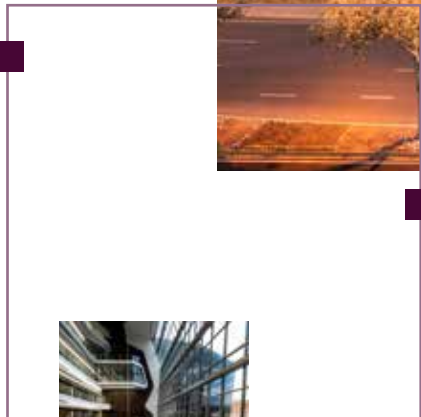


GROWTHPOINT
PROPERTIES



CONDENSED UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED
31 DECEMBER 2020

GROUP SALIENT FEATURES



EBIT FROM OFFSHORE

25.5%
decrease from
28.2% at FY20

DIPS

73.1cps
31.0% decrease
from HY20

DPS

58.5cps
44.8% decrease
from HY20

OFFSHORE ASSETS

39.7%
decrease from
40.8% at FY20

TOTAL PROPERTY ASSETS

R157.1bn
5.8% decrease from
R166.7bn at FY20

GROUP SA REIT LTV

40.7% LTV
decrease from
43.9% at FY20

R4.9bn

Equity raised
during HY20

SUSTAINABILITY INDICES

FTSE/JSE Responsible Investment Index, FTSE4Good Emerging Index, GRESB, MSCI ESG, Sustainalytics

GLOBAL SCALE MOODY'S RATING

Ba2

NATIONAL SCALE MOODY'S RATING

Aa1.za

Investment proposition

- ◆ Diversified across international geographies and sectors
- ◆ Quality of earnings, underpinned by high-quality physical property assets
- ◆ Dynamic and proven management track record
- ◆ Best practice corporate governance
- ◆ Transparent reporting
- ◆ Level 2 B-BBEE contributor
- ◆ Attractive ESG investment

PARTICIPANT OF:



COMMENTARY

Growthpoint is an international property company that provides space to thrive with innovative and sustainable property solutions.

Introduction

Growthpoint is the largest South African primary JSE-listed REIT with a quality portfolio of 434 directly owned properties in South Africa (RSA) valued at R71.0bn, including four hospitals and one medical chambers valued at R2.7bn owned by Growthpoint Healthcare Property Holdings (RF) Limited (GHPH). Growthpoint has a 61.8% shareholding in GHPH.

Growthpoint has a 62.2% interest in ASX-listed Growthpoint Properties Australia Limited (GOZ), which owns 57 properties in Australia valued at R49.8bn and a 52.1% interest in LSE-listed Capital & Regional Plc (C&R), which owns seven properties in the United Kingdom valued at R11.3bn.

Growthpoint has three equity-accounted investments, valued at R16.0bn. Our 50.0% share of the V&A Waterfront (V&A) (R6.7bn) and 29.3% stake in London Stock Exchange AIM-listed Globalworth Real Estate Investments (GWI) (R9.2bn) are the largest of these investments.

Growthpoint has five unlisted investments, valued at R825.0m of which our 16.0% stake in Lango Real Estate Limited (Lango), formerly Growthpoint Investec African Properties Limited (GIAP) (R778.3m) is the largest.

GOZ owns a 15.0% stake in ASX-listed APN Industria REIT (ADI), valued at R1.0bn.

Growthpoint is included in the FTSE/JSE Top 40 Index (J200) with a market capitalisation of R43.1bn at 31 December 2020 (HY21). On average, 226.4m shares (FY20: 218.5m) with a value of R3.3bn (FY20: R3.9bn) were traded per month during the period. This makes Growthpoint a liquid and tradable way to own commercial property in South Africa.

The value of Growthpoint's property portfolio is split between South African (inclusive of the V&A) (60.3%) and international (39.7%) assets. It is well

diversified in the three major sectors of commercial property, being retail, office and industrial. Most of the RSA portfolio is in economic nodes within major metropolitan areas.

For HY21 the SA REIT net asset value (SA REIT NAV) of the Group decreased by 7.6% to 2 132 (FY20: 2 307) cents per share.

Impact of Covid-19 on the business

Our tenants have continued to be impacted as South Africa has moved through the various lockdown levels and in particular by the restrictions on alcohol sales and curfews imposed in December. Our retail tenants, particularly restaurants, gyms and cinemas are the worst affected. For the financial period we provided rental relief of R116.0m (FY20: R436.3m) to our tenants with R25.0m (FY20: R158.8m) in deferred rent and R91.0m (FY20: R277.5m) of rental discounts. We recovered R107.5m of deferred rent in the period and incurred R3.0m of Covid-19-related expenses. 68% of the total deferrals granted since the onset of Covid-19 have been recovered.

Historically the V&A has been a standout performer for Growthpoint. However, given its strong reliance on international and local tourism and heavy weighting to the hotel, retail and restaurant trade, it has suffered disproportionately to the rest of the South African portfolio.

Our international investments in GOZ and GWI were also affected by Covid-19, but to a much lesser extent as a result of their focus on office and industrial properties, as well as their strong customer bases weighted toward listed corporates and government in Australia, and large multinational tenants in Poland and Romania.

C&R with its 100% retail focus has faced extreme challenges with the UK experiencing its third lockdown since the first was imposed in March 2020.

Despite all of the above, our geographic and sectoral diversity has placed us in a position of strength to weather the Covid-19 storm.

Strategically we are committed to retaining our REIT status. While we remain solvent and liquid, we will continue to pay dividends twice a year, of at least 75% of distributable income.

Strategy

The Board remains acutely focused on liquidity and balance sheet management in the short term as it seeks to strike a balance between a conservatively managed and sustainable business in the interests of all our stakeholders. The Board is satisfied with the strides made in bolstering the balance sheet in the six-month period through various initiatives, including the R4.3bn equity raise (excluding costs), the R577.0m proceeds received from the Distribution Re-investment Plan (DRIP), R497.7m of asset sales and the R827.0m (post income tax) cash retained as a result of lowering the dividend pay-out ratio for FY20 to 80%. In addition, R499.0m cash will be retained with the consistent application of the 80% dividend pay-out ratio for HY21.

In line with Growthpoint's vision "to be a leading international property company providing space to thrive", the company's strategy incorporates: the optimisation and streamlining of our RSA portfolio; the introduction of new revenue streams via the funds management business and trading and development for third parties; and further international diversification, with a focus on markets where we have a competitive edge and direct access to capital.

While our strategic pillars remain intact in the short to medium term, our priority remains the protection of our balance sheet and liquidity position.

COMMENTARY continued

The company's objective is to grow and nurture a diversified portfolio of quality investment properties, providing accommodation to a wide spectrum of clients and delivering sustainable income distribution and capital appreciation, optimised by effective financial structures, with an acute focus on our capital light funds management model.

Reduction in distributable income per share (DIPS) REDUCTION IN FUNDS FROM OPERATIONS (FFO) AND DIPS FOR HY21

Group SA REIT FFO for HY21 decreased by R831.0m from R3 072m for HY20 to R2 241m, or 27.1%. On a per share basis it decreased by 36.5% from 103.7c to 65.9c. Group distributable income decreased by R688m from R3 183m to R2 495m, or 21.6%. Distributable income per share (DIPS) decreased by 31.0% from 106.0c to 73.1c.

Basis of preparation

The condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards, IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa. The accounting policies applied in preparing these financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous annual financial statements.

These condensed consolidated financial statements are not audited by the Group's independent auditor.

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

GOZ

The investment in GOZ was accounted for in terms of IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The statement of financial position includes 100% of the assets and liabilities of GOZ, converted at the closing exchange rate at HY21 of R11.30:AUD1 (FY20: R11.98:AUD1).

A deferred tax liability of R3.8bn (FY20: R3.8bn) is included in the statement of financial position. This relates to capital gains tax payable in Australia if Growthpoint were to sell its investment in GOZ.

The statement of profit or loss and other comprehensive income also includes 100% of the revenue and expenses of GOZ, which were translated at an average exchange rate of R11.75:AUD1 for HY21 (HY20: R10.06:AUD1). The resulting foreign currency translation difference is recognised in other comprehensive income. A non-controlling interest was raised for the 37.8% (FY20: 37.8%) not owned by Growthpoint.

Included in the HY21 distributable income is a R494.7m dividend received from GOZ, compared to R542.0m for HY20. This relates to the GOZ dividend per share for HY21 of AUD10.0c compared to AUD11.8c in HY20. Included in normal tax in the statement of profit or loss and other comprehensive income is R55.0m (HY20: R71.3m) which relates to withholding tax paid on the distributions received from GOZ.

C&R

The investment in C&R was accounted for in terms of IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The statement of financial position includes 100% of the assets and liabilities of C&R, converted at the closing exchange rate at HY21 of R20.03:GBP1 (FY20: R21.52:GBP1).

The statement of profit or loss and other comprehensive income also includes 100% of the revenue and expenses of C&R, which were translated at an average exchange rate of R21.23:GBP1 for HY21 (HY20: R18.62:GBP1). The resulting foreign currency translation difference is

recognised in other comprehensive income. A non-controlling interest was raised for the 47.9% not owned by Growthpoint.

C&R did not declare a dividend for HY21.

V&A, GWI and other equity-accounted investments

The investments in the V&A (joint venture), GWI and the other equity-accounted investments were accounted for in terms of IFRS 11 *Joint Arrangements* and IAS 28 *Investments in Associates*. The equity-accounting method was used – the Group's share of the profit or loss and other comprehensive income of these investments were accounted for.

Included in the HY21 distributable income is R172.8m from the V&A (HY20: R349.3m) and R186.8m from GWI (HY20: R333.6m).

Revenue and cost-to-income

Revenue increased by 12.5% for HY21 compared to HY20. RSA revenue decreased by 0.3%, and GOZ revenue increased by 11.5% compared to HY20. C&R is not comparable as revenue was only included for two weeks in HY20. The SA REIT cost-to-income ratio for the Group increased to 41.4% at HY21 from 37.3% at HY20. For RSA the ratio increased to 42.5% from 41.7% at HY20 and GOZ increased to 22.3% from 22.1% at HY20. The ratio for C&R was 82.9% for HY21.

Fair value adjustments

The revaluation of properties in RSA, GOZ and C&R resulted in an overall decrease of R3.4bn (2.5%) to R131.3bn for investment property (including investment properties classified as held for sale). The revaluation of properties resulted in a decrease of R2.6bn (3.6%) in RSA, an increase of R1.2bn (2.5%) in GOZ and a decrease of R2.0bn (14.8%) in C&R. Property assets held for trading and development are held at the lower of cost or net realisable value. The RSA valuation decrease was driven mainly by lower market rental growth assumptions on the back of a weak macro-economic environment and the impact of Covid-19.

Interest-bearing borrowings and derivatives were fair valued using the RSA or foreign exchange denominated swap curves at HY21, increasing the overall liability by R127.9m. These fair value adjustments and other non-distributable items, such as capital items, non-cash charges, deferred taxation and the net effect of the non-controlling interests' portion of the non-distributable items, were transferred to the non-distributable reserve.

Finance costs

Finance costs, including finance costs and income received on interest rate swaps, increased by 21.5% to R1.7bn (HY20: R1.4bn). The interest cover ratio increased to 3.2 times for HY21 (FY20: 3.1 times).

The weighted average interest rate for RSA borrowings was 8.1% (FY20: 8.2%) (5.8% including foreign denominated loans and cross currency interest rate swaps (CCIRS) (FY20: 5.9%)). The weighted average maturity of debt for RSA borrowings decreased to 3.3 years (FY20: 3.6 years).

Finance costs for GOZ increased by 21.4% from R253.3m in HY20 to R307.6m in HY21 mainly due to a weaker Rand. Finance costs for C&R were R175.9m in HY21.

Finance income

Finance income decreased by 37.8% to R22.7m (HY20: R37.2m). This is mainly due to a decrease in interest received from banks and long-term loans granted.

Acquisitions and commitments

Growthpoint acquired one office property for R70.0m and 20 telecommunications assets in South Africa for R23.6m (included in Industrial) during the period. The development and capital outlay for RSA of R510.3m (HY20: R1.3bn) was for various developments and capital expenditure in the period, including Woodlands Office Park, Altron for R172.2m and Longkloof Studios for R68.0m. Growthpoint has commitments outstanding for RSA developments totalling R484.3m at HY21 (FY20: R634.0m) of which NTT Ltd,

Samrand (R216.7m) and Longkloof Canopy, Cape Town (R79.3m) are the largest.

GOZ made no further acquisitions during the period but incurred development costs of R214.5m (AUD16.6m). The largest developments are 75 Dorcas Street, South Melbourne, VIC for R77.3m (AUD6.0m) and 1 Charles Street, Parramatta, NSW for R47.7m (AUD3.7m).

GOZ has commitments outstanding totalling R520.0m (AUD46.0m) (FY20: R608.5m (AUD50.8m)). These commitments relate to 1 Charles Street, Parramatta, NSW.

C&R incurred development costs of R145.0m (GBP6.8m) and has commitments outstanding totalling R68.0m (GBP3.4m) which relate mainly to development projects at Luton of R38.0m (GBP1.9m) and Walthamstow of R18.0m (GBP0.9m).

Funds management

Part of Growthpoint's strategy is to build a funds management business with assets of R15.0bn under management over the next three to five years. To this end we have already established two separately identifiable funds with total assets under management of R12.0bn.

- ◆ Lango Real Estate Limited (Lango), formerly Growthpoint Investec African Properties Limited (GIAP).

Lango, a joint venture with Ninety One Limited, has raised USD301.0m from third-party investors (including a USD50.0m investment by Growthpoint). Lango owns eight quality office and retail assets valued at US\$638.0m and has a NAV of US\$330.0m at HY21.

- ◆ Growthpoint Healthcare Property Holdings (RF) Limited (GHPH).

GHPH has thus far attracted approximately R1.0bn in investments from third-party investors. There is a significant pipeline of both acquisitions and greenfield developments.

Growthpoint has an effective 61.8% interest in GHPH (R348.6m equity (FY20: R348.6m) and a convertible loan of R882.9m (FY20: R881.8m)).

Trading and development

Adhering to the limits previously communicated, the value of projects pre-identified as opportunities for trading and development for third parties in South Africa will not exceed 3.0% of the value of the South African portfolio and assets developed for our own balance sheet will not exceed 5.0%. In the present environment we have, however, scaled back all non-essential capital and development spend and will only proceed with opportunities which are client-driven or substantially pre-let.

Disposals and held-for-sale assets

Growthpoint disposed of five properties in the period (HY20: nine) for R497.7m (HY20: R433.8m), the largest being the Exxaro Corporate Centre at R243.0m. GOZ disposed of one property, 120 Northcorp Boulevard, Broadmeadows, VIC (FY20: zero) for R604.0m (AUD50.2m). C&R had no disposals for HY21.

At HY21, two RSA properties (FY20: two) valued at R55.5m (FY20: R84.4m) were classified as held for sale. No Australian or United Kingdom properties were classified as held for sale.

Arrears

Total RSA arrears at HY21 were R494.2m (FY20: R511.0m) with a loss allowance of R248.6m (FY20: R254.0m). This includes rental deferrals granted to tenants as a result of Covid-19 of R58.9m (FY20: R141.4m). Total RSA bad debt write-offs and provisions were R67.2m (HY20: R20.8m).

Total GOZ arrears at HY21 were R14.0m (FY20: R9.7m) with no loss allowance (FY20: R2.8m). Total C&R arrears at HY21 were R461.8m (FY20: R300.0m) with a loss allowance of R168.2m (FY20: R13.2m).

COMMENTARY continued

Vacancy levels

At HY21, Growthpoint's GLA and vacancy levels as a percentage of its total portfolio GLA were:

	GLA		Vacancy	
	HY21 m ²	FY20 m ²	HY21 %	FY20 %
Retail	1 358 887	1 365 391	↑ 5.4	5.1
Office	1 683 456	1 672 010	↑ 18.0	15.4
Industrial	2 275 690	2 308 913	↑ 8.2	7.1
Healthcare	77 220	77 219	–	–
Trading and development	37 476	70 200	↓	46.8
RSA total	5 432 729	5 493 733	↑ 10.3	9.5
V&A	232 134	227 415	↑ 2.3	1.5
GOZ	1 042 891	1 042 929	↓ 4.8	5.5
C&R	297 072	328 512	↑ 8.6	5.5
Total/average %	7 004 826	7 092 589	↑ 9.2	7.6

Vacancies increased across all the RSA sectors, except trading and development. Tenant retention remains a priority and we are driving it through various initiatives including the UNdeposit, SmartMove and Growthpoint's resource efficient, sustainable Thrive Portfolio.

Borrowings, net working capital and liquidity

The SA REIT loan-to-value ratio for the Group (SA REIT LTV) was 40.7% for HY21 (FY20: 43.9%). The RSA LTV decreased to 35.5% (FY20: 39.8%), the GOZ SA REIT LTV decreased to 29.8% (FY20: 31.2%) and the C&R SA REIT LTV increased to 62.2% (FY20: 51.4%).

Growthpoint has consistently applied its policy for measuring the fair value of long-term interest-bearing loans and derivatives. There were no changes in valuation techniques, nor were there any transfers between level 1, level 2 and level 3 during the period. The Group has unsecured interest-bearing borrowings of R22.4bn (FY20: R24.5bn). All other interest-bearing borrowings across the Group are secured. Growthpoint has unused committed bank facilities of R5.0bn in RSA and separately R4.1bn (AUD407.5m) in GOZ and R467.0m (GBP22.0m) in C&R and cash of R1.1bn in RSA, R382.6m (AUD33.8m) in GOZ

and R1.7bn (GBP84.1m) in C&R at HY21, which assures their ability to meet their short-term commitments.

Change in directorate

Andile Sangqu and Prudence Lebina were both appointed as Independent Non-executive Directors on 21 September 2020. Andile is Chairman of the Social, Ethics and Transformation Committee and also serves as a member of the Audit Committee and the Governance and Nomination Committee. Prudence serves as a member of the Risk Management and Audit Committees.

Mzolisi Diliza, Ragavan Moonsamy and Eric Visser all retired from the Board at the AGM on 8 December 2020 after 19, 15 and 18 years respectively.

Going concern

The directors have assessed the Group's ability to continue as a going concern. As at 31 December 2020, the Group had a substantial positive net asset value and a robust liquidity position with access to R5.0bn in RSA, R4.1bn in GOZ and R467.0m in C&R in committed undrawn credit facilities. The following uncertainties occasioned by the Covid-19 pandemic were considered as part of the going concern assessment.

ACCESS TO LIQUIDITY

Stressed market conditions may impact debt funders' risk appetite and limit access to liquidity.

BREACH OF COVENANTS

Loan-to-value and interest cover ratio covenants may come under pressure due to decreasing property valuations and rental income because of the expected economic downturn related to the pandemic. The maximum loan-to-value covenants the Group is exposed to is 55%, which is well above the current Group SA REIT LTV of 40.7%.

PROVISION FOR CREDIT LOSSES

The provision for credit losses and write-off of unrecoverable amounts may increase as tenants' businesses are impacted by the pandemic globally.

COMPANY'S RESPONSE

The directors' response to the pandemic included:

- ◆ Bolstering the Group's balance sheet and liquidity position
- ◆ Establishment of a dedicated task team to implement a coordinated response across the business to ensure the health, safety and wellbeing of all stakeholders
- ◆ Implementation of business continuity plans to minimise disruption by initiatives implemented to curb the spread of the virus
- ◆ Curtailment of discretionary expenditure to make allowance for the anticipated costs associated with the various initiatives to combat the spread of the virus
- ◆ Frequent monitoring of the Group's liquidity position
- ◆ Establishing and participating in the Property Industry Group in South Africa.

CONCLUSION

After due consideration, the directors have concluded that the Group has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the financial statements.

Events after the reporting period

In line with IAS10 *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.

Prospects

The majority of the Group's assets are in South Africa, both by EBIT (74.5%) and by market value of property assets (60.3%), where the macro-economic environment remains deeply concerning. The effects of the pandemic, on top of a deeply depressed economy, have negatively impacted all three of our domestic businesses where property fundamentals were already weak. The recovery of the V&A is dependent on the resumption of international tourism. GOZ and GWI will recover faster given the low impact of the pandemic on their businesses, their strong balance sheets and liquidity positions as well as the strength of their tenancies. C&R has been severely impacted by the pandemic which has accelerated the structural trends that were already underway in the UK retail industry with the downturn being faster and more profound and the recovery anticipated to take much longer than previously expected.

Our prospects are inextricably linked to our operating environment. As the world and the RSA economies recover gradually, we have a tough number of years ahead of us. We are a strong and diversified business and our conservative approach to managing the business will stand us in good stead.

Strategically we are committed to retaining our REIT status and intend to continue to pay dividends twice a year, of at least 75% of distributable income.

INTERIM DIVIDEND

Notice is hereby given of the declaration of the interim dividend number 70 of 58.50c per share (80% of DIPS) for the period ended 31 December 2020.

Other information:

- ◆ Issued shares at 31 December 2020: 3 430 787 066 ordinary shares of no par value
- ◆ Income tax reference number of Growthpoint: 9375/077/71/7.

Shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No 58 of 1962 (Income Tax Act). The dividends on the shares will be deemed to be taxable dividends for South African tax purposes in terms of section 25BB of the Income Tax Act.

Tax implications for South African resident shareholders

Dividends received by or accrued to South African tax residents must 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. These dividends are, however, exempt from dividend withholding tax (dividend tax) in the hands of South African resident shareholders provided that the South African resident shareholders have provided to the Central Securities Depository Participant (CSDP) or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares, a DTD(EX) (dividend tax: declaration and undertaking to be made by the beneficial owner of a share) their form to prove their status as South African residents.

If resident shareholders have not submitted the abovementioned documentation to confirm their status as South African residents, they are advised to contact their CSDP or broker, as the case may be, to arrange for the documents to be submitted prior to the payment of the dividend.

Tax implications for non-resident shareholders

Dividends received by non-resident shareholders from a REIT will not be taxable as income 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. Any dividend received by a non-resident from a REIT is subject to dividend tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (DTA) between South Africa and the country of residence of the non-resident shareholder. Assuming dividend tax will be withheld at a rate of 20%, the net amount due to non-resident shareholders is 46.80c per share. A reduced dividend withholding tax rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:

- ◆ A declaration that the dividend is subject to a reduced rate as a result of the application of the DTA; and
- ◆ A written undertaking to inform the CSDP broker or the company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner of the South African Revenue Service.

If applicable, non-resident shareholders are advised to contact the CSDP, broker or the company to arrange for the abovementioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted.

COMMENTARY continued

Salient dates and times

2021

Last day to trade (LDT) cum dividend	Tuesday, 13 April
Shares to trade ex dividend	Wednesday, 14 April
Record date	Friday, 16 April
Payment date	Monday, 19 April

¹ Shares may not be dematerialised or rematerialised between commencement of trade on Wednesday, 14 April 2021 and the close of trade on Friday, 16 April 2021.

² The above dates and times are subject to change. Any changes will be released on SENS.

By order of the Board

Growthpoint Properties Limited

9 March 2021

Directors

JF Marais (Chairman), FM Berkeley, NO Chauke* (Human Resources Director), EK de Klerk* (Chief Executive Officer South Africa), R Gasant, JC Hayward* (Lead Independent Director), KP Lebina, SP Mngconkola, NBP Nkabinde, AH Sangqu, LN Sasse* (Group Chief Executive Officer), JA van Wyk#, G Völkel* (Group Financial Director)

* Executive #British

Growthpoint Properties Limited

(Incorporated in the Republic of South Africa)
(Registration number 1987/004988/06)
A Real Estate Investment Trust, listed on the JSE
Share code: GRT ISIN: ZAE000179420

Registered office

The Place, 1 Sandton Drive, Sandown, Sandton, 2196
PO Box 78949, Sandton, 2146

Company Secretary

Johan de Koker

Transfer Secretary

Computershare Investor Services (Pty) Ltd
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank, Johannesburg, 2196
Private Bag X9000, Saxonwold, 2132

Sponsor

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

GROWTHPOINT
PROPERTIES



REIT RATIOS

For the six months ended and at 31 December 2020

The second edition of the SA REIT Association's best practice recommendations was issued in November 2019, outlining the need to provide consistent presentation and disclosure of relevant ratios in the SA REIT sector. This will ensure information and definitions are clearly presented, enhancing comparability and consistency across the sector. It would have only been effective for Growthpoint for the year ended 30 June 2021, but Growthpoint has chosen to adopt the recommendations early. The comparative figures have been computed and disclosed on the same basis.

	Six months 31 December 2020 Rm	Six months 31 December 2019 Rm	12 months 30 June 2020 Rm
SA REIT funds from operations (SA REIT FFO) per share			
(Loss)/profit attributable to the owners of the company	(1 307)	3 372	(6 865)
Adjusted for:			
Accounting/specific adjustments	4 476	(523)	8 638
Fair value adjustments to:			
Investment property	3 385	(703)	8 723
Debt and equity instruments held at fair value through profit or loss	1 285	200	(1 723)
Depreciation and amortisation of intangible assets	49	49	99
Impairment of goodwill or the recognition of a bargain purchase gain	–	–	624
Asset impairments (excluding goodwill) and reversals of impairment	5	–	–
Losses on the modification of financial instruments	45	–	152
Deferred tax movement recognised in profit or loss	(128)	324	1 000
Straight-lining operating lease adjustment	(119)	132	(353)
Transaction costs expensed in accounting for a business combination	8	(578)	184
Adjustments to dividends from equity interests held	(54)	53	(68)
Adjustments arising from investing activities:	(106)	182	(13)
Gains or losses on disposal of equipment	–	190	(2)
Development fees earned and profit earned	(106)	(8)	(11)
Foreign exchange and hedging items:	(1 275)	(568)	3 533
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(1 145)	(510)	3 619
Foreign exchange gains relating to capital items – realised and unrealised	(130)	(58)	(86)
Other adjustments:	453	609	(108)
Adjustments made for equity-accounted entities	714	(26)	811
Non-controlling interests in respect of the above adjustments	(367)	(339)	(919)
Non-controlling interests in respect of the above adjustments – plus not distributable	89	944	(30)
Antecedent earnings adjustment	17	30	30
SA REIT FFO	2 241	3 072	5 185
Number of shares outstanding at end of period (net of treasury shares)	3 398 244 371	3 003 144 664	2 989 240 606
SA REIT FFO per share (cents)	65.9	103.7	170.7
Interim SA REIT FFO per share	65.9	103.7	103.7
Final SA REIT FFO per share			67.0
Company-specific adjustments to SA REIT FFO (Rm)	254	111	293
(Increase)/decrease in staff incentive scheme cost	29	(9)	(8)
GWJ additional investment – cum dividend	–	–	25
Development fees earned and profit earned	106	8	11
Amortisation of tenant incentive add back (GOZ FFO)	141	99	218
Distributable income from GOZ retained (including NCI's portion)	(240)	(56)	(66)
Distributable income from C&R (including NCI's portion)	64	69	113
Taxation paid on FY20 distributable income retained	154	–	–
Distributable income	2 495	3 183	5 478
Distributable income per share (DIPS) (cents)	73.1	106.0	183.1
First half year	73.1	106.0	106.0
Second half year			77.1

REIT RATIOS continued

For the six months ended and at 31 December 2020

	31 December 2020 Rm	31 December 2019 Rm	30 June 2020 Rm
SA REIT net asset value (SA REIT NAV)			
Reported NAV attributable to the parent	68 298	75 613	67 877
Adjustments:	4 458	(2 143)	1 348
Dividend to be declared	(1 988)	(3 183)	–
Final dividend under consideration	–	–	(2 295)
Fair value of certain derivative financial instruments	3 271	(235)	464
Goodwill and intangible assets	(664)	(1 926)	(700)
Deferred tax	3 839	3 201	3 879
SA REIT NAV	72 756	73 470	69 225
Shares outstanding			
Number of shares in issue at period end (net of treasury shares)	3 398 244 371	3 003 144 664	2 989 240 606
Effect of dilutive instruments	14 047 198	5 028 638	10 811 495
Dilutive number of shares in issue	3 412 291 569	3 008 173 302	3 000 052 101
SA REIT NAV per share (R)	21.32	24.42	23.07
	Six months 31 December 2020 Rm	Six months 31 December 2019 Rm	12 months 30 June 2020 Rm
SA REIT cost-to-income ratio			
Expenses			
Operating expenses per IFRS income statement (includes municipal expenses)	2 739	2 239	4 896
Administrative expenses per IFRS income statement	311	273	580
<i>Excluding: Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets</i>			
Operating costs	3 050	2 512	5 476
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	6 580	5 849	12 008
Utility and operating recoveries per IFRS income statement	783	879	1 662
Gross rental income	7 363	6 728	13 670
SA REIT cost-to-income ratio	41.4%	37.3%	40.1%
SA REIT administrative cost-to-income ratio			
Expenses			
Administrative expenses as per IFRS income statement	311	273	580
Administrative costs	311	273	580
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	6 580	5 849	12 008
Utility and operating recoveries per IFRS income statement	783	879	1 662
Gross rental income	7 363	6 728	13 670
SA REIT administrative cost-to-income ratio	4.2%	4.1%	4.2%
SA REIT GLA vacancy rate			
Gross lettable area of vacant space	643 035	444 749	539 037
Gross lettable area of total property portfolio	7 004 826	7 059 511	7 092 589
SA REIT GLA vacancy rate	9.2%	6.3%	7.6%

SA REIT cost of debt	ZAR %	AUD %	EUR %	USD %
31 December 2020				
Variable interest-rate borrowings				
Floating reference rate plus weighted average margin	5.1	0.0	1.4	0.0
Fixed interest-rate borrowings				
Weighted average fixed rate	9.9	0.0	0.0	5.9
Pre-adjusted weighted average cost of debt	5.2	0.0	1.4	5.9
Adjustments:				
Impact of interest rate derivatives	2.5	0.0	5.7	0.0
Impact of cross-currency interest rate swaps	0.4	3.9	(4.0)	(0.9)
Amortised transaction costs imputed in the effective interest rate	0.0	0.0	0.0	0.2
All-in weighted average cost of debt	8.1	3.9	3.1	5.2

SA REIT cost of debt	ZAR %	AUD %	EUR %	USD %	GBP %
31 December 2019					
Variable interest-rate borrowings					
Floating reference rate plus weighted average margin	8.4	0.0	1.4	0.0	2.4
Fixed interest-rate borrowings					
Weighted average fixed rate	10.0	0.0	0.0	5.8	0.0
Pre-adjusted weighted average cost of debt	8.4	0.0	1.4	5.8	2.4
Adjustments:					
Impact of interest rate derivatives	0.6	0.0	5.1	0.0	0.1
Impact of cross-currency interest rate swaps	0.1	4.1	(3.5)	(1.2)	0.0
Amortised transaction costs imputed in the effective interest rate	0.0	0.0	0.0	0.2	0.4
All-in weighted average cost of debt	9.1	4.1	3.0	4.8	2.9

30 June 2020					
Variable interest-rate borrowings					
Floating reference rate plus weighted average margin	6.1	0.0	1.6	0.0	2.0
Fixed interest-rate borrowings					
Weighted average fixed rate	10.0	0.0	0.0	5.9	0.0
Pre-adjusted weighted average cost of debt	6.2	0.0	1.6	5.9	2.0
Adjustments:					
Impact of interest rate derivatives	1.8	0.0	4.9	0.0	0.3
Impact of cross-currency interest rate swaps	0.2	4.1	(3.4)	(0.9)	0.0
Amortised transaction costs imputed in the effective interest rate	0.0	0.0	0.0	0.2	0.4
All-in weighted average cost of debt	8.2	4.1	3.1	5.2	2.7

SA REIT loan-to-value (Group)	31 December 2020 Rm	31 December 2019 Rm	30 June 2020 Rm
Gross debt	62 131	62 029	70 302
Less:			
Cash and cash equivalents	(3 158)	(2 371)	(2 420)
Add:			
Derivative financial instruments	3 271	(235)	3 155
Net debt	62 244	59 423	71 037
Total assets per Statement of Financial Position	158 599	163 759	168 499
Less:			
Cash and cash equivalents	(3 158)	(2 371)	(2 420)
Derivative financial assets	(493)	(1 001)	(1 607)
Goodwill and intangible assets	(664)	(1 926)	(700)
Trade and other receivables	(1 447)	(1 335)	(2 062)
Carrying amount of property-related assets	152 837	157 126	161 710
SA REIT loan-to-value (SA REIT LTV)	40.7%	37.8%	43.9%

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2020

	Unaudited six months 31 December 2020 Rm	Unaudited six months 31 December 2019 Rm	Audited 12 months 30 June 2020 Rm
Revenue, excluding straight-line lease income adjustment	6 580	5 849	12 008
Straight-line lease income adjustment	119	(132)	353
Total revenue	6 699	5 717	12 361
Property-related expenses	(1 861)	(1 348)	(3 008)
Impairment loss on trade receivables	(95)	(12)	(226)
Net property income	4 743	4 357	9 127
Other administrative and operating overheads	(311)	(273)	(580)
Operating profit	4 432	4 084	8 547
Equity accounted investment (loss)/profit – net of tax	(301)	657	297
Non-distributable (loss)/income	(714)	26	(923)
Dividends/interest received	413	631	1 220
Fair value adjustments, capital items and other charges	(3 659)	1 619	(11 093)
Finance and other investment income	23	37	103
Finance expense	(1 631)	(1 704)	(3 569)
(Loss)/profit before taxation	(1 136)	4 693	(5 715)
Taxation	(82)	(377)	(1 180)
(Loss)/profit for the period	(1 218)	4 316	(6 895)
Other comprehensive (loss)/income – net of tax			
Items that may subsequently be reclassified to profit or loss			
Translation of foreign operations	(2 541)	(357)	7 089
Total comprehensive (loss)/income for the year	(3 759)	3 959	194
(Loss)/profit attributable to:	(1 218)	4 316	(6 895)
Owners of the company	(1 307)	3 372	(6 865)
Non-controlling interests	89	944	(30)
Total comprehensive (loss)/income attributable to:	(3 759)	3 959	194
Owners of the company	(3 257)	3 062	(1 578)
Non-controlling interests	(502)	897	1 772
	Cents	Cents	Cents
Basic (loss)/earnings per share	(42.24)	113.32	(229.94)
Diluted (loss)/earnings per share	(42.05)	113.13	(229.11)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Unaudited 31 December 2020 Rm	Unaudited 31 December 2019 Rm	Audited 30 June 2020 Rm
Assets			
Cash and cash equivalents	3 158	2 371	2 420
Trade and other receivables	1 447	1 335	2 062
Investment property classified as held for sale	56	223	84
Property held for trading and development	850	806	900
Derivative assets	493	1 001	1 607
Listed investments	1 021	848	837
Fair value of property assets	131 288	135 503	139 029
Fair value of investment property for accounting purposes	125 379	129 278	133 275
Straight-line lease income adjustment	2 995	2 752	3 053
Tenant incentives	1 477	1 043	1 129
Right-of-use assets	1 437	2 430	1 572
Long-term loans granted	2 624	2 426	2 338
Equity-accounted investments	16 027	17 201	17 537
Unlisted investments	825	69	922
Equipment	59	50	63
Intangible assets	664	1 926	700
Deferred tax assets	87	–	–
Total assets	158 599	163 759	168 499
Liabilities and Equity			
Liabilities			
Trade and other payables	2 709	2 989	2 999
Derivative liabilities	3 764	766	4 762
Taxation payable	266	69	101
Interest-bearing borrowings	63 256	64 015	70 766
Lease liability	2 160	2 535	2 947
Deferred tax liabilities	3 839	3 201	3 879
Total liabilities	75 994	73 575	85 454
Shareholders' interest	68 298	75 613	67 877
Share capital	53 120	48 363	48 218
Retained income	3 284	3 183	2 295
Other reserves	11 894	24 067	17 364
Non-controlling interest	14 307	14 571	15 168
Total liabilities and equity	158 599	163 759	168 499

STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2020

	Attributable to owners of the company				Share holders' interest Rm	Non-controlling interest (NCI) Rm	Total equity Rm
	Share capital net of treasury shares Rm	Non-distributable reserves (NDR)		Retained earnings (RE) Rm			
		Foreign currency translation reserve (FCTR) Rm	Non-distributable reserve (NDR) Rm				
Balance at 30 June 2019	47 217	1 352	23 003	3 336	74 908	9 004	83 912
Total comprehensive income:							
Profit after taxation	–	–	–	3 372	3 372	944	4 316
Other comprehensive income	–	(310)	–	–	(310)	(47)	(357)
Transactions with owners recognised directly in equity:							
Contributions by and distributions to owners:							
Shares issued	1 120	–	–	–	1 120	–	1 120
Transfer non-distributable items to NDR	–	–	184	(184)	–	–	–
Share-based payment transactions	26	–	(84)	–	(58)	–	(58)
Dividends declared	–	–	–	(3 341)	(3 341)	(339)	(3 680)
Changes in ownership interest:							
Non-controlling interest – C&R	–	–	–	–	–	3 332	3 332
Rights issue and acquisitions – GOZ	–	(78)	–	–	(78)	1 677	1 599
Balance at 31 December 2019	48 363	964	23 103	3 183	75 613	14 571	90 184
Total comprehensive income:							
Profit after taxation	–	–	–	(10 237)	(10 237)	(974)	(11 211)
Other comprehensive income	–	5 597	–	–	5 597	1 849	7 446
Transactions with owners recognised directly in equity:							
Contributions by and distributions to owners:							
Transfer non-distributable items to NDR	–	–	(12 492)	12 492	–	–	–
Share-based payment transactions	(145)	–	114	–	(31)	–	(31)
Dividends declared	–	–	–	(3 143)	(3 143)	(580)	(3 723)
Changes in ownership interest:							
Change of ownership in Healthcare Fund	–	–	–	–	–	288	288
Rights issue and acquisitions – GOZ	–	78	–	–	78	14	92
Balance at 30 June 2020	48 218	6 639	10 725	2 295	67 877	15 168	83 045

	Attributable to owners of the company				Share holders' interest Rm	Non-controlling interest (NCI) Rm	Total equity Rm
	Share capital net of treasury shares Rm	Non-distributable reserves (NDR)		Retained earnings (RE) Rm			
		Foreign currency translation reserve (FCTR) Rm	Non-distributable reserve (NDR) Rm				
Balance at 30 June 2020	48 218	6 639	10 725	2 295	67 877	15 168	83 045
Total comprehensive income:							
Profit after taxation	–	–	–	(1 307)	(1 307)	89	(1 218)
Other comprehensive income	–	(1 950)	–	–	(1 950)	(591)	(2 541)
Transactions with owners recognised directly in equity:							
Contributions by and distributions to owners:							
Shares issued	4 806	–	–	–	4 806	–	4 806
Transfer non-distributable items to NDR	–	–	(3 648)	3 648	–	–	–
Share-based payment transactions	96	–	128	–	224	–	224
Dividends declared	–	–	–	(1 352)	(1 352)	(367)	(1 719)
Changes in ownership interest:							
Rights issue and acquisitions – GOZ	–	–	–	–	–	8	8
Balance at 31 December 2020	53 120	4 689	7 205	3 284	68 298	14 307	82 605
				Unaudited six months 31 December 2020	Unaudited six months 31 December 2019		Audited 12 months 30 June 2020
Dividend per share				58.50	106.0		146.0

STATEMENT OF CASH FLOWS

For the six months ended 31 December 2020

	Unaudited six months 31 December 2020 Rm	Unaudited six months 31 December 2019 Rm	Audited 12 months 30 June 2020 Rm
Cash flows from operating activities			
Cash generated from operating activities	5 126	4 977	8 491
Interest paid	(1 631)	(1 425)	(3 100)
Finance and other investment income	241	673	717
Taxation paid	(55)	(3)	(106)
Investment in property held for trading and development	(33)	(351)	(445)
Disposal of property held for trading and development	243	–	–
Distribution to shareholders	(1 719)	(3 704)	(7 403)
Net cash from/(used by) operating activities	2 172	167	(1 846)
Cash flows from investing activities			
Investments in:	(962)	(5 930)	(6 954)
Investment property	(936)	(2 307)	(3 439)
Subsidiary – C&R	–	(1 385)	(1 385)
Intangible assets	(15)	(5)	(18)
Equity-accounted investments	–	(1 697)	(1 112)
Equipment	(5)	–	(7)
Unlisted investment	(1)	–	(792)
Long-term loans	(5)	(345)	(17)
Capital costs incurred on business acquisitions	–	(191)	(184)
Proceeds from:	1 008	658	596
Disposal of investment property	904	109	257
Disposal of investment property held for sale	84	326	326
Repayment of long-term loans granted	20	223	13
Net cash from/(used by) investing activities	46	(5 272)	(6 358)
Cash flows from financing activities			
Proceeds from:	6 275	12 409	14 264
Borrowings raised	1 461	9 690	11 164
Share capital issued	4 229	–	–
Distribution re-investment	577	1 120	1 120
Rights issues to non-controlling interest of GOZ	8	1 599	1 692
Change of ownership in Healthcare	–	–	288
Repayments of borrowings	(7 561)	(5 651)	(4 459)
Repayments of lease liability	(70)	–	(62)
Net cash (used by)/from financing activities	(1 356)	6 758	9 743
Effect of exchange rate changes on cash and cash equivalents	(124)	(164)	(1)
Movement in cash and cash equivalents	738	1 489	1 538
Cash and cash equivalents at beginning of period	2 420	882	882
Cash and cash equivalents at end of reporting period	3 158	2 371	2 420

SEGMENTAL ANALYSIS

For the six months ended 31 December 2020

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 is comprised of nine segments, namely Retail, Office, Industrial, Healthcare, Trading and Development, Growthpoint Australia, V&A Waterfront, Central and Eastern Europe and the United Kingdom. All 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	Brief description of segment
Retail	The Growthpoint retail portfolio consists of 46 properties, comprising shopping centres with the balance being vacant land or standalone single-tenanted properties. It includes regional, community, neighbourhood, retail warehouses and speciality centres.
Office	The Growthpoint office portfolio consists of 168 properties which includes high rise and low rise offices, office parks, office warehouses, as well as mixed-use properties comprising both office and retail.
Industrial	The Growthpoint industrial portfolio consists of 210 properties which includes warehousing, industrial parks, motor-related outlets, low and high grade industrial, high-tech industrial, telecommunication assets, land zoned for developments as well as mini, midi and maxi units.
Healthcare	The Growthpoint healthcare portfolio consists of four hospitals and one medical chambers building.
Trading and Development	The Growthpoint trading and development portfolio consists of five properties developed for third parties and will not exceed 3.0% of the value of the South African portfolio.
Growthpoint Australia	The GOZ portfolio consists of 57 properties which includes both industrial and office properties, all situated in Australia.
V&A Waterfront	The V&A Waterfront is a 123 hectare mixed-use property development situated in and around the historic Victoria and Alfred Basin, which formed Cape Town's original harbour. Its properties include retail, office, fishing and industrial, hotel and residential as well as undeveloped bulk.
Central and Eastern Europe	The Central and Eastern Europe portfolio consists of 64 standing properties in Poland and Romania, mostly modern A-grade office properties, industrial properties as well as a residential property complex.
United Kingdom	The United Kingdom portfolio consists of seven properties that are community-based shopping centres.

Geographic segments

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 geographic segments have been identified:

- ◆ South Africa
- ◆ Australia
- ◆ V&A Waterfront
- ◆ Central and Eastern Europe
- ◆ United Kingdom.

SEGMENTAL ANALYSIS continued

For the six months ended 31 December 2020

	Unaudited 31 December 2020				
	Retail Rm	Office Rm	Industrial Rm	Healthcare Rm	Trading and Development Rm
Profit or loss disclosures					
Revenue excluding straight-line lease adjustment	1 588	1 639	771	140	132
Property-related expenses	(490)	(462)	(219)	(19)	(4)
Net property income	1 098	1 177	552	121	128
Other administrative and operating overheads					
Equity-accounted investment profit, net of tax					
Fair value adjustment on investment property	(814)	(1 290)	(370)	18	–
Fair value adjustments (other than investment property)					
Capital items and non-cash charges					
Finance income					
Finance expense					
Consolidated profit before taxation					
Assets					
Cash and cash equivalents					
Trade and other receivables					
Investment property classified as held for sale	–	40	16	–	–
Investment property held for trading and development	–	–	–	–	850
Derivative assets					
Listed investments					
Fair value of property assets	25 972	28 748	12 746	2 664	–
Fair value of investment property	25 867	28 472	12 724	2 640	–
Tenant incentives	65	276	22	24	–
Right-of-use assets	40	–	–	–	–
Long-term loans granted					
Equity-accounted investments					
Unlisted investments					
Equipment					
Intangible assets					
Deferred tax assets					
Total assets					
Liabilities					
Trade and other payables					
Derivative liabilities					
Taxation payable					
Interest-bearing borrowings					
Lease liability					
Deferred tax liabilities					
Total liabilities					

Unaudited 31 December 2020

Total South Africa Rm	Australia Rm	United Kingdom Rm	Total as reported Rm	V&A Waterfront Rm	Central and Eastern Europe Rm	Total Rm
4 270	1 671	639	6 580	325	615	7 520
(1 194)	(288)	(474)	(1 956)	(146)	(178)	(2 280)
3 076	1 383	165	4 624	179	437	5 240
(170)	(85)	(56)	(311)	(14)	(57)	(382)
188	(488)	(1)	(301)	–	4	(297)
(2 456)	1 127	(1 923)	(3 252)	(549)	(136)	(3 937)
(247)	16	(87)	(318)	–	(1)	(319)
(88)	(3)	121	30	(19)	(9)	2
23	–	–	23	7	7	37
(1 147)	(308)	(176)	(1 631)	(11)	(155)	(1 797)
(821)	1 642	(1 957)	(1 136)	(407)	90	(1 453)
1 092	383	1 683	3 158	190	2 779	6 127
1 171	202	74	1 447	190	179	1 816
56	–	–	56	–	–	56
850	–	–	850	–	–	850
391	102	–	493	–	–	493
–	1 021	–	1 021	–	–	1 021
70 130	49 823	11 335	131 288	9 049	15 889	156 226
69 703	47 906	10 765	128 374	9 049	15 889	153 312
387	765	325	1 477	–	–	1 477
40	1 152	245	1 437	–	–	1 437
2 624	–	–	2 624	–	–	2 624
16 027	–	–	16 027	–	149	16 176
808	–	17	825	–	55	880
2	7	50	59	241	–	300
664	–	–	664	–	65	729
–	83	4	87	–	–	87
93 815	51 621	13 163	158 599	9 670	19 116	187 385
1 716	531	462	2 709	156	368	3 233
3 360	226	178	3 764	–	–	3 764
–	266	–	266	–	4	270
38 256	16 660	8 340	63 256	172	8 584	72 012
40	1 212	908	2 160	57	153	2 370
3 839	–	–	3 839	1 013	763	5 615
47 211	18 895	9 888	75 994	1 398	9 872	87 264

SEGMENTAL ANALYSIS continued

For the six months ended 31 December 2020

Unaudited 31 December 2019

	Retail Rm	Office Rm	Industrial Rm	Healthcare Rm	Trading and Development Rm
Profit or loss disclosures					
Revenue excluding straight-line lease adjustment	1 688	1 698	757	130	8
Property related expenses	(459)	(450)	(178)	(15)	–
Net property income	1 229	1 248	579	115	8
Other administrative and operating overheads					
Equity-accounted investment profit, net of tax					
Fair value adjustment on investment property	(95)	(490)	(214)	9	–
Fair value adjustments (other than investment property)					
Capital items and non-cash charges					
Finance income					
Finance expense					
Consolidated profit before taxation					
Assets					
Cash and cash equivalents					
Trade and other receivables					
Investment property classified as held for sale	–	138	85	–	–
Investment property held for trading and development	–	–	–	–	806
Derivative assets					
Listed investments					
Fair value of property assets	29 931	31 879	13 676	2 685	–
Fair value of investment property	29 776	31 559	13 660	2 659	–
Tenant incentives	66	320	16	26	–
Right-of-use assets	89	–	–	–	–
Long-term loans granted					
Equity-accounted investments					
Unlisted investments					
Equipment					
Intangible assets					
Deferred tax assets					
Total assets					
Liabilities					
Trade and other payables					
Derivative liabilities					
Taxation payable					
Interest-bearing borrowings					
Lease liability					
Deferred tax liabilities					
Total liabilities					

Unaudited 31 December 2019

Total South Africa Rm	Australia Rm	United Kingdom Rm	Total as reported Rm	V&A Waterfront Rm	Central and Eastern Europe Rm	Total Rm
4 281	1 498	70	5 849	494	568	6 911
(1 102)	(226)	(32)	(1 360)	(150)	(186)	(1 696)
3 179	1 272	38	4 489	344	382	5 215
(183)	(90)	–	(273)	(14)	(61)	(348)
659	–	(2)	657	–	–	657
(790)	1 309	–	519	–	329	848
410	219	–	629	–	2	631
(239)	–	578	339	(7)	26	358
33	2	2	37	13	3	53
(1 429)	(253)	(22)	(1 704)	(14)	(108)	(1 826)
1 640	2 459	594	4 693	322	573	5 588
213	380	1 778	2 371	216	1 348	3 935
826	210	299	1 335	230	289	1 854
223	–	–	223	–	–	223
806	–	–	806	–	–	806
870	131	–	1 001	–	–	1 001
–	848	–	848	–	–	848
78 171	42 533	14 799	135 503	9 724	14 236	159 463
77 654	40 898	13 478	132 030	9 724	14 236	155 990
428	615	–	1 043	–	–	1 043
89	1 020	1 321	2 430	–	–	2 430
2 426	–	–	2 426	–	–	2 426
17 201	–	–	17 201	–	82	17 283
69	–	–	69	–	60	129
1	8	41	50	224	–	274
1 926	–	–	1 926	–	57	1 983
–	–	–	–	–	–	–
102 732	44 110	16 917	163 759	10 394	16 072	190 225
1 866	459	664	2 989	146	343	3 478
702	–	64	766	–	7	773
–	69	–	69	–	4	73
40 909	14 834	8 272	64 015	181	6 117	70 313
89	1 040	1 406	2 535	1	148	2 684
3 201	–	–	3 201	176	607	3 984
46 767	16 402	10 406	73 575	504	7 226	81 305

SEGMENTAL ANALYSIS continued

For the six months ended 31 December 2020

Audited 30 June 2020

	Retail Rm	Office Rm	Industrial Rm	Healthcare Rm	Trading and Development Rm
Profit or loss disclosures					
Revenue excluding straight-line lease adjustment	3 108	3 342	1 515	263	41
Property related expenses	(994)	(965)	(401)	(41)	(11)
Net property income	2 114	2 377	1 114	222	30
Other administrative and operating overheads					
Equity-accounted investment profit, net of tax					
Fair value adjustment on investment property	(3 410)	(2 736)	(872)	(17)	–
Fair value adjustments (other than investment property)					
Capital items and non-cash charges					
Finance income					
Finance expense					
Consolidated profit before taxation					
Assets					
Cash and cash equivalents					
Trade and other receivables					
Investment property classified as held for sale	–	–	84	–	–
Investment property held for trading and development	–	–	–	–	900
Derivative assets					
Listed investments					
Fair value of property assets	26 759	29 793	13 223	2 645	–
Fair value of investment property	26 656	29 471	13 201	2 620	–
Tenant incentives	69	322	22	25	–
Right-of-use assets	34	–	–	–	–
Long-term loans granted					
Equity-accounted investments					
Unlisted investments					
Equipment					
Intangible assets					
Deferred tax assets					
Total assets					
Liabilities					
Trade and other payables					
Derivative liabilities					
Taxation payable					
Interest-bearing borrowings					
Lease liability					
Deferred tax liabilities					
Total liabilities					

Audited 30 June 2020

Total South Africa Rm	Australia Rm	United Kingdom Rm	Total as reported Rm	V&A Waterfront Rm	Central and Eastern Europe Rm	Total Rm
8 269 (2 412)	3 024 (487)	715 (335)	12 008 (3 234)	920 (326)	1 185 (373)	14 113 (3 933)
5 857 (370) 409 (7 035) (1 869) (904) 100 (2 801) (6 613)	2 537 (153) – 1 436 (293) – 3 (547) 2 983	380 (57) – (2 422) 228 7 – (221) (2 085)	8 774 (580) 409 (8 021) (1 934) (897) 103 (3 569) (5 715)	594 (27) – (406) – (38) 28 (23) 128	812 (86) – (336) – – 32 (234) 188	10 180 (693) 409 (8 763) (1 934) (935) 163 (3 826) (5 399)
142 1 349 84 900 985 – 72 420	512 163 – – 622 837 51 845	1 766 550 – – – – 14 764	2 420 2 062 84 900 1 607 837 139 029	205 104 – – – – 9 447	3 252 351 – – 18 – 17 226	5 877 2 517 84 900 1 625 837 165 702
71 948 438 34	49 995 598 1 252	14 385 93 286	136 328 1 129 1 572	9 412 – 35	17 226 – –	162 966 1 129 1 607
2 338 17 537 900 2 700 –	– – – 8 – –	– – 22 53 – –	2 338 17 537 922 63 700 –	108 – – 232 – –	– 189 57 – 71 –	2 446 17 726 979 295 771 –
97 357	53 987	17 155	168 499	10 096	21 164	199 759
1 888 4 446 – 43 275 34 3 879 53 522	384 124 101 18 643 1 297 – 20 549	727 192 – 8 848 1 616 – 11 383	2 999 4 762 101 70 766 2 947 3 879 85 454	248 – – 260 – 100 608	406 57 – 9 622 – 762 10 847	3 653 4 819 101 80 648 2 947 4 741 96 909

NOTES

For the six months ended 31 December 2020

Note 1: Basic and headline earnings per share

Summary of earnings per share (EPS), headline earnings per share (HEPS) and distributable income per share (DIPS)

	Earnings attributable			Weighted average number of shares			Cents per share		
	Unaudited six months 31 December 2020 Rm	Unaudited six months 31 December 2019 Rm	Audited 12 months 30 June 2020 Rm	Unaudited six months 31 December 2020	Unaudited six months 31 December 2019	Audited 12 months 30 June 2020	Unaudited six months 31 December 2020	Unaudited six months 31 December 2019	Audited 12 months 30 June 2020
Total operations									
EPS ♦ Basic	(1 307)	3 372	(6 865)	3 093 862 601	2 975 674 946	2 985 603 538	(42.24)	113.32	(229.94)
EPS ♦ Diluted	(1 307)	3 372	(6 865)	3 107 909 799	2 980 703 584	2 996 415 033	(42.05)	113.13	(229.11)
HEPS ♦ Basic	2 284	2 091	2 386	3 093 862 601	2 975 674 946	2 985 603 538	73.84	70.27	79.93
HEPS ♦ Diluted	2 284	2 091	2 386	3 107 909 799	2 980 703 584	2 996 415 033	73.50	70.15	79.64

	Earnings attributable			Actual number of shares			Cents per share		
	Unaudited six months 31 December 2020 Rm	Unaudited six months 31 December 2019 Rm	Audited 12 months 30 June 2020 Rm	Unaudited six months 31 December 2020	Unaudited six months 31 December 2019	Audited 12 months 30 June 2020	Unaudited six months 31 December 2020	Unaudited six months 31 December 2019	Audited 12 months 30 June 2020
DIPS	2 495	3 183	5 478	3 398 244 371	3 003 144 664	2 989 240 606	73.1	106.0	183.1

Reconciliation between basic earnings, diluted earnings and headline earnings

	Gross			Total		
	Unaudited six months 31 December 2020 Rm	Unaudited six months 31 December 2019 Rm	Audited 12 months 30 June 2020 Rm	Unaudited six months 31 December 2020 Rm	Unaudited six months 31 December 2019 Rm	Audited 12 months 30 June 2020 Rm
Profit for the year				(1 307)	3 372	(6 865)
Impairment of goodwill	(3 659)*	1 619*	(11 093)*	–	–	1 202
Bargain purchase	(3 659)*	1 619*	(11 093)*	–	(578)	(578)
Fair value adjustments on investment property	(3 659)*	1 619*	(11 093)*	3 591	(703)	8 627
Net investment property valuation				3 385	(703)	8 723
Fair value adjustments: equity-accounted investments				685	(524)	808
NCl portion of fair value adjustments				(479)	524	(904)
Headline basic and diluted earnings				2 284	2 091	2 386

Reconciliation of weighted average number of shares

	Weighted number of shares		
	Unaudited six months 31 December 2020	Unaudited six months 31 December 2019	Audited 12 months 30 June 2020
Weighted average number of shares	3 093 862 601	2 975 674 946	2 985 603 538
Number of shares as at 1 July	3 022 496 382	2 970 981 288	2 970 981 288
Shares issued during the year	104 160 872	24 782 937	38 143 690
Effect of treasury shares held	(32 794 653)	(20 089 279)	(23 521 440)
Effect of share options in issue	14 047 198	5 028 638	10 811 495
Diluted average number of shares	3 107 909 799	2 980 703 584	2 996 415 033

* The impairment of goodwill, bargain purchase and fair value adjustment on investment property are included in the "fair value adjustment, capital items and other charges" line item on the face of the statement of profit or loss and other comprehensive income, which total R3 659m.

Note 2: Fair value disclosure
Classification of financial assets and liabilities

	Fair value through profit or loss Rm	Financial assets at amortised cost Rm	Outside scope of IFRS 9 Rm	Total Rm
Assets				
Unaudited at 31 December 2020				
Cash and cash equivalents	–	3 158	–	3 158
Trade and other receivables	–	1 210	237	1 447
Derivative assets	493	–	–	493
Listed investments	1 021	–	–	1 021
Unlisted investments	825	–	–	825
Long-term loans granted	2 624	–	–	2 624
Unaudited at 31 December 2019				
Cash and cash equivalents	–	2 371	–	2 371
Trade and other receivables	–	1 216	119	1 335
Derivative assets	1 001	–	–	1 001
Listed investments	848	–	–	848
Unlisted investments	69	–	–	69
Long-term loans granted	2 426	–	–	2 426
Audited at 30 June 2020				
Cash and cash equivalents	–	2 420	–	2 420
Trade and other receivables	–	1 716	346	2 062
Derivative assets	1 607	–	–	1 607
Listed investments	837	–	–	837
Unlisted investments	922	–	–	922
Long-term loans granted	2 338	–	–	2 338
Liabilities				
Unaudited at 31 December 2020				
Trade payables	–	2 347	362	2 709
Derivative liabilities	3 764	–	–	3 764
Tax payable	–	–	266	266
Interest-bearing borrowings	63 256	–	–	63 256
Lease liability	–	2 160	–	2 160
Unaudited at 31 December 2019				
Trade payables	–	2 721	268	2 989
Derivative liabilities	766	–	–	766
Tax payable	–	–	69	69
Interest-bearing borrowings	64 015	–	–	64 015
Lease liability	–	2 535	–	2 535
Audited at 30 June 2020				
Trade payables	–	2 601	398	2 999
Derivative liabilities	4 762	–	–	4 762
Tax payable	–	–	101	101
Interest-bearing borrowings	70 766	–	–	70 766
Lease liability	–	2 947	–	2 947

NOTES continued

For the six months ended 31 December 2020

Note 2: Fair value disclosure (continued)

Fair value estimation

Fair value measurement of assets and liabilities

The table below includes only those assets and liabilities that are measured at fair value including non-recurring items measured at fair value:

	Unaudited at 31 December 2020			
	Fair value Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Assets				
Recurring fair value measurement				
Fair value of investment property assets	131 288	–	–	131 288
Listed investments	1 021	1 021	–	–
Unlisted investments	825	–	–	825
Long-term loans granted	2 624	–	–	2 624
Derivative assets	493	–	493	–
Non-recurring fair value measurement				
Non-current assets held for sale	56	–	–	56
Total assets measured at fair value	136 307	1 021	493	134 793
Liabilities				
Recurring fair value measurement				
Interest-bearing borrowings	63 256	–	63 256	–
Derivative liabilities	3 764	–	3 764	–
Total liabilities measured at fair value	67 020	–	67 020	–

The carrying amount of assets and liabilities that are not measured at fair value reasonably approximate their fair value due to their short-term nature. These include trade and other receivables, cash and cash equivalents and trade and other payables.

Movement in level 3 instruments

	Unaudited six months 31 December 2020		
	Property assets Rm	Long-term loans granted Rm	Unlisted investments Rm
Opening balance	139 113	2 338	922
(Loss)/gain from fair value adjustments and translation of foreign operations	(7 840)	23	(97)
Accrued interest	–	278	–
Reclassification from trade and other receivables	–	–	–
Acquisitions	905	–	–
Acquisitions through the C&R business combination	–	–	–
Tenant incentives	289	–	–
Right-of-use assets	(135)	–	–
Disposals	(988)	–	–
Advancements	–	5	–
Settlements	–	(20)	–
Closing balance	131 344	2 624	825

Fair value Rm	Unaudited at 31 December 2019			Fair value Rm	Audited at 30 June 2020		
	Level 1 Rm	Level 2 Rm	Level 3 Rm		Level 1 Rm	Level 2 Rm	Level 3 Rm
135 503	–	–	135 503	139 029	–	–	139 029
848	848	–	–	837	837	–	–
69	–	–	69	922	–	–	922
2 426	–	–	2 426	2 338	–	–	2 338
1 001	–	1 001	–	1 607	–	1 607	–
223	–	–	223	84	–	–	84
140 070	848	1 001	138 221	144 817	837	1 607	142 373
64 015	–	64 015	–	70 766	–	70 766	–
766	–	766	–	4 762	–	4 762	–
64 781	–	64 781	–	75 528	–	75 528	–

Property assets Rm	Unaudited six months 31 December 2019				Property assets Rm	Audited 12 months 30 June 2020			
	Long-term loans granted Rm	Derivative assets Rm	Derivative liabilities Rm	Unlisted investments Rm		Long-term loans granted Rm	Derivative assets Rm	Derivative liabilities Rm	Unlisted investments Rm
117 637	76	607	(281)	96	117 637	76	607	(281)	96
1 924	–	(607)	281	(27)	1 842	(89)	(607)	281	12
–	335	–	–	–	–	228	–	–	–
–	–	–	–	–	–	2 119	–	–	–
2 511	2 208	–	–	–	3 439	–	–	–	814
15 160	–	–	–	–	15 160	–	–	–	–
(1 083)	–	–	–	–	46	–	–	–	–
–	–	–	–	–	1 572	–	–	–	–
(423)	–	–	–	–	(583)	–	–	–	–
–	33	–	–	–	–	17	–	–	–
–	(226)	–	–	–	–	(13)	–	–	–
135 726	2 426	–	–	69	139 113	2 338	–	–	922

NOTES continued

For the six months ended 31 December 2020

Note 2: Fair value disclosure (continued)

Fair value estimation

Fair value measurement of assets and liabilities

Valuation process

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to the Group Financial Director.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- ◆ Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ◆ Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- ◆ Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Valuation techniques and significant unobservable inputs

Level 2 instruments

Interest-bearing borrowings

Description	Valuation technique	Significant unobservable inputs
Interest-bearing borrowings (South Africa)	Valued by discounting future cash flows using a swap curve plus an appropriate credit margin of between 1.5% and 3.6% at the dates when the cash flows will take place (FY20: 1.5% to 3.6%).	Not applicable

The estimated fair value would increase/(decrease) if the credit margin were lower/(higher).

Derivative instruments

Description	Valuation technique	Significant unobservable inputs
Forward exchange contracts	Valued by discounting the forward rates applied at year end to the open hedged positions.	Not applicable
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
Cross-currency interest rate swaps	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

Level 3 instruments

In terms of the Group's policy, annually at least 75% of the fair value of investment properties should be determined by an external, independent valuator, 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 valuer.

Note 2: Fair value disclosure (continued)

Valuation techniques and significant unobservable inputs (continued)

Level 3 instruments (continued)

The South African properties were valued at HY21 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:

Company	Valuer	Qualifications
Mills Fitchet KZN	T Bate	MSc, BSc Land Econ (UK), MRICS, MIV (SA), professional valuer
Eris Property Group (Pty) Ltd	C Everatt	BSc (Hons) Estate Management, MRICS, MIV (SA), professional valuer
Mills Fitchet PWV	PG Mitchell	Ndip (Prop Val), MIV (SA), CIEA, professional valuer
Premium Valuation Services	Y Vahed	Ndip (Real Estate in Prop Val), MIV (SA), professional valuer
Broll Valuation and Advisory Services	R Long	BSc, MBA, MRICS, professional valuer
Knight Frank	A Arbee	NDip (Real Estate in Prop Val), associate professional valuer
Spectrum Valuations & Asset Solutions	PL O'Connell	NDip (Prop Val), MRICS, professional valuer
Sterling Valuation Specialists	AS Greybe-Smith	BSc (Hons), MIV (SA), associate professional valuer
Mills Fitchet Cape (Pty) Ltd	S Wolffs	NDip (Prop Val), associate professional valuer

The Australian properties were valued at HY21 using the discounted cash flow of future income streams method by CBRE, Colliers, JLL, Knight Frank, m3property, Savills and Urbis. The fair value of properties not externally valued as at 31 December 2020 were based solely on Directors' valuations.

The United Kingdom properties were valued at HY21 by independent qualified professionals valuers from CBRE Limited and Knight Frank LLP in accordance with Royal Institution of Chartered Surveyors (RICS) standards. The equivalent yield of the seven retail properties ranged from 5.30% to 13.17%.

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:

Investment property

Significant unobservable inputs and range of estimates used						
Description	Valuation technique	Fair value Rm	Discount rate (%)	Exit capitalisation rate (%)	Capitalisation rate (%)	Rental growth rate (%)
Retail sector	Discounted cash flow model	25 867	13.0	8.5	8.2	4.5
		4 886	12.0 – 12.5	7.5 – 8.5	7.5 – 8.0	3.9 – 5.0
		10 160	12.5 – 13.0	7.8 – 9.0	7.8 – 8.5	3.9 – 5.0
		9 879	13.25 – 13.75	8.5 – 10.0	8.0 – 9.8	3.9 – 5.0
		942	14.0 – 15.25	9.5 – 14.0	8.8 – 13.8	3.8 – 4.8
Office sector	Discounted cash flow model	28 512	12.8	8.6	8.2	3.7
		10 676	12.75 – 13.25	8.0 – 9.8	7.8 – 9.3	3.0 – 4.0
		13 215	13.5 – 14.0	8.3 – 11.0	8.0 – 10.3	3.0 – 5.5
		4 621	14.25 – 14.75	9.0 – 10.8	8.8 – 10.0	3.0 – 5.0
Industrial sector	Discounted cash flow model	12 740	13.3	9.5	8.9	4.0
		4 132	12.75 – 13.75	8.5 – 10.5	8.3 – 10.0	3.0 – 5.0
		7 571	14.0 – 15.0	9.0 – 11.5	8.8 – 10.5	3.0 – 6.0
		439	15.25 – 16.0	10.8 – 112.5	10.3 – 13.8	3.0 – 5.5
Healthcare sector	Discounted cash flow model	598	16.5 – 17.0	12.5 – 13.0	11.5 – 12.0	5.0 – 5.0
		2 640	13.7	9.1	9.1	4.5
GOZ office	Discounted cash flow model	32 762	6.2	5.3	5.6	2.9
		19 745	5.75 – 6.25	4.6 – 6.1	4.1 – 5.9	2.1 – 3.6
		10 510	6.38 – 6.5	5.3 – 6.8	5.0 – 6.3	2.1 – 3.6
		2 507	6.75 – 7.25	6.3 – 7.0	6.0 – 6.8	2.1 – 3.6
GOZ industrial	Discounted cash flow model	15 144	6.3	6.3	5.7	2.6
		9 233	6.0 – 6.25	4.8 – 6.3	4.8 – 6.0	1.9 – 3.2
		4 845	6.5 – 6.75	5.0 – 10.5	4.8 – 8.3	1.9 – 3.2
		1 066	7.25 – 7.75	7.0 – 8.3	6.5 – 7.8	1.9 – 3.2
Total		117 665				

NOTES continued

For the six months ended 31 December 2020

Note 2: Fair value disclosure (continued)

Valuation techniques and significant unobservable inputs (continued)

Level 3 instruments (continued)

Further assumptions are used in the valuation of investment property. The estimated fair value would increase/(decrease) if the expected market rental growth was higher/(lower), expected expense growth was lower/(higher), the vacant periods were shorter/(longer), the occupancy rate was higher/(lower), the rent-free periods were shorter/(longer), the discount rate was lower/(higher) and/or the reversionary capitalisation rate was lower/(higher).

Long-term loans granted

Description	Valuation technique	Significant unobservable inputs
V&A Waterfront	Valued by discounting future cash flows using the South African swap curve at the dates when the cash flows will take place.	Counterparty credit risk
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.	Counterparty credit risk
Workshop 17	Valued by discounting future cash flows using the South African swap curve at the dates when the cash flows will take place.	Counterparty credit risk

Unlisted investments

Description	Valuation technique	Significant unobservable inputs
Edcon	Management's best estimate of the fair value of Edcon is Rnil million taking into account comparative transactions in the market.	Forecast, budget and EBIT
Lango	Valued by discounting future cash flows using the weighted average cost of capital at the dates when the cash flows will take place.	Forecast, budget and EBIT
Kingfisher Limited Partnership	Valued by discounting future cash flows using the weighted average cost of capital at the dates when the cash flows will take place.	Forecast, budget and EBIT
OneCart	Valued by discounting future cash flows using the weighted average cost of capital at the dates when the cash flows will take place.	Forecast, budget and EBIT
SA SME Fund	Valued by discounting future cash flows using the weighted average cost of capital at the dates when the cash flows will take place.	Forecast, budget and EBIT



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