

MPOWERING ▲ GROWTHPOINT

Old Mutual Specialised Finance (OMSFIN) congratulates Growthpoint Properties Limited on successfully concluding its Black Economic Empowerment transaction.

As co-arranger and lender, OMSFIN committed R348 million of empowerment funding to the transaction.

▲ To find out how OMSFIN can help your business, contact Bradley Kalil or Michael Hyne on (021) 509 0887.

This announcement appears as a matter of record only.



BEE tranchéd debt funding for the acquisition of 14.2%
of Growthpoint Properties Limited

RI 014 000 000

Arranged and structured by

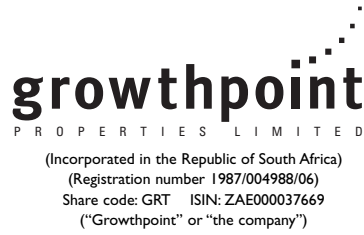


Lender



Lender and co-arranger





GROWTHPOINT BLACK ECONOMIC EMPOWERMENT ("BEE") TRANSACTION

1. INTRODUCTION AND RATIONALE

Investec Bank Limited is authorised to announce that Growthpoint has entered into various agreements in order to facilitate the acquisition by a Consortium of BEE Partners (the "BEE Consortium") of 100 million Growthpoint linked units amounting to 14.2% of the total Growthpoint linked units currently in issue, which units have a current market value of R1.01 billion ("BEE Transaction"). Growthpoint and its Board of Directors ("the Board") are committed to assist in the achievement of meaningful participation by Historically Disadvantaged South Africans ("HDSAs") in the country's economy.

As an integral part of the transaction, the BEE Consortium has also acquired a 14.2% interest in the Growthpoint asset management contract from Investec Property Group Limited. This transaction (the "BEE Manco Transaction") entitles the BEE Consortium to 14.2% of the asset management fee arising from the asset management agreement concluded between Growthpoint and Growthpoint Managers (Proprietary) Limited in respect of the management of Growthpoint's property portfolio.

The Board believes that the implementation of the BEE Transaction and the BEE Manco Transaction (collectively the "BEE Transactions"), as well as the new Board appointments referred to in paragraph 7 below, are major steps towards addressing Growthpoint's BEE equity ownership and control responsibilities as are currently required under the Department of Trade and Industry Codes of Good Practice on Broad Based Black Economic Empowerment and the draft Property Sector Transformation Charter.

2. GROWTHPOINT BEE PRINCIPALS

In structuring the BEE Transactions, Growthpoint developed a set of objectives (the "BEE objectives") to ensure:

- the BEE Consortium includes influential role players who can add value to Growthpoint and its linked unitholders but at the same time ensuring the BEE Transactions benefit a broad base of HDSAs;
- the BEE Consortium assists Growthpoint, on an ongoing basis, in meeting the requirements of the Broad Based Black Economic Empowerment Act, No. 53 of 2003, as amended (the "BBBEE Act") and the Property Sector Transformation Charter once it becomes effective;
- the economic interest and voting rights are transferred to the BEE Consortium upfront;
- the BEE Consortium remains an investor in, and a partner of, Growthpoint for at least seven years (the "lock-in period");
- the BEE Transactions are sustainable and value enhancing for the BEE Consortium and Growthpoint linked unitholders without any significant up-front cost to Growthpoint; and
- the dilution to Growthpoint linked unitholders is kept to a minimum.

3. BACKGROUND ON THE BEE CONSORTIUM

Based upon the BEE objectives the Board identified Amabubesi Investments (Proprietary) Limited ("Amabubesi"), Miganu Investment Holdings (Proprietary) Limited ("Miganu") and Unipalm Investment Holdings Limited ("Unipalm") to form the partners in the BEE Consortium (the "Consortium Members")

3.1 Amabubesi Consortium

Amabubesi is a new generation black controlled and managed investment holding company led by Chairman, Bulelani Ngcuka. The company was incorporated in 2002 and has to date pursued strategic investments in the information technology, security, transport and logistics, healthcare, motor retailing as well as leisure and tourism sectors.

Amabubesi has an effective 80% interest in the Amabubesi Consortium whilst Desert Wind Properties (Proprietary) Limited, a company controlled and managed by black women has a 15% interest, with a 5% interest benefiting a broad based community trust. Other key members of the Amabubesi Consortium, which is controlled by HDSA's, include Sango Ntsaluba (CEO), Thabiso Tielai and Peter Moyo, all successful business people in their own right.

3.2 Miganu

Miganu is a wholly black owned and managed investment holding company formed in 2002 by Mzolisi Diliza to provide a platform for the consolidation of various investments in mining companies Imbewu Mineral Resources (Pty) Limited and Africa Wide Investment Holdings (Pty) Limited, as well as to pursue other investments in the mining, property, information, communication and technology, healthcare and leisure & tourism sectors.

A key member and significant investor in Miganu is Dr. Penuell Maduna, former Minister of Justice and Constitutional Affairs, whilst the company also has a broad based rural community trust as one of the main beneficiaries.

Miganu targets investment opportunities where it can add value and where the investment is underpinned by high growth potential, sustainable cash flows, competent management and where the company has a profitable track record and a strong balance sheet. Miganu believes Growthpoint meets the above criteria.

3.3 Unipalm

Unipalm is a black owned and managed company established in 2001 and chaired by Thandi Ramathesele. The largest shareholder in Unipalm, with an 18% interest, is Afripalm, which is an investment vehicle owned by Ragavan Moonsamy and Lazarus Zim.

The Unipalm shareholder base includes a national broad base of 35 000 people including women, with strong rural and urban participation. Unipalm CEO, Ragavan Moonsamy, first embarked on an extensive capital raising exercise in 2001 amongst the communities across South Africa to capitalise the company. Unipalm is an independent black empowerment group and has already made a large number of investments into various sectors including agriculture, media, tourism, engineering, professional services and property.

The company is committed to continue bringing in as many HDSA's as it can into the formal economic sector.

4. THE BEE TRANSACTION

The BEE Consortium will effectively acquire 100 million or 14.2% of the total Growthpoint linked units currently in issue. Based on the closing market price of the Growthpoint linked units of R10.14 ("market price") on 29 August 2005 the market value of the investment is R1.01 billion.

4.1 BEE interest in the Consortium

The participation by the Consortium Members in the BEE Consortium, the effective participation in Growthpoint linked units and the approximate value of such participation based on the market price are set out in the table below:

	Interest in the BEE Consortium %	Effective interest in Growthpoint %	Current market value (R'million)
Amabubesi	33.3	4.7	338
Miganu	33.3	4.7	338
Unipalm	33.3	4.7	338
BEE Consortium	100.0	14.2	1 014

4.2 Terms of participation by the Consortium Members

Salient features of participation by the Consortium Members in the BEE Transaction are as follows:

- the Consortium Members are not entitled to sell or alienate their interest in Growthpoint for the lock-in period;
- the Consortium Members must be and remain to be controlled by broad based BEE entities and/or individuals for the duration of the lock-in period to the extent required by the BBBEE Act and all other applicable laws and regulations from time to time; and
- following the expiry of the lock-in period, should the BEE Consortium wish to dispose of their interest in Growthpoint, or any part thereof, and there is still a requirement for Growthpoint to maintain its BEE equity ownership, the BEE Consortium will be required to sell their interest, or the relevant part thereof, to a third party that will maintain its BEE status.

5. SALIENT TERMS OF THE BEE TRANSACTIONS AND FUNDING

The BEE Consortium will acquire 100 million Growthpoint linked units as follows:

- 52.5 million Growthpoint linked units from the Mines Pension Funds; and
- 47.5 million Growthpoint linked units from Investec Employee Benefits Limited.

Each of ABSA Group Limited and Old Mutual Specialised Finance (Proprietary) Limited will advance R348 million, or R696 million in aggregate, of senior and junior funding to partly fund the BEE Transaction.

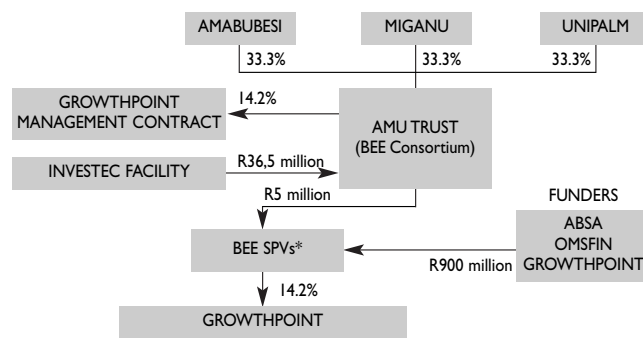
Growthpoint will advance mezzanine funding of R204 million to fund the acquisition of Growthpoint debentures. At the settlement date of the mezzanine funding, the BEE Consortium will pay to Growthpoint, to the extent that funds are available, an additional 2% interest per annum and a further amount calculated to be 40% of the net equity upside of the BEE Consortium. The total return to Growthpoint will be capped at a hurdle rate.

All funding will be provided on a 10-year basis with an election by the lenders to review their funding after seven years.

Investec Private Bank will provide a facility of up to R36.5 million to the BEE Consortium to fund the equity participation of the BEE Consortium of R5 million in the BEE Transaction and to fund the BEE Manco Transaction.

6. SUMMARISED BEE TRANSACTION STRUCTURE

A summarized BEE transaction structure is set out in the diagram below:



*BEE SPVs effectively hold 100 million linked units.

7. BOARD REPRESENTATION

The Growthpoint Board appoints Bulelani Ngcuka and Ragavan Moonsamy as non-executive directors to the Board at the next Board meeting to join Mzolisi Diliza who is already a non-executive director.

For and on behalf of the board

Growthpoint Properties Limited
 Sandton
 30 August 2005

Investment bank and transaction adviser



Sponsor to Growthpoint



Lead arranger and transaction adviser



Legal adviser to Growthpoint



Legal adviser to BEE Consortium



Lender



Co-arranger and lender



INCE