to elections of the dividend re-investment alternative offered in respect of the interim 2015 dividend of 84.40 cents per share for the six-month period ended 31 December 2014, issued at a price of R26.25 per share (which equated to a discount of 3.94% to the five-day volume weighted average price of R28.17 less the dividend, as at the close of business on Thursday, 12 March 2015).
- On 28 April 2015: 317 370 060 shares at R28.66 per share, being the clean spot price of a Growthpoint ordinary share on 1 April 2015, as consideration for Growthpoint's acquisition by scheme of arrangement (the scheme) of all of the remaining issued shares in Acucap Properties Ltd (Acucap) that it did not already own, the effective date and implementation date of the scheme being 1 April and 28 April 2015, respectively.
- On 30 April 2015: 16 292 139 shares, pursuant to elections of the dividend re-investment alternative offered in respect of a special cash dividend of 44.50 cents per share for the three months ended 31 March 2015, issued at a price of R27.25 per share (which equated to a 2.97% discount to the five-day volume weighted average price of R28.53 less the special dividend, as at the close of business on Thursday, 9 April 2015).

DIVIDEND POLICY

The company declares and pays an interim and a final dividend in respect of each financial year (see shareholders' information on page 106 of these annual financial statements).

In considering the payment of dividends, the Board, with the Audit Committee's assurance, takes the following into account:

- the financial status of the company as at the end of the first and second six months of the financial year, subject to solvency and liquidity testing as required by the Act; and
- the capital commitments of the company and its funding requirements.

FINAL AND INTERIM DIVIDENDS

The Board declared the following dividends in respect of the financial year ended 30 June 2015:

Dividend	Gross amount (cents per share)
Interim (6 months ended 31 December 2014)	**84.40**
Special (3 months ended 31 March 2015)	**44.50**
Final (3 months ended 30 June 2015)	**44.50**
Total	**173.40**

These dividends have been declared from distributable earnings and meet the requirements of a REIT "qualifying distribution" for purposes of section 25BB of the Income Tax Act, No 58 of 1962 (as amended).

INTERESTS IN SUBSIDIARIES

Interests in subsidiaries and joint ventures are reflected in the notes to the financial statements, notes 44.1 and 15.

INTEREST AS VESTED BENEFICIARY OF A TRUST

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

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

The table below shows the salient financial results and position of the Trust for the year ended 30 June 2015.

	2015 Rm	2014 Rm
Profit before taxation	**1 173**	1 228
Fair value adjustments included in profit before taxation	**397**	468
Net fair value adjustment of investment property	**397**	468
Investment property at fair value	**10 238**	9 727

ACQUISITIONS AND INVESTMENTS

On 1 April 2015, Growthpoint acquired the remaining shares in Acucap Properties Ltd (Acucap) for a total net consideration of R8,96 billion settled by new Growthpoint shares issued.

In the Acucap acquisition, Growthpoint acquired 46 properties and letting enterprises, the management business of the Acucap Group, Sycom Property Fund Managers Limited, being the management company of Sycom Property Fund, a JSE-listed collective investment scheme in property, as well as some undeveloped bulk and shares in certain joint venture operations.

Growthpoint made further investments in its subsidiary Growthpoint Properties Australia during FY15 as follows:

Date	**Nature**	**Shares**	**ZAR (Rm)**
29 August 2014	DRIP	**12 052 214**	**281**
27 February 2015	DRIP	**11 791 430**	**326**

MANAGEMENT AND ADMINISTRATION

Growthpoint Management Services (Pty) Ltd (GMS) is a wholly owned subsidiary of Growthpoint, and has been responsible, in terms of a management agreement, for Growthpoint's property, fund management and administration services since 1 July 2007. GMS employed 700 (2014: 528) employees nationally as at 30 June 2015. This included 158 former Acucap and Sycom employees.

SUBSEQUENT EVENTS

Information on material events that occurred after 30 June 2015 is included in note 42 of these annual financial statements.

REMUNERATION POLICY

Growthpoint's Remuneration Policy and Philosophy is contained in its FY15 integrated annual report and will be proposed for approval at the company's annual general meeting to be held on 17 November 2015. It includes the policy on non-executive directors' fees.

CAPITAL COMMITMENTS

Details are included in note 40 of these annual financial statements.

DIRECTORS AND SECRETARY

Brief *curricula vitae* of the directors and the Company Secretary have been included in the FY15 integrated annual report.

Growthpoint's Financial Director was assessed by the Audit Committee (as is done annually) to be appropriately qualified and experienced for the position.

The Board recommends Ms LA Finlay for re-election as Chairman of the Audit Committee.

Mr CG Steyn retired from the Board with effect from the close of business on 18 November 2014, as announced at the annual general meeting earlier that day.

The directors to retire by rotation and, being eligible, hold themselves available for re-election at the annual general meeting to be held on 17 November 2015, are as follows:

- Mr MG Diliza
- Mr PH Fechter
- Mr JC Hayward
- Mr HSP Mashaba

DIRECTORS' INTERESTS IN ORDINARY SHARES AS AT 30 JUNE 2015

	Beneficial		Non-beneficial	
Director	**Direct**	**Indirect**		**Total**
EK de Klerk		**1 170 659***		**1 170 659**
EK de Klerk: Staff Incentive Scheme Options 2010	**27 931**			**27 931**
EK de Klerk: Staff Incentive Scheme Options 2011	**57 377**			**57 377**
EK de Klerk: Staff Incentive Scheme Options 2012	**119 061**			**119 061**
EK de Klerk: Staff Incentive Scheme Options 2012	**25 961**			**25 961**
EK de Klerk: Staff Incentive Scheme Options 2013	**96 698**			**96 698**
EK de Klerk: Retention Scheme Award 2014	**2 400 000**			**2 400 000**
EK de Klerk: Staff Incentive Scheme Options 2014	**153 225**			**153 225**
MG Diliza			**38 648 707**	**38 648 707**
MG Diliza			**36 100 637#**	**36 100 637**
MG Diliza			**2 548 070***	**2 548 070**
PH Fechter		**1 338 504**	**3 109 535***	**4 448 039**
LA Finlay	**86 397**			**86 397**
JC Hayward	**79 162**			**79 162**
HS Herman		**170 000***		**170 000**
JF Marais		**108 793***		**108 793**
HSP Mashaba		**2 475 000**		**2 475 000**
R Moonsamy		**1 287 347**		**1 287 347**
NBP Nkabinde		**4 000^**		**4 000**
LN Sasse	**1 568 625**			**1 568 625**
LN Sasse: Staff Incentive Scheme Options 2010	**61 363**			**61 363**
LN Sasse: Staff Incentive Scheme Options 2011	**125 682**			**125 682**
LN Sasse: Staff Incentive Scheme Options 2012	**224 604**			**224 604**
LN Sasse: Staff Incentive Scheme Options 2012	**32 452**			**32 452**
LN Sasse: Staff Incentive Scheme Options 2013	**143 667**			**143 667**
LN Sasse: Retention Scheme Award 2014	**4 000 000**			**4 000 000**
LN Sasse: Staff Incentive Scheme Options 2014	**220 882**			**220 882**
G Völkel: Staff Incentive Scheme Options 2013	**13 814**			**13 814**
G Völkel: Staff Incentive Scheme Options 2014	**19 899**			**19 899**

 # BEE interest   ** Associate: Family Trust*   *^ Associate spouse*

DIRECTORS' INTERESTS IN ORDINARY SHARES AS AT 30 JUNE 2014

	Beneficial		Non-beneficial	
Director	Direct	Indirect		Total
EK de Klerk		1 126 333*		1 126 333
EK de Klerk: Staff Incentive Scheme Options 2009	31 985			31 985
EK de Klerk: Staff Incentive Scheme Options 2010	55 864			55 864
EK de Klerk: Staff Incentive Scheme Options 2011	86 065			86 065
EK de Klerk: Staff Incentive Scheme Options 2012	238 126			238 126
EK de Klerk: Staff Incentive Scheme Options 2012	51 920			51 920
EK de Klerk: Staff Incentive Scheme Options 2013	145 047			145 047
EK de Klerk: Retention Scheme Award 2014	2 400 000			2 400 000
MG Diliza			36 999 547	36 999 547
MG Diliza			34 363 333#	34 363 333
MG Diliza			2 636 214*	2 636 214
PH Fechter		1 338 504	3 109 535*	4 448 039
LA Finlay	79 636			79 636
JC Hayward	72 967			72 967
HS Herman		150 000*		150 000
JF Marais		100 279*		100 279
HSP Mashaba		2 475 000#		2 475 000
R Moonsamy		1 287 347		1 287 347
LN Sasse	1 568 625			1 568 625
LN Sasse: Staff Incentive Scheme Options 2009	70 322			70 322
LN Sasse: Staff Incentive Scheme Options 2010	122 727			122 727
LN Sasse: Staff Incentive Scheme Options 2011	188 524			188 524
LN Sasse: Staff Incentive Scheme Options 2012	449 208			449 208
LN Sasse: Staff Incentive Scheme Options 2012	64 902			64 902
LN Sasse: Staff Incentive Scheme Options 2013	215 499			215 499
LN Sasse: Retention Scheme Award 2014	4 000 000			4 000 000
G Völkel: Staff Incentive Scheme Options 2013	20 721			20 721

 # BEE interest   ** Associate: Family Trust*   *^ Associate spouse*

DIRECTORS' TRANSACTIONS DURING THE FINANCIAL YEAR ENDED 30 JUNE 2015

Director	Date	Number of shares	Purchase/Sale	Price per share (R)
EK de Klerk	1 September 2014	153 225	Staff Incentive Scheme Deferred Options 2014	25.13
	23 September 2014	38 537	Distribution re-investment option	24.20
	23 September 2014	5 789	Distribution re-investment option	24.20
	9 December 2014	(31 985)	On-market sale of securities	26.03
	9 December 2014	(27 933)	On-market sale of securities	26.03
	9 December 2014	(28 689)	On-market sale of securities	26.03
	9 December 2014	(119 062)	On-market sale of securities	26.03
	9 December 2014	(25 960)	On-market sale of securities	26.03
	9 December 2014	(48 349)	On-market sale of securities	26.03
MG Diliza	23 September 2014	7	Distribution re-investment option	24.20
	1 April 2015	4	Distribution re-investment option	26.25
	30 June 2015	1 737 304	Change in shareholding in B-BBEE entity	–
	30 June 2015	(88 155)	Correction of overstatement in associate holding	–
LA Finlay	23 September 2014	2 725	Distribution re-investment option	24.20
	1 April 2015	2 648	Distribution re-investment option	26.25
	30 April 2015	1 388	Distribution re-investment option	27.25
JC Hayward	23 September 2014	2 497	Distribution re-investment option	24.20
	1 April 2015	2 426	Distribution re-investment option	26.25
	30 April 2015	1 272	Distribution re-investment option	27.25
HS Herman	23 September 2014	5 132	Distribution re-investment option	24.20
	1 December 2014	4 868	On-market acquisition of securities	27.03
	1 April 2015	5 144	Distribution re-investment option	26.25
	30 April 2015	2 697	Distribution re-investment option	27.25
	12 June 2015	2 159	On-market acquisition of securities	25.32
JF Marais	23 September 2014	3 431	Distribution re-investment option	24.20
	1 April 2015	3 335	Distribution re-investment option	26.25
	30 April 2015	1 748	Distribution re-investment option	27.25
NBP Nkabinde	4 August 2014	4 000	On-market acquisition of securities	29.56
LN Sasse	1 September 2014	220 882	Staff Incentive Scheme Deferred Options 2014	25.13
	10 December 2014	(70 322)	On-market sale of securities	25.77
	10 December 2014	(61 364)	On-market sale of securities	25.77
	10 December 2014	(62 842)	On-market sale of securities	25.77
	10 December 2014	(224 604)	On-market sale of securities	25.77
	10 December 2014	(32 450)	On-market sale of securities	25.77
	10 December 2014	(71 832)	On-market sale of securities	25.77
G Völkel	1 September 2014	19 899	Staff Incentive Scheme Deferred Options 2014	25.13
	23 September 2014	142	Distribution re-investment option	24.20
	1 December 2014	4 144	Off-market acquisition of securities	27.16
	2 December 2014	(4 144)	On-market sale of securities	26.86
	2 December 2014	(2 763)	On-market sale of securities	26.86
	18 December 2014	(4 286)	On-market sale of securities	26.55

There have been no changes since year end as the directors are in a closed period until the publication of the results.

UNVESTED OPTIONS FOR EXECUTIVE DIRECTORS AS AT 30 JUNE 2015

	Total	30 June 2015	30 June 2016	30 June 2017
2010 options				
LN Sasse	61 363	61 363	–	–
EK de Klerk	27 932	27 932	–	–
2011 options				
LN Sasse	125 683	62 842	62 841	–
EK de Klerk	57 377	28 688	28 689	–
2012 options				
LN Sasse	224 604	224 604	–	–
EK de Klerk	119 061	119 061	–	–
2012 options				
LN Sasse	32 451	32 451	–	–
EK de Klerk	25 961	25 961	–	–
2013 options				
LN Sasse	143 667	71 832	71 835	–
EK de Klerk	96 698	48 349	48 349	–
G Völkel	13 814	6 907	6 907	–
2014 options				
LN Sasse	220 882	73 626	73 626	73 630
EK de Klerk	153 225	51 074	51 074	51 077
G Völkel	19 899	6 632	6 632	6 635

KEY STAFF RETENTION SCHEME AWARDS

2014 options	Total	30 June 2015	30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021
LN Sasse	4 000 000	400 000	400 000	800 000	800 000	800 000	400 000	400 000
EK de Klerk	2 400 000	240 000	240 000	480 000	480 000	480 000	240 000	240 000

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GROWTHPOINT PROPERTIES LIMITED

We have audited the consolidated financial statements of Growthpoint Properties Limited, which comprise the consolidated statement of financial position at 30 June 2015, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 14 to 77.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, these financial statements present fairly, in all material respects, the consolidated financial position of Growthpoint Properties Limited at 30 June 2015, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the financial statements for the year ended 30 June 2015, we have read the Directors' Report, the Declaration by Company Secretary and the Report of the Audit Committee for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

KPMG Inc.
Registered Auditor

Per GL de Lange
Chartered Accountant (SA)
Registered Auditor
Director

25 August 2015

ACCOUNTING POLICIES

REPORTING ENTITY

Growthpoint Properties Ltd (Growthpoint or the company) is a company domiciled in South Africa. The address of the company's registered office is The Place, 1 Sandton Drive, Sandton.

The consolidated financial statements include the financial statements of Growthpoint, its subsidiary companies and controlled trusts (together referred to as the Group and individually as group companies), the share of the profit or loss and other comprehensive income of equity-accounted investees, and the Group's share of the assets, liabilities, income, expenses and cash flows of jointly controlled operations. Where reference is made to the "entity", this means the company or the Group as appropriate in the context.

NATURE OF BUSINESS

Growthpoint is a Real Estate Investment Trust (REIT) company and is the largest South African listed property company which owns a property portfolio of 471 directly owned properties in South Africa valued at R71,6 billion, 53 properties valued at R22,0 billion through its 65.0% investment in Growthpoint Properties Australia (GOZ), and a 50% interest in the properties of the V&A Waterfront.

From 1 July 2013, Growthpoint became a REIT company and the existing linked unit capital structure converted to an all-equity capital structure in order to align Growthpoint's linked unit capital structure with the capital structures of international REITs.

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

BASIS OF PREPARATION

a) Statement of compliance

The Group financial statements comprise the consolidated financial statements. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements, the requirements of the South African Companies Act, 2008, as amended, and incorporate the principal accounting policies set out below.

Except for the new standards adopted as set out below, all accounting policies applied in the preparation of these consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated financial statements.

Growthpoint adopted the following new standards and amendments:

- *Investment entities (Amendments to* IFRS 10, IFRS 12 *and* IAS 27)
- *Offsetting financial assets and financial liabilities* (*Amendments to* IAS 32)
- *Recoverable amount disclosure for non-financial assets* (*Amendments to* IAS 36)
- *Novation of derivative and continuation of hedge accounting* (*Amendments to* IAS 39)
- *Annual improvements to* IFRS 2010 – 2012
- *Annual improvements to* IFRS 2011 – 2013.

There was no material impact on the financial statements identified based on management's assessment of these standards.

The financial statements of the company are presented separately from the consolidated financial statements and were approved by the directors on 25 August 2015, the same date as these financial statements. The separate financial statements are available from the Company Secretary.

b) Basis of measurement

The financial statements are prepared on the fair value basis for investment properties as set out in note 1.3, investment properties reclassified as held for sale as set out in note 1.7, and financial instruments as set out in note 1.2. Other assets, liabilities and equity are stated at historic cost. Fair value adjustments (where applicable) do not affect the calculation of distributable earnings but affect the net asset value per share to the extent that adjustments are made to the carrying values of assets and liabilities.

c) Functional and presentation currency

The consolidated financial statements are presented in South African Rand (Rand), which is the company's functional currency. All financial information presented in Rand has been rounded to the nearest million.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of consolidation

1.1.1 Accounting for business combinations

Acquisitions on or after 1 July 2009

The Group accounts for business combinations on or after 1 July 2009 by applying the acquisition method as at the acquisition date and measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, plus the fair value of any existing equity interest, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date. If this amount is negative, the Group recognises a gain on bargain purchase in profit or loss.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed as incurred.

Acquisitions between 1 July 2003 and 1 July 2009

For acquisitions between 1 July 2003 and 1 July 2009, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, the Group immediately recognised a bargain purchase gain in profit or loss.

The Group capitalised transaction costs in connection with the business combination, other than those associated with the issue of debt or equity interests, as part of the cost of the acquisition.

1.1.2 Accounting for acquisitions of non-controlling interests

Acquisitions of non-controlling interests that do not result in a loss of control are accounted for as transactions with equity holders in their capacity as equity holders and therefore, no goodwill is recognised as a result of such transactions.

1.1.3 Subsidiaries

Subsidiaries are those entities controlled by the Group. The financial results of subsidiaries and controlled trusts are included in the consolidated financial statements from the date that control commences until the date that control ceases.

A list of the Group's subsidiaries is set out in note 44.1, related party transactions.

1.1.4 Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in joint ventures. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and the other comprehensive income of equity-accounted investees, until the date on which joint control ceases.

1.1.5 Jointly controlled operations

A jointly controlled operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations to the liabilities, relating to the arrangement. Jointly controlled operations are accounted for by including the Group's share of the jointly controlled assets, liabilities, income, expenses and cash flows on a line-by-line basis in the financial statements from the date that joint control commences until the date that joint control ceases.

1.1.6 Transactions eliminated on consolidation

Intra-group balances, transactions and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint operations and equity-accounted investees are eliminated to the extent of the Group's interest in the joint operations and investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.2 Financial instruments

Financial instruments are contracts that give rise to a financial asset of one entity, and a financial liability or equity instrument of another entity. All transaction costs relating to "financial instruments at fair value through profit or loss" are expensed immediately. Any gains or losses on these instruments arising from fair value adjustments, where appropriate, do not affect distributable earnings. The Group recognises financial instruments on the date it commits to purchase or sell such instruments. From this date, any gains and losses in the fair value of the financial assets and financial liabilities are recorded in profit or loss.

Certain financial instruments are designated upon initial recognition as "at fair value through profit or loss" as this eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising gains or losses on them on different bases.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the entity is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

1.2.1 Listed investments

In the prior year, the listed investments in Acucap and Sycom were designated as available-for-sale financial assets and were initially recognised at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they were measured at fair value and changes therein were recognised in other comprehensive income and presented in a non-distributable reserve in equity. When the investments were derecognised, the gain or loss accumulated in equity was reclassified to profit or loss.

Listed investments in Stenham European Shopping Centre Fund (SESCF) are designated as at fair value through profit or loss upon initial recognition as such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise. The underlying investment in SESCF is property and therefore it would give greater meaning to the financial statements if this was treated in the same way as the other property investment, i.e. at fair value through profit or loss.

Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, with any resultant gain or loss recognised in profit or loss.

1.2.2 Long-term loans

Long-term loans are initially recognised and subsequently measured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. Interest earned on long-term loans is recognised on an accrual basis using the effective interest method.

1.2.3 Trade and other receivables

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market, are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost which approximates fair value. An estimate is made for credit losses based on a review of all outstanding amounts at year end. Bad debts are written off to profit or loss during the year in which they are identified. Interest earned on trade receivables is recognised on an accrual basis using the effective interest method.

1.2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in fair value. Cash and cash equivalents are measured at amortised cost, which approximates fair value. Interest earned on cash invested with financial institutions is recognised on an accrual basis using the effective interest method.

1.2.5 Trade payables

Trade payables are initially recognised and subsequently measured at amortised cost which approximates fair value. Interest payable on trade payables is recognised on an accrual basis using the effective interest method.

1.2.6 Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to interest rate risk arising from its financing activities and to hedge its exposure to foreign currency risk.

In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, as the hedge relationship is not designated as a hedge for accounting purposes, the derivatives are accounted for as trading instruments.

Derivative financial instruments are initially recognised and subsequently measured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. Fair value adjustments are transferred to a non-distributable reserve in the statement of changes in equity.

The Group holds interest rate swap and foreign exchange derivative instruments. The fair value of interest rate swaps is the estimated amount that the entity would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of foreign exchange contracts is valued by discounting the forward rates applied at year end to the open hedged positions.

1.2.7 Financial liabilities

Non-derivative financial liabilities comprising long-term interest-bearing loans are initially recognised and subsequently measured at fair value, with gains or losses being recognised in profit or loss. The fair value is estimated by discounting the future cash payments using the market rate applicable at the reporting date. Interest payable on financial liabilities is recognised on an accrual basis using the effective interest method.

1.2.8 Offset

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group has a legally enforceable right to offset the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. An entity currently has a legally enforceable right to set-off if that right is not contingent on a future event and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. Gross settlement is equivalent to net settlement if, and only if, the gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk, and process receivables and payables in a single settlement process or cycle.

1.3 Investment property

Investment property consists of land and buildings, installed equipment and undeveloped land held to earn rental income for the long term and subsequent capital appreciation.

Properties are initially recognised at cost on acquisition, including all costs directly attributable to the acquisition, and subsequent additions that will result in future economic benefits and whose cost can be measured reliably are capitalised. Investment property under construction is valued at fair value.

Direct costs relating to major capital projects are capitalised until the properties are brought into commercial operation.

Subsequent to initial recognition, investment properties are measured at their fair value. Fair value adjustments are transferred to a non-distributable reserve in the statement of changes in equity.

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

Independent valuations are obtained on a rotational basis, ensuring that every property is valued at least once every three years by an external independent valuer. The directors value the remaining properties annually on an open-market basis. The calculations are prepared by considering the aggregate of the net annual rent receivable from the properties and, where relevant, associated costs, using the discounted cash flow method. This method takes projected cash flows and discounts them at a rate which is consistent with comparable market transactions. The discount rates reflect the risks inherent in the net cash flows and are constantly monitored by reference to comparable market transactions. Undeveloped land is valued in terms of the internationally accepted and preferred method of comparison.

Gains or losses on subsequent measurement or disposals of investment properties are recognised in profit or loss. Such gains or losses are excluded from the calculation of distributable earnings.

When properties comprise a portion that is held to earn rental or for capital appreciation, and another portion that is held for use in the production or supply of goods or services or for administrative purposes, then these portions are accounted for separately only if these portions could be sold separately.

If they cannot be sold separately, the entire property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Investment property held under an operating lease relates to long-term land leases and is recognised in the Group's statement of financial position at its fair value. This accounting treatment is consistently applied for all such long-term land leases.

1.4 Intangible assets

1.4.1 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

Where the net recognised amount of the identifiable assets acquired and liabilities assumed exceeds the fair value of the consideration transferred (including the recognised amount of any non-controlling interest in the acquiree and the fair value of any existing equity interest), this excess is recognised immediately in profit or loss (gain on bargain purchase).

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

1.4.2 Other intangible assets

Other intangible assets that are acquired by the entity, which have finite useful lives, are recognised initially at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits of the asset to which it relates.

1.4.3 Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. Subsequently, the amortisation is transferred to a non-distributable reserve in the statement of changes in equity.

The residual value of the intangible asset is assessed as Rnil and the estimated total useful lives for the current and comparative periods are as follows:

- Rights to manage investment property 15 years
- Software development 20 years

Amortisation methods, useful lives and residual values are reassessed annually.

1.5 Equipment

Items of equipment are recognised initially at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Items of equipment are depreciated from the date they are ready for use. Depreciation is based on the cost of the asset less its residual value and recognised on a straight-line basis, over the current estimated useful lives of the assets. The estimated useful lives of the assets for the current and comparative periods are:

- Furniture and fittings 5 years
- Equipment 2 – 5 years

Depreciation methods, useful lives and residual values are reassessed annually.

Subsequent expenditure relating to an item of equipment is capitalised when it is probable that future economic benefits will flow to the entity and its cost can be measured reliably.

All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

1.6 Impairment

The carrying amount of the Group's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smaller group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of the other assets or groups of assets (the cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of the cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

Impairment losses in respect of goodwill are not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill and intangible assets with indefinite lives are tested annually for impairment.

1.7 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the measurement of assets (and all assets and liabilities in a disposal group) is brought up to date in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of the carrying amount and fair value less costs to sell. Investment properties classified as held for sale are measured in accordance with IAS 40 *Investment property* at fair value with gains and losses on subsequent measurement being recognised in profit or loss.

1.8 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. These financial guarantee contracts are classified as insurance contracts as defined in IFRS 4 *Insurance contracts*.

A liability is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle the contract and a reliable estimate can be made of the amount of the obligation. The amount recognised is the best estimate of the expenditure required to settle the contract at the reporting date. Where the effect of discounting is material, the liability is discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Group performs liability adequacy tests on financial guarantee contract liabilities to ensure that the carrying amount of the liabilities is sufficient in view of estimated future cash flows. When performing the liability adequacy test, the Group discounts all expected contractual cash flows and compares this amount to the carrying value of the liability. Where a shortfall is identified, an additional provision is made.

1.9 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and, in addition, a reliable estimate of the amount can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

1.10 Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

1.11 Treasury shares

Shares in the company held by Growthpoint Management Services (Pty) Ltd and unvested restricted shares held for employee participants in the Staff Incentive Scheme Trust are classified as treasury shares. The cost price of these shares, together with related transaction costs, is deducted from equity, but disclosed separately in the statement of changes in equity. The issued and weighted average number of shares is reduced by the treasury shares for the purposes of the basic and headline earnings per share calculations. The issued number of shares is not reduced by the treasury shares for the purpose of the dividend per share calculations. Dividends received on treasury shares are recognised directly in equity.

When treasury shares held for employee participants vest in such participants, the shares will no longer be classified as treasury shares, their cost will no longer be deducted from equity and their number will be taken into account for the purposes of basic and headline earnings per share calculations.

1.12 Dividends paid

Dividends or other distributions to the holders of equity instruments, in their capacity as owners, are recognised directly in equity on the date of declaration.

1.13 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on re-translation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Group's presentation currency (Rand) at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Rand at exchange rates at the dates of the transactions (an average rate per month is used).

When the Group disposes of only part of its interest in a subsidiary that includes foreign operations while retaining control, the relevant proportion of the cumulative amount is re-attributed to non-controlling interests.

Foreign currency differences on translation of the financial position and results of a foreign operation into the Group's presentation currency are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR), except to the extent that the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of, in part or in full, such that control, significant influence or joint control is lost, the cumulative amount in the FCTR is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant portion of the cumulative amount is reclassified to profit or loss.

1.14 Non-distributable reserve

The non-distributable reserve relates to items that are not distributable to shareholders, such as fair value adjustments on the revaluation of investment property, long-term loans, borrowings and derivatives, the amortisation of intangible assets, share-based payment transactions, the straight-line lease income adjustment, non-cash charges, capital items, deferred taxation, bargain purchases and reserves with the non-controlling interest.

1.15 Leases

The Group is party to numerous leasing contracts as the lessor of property. All leases are operating leases, which are those leases where the Group retains a significant portion of the risks and rewards of ownership.

An adjustment is made to contractual rental income earned to bring to account in the current period the difference between the rental income that the entity is currently entitled to and the rental for the period calculated on a smoothed, straight-line basis over the period of the lease term. This does not affect distributable earnings.

The Group provides certain incentives for the lessee to enter into lease agreements. Initial periods of the lease term may be agreed to be rent-free or at a reduced rent. All incentives are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments. The Group recognises the aggregate cost of incentives as a reduction of rental income over the lease term, on a straight-line basis.

The Group is party to leasing contracts as the lessee of some property and equipment. Leases are classified as operating leases where substantially all the risks and rewards associated with ownership of the asset are not transferred from the lessor to the lessee. Operating lease rentals with fixed escalation clauses are recognised in profit or loss on a straight-line basis over the lease term. The resulting difference arising from the straight-line basis and contractual cash flows is recognised as an operating lease asset or operating lease liability.

1.16 Revenue recognition

Revenue from the letting of investment property comprises gross rental income and recoveries of fixed operating costs, net of value added tax. Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Recoveries of costs from lessees, where the entity merely acts as an agent and makes payment of these costs on behalf of lessees, are offset against the relevant costs. The Group recognises the aggregate cost of incentives as a reduction of rental income over the lease term, on a straight-line basis.

1.17 Property letting commissions and tenant installations

When considered material, letting commissions and tenant installations are written off over the period of the lease. Letting commissions paid in respect of new developments are capitalised to the cost of the property.

1.18 Operating profit

Operating profit included in profit or loss represents the net property income earned from investment property, adjusted for other operating expenses and income.

1.19 Taxation

Income tax for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income. Current tax is the expected tax payable on the taxable income, after deducting the qualifying distribution for that year of assessment, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years. In accordance with the status as a REIT, dividends declared meet the requirements of a qualifying distribution for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962, (as amended) (Income Tax Act).

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.
- Goodwill that arises on initial recognition.
- Differences relating to investments in subsidiaries and jointly controlled entities to the extent that the Group is able to control the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

No deferred tax was recognised on the fair value of investment property. Investment property will be realised through sale, and subsequent to the conversion to a REIT, capital gains tax is no longer applicable in terms of section 25BB of the Income Tax Act.

The deferred tax relating to the amortisation of the intangible asset is initially recognised in profit or loss and is subsequently transferred to a non-distributable reserve in the statement of changes in equity. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates expected to be applied to temporary differences when they reverse, based on tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to either settle current tax liabilities and assets on a net basis or realise the assets and settle the liabilities simultaneously.

A deferred tax asset is recognised for deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Dividends received by or accrued to South African tax residents are exempt from dividend withholding tax, but will be included in the gross income of such shareholders and will not be exempt from the income tax in terms of the exclusion to the general dividend exemption contained in section 10(1)(k)(i)(aa) of the Income Tax Act because they are dividends distributed by a REIT. With effect from 1 January 2014, any dividend received by a non-resident from a REIT will be subject to dividend withholding tax at 15%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation between South Africa and the country of residence of the non-resident shareholder. Dividends received by non-resident shareholders from a REIT will not be taxable as income in South Africa and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption section 10(1)(k) of the Income Tax Act.

Withholding tax relating to foreign distributions received is recognised as part of the tax expense, and the financial results are reflected at the gross amounts, before withholding tax.

1.20 Borrowing costs

Borrowing costs incurred on qualifying assets are capitalised until such time as the assets are substantially ready for their intended use. Qualifying assets are those that necessarily take a substantial period of time to prepare for their intended use. Capitalisation is suspended during extended periods in which active development is interrupted.

All other borrowing costs are expensed in profit or loss in the period in which they are incurred using the effective interest method.

1.21 Employee benefits

1.21.1 Short-term benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. Short-term employee benefits are measured on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses, staff incentive schemes and annual leave represents the amount which the Group has a present legal or constructive obligation to pay as a result of employees' services provided up to the reporting date.

1.21.2 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution provident plan are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

1.21.3 Share-based payment transactions

In respect of linked units allocated to employees, subsequent to the 8,5 million linked units relating to the management "buy-in" transaction but before the conversion to a REIT, the grant-date fair value of the linked unit payment award granted to employees was recognised as an employee expense, with a corresponding increase in liabilities, over the period that the employees became unconditionally entitled to the awards in terms of IFRS 2 *Share-based payment transactions*. The liability was remeasured at each reporting date and at settlement date based on the fair value of the linked units. Any changes in the liability were recognised as employee benefit expenses in profit or loss.

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

1.22 Non-cash charges and capital items

Amortisation of intangible assets, as well as expenses relating to the staff incentive scheme are recurring expenses and are classified as non-cash charges. Impairment of goodwill, although not recurring, are also classified as non-cash charges as the expense relates to intangible assets.

Costs incurred on business acquisitions and items reclassified from other comprehensive income to profit or loss are classified as capital items.

1.23 Segment reporting

Determination and presentation of operating segments

The Group determines and presents operating segments based on the information that is provided internally to the Executive Management Committee (Exco), the Group's operating decision-making forum. The Group has five main reportable segments namely:

- Retail
- Office
- Industrial
- Australia
- V&A Waterfront

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by Exco to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to Exco include items directly attributable to a segment or a region, as well as those that can be allocated on a reasonable basis. Unallocated items are reported by location and mainly comprise long-term loans granted, intangible assets, derivatives, trade and other receivables, cash and cash equivalents, deferred tax, other non-current liabilities (borrowings), trade and other payables, and the related income and expenses to these items.

Segment capital expenditure is the total cost incurred during the period on investment property, including costs incurred on the investment property of the V&A Waterfront, as well as other joint ventures.

In addition to the main reportable segments, the Group also includes a geographical analysis of net property income, excluding straight-line lease income adjustment and investment property. The following segments have been identified:

- Greater Johannesburg
- Pretoria
- Western Cape
- KwaZulu-Natal
- Eastern Cape
- North West
- Australia
- V&A Waterfront

1.24 Key judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information regarding judgements that have the most significant effect on the amounts recognised in the financial statements, as well as the key sources of estimation uncertainty, is set out in:

- Note 11 Taxation
- Note 14 Investment property
- Note 17 Intangible assets
- Note 30 Deferred taxation
- Note 45 Financial instruments

1.25 Standards and interpretations applicable to the Group not yet effective

There are new or revised accounting standards and interpretations in issue that are not yet effective. These include the following standards and interpretations that are material to the business of the entity and which may have an impact on future financial statements, or those for which the impact has not as yet been assessed. These standards were not early adopted.

IFRS 9 Financial instruments

IFRS 9 will be adopted by the Group for the first time for its financial reporting period ending 30 June 2019. The standard will be applied retrospectively, subject to transitional provisions.

IFRS 9 addresses the following and will replace the relevant sections of IAS 39:

- The classification and measurement of financial assets
- The classification and measurement of financial liabilities
- The derecognition of financial assets and liabilities

Under IFRS 9 there are two options in respect of the classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value.

Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host.

IFRS 9 has retained in general the requirements of IAS 39 for financial liabilities, except for the following two aspects:

- Fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to the changes in the credit risk of the liability, will be presented in other comprehensive income (OCI). The remaining amount of the fair value change is recognised in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently re-assessed.

- Derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value.

IFRS 9 incorporates the guidance in IAS 39 dealing with fair value measurement and accounting for derivatives embedded in a host contract that is not a financial asset, as well as the requirements of IFRIC 9 *Reassessment of embedded derivatives*.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

IFRS 15 Revenue from contracts with customers
This standard replaces IAS 11 *Construction contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer loyalty programmes*, IFRIC 15 *Agreements for the construction of real estate*, IFRIC 18 *Transfer of assets from customers* and SIC-31 *Revenue – barter of transactions involving advertising services*.

IFRS 15 will be adopted by the Group for the first time for its financial reporting period ending 30 June 2019.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

IFRS 11 Joint arrangements (amendments)
The objective was to add new guidance to IFRS 11 *Joint Arrangements* on the accounting for the acquisition of an interest in a joint operation that constitutes a business. The IASB decided that acquirers of such interests shall apply all of the principles on business combinations accounting in IFRS 3 *Business Combinations*, and other IFRSs, that do not conflict with the guidance in IFRS 11 and disclose the information that is required in those IFRSs in relation to business combinations. IFRS 11 (amended) will be adopted by the Group for the first time for its financial reporting period ending 30 June 2017.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 11 (amended).

Sale or contribution of assets between an investor and its associate or joint venture (amendment to IFRS 10 and IAS 28)
The objective of the project is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. It will be adopted by the Group for the first time for its financial reporting period ending 30 June 2018.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 11 (amended).

Disclosure initiative (amendments to IAS 1)
The International Accounting Standards Board (IASB) has published "Disclosure Initiative (Amendments to IAS 1)". The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports. It will be adopted by the Group for the first time for its financial reporting period ending 30 June 2017.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IAS 1 (amended).

IFRS 5 Changes in methods of disposal
Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification. For example, on 1 September 2016, Entity A determines that it will distribute shares of its subsidiary to its shareholders. Consequently, it classifies the subsidiary as "held for distribution". However, on 1 December 2016, Entity A decides that, instead of distributing the shares to its shareholders, it will sell the subsidiary. Therefore, it changes the disposal method to "held for sale". The date of classification continues to be 1 September 2016 and the sale must be completed within one year from that date.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 5 (amended).

IFRS 7 Financial instruments: disclosures
In December 2011, IFRS 7 was amended to add guidance on offsetting of financial assets and financial liabilities. In the effective date and transition for that amendment, paragraph 44R of IFRS 7 states that "[A]n entity shall apply those amendments for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods." The interim disclosure standard, IAS 34, does not reflect this requirement, however, and it is not

clear whether those disclosures are required in the condensed interim financial report.

The amendment removes the phrase "and interim periods within those annual periods" from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the IASB noted that IAS 34 requires an entity to disclose "[…] an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period". Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the IASB would expect the disclosures to be included in the entity's condensed interim financial report.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 7 (amended).

IAS 34 Interim financial reporting: disclosure of information "elsewhere in the interim financial report"

IAS 34 requires entities to disclose information in the notes to the interim financial statements "if not disclosed elsewhere in the interim financial report". However, it is unclear what the IASB means by "elsewhere in the interim financial report".

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g. in the management commentary or risk report).

The IASB specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IAS 34 (amended).

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	**2015 Rm**	2014 Rm
Revenue, excluding straight-line lease income adjustment		**7 740**	6 412
Straight-line lease income adjustment	14.2	**130**	193
Revenue	2	**7 870**	6 605
Property expenses	3	**(1 630)**	(1 384)
Net property income		**6 240**	5 221
Other operating expenses and income	4	**(303)**	(267)
Operating profit		**5 937**	4 954
Fair value adjustments	5	**3 562**	2 396
Equity-accounted investments profit – net of tax	6	**484**	91
Finance costs	7	**(2 086)**	(1 748)
Non-cash charges	8	**(1 723)**	(78)
Capital items	9	**1 078**	(23)
Finance and other investment income	10	**916**	545
Profit before taxation		**8 168**	6 137
Taxation	11	**(264)**	(160)
– Normal taxation		**(72)**	(28)
– Deferred taxation		**(192)**	(132)
Profit after taxation		**7 904**	5 977
Attributable to equity holders		**6 955**	5 579
Attributable to non-controlling interest		**949**	398
OTHER COMPREHENSIVE INCOME			
Items that are or may be reclassified to profit and loss:			
Translation of foreign operations		**(703)**	888
Fair value adjustments of listed investments		**1 143**	(46)
Fair value adjustments of listed investments – reclassified to profit or loss		**(1 097)**	–
Total comprehensive income		**7 247**	6 819
Attributable to equity holders		**6 548**	6 110
Attributable to non-controlling interest		**699**	709
		cents	cents
Basic earnings per share	13	**294.74**	279.38
Diluted earnings per share	13	**292.68**	277.53

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	2015 Rm	2014 Rm
ASSETS			
Non-current assets		**103 187**	81 573
Fair value of investment property for accounting purposes	14.1	**90 917**	67 627
Straight-line lease income adjustment	14.2	**2 118**	2 021
Fair value of property assets		**93 035**	69 648
Equity-accounted investments	15	**6 464**	5 722
Listed investments	16	**380**	4 457
Intangible assets	17	**2 580**	1 258
Equipment	18	**9**	10
Long-term loans granted	19	**614**	466
Derivative assets		**105**	12
Current assets		**3 216**	1 671
Investment property reclassified as held for sale	14.3	**539**	265
Current portion of long-term loans granted	19	**467**	–
Trade and other receivables	20	**1 705**	1 031
Cash and cash equivalents	21	**505**	375
Total assets		**106 403**	83 244
EQUITY AND LIABILITIES			
Shareholders' interest		**63 369**	49 895
Share capital	22	**41 132**	29 436
Treasury shares	23	**(646)**	(682)
Foreign currency translation reserve	24	**1 072**	1 506
Non-distributable reserve	25	**20 604**	17 743
Retained income		**1 207**	1 892
Non-controlling interest	27	**4 713**	4 180
Total equity		**68 082**	54 075
Non-current liabilities		**30 372**	23 016
Non-current financial liabilities	28.7	**28 755**	21 591
Deferred taxation liability	30	**1 617**	1 425
Current liabilities		**7 949**	6 153
Trade and other payables	31	**1 802**	1 426
Current portion of non-current financial liabilities	28.6	**5 930**	4 543
Taxation payable		**31**	13
Linked unitholders for distribution		**186**	171
Total equity and liabilities		**106 403**	83 244

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Attributable to owners of the company							
	Share capital Rm	Treasury shares Rm	Foreign currency translation reserve (FCTR) Rm	Non-distri-butable reserve (NDR) Rm	Retained earnings (RE) Rm	Share-holders' interest Rm	Non-controlling interest (NCI) Rm	Total equity Rm
Balance at 30 June 2013	95	–	962	(849)	–	208	2 485	2 693
Total comprehensive income – profit after taxation	–	–	–	–	5 579	5 579	398	5 977
Total comprehensive income – other comprehensive income	–	–	577	(46)	–	531	311	842
Transactions with owners recognised directly in equity:								
Conversion of debentures to ordinary share capital and NDR	20 257	–	–	16 280	–	36 537	–	36 537
Shares issued	9 084	–	–	–	–	9 084	–	9 084
Cash adjustment on business acquisitions	–	–	–	–	110	110	–	110
Acquisition of treasury shares	–	(728)	–	–	–	(728)	–	(728)
Dividends received on treasury shares	–	–	–	–	25	25	–	25
Transfer non-distributable items to NDR	–	–	–	2 217	(2 217)	–	–	–
Share-based payment transactions	–	46	–	88	–	134	–	134
Rights issue and acquisitions – GOZ	–	–	(33)	–	53	20	1 281	1 301
Transfer to NDR with NCI	–	–	–	53	(53)	–	–	–
Dividends declared – NCI	–	–	–	–	–	–	(295)	(295)
Dividends declared	–	–	–	–	(1 605)	(1 605)	–	(1 605)
Balance at 30 June 2014	**29 436**	**(682)**	**1 506**	**17 743**	**1 892**	**49 895**	**4 180**	**54 075**
Total comprehensive income – profit after taxation	**–**	**–**	**–**	**–**	**6 955**	**6 955**	**949**	**7 904**
Total comprehensive income – other comprehensive income	**–**	**–**	**(453)**	**46**	**–**	**(407)**	**(250)**	**(657)**
Transactions with owners recognised directly in equity:								
Shares issued	**11 696**	**–**	**–**	**–**	**–**	**11 696**	**–**	**11 696**
Acquisition of subsidiary with NCI	**–**	**–**	**–**	**–**	**–**	**–**	**64**	**64**
Cash adjustment on business acquisitions	**–**	**–**	**–**	**–**	**4**	**4**	**–**	**4**
Dividends received on treasury shares	**–**	**–**	**–**	**–**	**66**	**66**	**–**	**66**
Transfer non-distributable items to NDR	**–**	**–**	**–**	**2 790**	**(2 790)**	**–**	**–**	**–**
Share-based payment transaction	**–**	**36**	**–**	**72**	**–**	**108**	**–**	**108**
Rights issues and acquisitions – GOZ	**–**	**–**	**19**	**–**	**(47)**	**(28)**	**144**	**116**
Transfer to NDR with NCI	**–**	**–**	**–**	**(47)**	**47**	**–**	**–**	**–**
Dividends declared – NCI	**–**	**–**	**–**	**–**	**–**	**–**	**(374)**	**(374)**
Dividends declared	**–**	**–**	**–**	**–**	**(4 920)**	**(4 920)**	**–**	**(4 920)**
Balance at 30 June 2015	**41 132**	**(646)**	**1 072**	**20 604**	**1 207**	**63 369**	**4 713**	**68 082**

	2015 cents	2014 cents
Dividend per share (note 12)	**173.40**	161.30

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 Rm	Restated* 2014 Rm
Cash flows from operating activities			
Cash received from tenants		**7 066**	5 958
Cash paid to suppliers		**(1 155)**	(1 198)
Cash generated from operations	33	**5 911**	4 760
Finance income, excluding accrued interest on long-term loans		**497**	274
Finance costs, excluding accrued interest on non-current financial liabilities		**(2 055)**	(1 732)
Taxation paid	34	**(54)**	(20)
Capital items	9	**(38)**	(51)
Distribution to shareholders/unitholders	35	**(5 618)**	(3 265)
Net cash outflow from operating activities		**(1 357)**	(34)
Cash flows from investing activities			
Investment in investment property		**(2 943)**	(6 022)
Investment in investment property reclassified as held for sale		**(1)**	(4)
Investment in joint ventures		**(42)**	–
Investment in listed investment		**(34)**	154
Investment in intangible assets		**(4)**	(6)
Investment in equipment		**(2)**	(6)
Acquisition of subsidiaries net of cash acquired (note 41)		**(21)**	(1 451)
Long-term loan advanced		**(101)**	(38)
Proceeds from repayment/settlement of long-term loans and finance income		**11**	197
Investment in treasury shares		**(4)**	(728)
Proceeds on sale of investment property		**701**	171
Proceeds on sale of investment property reclassified as held for sale		**157**	480
Net cash outflow from investing activities	36	**(2 283)**	(7 253)
Cash flows from financing activities			
Non-current financial liabilities raised		**7 653**	4 709
Repayment of non-current financial liabilities		**(6 635)**	(2 257)
Proceeds from distribution re-investment plan/rights issues to NCI of GOZ		**116**	1 301
Proceeds from issue of shares		**2 647**	1 989
Net cash inflow from financing activities		**3 781**	5 742
Translation effects on cash and cash equivalents of foreign operation		**(11)**	8
Net increase/(decrease) in cash and cash equivalents		**130**	(1 537)
Cash and cash equivalents at beginning of year		**375**	1 912
Cash and cash equivalents at end of year	21	**505**	375

* *Restated refer note 37*

SEGMENTAL ANALYSIS
FOR THE YEAR ENDED 30 JUNE 2015

	South Africa							
	Retail Rm	Office Rm	Industrial Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Other joint ventures[1] Rm	Total Rm
Statement of profit or loss and other comprehensive income extracts 2015								
Revenue, excluding straight-line lease income adjustment	1 995	2 752	1 149	1 844	7 740	553	19	8 312
Property expenses	(525)	(635)	(257)	(213)	(1 630)	(154)	(5)	(1 789)
Segment results	1 470	2 117	892	1 631	6 110	399	14	6 523
Material non-cash items:								
Fair value adjustment – Investment property	896	772	202	1 077	2 947	480	19	3 446
Fair value adjustment – Investment property NCI	–	–	–	587	587	–	–	587
Impairment of goodwill	(949)	(569)	(40)	–	(1 558)	–	–	(1 558)
Total material non-cash items	(53)	203	162	1 664	1 976	480	19	2 475

	South Africa Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Other joint ventures[1] Rm	Total Rm
Further extracts of statement of profit or loss and other comprehensive income						
Other operating expenses and income	(222)	(81)	(303)	(16)	(3)	(322)
Finance costs	(1 663)	(423)	(2 086)	(28)	(11)	(2 125)
Finance and other investment income	909	7	916	8	–	924

	South Africa							
	Retail Rm	Office Rm	Industrial Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Other joint ventures[1] Rm	Total Rm
Statement of financial position extracts at 30 June 2015 – Investment property								
Opening balance 1 July 2014	15 756	24 012	9 286	20 859	69 913	5 947	315	76 175
Acquisitions – Acucap portfolio	11 324	6 789	473	–	18 586	–	569	19 155
Acquisitions – other	–	755	21	637	1 413	25	–	1 438
Developments and capital expenditure	352	1 003	530	306	2 191	309	–	2 500
Disposals	(115)	(430)	(76)	(237)	(858)	–	(272)	(1 130)
Foreign exchange loss	–	–	–	(1 205)	(1 205)	–	–	(1 205)
Fair value adjustments	896	772	202	1 664	3 534	480	19	4 033
Fair value of total property assets – 30 June 2015	28 213	32 901	10 436	22 024	93 574	6 761	631	100 966
– Fair value of long-term property assets	28 213	32 432	10 366	22 024	93 035	6 761	631	100 427
– Investment property reclassified as held for sale	–	469	70	–	539	–	–	539

[1] *Refer to notes 15.2 and 15.3*

	South Africa Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Other joint ventures[1] Rm	Total Rm
Further extracts of statement of financial position						
Intangible assets	2 580	–	2 580	–	–	2 580
Opening balance 1 July 2014	1 258	–	1 258	–	–	1 258
Acquisition through business combinations	2 978	–	2 978	–	–	2 978
Impairment loss	(1 558)	–	(1 558)	–	–	(1 558)
Additions during the year	4	–	4	–	–	4
Amortisation for the year	(102)	–	(102)	–	–	(102)
Listed investments	380	–	380	–	–	380
Trade and other receivables	1 353	352	1 705	23	–	1 728
Cash and cash equivalents	253	252	505	129	3	637
Trade and other payables	(1 514)	(288)	(1 802)	(102)	(10)	(1 914)
Financial liabilities	(26 130)	(8 555)	(34 685)	(197)	(502)	(35 384)
– Nominal value – interest-bearing liabilities	(25 444)	(8 367)	(33 811)	(197)	(502)	(34 510)
– Fair value adjustment	(686)	(131)	(817)	–	–	(817)
– Foreign translation differences	–	(57)	(57)	–	–	(57)

	South Africa							
	Retail Rm	Office Rm	Industrial Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Other joint ventures[1] Rm	Total Rm
Statement of profit or loss and other comprehensive income extracts 2014								
Revenue, excluding straight-line lease income adjustment	1 645	2 076	1 074	1 617	6 412	485	10	6 907
Property expenses	(459)	(494)	(235)	(196)	(1 384)	(129)	(2)	(1 515)
Segment results	1 186	1 582	839	1 421	5 028	356	8	5 392
Material non-cash items:								
Fair value adjustment – Investment property	866	847	565	187	2 465	122	–	2 587
Fair value adjustment – Investment property NCI	–	–	–	101	101	–	–	101
Total material non-cash items	866	847	565	288	2 566	122	–	2 688

	South Africa Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Other joint ventures[1] Rm	Total Rm
Further extracts of statement of profit or loss and other comprehensive income						
Other operating expenses and income	(182)	(85)	(267)	(16)	–	(283)
Finance costs	(1 281)	(467)	(1 748)	(18)	(4)	(1 770)
Finance income	540	5	545	4	–	549

[1] *Refer to notes 15.2 and 15.3*

	South Africa Retail Rm	South Africa Office Rm	South Africa Industrial Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Other joint ventures[1] Rm	Total Rm
Statement of financial position extracts at 30 June 2014 – Investment property								
Opening balance 1 July 2013	14 915	16 211	8 042	15 063	54 231	5 549	–	59 780
Acquisitions – Tiber portfolio	90	4 942	347	–	5 379	–	315	5 694
Acquisitions – Abseq portfolio	–	1 343	–	–	1 343	–	–	1 343
Acquisitions – other	1	284	205	3 452	3 942	–	–	3 942
Acquisitions – other developments and capital expenditure	270	543	234	416	1 463	276	–	1 739
Disposals	(386)	(158)	(107)	–	(651)	–	–	(651)
Foreign exchange gain	–	–	–	1 640	1 640	–	–	1 640
Fair value adjustments	866	847	565	288	2 566	122	–	2 688
Fair value of total property assets – 30 June 2014	15 756	24 012	9 286	20 859	69 913	5 947	315	76 175
– Fair value of long-term property assets	15 597	23 942	9 250	20 859	69 648	5 947	315	75 910
– Investment property reclassified as held for sale	159	70	36	–	265	–	–	265

	South Africa Rm	Australia Rm	Total as reported Rm	V&A Waterfront Rm	Other joint ventures[1] Rm	Total Rm
Further extracts of statement of financial position						
Intangible assets	1 258	–	1 258	–	–	1 258
Opening balance 1 July 2013	1 354	–	1 354	–	–	1 354
Additions during the year	6	–	6	–	–	6
Amortisation for the year	(102)	–	(102)	–	–	(102)
Listed investments	4 457	–	4 457	–	–	4 457
Trade and other receivables	874	157	1 031	32	5	1 068
Cash and cash equivalents	163	212	375	97	13	485
Trade and other payables	(1 161)	(265)	(1 426)	(81)	(5)	(1 512)
Financial liabilities	(17 239)	(8 895)	(26 134)	(196)	(131)	(26 461)
– Nominal value – interest-bearing liabilities	(16 368)	(8 677)	(25 045)	(196)	(131)	(25 372)
– Fair value adjustment	(871)	(149)	(1 020)	–	–	(1 020)
– Foreign translation differences	–	(69)	(69)	–	–	(69)

[1] *Refer to notes 15.2 and 15.3*

	Greater Jhb Rm	Pretoria Rm	Western Cape Rm	Kwa-Zulu-Natal Rm	Eastern Cape Rm	North West Rm	Other Rm	Australia Rm	Total as reported Rm	V&A Water-front Rm	Other joint ventures Rm	Total Rm
Statement of profit or loss and other comprehensive income extracts 2015												
Net property income, excluding straight-line lease income adjustment	**2 571**	**381**	**830**	**386**	**151**	**115**	**45**	**1 631**	**6 110**	**399**	**14**	**6 523**
Statement of financial position extracts 2015												
Investment property												
Opening fair value of property assets	**27 853**	**5 033**	**8 414**	**4 218**	**1 621**	**1 435**	**480**	**20 859**	**69 913**	**5 947**	**315**	**76 175**
Acquisitions	**11 103**	**295**	**5 702**	**923**	**1 339**	**–**	**–**	**637**	**19 999**	**25**	**569**	**20 593**
Developments and capital expenditure	**1 172**	**36**	**365**	**236**	**50**	**25**	**1**	**306**	**2 191**	**309**	**–**	**2 500**
Disposals at fair value	**(399)**	**(152)**	**(45)**	**(16)**	**(9)**	**–**	**–**	**(237)**	**(858)**	**–**	**(272)**	**(1 130)**
Foreign exchange gain	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1 205)**	**(1 205)**	**–**	**–**	**(1 205)**
Fair value adjustments	**879**	**249**	**557**	**127**	**33**	**54**	**(29)**	**1 664**	**3 534**	**480**	**19**	**4 033**
Closing fair value of property assets	**40 608**	**5 461**	**14 993**	**5 488**	**3 034**	**1 514**	**452**	**22 024**	**93 574**	**6 761**	**631**	**100 966**

	Greater Jhb Rm	Pretoria Rm	Western Cape Rm	Kwa-Zulu-Natal Rm	Eastern Cape Rm	North West Rm	Other Rm	Australia Rm	Total as reported Rm	V&A Water-front Rm	Other joint ventures Rm	Total Rm
Statement of profit or loss and other comprehensive income extracts 2014												
Net property income, excluding straight-line lease income adjustment	1 944	342	686	345	127	108	55	1 421	5 028	356	8	5 392
Statement of financial position extracts 2014												
Investment property												
Opening fair value of property assets	19 523	4 704	7 618	3 719	1 463	1 350	791	15 063	54 231	5 549	–	59 780
Acquisitions	6 968	–	122	122	–	–	–	3 452	10 664	–	315	10 979
Capital expenditure	550	121	183	103	73	14	3	416	1 463	276	–	1 739
Disposals at fair value	(194)	(71)	–	(82)	(29)	–	(275)	–	(651)	–	–	(651)
Foreign exchange gain	–	–	–	–	–	–	–	1 640	1 640	–	–	1 640
Fair value adjustments	1 006	279	491	356	114	71	(39)	288	2 566	122	–	2 688
Closing fair value of property assets	27 853	5 033	8 414	4 218	1 621	1 435	480	20 859	69 913	5 947	315	76 175

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

		2015 Rm	2014 Rm
1.	**ACCOUNTING POLICIES AND BASIS OF PREPARATION**		
	Refer to page 14 for the accounting policies and basis of preparation.		
2.	**REVENUE**		
	Assessment rates recovered	**406**	363
	Casual parking	**68**	60
	Contracted operating cost recoveries	**508**	425
	Contracted rental	**6 625**	5 435
	Other income	**73**	73
	Property management income	**18**	20
	Turnover rental	**42**	36
	Revenue, excluding straight-line lease income adjustment	**7 740**	6 412
	Straight-line lease income adjustment	**130**	193
		7 870	6 605
3.	**PROPERTY EXPENSES**		
	Assessment rates	**617**	524
	Bad debts	**16**	7
	Cleaning	**85**	66
	Consulting fees	**55**	48
	Electricity – net	**(41)**	(27)
	– cost	**830**	699
	– recovery	**(871)**	(726)
	Insurance	**54**	49
	Letting commissions	**22**	17
	Other property expenses	**135**	114
	Personnel expenses	**173**	152
	– contributions to defined contribution plan	**16**	13
	– expense for equity-settled share-based payments	**10**	16
	– other	**147**	123
	Property management expenses	**71**	66
	Promotions and marketing costs – net	**17**	11
	– cost	**36**	30
	– recovery	**(19)**	(19)
	Property management fee	**2**	3
	Repairs and maintenance	**149**	121
	Security	**171**	138
	Tenant installation costs	**71**	65
	Water and other municipal charges – net	**33**	30
	– cost	**160**	140
	– recovery	**(127)**	(110)
		1 630	1 384

		2015 Rm	2014 Rm
4.	**OTHER OPERATING EXPENSES AND INCOME**		
	Administration costs	37	46
	Development fees earned	(27)	(52)
	Management fees – Stor-Age	(3)	–
	Asset management costs	238	219
	– contributions to defined contribution plan	11	9
	– expense for equity-settled share-based payments	42	46
	– other personnel expenses	168	119
	– other asset management expenses	17	45
	Auditor's remuneration – audit fee*	17	8
	Directors' fees**	30	29
	Legal fees	3	8
	Other fund expenses	8	9
		303	267

* *The audit fee in respect of GOZ of R1,8 million (FY14: R1,8 million) is included. Fees paid for non-audit services of R1,1 million (FY14: R0,7 million) are included in property management expenses (note 3). All non-audit services in excess of R150 000 are subject to pre-approval by the Audit Committee.*

** *For details on directors' remuneration refer to note 44.2.*

		2015 Rm	2014 Rm
5.	**FAIR VALUE ADJUSTMENTS**		
	Gross investment property fair value adjustment	3 534	2 566
	Less: straight-line income adjustment	(130)	(193)
	Net investment property revaluation	3 404	2 373
	Interest-bearing borrowings – gain	10	23
	Derivatives – gain	203	193
	Derivatives – realised loss	(116)	(150)
	Foreign exchange – gain/(loss)	58	(13)
	Other payables – realised gain	–	15
	Fair value of listed investment – gain	2	–
	Long-term loans granted – gain/(loss)	1	(45)
	Fair value adjustment	3 562	2 396
6.	**EQUITY-ACCOUNTED INVESTMENT PROFIT – NET OF TAX**		
	Equity-accounted investment profit – V&A Waterfront (net of tax) (notes 6.1 and 15.1)	473	130
	Equity-accounted investments profit/(loss) – other (net of tax) (notes 6.2 and 15.2)	16	(39)
	Equity-accounted investments loss – other (net of tax) (notes 6.3 and 15.3)	(5)	–
		484	91
6.1	**Equity-accounted investment profit – V&A Waterfront (net of tax)**		
	Non-distributable income from investment	473	130
	Interest received exceeding distributable income	–	–
	Interest received from investment	(368)	(332)
	Distributable income	368	332
		473	130
6.2	**Equity-accounted investments profit/(loss) – other (net of tax)**		
	Non-distributable profit/(loss) from investment	16	(39)
	Investment income exceeding distributable income	–	–
	Investment income received	(4)	(4)
	Distributable income	4	4
		16	(39)

		2015 Rm	2014 Rm
6.	**EQUITY-ACCOUNTED INVESTMENT PROFIT – NET OF TAX continued**		
6.3	**Equity-accounted investments loss – other (net of tax)**		
	Non-distributable loss from investment	**(5)**	–
	Interest received exceeding distributable income	**–**	–
	Interest received from investment	**(6)**	–
	Management fee received	**(3)**	–
	Distributable income	**9**	–
		(5)	–
	Refer to note 15 for detail regarding the equity-accounted investments of the Group.		
7.	**FINANCE COSTS**		
	Interest paid on financial liabilities	**2 185**	1 779
	Borrowing costs capitalised to investment property developments (at prime less 0.5%)	**(99)**	(31)
		2 086	1 748
8.	**NON-CASH CHARGES**		
	Amortisation of intangible assets	**102**	102
	Impairment of goodwill (note 17)	**1 558**	–
	Increase/(decrease) in Staff Incentive Scheme cost	**63**	(24)
		1 723	78
9.	**CAPITAL ITEMS**		
	Costs incurred on business acquisitions	**38**	51
	Other capital income	**(19)**	–
	Realised profit on sale of listed investment	**(1 097)**	–
	Bargain purchase (note 41.1)	**–**	(28)
		(1 078)	23
10.	**FINANCE AND OTHER INVESTMENT INCOME**		
	Banks	**39**	76
	Investment in joint venture – V&A Waterfront	**368**	332
	Investment in joint ventures – other	**10**	4
	Listed investments	**345**	–
	Long-term loans	**64**	66
	Long-term loans (additional interest on refinanced BEE loan)	**45**	31
	Other	**45**	36
		916	545
11.	**TAXATION**		
	Normal – current year (including withholding tax on GOZ distribution)	**72**	28
	Deferred taxation – other	**(59)**	139
	Deferred taxation – GOZ	**279**	21
	Deferred taxation – amortisation of intangible asset	**(28)**	(28)
		264	160
	The taxation charge is reconciled as follows:		
	Statutory taxation charge at 28%	**2 287**	1 718
	Fair value adjustments not taxable due to REIT status	**(1 236)**	(730)
	Exempt income	**221**	77
	Disallowable expenses	**222**	24
	Taxation rate difference and withholding tax on GOZ	**(63)**	50
	Qualifying distribution	**(1 176)**	(979)
	Effective taxation charge	**264**	160
	Effective taxation rate	**3.25%**	2.61%

		2015 Rm	2014 Rm
12.	**DIVIDEND PER SHARE**		
	Calculation of distributable earnings		
	Operating profit	**5 937**	4 954
	Less: straight-line lease income adjustment	**(130)**	(193)
	Finance costs	**(2 086)**	(1 748)
	Finance income and other investment income	**916**	545
	Cash adjustment on business acquisitions (accounted for in the statement of changes in equity)	**4**	110
	Dividends received on treasury shares (accounted for in the statement of changes in equity)	**66**	25
	Distribution received on listed investments	**–**	165
	Non-controlling interest (NCI) portion of distribution (excluding fair value adjustments)	**(374)**	(295)
	Distributable income from GOZ retained (including NCI's portion)	**(74)**	(40)
	Realised foreign exchange gain	**45**	2
	Taxation (excluding deferred tax)	**(72)**	(28)
	Distributable earnings	**4 232**	3 497
	Distribution comprises:		
	– Interim taxable dividend	**1 967**	1 605
	– Special interim taxable dividend	**1 058**	–
	– Final taxable dividend	**1 207**	1 892
	Total distribution	**4 232**	3 497
	Retained distributable earnings	**–**	–
		cents	cents
	Dividend per share	**173.40**	161.30
	Interim six months ended 31 December	**84.40**	78.50
	Special interim three months ended 31 March	**44.50**	–
	Final three months ended 30 June	**44.50**	82.80

The table below sets out the dividends paid during the year, as well as the dividends received on treasury shares and the net dividend for accounting purposes.

	Dividends paid Rm	Dividends on treasury shares Rm	Net dividend Rm
2015			
Interim dividend	**1 967**	**(26)**	**1 941**
Special interim dividend	**1 058**	**(14)**	**1 044**
Final dividend	**1 207**	**(13)**	**1 194**
Total dividend	**4 232**	**(53)**	**4 179**
2014			
Interim dividend	1 605	(25)	1 580
Final dividend	1 892	(27)	1 865
Total dividend	3 497	(52)	3 445

13. EARNINGS PER SHARE

The directors are of the view that the disclosure of earnings per share, while obligatory in terms of IAS 33 *Earnings per share*, and the JSE Listings Requirements, is not meaningful to investors as the basic profit includes fair value adjustments, as well as other non-distributable items. In terms of Circular 2/2013, issued by SAICA, the fair value adjustment on investment property is added back in the calculation of headline earnings per share. The circular does not make provision for the fair value adjustment on non-current financial liabilities, accounting adjustments required to account for lease income on a straight-line basis, as well as certain non-cash accounting adjustments that do not affect distributable earnings, to be added back. The calculation of distributable earnings and dividend per share (note 12) is more meaningful.

	2015 Number of shares	2014 Number of shares
Total shares in issue at end of the year (including treasury shares)	**2 711 056 264**	2 284 908 257
Total shares in issue at end of the year (excluding treasury shares)	**2 680 424 437**	2 252 501 622
Weighted average number of shares in issue (WANS)	**2 359 724 314**	1 996 917 123
Diluted weighted average number of shares in issue (DWANS)	**2 376 322 805**	2 010 214 510
	cents	cents
Dividends per share	**173.40**	161.30
Basic earnings per share	**294.74**	279.38
Diluted earnings per share	**292.68**	277.53
Headline earnings per share	**149.42**	154.24
Diluted headline earnings per share	**148.38**	153.22

	2015 Rm	2014 Rm
Basic profit is reconciled to headline earnings as follows:		
Profit after taxation – attributable to equity holders	**6 955**	5 579
Impairment of goodwill/(bargain purchase)	**1 558**	(28)
Realised profit on sale of listed investment	**(1 097)**	–
Add back: net fair value adjustment – investment property	**(3 890)**	(2 471)
– Fair value adjustment	**(2 817)**	(2 272)
– Fair value adjustment (V&A Waterfront and other equity-accounted investments)	**(486)**	(98)
– NCI portion of fair value adjustment	**(587)**	(101)
Headline earnings attributable to shareholders	**3 526**	3 080

The dilution is as a result of the financial impact of 22 952 790 (FY14: 13 297 387) share options allocated to employees in terms of the share schemes, that have not yet vested.

14. PROPERTY ASSETS

(refer to property portfolio section on page 80)

14.1 Fair value of investment property for accounting purposes

	2015 Rm	2014 Rm
Opening fair value of property assets	**69 648**	53 686
Additions at cost – acquisitions	**753**	3 942
– acquisitions – Acucap and Sycom portfolio	**18 586**	–
– acquisitions – Tiber portfolio	**660**	5 379
– acquisitions – Abseq portfolio	**–**	1 343
– development expenditure	**1 478**	869
– capital expenditure	**712**	590
Disposals at fair value	**(701)**	(171)
Transferred to investment property reclassified as held for sale (note 14.3)	**(539)**	(265)
Reclassified – previously held for sale (note 14.3)	**109**	69
Foreign exchange (loss)/gain	**(1 205)**	1 640
Gross fair value adjustment on investment property	**3 534**	2 566
Property valuation	**93 035**	69 648
Less: straight-line lease income adjustment (note 14.2)	**(2 118)**	(2 021)
Fair value of investment property for accounting purposes	**90 917**	67 627
Straight-line lease income adjustment	**2 118**	2 021
Closing fair value of property assets	**93 035**	69 648
– cost	**73 327**	53 388
– cumulative fair value surplus	**19 708**	16 260

14. PROPERTY ASSETS continued

14.1 Fair value of investment property for accounting purposes continued

Securities

Mortgage bonds have been registered over South African investment property, including investment property reclassified as held for sale, with a fair value of R43 253 million (FY14: R26 382 million) as security for non-current interest-bearing liabilities at a nominal value amounting to R20 703 million (FY14: R11 457 million).

First mortgage bonds have been registered over Australian investment property, including investment property reclassified as held for sale, with a fair value of AUD2 283 million or R21 442 million (FY14: AUD2 037 million or R20 297 million). Additional security was also provided in the form of other current assets to a value of AUD124 million or R1 170 million (FY14: AUD92 million or R913 million).

Valuation of investment properties

In terms of the Group's accounting policy, at least 75% of fair value of investment properties should be determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The balance of the South African portfolio was valued by Growthpoint's qualified internal valuers.

The South African properties were valued at 30 June 2015 using the discounted cash flow of future income streams method by the following valuers who are all registered valuers in terms of section 19 of the Property Valuers Professional Act, No 47 of 2000:

Mills Fitchet PWV	PG Mitchell	N Dip (Prop Val), MIV (SA), CIEA, Professional valuer
Mills Fitchet KZN	T Bate	MSc, BSc Land Econ (UK), MRICS, MIV (SA), Professional valuer
ERIS	C Everatt	BSc (Hons) Estate management, MRICS, MIV (SA), Professional valuer
Glenross	AG Rostovsky	MIV (SA), MRICS, Professional valuer, Appraiser
Old Mutual Properties	T King	BSc DipSurv, MRICS Valuer (SA), Professional valuer
Jones Lang LaSalle	R Long	BSc, MBA, MRICS, Professional valuer
Broll	S Wolffs	N Dip (Prop Val), Professional associate valuer
Rode and Associates	K Scott	BCom (Hons), MRICS, Professional valuer
PropVal Assist	C van Rooyen	N Dip (Prop Val), MRICS, MIV (SA), Professional valuer
Spectrum	PL O'Connell	N Dip (Prop Val), Professional valuer
LDM	FV Amaed	Professional associate valuer
Mills Fitchet Magnus Penny (Cape)	MRB Gibbons	N Dip (Prop Val), MRICS, MIV (SA), Professional valuer
Quadrant Properties	P Parfitt	N Dip (Prop Val), MIV (SA), Professional valuer

The Australian properties were valued at 30 June 2015 using the discounted cash flow of future income streams method by Savills, Jones Lang LaSalle, Urbis, Knight Frank, CBRE and LandMark White who are all members of the Australian Property Institute and Certified Practising Valuers.

	2015 %	2014 %
At the reporting date, the key assumptions and unobservable inputs used by the Group in determining fair value were in the following ranges for the Group's portfolio of properties:		
Retail sector		
Discount rate	**12.5 – 15.5**	12.3 – 15.8
Exit capitalisation rate	**6.8 – 10.3**	6.8 – 10.3
Capitalisation rate	**6.8 – 10.0**	6.8 – 10.0
Office sector		
Discount rate	**12.8 – 16.0**	13.3 – 16.5
Exit capitalisation rate	**7.5 – 10.0**	7.8 – 12.5
Capitalisation rate	**7.5 – 10.0**	7.8 – 11.5
Industrial sector		
Discount rate	**13.8 – 17.3**	13.0 – 17.5
Exit capitalisation rate	**8.0 – 12.0**	8.3 – 13.0
Capitalisation rate	**8.0 – 12.0**	8.0 – 12.5
GOZ Office		
Discount rate	**8.0 – 10.3**	8.5 – 10.5
Terminal yield	**7.3 – 11.8**	7.5 – 10.5
Capitalisation rate	**6.8 – 12.0**	7.0 – 12.0
GOZ Industrial		
Discount rate	**8.0 – 10.0**	9.0 – 10.3
Terminal yield	**6.8 – 11.5**	7.5 – 10.3
Capitalisation rate	**6.5 – 9.8**	7.3 – 9.8

14. PROPERTY ASSETS continued

14.1 Fair value of investment property for accounting purposes continued

South African portfolio

Commentary on discount rates

The discount rate applied was derived using an appropriate capitalisation rate and adding a growth rate based on market-related rentals, testing this for reasonableness by comparing the resultant Rand rate per m² against comparative sales of similar properties in similar locations.

Commentary on capitalisation rates

Investor interest in properties across all sectors remains robust with competition having increased for the small amount of prime stock that does come onto the market. As a result of this, yields have firmed in general, especially in the prime market. Average capitalisation rates and discount rates have compressed over the year to take this trend into account.

Commentary on expected vacancy periods and rental growth rates

Historic trends with regard to vacancy periods experienced on the re-letting of vacant space, coupled with the emphasis on tenant retention, indicate that the expected vacancy period applied in the 2015 valuation best approximates the actual experience. With inherent in-force rental increases at above 7.7% per annum (FY14: 8%) and expense growth stabilised, the expected rental growth rate for the 2015 valuations is considered reasonable.

Commentary on Acucap and Sycom portfolio

Mills Fitchet Magnus Penny (Cape) and Quadrant Properties valued the Acucap and Sycom properties at 31 March 2015 using methods that were consistent with Growthpoint's valuation method. The relevant people and qualifications are included in the listing above. Values established at 31 March 2015 were used as the values of the properties at 30 June 2015.

GOZ portfolio

Commentary on discount rates

Date of valuation	**30 June 2015 %**	30 June 2014 %
Weighted average 10-year discount rate used to value the GOZ's properties	**8.50**	9.15
10-year bond rate	**3.00**	3.54
Implied property risk premium	**5.50**	5.61

As the above table shows, over the 12 months to 30 June 2015 discount rates utilised in the valuation of the GOZ property portfolio have tightened (lowered) although the spread has remained mostly static. At the reporting date, the weighted average discount rate utilised in valuing the GOZ portfolio of property has decreased by approximately 65 basis points. Over this same period the implied property risk premium has reduced by approximately 11 basis points. The implied property risk premium is the difference between the weighted average discount rate and the 10-year Australian Government bond rate. The decrease in the implied property risk premium is driven by the tightening of the GOZ weighted average discount rate, which outweighed the reduction in the bond rate of 54 basis points from June 2014 following a recovery from the low levels in March 2015.

Commentary on capitalisation rates

Industrial

There continues to be strong interest in the industrial property sector, as transactions indicate domestic and foreign institutional investors compete for limited prime quality stock and secondary quality stock. This has led to further firming of yields over the past 12 months of 50 to 100 basis points for both ends of the prime yield range and the higher quality end of secondary yields. These transactions have provided good evidence for the Group's own industrial properties which reduced the weighted average capitalisation rate used to value the industrial portfolio from 8.0% to 7.3% over the year to 30 June 2015.

Office

Over the past two to three years, the commercial property market has experienced solid investment activity from both domestic and international institutional investors, predominantly for A-grade office assets, which has led to firmer yields. However, in contrast to the buoyant investment metrics, office leasing conditions remain challenging. Following some new leasing deals, lease extensions to existing tenants and a strong investment market, the weighted average capitalisation rate used in valuing the office portfolio has firmed from 7.8% to 7.3% over the year to 30 June 2015.

		2015 Rm	2014 Rm
14.2	**Straight-line lease income adjustment**		
	Opening balance	**2 021**	1 778
	Arising during the year	**130**	193
	Foreign exchange (loss)/gain	**(33)**	50
		2 118	2 021
14.3	**Investment property reclassified as held for sale**		
	Opening fair value of property held for sale	**265**	545
	Properties no longer held for sale – reclassified as investment property (note 14.1)	**(109)**	(69)
	Transferred from investment property (note 14.1)	**539**	265
	Additions at cost – capital expenditure	**1**	4
	Proceeds on disposals	**(157)**	(480)
	Closing fair value of property held for sale	**539**	265
	– cost	**512**	133
	– cumulative fair value surplus	**27**	132

14. PROPERTY ASSETS continued

14.3 Investment property reclassified as held for sale continued

The investment property reclassified as property held for sale are properties that the directors have decided will be recovered through sale rather than through use. The opening balance relates to two investment properties in the retail sector, three investment properties in the office sector and three investment properties in the industrial sector. In the current year, seven of the investment properties were disposed of for R157 million and one was transferred back into investment properties as the sale was cancelled.

Sale agreements have been entered into for a further five properties, two in the office sector and three in the industrial sector, with a fair value of R539 million at year end.

14.4 Measurement of fair value

14.4.1 Fair value hierarchy

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used:

Valuation techniques	Inter-relationship between key unobservable inputs and fair value measurements
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental and expense growth rates, vacant periods, lease incentive costs such as rent-free periods and other costs not recovered from tenants. The expected net cash flows are discounted using a discount rate. The discount rate applied is derived using an appropriate capitalisation rate and adding a growth rate based on market-related rentals, testing this for reasonableness by comparing the resultant Rand rate per m^2 against comparative sales of similar properties in similar locations. Among other factors, the capitalisation rate estimation considers the quality of the building, its location, the tenants' credit quality and their lease terms.	The estimated fair value would increase/(decrease) if: – expected market rental growth was higher/(lower); – expected expense growth was lower/(higher); – vacant periods were shorter/(longer); – the occupancy rate was higher/(lower); – rent-free periods were shorter/(longer); – discount rate was lower/(higher); and – reversionary capitalisation rate was lower/(higher).

The fair value measurement for investment property (including investment property reclassified as held for sale) of R93 574 million (FY14: R69 913 million) has been categorised as level 3 under the fair value hierarchy based on the inputs to the valuation technique used. Refer to note 45.2 for the level 3 reconciliation.

		2015 Rm	2014 Rm
15.	**EQUITY-ACCOUNTED INVESTMENTS**		
	Equity-accounted investment – V&A Waterfront (note 15.1)	**6 047**	5 574
	Equity-accounted investments – other (note 15.2)	**55**	148
	Equity-accounted investments – other (note 15.3)	**362**	–
		6 464	5 722
15.1	**Equity-accounted investment – V&A Waterfront**		
	Initial investment in equity	**156**	156
	Share in equity-accounted results – prior years	**418**	288
	Share in equity-accounted results – current year	**473**	130
	Equity-accounted investment	**1 047**	574
	Debenture holding in joint venture	**5 000**	5 000
		6 047	5 574

Growthpoint has a 50% shareholding in the properties owned by the V&A Waterfront Holdings (Pty) Ltd in Cape Town as part of a joint arrangement with the Government Employees' Pension Fund, represented by the Public Investment Corporation (SOC) Limited (PIC).

This entity is structured as a separate vehicle and the Group has a residual interest in its net assets.

		2015 Rm	2014 Rm
15.	**EQUITY-ACCOUNTED INVESTMENTS continued**		
15.1	**Equity-accounted investment – V&A Waterfront continued**		
	Summarised financial information of the V&A Waterfront:		
	Summarised statement of profit or loss and other comprehensive income		
	Revenue, excluding straight-line lease income adjustment	**1 106**	970
	Straight-line lease income adjustment	**26**	48
	Revenue	**1 132**	1 018
	Property expenses	**(309)**	(258)
	Net property income	**823**	760
	Other operating expenses	**(31)**	(32)
	Net finance costs, excluding interest paid to shareholders	**(40)**	(28)
	Capital items	**(3)**	32
	Fair value adjustments	**934**	196
	Equity-accounted profit before taxation	**1 683**	928
	Non-controlling interest (NCI)	**(1)**	(4)
	Equity-accounted profit before interest paid to shareholders	**1 682**	924
	Interest paid to shareholders	**(736)**	(664)
	Total equity-accounted profit	**946**	260
	Growthpoint's 50% share in equity-accounted results (note 6)	**473**	130
	Summarised statement of financial position		
	ASSETS		
	Closing fair value of property assets*	**13 522**	11 894
	Opening fair value of property assets	**11 894**	11 098
	Capital expenditure	**668**	552
	Gross fair value adjustment on investment property	**960**	244
	Straight-line lease income adjustment	**(268)**	(242)
	Fair value of investment properties for accounting purposes	**13 254**	11 652
	Straight-line lease income adjustment	**268**	242
	Other assets	**258**	194
	Other current assets	**338**	292
	Cash and cash equivalents	**49**	78
	Total assets	**14 167**	12 458
	EQUITY AND LIABILITIES		
	Total unitholders' interest	**12 094**	11 148
	Owners' equity	**2 094**	1 148
	Shareholders' debentures	**10 000**	10 000
	Non-controlling interest	**19**	18
	Interest-bearing borrowings	**393**	392
	Trade and other payables – current loan account with Growthpoint (note 20)	**1 454**	736
	Other current liabilities	**207**	164
	Total equity and liabilities	**14 167**	12 458
	Growthpoint's 50% share in total unitholders' interest	**6 047**	5 574

* *The developed properties were valued at 31 March 2015, using the discounted cash flow of future income streams method by Old Mutual Properties (Pty) Ltd. The undeveloped bulk was valued using the discounted residual land value method by Old Mutual Properties (Pty) Ltd.*

15. EQUITY-ACCOUNTED INVESTMENTS continued

15.2 Equity-accounted investments – other

The Group has the following joint ventures, that are not individually material to the Group.

– Newshelf 919 (Pty) Ltd
– Truzen 75 Trust*

* *The remaining 50% interest in Truzen 75 Trust was acquired during the year and it therefore ceased to be an equity-accounted investment. Refer to note 41.3.*

The relationship with the entities listed above is of a strategic nature and the country of incorporation and principal place of business is South Africa. The ownership interest and voting rights held by the Group are 50% since the acquisition of the Tiber portfolio. These entities are structured as separate vehicles and the Group has a residual interest in their net assets.

Financial statements are prepared in accordance with IFRS, adjusted for fair value adjustments on acquisition and differences in the Group's accounting policies.

	2015 Rm	2014 Rm
Initial investment in equity	**187**	187
Share in equity-accounted results – prior years	**(39)**	(39)
Share in equity-accounted results – current year	**16**	–
Disposal of equity-accounted interest in Truzen 75 Trust	**(109)**	–
Group's interest in net assets at end of year	**55**	148
Summarised financial information of joint ventures:		
Summarised statement of profit or loss and other comprehensive income		
Revenue, excluding straight-line lease income adjustment	**12**	20
Straight-line lease income adjustment	**(1)**	4
Revenue	**11**	24
Property expenses	**(2)**	(4)
Net property income	**9**	20
Finance income	**1**	–
Finance costs	**–**	(8)
Fair value adjustments	**34**	(4)
Equity-accounted profit before taxation	**44**	8
Taxation	**(3)**	–
Deferred taxation	**(1)**	(78)
Equity-accounted profit/(loss) before distribution	**40**	(70)
Distribution made	**(8)**	(8)
Equity-accounted profit/(loss)	**32**	(78)
Group's 50% share in equity-accounted results (note 6)	**16**	(39)
Summarised statement of financial position		
ASSETS		
Closing fair value of property assets	**124**	630
Opening fair value of property assets	**630**	–
(Disposal)/acquisition of property assets	**(544)**	630
Gross fair value adjustment on investment property	**38**	–
Straight-line lease income adjustment	**1**	(56)
Fair value of investment properties for accounting purposes	**125**	574
Straight-line lease income adjustment	**(1)**	56
Current assets	**5**	36
Total assets	**129**	666
EQUITY AND LIABILITIES		
Owners' equity	**110**	296
Opening balance	**296**	374
Profit/(loss)	**32**	(78)
Disposal	**(218)**	–
Interest-bearing borrowings	**–**	262
Deferred taxation	**12**	78
Trade and other payables – current loan account with Growthpoint (note 20)	**4**	20
Other current liabilities	**3**	10
Total equity and liabilities	**129**	666
Group's 50% share in owners' equity	**55**	148

15. EQUITY-ACCOUNTED INVESTMENTS continued

15.3 Equity-accounted investments – other

The Group has the following joint ventures, that are not individually material to the Group.

– Roeland Street Investment (Pty) Ltd (RSI)
– Roeland Street Investment 2 (Pty) Ltd (RSI2)
– Fernwood Asset Management (Pty) Ltd (FAM)
– Fourways Crossing Property Management Company (Pty) Ltd (FCPMC)

The relationship with the entities above is of a management nature and the country of incorporation and principal place of business is South Africa. The ownership interest and voting rights held by the Group are 33% in RSI, RSI2 and FAM and 50% in FCPMC since the acquisition of the Acucap Group. These entities are structured as separate vehicles and the Group has a residual interest in their net assets.

Financial statements are prepared in accordance with IFRS, adjusted for fair value adjustments on acquisition and differences in the Group's accounting policies.

	2015 Rm	2014 Rm
Initial investment in equity	53	–
Share in equity-accounted results – current year	(5)	–
Group's interest in net assets at end of year	48	–
Initial amount owing by Stor-Age	272	–
Additional drawdown	42	–
Amount owing by Stor-Age at end of year	314	–
Group's interest at end of year	362	–
Summarised financial information of joint ventures:		
Summarised statement of profit or loss and other comprehensive income		
Revenue	39	–
Property expenses	(12)	–
Net property income	27	–
Other operating expenses	(8)	–
Net finance costs	(33)	–
Equity-accounted loss before taxation	(14)	–
Equity-accounted loss before distribution	(14)	–
Distribution made	–	–
Equity-accounted loss	(14)	–
Group's share in equity-accounted results (note 6)	(5)	–
Summarised statement of financial position		
ASSETS		
Closing fair value of property assets	1 708	–
Opening fair value of property assets	1 708	–
Gross fair value adjustment on investment property	–	–
Other assets	3	–
Current assets	21	–
Total assets	1 732	–
EQUITY AND LIABILITIES		
Owners' equity	145	–
Opening balance	159	–
Loss	(14)	–
Interest-bearing borrowings	1 504	–
Other liabilities	57	–
Other current liabilities	26	–
Total equity and liabilities	1 732	–
Group's share in owners' equity	48	–

Acucap Investments (Pty) Ltd, a wholly owned subsidiary of Acucap Properties Ltd, has provided an R800 million suretyship in favour of Nedbank Ltd as security for the loan facilities granted to RSI and RSI2. In addition to the suretyship, Acucap Investments (Pty) Ltd has provided Nedbank with an undertaking to fund any shortfall in instalments due by RSI and RSI2 to Nedbank in terms of these loan facilities.

Acucap Properties Ltd's unlimited suretyship in favour of Nedbank serves as security for Acucap Investments (Pty) Ltd's obligations mentioned above.

		Acucap Rm	Sycom Rm	SESCF Rm	Total Rm
16.	**LISTED INVESTMENTS**				
	Opening balance	**3 256**	**1 201**	**–**	**4 457**
	Acquisition through business combinations	**–**	**–**	**378**	**378**
	Swap offer	**415**	**(415)**	**–**	**–**
	Acquired during the year	**–**	**30**	**4**	**34**
	Fair value adjustment	**902**	**241**	**(2)**	**1 141**
		4 573	**1 057**	**380**	**6 010**
	Disposed of during the year as a result of step up acquisition	**(4 573)**	**(1 057)**	**–**	**(5 630)**
	Fair value at 30 June 2015	**–**	**–**	**380**	**380**
	Opening balance	–	–	–	–
	Acquired during the year	2 906	1 597	–	4 503
	Swap offer	428	(428)	–	–
	Fair value adjustment	(78)	32	–	(46)
	Fair value at 30 June 2014	3 256	1 201	–	4 457

Acucap and Sycom
In 2014 Growthpoint concluded agreements with various institutional unitholders of Acucap Properties Ltd (Acucap) and Sycom Property Fund (Sycom) to acquire 64 million Acucap linked units at a switch ratio of 1.97 Growthpoint ordinary shares for each Acucap linked unit, and 63 million Sycom participatory units at a switch ratio of 1.102 Growthpoint ordinary shares for each Sycom participatory unit acquired. This represented a 34.9% interest in Acucap and 23.2% interest in Sycom. These investments provided Growthpoint with indirect exposure to Acucap and Sycom's combined R18,4 billion retail and office portfolios.

For the year ended, 30 June 2015, Growthpoint received distributions amounting to R345 million (FY14: R165 million) from these listed investments, which have been included in distributable earnings.

On 1 April 2015, the Group's equity interest in Acucap and Sycom increased to 100% and 99% respectively and both became subsidiaries from that date (note 41.4).

Stenham European Shopping Centre Fund (SESCF)
Growthpoint acquired a 22.9% shareholding in the SESCF, a company listed on the Channel Island Stock Exchange as a closed fund, as part of this Acucap business combination (note 41.4). The SESCF owns one of Europe's largest shopping malls, Nova Eventis. This 96 000m² regional shopping mall is located near Leipzig airport in Germany. The majority of the tenants are fashion oriented stores such as Zara, SinnLeffers, Peak & Cloppenburg, Esprit, MEXX and C&A.

In terms of the indicators stipulated in IAS 28 *Investment in associates*, Growthpoint does not have significant influence over this investment and consequently this investment has been accounted for as at fair value through profit or loss investment. The Group's investment in SESCF is purely passive in nature and the Group takes no part in the active management or decision making related to the fund. The Group has no involvement at a board/executive level.

16.1 Measurement of fair value
While SESCF is a listed investment, there is an absence of observable trading prices for its shares. As a result, the fair value of the investment, both on acquisition date and at 30 June 2015, has been determined on the net asset value of SESCF. The net asset value of SESCF includes an independent revaluation of the underlying investment property, which is the significant asset per the statement of financial position. The fair value movement for the year, which comprises the revaluation based on the change in the underlying value of the investment, as well as the exchange rate movement, amounted to R2 million. The fair value measurement has been categorised as a level 3 fair value based on the inputs to the valuation technique used (note 45.2).

The significant underlying asset per the statement of financial position of SESCF is the investment property which is valued using a discounted cash flow model. Growthpoint's valuation in SESCF is based on the net asset value per share of the investment translated at the period end ruling exchange rate. The investment property has been valued at 31 March 2015 by JLL, who are independent and qualified in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors (RICS). The valuation was prepared in accordance with the RICS Valuation.

16. LISTED INVESTMENTS continued

16.1 Measurement of fair value continued

16.1.1 Fair value hierarchy

The following table shows the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used:

Valuation techniques	Inter-relationship between key unobservable inputs and fair value measurements
The market value of the property has been assessed using the Discounted Cash Flow (DCF) calculation method. The valuation takes into account the agreed rent for the signed leases, the market rent for currently vacant space and estimated rents for re-letting of the space after lease term expiry. In all instances, the valuers calculated the DCF for a 10-year period and assumed a capitalised value based on a stabilised rental income of the properties thereafter. After the DCF-period of 10 years, the valuers calculate a stabilised rental income. The capitalised value takes this stabilised rental income and subtracts the stabilised expenses, resulting in the Stabilised Net Operating Income. This result is capitalised into perpetuity applying an equivalent (growth implicit) yield and produces the Terminal Value Indication. The resulting value is then discounted to the valuation date using the discount rate from term years 1 – 10. Discounting the remaining Cash Flows for years 1 – 10 and the Terminal Value for year 11 to the valuation date (i.e. the Net Present Value) produces the Gross Capital Value. After deductions for Purchaser's Costs, the Market Value is obtained.	The estimated fair value would increase/(decrease) if: – increases/(decreases) in the stabilised net operating income; – (decreases)/increases in the yield used to calculate the Terminal Value Indication; and – (decreases)/increases in the discount rate used to calculate the Gross Capital Value.

17. INTANGIBLE ASSETS

	Goodwill Rm	Rights to manage property and software development Rm	Total Rm
Cost	**3 426**	**1 510**	**4 936**
Opening balance	**448**	**1 506**	**1 954**
Acquisition through business combinations	**2 978**	**–**	**2 978**
Additions during the year – software development	**–**	**4**	**4**
Accumulated amortisation and impairment losses	**(1 558)**	**(798)**	**(2 356)**
Opening balance	**–**	**(696)**	**(696)**
Impairment loss	**(1 558)**	**–**	**(1 558)**
Amortisation for the year	**–**	**(102)**	**(102)**
Carrying value at 30 June 2015	**1 868**	**712**	**2 580**
Cost	448	1 506	1 954
Opening balance	448	1 500	1 948
Additions during the year – software development	–	6	6
Accumulated amortisation and impairment losses	–	(696)	(696)
Opening balance	–	(594)	(594)
Amortisation for the year	–	(102)	(102)
Carrying value at 30 June 2014	448	810	1 258

Goodwill acquired as part of the Acucap business combination

Acucap Properties Limited carries on the business of a property holding company through the ownership of investment properties by its wholly owned subsidiaries. Acucap has three reportable segments, retail, office and industrial. Goodwill has been allocated for impairment testing purposes to these individual cash-generating units (CGUs). Retail, office and industrial each represent the lowest level within Acucap at which the goodwill is monitored for internal management purposes.

	2015 Rm	2014 Rm
17. INTANGIBLE ASSETS continued		
The carrying amounts of goodwill allocated to the retail, office and industrial sectors in the different geographical areas are as follows:		
Retail sector	**1 815**	–
Office sector	**1 087**	–
Industrial sector	**76**	–
	2 978	–

The recoverable amounts of all these CGUs were based on fair value less costs of disposal, estimated using the average difference between the net asset value and the market capitalisation of Acucap over a period of five years. This indicates that a third party will be prepared to pay a premium over the net asset value for Acucap shares. The future expectations of the CGUs were considered by estimating the premium a third party is prepared to pay for Growthpoint's own shares as the properties will now form part of the Growthpoint portfolio. Growthpoint's net asset value and share price, together with Acucap's historical net asset value and share price difference has been considered to provide an indication of how the portfolio is expected to perform in the future. The fair value measurement was categorised as a level 3 fair value based on the inputs in the valuation techniques used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent the quoted share price of Acucap at 31 March (representing the Acucap group's year end before the business combination) from 2011 until 2015, as well as the net asset value per share per the published results of the Acucap group.

	2011	2012	2013	2014	**2015**
Acucap (Share price in cents)	3 440	4 070	4 995	4 000	**5 551**
Acucap (Net asset value per share in cents)	3 272	3 675	4 048	4 095	**4 480**
Acucap (Market capitalisation versus net asset value)	5.13%	10.75%	23.39%	(2.32%)	**23.90%**

As a material percentage of the goodwill arose as a result of the increase in the Growthpoint share price from the date on which the Acucap agreement was concluded (12 November 2014) and the date of acquisition (1 April 2015), management is of the opinion that an impairment loss exists for the year ended 30 June 2015. To be conservative, the average net asset value versus market capitalisation for the Acucap group for the previous five years (i.e. 12.17%) was used in the calculation of the fair value less costs of disposal of the Acucap CGUs.

An impairment loss of R1 558 million has therefore been recognised during the current year.

	Goodwill 1 April 2015 Rm	Impairment loss recognised Rm	Goodwill 30 June 2015 Rm
Retail sector	**1 815**	**(949)**	**866**
Office sector	**1 087**	**(569)**	**518**
Industrial sector	**76**	**(40)**	**36**
	2 978	**(1 558)**	**1 420**

Following the impairment losses recognised in the retail, office and industrial CGUs, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairments.

Software development
Growthpoint is in the process of developing a new property management and accounting software system that will include an asset identification programme. Costs incurred in the development are capitalised and implementation is expected in the 2016 financial year.

Amortisation
The amortisation is recognised as a non-cash item and is excluded from the shareholders' distribution calculation. The remaining amortisation period of the rights to manage the property is eight years.

17. INTANGIBLE ASSETS continued

Impairment testing for cash-generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's management services entity, which represents the property administration and management business within the Group where goodwill is monitored for internal management purposes.

The recoverable amount of the cash-generating unit was based on its value in use. It was determined that the recoverable amount was higher than the carrying amount and therefore no impairment loss was recognised. The recoverable amount was calculated by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions from discussions with management of Growthpoint Management Services (Pty) Ltd, and past experience:

a) The management contract will continue on similar terms to the agreement that was in place before the acquisition transaction, which had the following terms:
   – Asset management fee was calculated at 0.50% of the "enterprise value".
   – Enterprise value was measured by taking the sum of the nominal value of external debt plus market capitalisation.
b) Letting commission on new deals was calculated at 100% of recommended South African Property Owners Association (SAPOA) tariffs while letting commission on renewals was calculated at 50% of recommended SAPOA tariffs.
c) Collection fees range from 1% to 4% of cash collected on a property-by-property basis.
d) Salaries are in respect of functions that relate to property management.
e) Operating expenditure was based on discussions with the previous property managers and after consideration of historic costs, which included rental of premises, IT systems and support, marketing and other expenses necessary for operating a listed company.
f) A discount rate of 10% (FY14: 10%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the Group's weighted average cost of debt.

There are no expected significant changes to the assumptions.

The discounted cash flow was performed over an eight-year period (FY14: nine-year period), which took into account the remaining period of the contract that existed and that the contract would be renewed for another 10-year period.

18. EQUIPMENT

	Equipment Rm	Furniture and fittings Rm	Total Rm
Cost	**17**	**7**	**24**
Opening balance	17	5	22
Acquisitions	–	2	2
Accumulated depreciation and impairment losses	**(9)**	**(6)**	**(15)**
Opening balance	(8)	(4)	(12)
Depreciation for the year	(1)	(2)	(3)
Carrying value at 30 June 2015	**8**	**1**	**9**
Carrying value at 30 June 2014	9	1	10

19. LONG-TERM LOANS GRANTED

	2015 Rm	2014 Rm
Amount advanced	**1 064**	465
Opening balance	465	524
Advanced during the year	610	38
Repaid during the year	(11)	(97)
Accrued interest	**21**	6
Opening balance	6	60
Settled during the year	(58)	(111)
Arising during the year	73	57
Nominal value of long-term loans	1 085	471
Fair value adjustment	(4)	(5)
Fair value of long-term loans	**1 081**	466
BEE 1 consortium	156*	160
323 Festival Street (Pty) Ltd	265	267
Rabie Property Group (Pty) Ltd	122	39
Augusta Trust	311*	–
Acucap Unit Purchase Scheme	227	–

* *These long-term loans have been classified to current assets.*

	2015	2014
19. LONG-TERM LOANS GRANTED continued		
BEE 1 consortium		
Amount advanced after restructuring	**R160 318 270**	R160 318 270
Date restructured	**3 Mar 2014**	3 Mar 2014
Repayment date of capital	**30 Sep 2015**	30 Sep 2015
Payment date of interest	**Bi-annually**	Bi-annually
Fixed interest rate	**15.00%**	15.00%
Interest accrual	**Quarterly**	Quarterly

Before the restructuring, the BEE 1 consortium consisted of three beneficiaries of the AMU Trust, being Amabubesi Consortium, Miganu Investment Holdings (Pty) Ltd and Unipalm Investment Holdings Ltd (Unipalm). These parties held 100,0 million shares in Growthpoint. Significant value has been created for the beneficiaries and their shareholders due to the performance of Growthpoint's share price since 2005 when the initial BEE transaction was concluded. During FY14, Unipalm considered it an opportune time to lock in the value created, by selling their entire indirect beneficial interest of 33,3 million Growthpoint shares. Growthpoint Management Services (Pty) Ltd (GMS) acquired 17,0 million of the shares for R365,1 million which are reflected as treasury shares. Additionally, Growthpoint will pay an "agterskot" totalling R17,0 million to Unipalm to the extent that the Growthpoint 15-day volume weighted average price reaches or exceeds R30.00 per share within 18 months of settlement. As part of the restructuring, R39,7 million of the R200,0 million loan advanced, was settled.

Additional interest of R125,5 million was realised on the initial refinancing completed in the 2012 financial year. Growthpoint took a decision to account for the additional interest equally over four years, being the remaining period of the refinanced mezzanine loan. This resulted in R31,4 million of interest being accounted for as the fourth tranche in the current year (FY14: R31,4 million for the third tranche). In order to protect its interest, Growthpoint is entitled, but not obligated, to provide guarantees to the senior lender should there be a breach of any of their loan covenants at any time. The BEE group is entitled, but not obligated, to repay up to a maximum of R25,0 million of the mezzanine loan amount.

	2015	2014
323 Festival Street (Pty) Ltd		
Amount advanced	**R272 996 395**	R272 996 395
Date advanced	**1 May 2013**	1 May 2013
Repayment date	**30 Apr 2018**	30 Apr 2018
Fixed interest rate	**9.69%**	9.69%

323 Festival Street (Pty) Ltd (the borrower) is owned by Isivuno-Apex Properties (Pty) Ltd (Isivuno-Apex). Growthpoint advanced R273,0 million to the borrower for the acquisition of the land and the construction of Tshedimosetso House in Hatfield. The borrower, as the landlord, holds a five-year lease with the Department of Government Communication and Information System (GCIS). The monthly lease payments, net of operating costs, will be utilised for the servicing of the interest and capital repayments of the loan, and the repayment balance on 30 April 2018 is estimated to be R238,0 million. Security of the loan includes:

- a continuing covering mortgage bond
- a cession of rental and insurance proceeds
- a cession of the insurance policies
- a suretyship by Isivuno-Apex for the obligations of the borrower in terms of the loan agreement
- a pledge and security cession by Isivuno-Apex of its shares in and claims against the borrower, as security for its obligation in terms of the suretyship.

Growthpoint has a call option to acquire 50% of the shares in the borrower at any time on or after the expiry of the GCIS lease, on the early termination of the GCIS lease for any reason, on the proposal of a resolution by the shareholders or directors of the company for the disposal of the investment property or on the disposal of the shares in the company by Isivuno-Apex.

This loan is valued by discounting future cash flows using the South African swap curve plus the historic charged credit margin at the dates when the cash flows will take place. Historic credit margin 3% (FY14: 3%). The estimated fair value would increase/(decrease) if the historic credit margin were lower/(higher).

		2015	2014
19.	**LONG-TERM LOANS GRANTED continued**		
	Rabie Property Group (Pty) Ltd		
	Amount advanced	**R121 457 591**	R38 816 731
	Date advanced	**From 18 Feb 14**	From 18 Feb 14
	Conversion date	**31 Jan 2016**	31 Jan 2016
	Floating interest rate	**Prime – 1.00%**	Prime – 1.00%

Rabie Property Group (the borrower) has been appointed to carry out and complete Bridgeway Park in Century City (Cape Town). The borrower is required to source funding for the construction of the development and Growthpoint has committed to advance a total amount of R179,4 million. Security of the loan includes:

- a cession of the security agreement, in terms of which the borrower cedes the insurances and all of its rights under the building contract, including guarantees
- a continuing covering mortgage bond
- a suretyship by Century City Trust for the obligations of the borrower.

The fair value of the loan approximates the nominal value of the loan, as the risk profile of Rabie Property Group has not materially changed and therefore the risk margin applicable to the fair value is equivalent to the risk margin included in the floating interest rate. Upon completion of the building, Century City Trust is committed to pay for the development project expenditure, in order to obtain 50% ownership in Bridgeway Park. In essence the loan to Rabie Property Group converts to a term loan to the Trust. The latest repayment date for the term loan is 31 January 2019.

	2015	2014
Augusta Trust		
Acquired as part of business combination	**R311 306 070**	–
Date advanced	**From 1 Apr 2015**	–
Latest repayment date	**31 Jan 2016**	–
Floating interest rate	**Prime – 1.70%**	–

A development loan agreement was entered into between Acucap Investments (Pty) Ltd and the Augusta Trust with respect to the development of Watercrest Mall. Interest is charged at prime less 1.70%. The loan is not to exceed a maximum of R400,0 million and the mortgage bond is also limited to this amount. The 50% carrying value of Watercrest Mall (still under development) as at 30 June 2015 is R355 million. 50% of Watercrest Mall is owned by Acucap Investments (Pty) Ltd and the remaining 50% by Augusta Trust. Security of the loan includes:

- covering mortgage bond over a one half share in Portion 771 of the Farm Upper End of Lange Fontein No. 980, Registration Division FT, KwaZulu- Natal.

The fair value of the loan approximates the nominal value of the loan, as the Group estimates that the risk profile of Augusta Trust has not materially changed and therefore the risk margin applicable to the fair value is equivalent to the risk margin included in the floating interest rate.

	2015	2014
Acucap Unit Purchase Scheme		
Acquired as part of business combination	**R226 301 780**	–
Date advanced	**From 1 Apr 2015**	–
Latest repayment date	**17 Jan 2023**	–
Fixed interest rate	**6.19% – 9.80%**	–

Acucap linked units were issued on loan account to Acucap employees as part of a purchase scheme. The employees carry the risk of non-performance of the loan and have no restrictions placed on them. As a result of the Acucap business combination (note 41.4), the employees received Growthpoint shares in the same ratio as the other shareholders for each Acucap share held.

The terms of the loans are as follows:

- The loans bear interest at a fixed rate per annum, compounded monthly and capitalised to the loan account.
- Interest distributions received on the linked units by the beneficiaries are applied to the interest payable.
- The loans are secured by a pledge and cession of the linked units by the Acucap Unit Purchase Scheme participants.
- The maximum period for the repayment of the loans is a period of ten years.
- In the event of the resignation or dismissal of a beneficiary, the loans are repayable within one year.
- In the event of the retrenchment or death of a beneficiary, the loans are repayable within two years.
- The loans are repayable in cash.

These loans were valued by discounting future cash flows using the South African swap curve at the dates when the cash flows will take place.

19. LONG-TERM LOANS GRANTED continued

The fair value measurement for long-term loans granted of R1 081 million (FY14: R466 million) has been categorised as a level 3 fair value based on the inputs to the valuation technique used. Refer to note 45.2 for level 3 reconciliation.

Measurement of fair value	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
BEE 1 consortium	Valued by discounting future cash flows using the fixed rate that is applicable to this loan.	Discount rate: 15.00%	Estimated fair value would increase/(decrease) if the discount rate were lower/(higher)
323 Festival Street (Pty) Ltd	Valued by discounting future cash flows using the South African swap curve plus the historic charged credit margin at the dates when the cash flows will take place.	Credit margin: 3.00% (FY14: 3.00%)	Estimated fair value would increase/(decrease) if the credit margin were lower/(higher)
Rabie Property Group (Pty) Ltd	Valued by discounting future cash flows using the floating rate that is applicable to this loan.	Not applicable	Not applicable
Augusta Trust	Valued by discounting future cash flows using the floating rate that is applicable to this loan.	Not applicable	Not applicable
Acucap Unit Purchase Scheme	Valued by discounting future cash flows using the South African swap curve at the dates when the cash flows will take place.	Not applicable	Not applicable

	2015 Rm	2014 Rm
20. TRADE AND OTHER RECEIVABLES		
Rental debtors	**63**	41
Impairment of debtors	**(26)**	(15)
Prepaid expenses	**32**	22
Deferred expenditure (including letting commissions and tenant installations)	**526**	258
Sundry debtors	**157**	142
Development loans	**–**	3
Receivable on purchase price allocation of business acquisitions	**–**	69
V&A Waterfront accounts receivable – current loan account (note 15.1)	**727**	368
Other joint ventures accounts receivable – current loan account (note 15.2)	**1**	10
Accrued recoveries	**225**	133
	1 705	1 031
21. CASH AND CASH EQUIVALENTS		
Cash held on call account as security for municipal and other guarantees	**470**	57
Other call accounts	**35**	318
	505	375

		2015 Rm	2014 Rm
22.	**ORDINARY SHARE CAPITAL**		
	Authorised		
	4 000 000 000 (FY14: 4 000 000 000) ordinary shares with no par value		
	Issued		
	Ordinary shares		
	In issue at beginning of year – 2 284 908 257 (FY14: 1 891 558 328)	**29 436**	95
	REIT conversion	**–**	20 257
	Issued during the year – 426 148 007 (FY14: 393 349 929)	**11 696**	9 084
	In issue at end of year – 2 711 056 264 (FY14: 2 284 908 257)	**41 132**	29 436
	The unissued shares are under the control of the directors of the company subject to the provisions of the Companies Act 2008, as amended, and the Listings Requirements of the JSE Limited.		
23.	**TREASURY SHARES**		
	Opening balance – 32 406 635 (FY14: nil)	**682**	–
	Acquired during the year – 174 472 (FY14: 34 817 626)	**4**	728
	Vested/exercised during the year – 1 949 280 (FY14: 2 410 991)	**(40)**	(46)
	Closing balance – 30 631 827 (FY14: 32 406 635)	**646**	682
	The reserve for the company's treasury shares comprises the cost of the company's shares held by the Group.		
24.	**FOREIGN CURRENCY TRANSLATION RESERVE**		
	The foreign currency translation reserve arises as a result of the company's interest in GOZ. The initial investment was made at a rate of R6.46:AUD1. The closing exchange rate at 30 June 2015 was R9.40:AUD1 (FY14: R9.96:AUD1).	**1 072**	1 506
	The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.		
25.	**NON-DISTRIBUTABLE RESERVE**		
	Components of the non-distributable reserve		
	Amortisation of intangible assets (net of deferred taxation)	**935**	1 008
	Bargain purchase	**230**	230
	Fair value adjustment on investment property	**21 341**	18 401
	Other fair value adjustments and non-distributable items	**(2 075)**	(1 998)
	Share-based payment reserve (note 29)	**160**	88
	Reserves with non-controlling interest (NCI)	**13**	60
	Fair value adjustment on listed investment	**–**	(46)
	Total non-distributable reserve	**20 604**	17 743
	Movements for the year		
	Opening balance at beginning of year	**17 743**	(849)
	Conversion to REIT	**–**	16 280
	Cumulative fair value adjustments on GOZ	**–**	2 140
	Other debenture fair value adjustments	**–**	14 140
	Items transferred from profit or loss	**2 790**	2 217
	Fair value adjustment on investment property	**2 940**	2 566
	Other fair value adjustments and non-distributable items	**(77)**	(275)
	Amortisation of intangible asset (net of deferred taxation)	**(73)**	(74)
	Reserves with non-controlling interest (NCI)	**(47)**	53
	Fair value adjustments on listed investments	**46**	(46)
	Share-based payment reserve (note 29)	**72**	88
	Closing balance	**20 604**	17 743

25. NON-DISTRIBUTABLE RESERVE continued

In line with Growthpoint's objective, not to distribute capital profits, all non-distributable items accounted for in profit or loss, such as the fair value adjustments (excluding the NCI's portion of the fair value adjustments), straight-line lease income adjustments, non-cash charges, capital items and deferred taxation were transferred to the non-distributable reserve in the current year.

The grant-date fair value of share-based payment awards granted to employees is recognised in the non-distributable reserve (note 29).

The increase in the fair value of the listed investments designated as available-for-sale is directly accounted for in the non-distributable reserve. The movement relates to the increase in the fair value of the investments as well as a reclassification to profit or loss as a results of the business combination (note 41.4).

Linked units were issued for the acquisition of the property services businesses from the Investec Property Group Limited in FY08 and the majority of the payment related to an intangible asset that was allocated to equity as a non-distributable reserve. All transactions related to the acquisition, such as the amortisation of the intangible asset and the related deferred tax thereon, will be transferred to the non-distributable reserve.

The reserves with NCI relate to further acquisitions of GOZ made by Growthpoint.

	2015 Rm	2014 Rm
26. DEBENTURES		
Unsecured, subordinated, variable-rate debentures		
Fair value at beginning of the year – nil (FY14: 18 915 583 280)	**–**	36 537
Converted during the year	**–**	(36 537)
Fair value at end of year – nil (FY14: nil)	**–**	–

27. NON-CONTROLLING INTEREST

The non-controlling interest of R4 713 million represents 35.0% (FY14: R4 180 million represented 36.0%) of the net asset value of GOZ at 30 June 2015, converted at the year end exchange rate of R9.40:AUD1 (FY14: R9.96:AUD1) and 1% of the net asset value of Sycom at 30 June 2015. Apart from GOZ and Sycom, all other subsidiaries are 100% owned.

The following is summarised financial information for Growthpoint Australia Limited (GOZ) and Sycom Property Fund (Sycom), prepared in accordance with IFRS, adjusted for fair value adjustments on acquisition and differences in the Group's accounting policies. The information is before intercompany eliminations with other companies in the Group.

	GOZ Rm	Sycom Rm	**2015 Rm**
Extracts from statement of profit or loss and other comprehensive income			
Revenue, excluding straight-line lease income adjustment	1 844	183	**2 027**
Profit after taxation	1 985	90	**2 075**
Attributable to equity holders	1 037	89	**1 126**
Attributable to non-controlling interest	948	1	**949**
Other comprehensive income – translation of foreign operations	(703)	–	**(703)**
Total comprehensive income	1 282	90	**1 372**
Attributable to equity holders	584	89	**673**
Attributable to non-controlling interest	698	1	**699**
Dividends paid to non-controlling interest during the year	(373)	(1)	**(374)**
Extracts from statement of financial position			
Non-current assets	22 027	8 830	**30 857**
Current assets	604	442	**1 046**
Non-current liabilities	(8 555)	(2 910)	**(11 465)**
Current liabilities	(514)	(242)	**(756)**
Net assets	13 562	6 120	**19 682**
Net assets attributable to non-controlling interests	4 649	64	**4 713**
Extracts from statement of cash flows			
Cash flows from operating activities	(46)	(121)	**(167)**
Cash flows from investing activities	(704)	(68)	**(772)**
Cash flows from financing activities	799	–	**799**
Translation effects on cash and cash equivalents of foreign operation	(10)	–	**(10)**
Net increase/(decrease) in cash and cash equivalents	39	(189)	**(150)**

27. NON-CONTROLLING INTEREST continued

	GOZ Rm	Sycom Rm	2014 Rm
Extracts from statement of profit or loss and other comprehensive income			
Revenue, excluding straight-line lease income adjustment	1 617	–	1 617
Profit after taxation	1 090	–	1 090
Attributable to equity holders	692	–	692
Attributable to non-controlling interest	398	–	398
Other comprehensive income – translation of foreign operations	888	–	888
Total comprehensive income	1 978	–	1 978
Attributable to equity holders	1 269	–	1 269
Attributable to non-controlling interest	709	–	709
Dividends paid to non-controlling interest during the year	(295)	–	(295)
Extracts from statement of financial position			
Non-current assets	20 863	–	20 863
Current assets	369	–	369
Non-current liabilities	(8 173)	–	(8 173)
Current liabilities	(1 173)	–	(1 173)
Net assets	11 886	–	11 886
Net assets attributable to non-controlling interests	4 180	–	4 180
Extracts from statement of cash flows			
Cash flows from operating activities	548	–	548
Cash flows from investing activities	(4 382)	–	(4 382)
Cash flows from financing activities	3 954	–	3 954
Translation effects on cash and cash equivalents of foreign operation	7	–	7
Net increase in cash and cash equivalents	127	–	127

On 1 April 2015, the Group's equity interest in Sycom increased from 23.2% to 99% and Sycom became a subsidiary from that date (note 41.4). Accordingly the information relating to Sycom is only for the period from 1 April 2015 to 30 June 2015.

	Facility Rm	Secured by investment property at fair value Rm	Capital repayment date	Interest rate	2015 Rm	2014 Rm
28. NON-CURRENT FINANCIAL LIABILITIES						
28.1 Variable-rate loans – secured by investment property						
South Africa						
	600		30 Nov 2017	3m Jibar* + 1.35%	**600**	–
	650		30 Nov 2017	3m Jibar + 1.35%	**–**	–
	1 250	2 909				
	600		27 Mar 2017	Prime – 1.90%	**–**	–
	1 000		7 Jun 2017	3m Jibar + 1.70%	**1 000**	1 000
	500		8 Dec 2017	3m Jibar + 1.35%	**500**	–
	500		25 Sep 2018	Prime – 1.70%	**–**	–
	500		4 March 2019	3m Jibar + 1.45%	**500**	500
	500		8 Dec 2019	3m Jibar + 1.45%	**500**	–
	500		15 May 2020	3m Jibar + 1.50%	**500**	–
	4 100	8 104				
	750[1]		1 Feb 2016	3m Jibar + 1.53%	**750**	750
	250[1]		1 Feb 2016	3m Jibar + 1.53%	**250**	250
	1 000	2 486				
	719[6]		31 May 2016	Prime – 2.30%	**719**	–
	794[6]		30 Apr 2018	Prime – 1.80%	**793**	–
	260[6]		31 May 2016	Prime – 1.65%	**260**	–
	702[6]		31 May 2016	Prime – 1.70%	**447**	–
	201[6]		24 May 2016	Prime – 1.90%	**201**	–
	501[6]		9 Dec 2016	Prime – 1.85%	**292**	–
	501[6]		31 Mar 2017	Prime – 1.90%	**501**	–
	501[6]		5 Dec 2016	Prime – 1.75%	**376**	–
	4 179	5 978				
	950		1 Dec 2016	Prime – 1.75%	**672**	–
	702		1 Dec 2016	Prime – 1.70%	**702**	–
	501		2 Jan 2018	Prime – 1.80%	**501**	–
	150		3 Apr 2017	Prime – 1.90%	**150**	–
	2 303	4 137				
	500		1 Jan 2017	Jibar + 1.45%	**471**	–
	400		1 Jan 2019	Jibar + 1.70%	**250**	–
	350[3]		30 Sep 2015	Jibar + 1.15%	**350**	–
	450		30 Jun 2016	Prime – 1.70%	**450**	–
	1 700	2 967				
	703	2 338	28 Feb 2024	3m Jibar + 2.25%	**703**	703
	1 200	2 989	7 Jun 2021	3m Jibar + 1.90%	**1 200**	1 200
	800	1 607	31 Oct 2016	3m Jibar + 1.42%	**800**	800
	300	750	16 Sep 2019	3m Jibar + 1.45%	**300**	–
	220	339	9 Dec 2015	Prime – 0.65%	**220**	181
	340[2]	1 145	31 Mar 2022	3m Jibar + 1.70%	**340**	–
	263	541	30 Jun 2019	Jibar + 1.50%	**263**	–
	600	2 058	03 Oct 2016	Jibar + 1.50%	**600**	–
Nominal value of long-term interest-bearing loans – carried forward					**16 161**	5 384

* *Jibar: Johannesburg Interbank Agreed Rate*

		Facility Rm	Secured by investment property at fair value Rm	Capital repayment date	Interest rate	2015 Rm	2014 Rm
28.	**NON-CURRENT FINANCIAL LIABILITIES continued**						
	Nominal value of long-term interest-bearing loans – brought forward					**16 161**	5 384
28.2	**Variable-rate loans – unsecured**						
		1 000		30 Sep 2019	1m Jibar + 1.55%	**1 000**	1 000
		1 000		14 Dec 2018	1m Jibar + 1.70%	**1 000**	500
		1 000		15 Feb 2016	1m Jibar + 1.38%	**557**	246
		1 484[4]		2 Jan 2018	1m Jibar + 1.26%	**–**	–
		742[4]		2 Jan 2022	1m Jibar + 1.26%	**136**	25
		742[4]		2 Jan 2024	3m Jibar + 1.45%	**136**	25
		350		10 Dec 2020	1m Jibar + 1.70%	**350**	–
		600		27 Nov 2020	3m Jibar + 1.55%	**600**	–
		400		31 Mar 2022	3m Jibar + 1.85%	**400**	–
		400		11 Aug 2015	3m Jibar + 0.36%	**400**	–
		500		13 May 2016	3m Jibar + 1.34%	**500**	500
		500		15 Oct 2015	3m Jibar + 1.45%	**500**	500
		260		15 Sep 2016	3m Jibar + 1.50%	**260**	260
		500		11 Dec 2017	3m Jibar + 1.50%	**500**	500
		400		21 Feb 2024	3m Jibar + 1.90%	**400**	400
		499		24 Jun 2019	3m Jibar + 1.45%	**499**	499
		300		On demand	Overnight + 1.07%	**300**	–
28.3	**Fixed-rate loans – secured by investment property**						
		250[2]		3 Apr 2018	10.27%	**250**	250
		490[2]		3 Apr 2018	10.38%	**490**	490
		740	2 492				
		675	1 795	1 Mar 2018	9.63%	**675**	675
		70[5]	233	7 Apr 2020	9.90%	**70**	76
		260[5]	388	5 Aug 2023	12.68%	**260**	260
28.4	**Australia**						
		2 396		31 Dec 2017	BBSW* + 1.90%	**1 850**	1 841
		2 396		31 Dec 2018	BBSW + 2.00%	**1 850**	1 841
		2 302		31 Dec 2019	BBSW + 1.80%	**630**	1 294
		658		31 Dec 2019	BBSW + 2.20%	**–**	–
		940		30 Jun 2019	BBSW + 1.80%	**725**	160
		–		30 Jun 2015	BBSW + 0.70%	**–**	722
		–		30 Apr 2016	BBSW + 2.20%	**–**	471
		1 879		15 Mar 2025	4.67%	**1 451**	–
		10 571	21 442				
28.5	**Loans settled during the year**						
		600		30 Nov 2014	1m Jibar + 1.53%	**–**	600
		650		30 Nov 2014	1m Jibar + 1.53%	**–**	–
		500		7 Jun 2015	3m Jibar + 1.55%	**–**	500
		500		29 Sep 2015	Prime – 1.85%	**–**	500
		500		31 Mar 2016	Prime – 2.00%	**–**	500
		740		31 Mar 2015	3m Jibar + 0.80%	**–**	740
		250		16 Sep 2014	3m Jibar + 1.41%	**–**	250
		400		4 Aug 2014	3m Jibar + 0.20%	**–**	400
		500		8 Dec 2014	3m Jibar + 1.56%	**–**	500
		750		25 Jan 2015	3m Jibar + 1.35%	**–**	750
		38		3 Dec 2018	9.86%	**–**	38
	Nominal value of long-term interest-bearing loans – carried forward					**31 950**	22 697

** BBSW: Bank Bill Swap Reference Rate*

		2015 Rm	2014 Rm
28.	NON-CURRENT FINANCIAL LIABILITIES continued		
	Nominal value of long-term interest-bearing loans – brought forward	**31 950**	22 697
	Foreign exchange loss – nominal value	**1 861**	2 348
	Total nominal value of long-term interest-bearing loans	**33 811**	25 045
	Fair value adjustments on long-term interest-bearing loans:	**98**	157
	– loss	**191**	213
	– profit	**(93)**	(56)
	Fair value adjustments on derivatives:	**719**	863
	– interest rate swaps – loss	**718**	853
	– foreign exchange contracts – loss	**1**	10
	Foreign exchange loss – fair value adjustment on derivatives	**57**	69
	Fair value of long-term interest-bearing loans and derivatives	**34 685**	26 134
28.6	**Less portion repayable within the next 12 months – at nominal value**	**(5 930)**	(4 543)
28.7	**Total non-current financial liabilities**	**28 755**	21 591
	– loans	**27 979**	20 659
	– derivatives	**776**	932

[1] *Extension of three years has been agreed with the bank.*
[2] *Security is shared by the three loans.*
[3] *Extension of two years has been agreed with the bank.*
[4] *Development facility has been negotiated which matures on 2 January 2018 and will immediately convert to a term loan with two repayment dates: 2 January 2022 and 2 January 2024. The capital is split equally between these repayment dates.*
[5] *These loans have an amortising capital repayment profile.*
[6] *106 828 139 Sycom Property Fund units with a market value of R3 717 million have been ceded and pledged as security for these loans.*

Interest cover ratio

Interest times cover – 3.4 (FY14: 3.3). Excluding Australia, the interest times cover remains at 3.4 (FY14: 3.5).

Loan to value ratio

Loan to value ratio for Growthpoint based on the nominal value of debt (net of cash), divided by the fair value of property assets, including investment property held for sale, equity-accounted investments and listed investments – 33.2% (FY14: 30.8%). Excluding Australia, the loan to value ratio decreases to 32.1% (FY14: 27.4%).

28.8 Measurement of fair value

	Valuation technique	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Interest-bearing borrowings	Valued by discounting future cash flows using the South African swap curve plus an appropriate credit margin at the dates when the cash flows will take place.	Credit margins: 0.36% to 3.00% (FY14: 0.21% to 3.00%)	Estimated fair value would increase/(decrease) if the credit margin were lower/(higher)
Derivative assets and liabilities: forward exchange contracts	Valued by discounting the forward rates applied at year end to the open hedged positions.	Not applicable	Not applicable
Derivative assets and liabilities: interest rate swaps	Valued by discounting the future cash flows using the South African swap curve at the dates when the cash flows will take place.	Not applicable	Not applicable
Derivative assets and liabilities: cross-currency interest rate swap	Valued by discounting the future cash flows using the basis swap curve of the respective currencies at the dates when the cash flows will take place.	Not applicable	Not applicable

Further information regarding the sensitivity is disclosed under note 45.5.

		2015 Rm	2014 Rm
29.	**EMPLOYEE BENEFITS**		
	Equity-settled share-based payments		
	Opening balance	**88**	–
	Conversion from other long-term employee benefits and cash-settled share-based payment plan	**–**	101
	Expense recognised for equity-settled share-based payment plan	**114**	38
	– personnel expenses	**10**	16
	– asset management cost and directors' fees	**42**	46
	– non-cash charge	**62**	(24)
	Units vested	**(42)**	(51)
	Grant date fair value of vesting	**(48)**	(65)
	Reserve for grant-date fair value adjustment	**6**	14
	Carrying value of equity-settled share-based payments	**160**	88

Zero strike price share scheme

Share incentive schemes were introduced for employees that were employed after the management "buy-in" transaction, as well as a scheme to replace the initial scheme after the last vesting in September 2011. The shares allocated will vest with the beneficiaries over a period of five years, in tranches of 0% in year one and 25% per year thereafter. The staff share costs relating to these schemes are accounted for as personnel expenses and asset management costs and are included in the calculation of distributable income.

Growthpoint accounts for the staff share schemes as equity-settled share-based payments. This reserve is accounted for as a non-distributable reserve (note 25).

The share awards granted to employees have been valued at the market price of Growthpoint's shares at measurement date, adjusted for the distributions not receivable by employees before the vesting date. An expected growth rate was taken into account on the share price and this was discounted back to measurement date.

Retention scheme

It was essential for Growthpoint to ensure the retention of its key staff and the alignment of management's interests with that of Growthpoint shareholders. To meet the retention objective, Growthpoint has implemented an option award under its existing scheme rules that offers participants retention value from the award date and ensures a perfect alignment with the interests of shareholders over a relatively long period.

Growthpoint issued reducing strike price options for the retention of key staff. Each option gives the option holder the right to acquire one Growthpoint share at the reducing strike price at the vesting date. The options were granted on 1 April 2014 with an initial strike price of R11.43 based on a 50% discount to the Growthpoint 30-day clean VWAP price as traded on the JSE on that date.

Each option's strike price will, on a material basis, be adjusted by:
– increasing the strike price by 8.25% per annum compounding on each distribution payment date
– decreasing the strike price by the actual distribution per share.

The options simulate a share purchase scheme that is funded by 50% debt.

These options vest over eight years as follows:
– 2015: 0%
– 2016 – 2017: 10% per annum
– 2018 – 2020: 20% per annum
– 2021 – 2022: 10% per annum

29. EMPLOYEE BENEFITS continued

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows:

	2015	2014
Zero strike price		
Maximum term	**5 years**	5 years
Weighted average expected life	**2.8 years**	3.7 years
Expected dividend growth rate	**6.5%**	6.4%
Growth rate on share	**7.0%**	7.0%
Discount rate	**interest rate curve**	interest rate curve
Weighted average price		
Fair value at reporting date	**R12.47**	R11.22
Share options outstanding at beginning of year	**R25.83**	R26.39
Options granted during the year	**R25.96**	R24.49
Options forfeited during the year	**R25.54**	R26.39
Options exercised during the year	**R23.54**	R26.39
Options outstanding at end of year	**R25.79**	R25.83
Retention scheme		
Fair value of options granted	**R11.74**	R11.74
Share price at grant date	**R22.85**	R22.85
Reducing strike price at grant date	**R11.43**	R11.43
Maximum term	**7 years**	8 years
Weighted average expected life	**3.8 years**	4.8 years
Interest rate on strike price	**8.3%**	8.3%
Expected dividend growth rate	**7.0%**	7.0%
Growth rate on share	**7.0%**	7.0%
Discount rate	**interest rate curve**	interest rate curve
Taking into account the vesting over four, five and eight years, the probability of staff leaving was estimated as 5% in the first year and an additional 10% in subsequent years (FY14: 5% in the first year and an additional 10% in subsequent years).		

	Number of shares	Number of shares
The reconciliation below represents the cumulative shares issued, acquired and held by Growthpoint for the purpose of share-based payments for employees.		
Cumulative shares issued and acquired	**44 268 551**	44 094 129
Opening balance	**44 094 129**	9 276 503
Shares acquired during the year	**174 422**	34 817 626
Cumulative shares vested and exercised	**(13 636 724)**	(11 702 379)
Shares available to the share scheme	**30 631 827**	32 391 750
The reconciliation below represents the outstanding share options granted to employees after taking into account share options granted, forfeited and vested.		
Opening balance	**23 423 656**	6 368 722
Granted to employees	**1 662 476**	19 794 975
Forfeited by employees	**(198 997)**	(224 095)
Vested and exercised by employees	**(1 934 345)**	(2 515 946)
Outstanding share options granted to employees	**22 952 790**	23 423 656
In terms of the rules of the Trust, the maximum number of share options which may be granted to the employees is limited to 50 million shares in the company at any time. The reconciliation below represents the number of shares still available to the Trust.		
Total shares available to the Trust	**50 000 000**	50 000 000
Granted to employees	**(38 112 884)**	(36 450 408)
Forfeited by employees	**1 523 371**	1 324 374
Shares remaining available to the Trust	**13 410 487**	14 873 966

		2015 Rm	2014 Rm
30.	**DEFERRED TAXATION**		
30.1	**Deferred tax recognised**		
	Opening balance	**1 425**	1 254
	Acquired through business combinations	**–**	39
	Movement for the year (note 30.2)	**192**	132
	Closing balance	**1 617**	1 425

Growthpoint converted to a REIT, with effect from 1 July 2013. Section 25BB of the Income Tax Act allows for the deduction of the qualifying distribution paid to shareholders, but the deduction is limited to taxable income. To the extent that no tax will be payable in future as a result of the qualifying distribution, no deferred tax was raised on items such as the straight-line lease income adjustment and the fair valuation of non-current financial liabilities.

IAS 12 *Income taxes (amended)* requires the sale rate to be applied, unless rebutted, when calculating deferred tax on the fair value adjustments on investment property. After the conversion to a REIT, capital gains taxation is no longer applicable on the sale of investment property in terms of section 25BB of the Income Tax Act. The deferred tax rate applied to investment property at the sale rate will therefore be 0%. Consequently, no deferred tax was raised on the fair value adjustments on investment property.

Allowances relating to immovable property can no longer be claimed and if a REIT sells immovable property, the allowances claimed in previous years will be recouped. A deferred tax liability was raised in this respect.

The deferred tax liability on the intangible asset relates to the right to manage the property assets.

The deferred tax on the investment in GOZ is based on the presumption that the investment will be realised through sale and capital gains tax will be payable in Australia.

		Balance 2013 Rm	Recognised in profit or loss in 2014 Rm	Balance 2014 Rm	**Recognised in profit or loss in 2015 Rm**	**Balance 2015 Rm**
30.2	**Movement in deferred tax balance during the year**					
	Investment in GOZ	979	21	1 000	**279**	**1 279**
	Acquired through business combinations	–	–	39	**(39)**	**–**
	Amortisation of intangible asset	248	(28)	220	**(28)**	**192**
	Straight-line lease income adjustment	404	(404)	–	**–**	**–**
	Share-based payments	–	–	–	**(45)**	**(45)**
	Non-current liabilities – debentures	(326)	326	–	**–**	**–**
	Fair valuation of non-current financial liabilities	(257)	257	–	**–**	**–**
	Investment property – allowances	275	(45)	230	**20**	**250**
	Tax losses carried forward	(41)	8	(33)	**(11)**	**(44)**
	Other	(28)	(3)	(31)	**16**	**(15)**
		1 254	132	1 425	**192**	**1 617**

		2015 Rm	2014 Rm
31.	**TRADE AND OTHER PAYABLES**		
	Accrued expenses	**927**	705
	Accrued interest	**205**	122
	Tenant deposits	**232**	178
	Property management creditor	**97**	58
	Trade creditors	**145**	158
	Value added tax	**51**	29
	Income received in advance	**145**	176
		1 802	1 426

		2015 Number of shares	2014 Number of shares
32.	NET ASSET VALUE		
	Shares issued during the year:		
	Issued ordinary shares at 1 July 2014 (FY14: 1 July 2013)	**2 284 908 257**	1 891 558 328
	Effect of treasury shares held	**(30 631 827)**	(32 406 635)
	Effect of shares issued	**104 985 827**	284 217 452
	Effect of shares issued relating to business combinations	**321 162 180**	109 132 477
	Shares in issue at end of year (excluding treasury shares)	**2 680 424 437**	2 252 501 622
		cents	cents
	Net asset value per share	**2 364**	2 215
	Tangible net asset value per share	**2 328**	2 223

		2015 Rm	2014 Rm
	Net asset value per share is reconciled to tangible net asset value per share as follows:		
	Net asset value attributable to shareholders	**63 369**	49 895
	Less: net effect of business acquisitions and other intangibles	**(2 388)**	(1 038)
	– intangible assets	**(2 580)**	(1 258)
	– deferred tax liability	**192**	220
	Less: other deferred tax liability	**1 425**	1 205
	Tangible net asset value	**62 406**	50 062
33.	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	**8 168**	6 137
	Straight-line lease income adjustment	**(130)**	(193)
	Fair value adjustments	**(3 562)**	(2 396)
	Equity-accounted investment profit – net of tax	**(484)**	(91)
	Finance costs	**2 086**	1 748
	Non-cash charges	**1 723**	78
	Capital items	**(1 078)**	23
	Finance and other investment income	**(916)**	(545)
	Unrealised foreign currency loss/(gain)	**11**	(26)
	Staff incentive cost	**52**	62
	Depreciation	**3**	4
	Cash adjustment on business acquisitions	**4**	110
	Amortisation of interest in GOZ	**(9)**	(11)
	Increase in trade and other receivables	**(37)**	(216)
	Decrease in trade and other payables	**80**	76
		5 911	4 760
34.	TAXATION PAID		
	Amounts unpaid at beginning of the year	**13**	5
	Amounts charged to profit or loss (note 11)	**72**	28
	Amounts unpaid at end of the year	**(31)**	(13)
		54	20
35.	DISTRIBUTION TO SHAREHOLDERS		
	Amounts unpaid at beginning of year	**171**	1 563
	Acquired through business combination (note 41.4)	**449**	–
	Dividends	**4 920**	1 605
	Dividends on treasury shares	**(66)**	(25)
	Distribution to NCI and realised foreign exchange gain	**330**	293
	Amounts unpaid at end of year	**(186)**	(171)
		5 618	3 265

		2015 Rm	Restated* 2014 Rm
36.	**NET CASH OUTFLOW FROM INVESTING ACTIVITIES**		
	Opening balance of non-current assets	**81 573**	61 120
	Non-cash movements	**19 331**	13 200
	Fair value adjustment on investment property	**3 404**	2 373
	Straight-line lease income adjustment	**130**	193
	Investment property reclassified as held for sale	**(274)**	317
	Fair value adjustments on derivatives	**93**	8
	Fair value adjustments, accrued interest on long-term loans and transfer to current assets	**(451)**	1
	Abseq and Tiber non-current assets acquired	**–**	4 315
	Investment property/listed investment acquired by way of shares	**–**	5 103
	Net movement as a result of V&A Waterfront transaction	**468**	130
	Fair value movement on listed investment	**(2)**	(46)
	Acquisition by way of shares	**17 277**	–
	Translation of foreign operation – GOZ	**(1 205)**	1 640
	Treasury shares acquired	**(4)**	(728)
	Amortisation of intangible asset	**(102)**	(102)
	Depreciation on equipment	**(3)**	(4)
	Closing balance of non-current assets	**(103 187)**	(81 573)
		(2 283)	(7 253)

37. RESTATEMENT OF STATEMENT OF CASH FLOWS

In 2014, the Statement of Cash Flows reflected the acquisitions of Abseq and Tiber as a cash outflow as part of investing activities, with the related issue of shares for these acquisitions as a cash inflow as part of financing activities. The acquisitions were financed in part by the issue of shares and therefore no cash flows should have been reflected for this. The Statement of Cash Flows has been restated to reflect the relevant cash movements for these transactions, and notes 36 and 41 have been adjusted accordingly.

	Previously reported 2014 Rm	Restated 2014 Rm
The line items affected are:		
Statement of cash flows		
Investment in investment property	(6 468)	(6 022)
Investment in listed investment	(4 503)	154
Acquisition of Abseq	(346)	–
Acquisition of Tiber	(3 097)	–
Acquisition of subsidiaries net of cash acquired	–	(1 451)
Net cash outflows from investing activities	(14 348)	(7 253)
Proceeds from issue of shares/debentures	9 084	1 989
Net cash outflows from financing activities	12 837	5 742
Notes to the financial statements		
Note 36 Abseq and Tiber non-current assets acquired	2 323	4 315
Note 36 Investment property/listed investment acquired by way of shares	–	5 103
Note 41.1 Net cash outflow	(346)	23
Note 41.2.1 Net cash outflow	(2 910)	(1 385)
Note 41.2.2 Net cash outflow	(187)	(89)
Note 41.2.3 Net cash outflow	(1 062)	(616)

		2015 Rm	2014 Rm
38.	**JOINT OPERATIONS AND SHARE BLOCKS**		
	Statement of profit or loss and other comprehensive income		
	Revenue, including straight-line lease income adjustment	**584**	378
	Property expenses	**(117)**	(89)
	Property operating profit	**467**	289
	Finance costs	**(50)**	(19)
	Fair value adjustments	**328**	8
	Operating profit	**745**	278
	Statement of financial position		
	Non-current assets		
	Property assets		
	Opening fair value of property assets	**4 892**	3 431
	Acquisitions	**3 555**	1 081
	Disposal at fair value	**(116)**	–
	Capital expenditure	**216**	121
	Net fair value adjustments	**328**	259
	Straight-line lease income adjustment	**7**	(115)
	Fair value of investment property for accounting purposes	**8 882**	4 777
	Straight-line lease income adjustment	**(7)**	115
	Closing fair value of property assets	**8 875**	4 892
	Other non-current assets	**311**	–
	Current assets	**107**	53
	Total assets	**9 293**	4 945
	Owners' equity	**8 674**	4 341
	Other non-current liabilities	**550**	555
	Current liabilities	**69**	49
	Total equity and liabilities	**9 293**	4 945

Joint operations comprise the following properties:
– Brooklyn Mall and Design Square (75.0%)
– Eagle Industrial Park (50.0%)
– Erven 99 and 100 Parktown Township Share Block (Pty) Ltd (50%)*
– Kolonnade Shopping Centre (50.0%)
– Northgate Shopping Centre (50.0%)
– Pin Mill Share Block (Pty) Ltd (50.0%)
– Remaining Extent of Erf 241 Sandown Share Block (Pty) Ltd (50.0%)
– Wadeville (70.0%)
– Westgate (50.0%)
Interest in joint operations acquired during the year (note 41.4):
– Fourways Crossing (50%)**
– Hillcrest Corner (50.0%)**
– Montague Business Park (25.0%)**
– N1 Business Park (20.0%)**
– N1 City Mall (42.0%)**
– The Bridge (27.5%)**
– Vaal Mall (77.9%)**
– Watercrest Mall (50%)**

The above operations are classified as joint operations whereby the Group recognises its share of the assets and liabilities and income and expenses.

* *On 1 September 2014, Growthpoint acquired the remaining shares in Erven 99 and 100 Parktown Township Share Block (Pty) Ltd from the remaining shareholder. This entity is therefore considered a subsidiary from this date (note 41.3).*
** *The undivided share in these operations were acquired as part of the acquisition of the group of companies of Acucap.*

39. BORROWING POWERS

The borrowing capacity of the company, in terms of its Memorandum of Incorporation, is unlimited.

		2015 Rm	2014 Rm
40.	**CAPITAL COMMITMENTS**		
	Capital commitments in respect of building projects authorised and contracted for but not yet paid, amounted to:		
	South Africa	**2 719**	2 063
	GOZ	**466**	209
	V&A Waterfront	**475**	496
		3 660	2 768
	The Group has entered into agreements to purchase properties in South Africa to the value of:	**531**	272
	In addition, capital commitments authorised and not yet contracted for, amounted to:		
	South Africa	**1 541**	486
	GOZ	**–**	–
	V&A Waterfront	**171**	1
		1 712	487

The capital expenditure will be financed from existing borrowing facilities and committed disposals.

41. ACQUISITIONS

41.1 Acquisition of Abseq Property group (Abseq)

In the prior year, Growthpoint acquired the entire issued share capital of Abseq from Equity Estates (Pty) Ltd with effect from 1 January 2014. As part of the transaction, the property administration business was also acquired. The acquisition presented an opportunity to acquire a sizable portfolio of quality office properties in locations which are potentially strategic and complemented Growthpoint's existing portfolio, specifically increasing Growthpoint's exposure to the Woodmead office node. Revenue of R77 million was earned from the effective date to 30 June 2014 (R210 million for Abseq's financial year that commenced 1 April 2013) and profit after tax amounted to R94 million from the effective date to 30 June 2014 (R144 million for Abseq's financial year that commenced 1 April 2013).

The distributions received from the sellers amounting to R12 million, relating to the accounting period before they obtained Growthpoint shares, were reimbursed to Growthpoint per the acquisition agreements in the prior year. This amount was included in distributable earnings.

	2015 Rm	2014 Rm
The fair value of the assets and liabilities of Abseq acquired were as follows:		
Investment property	**–**	1 343
Trade and other receivables	**–**	1
Cash and cash equivalents	**–**	14
Other non-current financial liabilities	**–**	(923)
Deferred taxation	**–**	(15)
Trade and other payables	**–**	(28)
Taxation payable	**–**	(4)
Net asset value	**–**	388
Consideration financed by issue of share capital	**–**	(369)
Refund by cash	**–**	9
Cash and cash equivalents acquired	**–**	14
Net cash inflow	**–**	23
Bargain purchase (net asset value exceeding the consideration and cash refund)	**–**	28

41.2 Acquisition of Tiber Property group (Tiber)

In the prior year, Growthpoint acquired the entire issued share capital of Tiber Property Group (Pty) Ltd (TPG), certain immovable properties and letting enterprise businesses, shares in joint ventures and share block companies, a property asset that was under development, and undeveloped bulk associated with certain immovable properties from Tiber with effect from 1 April 2014. As part of the transaction, Growthpoint, through its wholly owned subsidiary Growthpoint Management Services (Pty) Ltd (GMS), entered into an agreement with the executive management team of Tiber Projects (Pty) Ltd (Tiber Projects) to procure certain services for a period of three years, and an agreement to acquire the asset and property management business of Tiber Projects. The property portfolio owned by Tiber is predominantly P- and A-grade office properties located in the northern suburbs of Johannesburg. Revenue for Tiber, excluding the joint ventures, of R187 million was earned since the effective date to 30 June 2014 (R420 million from 1 July 2013 to 30 June 2014) and profit after tax amounted to R100 million from the effective date to 30 June 2014 (R641 million for the financial year to 30 June 2014). The joint ventures earned revenue of R10 million from acquisition to 30 June 2014 (R59 million for the financial year to 30 June 2014) and the loss after tax amounted to R39 million from acquisition to 30 June 2014 (a profit before tax of R58 million for the financial year to 30 June 2014).

The distributions received and accrued to the sellers amounting to R98 million, relating to the accounting period before they obtained Growthpoint shares, were reimbursed to Growthpoint per the acquisition agreements in the prior year. This amount was included in distributable earnings.

		2015 Rm	2014 Rm
41.	**ACQUISITIONS continued**		
41.2	**Acquisition of Tiber Property Group (Tiber) continued**		
41.2.1	*The fair value of the assets and liabilities of Tiber acquired:*		
	Investment property	–	4 312
	Trade and other receivables	–	10
	Cash and cash equivalents	–	57
	Taxation receivable	–	4
	Other non-current financial liabilities	–	(1 234)
	Fair value of borrowings	–	(39)
	Accrued interest	–	(6)
	Loans assumed	–	(58)
	Deferred tax	–	(23)
	Trade and other payables	–	(114)
	Net asset value	–	2 909
	Consideration financed by issue of share capital	–	(1 525)
	Consideration financed by borrowings	–	(1 384)
	Cash and cash equivalents acquired and loans assumed	–	(1)
	Net cash outflow	–	(1 385)
41.2.2	*Equity-accounted investments acquired*		
	Investment property	–	315
	Trade and other receivables	–	2
	Cash and cash equivalents	–	8
	Other non-current financial liabilities	–	(134)
	Accrued interest	–	(1)
	Trade and other payables	–	(3)
	Net asset value	–	187
	Consideration financed by issue of share capital	–	(98)
	Consideration financed by borrowings	–	(89)
	Net cash outflow	–	(89)
41.2.3	*Investment properties directly acquired*		
	Investment property	–	1 067
	Trade and other payables	–	(5)
	Net asset value	–	1 062
	Consideration financed by issue of share capital	–	(446)
	Consideration financed by borrowings	–	(616)
	Net cash outflow	–	(616)

41.3 Acquisition of remaining 50% in Truzen 75 Trust (Truzen) and Erven 99 and 100 Parktown Township Share Block (Pty) Ltd (Erven 99 and 100)

On 1 September 2014, Growthpoint acquired the remaining 50% interest in Truzen from the remaining beneficiaries of Truzen, as well as the remaining shares in Erven 99 and 100 from the remaining shareholder. The GLA of the acquired share of the properties amounts to 16 799m^2. A summary of the acquisitions is set out in the table below.

In the 10 months to 30 June 2015, Truzen contributed revenue of R52 million and profit of R44 million to the Group's results. If the acquisition had occurred on 1 July 2014, management estimates that revenue for the year would have been R55 million, and profit for the year would have been R43 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2014. The acquisition-date fair value of the equity interest in Truzen held by Growthpoint was R143 million after taking into account the amount of R16 million gain recognised as a result of remeasuring to fair value the interest in Truzen before the business combination.

In the 10 months to 30 June 2015, Erven 99 and 100 contributed revenue of R17 million and profit of R10 million to the Group's results. If the acquisition had occurred on 1 July 2014, management estimates that revenue for the year would have been R19 million, and profit for the year would have been R31 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2014. The acquisition-date fair value of the equity interest in Erven 99 and 100 held by Growthpoint was R79 million after taking into account the amount of R0 million gain recognised as a result of remeasuring to fair value the interest in Erven 99 and 100 before the business combination.

		2015 Rm	2014 Rm
41.	**ACQUISITIONS continued**		
41.3	**Acquisition of remaining 50% in Truzen 75 Trust (Truzen) and Erven 99 and 100 Parktown Township Share Block (Pty) Ltd (Erven 99 and 100) continued**		
	The fair value of the assets and liabilities acquired were as follows:		
	Investment property	**660**	–
	Trade and other receivables	**4**	–
	Cash and cash equivalents	**27**	–
	Other non-current financial liabilities	**(303)**	–
	Trade and other receivables	**(23)**	–
	Net asset value	**365**	–
	Consideration financed by issue of share capital	**(94)**	–
	Fair value of previously held equity-accounted investment	**(143)**	–
	Consideration financed by borrowings	**(128)**	–
	Cash and cash equivalents acquired	**27**	–
	Net cash outflow	**(101)**	–

41.4 Acquisition of Acucap Properties Limited (Acucap)

In April 2014, Growthpoint took a strategic stake in Acucap of 34.9% and a stake in Sycom of 31.5%. Growthpoint acquired these units in exchange for new Growthpoint shares from a selected pool of institutional investors. Subsequent to Growthpoint's investment, Acucap made an offer for Sycom in which Growthpoint tendered a portion of its Sycom investment in exchange for new Acucap shares. At the announcement of Growthpoint's 2014 results, on 27 August 2014, Growthpoint held 34.7% of Acucap and retained 15.0% of Sycom. Acucap had acquired 82.7% of Sycom. This left approximately 2.3% of Sycom in free float, which Acucap advised it was attempting to acquire. Acucap successfully acquired a further 1.3% in Sycom. On 1 April 2015, Growthpoint acquired the remaining shares and voting interests in Acucap by issuing 317 370 060 shares. The fair value of the ordinary shares issued was based on the ex dividend listed price of the company at 1 April 2015 of R28.22 per share.

The acquisition represented a unique opportunity for Growthpoint to increase the size of its South African property portfolio to R71,6 billion, a major milestone for the company in achieving its stated objective of defensively growing its property portfolio through the acquisition of complementary and quality enhancing assets. Growthpoint will benefit from greater sector diversification by increasing the relative weighting of Growthpoint's retail portfolio to levels preceding the acquisitions of the primarily office portfolios of the Tiber Group and Abseq Properties (Pty) Ltd during the 2014 financial year. The acquisition is consistent with Growthpoint's growth and investment strategy to build a diversified property portfolio and offer long-term distribution and capital growth underpinned by strong underlying contractual cash flows.

In the three months to 30 June 2015, Acucap Group contributed revenue of R458 million and profit of R258 million to the Group's results. If the acquisition had occurred on 1 July 2014, management estimates that consolidated revenue for the year would have been R1 035 million higher, and consolidated profit for the year would have been R641 million higher. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2014. The acquisition-date fair value of the equity interest in Acucap and Sycom held by Growthpoint was R5 631 million after taking into account the amount of R369 million gain recognised in the fair value of listed investment line item on the statement of profit or loss and other comprehensive income, as a result of remeasuring to fair value the interest in Acucap before the business combination.

	2015 Rm	2014 Rm
The fair value of the assets and liabilities of Acucap acquired were as follows:		
Investment property	**18 586**	–
Listed investments and joint ventures	**378**	–
Joint ventures	**325**	–
Long-term loans granted	**509**	–
Trade and other receivables*	**274**	–
Cash and cash equivalents acquired	**80**	–
Fair value of borrowings	**(7 736)**	–
Trade and other payables	**(295)**	–
Distribution for unitholders	**(449)**	–
Net asset value	**11 672**	–
Consideration financed by issue of share capital	**(8 955)**	–
Fair value of previously held investment in Acucap	**(5 631)**	–
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities	**(64)**	–
Goodwill	**(2 978)**	–
Net cash inflow	**80**	–

The consideration for the business acquisition was based on a fixed share exchange between Acucap shareholders and Growthpoint at an exchange ratio of 1.97 Growthpoint shares per Acucap share held by Acucap shareholders. The goodwill is attributable mainly to the difference between the fair value of the Growthpoint shares issued as consideration and the fair value of the identifiable assets and liabilities received, as the share price had increased since the negotiations of the acquisition. A material amount of goodwill also originated as Growthpoint paid a premium over the net asset value for the Acucap shares. None of the goodwill recognised is expected to be deductible for tax purposes. Refer to note 17 for impairment testing performed during the current year.

The Group incurred acquisition-related costs of R26 million on legal fees and due diligence costs. These costs have been included in capital items.

* *The trade receivables comprise gross contractual amounts due of R282 million, of which R8 million was expected to be uncollectable at the date of acquisition.*

		2015 Rm	2014 Rm
42.	**SUBSEQUENT EVENTS**		
	Declaration of dividend after reporting date		
	In line with IAS 10, *Events after the Reporting Period*, the declaration of the dividend occurred after the end of the reporting period, resulting in a non-adjusting event that is not recognised in the financial statements. The R186 million linked unitholders for distribution in the statement of financial position (FY15) relates to the NCI's portion of the GOZ distribution.		
43.	**MINIMUM CONTRACTED RENTAL**		
43.1	**Minimum contracted rental income**		
	The Group leases a number of retail, office and industrial properties under operating leases. Leases typically run for a period of three to five years for the South African portfolio. The leases for GOZ, on average, run for a period of eight to ten years. Contractual amounts due in terms of operating lease agreements:		
	Less than one year	**7 463**	6 066
	Between one and five years	**19 231**	16 348
	More than five years	**9 765**	10 216
		36 459	32 630
43.2	**Minimum contracted rental expense**		
	The Group is party to leasing contracts as the lessee of the following properties: – Foreshore – Grand Parade – Golden Acre – Metprop Cape – Middestad Mall – Nestle – River Park – Tygerberg Office Park – Walmer Park Shopping Centre – Woodmead Retail (99-year lease commenced April 2008, rentals being 10% of net property income to March 2018, 12% to March 2033 and 18% thereafter, assumed net property income to be the same as in 2014) – 10 properties in Australia		
	Contractual amounts payable in terms of operating lease agreements:		
	Less than one year	**(38)**	(36)
	Between one and five years	**(86)**	(99)
	More than five years	**(598)**	(608)
		(722)	(743)

Included in the minimum contracted rental expenses are obligations payable in Australia relating to 10 land leases for buildings owned by GOZ. These land leases generally expire in 2047 and 2048 and are common in the Australian property industry. Future land lease payments in Australia are contingent on a number of variable factors, such as whether the building is tenanted or not and market rent reviews which can take place during or after the expiration of the building occupancy lease. Future land rental expenses amounting to R78 million (FY14: R94 million) have been included above, which have been calculated based on building occupancy lease periods and land rentals which could be reliably estimated.

44. RELATED PARTY TRANSACTIONS

44.1 Set out below is a list of subsidiaries of the Group:

– Abseq Properties (Pty) Ltd
– Changing Tides 5 (Pty) Ltd
– Complex Investments (Pty) Ltd
– Erf 4 of 8 Sandown (Pty) Ltd
– Erven 99 and 100 Parktown Township Share Block (Pty) Ltd**
– Ferns Investments (Pty) Ltd
– Growthpoint Building Managers (Pty) Ltd
– Growthpoint Management Services (Pty) Ltd (GMS)
– Growthpoint Properties Australia (Australia) (65.0%)
– Growthpoint Securitisation Warehouse Trust
– Growthpoint Security SPV Number 1 (Pty) Ltd
– Growthpoint Security SPV Number 2 (Pty) Ltd
– Growthpoint Security SPV Number 3 (Pty) Ltd
– Highway Properties Houghton (Pty) Ltd
– Inclub Properties (Pty) Ltd
– Kilkishen Investments (Pty) Ltd
– Majorshelf 184 (Pty) Ltd
– Metboard Properties Ltd
– New Heights 344 (Pty) Ltd
– Oxford 144 Property Investments (Pty) Ltd
– Paramount Property Fund Ltd
– Scopefull 157 (Pty) Ltd
– Skilfull 82 (Pty) Ltd
– Skilfull 115 (Pty) Ltd
– Stand 1135 Houghton (Pty) Ltd
– Tiber Property Group (Pty) Ltd
– Truzen 75 Trust**
– Tuinweg Property Investments (Pty) Ltd (Namibia)*
– Witkoppen Corner (Pty) Ltd

Set out below is a list of interests in other entities of the Group:

– Down House Investments (Pty) Ltd (50%)
– Newshelf 919 (Pty) Ltd (50%)
– Remaining Extent of Erf 241 Sandown Share Block (Pty) Ltd (50%)
– Pin Mill Share Block (Pty) Ltd (50%)
– V&A Waterfront (Pty) Ltd (50%)

Interest in subsidiaries acquired during the year (note 41.4):

Acucap Properties Ltd
Acucap Investments (Pty) Ltd
Acucap Investments 4 (Pty) Ltd
Acucap Management Services (Pty) Ltd
Acucap Property Management (Pty) Ltd
Advent Properties (Pty) Ltd
Atlas Property Developments (Pty) Ltd
Atlas Properties Limited
Atlas Property Services (Pty) Ltd
Centre South Properties (Pty) Ltd
Carlyns Trust (Pty) Ltd
Fairy Glen Properties (Pty) Ltd
Fourways Crossing Retail Centre (Pty) Ltd
Sycom Properties (Pty) Ltd
Sycom Property Fund (CISP) (99,0%)
Sycom Property Fund Managers Ltd
The Acucap Unit Purchase Trust
Tyger Hills Investments (Pty) Ltd
Tyger Hills Office Park (Pty) Ltd
Woodlands Office Park Property Management Company (Pty) Ltd

* *Growthpoint disposed of the shares in Tuinweg Property Investments (Pty) Ltd during the prior financial year.*
** *On 1 September 2014, Growthpoint acquired the remaining 50% interest in the properties owned by Truzen 75 Trust from the remaining beneficiaries of the Truzen 75 Trust, as well as the remaining shares in Erven 99 and 100 Parktown Township Share Block (Pty) Ltd from the remaining shareholder. These entities are therefore considered subsidiaries from this date.*

44. RELATED PARTY TRANSACTIONS continued

44.1 Set out below is a list of subsidiaries of the Group continued:

Interest in other entities acquired during the financial year (note 41.4)

Fourways Crossing Property Management Company (Pty) Ltd
Roeland Street Investments (Pty) Ltd
Roeland Street Investments 2 (Pty) Ltd
Fernwood Asset Management (Pty) Ltd

All subsidiaries are wholly owned (either directly or indirectly) by Growthpoint Properties Limited (ultimate holding company) except for Growthpoint Properties Australia (65.0%) and Sycom Property Fund (99.0%). GMS provides property management services for the Group companies.

Refer to note 41 for detail regarding the acquisitions during the financial year.

The balance with the BEE consortium is disclosed in note 19.

Refer to note 23 for detail regarding the treasury shares held by the Group.

44.2 Directors' remuneration

The following table shows a breakdown of the annual remuneration (excluding Staff Incentive Scheme awards) of directors for the year ended 30 June 2015:

	Basic salaries 2015 R	Contribution to defined contribution plan 2015 R	Gross salaries 2015 R	Annual[1] bonuses 2015 R	Gross salaries and bonuses 2015 R	Gross salaries and bonuses 2014 R
Executive directors						
LN Sasse	4 523 250	1 026 750	5 550 000	5 527 200	11 077 200	10 750 000
EK de Klerk	3 368 750	481 250	3 850 000	3 995 000	7 845 000	7 350 000
G Völkel	1 985 750	364 250	2 350 000	1 269 000	3 619 000	2 700 000
Total	**9 877 750**	**1 872 250**	**11 750 000**	**10 791 200**	**22 541 200**	20 800 000

	Directors' fees 2015 R	Directors' fees 2014 R
Non-executive directors		
MG Diliza (Social, Ethics and Transformation Committee Chairman and Property Committee)	527 350	511 500
PH Fechter (Property Committee Chairman and Audit Committee)	667 050	733 500
LA Finlay (Audit Committee Chairman and Social, Ethics and Transformation Committee)	635 300	602 500
JC Hayward (Risk Management Committee Chairman and Audit Committee)	667 050	622 500
HS Herman (Remuneration Committee Chairman and Property Committee)	606 050	681 000
JF Marais (Board Chairman and Remuneration Committee)	1 890 850	1 978 000
HSP Mashaba (Board Deputy Chairman and Remuneration Committee)	581 000	607 000
SP Mngconkola (Social, Ethics and Transformation Committee and Risk Management Committee)	442 550	337 000
R Moonsamy (Social, Ethics and Transformation Committee and Property Committee)	499 300	574 000
NBP Nkabinde (Social, Ethics and Transformation Committee and Risk Management Committee)	499 300	531 500
CG Steyn[3] (Audit Committee and Property Committee)	309 150	692 500
JHN Strydom[2]	–	325 300
FJ Visser (Remuneration Committee and Risk Management Committee)	520 300	573 000
Total	**7 845 250**	8 769 300

	Basic salaries 2015 R	Contribution to defined contribution plan 2015 R	Gross salaries 2015 R	Annual bonuses 2015 R	Gross salaries and bonuses / Directors' fees 2015 R	2014 R
Total executive and non-executive directors	**9 877 750**	**1 872 250**	**11 750 000**	**10 791 200**	**30 386 450**	29 569 300

[1] *Relate to amounts accrued for in June 2015, that will be paid in September 2015.*
[2] *Retired 12 November 2013.*
[3] *Retired 18 November 2014.*

44. RELATED PARTY TRANSACTIONS continued

44.2 Directors' remuneration continued

Below is the breakdown of the gross salaries and bonuses of executive directors for 2014:

	Basic salaries 2014 R	Contribution to defined contribution plan 2014 R	Gross salaries 2014 R	Annual bonuses 2014 R	Gross salaries and bonuses 2014 R
Executive directors					
LN Sasse	4 238 000	962 000	5 200 000	5 550 000	10 750 000
EK de Klerk	3 062 500	437 500	3 500 000	3 850 000	7 350 000
G Völkel	1 859 000	341 000	2 200 000	500 000	2 700 000
Total	9 159 500	1 740 500	10 900 000	9 900 000	20 800 000

AUSTRALIA

Fees paid for services rendered as a director of a subsidiary for the year ended 30 June 2015, amounted to AUD95 000 or R907 704 (FY14: AUD85 000 or R810 161) in respect of JF Marais.

Messrs LN Sasse and EK de Klerk were appointed as nominees of Growthpoint Properties Limited, the ultimate controlling entity of GOZ. For the year ended 30 June 2015, directors' fees amounting to AUD100 000 and AUD97 500 respectively or R955 478 and R941 146 (FY14: AUD90 000 and AUD87 500 or R857 817 or R833 987) were paid to these directors.

V&A WATERFRONT

Fees paid for services rendered by Messrs JF Marais, LN Sasse and EK de Klerk to the V&A Waterfront for the year ended 30 June 2015, amounted to R825 000 (FY14: R825 000) and were paid to Growthpoint.

NON-EXECUTIVE DIRECTORS' FEES

The fees paid to non-executive directors for the year ended 30 June 2015, were paid on the following basis as approved by the Remuneration Committee and by the Board, on authority granted by shareholders at the annual general meeting held on 18 November 2014:

	Chairman R	**Deputy chairman R**	**Director/ committee member R**
Basic annual fee	**1 033 000**	**123 000**	**49 500**
Fees per meeting attended:			
Board	**173 400**	**83 500**	**55 700**
Audit Committee	**52 000**	**–**	**37 000**
Risk Management Committee	**46 000**	**–**	**31 000**
Property Committee	**46 000**	**–**	**31 000**
Social, Ethics and Transformation Committee	**40 250**	**–**	**25 750**
Remuneration Committee	**46 000**	**–**	**31 000**
Nomination Committee	**40 250**	**–**	**25 750**

44. RELATED PARTY TRANSACTIONS continued

44.2 Directors' remuneration continued

EXECUTIVE DIRECTORS' TOTAL REMUNERATION IN TERMS OF IFRS

The table below provides an indication of the total cost to company in relation to executive directors' remuneration. Total cash payments and benefits reflect the information disclosed in the tables on this and the previous pages. The IFRS accounting charge reflects the cost that has been expensed by the company in profit or loss in the relevant year in relation to long-term incentive awards that have been granted to executives.

	Salary, bonus and other benefits 2015 R	*Accounting IFRS charge in respect of Staff Incentive Scheme awards 2015 R	Total IFRS remuneration 2015 R	Salary, bonus and other benefits 2014 R	*Accounting IFRS charge in respect of Staff Incentive Scheme awards 2014 R	Total IFRS remuneration 2014 R
Executive directors						
LN Sasse	**11 077 200**	**30 666 388**	**41 743 588**	10 750 000	14 392 820	25 142 820
EK de Klerk	**7 845 000**	**17 868 771**	**25 713 771**	7 350 000	7 951 958	15 301 958
G Völkel	**3 619 000**	**391 704**	**4 010 704**	2 700 000	190 500	2 890 500
Total	**22 541 200**	**48 926 863**	**71 468 063**	20 800 000	22 535 278	43 335 278

* *The IFRS charge is a calculation based on the present value of total awards made to employees that will vest in future years, compared to the amount calculated in the prior year, arriving at the expense accounted for in profit or loss. It should be noted that the amount estimated here will differ significantly from the actual expense in the current and future years, which is based on the number of shares that vested, calculated at the price at which they were exercised. No attrition is taken into account and the calculation is based on the principal actuarial assumptions set out in note 29 to the financial statements.*

Executive directors retire from their positions and from the Board (as executive directors) at the age of 65.

Service contracts are in place between the management company (GMS) and Messrs LN Sasse, EK de Klerk and G Völkel, all of which provide for a six-month reciprocal notice period.

		2015 Rm	2014 Rm
44.3	**Other related parties**		
	The Group uses various legal services of Glyn Marais Inc. The founding partner and practice leader, JF Marais, is also the Chairman and a non-executive director of Growthpoint Properties Limited.		
	Glyn Marais legal fees paid	**7**	11
	Glyn Marais rent received	**(9)**	(7)
		(2)	4

Following a review of the definition of a 'Prescribed Officer' in terms of the Companies Act, in the context of decision-making processes within the Group, Executive Management and the Board has concluded that no member of the Executive Committee can be regarded as a 'Prescribed Officer'.

45. FINANCIAL RISK MANAGEMENT

45.1 Total financial assets and liabilities

The table below sets out the Group's accounting classification of each class of financial asset and liability, and their fair values at 30 June 2015.

	Total			Held-for-trading	
	2015 Rm	2014 Rm	Notes	**2015 Rm**	2014 Rm
ASSETS					
Non-current assets	**1 099**	4 935		**105**	12
Listed investments	**380**	4 457	16	**–**	–
Long-term loans granted	**614**	466	19	**–**	–
Derivative assets	**105**	12		**105**	12
Current assets	**2 677**	1 406		**–**	–
Current portion of long-term loans granted	**467**	–	19	**–**	–
Trade and other receivables	**1 705**	1 031	20	**–**	–
Cash and cash equivalents	**505**	375	21	**–**	–
Total assets	**3 776**	6 341		**105**	12
LIABILITIES					
Non-current financial liabilities	**28 755**	21 591		**776**	932
Interest-bearing borrowings	**27 979**	20 659	28.7	**–**	–
Derivative liabilities	**776**	932	28.7	**776**	932
Current liabilities	**7 918**	6 140		**–**	–
Trade and other payables	**1 802**	1 426	31	**–**	–
Current portion of other non-current financial liabilities	**5 930**	4 543	28.6	**–**	–
Linked unitholders for distribution	**186**	171		**–**	–
Total liabilities	**36 673**	27 731		**776**	932

Available-for-sale		Designated at fair value		Non-financial instruments		Loans and other receivables		Other financial liabilities	
2015 Rm	2014 Rm	**2015 Rm**	2014 Rm	**2015 Rm**	2014 Rm	**2015 Rm**	2014 Rm	**2015 Rm**	2014 Rm
–	4 457	**994**	466	**–**	–	**–**	–	**–**	–
–	4 457	**380**	–	**–**	–	**–**	–	**–**	–
–	–	**614**	466	**–**	–	**–**	–	**–**	–
–	–	**–**	–	**–**	–	**–**	–	**–**	–
–	–	**467**	–	**1 668**	1 005	**542**	401	**–**	–
–	–	**467**	–	**–**	–	**–**	–	**–**	–
–	–		–	**1 668**	1 005	**37**	26	**–**	–
–	–	**–**	–	**–**	–	**505**	375	**–**	–
–	4 457	**1 461**	466	**1 668**	1 005	**542**	401	**–**	–
–	–	**27 979**	20 659	**–**	–	**–**	–	**–**	–
–	–	**27 979**	20 659	**–**	–	**–**	–	**–**	–
–	–	**–**	–	**–**	–	**–**	–	**–**	–
–	–	**–**	4 543	**428**	383	**–**	–	**1 560**	1 214
–	–	**–**	–	**428**	383	**–**	–	**1 374**	1 043
–	–	**5 930**	4 543	**–**	–	**–**	–	**–**	–
–	–	**–**	–	**–**	–	**–**	–	**186**	171
–	–	**33 902**	25 202	**428**	383	**–**	–	**1 560**	1 214

45. FINANCIAL RISK MANAGEMENT continued

45.2 Fair value hierarchy for financial instruments and investment property

The table below analyses financial instruments and investment property carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The table below does not include fair value information for financial assets, financial liabilities and property assets measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Recognised at fair value Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
2015				
ASSETS				
Fair value of property assets	**93 574**	**–**	**–**	**93 574**
Listed investments	**380**	**–**	**–**	**380**
Long-term loans granted	**1 081**	**–**	**–**	**1 081**
Derivative assets	**105**	**–**	**105**	**–**
Total assets	**95 140**	**–**	**105**	**95 035**
LIABILITIES				
Interest-bearing borrowings	**27 979**	**–**	**27 979**	**–**
Derivative liabilities	**776**	**–**	**776**	**–**
Current portion of other non-current financial liabilities	**5 930**	**–**	**5 930**	**–**
Total liabilities	**34 685**	**–**	**34 685**	**–**
2014				
ASSETS				
Fair value of property assets	69 913	–	–	69 913
Listed investments	4 457	4 457	–	–
Long-term loans granted	466	–	–	466
Derivative assets	12	–	12	–
Total assets	74 848	4 457	12	70 379
LIABILITIES				
Interest-bearing borrowings	20 659	–	20 659	–
Derivative liabilities	932	–	932	–
Current portion of other non-current financial liabilities	4 543	–	4 543	–
Total liabilities	26 134	–	26 134	–

45.2.1 Details of changes in valuation techniques

There have been no significant changes in valuation techniques during the year under review.

45.2.2 Significant transfers between level 1, level 2 and level 3

There have been no significant transfers between level 1, level 2 and level 3 during the year under review.

45.2.3 Level 3 reconciliation

	Opening balance Rm	Gain/(loss) in profit for the year and other comprehensive income Rm	Accrued interest Rm	Acquired/(disposed) and advanced/(settled) Rm	Converted to equity/(issued) Rm	Closing balance Rm
2015						
Property assets (including investment property reclassified as held for sale)	**69 913**	**2 329**	**–**	**21 332**	**–**	**93 574**
Listed investments	**–**	**2**	**–**	**378**	**–**	**380**
Long-term loans granted	**466**	**1**	**15**	**599**	**–**	**1 081**
2014						
Property assets (including investment property reclassified as held for sale)	54 231	4 206	–	11 476	–	69 913
Long-term loans granted	624	(45)	57	(170)	–	466
Debentures	(36 537)	–	–	–	36 537	–

The fair value gains and losses are included in the fair value adjustment line in profit or loss. The gains and losses in other comprehensive income are included in the translation of foreign operations.

Refer to note 19 for the method used in determining the fair value of the long-term loans granted. A 1% decrease in the spread would increase the value to R1 087 million (FY14: R476 million). A 1% increase in the spread would decrease the value to R1 075 million (FY14: R456 million).

45. FINANCIAL RISK MANAGEMENT continued

45.3 Other financial risk management considerations

The financial instruments of the Group consist mainly of cash and cash equivalents, including deposits with banks, long-term borrowings, derivative instruments, trade and other receivables, trade and other payables, long-term loans and linked unitholders for distribution. The Group purchases or issues financial instruments in order to finance operations and to manage the interest rate risks that arise from these operations and the source of funding.

The Group has exposure to the following risks from its use of financial instruments:
– Credit risk
– Market risk
– Liquidity risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Risk Management Committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Risk Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and *ad hoc* reviews of risk management controls and procedures, the results of which are reported to both the Audit Committee and the Risk Management Committee.

45.4 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from long-term loans granted, derivative assets, trade receivables, as well as cash and cash equivalents. There is no significant concentration of credit risk as exposure is spread over a large number of counterparties.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2015 Rm	2014 Rm
Long-term loans granted	**1 081**	466
Derivative assets	**105**	12
Trade receivables	**37**	26
Cash and cash equivalents	**505**	375

(a) Long-term loans granted

The Group provided the mezzanine finance for the long-term BEE 1 consortium. In addition, loans were advanced to Rabie Property Group (Pty) Ltd, 323 Festival Street (Pty) Ltd, Augusta Trust and Acucap Unit Purchase Scheme participants.

BEE 1 consortium

The right to repayment in terms of the BEE loan is subordinated to the rights of the senior lenders and junior lenders. The shares are held by Growthpoint as collateral in the event that the Group is called upon to provide credit support.

Based on the total debt outstanding in respect of the BEE 1 consortium's loans, a calculation was performed to determine the breakeven share price at which Growthpoint's loan will be recoverable. Assuming distribution growth is in line with budgets and that an annual return of 5% (FY14: 5%) on the assets held by the consortium is achieved, the breakeven share price before Growthpoint is at risk of non-payment in 2016 was calculated at R11.76 (FY14: R12.00) per Growthpoint share.

323 Festival Street (Pty) Ltd

The credit risk of this loan is mitigated by the security that is provided to Growthpoint:
– a continuing covering mortgage bond
– a cession of rental and insurance proceeds
– a cession of the insurance policies
– a suretyship by Isivuno-Apex for the obligations of the borrower in terms of the loan agreement
– a pledge and security cession by Isivuno-Apex of its share in and claims against the borrower, as security for its obligation in terms of the suretyship.

Rabie Property Group (Pty) Ltd

The credit risk of this loan is mitigated by the security that is provided to Growthpoint:
– a cession of security agreement, in terms of which the borrower cedes the insurances and all of its rights under the building contract, including guarantees
– a continuing covering mortgage bond
– a suretyship by Century City Trust for the obligations of the borrower.

Augusta Trust

The credit risk of this loan is mitigated by the security that is provided to Growthpoint:
– a covering mortgage bond over a one-half share in Portion 771 of the Farm Upper End of Lange Fontein No. 980, Registration Division FT, KwaZulu-Natal.

Acucap Unit Purchase Scheme

The credit risk of this loan is mitigated by the security that is provided to Growthpoint:
– a pledge and cession of the linked units by the Acucap Unit Purchase Scheme participants.

45. FINANCIAL RISK MANAGEMENT continued

45.4 Credit risk continued

(b) Derivative assets and cash and cash equivalents

Exposure to credit risk is limited by investing in liquid funds and entering into derivative financial instruments with counterparties who have a high percentage tier-one capital and strong credit ratings assigned by international credit rating agencies.

(c) Trade receivables

The Group's exposure to credit risk is mainly in respect of tenants and is influenced by the individual characteristics of each tenant. The Group's widespread tenant base reduces credit risk.

Management has established a credit policy under which each new tenant is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered which include, in the majority of cases, the provision of a deposit of at least one month's rental. When available, the Group's credit review includes external ratings. UNdeposit is a campaign that was launched during the 2013 financial year, whereby tenants pay a non-refundable fee at the inception of a lease period, instead of the normal tenant deposit. Tenants are analysed individually for creditworthiness to determine if they are eligible for the UNdeposit facility fee and this also determines the extent of the non-refundable fee payable by them.

Impairment losses have been recorded for those debts where recovery was not reasonably assured at year end. The maximum credit exposure at the reporting date was R63 million (FY14: R41 million), of which R26 million (FY14: R15 million) has been provided for.

45.5 Market risk

(a) Interest rate risk and derivatives

The Group is exposed to interest rate risk and adopts a policy of ensuring that at least 75% of its exposure to changes in interest rates on borrowings is on a fixed-rate basis. This is achieved by entering into "receive variable" and "pay fixed" interest rate swaps. All such transactions are carried out within the guidelines set by the Risk Management Committee. As a consequence, the Group is exposed to fair value interest rate risk in respect of the fair value of its fixed-rate financial instruments, which will not have an impact on distributions. Short-term receivables and payables and investments are not directly exposed to interest rate risk.

As at 30 June 2015, for the South African operations, it is estimated that for a 1% increase in interest rates, the interest expense will increase by R61,1 million for the year (FY14: R35,6 million) and therefore the profit would decrease by this amount.

As at 30 June 2015, for the Group, it is estimated that for a 1% increase in interest rates, the interest expense will increase by R81.4 million for the year (FY14: R51,2 million) and therefore the profit would decrease by this amount.

These amounts are determined by calculating 1% on the amount of effective floating interest rate liabilities (i.e. total nominal liabilities net of swaps and fixed interest rate loans).

For the South African operations, 76.0% (FY14: 78.4%) of interest-bearing borrowings were fixed for a weighted average period of 3.5 years at 30 June 2015 (FY14: 4.3 years).

For the Group, 75.9% (FY14: 79.7%) of interest-bearing borrowings were fixed for a weighted average period of 3.9 years at 30 June 2015 (FY14: 3.9 years).

	Expiry of fixed rate loans Rm	Expiry of swaps Rm	Net amount expiring Rm
South Africa			
Financial year			
2016	–	2 208	2 208
2017	–	4 116	4 116
2018	1 415	2 466	3 881
2019	–	3 705	3 705
2020	70	2 650	2 720
2021	–	3 209	3 209
2022	–	–	–
2023	–	–	–
2024	260	703	963
	1 745	19 057	20 802

	Expiry of swaps AUDm	Net amount expiring AUDm
Australia		
Financial year		
2016	–	–
2017	160	160
2018	–	–
2019	150	150
2020	165	165
	475	475

Refer to note 28 for the fixed interest rate exposure on long-term loans.

45. FINANCIAL RISK MANAGEMENT continued

45.5 Market risk continued

Interest rate swap contracts are entered into whereby the Group swaps its variable rate obligation for a fixed rate obligation. Details of the interest rate swap contracts as at 30 June 2015 are as follows:

Financial institution	Amount Rm	Start date	End date	Fixed rate %
South Africa				
Investec*	658	31 Dec 2007	31 Dec 2020	8.47
Investec	622	26 Nov 2013	5 Sep 2017	5.62
Investec	600	1 Aug 2011	3 Jul 2016	7.56
Nedbank	600	31 Mar 2016	29 Mar 2019	7.94
Investec	561	2 Feb 2009	1 Feb 2024	15.42
Nedbank	500	30 Sep 2014	30 Sep 2016	7.18
Nedbank	500	30 Sep 2014	30 Sep 2016	7.18
Investec	500	1 Sep 2011	1 Sep 2017	8.63
Investec	500	13 Jan 2015	13 Jan 2020	8.03
ABSA	500	30 Jun 2008	30 Jun 2021	9.45
Nedbank	470	26 Jun 2015	28 Sep 2015	7.61
Investec	450	3 Mar 2009	31 May 2021	8.46
Nedbank	400	14 May 2015	31 Mar 2016	6.50
Nedbank	400	26 May 2015	31 Mar 2016	6.47
Investec	400	12 Nov 2011	14 Nov 2016	8.44
Nedbank	370	31 Mar 2015	29 Mar 2018	6.34
Investec	366	15 Jun 2012	15 Jun 2017	8.61
Nedbank	300	31 Mar 2015	29 Mar 2018	6.31
Nedbank	300	30 Sep 2015	28 Sep 2018	7.65
Nedbank	300	30 Sep 2015	28 Sep 2018	7.65
Nedbank	300	31 Mar 2015	29 Mar 2019	6.60
Investec	274	2 May 2013	2 May 2018	6.69
Investec	255	8 Apr 2013	8 Apr 2019	7.80
Investec	250	6 May 2014	6 May 2016	6.85
RMB	250	11 Jun 2014	13 Jun 2016	6.90
ABSA	250	25 Aug 2014	25 Aug 2016	6.69
ABSA	250	7 Mar 2014	7 Mar 2017	7.47
ABSA	250	10 Apr 2014	10 Apr 2017	7.14
ABSA	250	4 Apr 2013	30 Sep 2018	7.92
ABSA	250	24 Aug 2012	31 Dec 2018	7.91
ABSA	250	26 Mar 2014	26 Mar 2019	7.88
ABSA	250	27 Mar 2014	27 Mar 2019	7.83
Investec	250	10 Apr 2014	10 Apr 2019	7.64
Investec	250	6 May 2014	6 May 2019	7.65
Investec	250	14 May 2014	14 May 2019	7.44
Investec	250	22 Jul 2014	22 Jul 2019	8.26
ABSA	250	25 Aug 2014	26 Aug 2019	7.43
ABSA	250	15 Oct 2014	25 Oct 2019	7.42
RMB	250	1 Jul 2011	31 Dec 2019	9.69
Investec	250	9 Jan 2015	9 Jan 2020	8.15
RMB	250	25 Feb 2015	25 Feb 2020	6.95
RMB	250	1 Jul 2011	30 Jun 2020	9.61
Nedbank	250	18 Jul 2014	20 Jul 2020	7.56
RMB	250	4 Nov 2014	4 Nov 2020	7.51
ABSA	250	27 Jan 2015	27 Jan 2021	6.74
RMB	250	31 Mar 2009	31 Mar 2021	8.92
RMB	250	30 Jun 2009	30 Jun 2021	8.82
Nedbank	200	17 Jun 2015	31 Mar 2016	6.51
Investec	200	9 Jan 2015	9 Jan 2017	6.90
Nedbank	200	17 Mar 2014	17 Mar 2017	5.79
Nedbank	200	31 Mar 2014	31 Mar 2017	5.79
Investec	200	12 Apr 2013	12 Apr 2017	7.04
Nedbank	200	30 Sep 2014	29 Sep 2017	6.05
Nedbank	200	31 Mar 2016	31 Mar 2020	8.15
Nedbank	200	31 Mar 2016	31 Mar 2021	8.34
Investec	142	2 Feb 2009	1 Feb 2024	15.42
Investec	106	30 Dec 2013	30 Sep 2015	8.25
Nedbank	100	30 Sep 2013	30 Sep 2016	5.88
Nedbank	100	31 Mar 2014	31 Mar 2017	6.19
Nedbank	100	30 Sep 2014	29 Sep 2017	6.51
Nedbank	100	9 Apr 2014	9 Apr 2018	6.10
Nedbank	100	30 Sep 2013	28 Sep 2018	6.45
Nedbank	100	31 Mar 2014	29 Mar 2019	6.74
Nedbank	100	30 Sep 2014	30 Sep 2019	7.02
Nedbank	100	31 Mar 2016	31 Mar 2020	8.15
Nedbank	100	31 Mar 2016	31 Mar 2021	8.34
Investec	68	24 Aug 2012	24 Aug 2015	6.68
Investec	65	1 Aug 2012	15 Oct 2015	7.89
Investec	51	6 Nov 2009	31 May 2021	8.36
Total	19 057			7.82

* *AUD-ZAR cross-currency interest rate swap*

45. FINANCIAL RISK MANAGEMENT continued

45.5 Market risk continued

Financial institution	Amount AUDm	Start date	End date	Fixed rate %
Australia				
Westpac	**105**	**1 Dec 2011**	**17 Nov 2019**	**4.14**
ANZ	**100**	**1 Oct 2010**	**1 Sep 2016**	**3.80**
ANZ	**60**	**1 Jun 2012**	**1 Jun 2017**	**3.38**
NAB	**60**	**1 Mar 2012**	**3 Nov 2019**	**3.70**
ANZ	**50**	**1 Feb 2012**	**31 Jan 2019**	**3.55**
Westpac	**50**	**1 Feb 2012**	**31 Jan 2019**	**3.57**
ANZ	**50**	**1 Jul 2014**	**1 Jul 2018**	**3.20**
Total	**475**			**3.70**

(b) Currency risk and derivatives

In the prior year the Group's exposure to currency risk related only to the investment in GOZ. During the current year the Group acquired an interest in SESCF, a company listed on the Channel Island Stock Exchange as a closed fund, as part of the Acucap business combination (note 16 and 41.4). This investment is denominated in EUR.

Forward exchange contracts are derivatives and are acquired to limit exposure to currency fluctuations.

Growthpoint held the following open forward exchange contracts at year end:

Amount (bought)/sold	Average exchange rate	Maturity date	Purpose
AUD29,1 million	R9.99:AUD1	8 Sep 2015	GOZ final FY15 distribution
AUD21,1 million	R10.01:AUD1	7 Mar 2016	GOZ interim FY16 distribution
AUD11,1 million	R10.34:AUD1	6 Sep 2016	GOZ final FY16 distribution

It is estimated that for the final distribution for FY15 from GOZ, a R1.00 increase/decrease in the spot exchange rate to AUD would increase/decrease the Group's expected profit before taxation by R3,7 million; 89% of anticipated distribution is hedged (FY14: R4,7 million; 83% of the distribution was hedged).

It is estimated that for the distribution for FY16 from GOZ, a R1.00 increase/decrease in the spot exchange rate to AUD would increase/decrease the Group's expected profit before taxation by R37,8 million; 46% of the anticipated distribution is hedged (FY14: R31,0 million; 52% of the distribution was hedged).

Stenham European Shopping Centre Fund (SESCF)

A 5% weakening/(strengthening) of the Rand against the EUR against the net foreign currency exposure as at 30 June 2015 (assuming all other variables were held constant) would result in an increase in the Group's profit or loss of R13,8 million and an increase in closing equity of R13,2 million. The effect of exchange rate fluctuations on the listed investment and the cross currency swap loan payable affect profit or loss, however as these surplus/deficit movements arise on fair value measurements, they are all transferred from retained earnings to the non-distributable reserve and are not distributed – consequently there is no impact on Group distributable earnings. The effect of the 5% exchange rate fluctuation on distributable earnings would therefore only be R644 513.

(c) Other market price risk

In 2014 the Group was exposed to equity price risk, which arose from the investment in Acucap and Sycom, reflected under listed investments. The primary goal of the investment was to provide the Group with indirect exposure to the retail and office portfolios of Acucap and Sycom. The Group's listed equity investments in Acucap and Sycom were listed on the Johannesburg Stock Exchange. This investments were measured at fair value and changes therein were recognised in other comprehensive income and presented in a non-distributable reserve in equity.

During the current financial year, Growthpoint acquired the remaining shares and voting interests in Acucap, and thereby obtained control over Acucap and Sycom as Acucap holds 82.7% of Sycom. Growthpoint acquired the investment in SESCF as part of this Acucap business combination (note 41.4). This investment is measured at fair value and changes therein are recognised in profit or loss and presented in a non-distributable reserve in equity. A 1% increase in the share price of SESCF at the reporting date would have increased profit and equity by R4 million; an equal change in the opposite direction would have decreased profit and equity by R4 million.

45. FINANCIAL RISK MANAGEMENT continued

45.6 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to seek to minimise its exposure to liquidity risk by balancing its exposure to interest rate risk and to refinance risk. In effect the Group seeks to borrow for as long as possible at the lowest acceptable cost. The Group regularly reviews the maturity profile of its financial liabilities and seeks to avoid concentration of maturities through the regular replacement of facilities, and by using a selection of maturity dates.

The tables below set out the maturity analysis of the Group's financial liabilities based on the undiscounted contractual cash flows.

	Within 1 year Rm	1 – 2 years Rm	2 – 5 years Rm	Over 5 years Rm	Totals Rm
30 June 2015					
Interest-bearing borrowings	**7 889**	**7 128**	**11 810**	**7 096**	**33 923**
Non-current and current liabilities – GOZ	**1 114**	**269**	**7 719**	**2 008**	**11 110**
Trade and other payables	**679**	**–**	**–**	**–**	**679**
Linked unitholders for distribution	**186**	**–**	**–**	**–**	**186**
	9 868	**7 397**	**19 529**	**9 104**	**45 898**
30 June 2014					
Interest-bearing borrowings	5 247	4 748	7 432	7 110	24 537
Non-current and current liabilities – GOZ	2 080	461	9 679	–	12 220
Trade and other payables	516	–	–	–	516
Linked unitholders for distribution	171	–	–	–	171
	8 014	5 209	17 111	7 110	37 444

Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet the funding requirements of the Group.

In terms of covenants with certain banks, the nominal value of long-term interest-bearing borrowings may not exceed 50% of the value of investment property (including investment property reclassified as held for sale, the equity-accounted investments and the unlisted investments):

	2015 Rm	2014 Rm
Value of investment property (including investment property reclassified as held for sale)	**93 574**	69 913
Equity-accounted investment – V&A Waterfront and other	**6 464**	5 722
Listed investments	**380**	4 457
Total	**100 418**	80 092
50% thereof	**50 209**	40 046
Nominal value of borrowings utilised at year end	**31 950**	22 697
Potential borrowing capacity	**18 259**	17 349
Facilities available in terms of existing agreements at year end	**6 596**	5 072

46. CAPITAL MANAGEMENT

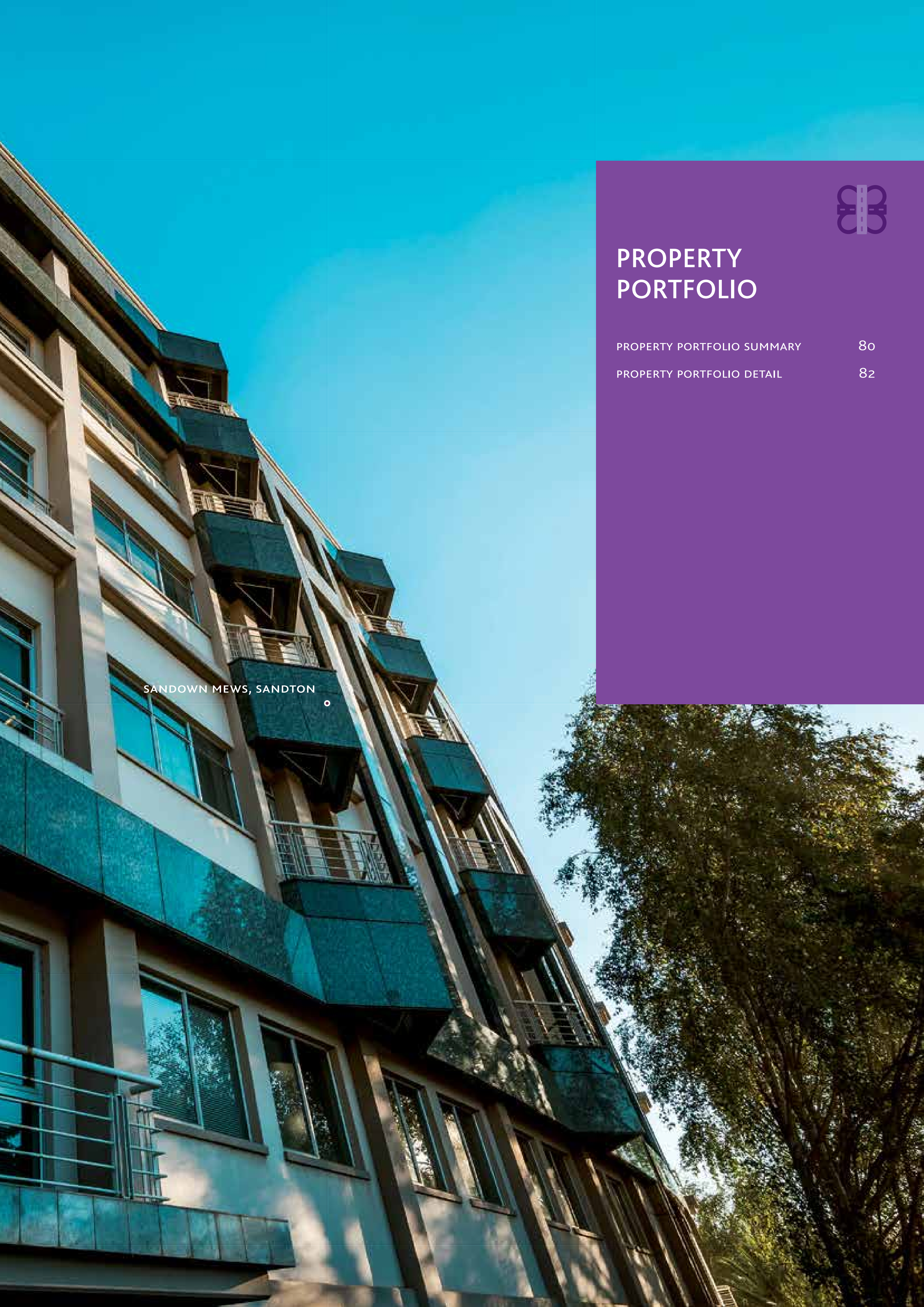
In terms of its Memorandum of Incorporation, Growthpoint has unlimited borrowing capacity. Growthpoint is funded partly by owners' capital and partly by external borrowings. In terms of various covenants that Growthpoint is committed to in terms of its external borrowings, the maximum value of external borrowings as a percentage of the value of property assets is 50% (including the investment in the V&A Waterfront, other equity-accounted investments and listed investments). In practice, Growthpoint aims to keep gearing levels between 30% and 40% over the long term. At 30 June 2015, the nominal value of borrowings, net of cash, was equal to 33.2% (FY14: 30.8%) of the value of property assets. excluding Australia, the ratio decreases to 32.1% (FY14: 27.3%). The Group complied fully with the covenants in respect of all loan facilities during the year.

The following issues of new shares were effected during the financial year ended 30 June 2015:

- 1 September 2014: 3 792 120 shares at R25.00 per share as consideration for the acquisition of the remaining 50% interest in two entities, with effect from 1 September 2014.
- 23 September 2014: 42 221 311 shares, pursuant to elections of the dividend re-investment alternative offered in respect of the final 2014 cash dividend of 82.80 cents per share for the financial year ended 30 June 2014. These shares were issued at a price of R24.20 per share, at a 1.71% discount to the five-day volume weighted average price (ex-distribution) as at the close of business on Thursday, 4 September 2014.
- 1 April 2015: 46 472 377 shares, pursuant to elections of the dividend re-investment alternative offered in respect of the interim cash dividend of 84.40 cents per share for the period ended 31 December 2014. These shares were issued at a price of R26.25 per share, at a 3.94% discount to the five-day volume weighted average price (ex-distribution) as at the close of business on Thursday, 12 March 2015.
- 28 April 2015: 317 370 060 shares, at R28.66 per share as part-consideration for the remaining interest in the issued shares of Acucap Properties Limited with effect from 1 April 2015.
- 30 April 2015: 16 292 139 shares, pursuant to elections of the dividend re-investment alternative offered in respect of the second interim cash dividend of 44.50 cents per share for the period ended 31 March 2015. These shares were issued at a price of R27.25 per share, at a 2.97% discount to the five-day volume weighted average price (ex-distribution) as at the close of business on Thursday, 9 April 2015.

The Board's policy is to maintain a strong capital base, comprising its shareholders' interest, so as to maintain investor, creditor and market confidence and to sustain future development of the business. It is the Group's stated purpose to deliver long-term sustainable growth in distributions per share. The Board of Directors monitors the level of distributions to shareholders and ensures compliance with the Income Tax Act, JSE Listings Requirements and that no profits of a capital nature are distributed. There were no changes in the Group's approach to capital management during the year. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

PROPERTY PORTFOLIO



SANDOWN MEWS, SANDTON

PROPERTY PORTFOLIO SUMMARY
AT 30 JUNE 2015

	Number of properties	GLA m²	Vacancy m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/m²) Rand	Forward yield %
RETAIL PORTFOLIO (RSA)								
Regional Shopping Centres	20	913 620	30 374	3.3%	20 116	22 019	172	7.3%
Community Shopping Centres	19	344 276	11 026	3.2%	5 999	17 425	141	8.3%
Neighbourhood Shopping Centres	11	75 913	3 457	4.6%	769	10 122	105	9.7%
Retail Warehouses	1	3 914	–	–	18	4 624	56	13.3%
Speciality Centres	4	50 909	1 292	2.5%	947	18 596	142	7.5%
Small Regional Shopping Centre	1	21 829	219	1.0%	355	16 258	245	7.6%
Vacant land (including house)	2	–	–	–	9	–	–	–
Total Retail	**58**	**1 410 461**	**46 368**	**3.3%**	**28 213**	**19 996**	**156**	**7.7%**
OFFICE PORTFOLIO (RSA)								
High Rise Offices: Investec	2	83 781	–	–	2 706	32 304	*	9.5%
High Rise Offices	16	206 418	21 398	10.4%	3 429	16 617	141	7.8%
Low Rise Offices	87	631 221	46 729	7.4%	11 528	18 262	138	8.4%
Low Rise Offices***	1	2 376	1 214	51.1%	62	26 010	*	4.8%
Office Parks	63	740 285	68 028	9.2%	11 938	16 122	135	8.2%
Office/Warehouse	1	70 201	3 030	4.3%	598	8 513	80	9.0%
Mixed use: Office and Retail	3	42 124	2 417	5.7%	736	17 480	146	8.6%
Hospitals	1	14 022	–	–	430	30 630	*	8.8%
Vacant Land	10	–	–	–	1 536	–	–	–
Total Office	**184**	**1 790 428**	**142 816**	**8.0%**	**32 963**	**17 562**	**142**	**8.4%**
INDUSTRIAL PORTFOLIO (RSA)								
Warehousing	99	959 617	46 711	4.9%	3 738	3 895	36	10.0%
Industrial Parks	10	381 967	17 075	4.5%	1 631	4 272	42	8.7%
Retail Warehousing	9	90 231	8 093	9.0%	460	5 108	58	10.7%
Motor-related Outlets	11	55 543	18 981	34.2%	371	6 694	85	10.4%
Mini Units	18	142 682	7 043	4.9%	692	4 848	54	9.6%
Midi Units	8	80 738	2 490	3.1%	388	4 812	48	8.5%
Maxi Units	1	14 466	–	–	66	4 535	47	9.4%
Low Grade Industrial	24	141 239	3 449	2.4%	472	3 338	37	9.5%
High-Tech Industrial	14	134 312	6 921	5.2%	1 104	8 224	43	5.3%
High-Grade Industrial	25	209 539	7 746	3.7%	1 289	6 151	61	9.3%
Vacant Land	10	14 741	–	–	225	–	–	–
Total Industrial	**229**	**2 225 075**	**118 509**	**5.3%**	**10 436**	**4 589**	**43**	**10.1%**
Total Growthpoint (RSA excluding V&A)	**471**	**5 425 964**	**307 693**	**5.7%**	**71 612**	**12 875**	**107**	**8.3%**

	Number of properties	GLA m²	Vacancy m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/ m²) Rand	Forward yield %
V&A WATERFRONT								
Retail Property		45 238	–	–	3 644	80 552	461	6.7%
Office Property		50 147	2 211	4.4%	1 412	28 157	155	7.6%
Fishing and Industrial Property		57 461	–	–	413	7 187	53	8.7%
Hotel and Residential		49 812	3 028	6.1%	781	15 679	119	9.1%
Undeveloped bulk		–	–	–	511	–	–	–
Total V&A Waterfront	**1**	**202 658**	**5 238**	**2.6%**	**6 761**	**30 840**	**186**	**7.0%**
Total Growthpoint (RSA)	**472**	**5 628 622**	**312 932**	**5.6%**	**78 373**	**13 477**	**110**	**11.2%**
GROWTHPOINT AUSTRALIA								
Industrial	36	858 658	–	–	10 959	12 755	113	8.2%
Office	17	191 953	10 581	5.5%	11 065	57 670	602	6.7%
Total Australia	**53**	**1 050 611**	**10 581**	**1.0%**	**22 024**	**20 963**	**188**	**7.3%**
TOTAL GROWTHPOINT	**525**	**6 679 233**	**323 513**	**4.8%**	**100 396**	**14 655**	**124**	**10.6%**

Gross rental/m² per month is the weighted average actual gross rental, consisting of net rental, operating cost recoveries and recovery of assessment rates.

Forward yield is the budgeted net income for the year to 30 June 2016 as a percentage of the property value.

Notes to the Property Portfolio Summary and Detail.

* *Single-tenanted properties or vacant*
** *Based on rental per annum in AUD*
*** *Equity-accounted buildings*
**** *Owner-occupied property*

PROPERTY PORTFOLIO DETAIL
AT 30 JUNE 2015

RSA

	Property name	Location	GLA m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/m²) Rand
	RETAIL PORTFOLIO						
	Regional Shopping Centres		**913 620**	**3.3%**	**20 116**	**22 019**	**172**
1	Alberton City	Johannesburg	47 085	1.4%	962	20 423	169
2	Bayside Centre	Cape Town	45 646	–	1 159	25 394	173
3	Brooklyn Mall and Design Square (75%)	Pretoria	55 935	5.3%	2 079	37 168	262
4	City View	Durban	40 876	12.3%	303	7 417	85
5	Festival Mall	Johannesburg	81 146	2.1%	1 730	21 325	133
6	Greenacres	Port Elizabeth	40 424	8.9%	1 134	28 045	259
7	Key West	Krugersdorp	52 245	0.9%	1 144	21 904	174
8	Kolonnade (50%)	Pretoria	38 098	1.3%	1 033	27 125	202
9	La Lucia Mall	Durban	36 424	0.8%	1 123	30 848	225
10	Lakeside Mall	Benoni	67 536	8.6%	1 274	18 867	168
11	Longbeach Mall	Cape Town	31 240	2.3%	503	16 088	140
12	N1 City Mall (42%)	Cape Town	36 868	–	658	17 842	118
13	Northgate (50%)	Johannesburg	44 566	6.4%	809	18 142	159
14	Paarl Mall	Paarl	36 250	2.0%	819	22 588	181
15	River Square Shopping Centre	Vereeniging	38 928	4.8%	604	15 524	134
16	The Avenues	Springs	34 725	2.1%	425	12 236	100
17	Vaal Mall (77.9%)	Vanderbijlpark	38 337	1.9%	1 239	32 332	191
18	Walmer Park Shopping Centre	Port Elizabeth	43 155	–	960	22 246	183
19	Waterfall Mall	Rustenburg	49 196	1.5%	1 361	27 673	218
20	Woodmead Retail Park	Johannesburg	54 940	1.5%	797	14 501	146
	Community Shopping Centres		**344 276**	**3.2%**	**5 999**	**17 425**	**141**
1	14th Avenue Hyper	Johannesburg	25 509	–	254	9 973	85
2	Beacon Bay Retail Park	East London	27 313	–	367	13 430	128
3	City Mall	Klerksdorp	22 571	7.0%	325	14 394	153
4	Gardens Centre	Cape Town	14 388	–	546	37 920	263
5	Golden Acre	Cape Town	33 590	3.1%	555	16 531	175
6	Grayston Shopping Centre	Sandton	4 334	–	97	22 468	217
7	Hatfield Plaza	Pretoria	19 295	12.0%	328	17 004	179
8	Helderberg Hyper	Somerset West	21 225	2.4%	177	8 339	73
9	Hillcrest Corner (50%)	Durban	9 977	16.4%	193	19 375	162
10	Howard Centre	Cape Town	14 591	0.9%	327	22 425	178

	Property name	Location	GLA m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/m²) Rand
11	Mark Park	Vereeniging	21 163	1.2%	248	11 709	105
12	Meadowdale Value Centre	Germiston	17 878	2.2%	112	6 254	64
13	Middestad Mall	Cape Town	19 953	2.5%	285	14 304	157
14	Picbel Parkade	Cape Town	13 796	8.5%	205	14 861	120
15	Sunward Centre	Boksburg	12 137	6.2%	169	13 908	112
16	The Bridge (27.5%)	Port Elizabeth	12 346	2.3%	193	15 642	118
17	The Constantia Village	Cape Town	20 351	–	952	46 754	281
18	The Village Square	Randfontein	20 755	2.1%	383	18 453	29
19	Westville Mall	Durban	13 104	–	283	21 566	170
	Neighbourhood Shopping Centres		**75 913**	**4.6%**	**769**	**10 122**	**105**
1	Campus Building	Pretoria	3 179	39.1%	37	11 544	192
2	Edgars – Bloemfontein	Bloemfontein	5 985	–	45	7 586	*
3	Grand Parade Centre	Cape Town	10 542	6.4%	100	9 448	111
4	Hatfield Mall	Pretoria	6 332	3.2%	57	8 923	111
5	Jet – Bloemfontein	Bloemfontein	5 984	–	32	5 331	*
6	Norkem Mall	Kempton Park	9 632	3.3%	102	10 631	115
7	OK Empangeni	Durban	13 661	4.9%	158	11 574	108
8	Palm Springs	Springs	11 174	2.8%	112	10 023	96
9	Sportsmans Warehouse	Cape Town	3 503	–	48	13 588	115
10	Standard Plaza	Pretoria	2 732	1.0%	34	12 442	124
11	Stanger	Durban	3 189	–	44	13 860	130
	Retail Warehouses		**3 914**	**–**	**18**	**4 624**	**56**
1	Amrel Alberton	Johannesburg	3 914	–	18	4 624	*
	Speciality Centres		**50 909**	**2.5%**	**947**	**18 596**	**142**
1	East Rand Value Mall	Boksburg	13 715	–	223	16 267	135
2	Fourways Crossing (50%)	Johannesburg	23 644	3.7%	532	22 488	155
3	Virgin Active	Vereeniging	3 250	–	40	12 215	*
4	Waterfall Mall Value Centre	Rustenburg	10 300	4.0%	152	14 776	137
	Small Regional Shopping Centres		**21 829**	**1.0%**	**355**	**16 258**	**245**
1	Watercrest Mall (50%)	Durban	21 829	1.0%	355	16 258	245
	Vacant Land		**–**	**–**	**9**	**–**	**–**
1	River House	Vereeniging	–	–	3	–	–
2	Waterfall Cashan	Rustenburg	–	–	6	–	–
58	**TOTAL RETAIL**		**1 410 461**	**3.3%**	**28 213**	**19 996**	**156**

	Property name	Location	GLA m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/m²) Rand
	OFFICE PORTFOLIO						
	High-Rise Offices: Investec		**83 781**	**–**	**2 706**	**32 304**	*****
1	100 Grayston Drive	Sandton	70 945	–	2 338	32 955	*
2	36 Hans Strijdom	Cape Town	12 836	–	368	28 708	*
	High-Rise Offices		**206 418**	**10.4%**	**3 429**	**16 617**	**141**
1	11 Adderley	Cape Town	21 762	5.5%	269	12 356	121
2	33 Bree Street & 30 Waterkant	Cape Town	12 391	–	231	18 682	111
3	44 on Grand Central	Midrand	7 418	11.8%	126	17 038	160
4	ENS House	Cape Town	18 065	–	344	19 048	134
5	Fairview Office Park	Port Elizabeth	16 584	37.0%	110	6 633	86
6	Fredman Towers	Sandton	14 912	20.8%	317	21 265	164
7	Infotech Building	Pretoria	10 291	3.3%	101	9 853	117
8	Menlyn Corner	Pretoria	10 047	52.8%	203	20 244	159
9	Newlands on Main	Cape Town	12 824	–	237	18 473	137
10	Paramount Place	Cape Town	12 506	–	167	13 369	105
11	Roggebaai Place	Cape Town	12 316	–	290	23 571	222
12	Salga House	Cape Town	6 527	10.9%	80	12 212	87
13	Sanofi House	Midrand	8 040	25.1%	97	12 077	128
14	The District	Cape Town	18 431	4.9%	288	15 610	132
15	The Terraces	Cape Town	11 651	6.3%	181	15 501	123
16	The Towers (50%)	Sandton	12 653	–	388	30 645	255
	Low-Rise Offices		**631 221**	**7.4%**	**11 528**	**18 262**	**138**
1	1 Sixty Jan Smuts Avenue	Johannesburg	16 544	13.1%	259	15 637	123
2	100 West Street	Sandton	3 850	–	81	21 169	150
3	103 Central Street	Johannesburg	2 338	–	36	15 527	136
4	12 Alice (50%)	Sandton	8 772	–	233	26 541	*
5	132 Jan Smuts Avenue	Sandton	9 351	3.4%	89	9 550	57
6	138 West	Sandton	10 710	18.1%	217	20 290	178
7	Georgian Crescent	Sandton	6 312	4.4%	91	14 465	126
8	16 Fricker Road	Sandton	3 808	–	63	16 544	*
9	200 on Main	Cape Town	4 615	–	69	14 973	*
10	24 Peter Place	Sandton	4 192	–	52	12 523	105
11	25 Rudd Road	Sandton	3 223	0.6%	46	14 305	126
12	271 Veale Street	Pretoria	4 614	–	76	16 495	*
13	28 Fricker Road	Sandton	6 138	–	108	17 595	148
14	295 Florida Road	Durban	2 496	0.6%	29	11 497	100
15	3 The Terrace	Durban	3 051	–	49	16 060	*
16	34 and 36 Fricker Road	Sandton	4 334	0.7%	79	18 228	142
17	36 Wierda Road West	Sandton	2 893	6.2%	39	13 517	120
18	4 Fricker Road	Sandton	4 726	9.5%	96	20 355	114
19	50 Wierda Road	Sandton	2 362	–	34	14 268	129

	Property name	Location	GLA m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/m²) Rand
20	61 Central	Johannesburg	3 568	–	60	16 761	*
21	68 Oak Avenue	Pretoria	4 454	–	27	6 151	116
22	7 Wessels Road	Sandton	2 374	–	33	13 733	*
23	70 Grayston	Sandton	4 137	73.1%	61	14 817	104
24	8 Rivonia Road	Sandton	5 329	14.0%	112	21 036	142
25	82 Grayston Drive	Sandton	7 192	11.5%	131	18 215	151
26	ADT House	Cape Town	4 797	–	61	12 821	*
27	Advocates Chambers	Sandton	7 143	–	135	18 928	123
28	Albion Springs	Cape Town	3 361	–	50	14 891	126
29	Anslow Park (Nestle)	Sandton	11 986	–	334	27 832	*
30	Autopage	Midrand	8 676	–	129	14 869	*
31	Autumn Road	Sandton	9 967	–	143	14 327	122
32	BCX – Faerie Glen	Pretoria	5 178	–	76	14 600	*
33	BCX – Port Elizabeth	Port Elizabeth	5 327	20.7%	29	5 369	69
34	Boundary Place	Sandton	3 654	–	59	16 039	134
35	Bremerton Office Park	Port Elizabeth	3 643	–	56	15 262	120
36	Brookfield Office Park	Pretoria	7 498	41.0%	116	15 498	144
37	Deloitte & Touche	Durban	6 313	–	125	19 800	*
38	Devcon Place	Sandton	3 680	13.4%	34	9 317	97
39	Eastgate 20	Sandton	4 556	–	108	23 639	*
40	Engen House	Johannesburg	7 501	–	114	15 198	146
41	Erf 65 Bryanston	Sandton	6 690	19.1%	107	15 978	158
42	Eton Road	Sandton	1 338	–	27	20 179	152
43	Grayston Place	Sandton	5 176	–	95	18 393	*
44	Greenacres Office Park	Port Elizabeth	12 055	10.7%	105	8 685	93
45	Grosvenor Corner	Johannesburg	13 885	32.2%	216	15 542	131
46	Homestead Place	Sandton	5 496	–	63	11 481	99
47	Honeywell	Midrand	3 817	–	50	13 022	*
48	HP Senderwood	Bedfordview	4 371	–	51	11 736	*
49	Hunts End	Sandton	10 162	43.2%	145	14 309	119
50	IBM	Sandton	14 077	–	222	15 770	*
51	Inanda Greens	Sandton	40 760	9.8%	890	21 845	166
52	Inyanda 1, 3 and 4	Johannesburg	23 211	–	472	20 357	*
53	Inyanda 2	Johannesburg	10 386	–	188	18 063	*
54	Lincoln on the Lake	Durban	6 610	8.4%	116	17 626	159
55	Longkloof Studios	Cape Town	11 653	11.8%	179	15 327	126
56	Lumley House	Johannesburg	2 742	23.1%	45	16 413	128
57	Mayfair on the Lake	Durban	6 171	1.9%	96	15 574	143
58	Merck	Johannesburg	4 163	–	62	14 965	*
59	Microsoft	Sandton	9 450	–	209	22 106	*
60	MLT House	Cape Town	1 239	–	13	10 169	*

	Property name	Location	GLA m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/m²) Rand
61	Morningside 1331	Sandton	3 492	–	57	16 208	*
62	MTN Mount Edgecombe	Durban	7 013	–	95	13 503	*
63	N1 Medical Chambers	Cape Town	4 450	–	80	17 979	*
64	Nautica	Cape Town	5 525	–	96	17 303	141
65	Oxford Corner	Sandton	8 803	–	258	29 273	207
66	Pharos House	Durban	5 498	10.0%	108	19 644	148
67	Boulevard Piazzas	Sandton	497	–	6	13 078	124
68	PricewaterhouseCoopers	Paarl	1 720	–	26	15 291	*
69	Ricoh Building	Bedfordview	4 438	–	71	15 976	*
70	SA Weather	Pretoria	4 270	–	89	20 890	*
71	Sandown Erf 169	Sandton	2 062	–	36	17 507	*
72	Sandown Erven 159-162	Sandton	2 514	–	49	19 411	*
73	Sandown Mews	Sandton	18 827	29.9%	317	16 816	156
74	Sovereign Quay	Cape Town	8 520	9.7%	123	14 402	134
75	St Davids Park	Johannesburg	12 066	19.3%	126	10 426	109
76	Strathavon 11	Sandton	9 129	5.1%	160	17 527	159
77	Summit Place	Cape Town	1 869	–	22	11 610	*
78	The Annex (50%)	Sandton	9 979	–	339	33 972	191
79	The Place	Sandton	34 077	10.4%	1 001	29 368	202
80	Thebe House	Johannesburg	3 622	–	47	13 002	127
81	Tiger Brands	Sandton	6 773	–	149	21 999	*
82	Tsebo House	Johannesburg	2 035	–	36	17 494	*
83	Turbine Hall and Square	Johannesburg	22 796	–	487	21 363	*
84	Tygerberg Park	Cape Town	28 726	–	580	45 958	229
85	Wierda Court	Sandton	2 232	8.6%	39	17 559	*
86	Wierda Gables	Sandton	2 173	16.2%	31	14 080	*
87	Woodstock***	Cape Town	*	–	10	–	–
	Low-Rise Offices****		**2 376**	**51.1%**	**62**	**26 010**	*****
1	Tata 1 and 2 (50%)	Sandton	2 376	51.1%	62	26 010	*
	Office Parks		**740 285**	**9.2%**	**11 938**	**16 122**	**135**
1	1 Montgomery	Durban	10 376	10.5%	110	10 650	130
2	10 Riviera Road	Johannesburg	1 258	–	20	16 058	*
3	19 Impala Road	Sandton	2 781	–	45	16 184	140
4	22 Impala Road	Sandton	1 092	–	19	17 309	*
5	23 Impala Road	Sandton	1 825	11.4%	29	16 051	*
6	257 Oxford Rd	Sandton	3 142	–	44	14 037	124
7	29 Impala Road	Sandton	1 376	–	24	17 082	142
8	31 West Street	Johannesburg	1 239	21.3%	17	13 879	144
9	29 West Street	Johannesburg	1 431	–	20	14 113	133
10	9 Frosterley Crescent	Durban	1 154	–	17	14 649	139
11	ABSA Frosterley	Durban	3 167	–	51	16 230	*

	Property name	Location	GLA m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/m²) Rand
12	Centennial Place	Cape Town	12 014	27.1%	175	14 549	122
13	BCX – Durban 1	Durban	2 509	–	34	13 672	125
14	BCX – Durban 2	Durban	4 906	–	75	15 206	*
15	BCX – Durban 3	Durban	939	–	14	14 483	*
16	BCX – Midrand ABC	Midrand	5 746	–	54	9 311	*
17	BCX – Midrand DQE	Midrand	13 800	–	120	8 659	*
18	Belmont Office Park	Cape Town	14 448	1.1%	235	16 293	130
19	Belvedere Office Park	Cape Town	5 979	0.8%	79	13 163	107
20	Bogare	Pretoria	6 301	–	120	19 045	133
21	British Consulate General	Johannesburg	1 048	–	23	22 137	*
22	Central Park	Midrand	34 214	2.8%	390	11 387	109
23	Chiselhurston	Sandton	2 169	–	39	17 750	149
24	Constantia Office Park	Johannesburg	72 420	12.3%	1 023	14 129	126
25	Country Club Estate	Johannesburg	27 334	4.0%	474	17 345	149
26	Ditsela Place	Pretoria	3 121	–	47	15 187	135
27	Dunkeld Office Park	Johannesburg	2 242	–	35	15 519	*
28	Edgecombe Office Park	Durban	4 517	5.2%	63	13 859	141
29	EOH Business Park	Bedfordview	20 150	–	306	15 196	120
30	Equity House	Johannesburg	1 643	–	27	16 309	155
31	Eton Office Park	Sandton	8 749	12.3%	113	12 950	120
32	Freestone Park	Sandton	5 468	32.5%	90	16 477	166
33	Golf Park	Cape Town	23 157	11.5%	351	15 162	122
34	Grayston Office Park	Sandton	13 632	–	218	16 021	116
35	Harrowdene Office Park	Johannesburg	42 082	5.0%	791	18 787	125
36	Hatfield Gardens	Pretoria	25 849	23.6%	380	14 709	129
37	Healthcare Park	Sandton	13 694	–	229	16 693	128
38	Homestead Park	Sandton	10 558	73.1%	93	8 770	39
39	Illovo Corner	Sandton	10 194	–	199	19 501	*
40	Kirstenhof Office Park	Johannesburg	3 837	–	43	11 206	129
41	Lakeside 3	Pretoria	6 428	–	129	19 991	*
42	Morningside Close	Sandton	4 418	0.9%	52	11 724	109
43	Ogilvy Building	Sandton	9 155	–	141	15 347	*
44	Pavilion Office Park	Sandton	3 676	7.5%	30	8 079	89
45	Peter Place Office Park	Sandton	8 461	9.7%	122	14 454	121
46	Pinewood Office Park	Sandton	7 082	5.6%	86	12 199	105
47	Pinmill Farm (50%)	Sandton	11 387	7.4%	172	15 114	128
48	Riverpark	Cape Town	13 322	7.6%	240	18 038	121
49	Riverwoods	Bedfordview	10 649	–	167	15 692	126
50	Riviera Road Office Park	Johannesburg	4 770	–	77	16 226	136
51	Rosebank Office Park	Johannesburg	4 192	–	61	14 433	120

	Property name	Location	GLA m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/m²) Rand
52	Sandton Close 2	Sandton	12 485	10.8%	154	12 318	111
53	Standard Bank Umhlanga	Durban	3 215	–	38	11 665	119
54	Sunny Ridge Office Park	Johannesburg	29 792	9.3%	385	12 913	114
55	The Crescent	Sandton	3 763	95.3%	27	7 121	–
56	The Estuaries	Cape Town	11 781	–	213	18 072	133
57	The Oval	Sandton	10 876	6.5%	128	11 796	102
58	The Oval (Newlands)	Cape Town	8 554	0.7%	231	27 050	177
59	The Village	Pretoria	6 447	8.7%	86	13 340	498
60	The Woodlands Office Park	Johannesburg	114 396	12.9%	2 609	22 803	171
61	Waterfall Park	Midrand	8 221	–	130	15 789	*
62	Willowbridge	Cape Town	6 626	–	140	21 174	*
63	Woodmead Estate	Johannesburg	19 026	16.7%	284	14 906	140
	Office/Warehouse		**70 201**	**4.3%**	**598**	**8 513**	**80**
1	Growthpoint Business Park	Midrand	70 201	4.3%	598	8 513	80
	Mixed use: Office and Retail		**42 124**	**5.7%**	**736**	**17 480**	**146**
1	De Waterkant Centre	Cape Town	5 574	3.7%	91	16 307	138
2	Menlyn Piazza	Pretoria	7 104	29.0%	94	13 275	141
3	MontClare Place	Cape Town	29 446	0.5%	551	18 716	149
	Hospital		**14 022**	**–**	**430**	**30 630**	*****
1	N1 City Hospital	Cape Town	14 022	–	430	30 630	*
	Vacant Land/Land under development		**–**	**–**	**1 536**	**–**	**–**
1	144 Oxford Road	Sandton	–	–	63	–	–
2	151 On 5th	Sandton	–	–	182	–	–
3	Anslow Phase 2	Sandton	–	–	46	–	–
4	Bridgeway Park	Cape Town	–	–	154	–	–
5	Discovery – Phase 1	Sandton	–	–	846	–	–
6	Lakeside 1	Pretoria	–	–	14	–	–
7	Lakeside 2	Pretoria	–	–	16	–	–
8	Quarry Hill	Cape Town	–	–	56	–	–
9	Ridgeview	Durban	–	–	104	–	–
10	The Boulevard	Durban	–	–	55	–	–
184	**TOTAL OFFICE**		**1 790 428**	**8.0%**	**32 963**	**17 562**	**142**

	Property name	Location	GLA m^2	Vacancy %	Value Rm	Value/m^2 (excluding additional bulk) Rand	Gross rental (month/m^2) Rand
	INDUSTRIAL PORTFOLIO						
	Warehousing		**959 617**	**4.9%**	**3 738**	**3 895**	**36**
1	10 Richard Carte Road	Durban	20 142	–	116	5 754	59
2	116 Teakwood Road	Durban	4 948	–	25	5 113	52
3	131 Bofors	Cape Town	7 071	–	26	3 677	*
4	20 Rustic Close	Durban	16 301	–	98	6 012	58
5	23 Herman Road	Germiston	3 579	–	19	5 252	*
6	4 Halifax Road	Durban	3 410	–	20	5 806	56
7	57 Mobile Road	Cape Town	2 940	100.0%	17	5 782	–
8	Aeroton 7 of 17	Johannesburg	3 247	–	12	3 665	*
9	African Gabions	Durban	5 314	–	25	4 780	*
10	Afship	Johannesburg	1 916	–	7	3 756	*
11	Alrode 706	Alberton	7 045	–	25	3 563	*
12	Alrode Erf 34	Alberton	7 491	–	18	2 349	27
13	Alternator	Cape Town	8 752	–	43	4 902	*
14	Astron	Johannesburg	12 313	–	56	4 540	*
15	Belgrade	Johannesburg	6 988	–	39	5 552	*
16	Bunkers Hill	Durban	10 303	–	51	4 960	*
17	Cempark	Boksburg	35 932	–	104	2 894	*
18	Chain Avenue	Cape Town	12 698	–	55	4 300	40
19	Chemserve	Johannesburg	9 445	–	49	5 219	*
20	Coldcem	Boksburg	5 785	–	46	8 003	*
21	Commerce Corner	Sandton	3 605	–	30	8 294	72
22	Covora	Boksburg	6 055	–	30	4 905	*
23	DCD Dorbyl – Boksburg	Boksburg	39 601	–	72	1 821	*
24	DCD Dorbyl – Duncanville	Vereeniging	32 652	–	31	965	*
25	Dominic Corner	Boksburg	7 580	–	31	4 142	*
26	Elvan	Germiston	16 024	–	68	4 237	*
27	Engine Avenue	Cape Town	1 730	–	7	4 277	*
28	Epping 1	Cape Town	1 835	–	6	3 489	39
29	Epping 2	Cape Town	7 104	–	26	3 660	37
30	Epping 3	Cape Town	2 962	–	9	3 173	*
31	Epping 4	Cape Town	2 345	–	7	3 113	*
32	Epping 5	Cape Town	2 594	–	9	3 431	*
33	Epping 6	Cape Town	1 317	–	5	3 568	*
34	Equitable	Johannesburg	2 273	–	8	3 300	*
35	Eskom Road	Durban	6 651	–	30	4 496	49
36	Fitzmaurice	Cape Town	25 970	–	68	2 626	27
37	Flemming	Germiston	1 390	–	7	4 964	*
38	Foreshore	Durban	9 247	–	22	2 401	*

	Property name	Location	GLA m^2	Vacancy %	Value Rm	Value/m^2 (excluding additional bulk) Rand	Gross rental (month/m^2) Rand
39	Fourwinds	Cape Town	4 618	–	26	5 544	*
40	Garfield	Alberton	7 806	–	23	2 998	*
41	Gemini	Sandton	1 300	–	10	7 306	*
42	Gewel	Johannesburg	2 199	–	10	4 548	*
43	Gillitts Road Industrial Park	Durban	16 888	–	65	3 843	*
44	Global	Johannesburg	8 332	–	51	6 145	*
45	Goodenough	Cape Town	8 526	–	34	3 988	*
46	Goodrich	Durban	5 857	–	32	5 515	*
47	Greenbushes Port Elizabeth	Port Elizabeth	13 539	100.0%	67	4 941	–
48	Grenville	Cape Town	16 220	–	100	6 196	46
49	Greystones Factory	Durban	1 985	–	27	13 401	*
50	Greystones Heliport	Durban	2 427	–	17	6 881	69
51	Hawland	Johannesburg	5 223	–	25	4 786	*
52	Hewett	Cape Town	7 031	–	22	3 172	*
53	Hulley	Johannesburg	3 264	–	14	4 412	*
54	Independence Square	Cape Town	7 923	–	34	4 253	44
55	Isowrench	Johannesburg	4 078	–	30	7 283	*
56	JD Group Warehouse	Germiston	30 614	–	63	2 058	*
57	Kulingile Building	Johannesburg	49 000	–	153	3 120	*
58	Laser Clayville	Johannesburg	9 645	–	36	3 701	*
59	Laser Commercial Erf 2 and 3	Johannesburg	2 531	–	10	3 872	*
60	Laser Commercial Erf 64	Johannesburg	5 520	–	23	4 203	*
61	Laser Commercial Erf 65	Johannesburg	5 310	–	22	4 087	*
62	Laser Isipingo	Durban	6 881	–	36	5 232	*
63	Laser New Brighton	Port Elizabeth	4 041	–	14	3 390	*
64	Laser Silvertondale	Pretoria	2 085	–	8	3 741	*
65	Low Cost Marketing	Germiston	3 054	–	16	5 369	*
66	Mandy Road	Johannesburg	12 053	–	33	2 738	28
67	Meadowbrook	Germiston	13 709	4.0%	36	2 641	29
68	Meadowbrook Estate	Germiston	9 684	–	142	14 715	84
69	Metkor	Durban	20 767	–	101	4 888	49
70	Metprop Cape	Cape Town	12 541	–	19	1 507	31
71	Midrand Central Business Park	Johannesburg	5 892	–	37	6 263	58
72	Montani	Johannesburg	12 722	–	32	2 484	*
73	Moorsom	Cape Town	16 808	–	50	2 975	*
74	Neon	Springs	10 927	–	20	1 849	*
75	Newmarket Industrial Estate	Alberton	34 076	–	128	3 748	36
76	Novex	Sandton	3 496	–	16	4 519	*
77	Nuffield	Springs	10 514	–	20	1 902	*
78	Osram	Johannesburg	6 332	–	24	3 759	*
79	Penraz	Johannesburg	20 708	–	69	3 318	*

	Property name	Location	GLA m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/m²) Rand
80	Pick n Pay – Pinetown	Durban	10 559	–	62	5 872	*
81	Portion 35 Alrode	Alberton	10 333	–	26	2 516	*
82	Premier Equipment	Boksburg	13 634	–	70	5 120	*
83	Prolecon	Johannesburg	19 779	22.5%	64	3 251	28
84	Propower	Cape Town	6 417	–	29	4 488	47
85	Protrans	Boksburg	5 439	–	30	5 571	*
86	PS Props	Boksburg	6 600	–	26	3 894	*
87	Range Industrial Park	Cape Town	15 273	30.2%	74	4 858	*
88	Redwood	Alberton	16 645	100.0%	53	3 166	–
89	Regina	Durban	9 310	–	44	4 769	*
90	Sebenza 137	Johannesburg	3 698	–	11	3 029	*
91	Serenade	Johannesburg	3 390	–	15	4 307	*
92	Trafford Park	Pinetown	11 873	–	57	4 826	*
93	Vereeniging Street 36	Alberton	4 962	80.2%	8	1 653	*
94	Vinimark Building – Linbro	Johannesburg	2 745	–	17	6 047	*
95	Watt	Germiston	2 841	–	14	5 033	*
96	Westmead Factory	Durban	4 434	–	21	4 691	50
97	Whitworth	Johannesburg	3 341	–	15	4 460	*
98	Wingfield	Boksburg	7 206	–	31	4 288	*
99	Zandfontein	Pretoria	18 457	–	59	3 175	*
	Industrial Parks		**381 967**	**4.5%**	**1 631**	**4 272**	**42**
1	Celtis Business Park	Johannesburg	9 300	22.6%	33	3 581	*
2	Central Park – Cape Town	Cape Town	49 135	–	163	3 315	38
3	Gold Reef Park	Johannesburg	20 156	8.0%	79	3 919	44
4	Growthpoint Industrial Estate	Germiston	61 244	3.9%	388	6 340	59
5	Hilltop Industrial Park	Johannesburg	74 089	4.9%	325	4 392	31
6	Maitland Industrial Park	Cape Town	27 961	–	123	4 388	46
7	Omni Park	Johannesburg	41 331	14.6%	178	4 299	44
8	Pine Industrial Park	Durban	39 150	1.6%	135	3 453	42
9	Route 24	Germiston	23 140	–	93	4 023	42
10	Runway Park	Durban	36 461	2.0%	114	3 127	31
	Retail Warehousing		**90 231**	**9.0%**	**460**	**5 108**	**58**
1	Builders Market	Middelburg	12 973	–	44	3 361	37
2	Commercial City	Johannesburg	14 138	2.1%	98	6 910	67
3	Fountains Motown	Pretoria	11 951	18.4%	56	4 660	74
4	Gateway	Alberton	5 953	13.4%	42	7 123	75
5	Greenhills Centre	Johannesburg	1 860	–	12	6 667	97
6	Isipingo 2257	Durban	9 774	–	55	5 658	*
7	M1 Place	Sandton	12 989	–	41	3 172	46
8	Meadowdale	Germiston	15 793	–	100	6 358	63
9	Metro Cash & Carry	Krugersdorp	4 800	100.0%	12	2 542	*

	Property name	Location	GLA m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/m²) Rand
	Motor-Related Outlets		**55 543**	**34.2%**	**371**	**6 694**	**85**
1	Acacia	Pretoria	2 573	–	22	8 667	*
2	Bardene	Boksburg	1 260	–	14	11 429	*
3	Cornick	Johannesburg	3 948	–	19	4 762	*
4	Ellenby Motors	Pretoria	5 542	–	70	12 684	*
5	Kentyre	Johannesburg	2 306	–	15	6 461	*
6	Midas Meadowdale	Germiston	18 981	100.0%	70	3 693	–
7	N1 Tyre	Cape Town	1 345	–	15	11 450	*
8	Pasteur	Johannesburg	3 074	–	28	9 206	*
9	Rushair	Johannesburg	12 647	–	91	7 211	*
10	Snowy Owl	Pretoria	1 504	–	8	5 053	*
11	Stormain	Johannesburg	2 363	–	19	7 831	*
	Mini Units		**142 682**	**4.9%**	**692**	**4 848**	**54**
1	Alumina	Pretoria	1 375	–	6	4 144	48
2	Chelsea Road Industrial Park	Durban	11 589	–	51	4 383	44
3	Clayville Mini Units	Johannesburg	8 200	–	33	3 988	47
4	Devro Park	Durban	3 929	–	15	3 741	47
5	Eastgate Business Park	Sandton	13 523	–	89	6 611	69
6	Ferndale Commercial Park	Johannesburg	4 253	–	17	4 044	48
7	Ferntowers	Johannesburg	5 004	–	23	4 636	55
8	Fusie 142	Pretoria	1 756	19.9%	8	4 499	46
9	Gallagher Place	Johannesburg	8 605	–	32	3 707	45
10	Glen Murray Industrial Park	Durban	8 344	9.2%	50	5 945	62
11	Greystones Industrial	Durban	3 295	–	14	4 249	53
12	Isando Industrial	Johannesburg	4 932	15.5%	14	2 839	42
13	Isando Industrial Park	Johannesburg	11 936	21.5%	46	3 871	*
14	Knightsgate	Germiston	16 675	4.9%	87	5 235	49
15	Kya North Park	Johannesburg	13 044	1.8%	46	3 519	44
16	Palm River	Durban	8 156	4.9%	38	4 610	56
17	Scientia	Pretoria	11 946	9.5%	80	6 714	74
18	Thynk Industrial Park	Durban	6 120	–	43	7 092	78
	Midi Units		**80 738**	**3.1%**	**388**	**4 812**	**48**
1	Anchor Industrial Park	Boksburg	15 119	–	69	4 577	51
2	City Deep Industrial Park	Johannesburg	10 932	–	56	5 114	52
3	Eagle Industrial Park (50%)	Richards Bay	7 699	5.9%	38	4 975	*
4	Galaxy	Johannesburg	11 505	–	83	7 214	67
5	Northreef	Johannesburg	2 178	–	10	4 683	34
6	Rojolea	Johannesburg	4 882	–	12	2 458	26
7	Route 41	Johannesburg	12 556	16.2%	38	3 042	37
8	Westgate (50%)	Durban	15 867	–	82	5 149	*

	Property name	Location	GLA m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/m²) Rand
	Maxi Units		**14 466**	**–**	**66**	**4 535**	**47**
1	Lanner Place	Durban	14 466	–	66	4 535	47
	Low-Grade Industrial		**141 239**	**2.4%**	**472**	**3 338**	**37**
1	Airport View	Johannesburg	1 054	–	5	4 364	45
2	Allen Road	Johannesburg	6 088	28.2%	38	6 274	82
3	Belgor	Johannesburg	1 133	–	6	5 030	49
4	Bofors 2	Cape Town	12 938	–	43	3 293	37
5	Chamroy	Krugersdorp	10 790	–	18	1 659	*
6	Dacres	Cape Town	4 768	–	18	3 733	*
7	Dekema	Germiston	3 050	–	9	2 885	*
8	Gunners	Cape Town	32 819	0.6%	74	2 246	28
9	Isando 103	Johannesburg	3 735	–	13	3 427	*
10	Isando 104	Johannesburg	2 345	–	8	3 539	*
11	Isando 107	Johannesburg	1 929	–	8	4 095	*
12	Janhope	Vereeniging	9 181	–	30	3 246	38
13	Kinghall 1	Cape Town	4 950	–	17	3 475	*
14	Kinghall 2	Cape Town	2 482	–	12	4 996	41
15	Linus	Cape Town	6 478	–	20	3 149	35
16	Loper Corner	Johannesburg	1 533	–	8	5 284	54
17	Loper View	Johannesburg	2 116	–	11	5 246	46
18	Maitland	Cape Town	9 729	–	36	3 741	37
19	New Germany	Durban	10 360	14.8%	31	3 002	36
20	Portland	Germiston	582	–	2	3 265	39
21	Romatile	Boksburg	4 471	–	22	4 854	49
22	Spartan View	Johannesburg	1 290	–	8	5 891	61
23	Sparticor	Johannesburg	1 672	–	9	5 380	52
24	Westmead Industrial Park	Durban	5 746	–	26	4 612	47
	High-Tech Industrial		**134 312**	**5.2%**	**1 104**	**8 224**	**43**
1	Adcock Ingram – Midrand	Johannesburg	21 536	–	205	9 510	*
2	Altergen	Germiston	5 756	–	18	3 197	*
3	Cummings	Sandton	7 502	–	49	6 571	*
4	Eagle Freight	Germiston	6 870	–	39	5 604	*
5	Fifers	Johannesburg	5 995	–	32	5 254	*
6	Highland	Germiston	3 956	–	29	7 406	*
7	Impala Road	Sandton	5 858	–	33	5 667	54
8	Linbro	Johannesburg	4 004	–	28	7 067	*
9	Montague Business Park (25%)	Cape Town	19 470	14.7%	322	16 551	60
10	N1 Business Park (20%)	Midrand	18 937	18.6%	183	9 685	63
11	National Data Systems	Johannesburg	13 392	–	47	3 465	*
12	Protec Park	Johannesburg	5 496	–	29	5 349	*

	Property name	Location	GLA m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/m²) Rand
13	Stormill 51	Johannesburg	1 755	–	9	5 185	*
14	Tripark	Johannesburg	13 785	4.0%	81	5 854	49
	High-Grade Industrial		**209 539**	**3.7%**	**1 289**	**6 151**	**61**
1	2 Baker Street	Cape Town	8 268	–	40	4 802	47
2	Aeroport	Johannesburg	12 867	–	58	4 539	47
3	African Products	Germiston	4 539	–	52	11 457	*
4	Albert Amon 212	Germiston	1 490	–	8	5 235	*
5	Corobrik	Germiston	2 470	22.9%	27	11 092	101
6	Ebony	Germiston	11 365	–	72	6 353	53
7	Electron	Johannesburg	6 008	–	22	3 628	40
8	Flamon	Johannesburg	1 992	–	11	5 371	44
9	Gazelle	Johannesburg	6 016	100.0%	32	5 336	–
10	Gillets	Durban	13 465	–	61	4 508	42
11	Highway	Germiston	3 332	–	21	6 333	*
12	Hillclimb Road	Durban	4 214	–	20	4 841	*
13	Inanda Road Springfield	Durban	5 770	–	31	5 390	54
14	Mount Joy	Johannesburg	10 067	–	63	6 228	*
15	Nestle	Cape Town	16 255	–	121	7 468	*
16	Oude Moulen	Cape Town	10 205	–	54	5 272	50
17	Pretzel Cape	Cape Town	2 200	–	14	6 182	*
18	Racetrack	Johannesburg	5 923	–	43	7 260	*
19	Rectron – Umhlanga	Durban	2 293	–	17	7 327	*
20	Rivonia Crossing 1	Sandton	14 848	–	108	7 267	*
21	Rivonia Crossing 2	Sandton	19 778	–	186	9 389	*
22	The Grove Business Estate	Cape Town	17 648	5.7%	66	3 723	43
23	Trade Centre Mount Edgecombe	Durban	14 306	–	89	6 256	58
24	Triangle	Germiston	3 681	–	22	5 949	*
25	Western Province Park	Cape Town	10 539	–	51	4 887	49
	Vacant Land/Land under development		**14 741**	**–**	**225**	**–**	**–**
1	Maskew	Johannesburg	–	–	6	–	–
2	Midrand Central Business Park 518	Johannesburg	–	–	18	–	–
3	Midrand Central Business Park 519	Johannesburg	–	–	12	–	–
4	Midrand Central Business Park 520	Johannesburg	–	–	11	–	–
5	Mill Road Park	Cape Town	–	–	38	–	–
6	Monte Carlo	Durban	–	–	24	–	–
7	Monteer	Johannesburg	14 741	–	25	–	–
8	Sailor Malan Erf 115/156	Johannesburg	–	–	8	–	–
9	Wadeville (70%)	Germiston	–	–	26	–	–
10	Greenfield Industrial Park	Cape Town	–	–	57	–	–
229	**TOTAL INDUSTRIAL**		**2 225 075**	**5.3%**	**10 436**	**4 589**	**43**

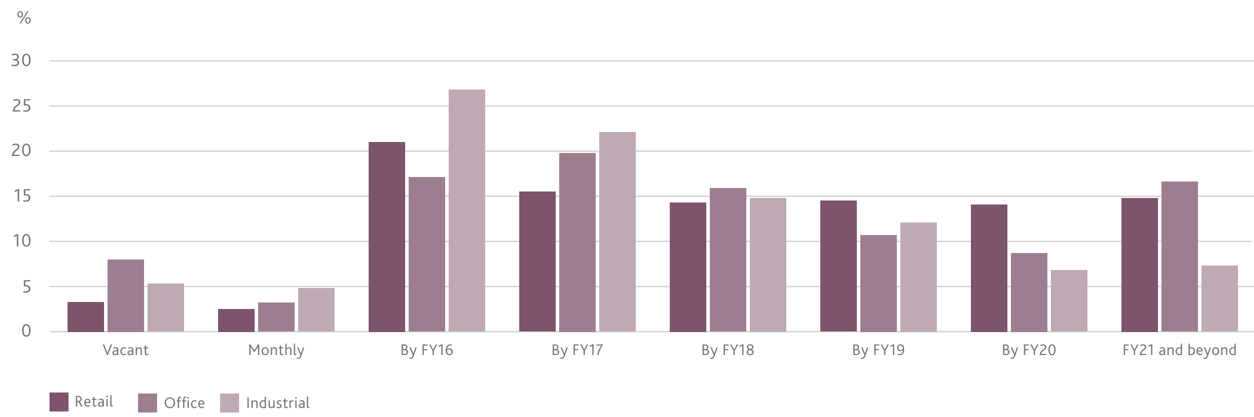
ANALYSIS OF GROWTHPOINT RSA TENANT BASE
30 June 2015

	% of GLA	GLA	Number of tenants
RETAIL			
A. Large national tenants	57%	783 001	11
B. Other national tenants	26%	356 051	109
C. Other tenants	17%	225 041	1 873
Total	100%	1 364 093	1 993
OFFICE			
A. Large national tenants	31%	517 848	24
B. Other national tenants	46%	759 404	273
C. Other tenants	23%	370 360	1 180
Total	100%	1 647 612	1 477
INDUSTRIAL			
A. Large national tenants	39%	822 383	37
B. Other national tenants	49%	1 037 959	312
C. Other tenants	12%	246 224	529
Total	100%	2 106 566	878

Category A consists of tenant groups occupying more than 10 000m^2 of space
Category B consists of tenant groups occupying between 1 000m^2 and 10 000m^2 of space
Category C consists of tenant groups occupying less than 1 000m^2 of space

RENTAL ESCALATION
Average contractual rental escalations in South Africa at 30 June 2015 were:
Retail 7.4% (2014: 7.7%) Office 7.7% (2014: 8.3%) Industrial 8.4% (2014: 8.3%)

Lease expiry by sector (% of GLA) RSA (excluding V&A Waterfront)

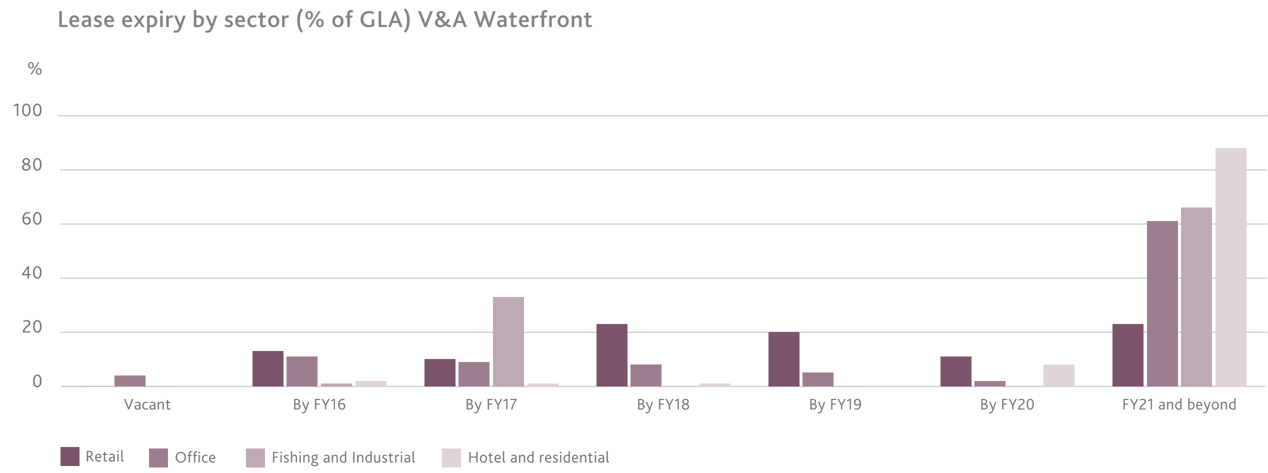


ANALYSIS OF V&A WATERFRONT TENANT BASE (100%)
30 June 2015

	Retail		Office		Fishing and Industrial		Hotel and residential	
Tenant base (excluding vacancies)	GLA	Number of tenants	GLA	Number of tenants	GLA	Number of tenants	GLA	Number of tenants
A. Large national tenants	–	–	22 046	3	43 332	6	24 413	4
B. Other national tenants	24 608	68	12 298	11	13 793	8	16 689	10
C. Other tenants	20 630	520	13 592	119	336	6	5 682	5
Total	**45 238**	**588**	**47 936**	**133**	**57 461**	**20**	**46 784**	**19**

Category A consists of tenant groups occupying more than 10 000m² of space
Category B consists of tenant groups occupying between 1 000m² and 10 000m² of space
Category C consists of tenant groups occupying less than 1 000m² of space

RENTAL ESCALATION
Average contractual rental escalations at the V&A Waterfront at 30 June 2015 were:
Office 7.1% (2014: 7.1%) Retail 9.1% (2014: 8.0%) Hotel and residential 8.4% (2014: 8.7%) Fishing and Industrial 8.6% (2014: 7.9%)



AUSTRALIA

	Property name	Location	GLA m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/m²) AUD
	INDUSTRIAL		858 658	–	10 959	12 755	113
1	10 Butler Boulevard	Adelaide Airport, SA	8 461	–	80	9 455	161
2	10 Gassman Street	Yatala, QLD	3 188	–	47	14 743	181
3	120 Link Road	Tullamarine, VIC	26 517	–	163	6 147	88
4	120 Northcorp Boulevard	Broadmeadows, VIC	58 320	–	721	12 363	94
5	120-132 Atlantic Drive	Keysborough, VIC	12 864	–	197	15 314	115
6	12-16 Butler Boulevard	Adelaide Airport, SA	16 800	–	133	7 917	107
7	13 Business Street	Yatala, QLD	8 951	–	141	15 752	180
8	130 Sharps Road	Tullamarine, VIC	28 100	–	233	8 292	106
9	1500 Ferntree Gully Road & 8 Henderson Road	Knoxfield, VIC	22 009	–	343	15 585	13
10	19 Southern Court	Keysborough, VIC	6 455	–	74	11 464	103
11	20 Colquhoun Road	Perth Airport, WA	80 374	–	1 259	15 664	134
12	20 Southern Court	Keysborough, VIC	11 430	–	126	11 024	97
13	213-215 Robinsons Road	Ravenhall, VIC	21 092	–	248	11 758	109
14	27-49 Lenore Lane	Erskine Park, NSW	29 476	–	547	18 557	141
15	28 Bilston Drive	Wodonga, VIC	57 440	–	756	13 162	107
16	29 Business Street	Yatala, QLD	8 680	–	112	12 903	131
17	3 Millennium Court	Knoxfield, VIC	8 040	–	87	10 821	13
18	3 Viola Place	Brisbane Airport, QLD	3 431	–	23	6 704	194
19	31 Garden Street	Kilsyth, VIC	8 919	–	86	9 642	106
20	365 Fitzgerald Road	Derrimut, VIC	16 114	–	163	10 115	92
21	40 Annandale Road	Tullamarine, VIC	44 424	–	349	7 856	110
22	45-55 South Centre Road	Tullamarine, VIC	14 082	–	78	5 539	83
23	5 Viola Place	Brisbane Airport, QLD	14 726	–	80	5 433	161
24	51-65 Lenore Lane	Erskine Park, NSW	3 720	–	263	70 699	579
25	522-550 Wellington Road	Mulgrave, VIC	68 144	–	570	8 365	64
26	599 Main North Road	Gepps Cross, SA	67 238	–	644	9 578	87
27	6 Kingston Park Court	Knoxfield, VIC	7 645	–	104	13 604	14
28	60 Annandale Road	Tullamarine, VIC	16 276	–	118	7 250	110
29	6-7 John Morphett Place	Erskine Park, NSW	24 881	–	399	16 036	138
30	670 Macarthur Road	Pinkenba, QLD	5 578	–	83	14 880	163
31	70 Distribution Street	Larapinta, QLD	75 425	–	1 818	24 103	180
32	75 Annandale Road	Tullamarine, VIC	10 280	–	65	6 323	87
33	81 Derby Street	Silverwater, NSW	7 984	–	137	17 159	183
34	9-11 Drake Boulevard	Keysborough, VIC	25 743	–	278	10 799	94
35	99-103 William Angliss Drive	Laverton North, VIC	8 871	–	226	25 476	212
36	Lot 2, 3, 4, 44-54 Raglan St	Preston, VIC	26 980	–	201	7 450	75

	Property name	Location	GLA m²	Vacancy %	Value Rm	Value/m² (excluding additional bulk) Rand	Gross rental (month/m²) AUD
	Office		**191 953**	**5.5%**	**11 065**	**57 670**	**602**
1	1 Charles Street	Parramatta, NSW	31 954	–	2 457	76 892	581
2	10-12 Mort Street	Canberra, ACT	15 398	–	799	51 890	485
3	1231-1241 Sandgate Road	Nundah, QLD	12 980	–	876	67 488	629
4	211 Wellington Road	Mulgrave, VIC	12 718	–	320	25 161	–
5	Building C, 219-247 Pacific Highway	Artarmon, NSW	14 496	–	973	67 122	554
6	CB1, 22 Cordelia Street	South Brisbane, QLD	11 529	–	780	67 655	475
7	32 Cordelia Street	South Brisbane, QLD	10 125	–	613	60 543	593
8	32 Cordelia Street (Carpark)	South Brisbane, QLD	–	–	138	–	–
9	333 Ann Street	Brisbane, QLD	16 490	1	855	51 850	1 688
10	33-39 Richmond Road	Keswick, SA	11 835	–	573	48 416	493
11	42 Merivale Street	South Brisbane, QLD	6 598	–	454	68 809	515
12	52 Merivale Street	South Brisbane, QLD	9 405	–	550	58 480	738
13	7 Laffer Drive	Bedford Park, SA	6 639	–	157	23 648	389
14	89 Cambridge Park Drive	Cambridge, TAS	6 876	–	261	37 958	441
15	Car Park Botannica Corporate Park	Richmond, VIC	–	–	11	–	–
16	572-576 Swan Street (Building 1 and 3)	Richmond, VIC	10 250	–	515	50 244	490
17	572-576 Swan Street (Building 2)	Richmond, VIC	14 660	–	738	50 341	484
53	**TOTAL AUSTRALIA**		**1 050 611**	**1.0%**	**22 024**	**20 963**	**188**

ANALYSIS OF GROWTHPOINT AUSTRALIA TENANT BASE

30 June 2015

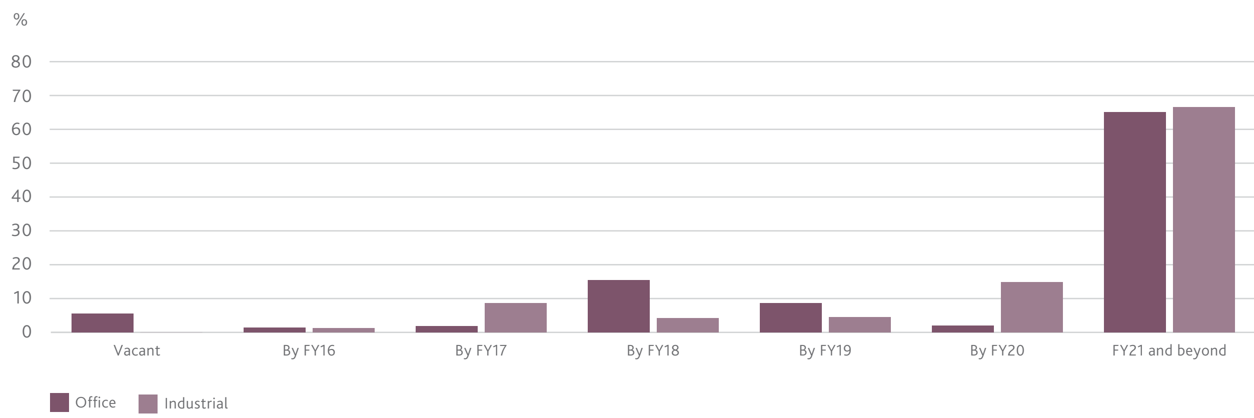
	Office		Industrial	
	GLA	Number of tenants	GLA	Number of tenants
A. Large national tenants	39.8%	3	87.8%	16
B. Other national tenants	54.2%	25	12.2%	17
C. Other national tenants	6.0%	34	0.0%	–
Total	0%	62	0%	33

Category A consists of tenant groups occupying more than 10 000m² of space
Category B consists of tenant groups occupying between 1 000m² and 10 000m² of space
Category C consists of tenant groups occupying less than 1 000m² of space

RENTAL ESCALATION

Average contractual rental escalations at 30 June 2015 were:
Office 3.5% (2014: 3.5%) Industrial 2.8% (2014: 2.8%)

Lease expiry by sector (% of GLA) Australia



EBONY, GERMISTON

PENRAZ, JOHANNESBURG

GENERAL INFORMATION

SHAREHOLDERS' ANALYSIS
AS AT 30 JUNE 2015

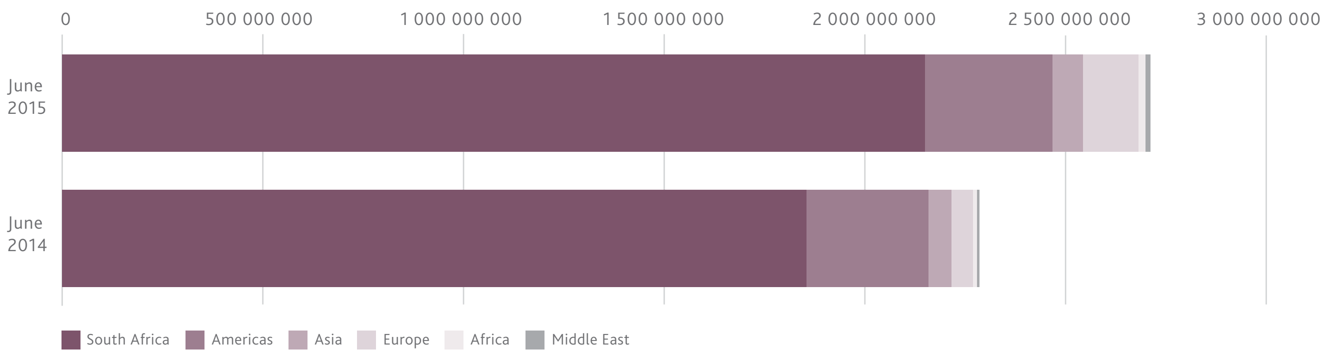
Shareholder spread	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	7 057	28.42	2 095 337	0.08
1 001 – 5 000 shares	8 261	33.27	21 738 420	0.80
5 001 – 10 000 shares	3 401	13.70	24 738 669	0.91
10 001 – 20 000 shares	2 358	9.49	33 300 154	1.23
20 001 – 50 000 shares	1 710	6.89	53 372 868	1.97
50 001 – 100 000 shares	712	2.87	50 884 158	1.87
100 001 – 200 000 shares	426	1.71	58 805 389	2.17
200 001 – 500 000 shares	407	1.64	130 866 903	4.83
500 001 – 1 000 000 shares	196	0.79	136 318 644	5.03
1 000 001 – 10 000 000 shares	258	1.04	755 262 755	27.86
10 000 001 shares and over	45	0.18	1 443 672 967	53.25
Total	**24 831**	**100.00**	**2 711 056 264**	**100.00**
Distribution of shareholders				
Collective investment schemes	719	2.90	1 099 248 526	40.55
Retirement benefit funds	625	2.52	693 190 493	25.57
Empowerment companies	5	0.02	246 151 870	9.08
Retail shareholders	17 895	72.07	131 237 385	4.84
Trusts	3 875	15.60	109 877 322	4.05
Assurance companies	67	0.27	86 199 111	3.18
Custodians	71	0.29	56 462 047	2.08
Sovereign funds	35	0.14	53 515 396	1.97
Organs of state	2	0.01	43 959 538	1.62
Foundations and charitable funds	382	1.54	37 106 793	1.37
Managed funds	116	0.47	35 583 144	1.31
Private companies	513	2.07	35 118 889	1.30
Treasury	2	0.01	26 417 511	0.97
Scrip lending	30	0.12	16 527 880	0.61
Stockbrokers and nominees	60	0.24	15 359 862	0.57
Medical aid funds	42	0.17	4 520 448	0.17
Share schemes	1	0.00	4 218 056	0.16
Close corporations	196	0.79	4 186 437	0.15
Insurance companies	26	0.10	3 790 300	0.14
Hedge funds	26	0.10	3 161 315	0.12
Investment partnerships	90	0.36	2 469 858	0.09
Public companies	28	0.11	1 882 145	0.07
Public entities	6	0.02	854 260	0.03
Unclaimed scrip and control accounts	19	0.08	17 678	0.00
Total	**24 831**	**100.00**	**2 711 056 264**	**100.00**
Shareholder type				
Non-public shareholders	13	0.05	380 397 873	14.02
Directors and associates (excluding Staff Incentive Scheme)	9	0.04	22 360 849	0.82
Government Employees Pension Fund	2	0.01	325 653 196	12.01
Shares held in Treasury	1	0.00	26 417 511	0.97
Growthpoint Staff Incentive Scheme	1	0.00	5 966 317	0.22
Public shareholders	24 818	99.95	2 330 658 391	85.98
Total	**24 831**	**100.00**	**2 711 056 264**	**100.00**

Beneficial shareholders with a holding greater than 1% of the issued shares	Total shareholding	% of issued capital
Government Employees Pension Fund	325 653 196	12.01
Southern Palace Properties (Pty) Ltd	165 985 203	6.12
Stanlib	134 760 498	4.97
Investec	91 565 956	3.38
Old Mutual Group	88 992 652	3.28
Vanguard	82 511 911	3.04
BEE Consortium (Quick Leap)	80 166 667	2.96
MMI	77 811 726	2.87
Investment Solutions	64 528 014	2.38
Coronation Fund Managers	63 921 521	2.36
Sanlam Group	59 916 744	2.21
Eskom Pension & Provident Fund	59 647 476	2.20
State Street	51 656 339	1.91
Prudential	49 000 822	1.81
Public Investment Corporation	43 959 538	1.62
Government of Singapore	37 032 446	1.37
Nedbank Group	33 720 263	1.24
Allan Gray	29 951 164	1.10
Ishares	28 381 097	1.05
Sentinel Mining Industry Retirement Funds	27 770 850	1.02
	1 596 934 083	58.90
Fund managers holding greater than 1% of the issued shares		
Public Investment Corporation	341 861 361	12.61
Stanlib Asset Management	176 546 960	6.51
Investec Asset Management	156 285 017	5.76
Old Mutual Investment Group	93 907 551	3.46
Vanguard Investment Management	88 302 052	3.26
Coronation Fund Managers	83 456 250	3.08
Sesfikile Capital	75 450 685	2.78
Prudential Portfolio Management	69 375 169	2.56
State Street Global Advisors	69 205 149	2.55
Momentum Investments	63 442 877	2.34
Sanlam Investment Management	58 037 044	2.14
BlackRock	57 869 580	2.13
Meago Asset Management	54 068 026	1.99
Eskom Pension and Provident Investment Management	43 017 864	1.59
Catalyst Fund Managers	37 602 894	1.39
Government of Singapore Investment Corporation	37 032 446	1.37
Allan Gray	35 889 340	1.32
Ashburton Investments	35 234 842	1.30
Abax Investments	33 685 569	1.24
	1 610 270 676	59.38

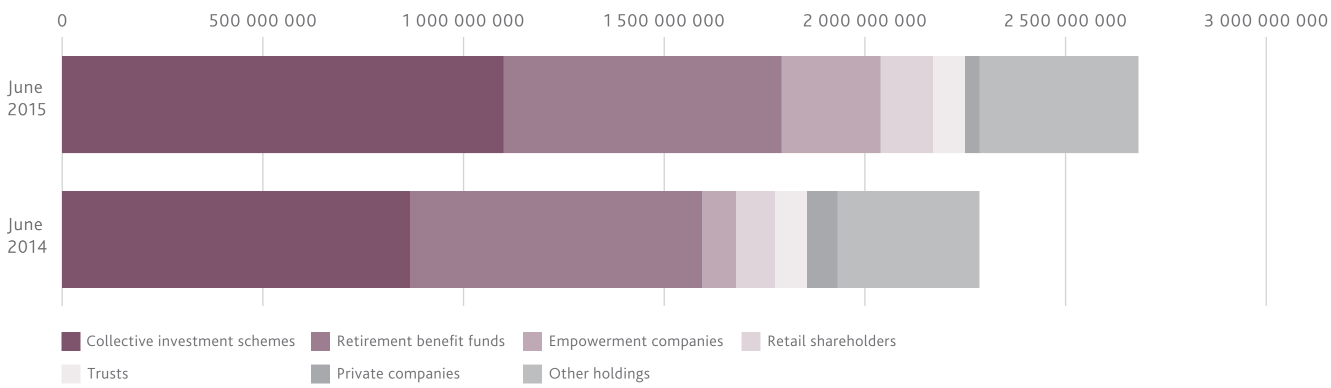
Total number of shareholders	24 831
Total number of shares in issue	2 711 056 264

Share performance – 12 months ended	30 June 2015	30 June 2014
Shares traded	1 437 118 245	1 158 770 078
Monthly average	119 759 854	96 564 173
Shares in issue	2 711 056 264	2 284 908 257
Shares traded as % of number of shares in issue	53.01%	50.71%
Value traded	R38 163 257 248	R27 925 063 037
Monthly average	R3 180 271 437	R2 327 088 586
Opening price 1 July	R24.70	R25.98
Closing price 30 June	R26.46	R24.73
Intraday high for the period (26 January 2015)	R30.50	R27.28
Intraday low for the period (16 October 2014)	R23.51	R21.24

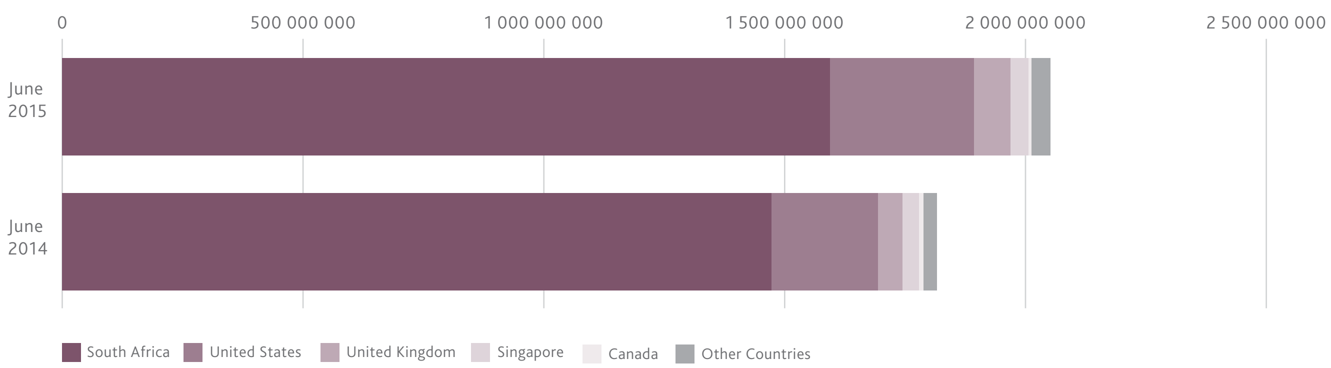
Regional holdings



Categories of holders



Fund manager holdings by country



SHAREHOLDERS' INFORMATION

SHAREHOLDERS' DIARY

Financial year end	30 June
Annual financial statements posted	September
Annual general meeting (09:00)	17 November 2015

Announcement of results and analysts' presentations

Interim	March
Annual	August

Dividends	**Declared**	**Paid**
Interim	February	March
Final	August	September

Updates and further information posted from time to time can be found on the company's public website at: http://www.growthpoint.co.za/Pages/ShareholderInformation.aspx

NOTICE OF ANNUAL GENERAL MEETING

The notice of the company's annual general meeting to be held on 17 November 2015 is contained in a separate booklet, posted to shareholders, incorporating the company's summarised audited AFS for FY15 and other information relevant to the annual general meeting. The notice will be also be available on the company's public web site at: http://www.growthpoint.co.za/Pages/AnnualResults.aspx

DIRECTORATE AND ADMINISTRATION

Directors
JF Marais (Chairman)⁰
HSP Mashaba (Deputy Chairman)⁰
EK de Klerk (Managing Director)*
MG Diliza•
PH Fechter⁰
LA Finlay⁰
JC Hayward⁰
HS Herman⁰
SP Mngconkola@
R Moonsamy⁰
NBP Nkabinde⁰
LN Sasse (Chief Executive Officer)*
FJ Visser
G Völkel (Financial Director)*

⁰ *independent*
• *BEE structure stakeholder*
@ *Related party and major shareholder's nominee*
* *Executive directors*

Auditors
KPMG Inc
(Registration No 19999/021543/21)
KPMG Crescent
85 Empire Road, Parktown, 2193
Private Bag 9, Parkview, 2122

Transfer secretaries
Computershare Investor Services (Pty) Ltd
(Registration No 2004/003647/07)
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

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

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

Company Secretary
RA Krabbenhöft
The Place, 1 Sandton Drive, Sandown, Sandton, 2196
PO Box 78949, Sandton, 2146

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

Chairmen's Committee
JF Marais (Chairman)
MG Diliza
PH Fechter
LA Finlay
JC Hayward
HS Herman

Audit Committee
LA Finlay (Chairman)
PH Fechter
JC Hayward

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

Risk Management Committee
JC Hayward (Chairman)
SP Mngconkola
NBP Nkabinde
FJ Visser

The following parties attend or are represented at Audit Committee and/or Risk Management Committee meetings:

D Bouma (Corporate Treasurer)
AL Davis (Chief Information Officer)
EK de Klerk (Managing Director)
RA Krabbenhöft (Company Secretary)
DJ Modise (Head of Human Resources)
SA Nizetich (Head of Internal Audit and Risk Management)
LN Sasse (Chief Executive Officer)
FJ Schindehütte (Financial Manager)
G Völkel (Financial Director)

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

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

Property Committee
PH Fechter (Chairman)
MG Diliza
HS Herman
R Moonsamy

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

Social, Ethics and Transformation Committee
MG Diliza (Chairman)
LA Finlay
SP Mngconkola
R Moonsamy
NBP Nkabinde

The following members of management attend Transformation Committee meetings:
EK de Klerk (Managing Director)
P Engelbrecht (Development Head)
RA Krabbenhöft (Company Secretary)
DJ Modise (Head of Human Resources)
S Paul (Assistant Company Secretary)
F Sibanyoni (National Facilities Head)
SD Theunissen (CSR Manager)
G Völkel (Financial Director)

Nomination Committee
JF Marais (Chairman)
MG Diliza
PH Fechter
LA Finlay
JC Hayward
HS Herman

Remuneration Committee
HS Herman (Chairman)
JF Marais
HSP Mashaba
FJ Visser

Standing attendees:
LN Sasse (Chief Executive Officer)
EK de Klerk (Managing Director)
RA Krabbenhöft (Company Secretary)
DJ Modise (Head of Human Resources)
PricewaterhouseCoopers Inc. (Independent Advisor to the Committee)

Executive Committee of Management (Exco)
LN Sasse (Chief Executive Officer) (Committee Chairman)
EK de Klerk (Managing Director)
E Binedell (Fund Director – Industrial)
D Bouma (Corporate Treasurer)
AL Davis (Chief Information Officer)
G de Klerk (Regional Head – Durban)
N Kuzmanich (Head of Marketing)
SA le Roux (Fund Director – Retail)
DJ Modise (Head of Human Resources)
G Muchanya (Deal Manager)
RG Pienaar (Fund Director – Office)
DS Stoll (Regional Head – Cape Town)
SD Theunissen (CSR Manager)
L Turner (Head of Investor Relations)
G Völkel (Financial Director)

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