





REBOSIS
PROPERTY FUND

Integrated Report

For the year ended 31 August 2012

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ABOUT THIS REPORT

Rebosis has been listed on the JSE since 17 May 2011 and has established sound governance and sustainability principles from the outset. With the aim of fully integrating them in the fabric of its strategies and operations, the company is in the final stages of formalising and codifying its policies, practices and procedures in relation to these principles.

This report has been prepared to comply as far as we are able with the requirements as set out in the King Report on Corporate Governance (King III).

Rebosis has not yet achieved full integration of the complete range of sustainability and integrated reporting objectives into its business model. We realise that integrated reporting is a journey

and we shall continue to improve on our present content until we have achieved a fully-integrated report.

We have nevertheless endeavoured to apply the principles of King III by reporting transparently and fairly on sustainability and integrated reporting. The directors further adhere to King III's 'apply or explain' approach in this report, and as required in terms of the JSE Listings Requirements.

The Rebosis board of directors is tasked with ensuring that the company fully complies with the relevant laws, regulations and best practices connected with corporate governance and responsible corporate citizenship. It is further tasked with ensuring that the company communicates with its stakeholders openly and timeously in this regard, with substance prevailing over form. The

PORTFOLIO VALUE

R4,5bn

FINANCIAL HIGHLIGHTS

Total distribution
85,50 cpu, **↑12,1%**

Market capitalisation
R3,014 billion, **↑39,3%**

Total return
(8,7% income and 22,8% capital) **31,5%**

Net asset value
(excluding deferred taxation) R11,23 pu, **↑9,0%**

Net borrowings
R1,684 billion, gearing ratio **37,1%**

Retail turnover growth **↑15,0%**

Portfolio occupancy **98,0%**

board believes that it has applied its collective mind to the report and that it has addressed the relevant material issues, hereby fairly presenting the integrated performance of the company.

The report covers the company's activities of its reportable business segments in South Africa for the year ended 31 August 2012, and aims to provide relevant and meaningful information to all Rebosis' stakeholders.

The annual financial statements at the back of this report have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 71 of 2008, as amended.

This report is also available as a PDF on our website:

www.rebosis.co.za





REBOSIS OVERVIEW

Business overview

Value added statement

Stakeholder engagement

Portfolio review

Directorate

BUSINESS OVERVIEW

Rebosis Property Fund Limited owns a specialised high-growth portfolio of well-located retail and office properties independently valued at R4,54 billion.

The portfolio consists of three exceptional quality shopping malls, each dominant in its trading node, and together representing 52% of the portfolio's value. Nine large office properties, mostly single-tenanted, make up the balance of the portfolio's value.

The shopping centres deliver secure, escalating income streams anchored by strong national tenants, including a number of well-known national retail chains. Their average retail turnover growth of 15% was well above the national average retail turnover growth of 10,5%.

The office buildings, located in nodes attractive to government tenants, are leased mainly to the national Department of Public Works under long leases providing for average escalations of 8,3% a year. These leases contributed 45% of Rebosis' total lease income in 2012. The office portfolio thus strongly underpins Rebosis' rental income, shielding it from private sector risks such as tenant insolvency and default.

The assets are located in the Eastern Cape, Gauteng, North West and KwaZulu-Natal, and the specialised nature of the asset portfolio enables management to focus attention on a relatively small number of large properties.

Rebosis has no direct employees. It outsources its asset and property management functions to Billion Asset Managers and Billion Property Services, respectively. These subsidiaries of the major property developer, Billion Group, earn fees for their services and implement appropriate policies and procedures governing key sustainability issues.

Business strategy

Rebosis' primary objective is to continue to grow distributions to unitholders by acquiring high-quality retail, office and industrial properties yielding strong, secure income and capital returns with a minimum of downside risk.

In carrying out its strategies for growth, the company acts with the highest standards of ethical and effective corporate governance in the interests of unitholders and the wider community alike.

Over the next three years, Rebosis aims to establish itself as one of the fastest growing property investment funds in South Africa, in terms of both value and return on investment. In pursuing this objective, it will once again demonstrate the exceptional skills and competence of its management team.

Investment strategy

Rebosis, as a specialised fund, will maintain:

- A portfolio of well-located retail and office properties yielding high returns
- A secure underpin of long-term office leases by national government tenants
- Its investment in dominant regional shopping centres in the early stages of maturity with at least 75% national tenants
- Its commitment to grow the portfolio organically by acquiring further retail and office properties meeting our prescribed criteria – retail properties with GLA in excess of 20 000 m² and commercial properties with a GLA in excess of 10 000 m²
- Entrepreneurial, experienced and focused management
- The right of first refusal to acquire properties from the powerful development pipeline of the Billion Group

Risk

Although, by the nature of its investment profile, Rebosis is a low-risk business, the audit and risk committee assists the board to discharge its duties in respect of the safeguarding of assets, overseeing accounting systems and practices, internal control processes and the preparation of accurate financial statements.

The report of the audit and risk committee appears on pages 38 and 39 of this report.

VALUE ADDED STATEMENT

for the year ended 31 August 2012

	For year ended 31 August 2012 R000	%	For period from listing to 31 August 2011 R000	%
Turnover	429 985*		114 272*	
Property and other costs	(113 646)		(33 018)	
Value added	316 339		81 254	
Finance income	8 623		244	
Wealth created	324 962	100	81 498	100
Providers of debt	124 390	38	32 362	40
Investors in linked units	200 377	62	48 898	60
Retained for replacement of assets	195	-	238	-
Wealth distribution	324 962	100	81 498	100

* Includes contractual rental income and net income from facilities management.

STAKEHOLDER ENGAGEMENT

The directors recognise that creating wealth and delivering value to all stakeholders are prerequisites for sustainability of the business as a going concern. In line with the recommendations of the King III Report, Rebosis has therefore adopted a stakeholder-inclusive approach to corporate governance.

Rebosis is committed to reporting openly on the key issues affecting the company's operations, its corporate governance practices and any other information which may have a material effect on the decisions of stakeholders. The directors are cognisant that stakeholder perception may have an impact on the reputation of the company and, as such, the board, as the ultimate custodian of corporate reputation and stakeholder relationships, considers a blend of shareholder and stakeholder interests in the context of its overarching duty to act in the best interests of the company.

Management engages with analysts and unitholders on a regular basis to ascertain expectations and perceptions of the company. At year-end and interim reporting stages, the company hosts an IAS presentation and holds one-on-one meetings with analysts and major investors. A web survey will in future further assist in tracking changes in investor perceptions.

Management takes particular responsibility for managing the relationship with the Department of Public Works, as government is a major tenant in Rebosis' commercial property portfolio. The retail centres have their own dedicated management teams on site who are in daily contact with tenants.

Rebosis is a member of the South African Property Owners Association (SAPOA), the South African Council of Shopping Centres (SACSC), the International Council of Shopping Centres (ICSC) and the Property Loan Stock Association (PLSA).

Stakeholder group	Engagement
Investors/Unitholders	<ul style="list-style-type: none"> Investment Analysts Society (IAS) results presentations One-on-one meetings Investor relations provided by specialised third party Conferences and newsletters
Tenants	<ul style="list-style-type: none"> Government – management liaises with the Department of Public Works Retail – the chief executive liaises with key national tenants, and property management and centre management liaise daily with tenants
Communities	<ul style="list-style-type: none"> Centre management marketing and corporate social investment efforts Active CSI initiatives at retail centres and head office

PORTFOLIO REVIEW

At 31 August 2012, the portfolio, valued at R4.54 billion, consists of 12 properties with a total gross lettable area of 295 716m². The portfolio, which is located in Gauteng, the Eastern Cape, KwaZulu-Natal and North West, comprises 52% shopping centres and 48% office buildings (by value). The retail portfolio comprises three exceptional quality shopping malls delivering secure, escalating income streams underpinned by strong anchor and national tenants. The office portfolio consists of nine buildings which are well-located in nodes attractive to Government tenants. These are mainly let to the National Department of Public Works, under long leases providing for average escalations of 8.3%. The office portfolio represents a sovereign underpin to a substantial portion of the earnings and shields it from private sector risks such as tenant insolvency and default.



PORTFOLIO REVIEW

PROPERTY PORTFOLIO

Existing portfolio	Location	Gross lettable area m ²	Valuation at 31 August 2012 R000	Value/m ² R	Cap rate %	Weighted average gross rental/m ² R
Retail		132 845	2 382 000	17 931	8,39	124
Hemingways Mall	East London	70 538	1 536 000	21 775	8,25	142
Mdantsane City	East London	36 547	442 000	12 094	8,75	99
Bloed Street Mall	Pretoria	25 760	404 000	15 683	8,50	116
Office		162 871	2 158 200	13 251	8,82	88
Arbour Square	Johannesburg	8 476	105 400	12 435	9,50	84
Bank of Lisbon	Pretoria	14 599	135 400	9 275	8,50	76
Liberty Building	Pretoria	33 885	448 000	13 221	8,50	99
SALU Building	Pretoria	30 354	472 400	15 563	8,50	100
Victoria Mxenge	Pretoria	24 720	435 000	17 597	8,50	65
28 Harrison Street	Johannesburg	20 984	216 000	10 294	9,50	89
270 Jabu Ndlovu Street	Pietermaritzburg	10 874	122 000	11 219	9,50	76
Revenue Building	Pietermaritzburg	7 314	84 000	11 485	9,75	96
SASSA Campus	Mafikeng	11 665	140 000	12 002	9,50	96
		295 716	4 540 200	15 353	8,59	103

	Retail	Office	Total
Number of properties	3	9	12
Portfolio valuation (R000)	2 382 000	2 158 200	4 540 200
Gross lettable area (m ²)	132 845	162 871	295 716
Value per m ² (R)	17 931	13 251	15 353
Vacancy (%)	7,2	0,1	3,7
Average monthly gross rental per m ²	124	88	103
Average escalation (%)	8,3	7,6	7,9
Annualised property yield (%)	7,9	8,9	8,4

PORTFOLIO REVIEW continued

Segmental overview

At year-end, the Reboasis property portfolio consisted of retail and office properties, located in the Eastern Cape, Gauteng, KwaZulu-Natal and the North West.

The relative contribution of each property to net property income for the period is indicated in the adjacent graph (rental income spread per property).

Sectoral spread

The portfolio split by sector is set out in the adjacent graphs (Sectoral spread). The retail focused portfolio comprising 85% national A grade tenants, provides the company with a resilient income stream. It further allows for good possible upside from turnover rentals with an improvement in retail spend.

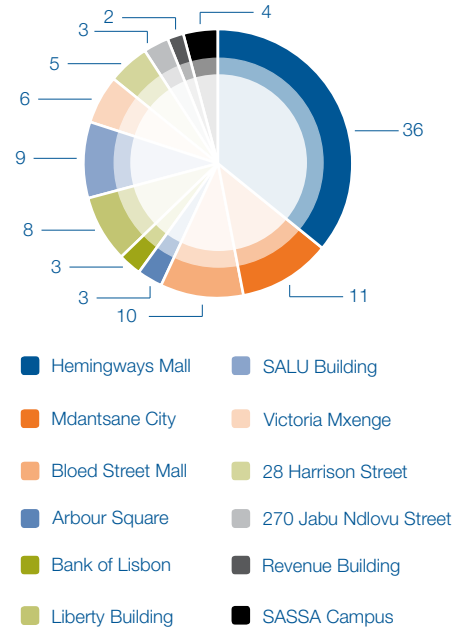
Properties in the office sector are let to national government, ensuring a sovereign underpin and a resilient income stream.

Geographic spread

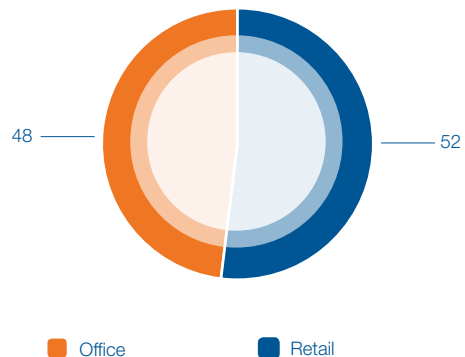
Based on net value, the portfolio is concentrated in Gauteng and the Eastern Cape (49% and 44%, respectively) with both Hemingways Mall, a super regional centre and Mdantsane City, located in East London in the Eastern Cape. The Eastern Cape is the fourth largest contributor to national GDP with the regional economy dependent on two major cities – East London and Port Elizabeth. East London, which has been declared a Metro, is the sixth largest city in South Africa.

Four of the five offices are located in Pretoria, Gauteng, a region with a high concentration of national government offices with a significant demand for large space.

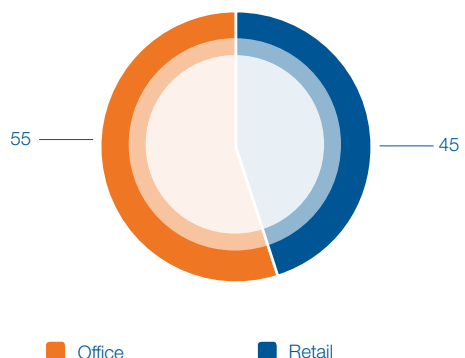
Rental income spread per property (Effective rental income) (%)



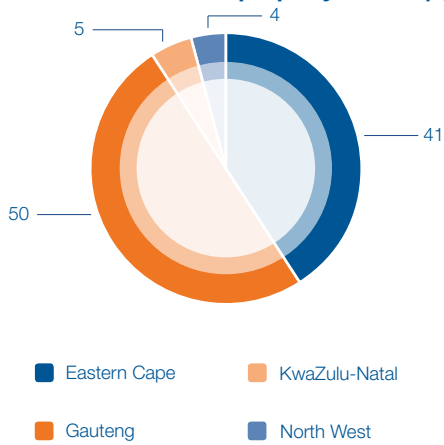
Sectoral spread (Based on value) (%)



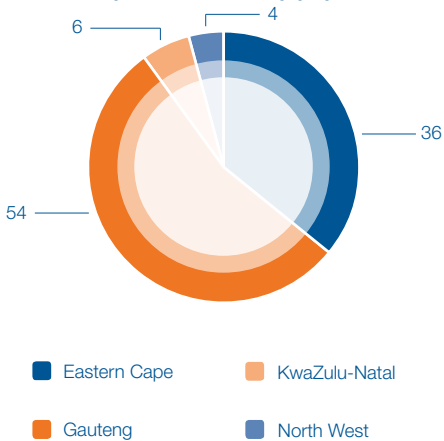
Sectoral spread (Based on GLA) (%)



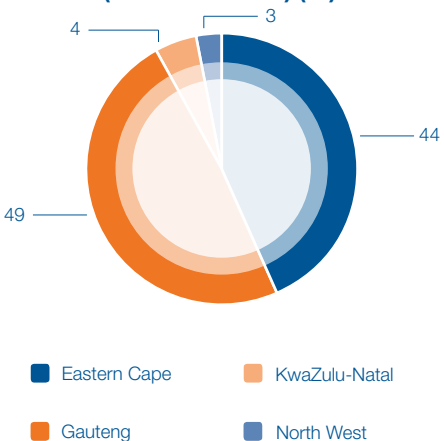
**Geographical spread
(Based on effective net property income) (%)**



**Geographical spread
(Based on GLA) (%)**



**Geographical spread
(Based on value) (%)**



OPERATIONAL REVIEW

Vacancies

Vacancies of 3,7% at 31 August 2012 are attributable to the retail sector only. 18 renewals and 37 new leases, covering 14 712 m², were concluded during the year. Subsequent to year-end, additional leases in respect of 6 931 m² have been concluded, reducing vacancies to 2,0%.

In respect of the office portfolio we remain confident of the sustainability of government leases and our empowerment credentials which position Rebosis well in this regard.

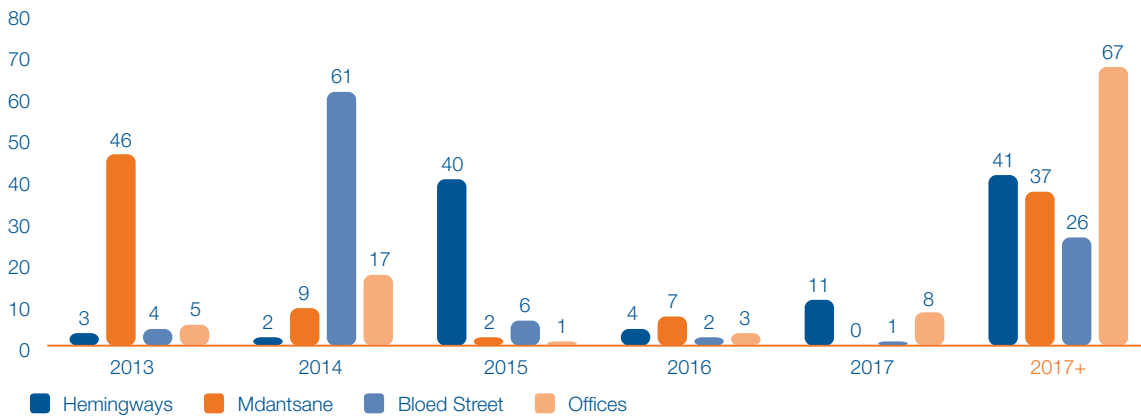
Retail trading performance

Hemingways Mall, Mdantsane City and Bloed Street Mall posted turnover growth of 14,3%, 14,7% and 17,1%, respectively for the year to generate total turnover growth of 15,0% for the retail portfolio. Footcount increased 3,3% overall in the Hemingways Mall and Mdantsane City portfolios, with a respective average spend per head of R135 and R80. Average spend per head for these two centres amounted to R110. Bloed Street Mall has no footcount recording system due to the large volume of commuters accessing the taxi and bus ranks below the centre.

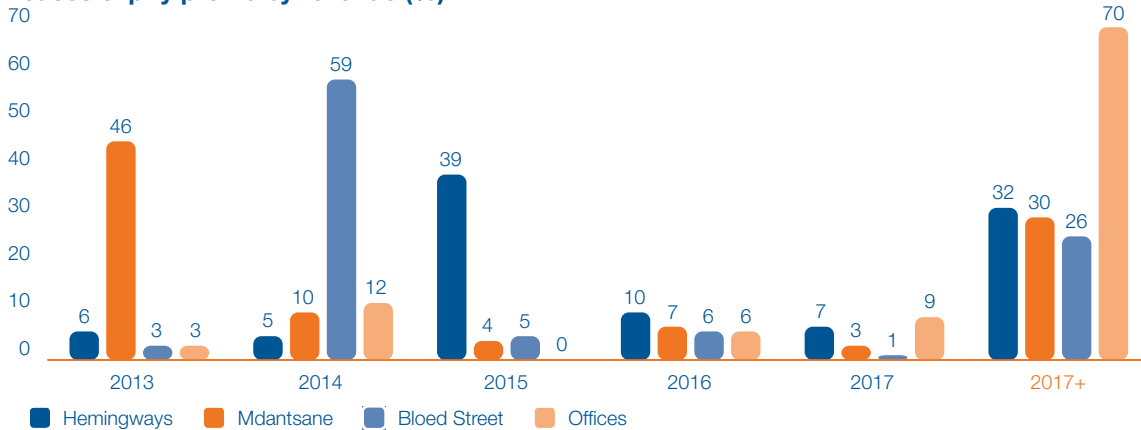


PORTFOLIO REVIEW continued

Leases expiry profile by GLA (%)*



Leases expiry profile by revenue (%)*



*By financial year

Tenant grading

Rebosis' policy is to grade tenants on the following basis:

A = Provincial and local government, national retailers and large companies

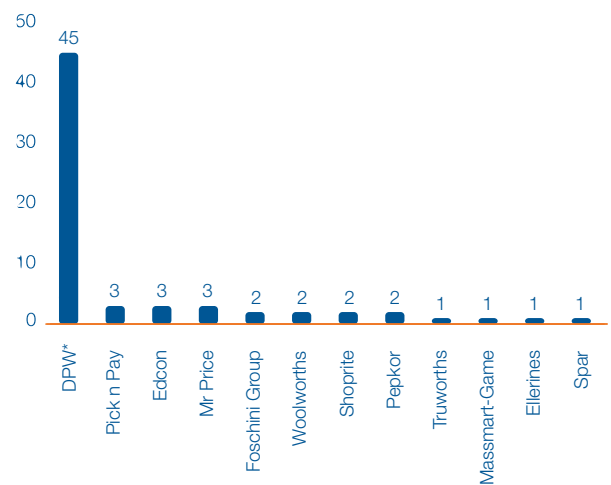
B = Medium companies and franchisees

C = Other tenants

Tenant grading at 31 August 2012 was as follows:

		Gross monthly rental %	Gross lettable area %
A	Retail	40	32,0
A	Office	45	53,7
Total A grade		85	85,8
B	Retail	8	4,8
B	Office	–	–
Total B grade		8	4,8
C	Retail	7	4,9
C	Office	–	0,9
Total C grade		7	5,7
Total portfolio excluding vacancies		100	96,3
Vacancy	Retail	–	3,2
Vacancy	Office	–	0,5
Total vacancy		–	3,7
Total portfolio		100	100,0

Lease exposure by lease income (%)



*Department of Public Works

DIRECTORATE

EXECUTIVE DIRECTORS



Sisa Ngebulana (46), Chief Executive, BJuris, LLB, LLM

Sisa founded the Billion Group in 1998 and in 2006 won the Entrepreneur of the Year Award (EC). An admitted attorney of the High Court of South Africa, he practised with Jan S de Villiers Attorneys as a specialist in commercial litigation before joining Eskom for seven years as legal counsel specialising in property and finance. He is a past president of the South African Council of Shopping Centres (SACSC), and has been a director of Attfund and the Construction Industry Development Board (CIDB). He is currently a non-executive director of Truworths International and Member of the Clinton Global Initiative.

Janys Finn (48), Chief Financial Officer, BCom, BAcc, CA(SA)

Janys is a chartered accountant with extensive experience in the listed property sector. She was a partner at Grant Thornton for almost 13 years with several listed clients in her portfolio. In 2005 she was appointed the chief financial officer of Metboard Properties Limited until its purchase by Growthpoint Properties Limited. Janys is chief financial officer of Madison Property Fund Managers Limited from 2006 to 2009 and was financial director of Redefine Properties Limited until 2010.



Mike Rodel (50), Chief Operating Officer, BSc (Civil Engineering)

Mike has more than 22 years of experience in the property sector, mainly in the development and management of regional and super-regional shopping centres. He spent eight years at Liberty Life Properties before joining Old Mutual Investment Group (Property Investments) as general manager of the Gateway Shopping Centre in Durban in 2000. He was later appointed regional general manager of KwaZulu-Natal and Eastern Cape in 2006 before joining Hyprop Investments Limited as CEO from 2009 to 2011. He is a previous director of the Vunani Property Income Fund Limited.

NON-EXECUTIVE DIRECTOR

Ken Reynolds (53), BCom

Ken joined BoE in 1988 as a mortgage lending manager and over the past 22 years has filled many management and specialist positions in Nedbank's property finance and property investment operations. Over the last three years he oversaw the building of the second phase of the Nedbank office in Sandton, South Africa's first green star rated building. Ken is currently the regional executive for Gauteng at Nedbank corporate property finance.



INDEPENDENT NON-EXECUTIVE DIRECTORS



Dr Anna Mokgokong (55), Chairperson, BSc, MBChB

Born in Soweto and raised in Swaziland, Dr Anna Mokgokong is a South African businesswoman who has received international acclaim for her entrepreneurial ability. Dr Mokgokong is a former president of both the South African Women Entrepreneurs Network (SAWEN), and the International Women's Forum of South Africa (IWFSa). She also received the 1999 South African Businesswoman of the Year Award. Anna serves on the boards of numerous listed and unlisted companies, both local and international. She is one of the founder members and group executive chairperson of Community Investment Holdings (Pty) Limited, a leading black-empowerment company. Anna formerly chaired the Council of the University of South Africa, and served on the Commission for the Remuneration of Public Office Bearers, where she was the deputy chairperson. She was appointed to serve as a member of the Interim Defence Force Commission.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Andile Mazwai (41), BCom (Hons)

Andile was until recently group CEO of Barnard Jacobs Mellet (BJM) Holdings. In 2001 he was the founder CEO of Mazwai & Co Securities, which he reversed into BJM Holdings three years later in return for a 10% equity holding before it was acquired by First National Bank in 2011. He is a non-executive director of the JSE.



Sindiswa Zilwa (45), BCompt (Hons), CA(SA), Advanced Tax Certificate, Advanced Diploma in Banking, Advanced Diploma in Financial Planning

Sindiswa was the second black woman to qualify as a chartered accountant in South Africa in 1990, three years before she started practising as an auditor. She is the CEO of Nkonki, auditors, accountants and consultants, with 19 partners and more than 200 professional staff. Sindiswa was named 1998 South Africa's Businesswoman of the Year by the Executive Women's Club and in 2008 she received the Woman of Substance Award from African Women Chartered Accountants (AWCA). She is a non-executive director of Aspen Limited, Discovery Holdings Limited and Woolworths Holdings Limited, Metrofile Limited and Air Traffic Navigation SOC Limited.



Jaco Odendaal (52), Personnel Management Diploma

Jaco successfully managed his own small property development and leasing company for 10 years before he was offered a position in 1997 as director in a joint venture with Collier RMS. There, he was responsible for retail and property development in the Western Cape. In 2002, Jaco headed up a number of developments, notably the Cape Gate development, a joint venture with Hartwig Trust. In 2005 he co-founded Abacus Asset management.



Thabo Seopa (48), B.Acc, HDip Tax, MDP

Thabo, Managing Director of Trudon (Pty) Limited, spent most of his previous career as an Investment Banker with HSBC and UBS in Corporate Finance and M&A. He was also a member of the South African Institute of Stock Brokers. Thabo serves as a trustee for the Red Cross Children's Hospital Foundation and is the Chairman of Pridwin School. He was a member of the Audit Committee of Johannesburg Property Company and a board member of BJM.



Nomfundo Qangule (45), CA(SA), CAIB(SA)

Nomfundo, a qualified chartered accountant, has extensive experience in corporate finance and private equity and was previously the CFO of Harmony Gold Limited. She serves on the Unisa Foundation. She is the chairman of the audit committee of Afrocentric Limited and a former chairman of the audit committee of Spescom Ltd. She is a member of the investment committees of KZN Growth Fund.



EXECUTIVE MANAGERS, EMPLOYED BY THE BILLION GROUP

In addition to the three executive directors listed above – the CEO, the COO and the CFO – Asset Managers employ a further four executive managers responsible for dealing with aspects of Rebasis' operations. They are: Thabo Mofokeng (growth asset manager), Gaby Sithole (retail asset manager), Oratile Moselehi (commercial asset manager) and Vuyo Njongwe (corporate affairs executive).

With effect from 1 October 2012, Gary Fourie has been appointed chief investment officer and with effect from 1 November 2012, Mande Ndema was appointed company secretary of Rebasis in place of Probity Business Services (Proprietary) Limited, which resigned on the same date.





REPORTS TO STAKEHOLDERS

Chairperson's report

Chief executive's report

Corporate governance

Sustainability

Remuneration and nomination committee report

DEBONAIRS PIZ



“Our priorities remain unchanged and we will continue to grow our portfolio in line with our investment strategy, and to drive improvements in cost efficiencies.”

Dr Anna Mokgokong

INTRODUCTION

The listing of Rebosis on the JSE on 17 May 2011 was a significant event for the company celebrating the successful private placement of Rebosis Property Fund units raising R1,66 billion. Not only was it the largest IPO in the property sector launched until that time, but it was also the first majority black-owned and black-managed property company to do so.

Now, at the end of our first complete financial year as a listed company, we are able to look back with perhaps even greater pleasure on the excellent performance and achievements of our management team led by Sisa Ngebulana, our chief executive.

The value of our portfolio was substantially increased when Rebosis took transfer of the 25 760 m² Bloed Street Mall, Pretoria, on 25 November 2011 at a cost of R341,5 million and an initial yield of 9,6%.

The redevelopment of this mall in 2013 – at a cost of R67 million and an anticipated first-year yield of 7,8% – will not only join the centre's east and west blocks, but it will also increase consumer flow and enhance the yield. The redeveloped centre will boast a GLA of 30 013 m² and there has already been keen tenant interest from Shoprite, Clicks and Edgars to take up space in the additional 4 343 m².

We also acquired an additional four office properties with a combined market value of R543 million. These acquisitions have been earnings-enhancing from date of transfer in the latter part of the year.

Our diversified, high-grade portfolio of 12 properties – valued at R4,5 billion and consisting of 52% retail and 48% commercial value – offers not only exposure to early-stage regional shopping centres with strong growth prospects but also secure income from commercial government leases in the office portfolio.

Our excellent performance has been further enhanced by our multi-city pipeline options providing better geographic diversity, as well as our increased retail offering through optimising tenant mix.

One of our main advantages is that our empowerment status enables us to secure long-term government leases over properties, and this, together with our management expertise, also makes us a preferred buyer of government-tenanted buildings. We will, however, not enter into a bidding war for the sake of growing the portfolio.

MACRO ECONOMIC OVERVIEW

The global economy remained subdued and uncertain which continued to cloud the economic outlook in 2012. There has been recurring turmoil in major economies of the EU and faltering recovery in the US, where there was no outright economic resurgence, where 'a fiscal cliff' was seen to loom, and where there was apparent reluctance to commit to further quantitative easing. Domestically, protracted strike action and repeated safety stoppages hit mining and manufacturing production and exports. A weakening economy in China has made it clear that any significant recovery in major global markets is a long way off.

The overriding concern for South African investors is that the domestic economy is operating in uncertain times. Consumer confidence is at its lowest ebb in years, according to the FNB-BER quarterly Consumer Confidence Index released in July 2012, to a level where most consumers expect economic conditions to weaken – the first time that this has happened since 2004. This was interpreted as being the result of concerns about the domestic economy, job prospects and rising administered prices, which posed downside risk to firm and sustained retail sales growth and suggests that a period of subdued growth lies ahead.

Domestic GDP growth dropped to 2,7% in Q1 2012 from 3,2% in Q4 2011, largely because of poor performance in the mining sector, once a pillar of the South African economy. Manufacturing was the strongest performer in the quarter, rising by 7,7%, growth in the retail sector languished at 3%, the result, some analysts suggested, of pressures placed on consumers by high prices across the board.

At this time, in a downward adjustment of its growth forecast for the world's economy in 2013, the IMF also adjusted and reined in its expectations for South Africa's growth from 3,1% to 2,6%. Subsequent data suggest that economic growth has continued to slow. Protracted strike action and repeated safety stoppages have hit mining and manufacturing production and exports, at the same time affecting foreign investor sentiment.

CORPORATE GOVERNANCE

We recognise that good corporate governance is essential to protect the interests of all the company's stakeholders and we are therefore committed to transparency, fairness, integrity and accountability in all our dealings with stakeholders. We are committed to the code of corporate practices and conduct recommended by the King III Report on Corporate Governance (King III) for South Africa.

We are also committed to economic, social and environmental sustainability and to the integration of these into our daily operations and strategic objectives. To ensure that we are a responsible corporate citizen we will monitor these practices through formal risk assessments, outlook determinations and audits.

I am pleased to lead a board of directors comprising a balance of expert knowledge, skills, and entrepreneurial people. In keeping with corporate governance best practice, the board comprises three executive directors and seven non-executive directors, six of whom are independent. Our board is further supported by a driven and experienced management team.

Our focus is on providing strong strategic direction for the company and the board will ensure that Rebosis remains a responsible corporate citizen, guiding the company to achieve sustainable success and maximising value for our shareholders.

SOCIAL AND ENVIRONMENT

Rebosis is actively involved in community and social enterprise development initiatives through the Billion Group, its retail assets and through partnerships with tenants. We will continue to support these worthy initiatives, some of which include:

- Hemingways Mall has entered into a partnership with the Wholesale and Retail Sector Education and Training Authority SETA ("SETA") and the University of Fort Hare to provide experiential learning to unemployed graduates whereby tenants are given an opportunity to employ graduates who are remunerated by the SETA.
- Hemingways Mall partnered with tenants and customers to promote blood donations to the South African National Blood Service during the year under review.
- Mdantsane City partnered with Pick n Pay and Link FM Radio to contribute to a feeding scheme for pensioners on Pensioners Day.
- Mdantsane City celebrated Nelson Mandela Day by giving back 67 minutes to the community. The Mall collaborated with Mdantsane FM and donated blankets, fleece jackets and tracksuits to 150 senior citizens from various old age organisations. Warm soup was also served on the day which was generously supported by tenants such as Ackermans, Pick n Pay, Shoprite, Fruit & Veg City and the Coca-Cola Company.
- Rebosis and Billion Group have a formal bursary application programme in place whereby disadvantaged students can apply for a study bursary on condition that successful applicants pass all subjects and are required to work at Billion for two years, gaining valuable work experience.

- On the environmental responsibility front, Hemingways Mall continued to reduce its carbon footprint and energy costs by replacing all the fluorescent globes in the undercover parking areas and mezzanine floors with energy-saving T5 globes. Centre management at the retail assets have also reviewed the use of air-conditioning to ensure that the systems perform optimally outside peak times, which will lead to cost savings.

TRANSFORMATION – BBBEE UPDATE

As a substantially black-owned and black-managed company, Rebosis remains committed to continually enhancing BBBEE.

All Rebosis employees are contracted through Billion Asset Managers and Billion Property Services, both of which are 100% black-owned and substantially black-managed companies.

Rebosis' BBBEE shareholding at 31 August was 28,12%.

Rebosis' key focus areas with regards to its BBBEE initiatives are:

- Skills development
- Employment equity
- Preferential procurement

These focus areas are mainly effected through the asset manager, Billion Asset Managers, a subsidiary of Billion Group. Skills development in critical areas of the industry is addressed through its bursary programme and on-the-job training. Rebosis supports small to medium enterprises wherever practical through its preferential procurement policy.

APPRECIATION

I am deeply indebted to my fellow board members for their ongoing guidance, to our executive team for their steadfast focus and dedication, to the management team that have worked tirelessly to steer the company through challenging economically times, to our unitholders for their continued support and to all our tenants.

And, finally, I extend my thanks to the small team of executive managers whose vitally important talents are all too often left unsung: Thabo Mofokeng, Gaby Sithole, Oratile Mosehli and Vuyo Njongwe. We welcome two other members to our team who were appointed after the year-end: Mande Ndema, appointed company secretary and Gary Fourie, appointed chief investment officer. We wish them long and fruitful careers with Rebosis.

OUTLOOK

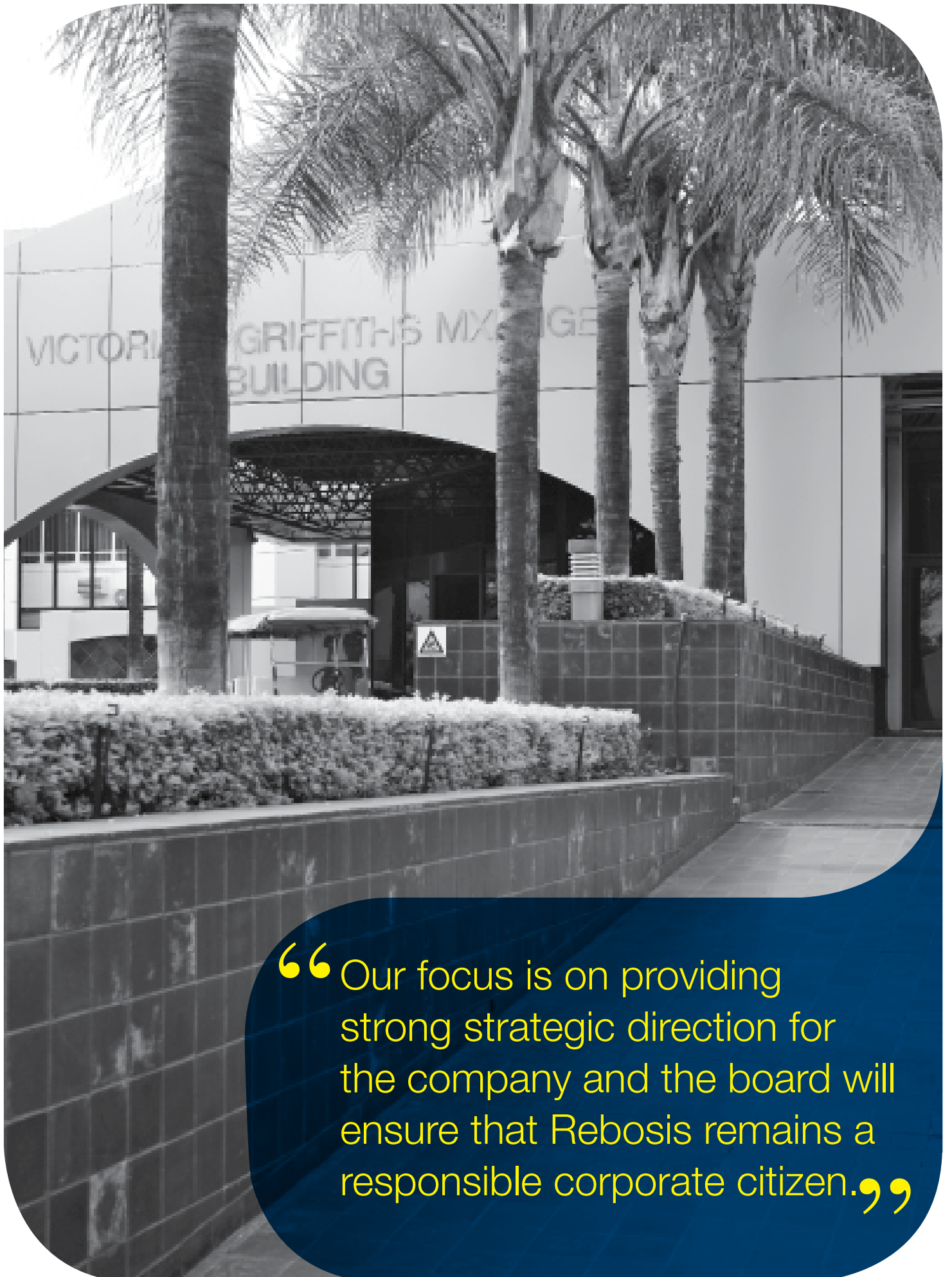
Our priorities remain unchanged and we will continue to grow our portfolio in line with our investment strategy, and to drive improvements in cost efficiencies, especially utilities management. Management will continue to actively pursue the optimal tenant mix and create exciting lifestyle destinations, and we will focus on non-rental income streams such as parking, court space and all media.

Our efforts must further ensure that we drive Rebosis towards being a proud corporate citizen adding value to all our stakeholders.



Dr Anna Mokgokong
Chairperson

24 October 2012



“Our focus is on providing strong strategic direction for the company and the board will ensure that Rebosis remains a responsible corporate citizen.”



“Reboasis retail properties boast an average of 80% national tenants, well above the sector average. This promises strong and predictable income and distribution growth.”

Sisa Ngebulana

I am pleased to report that Reboasis has achieved a successful first full financial year of business as a listed company, meeting its forecasts, satisfying market expectations and demonstrating its capacity to grow in a number of areas to the advantage of unitholders and stakeholders alike.

Not only did we continue to achieve better efficiencies on the existing portfolio, but we also took transfer of the Bloed Street Mall and significantly expanded our portfolio by acquiring four additional office buildings during June and July 2012.

These properties – with a total GLA of 50 837 m² – were acquired at a cost of R519 million and an initial yield of 10,8%. These were the SASSA Campus, Mafikeng, 270 Jabu Ndlovu Street and Revenue Building, both in Pietermaritzburg, and 28 Harrison Street, Johannesburg.

Although Reboasis will consider all acquisition opportunities in line with its investment criteria, we are cognisant of the portfolio's geographic concentration in Gauteng and the Eastern Cape. The above-mentioned acquisitions have diversified this concentration to some extent and we foresee a gradual geographic distribution of the portfolio across high growth nodes in the country over time.

A major project undertaken during the year was the upgrading of the outdoor leisure area at Hemingways Mall, a dominant super-regional shopping centre. The project, carried out jointly with the Tsogo Sun group, involved the upgrade of the interface between the shopping centre and the casino and significantly improving the leisure and food court areas of the shopping centre.

The value of our property portfolio, as determined by independent valuer Quadrant Properties (Proprietary) Limited at 31 August 2012, was R4,54 billion, compared with R3,40 billion in the previous year. This represents a 34% growth and an effective growth of 5,9% for the portfolio and property values, respectively, in the portfolio for the year.

Average turnover growth in our three shopping centre assets for the year was 15%, exceeding the national average of 10,5%.

Our forecast growth range of a minimum of 7,6% is well above sector average.

FINANCIAL HIGHLIGHTS

Reboasis' total distribution for the year to 31 August 2012 grew by 12,1% to 85,5 cpu compared with last year's annualised distribution of 22,25 cpu for the period 17 May 2011 (date of listing) to 31 August 2011. This distribution, which was in line with forecast, was made possible primarily by the solidity and reliability

of our underlying assets in a balanced portfolio of sound retail and commercial investments with capacity for sustained growth.

Rebosis earned an overall return for unitholders of 31,5% for the year, comprising an income return of 8,7% and a capital return of 22,8%.

Our net asset value, excluding deferred tax, grew by 9% to R11,23 bn, with investment property independently valued at R4,540 billion at the end of a year in which we acquired properties worth R860,5 million.

Rebosis' market capitalisation at year end had grown to R3,014 billion from R2,16 billion at 31 August 2011.

At year end, gearing increased from 33,9% to 37,1% as a result of the transfer of the Bloed Street Mall and new acquisitions.

DOMESTIC MACRO-ECONOMIC OVERVIEW

Amid a subdued economy with little growth and a desire for stimulating economic growth – an almost shared desire globally for the last few years – the Monetary Policy Committee of the South African Reserve Bank shaved its repo rate by 50 basis points to 5,0%, bringing prime lending rates to 8,5%, the lowest since 1974.

The MPC in its July announcement acknowledged that the latest rate cut would not overcome the challenges facing South Africa, including languishing household consumption, although it would alleviate the pressures somewhat. It forecast that inflation would reach a low of 4,9% in the second quarter of 2013 and would then remain fairly stable at around the 5% level until 2014.

Despite the economic uncertainty, credit extension eased, driving consumer spend and household consumption. While low inflation and high wage settlements in certain sectors led to a real increase in incomes, continued rising unemployment creates a concern that the growth trend remains fragile, as the South African consumer remains highly indebted. The threat of higher food, and fuel prices as well as electricity tariff hikes are yet to take their toll on all sectors of the economy, businesses and individuals alike.

The official unemployment rate rose to 25,2% in the first quarter of the year from 23,9% in the last quarter of 2011, bringing the total number of unemployed people to 4,5 million, while the number of jobs created remained below 2008 levels.

The bleak outlook for employment growth, which seemed likely to persist for the remainder of the year, coupled with fears about Europe and the UK (markets for some 30% of South Africa's manufacturing output), and continuing high levels of household

debt (74,6% in the last quarter of 2011), weighed on prospects for an early return of consumer confidence and analysts forecast growth in household consumption to slow to 3,5% in 2012 from 5% in 2011.

LISTED PROPERTY SECTOR REVIEW

During 2011 there were nine new company listings, including Rebosis, increasing the number of investable listed property securities to 28. The market capitalisation of the sector grew by some 19% to R151,7 billion, with the new listings adding approximately R9 billion to the total. According to SAPOA figures, the South African listed property index recorded a total return of 10,4% for the year 2011. Canada came out on top with a total return of 15,9%, followed by the US with a 14,5% return and South Africa in third place, closely followed by Sweden, Poland and Australia.

According to research by Catalyst, during the 12 months to April 2012, South African listed property, as an asset class, recorded the highest total return (20,27%) in the domestic market, followed by South African bonds (13,15%), equities (7,53%) and South African cash (5,68%).

As at 31 March 2012, the historic rolled income yield of South African listed property was 7,45%. The outlook for distribution growth in 2012 remains reasonable, states Catalyst, and the sector is likely to deliver inflationary type growth in income distributions.

REIT LEGISLATION

South Africa's new Real Estate Investment Trust (REIT) legislation has been earmarked for finalisation in 2013. We welcome this initiative to establish a best-of-breed REIT vehicle, which typically provides for the flow-through of net rental to the investor, after expenses and interest.

This structure will be dealing with the unique variations and competitive differences of the sector's companies, without stifling operational efficiency or having unintended consequences and inhibiting the ability to respond appropriately to changing circumstances and conditions.

This new legislation should also give companies currently in the listed sector, the opportunity to access the new South Africa REIT structure with no entry charge.

PROPERTY SECTOR IN GENERAL

The property sector continues to operate in challenging macroeconomic conditions, with higher vacancies resulting from tenants downsizing to achieve better efficiencies or exercising caution in their expansion plans. This has placed tenants in a

strong negotiating position, with landlords under pressure to fill vacancies or retain tenants, resulting in rental reversions.

Regional shopping malls have once more proved more resilient than other property types, with far fewer vacancies, good turnover growth and strong trading densities. Landlords are unlikely to further reduce retail vacancies as smaller tenants come under increasing strain from high rentals.

However, as SAPOA states in a recent report, the retail sector shows signs of strain as reflected in retail trade sales which have taken a knock. The run of strong consumer spending is coming to an end in light of rising household costs, an uncertain economy and rising unemployment.

Office vacancies, on the other hand, remain high, and only prime, well-located commercial properties leased to quality tenants have realistic chances of reducing vacancies. A SAPOA report indicates that the supply of new commercial space has been falling since 2010 and is not expected to recover this year, the earliest improvement being expected in the second half of 2013.

Our retail properties, with an average annual turnover growth of 15% year-on-year and to date, continue to outperform other regional malls. This promises greater tenant stability, better lease renewal prospects and positive rent reversions on lease expiries, with possible future upside of additional turnover rental income. This is further supported by our relatively new regional shopping centres already reflecting trading densities on par with long established regional centres.

Rebosis retail properties boast an average of 80% national tenants, well above the sector average. This promises strong and predictable income and distribution growth. Our overall retail vacancy level has continued to improve from 5,2% at listing to 2,0%, notwithstanding the relatively weak and challenging market conditions.

Retail turnover at the newly acquired Bloed Street Mall grew by a healthy 17,1% at the reporting date and 56% of the leases will expire in the course of 2014, providing opportunities for rental growth. Bloed Street contributed 9% of rental income in the reporting year, compared with 42% from Hemingways Mall and 13% from Mdantsane City. At Mdantsane City, 50% of leases by value come up for renewal in 2013 and with a healthy turnover growth of 16,7%, we expect positive reversions.

As a result of Rebosis' policy of letting its office properties almost exclusively to government, our office portfolio remains virtually fully occupied with no vacancies and our gross office rentals remain

attractive at below R90 per m² with moderate average escalations of around 8%, thus mitigating risks of rent reversion to market rentals at the end of the long-term leases.

Sapoa forecasts that any significant improvement in occupancy levels of office properties will occur only in the second half of 2013 or beginning 2014, correlating more or less with a turnaround in the economy, although with a lag of 12 to 18 months. On the other hand, growing interest by international investors in Africa should result in South Africa, and especially the financial hub of Johannesburg, benefiting.

PROSPECTS

We continue to focus attention on optimally managing our existing assets. In addition to striving to reduce vacancies to below the current 2%, we will be able to grow rental income from lease renewals at Bloed Street Mall, Mdantsane City and 270 Jabu Ndlovu.

Upgrades of Liberty Building and Bank of Lisbon in Pretoria together with Arbour Square in Johannesburg, will help to secure the long term sustainability of growing rental income from our office portfolio, while at the same time providing the underpin of office rentals with long-term leases from the national Public Works Department.

The major redevelopment of our important shopping centre at Bloed Street Mall, Pretoria, will expand both our portfolio asset and income values, and is scheduled to begin in February 2013 for completion within the year.

Further down the line, Rebosis has rights of first refusal to acquire exciting retail properties that are being developed by the Billion Group, notably Forest Hill, Bay West and Mthatha.

The new 80 000 m² Bay West Mall in Port Elizabeth is 80% leased to national retailers and is expected to open in April 2014, while Forest Hill, a 70 000 m² shopping centre in south west Pretoria, is more than 85% let to national tenants. Mthata Mall is some 70% leased to national tenants as well.

These retail opportunities, among other opportunities, will shortly be available for purchase by Rebosis. They are located within mixed-use precincts with visibility and access to major highways and adjacent off-ramps and are both expected to dominate their primary and secondary markets.

The fact that our office portfolio is virtually fully occupied with no vacancies, bodes well for strong and predictable distribution growth.

At the same time our retail properties, with an average annual turnover growth of 15% a year, continue outperforming other regional malls. This bodes well for tenant stability, lease renewal prospects and positive rent reversions when leases expire, with possible future upside of additional turnover rental income.

OUTLOOK

Operating conditions in the property sector are expected to remain difficult for the remainder of the current financial year. Tenants are, by and large, in a strong negotiating position and vacant space remains tough to let, especially amid the prevailing economic uncertainty.

In addition, pressure on operating costs, such as electricity and municipal rates, is likely to rise faster than income growth.

On the other hand, we are well positioned to take advantage of opportunities for acquisitive and organic growth given our credentials, our new projects and our right of first refusal to acquire properties developed by the Billion Group. This places us in the enviable position of being able to cherry-pick from Billion's pipeline of high-quality property developments, without assuming the related development risks.

Rebosis has built a strong management team that continually drives efficiencies to reduce costs, restrain credit, achieve better rentals and secure new income streams. The performance of every member of the team in achieving the given objectives is regularly reviewed and appraised.

As a result of all these factors, we believe that Rebosis is well positioned to double both the GLA of the portfolio and its value within the next two to three years. The board forecasts a total distribution of 92 to 95 cents per linked unit to Rebosis unitholders for the 2013 financial year.



Sisa Ngebulana

Chief executive

24 October 2012

CORPORATE GOVERNANCE

Rebosis has established sound governance and sustainability principles since its listing on 17 May 2011. With the aim of fully intergrating them in the fabric of its strategies and operations, the company is in the final stages of formalising and codifying its policies, practices and procedures in relation to these principles.

The board of directors is tasked with ensuring that Rebosis fully complies with the relevant laws, regulations and best practices connected with corporate governance and responsible corporate citizenship. It is further tasked with ensuring that the company communicates with its stakeholders openly and timeously in this regard with substance prevailing over form.

Broadly, therefore, the company is committed to operating a sustainable 'triple bottom line' business that is positioned to safeguard and enhance value for all its stakeholders, including shareholders, tenants, suppliers, government, labour unions, local and national communities and the environment.

The board adheres to King III's 'apply or explain' approach in this report, and as required in terms of the JSE Listings Requirements.

In this report, we endeavour to explain Rebosis' status in terms of current initiatives aimed at implementing best practice. While Rebosis has not yet achieved full integration on the complete range of sustainability objectives into its business model, we are making continual progress in this regard.

Since listing, Rebosis has formalised, approved and introduced charters and terms of reference for the:

- Board
- Audit and risk committee
- Investment committee
- Remuneration and nomination committee
- Social and ethics committee

ETHICS

Rebosis aims to uphold the highest standards of honesty, integrity and fairness, and has zero tolerance for the committing or concealment of fraudulent acts by employees, contractors or suppliers. To support this approach, a social and ethics committee was introduced by the board in the current year. This committee is responsible for formalising the required ethical standards in dealings with all stakeholder groups, including suppliers, customers, business partners, government, communities and society at large. All Rebosis personnel will be inducted into the code and will be expected to subscribe to and comply with it fully. Any contravention will be dealt with through formal disciplinary procedures.

BOARD REVIEW

The Rebosis board is responsible and accountable for the performance and affairs of the company and is the focal point and custodian of corporate governance. This is underpinned by the board's commitment to creating enduring shareholder value in a responsible and ethical manner.

Rebosis' unitary board is chaired by independent non-executive director Dr Anna Mokgokong and currently comprises a further nine directors, three of whom are executive. In line with the King III Report, the majority (seven) are non-executive directors, six of whom are classified as independent. Rebosis is cognisant of King III and legislative requirements that the board and/or board committees comprise a majority of independent non-executive directors and will continue to give effect to this in all future appointments. The current size and composition of the board is considered appropriate for the size of the company.

All nominations for appointments to the board are formal and transparent and are a matter for the board as a whole, assisted by the nomination committee.

The classification of the directors at the date of this report can be summarised as follows:

- Executive directors: Sisa Ngebulana (chief executive), Mike Rodel (COO), Janys Finn (chief financial officer)
- Non-executive directors: Ken Reynolds
- Independent non-executive directors: Anna Mokgokong (chairperson), Andile Mazwai, Jaco Odendaal, Nomfundo Qangule, Thabo Seopa, Sindiswa Zilwa

A brief *curriculum vitae* of each director is set out on pages 12 and 13 of the annual report.

The responsibilities of the chairperson and chief executive, and those of other executive and non-executive directors, are clearly separated to ensure a balance of power and prevent any one director from exercising unfettered powers of decision-making. The chairperson provides leadership to the board in all deliberations ensuring independent input, and oversees its efficient operation. The chief executive and COO are responsible for proposing, updating, implementing and maintaining the strategic direction of Rebosis as well as ensuring controlled operations. In this regard, they are assisted by the chief financial officer and executive management.

The non-executive directors are well qualified individuals who objectively contribute a wide range of industry skills, knowledge and experience to the board's decision-making process.

Attendance at meetings during the year

Director	Board meetings	Audit and risk committee meetings	Investment committee meetings	Social and ethics committee meetings	Remuneration and nomination committee meetings
ATM Mokgokong* (chair)	6 (6)			1 (1)	4 (4)
SM Ngebulana (CEO)	4 (6)*	3 (4)†	4 (4)	1 (1)	4 (4)‡
SP Fifield* #	2 (4)		1 (2)		
JA Finn (CFO)	6 (6)	4 (4)‡			
AM Mazwai*	5 (6)		3 (4)		
WJ Odendaal*	4 (6)*		4 (4)		
NV Qangule* °	2 (2)	1 (1)			
KL Reynolds^	3 (6)	2 (4)			
MF Rodel (COO)	6 (6)	4 (4)‡	4 (4)‡		
TSM Seopa* °	2 (2)	1 (1)	1 (1)		
SV Zilwa*	5 (6)	4 (4)	1 (1)	0 (1)	3 (4)

* Independent non-executive.

^ Non-executive.

‡ Attendance by invitation.

Retired at the AGM 28 March 2012.

° Appointed 26 April 2012.

* Recused from two special meetings at which a transaction, in which they have an interest, was discussed.

These directors are not involved in the daily operations of the company and the board is satisfied that all non-executive directors, other than Ken Reynolds, meet the requirements of independence in terms of the King III Report. As prescribed by the board charter, the independence of non-executive directors classified as 'independent' is assessed annually by the chairperson and the board.

Directors' access to the advice and services of the company secretary and to company records, information, documents and property is unrestricted.

Non-executive directors also have unfettered access to the external auditors and to management at any time. All directors are entitled, at ReboSis' expense, to seek independent professional advice on any matters concerning the affairs of the company.

The company's memorandum of incorporation provides for one-third of the directors to retire by rotation each year and for new appointments to be confirmed at the next annual general meeting following the appointment. Accordingly, Nomfundo Qangule and Thabo Seopa will have their appointments confirmed, and Ken Reynolds, Sindi Zilwa and Jaco Odendaal will retire at the upcoming annual general meeting and, being eligible, will stand for re-election.

The board meets at least four times a year with ad hoc meetings convened when necessary to review strategy, planning, financial

performance, resources, operations, risk, capital expenditure, standards of conduct, corporate governance, transformation, diversity, employment equity and human resources in terms of Billion Group's Asset Managers' policies, community upliftment and environmental management, and the manner in which all of these contribute to and maintain sustainability.

Details of directors' attendance at board and board committee meetings since listing and to the date of this report are set out in the table above (the number in brackets indicates the total number of meetings held).

BOARD CHARTER

The board has adopted a charter to ensure compliance with the principles of the King III Report and legislation, as well as South African accepted standards of best practice.

The main purposes of the charter are to regulate the parameters within which the board operates and to ensure the application of principles of good corporate governance. It requires the board to represent and promote the legitimate interests of the company and its stakeholders in a manner that is both ethical and sustainable and, in so doing, to adopt an approach in terms of which strategy, risk, performance and sustainability are intertwined.

The charter further sets out the roles and responsibilities of the board and its directors in line with 'triple bottom line' reporting practices. It specifically outlines the board's primary function

as determining the company's strategy, purpose, values and stakeholders relevant to its business.

Generally, the directors are required to exercise effective leadership, integrity and judgment, based on fairness, accountability, responsibility, transparency and ethical business conduct. The board, as a whole, acts as the focal point for and custodian of the company's corporate governance, ensuring that Rebosis is a responsible corporate citizen in light of the impact its operations might have on the environment and the society in which it operates.

BOARD PROCESSES

To guard against conflicts of interest, directors are required to submit a written declaration regarding their shareholdings, additional directorships and potential conflicts of interest. Share dealings in Rebosis units are prohibited during 'closed periods' as defined by the JSE. To ensure directors are aware of the closed period/s, emails are distributed to the board and all staff advising when the company enters a closed period and when it has ended. Outside of closed periods, any director wishing to trade in securities of the company must obtain clearance from the designated director before trading, and any dealings should be announced on SENS as soon as possible after the trade/s in question. The designated director is the chief financial officer, or in her absence, the chief executive.

The remuneration and nomination committee is tasked with recommending new appointments to the board. Further, a formal induction programme for new directors was introduced during the year under review and a programme of training and development for all directors is being considered.

As a young company, Rebosis does not yet have in place a formal succession plan for all leadership positions in the company. Succession has been identified as a key risk and will be addressed in the year ahead by the nomination committee.

In accordance with the board charter, the board and individual directors undertake a comprehensive annual self-evaluation exercise to ensure that Rebosis is managed ethically and within prudently determined risk parameters in conformity with South African Accepted Standards of Best Practice.

COMPANY SECRETARY

In accordance with the Companies Act, 71 of 2008, as amended, and recommendations of the King III Report, the company secretary of Rebosis maintains an arm's length relationship with the board and its directors.

Until recently, the functions of the company secretariat were outsourced to Probitry Business Services (Proprietary) Limited, an independent provider of secretarial services to numerous JSE-listed companies. With effect from 1 November 2012, Rebosis has appointed Mande Ndema, an employee of Billion Property Services, as company secretary.

The role and functions of the company secretary include:

- Providing the directors, collectively and individually, with detailed guidance on their duties, responsibilities and powers
- Providing information and advice on laws, legislation, regulations and matters of ethics and good corporate governance relevant to the company
- Ensuring compliance with laws and regulations
- Properly recording, *inter alia*, the minutes of board, committee and unitholder meetings, meeting attendance registers, resolutions, directors' declarations of personal interest/s and all notices and circulars issued by the company
- Preparing the notice of annual general meeting
- Assuming responsibility for filing of the annual return as prepared by the chief financial officer

BOARD COMMITTEES

Rebosis has established an audit and risk committee, a remuneration committee, a nomination committee, and an investment committee to assist the board in discharging its collective responsibility of sound corporate governance. The board is comfortable that a single committee for both audit and risk is sufficient in a company of this size. The directors are satisfied that all committees have discharged their responsibilities in accordance with their written terms of reference/charters.

The board also continually evaluates the need for additional committees when required. Thus, a social and ethics committee was established in conformity with the Companies Act, 71 of 2008, as amended.

There is transparency and full disclosure from board committees to the board. Committee chairpersons provide the board with a verbal report on recent committee activities and the minutes of committee meetings are made available. In addition, the chairpersons of the committees or a nominated committee member attends the company's annual general meetings to answer any questions from stakeholders pertaining to the relevant matters handled by their respective committees.

Attendance of committee meetings is set out on page 25.

Audit and risk committee

Please see the audit and risk committee report on pages 38 and 39 of the annual report.

Remuneration and nomination committee

The report of the remuneration and nomination committee is on page 34 of the annual report.

Investment committee

The investment committee is chaired by independent non-executive director Andile Mazwai. Sisa Ngebulana and three non-executive directors, Jaco Odendaal, Nomfundo Qangule and Thabo Seopa, are also members of this committee. The COO and CIO attend meetings by invitation. Post year-end, Ken Reynolds replaced Nomfundo Qangule on this committee.

The committee is governed by a formal charter which outlines its role in assisting the board to set the company's investment policy, evaluating transactions in respect of the property portfolio, portfolio management and the review and approval of property budgets and valuations. It is also responsible for evaluating proposed unbudgeted capital expenditure and reviewing the annual net income and proposed capital expenditure budgets for the following financial year.

Social and ethics committee

A social and ethics committee was established, terms of reference adopted and a meeting was held during the year. The committee is chaired by Thabo Seopa and further comprises Nomfundo Qangule, Sindi Zilwa and Ken Reynolds.

ACCOUNTING AND AUDITING

The external auditors are responsible for reporting on whether the annual financial statements are fairly presented in compliance with International Financial Reporting Standards (IFRS). As the preparation of these remains the responsibility of the directors, the company has consulted with an independent IFRS expert to assist directors in ensuring full compliance.

The board, via the audit and risk committee, is responsible for evaluating the independence and effectiveness of the external auditors. It also considers whether any non-audit services rendered by the auditors are likely to substantially impair their independence. Corrective action is taken where necessary. Non-audit services, in excess of 50% of the audit fee in any financial year, require special consideration by the audit committee.

The board is responsible for the company's systems of internal control and risk management. These systems provide reasonable

assurance, within the parameters of human intervention, about the reliability and integrity of the financial information, compliance with statutory laws and regulations and the safeguarding of assets. They are further intended to identify and prevent significant fraud, loss and material misstatement. During the year, the company appointed internal auditors who are responsible for conducting risk-based internal audit assignments on a regular basis which will assist the board in complying with the King III Report.

RISK MANAGEMENT

Rebosis recognises the importance of managing risk to ensure the sustainability of the business. The audit and risk committee is tasked with assisting the board in determining the company's risk tolerance in the pursuit of its objectives and in managing the risks identified. The risk management process has to date been designed to identify, assess and monitor the risks to which the company is exposed that may impact its financial results or reputation. A formal risk management policy is currently being framed and enforced.

Rebosis has recently completed a detailed risk assessment. Relevant mitigation strategies will be implemented during the course of the next financial year. A table of key risks and mitigations appears on the following pages of this report. At present no external risk assurance is provided.

INFORMATION SECURITY MANAGEMENT

The board acknowledges its overall responsibility for IT governance and business continuity. To this end, Rebosis is in the process of developing measures to ensure appropriate IT governance. The server, server environment and network connectivity were upgraded during the year. To ensure business continuity, data is backed up daily and stored off-site. Further, the former pre-upgrade server continues running as a duplicate data centre for additional back-up. An IT control framework is currently being devised.

LEGAL COMPLIANCE

The board ensures that all legal and legislation-related matters are addressed at each board meeting and, specifically, that all new legislation which affects the company is discussed in detail. The board has been assured of Rebosis' material legal compliance through the preliminary compliance checklist completed by the chief financial officer during the year and the external assurance of the company secretary.

Rebosis continues to expand the checklist of requirements to incorporate all the requirements of the King III Report and Companies Act, 71 of 2008, as amended, amongst others, and continues to strive for full compliance.

RISK MATRIX (PRELIMINARY ASSESSMENT)

Risk	Impact	Mitigation strategies
Investment property portfolio		
Inability to source suitable properties to acquire	Inability to grow the portfolio	Regular interaction with key people in the industry
Inadequate geographic or sectoral spread	Financial loss in the event of an economic downturn	Constantly acquire defensive assets to diversify the portfolio
Damage to investment property	Financial loss to the company and reduced asset value	Comprehensive insurance based on replacement value of investment property Regular review of insurance policies and insured values
Operational performance		
Vacancies and rental default	Reduced profitability and returns to stakeholders Declining property valuations, reduced net asset values and risk of breach of financial covenants	Strong focus on tenant relationships to ensure retention Targeted leasing strategy Early renewal negotiations Credit checks
High concentration of government leases in single tenanted properties	Possible increased vacancies or shorter leases if government leasing policies change	Reduce office component to 30% of portfolio and diversify into office leases with blue chip corporates in addition to government Early renewal negotiations Maintain BEE ownership at all levels Engage government through SAPOA to promote transformation strategies
Financing		
Interest rate risk	Increased cost of borrowings reduces distributions to unitholders	80% of debt is hedged or fixed New debt will be maintained at the fixed to floating ratio
Liquidity and refinancing risk	Insufficient cash resources to meet obligations on due dates Inability to refinance debt on expiry Inability to raise sufficient new funding for investments and refurbishments	Cash flow management Diversified sources of funding Ongoing liaison with funders to assess availability of funding Maintaining gearing ratio of a maximum of 45%



Risk	Impact	Mitigation strategies
Failure to secure funds for acquisitions	Inability to grow the portfolio	Regular interaction with investors and bankers to ensure the availability of equity and/or debt to fund acquisitions
Governance		
Non-compliance with legislation, e.g. JSE requirements, King III and Companies Act, 71 of 2008	Suspension or termination of the company's listing	Continuous active monitoring by corporate sponsors and company secretary
Lack of BEE rating and monitoring mechanisms	Inability to secure long-term government leases	Active monitoring of rating and regular assessment of suppliers to improve rating
Reputational risk	Loss of investor confidence and unit price volatility	Regular communication with stakeholders
Skills and systems		
Staff retention	High staff turnover impacts on reputation Lack of continuity results in inconsistency and poor tenant relationships	Individualised KPIs and regular performance evaluations Remuneration benchmarked against industry standards
Absence of a properly structured succession plan	Decline in investor confidence, damaged morale of remaining employees and slowed growth prospects for the company with the loss of key management	Rotation of responsibilities within the business
Information technology ("IT") failure	Loss of revenue as a result of loss of data Impact on the company's reputation in the event that the data is not recovered promptly	Off-site storage of daily data back-ups Support of appropriately skilled IT personnel
Failure of the IT system to adequately address the business framework and processes	Inability to customise the software to meet all the needs of the company	Regularly assess the appropriateness and sustainability of the licensor Assess alternative systems



	Implemented	Partially implemented	Under review
<p>Compliance with laws, codes, rules and standards</p> <p>The board ensures that the company complies with relevant laws</p> <p>The board and directors have a working understanding of the relevance and implications of non-compliance</p> <p>Compliance risk forms an integral part of the company's risk management process</p> <p>The board has delegated to management the implementation of an effective compliance framework and processes</p>	<p>√</p> <p>√</p> <p>√</p> <p>√</p>		
<p>Governing stakeholder relationships</p> <p>Appreciation that stakeholders' perceptions affect a company's reputation</p> <p>Management proactively deals with stakeholder relationships</p> <p>There is an appropriate balance between various stakeholder groupings</p> <p>Equitable treatment of stakeholders</p> <p>Transparent and effective communication to stakeholders</p> <p>Disputes are resolved effectively and timeously</p>	<p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p>		
<p>The governance of information technology</p> <p>The board is responsible for information technology (IT) governance</p> <p>IT is aligned with the performance and sustainability objectives of the company</p> <p>Management is responsible for the implementation of an IT governance framework</p> <p>The board monitors and evaluates significant IT investments and expenditure</p> <p>IT is an integral part of the company's risk management</p> <p>IT assets are managed effectively</p> <p>The audit and risk committee assists the board in carrying out its IT responsibility</p> <p>The board is responsible for the governance of risk and setting levels of risk tolerance</p> <p>The audit and risk committee assists the board in carrying out its risk responsibilities</p> <p>The board delegates the process of risk management to management</p> <p>The board ensures that risk assessments and monitoring are performed on a continual basis</p> <p>Frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks</p> <p>Management implements appropriate risk responses</p> <p>The board receives assurance on the effectiveness of the risk management process</p> <p>Sufficient risk disclosure to stakeholders</p>	<p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p> <p>√</p>		<p>√ (note 4)</p> <p>√ (note 4)</p> <p>√ (note 4)</p> <p>√ (note 4)</p>
<p>Integrated reporting and disclosure</p> <p>Ensures the integrity of the company's integrated annual report</p> <p>Sustainability reporting and disclosure are integrated with the company's financial reporting</p> <p>Sustainability reporting and disclosure are independently assured</p>	<p>√</p>		<p>√ (note 5)</p> <p>√ (note 5)</p>

Notes

- 1) The company's social and ethics committee was established with effect from 1 May 2012 and is in the process of formulating and implementing policy in this regard.
- 2) A formal induction programme for new directors was introduced during the year. A training and development programme for all directors is being considered.
- 3) A remuneration policy will be established by the Remuneration Committee in the forthcoming year.
- 4) An extensive risk assessment of the company was performed in September 2012. The assessment included those risks identified by the internal audit review of the major risks identified has been tabled on pages 28 and 29 of this annual report.
- 5) Rebosis is continually striving to produce a sustainability report, in line with the Global Reporting Initiative Guidelines and thereafter will strive to get the sustainability report to be independently assured.

SUSTAINABILITY

The directors recognise the importance of reporting on sustainability, including social, economic and environmental material issues. However, the company's structure does not lend itself to reporting on certain areas regarding human capital and skills development as asset management staff is employed by Billion Asset Managers, and property management staff is employed by Billion Property Services.

TRANSFORMATION

Rebosis recognises that integrating transformation into business practice is crucial for the sustainability of the company and the South African economy and society generally. The company holds the distinction of being the first black-managed and substantially black-owned property fund to list on the JSE. The company outsources property and asset management to Billion Property Services and Billion Asset Managers, respectively, which are both 100% black-owned.

The eight executive managers are employed by the Billion Group, incorporating Billion Asset Managers and Billion Property Services. The table below reflects the breakdown of management in terms of employment equity:

Group	Total	Male	Female
Black	6	5	1
White	3	2	1
Total	9	7	2

The company's structure does not lend itself to reporting on skills development as Rebosis has no direct employees. However, employees of Billion Group attended the SAPOA conference, the IPD conference and the SA Shopping Centre Congress during the year. Staff at Billion Group and Billion Property Services receive biannual performance reviews.

The social and ethics committee has been tasked with establishing learnership programmes and bursaries.

In terms of preferential procurement, Rebosis is committed to retaining its asset and property management with the 100% black-owned Billion Group.

SAFETY, HEALTH AND ENVIRONMENT ('SHE')

The company is committed to a safe, healthy and hygienic working environment in compliance with the Occupational Health and Safety Act, 85 of 1993 ('the Act'). The Billion Group, as asset and property managers and the employer of Rebosis' executives, has policies in place which govern health and safety at Rebosis'

premises. The company takes every precaution within this framework to provide a safe workplace for its employees, tenants and patrons.

At Hemingways Mall, security, cleaning and management staff received health and safety training during the year and conducted evacuation drills, which were approved by East London Disaster Management. Hemingways has implemented a documentation management system based on the Act, regulations, safety standards and best practices. All relevant documentation is kept on file. In enforcing the policy, emphasis is placed on appointing competent staff and ensuring that elements of the policy are passed from management through to employees as well as contractors. The policy was updated during the year in terms of contractors working on site to ensure that all public liabilities and safety data are documented.

No incidents of casualties or injuries were reported at any of the company's properties.

The Billion Group has a formal HIV/Aids policy in place, the primary objectives of which are to:

- Create a non-discriminatory work environment
- Manage HIV testing, confidentiality and disclosure
- Provide equitable employee benefits across the board

These aims are achieved by generally creating a safe working environment for all employees. Specifically, the Billion Group has developed strategies to assess and reduce the impact of the epidemic in the workplace through measures to prevent the spread of HIV as well as procedures to manage occupational incidents and claims for compensation. The Billion Group is also committed to supporting those infected or affected by HIV/Aids so that they can continue to work productively for as long as possible.

Rebosis acknowledges the impact its operations may have on the environment, local communities and tenants/occupants of its buildings. In light of this, an energy efficiency programme has been initiated with subcontractor Eldo Africa, taking into account the whole energy cycle, and will be implemented during the current year. In addition, lighting retrofits are in progress aimed at conserving energy and all properties have been fitted with diesel-fuelled back-up generators.

Rebosis further complies with the Billion Group's environmental policy, in turn ensuring compliance with relevant environmental laws and regulations and that outsourced service providers' practice also complies with the policy.

The company received no fines and/or sanctions of any type during the year for non-compliance with environmental laws and regulations.

SOCIAL UPLIFTMENT MEASURES

The social and ethics committee, which was established during the course of the year, is tasked with the responsibility of formalising a policy framework to govern Rebosis' commitment to social upliftment. Rebosis is actively involved in community and social enterprise development initiatives through the Billion Group, its retail assets and through partnerships with tenants.

Hemingways Mall and Mdantsane City continue to implement socio-economic development and empowerment programmes which support different charities and fundraising initiatives including:

- A partnership between Hemingways Mall, Wholesale and Retail Sector Education and Training Authority SETA ("SETA") and the University of Fort Hare to provide experiential learning to unemployed graduates whereby tenants are given an opportunity to employ graduates who are remunerated by the SETA
- Partnering with tenants and customers at the Hemingways Mall to promote blood donations to the South African National Blood Service. A cumulative amount 79 units of blood was donated throughout the year
- Involvement by Hemingways Mall in the CANSA Shavathon at the beginning of 2012 in which over 200 people sprayed and/or shaved their hair
- A campaign by Hemingways Mall and Mdantsane City through which they collected R30 000 worth of goods that were donated to the King William's Town Child and Youth Care Centre, a non-profit organisation that renders services such as providing shelter to orphans, a life and basic vocational skills programme and a crèche to vulnerable and needy children in the King William's Town area
- A partnership between Mdantsane City, Pick n Pay and Link FM radio to contribute to a feeding scheme for pensioners on Pensioners Day
- Mdantsane City gave back 67 minutes to the community in celebration of Nelson Mandela Day by collaborating with Mdantsane FM to donate blankets, fleece jackets and tracksuits to 150 senior citizens from various old age organisations. Warm soup was also served on the day which was generously supported by tenants such as Ackermans, Pick n Pay, Shoprite, Fruit & Veg City and the Coca-Cola Company

- Rebosis and Billion Group have initiated a formal bursary application programme whereby disadvantaged students can apply for a study bursary on the condition that successful applicants pass all subjects and are required to work at Billion for two years, gaining valuable work experience
- Raising awareness on the plight of the rhino through the participation by Hemingway's Mall in the third annual "World Rhino Day" on 29 September 2012. A stand was erected at the Mall and volunteers encouraged shoppers to become more involved in this cause by supplying statistics and information on the importance of protecting the rhino which are at risk of becoming extinct. Funds were raised through the sale of branded paraphernalia, such as cups and T-shirts

REMUNERATION AND NOMINATION COMMITTEE REPORT

The committee is chaired by independent non-executive director Dr Anna Mokgokong and independent non-executive director Sindiswa Zilwa is also on the committee. The chief executive attends meetings by invitation. Four meetings were held during the year under review. Details of directors' attendance at the meetings are set out on page 25. Terms of reference are in place setting out the roles and responsibilities of the committee and its members.

Subsequent to year end, a decision was made by the board to separate the remuneration and nomination committee into two separate committees. The remuneration committee is to be chaired by Nomfundo Qangule. Jaco Odendaal, Sindi Zilwa and Andile Mazwai are members of the committee. The nomination committee, chaired by Dr Anna Mokgokong, further comprises Sindi Zilwa. All members of the committees are independent non-executive directors.

The remuneration and nomination committee is tasked with assessing non-executive directors' fees and executive directors' remuneration including, but not limited to, basic salary, benefits in kind, any annual bonuses, performance-based incentives, share incentives, pensions and other benefits. In addition, the committee assesses short and long-term incentive pay structures for executives. The committee is also responsible for assessing, recruiting and nominating new non-executive directors.

Executive remuneration is determined annually with reference to industry benchmarks. Bonuses are linked to individual and company performance in accordance with predetermined parameters.

Fees payable to non-executive directors for the year under review were in terms of the levels of remuneration approved at the first annual general meeting of shareholders and debenture holders held on 28 March 2012. A proposal will be presented for approval by linked unitholders at the next annual general meeting to be held on 20 March 2013 in respect of fees to be paid for the year ending 31 August 2013.

The annual remuneration paid to directors for the year ended 31 August 2012 is set out in the table below.

DIRECTORS' REMUNERATION

Fees earned by non-executive directors

	2012	2011*
	R000	R000
AM Mazwai	210	67
ATM Mokgokong	220	60
J Odendaal	210	57
KL Reynolds	180	60
NV Qangule ¹	74	–
TSM Seopa ¹	74	–
SP Fifield ²	90	57
SV Zilwa	230	63
	1 288	364

¹ Appointed 26 April 2012.

² Retired at AGM held on 28 March 2012.

* Remuneration for 2011 includes amounts paid to directors from 17 May 2011 to 31 August 2011.

Fees earned by executive directors

	2012	2011*
	R000	R000
SM Ngebulana	3 719	722
MF Rodel	2 469	565
JA Finn	1 895	438
	8 083	1 725

* Remuneration for 2011 includes amounts paid to directors from 17 May 2011 to 31 August 2011.

The executive directors do not have service contracts with the company. A three month notice period is required by the CEO and COO while the CFO is on a two month notice period. Restraints of trade are limited to the protection of intellectual information and opportunities.



Dr Anna Mokgokong

Remuneration and nomination committee chairperson

ANNUAL FINANCIAL STATEMENTS

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DIRECTORS' RESPONSIBILITY AND APPROVAL

The directors are responsible for the preparation and fair presentation of the annual financial statements of Rebosis Property Fund, comprising the statement of financial position at 31 August 2012, statement of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements.

The directors are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records, for safeguarding assets and for developing and maintaining a system of internal control that, among other things, will ensure the preparation and fair presentation of the annual financial statements. The financial statements set out in this report have been prepared in accordance with International Financial Reporting Standards, the AC 500 series issued by the Accounting Practices Board or its successor, the JSE Listings Requirements and the requirements of the South African Companies Act, 2008, as amended.

The directors are satisfied that the financial statements are free from material misstatement and that they fairly present the financial position of the company as at 31 August 2012 and results of operations and cash flows for the year then ended. They are satisfied that the accounting policies adopted are appropriate and have been consistently applied and that estimates and judgments are prudent and reasonable.

On the basis that the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, they have continued to adopt the going concern basis in preparing the financial statements.

The external auditors are responsible for independently auditing and reporting on whether these annual financial statements are fairly presented in conformity with International Standards on Auditing. Their report is set out on page 40 of the annual report.

Approval of the annual financial statements

The annual financial statements were approved by the board on 24 October 2012 and are signed on its behalf by:



Dr ATM Mokgokong

Chairperson



SM Ngebulana

Chief executive officer

CERTIFICATE BY COMPANY SECRETARY

In terms of 268G(d) of the South African Companies Act, 2008, as amended, we declare that to the best of our knowledge, for the year ended 31 August 2012, ReboSis Property Fund Limited has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Act and that such returns are true, correct and up to date.



Probity Business Services (Proprietary) Limited

Company secretary

24 October 2012

AUDIT AND RISK COMMITTEE REPORT

The audit and risk committee presents its report for the financial year ended 31 August 2012. The audit and risk committee is an independent statutory committee, whose duties are delegated to it by the board. The committee has conducted its affairs in compliance with a board-approved terms of reference, and has discharged its responsibilities contained therein.

The report of the audit committee has been presented as required in terms of the South African Companies Act, 71 of 2008, as amended.

Audit and Risk Committee Terms of Reference

The audit and risk committee has adopted formal terms of reference as incorporated in the board charter which has been approved by the board of directors. The terms of reference is reviewed annually. The committee has conducted its affairs in compliance with these terms of reference and has discharged its responsibilities contained therein.

The committee meets at least three times per year and special meetings are convened when necessary. Attendance of directors for the year under review is set out on page 25.

Composition and meetings

The audit and risk committee is constituted as a statutory committee and has an independent role with accountability to both the board and unitholders. In compliance with the recommendations of King III, the committee consists of four independent non-executive directors selected by the board on the recommendation of the remuneration and nomination committee. The board elects the chairman and the members of the committee for approval at the AGM. The chief executive, chief operating officer, financial director, company secretary and representatives of the external and internal auditors attend meetings by invitation. From time to time, other executives of the company attend meetings of the audit and risk committee as requested. The committee has unrestricted access to the external and internal auditors.

Currently the audit and risk committee comprises Sindi Zilwa (committee chairperson), Andile Mazwai, Thabo Seopa and Nomfundo Qangule. Thabo and Nomfundo were appointed to the committee on 26 April 2012. Ken Reynolds, a non-executive director of Rebosis and an employee of Nedbank Limited, a major funder to Rebosis, stepped down as a member of the committee on 26 April 2012 but is invited to attend every meeting. A short *curriculum vitae* for each of these directors has been set out on pages 12 and 13 of the annual report demonstrating their suitable and relevant skills and experience. All future members of the committee will continue to hold sufficient qualifications and experience to fulfil their duties.

The chairman of the committee provides the board with a verbal report of the committee's activities at each board meeting and represents the audit and risk committee at the annual general meeting each year. The company secretary is also the secretary of the committee.

Roles and responsibilities

The audit and risk committee has an independent role with accountability to both the board and unitholders. The committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other senior members of management. The committee is, *inter alia*, responsible for assisting the board in discharging its duties in respect of the safeguarding of assets, accounting systems and practices, internal control processes and the preparation of accurate financial statements.

Statutory duties

In the conduct of its duties, the audit and risk committee has performed the following statutory duties:

- nominated and recommended the appointment of the external auditor of the company who is a registered auditor and who, in the opinion of the committee, is independent of the company;
- determined the fees to be paid to the auditor and the auditor's terms of engagement;
- ensured that the appointment of the auditor complies with the Companies Act, 71 of 2008, as amended, and any other legislation relating to the appointment of the auditor;
- determined the nature and extent of any non-audit services that the auditor may provide to the company;
- prepared a report which has been included in the annual financial statements;
- received and dealt with any concerns relating to the accounting practices of the company, the content or auditing of the company's annual financial statements, the internal financial controls of the company or any related matter; and
- made submissions to the board on any matter concerning the company's accounting policies, financial control, records and reporting.

External auditor

The audit and risk committee has satisfied itself that the external auditor was independent of the company, which includes consideration of compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors. Requisite assurance was sought and provided

by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the financial year ended 31 August 2012. The external auditors are invited to attend all audit and risk committee meetings and are required to meet independently with the committee at least annually. Findings by the external auditors arising from their annual statutory audit are tabled and presented at an audit and risk committee meeting following the audit. The committee endorses action plans for management to mitigate noted concerns. The external auditor has expressed an unqualified opinion on the annual financial statements for the year ended 31 August 2012.

The committee has nominated for election at the annual general meeting PKF Inc. as the external audit firm and Paul Badrick as the designated auditor responsible for performing the functions of auditor for the 2013 financial year. The audit and risk committee has satisfied itself that the audit firm and designated auditors are accredited as such on the JSE list of auditors and their advisers.

Risk management and internal audit

The audit and risk committee is responsible for overseeing the risk management and internal audit of the company. The committee is also responsible for the assessment of the performance of the internal audit function.

An internal audit firm has been appointed and its responsibilities include providing assurance to the audit and risk committee on the effectiveness of the risk management processes of the company. The internal auditors are responsible for reviewing and providing assurance on the adequacy of the internal control environment. The audit plan will follow a three-year cycle and is revised regularly in accordance with the company's risk profile.

Annual financial statements

The audit and risk committee assists the board with all financial reporting and reviews the annual financial statements as well as the preliminary results announcements and interim financial information. The committee has reviewed the annual financial statements of the company and is satisfied that they comply with International Financial Reporting Standards ("IFRS").

Expertise and experience of financial director and the finance function

The audit and risk committee has considered and is satisfied with the expertise and experience of the financial director. Furthermore, the committee has considered, and has satisfied itself of, the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the finance function.

Going concern

The audit and risk committee reviewed a documented assessment by management of the going concern basis of the company before concluding to the board that the company will be a going concern in the foreseeable future.

Duties assigned by the board

The duties and responsibilities of the members of the committee are set out in the audit and risk committee terms of reference which is approved by the board. The audit and risk committee fulfils an oversight role regarding the company's integrated report and the reporting process, including the system of internal financial control. It will be responsible for ensuring that the company's internal audit function is independent and has the necessary resources, standing and authority within the company to enable it to discharge its duties. Furthermore, the committee oversees co-operation between the internal and external auditors.

During the year, the committee met with the external and internal auditors without management being present. No matters that required attention arose from these meetings.

The committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

Internal controls

Based on control processes in place, assurance obtained from management and the control issues identified by the internal and external auditors, the committee is of the opinion that the significant internal financial controls are effective.

Recommendation of the annual report for approval by the board

The audit and risk committee has, at its meeting held on 23 October 2012, reviewed and recommended the annual report for approval by the board of directors.



SV Zilwa

24 October 2012

INDEPENDENT AUDITORS' REPORT

Report on the financial statements

We have audited the annual financial statements of Rebosis Property Fund Limited, which comprise the directors' report, statement of financial position as at 31 August 2012, statement of comprehensive income, changes in equity and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 41 to 65. These annual financial statements are the responsibility of the company directors. Our responsibility is to express an opinion on these financial statements based on the audit.

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 in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' 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 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 auditors' judgment 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 the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Rebosis as at 31 August 2012 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended 31 August 2012, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual 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 annual financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.



PKF (JHB) INC

Director: Paul Badrick

Registration number 1994/001166/21

Chartered Accountants (SA)

Registered Auditor

Sandton

24 October 2012

DIRECTORS' REPORT

for the year ended 31 August 2012

The board has pleasure in submitting its directors' report for the year ended 31 August 2012.

Nature of business

Rebosis, a variable rate property loan stock company, is listed on the JSE Limited under the Financial – Real Estate sector. Rebosis' primary business is long-term investment in quality, rental generating properties. The company owns a portfolio of 12 high grade retail and commercial properties valued at R4,54 billion located in Gauteng, the Eastern Cape, KwaZulu-Natal and North West Province.

Year under review

The results of the company are addressed in the reports of the chairman and the chief executive officer and are set out in the annual financial statements on pages 44 to 65.

Share and debenture capital

The company's authorised share capital comprises of 1 000 000 000 ordinary shares of no par value. Each ordinary share is linked to one variable rate debenture of R7,26 each. The company's ordinary shares and debentures trade as linked units on the JSE.

On 11 June 2012, 29 402 985 linked units were issued at R10,05 per unit to partially fund the acquisition of four commercial properties. There were 249 147 699 linked units in issue at 31 August 2012.

Dividends and interest distributions

No dividend has been declared or paid during the year under review as the company distributes all distributable earnings as interest on the debentures.

The following distributions were declared in respect of the year under review:

- Distribution number 2 of 43,0 cents per linked unit for the six months ended 29 February 2012; and
- Distribution number 3 of 42,5 cents per linked unit for the six months ended 31 August 2012.

Directorate

The directors of the company at the date of this report were:

JA Finn (Chief financial officer)[†]; AM Mazwai[‡]; ATM Mokgokong (Chair)[‡]; SM Ngebulana (Chief executive officer)[†]; WJ Odendaal[‡]; NV Qangule[‡]; KL Reynolds[‡]; MF Rodel (Chief operating officer)[†]; TSM Seopa[‡]; SV Zilwa[^]

* Appointed 26 April 2012.

[^] Independent non-executive.

[#] Non-executive.

[†] Executive.

SP Fifield retired and did not stand for re-election at the first annual general meeting of the company held on 28 March 2012.

The number of board and committee meetings attended by each of the directors during the year is tabled on page 25 in the Corporate Governance Report.

DIRECTORS' REPORT continued
for the year ended 31 August 2012

Directors' interests

The interests of the directors in the linked units of the company at 31 August 2012 were as follows:

	Beneficial		Total
	Direct	Indirect	
Executive directors			
SM Ngebulana		36 371 937	36 371 937
MF Rodel		100 000	100 000
JA Finn			
Non-executive directors			
AM Mazwai		500 000	500 000
ATM Mokgokong			
WJ Odendaal			
NV Qangule			
KL Reynolds			
TSM Seopa			
SV Zilwa			
	–	36 971 937	36 971 937

There have been no changes in these holdings between the year end and the date of this report.

As at 31 August 2011, the interests of the directors in the linked units of the company were as follows:

	Beneficial		Total
	Direct	Indirect	
Executive directors			
SM Ngebulana		43 113 361	43 113 361
MF Rodel		100 000	100 000
JA Finn			
Non-executive directors			
SP Fifiel			
AM Mazwai		500 000	500 000
ATM Mokgokong			
WJ Odendaal			
KL Reynolds			
SV Zilwa			
	–	43 713 361	43 713 361

Directors' interests in contracts

The company has entered into the following contracts, in which a director has a material interest:

Asset management

Billion Asset Managers (Proprietary) Limited, a company owned by The Amatolo Family Trust, are the appointed asset managers of Rebosis. The fee payable by Rebosis to Billion Asset Managers for all asset management and operational management services is a monthly fee of $\frac{1}{12}$ of 0,3% of the aggregate of the market capitalisation and the borrowings of Rebosis.

SM Ngebulana is a beneficiary of The Amatolo Family Trust which owns 14,6% of the linked units in Rebosis.

Property management

Billion Property Services (Proprietary) Limited (“BPS”), a company owned by The Amatolo Family Trust, are the appointed property managers of Rebosis. The fee payable by Rebosis to BPS for the provision of management and administration services is 2,5% of all collections per month. In addition, BPS is entitled to a commission of 50% in respect of new lettings and 25% in respect of renewals as follows:

- Monthly leases – one month’s rental provided that the full commission is refunded if the tenancy is for less than six months; and
- 5% on the first two years’ rental; 2,5% on the next three years rental; 1,5% on the next three years rental and 1% on the balance provided that the commission is refunded pro-rata if the tenancy is terminated prior to the agreed duration of the lease.

Going concern

The directors are of the opinion that the company has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the company’s financial statements. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowings facilities to meet its foreseeable cash requirements.

Major linked unitholders

Beneficial unitholders holding in excess of 5% of the units in issue are detailed on page 66 of the annual report.

Executive directors’ service contracts

The executive directors do not have service contracts with the company. A three month notice period is required by the CEO and COO, Sisa Ngebulana and Mike Rodel, while the CFO, Janys Finn, is on a two month notice period.

Special resolutions

The following special resolutions were passed by unitholders at the company’s previous annual general meeting held on 28 March 2012:

- Authority to effect linked unit repurchases;
- Authority to provide financial assistance to inter-related companies; and
- Approval of remuneration payable to non-executive directors for the 2011/2012 period.

Subsequent events

No events have occurred between the year end and the date of this report.

Company secretary

The company secretary for the year and at the date of this report was Probity Business Services (Proprietary) Limited. Mande Ndema, an employee of the property management company, has been appointed company secretary of Rebosis with effect from 1 November 2012.

The business and postal addresses of the company secretary are set out on the inside back cover.

Fourways

24 October 2012

STATEMENT OF FINANCIAL POSITION
at 31 August 2012

	Note	2012 R000	2011 R000
ASSETS			
Non-current assets		4 636 346	3 501 676
Investment property		4 540 200	3 400 400
Fair value of property portfolio for accounting purposes	2	4 449 597	3 395 663
Straight line rental income accrual	3	90 603	4 737
Goodwill	4	95 703	95 703
Property, plant and equipment	5	443	527
Debt structuring fee	6	–	5 046
Current assets		34 642	85 800
Trade and other receivables	7	17 320	13 680
Debt structuring fee	6	–	1 900
Cash and cash equivalents	8	17 322	70 220
Total assets		4 670 988	3 587 476
EQUITY AND LIABILITIES			
Equity		746 424	529 320
Stated capital	9	550 087	477 168
Reserves		196 337	52 152
Liabilities		3 785 068	2 933 310
Debentures	10	1 808 812	1 595 347
Secured financial liabilities	11	1 679 098	1 153 531
Derivative instruments	12	54 853	44 690
Deferred taxation	13	242 305	139 742
Current liabilities		139 496	124 846
Trade and other payables	14	33 608	60 760
Developer guarantee		–	15 188
Unitholders for distribution		105 888	48 898
Total equity and liabilities		4 670 988	3 587 476
Net asset value per linked unit (R)		10,26	9,67
Net asset value per linked unit (excluding deferred taxation) (R)		11,23	10,30

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 August 2012

	Note	Year ended 31 August 2012 R000	Year ended 31 August 2011 R000
REVENUE			
Property portfolio		500 029	257 067
Contractual rental income		414 163	252 330
Straight line rental income accrual		85 866	4 737
Net income from facilities management		15 822	3 994
Sundry income		6 081	403
Total revenue		521 932	261 464
Operating costs		(98 494)	(59 725)
Administration costs		(15 961)	(3 957)
Restructuring costs		-	(50 028)
Debt arrangement fees		-	(120 726)
Net operating profit	15	407 477	27 028
Changes in fair values	17	157 461	262 761
Profit from operations		564 938	289 789
Net finance charges	18	(117 811)	(144 701)
Finance charges – secured loans		(126 434)	(144 859)
Net interest received		8 623	158
Profit before debenture interest and taxation		447 127	145 088
Debenture interest		(200 378)	(48 898)
Profit before taxation		246 749	96 190
Taxation	19	(102 564)	(44 038)
Total comprehensive income for the year		144 185	52 152

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 August 2012

	Stated capital R000	Reserves R000	Total R000
Balance at 1 September 2010	1 000	–	1 000
Issue of shares	476 168	–	476 168
Total comprehensive income for the year	–	52 152	52 152
Balance at 31 August 2011	477 168	52 152	529 320
Issue of shares	72 919	–	72 919
Total comprehensive income for the year	–	144 185	144 185
Balance at 31 August 2012	550 087	196 337	746 424

STATEMENT OF CASH FLOWS

for the year ended 31 August 2012

	Notes	Year ended 31 August 2012 R000	Year ended 31 August 2011 R000
Net cash utilised in operating activities		17 210	(233 172)
Cash generated from/(absorbed by) operations	21.2	278 409	(88 471)
Finance charges		(117 811)	(144 701)
Debenture interest paid		(143 388)	–
Net cash utilised in investing activities		(886 962)	(634 233)
Acquisition of investment property		(860 498)	(390 000)
Capital expenditure, tenant installations and lease commissions		(26 355)	–
Acquisition of property, plant and equipment		(109)	(30)
Acquisition of businesses (net of cash acquired)	22	–	(393 803)
Proceeds from disposal of investment property		–	132 100
Developer guarantee held in trust		–	25 000
Debt restructuring fee paid		–	(7 500)
Net cash generated from financing activities		816 854	937 625
Proceeds from issue of linked units		286 385	2 072 514
Increase in/(repayment of) secured financial liabilities		530 469	(1 091 939)
Settlement of derivative instruments (interest rate swaps)		–	(42 950)
Net movement in cash and cash equivalents		(52 898)	70 220
Cash and cash equivalents at the beginning of the year		70 220	–
Cash and cash equivalents at the end of the year		17 322	70 220

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 August 2012

1. Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the AC500 series issued by the Accounting Practices Board, the JSE Listing Requirements and the requirements of the South African Companies Act, No 71 of 2008, as amended.

The financial statements are prepared on the historic cost basis, except for investment properties and certain financial instruments which are carried at fair value, and incorporate the principal accounting policies set out below. These accounting policies have been applied consistently with the previous year.

1.1 Business combinations

All business combinations are accounted for applying the acquisition method as at the acquisition date which is the date on which control is transferred to the company.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

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.

Financial instruments are recognised in the statement of financial position when the company becomes party to the contractual provisions of the instrument. The company initially recognises a financial instrument as a financial asset, a financial liability or as an equity instrument in accordance with the substance of the contractual arrangement.

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

Financial assets and liabilities are initially measured at fair value. Subsequent to initial recognition, these instruments are measured as follows:

Financial assets

- Trade and other receivables
Trade and other receivables are initially recognised at fair value including transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables are presented net of an allowance for impairment. The allowance for impairment is based on the difference between the carrying value of the receivables and the present value of expected future cash flows using the discount rate calculated at initial recognition. Movements in the provision are recognised in profit or loss. Unrecoverable amounts are written off against the allowance account. Subsequent recoveries of previously written off amounts are credited to profit or loss.
- Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Cash and cash equivalents are highly liquid, short term investments that are readily convertible to known amounts of cash. These investments are subject to insignificant risk in change in value. Cash and cash equivalents are measured at amortised cost that approximates fair value.

Financial liabilities

- Debenture capital and interest bearing borrowings
Debentures and interest bearing borrowings are recognised at amortised cost using the effective interest rate method.

- Derivative instruments

The company uses derivative financial instruments to hedge its exposure to interest rate risks. Derivative instruments are initially recognised and subsequently measured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

- Trade and other payables

Trade and other payables are initially recognised at cost and subsequently measured at amortised cost.

Offset

- Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Where the carrying amounts of short term financial instruments carried at amortised cost approximate their amortised cost value and the impact of discounting is not considered to be material, no discounting is applied.

1.3 Investment properties

Investment properties are properties held for the purpose of earning rental income and for capital appreciation. Investment properties are initially recorded at cost and include transaction costs on acquisition. Subsequent expenditure to add to or replace a part of the property is capitalised at cost.

Investment properties are valued annually and adjusted to fair value as at the date of the statement of financial position.

Any gain or loss arising from a change in the fair value of the investment property is included in net profit for the period to which it relates.

Gains and losses on the disposal of investment properties are recognised in net profit and are calculated as the difference between the sale price and the carrying value of the property.

1.4 Goodwill

Goodwill arises on the acquisition of a business and represents the excess of the cost of the acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

1.5 Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment.

Property, plant and equipment is depreciated on a straight line basis over the current useful lives of the assets. The estimated useful lives of the assets are:

Computer equipment	3 years
Furniture, fittings and equipment	3 years
Motor vehicles	5 years

The useful lives and residual values are reassessed at the end of each reporting period and adjusted if necessary.

1.6 Revenue recognition

(a) Property portfolio revenue

Property portfolio revenue comprises operating lease income and operating cost recoveries from the letting of investment properties. Operating lease income is recognised on a straight line basis over the term of the lease. Contingent rents (turnover rentals) are included in revenue when the amount can be reliably measured.

(b) Facility management income

Facility management income is recognised on the rendering of the services.

(c) Interest income

Interest income is recognised as it accrues, using the effective interest rate method.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued* for the year ended 31 August 2012

1.7 Taxation

Taxation for the year comprises current and deferred taxation.

The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantially enacted at reporting date.

Deferred income tax is provided using the comprehensive liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred taxation assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arose as a result of a transaction, other than a business combination, that does not impact accounting or taxable profit or loss.

Deferred taxation is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled. Deferred taxation on the fair value adjustment on investment properties has been provided at the capital gains tax rate to the extent that there are not sufficient tax losses to shield the charge.

Taxation is recognised in profit or loss unless it relates to a transaction that is recognised in equity or other comprehensive income, in which case the taxation is recognised in equity or other comprehensive income.

1.8 Impairment

The carrying value of assets is reviewed for impairment at each reporting date. Goodwill is assessed for impairment at least annually. Assets are impaired when events or changes in circumstances indicate that their carrying value may not be recoverable.

If such indication exists and where carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amounts.

Recoverable amounts are determined as the higher of fair value less costs to sell or value in use. Impairment losses and the reversal of impairment losses are recognised in the statement of comprehensive income. Impairments to goodwill are never reversed.

1.9 Letting costs

Installations and lease commissions are carried at cost less accumulated depreciation. Depreciation is provided to write down the cost, less residual value, by equal instalments over the period of the lease.

1.10 Operating segments

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses. The operating results are reviewed regularly by executive management to make decisions about and to assess the performance of the segment.

On a primary basis, the operations are organised into two major business segments – retail and office.

1.11 Key estimates and assumptions

Estimates and assumptions, an integral part of financial reporting, have an impact on the amounts reported for the company's assets, liabilities, income and expenses. Judgment in these areas is based on historical experience and reasonable expectations relating to future events. Actual results may differ from these estimates. Information on the key estimations and uncertainties that have the most significant effect on amounts recognised are set out in the following notes to the financial statements:

- Accounting policies – notes 1.3, 1.4, 1.7 and 1.8;
- Investment property valuation – note 2;
- Goodwill – note 4;
- Impairment of receivables – note 7; and
- Deferred taxation – note 13.

Further matters that required key judgment in the preparation of these annual financial statements were:

1.11.1 Classification of debentures

At the date of listing the directors considered the fair value of the debentures to be R7,26 per linked unit. The fair value was determined based on the expected forward distributions. The debentures are recognised as liabilities as there is a contractual obligation on the company to deliver cash to the holders in the form of distributions.

1.11.2 Payment for the acquisition of investment properties

The initial acquisition made in 2011 was classified as a business combination as an assembled portfolio of properties was acquired in one transaction, together with associated debt. In the opinion of the directors, this portfolio constituted a business as defined in terms of IFRS 3 and was therefore accounted for in terms of IFRS 3.

In the current year, the acquisitions were treated as property acquisitions in terms of IAS 40. In the opinion of the directors, these properties did not constitute a business as defined in terms of IFRS 3, as there were no adequate processes identified with these properties to warrant classification as businesses.

1.12 Standards and interpretations applicable to the company 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 and may have an impact on future financial statements, or those for which the impact has not yet been assessed. These standards were not early adopted.

Standard	Details of amendment	Annual periods beginning on or after
IFRS 7: Financial Instruments: Disclosures	<ul style="list-style-type: none"> Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its balance sheet and the effects of rights of set-off on the entity's rights and obligations. 	1 January 2013
IFRS 9: Financial Instruments	<ul style="list-style-type: none"> New standard that forms the first part of a three part project to replace <i>IAS 39: Financial Instruments: Recognition and Measurement</i>. 	1 January 2015
IFRS 13: Fair Value Measurement	<ul style="list-style-type: none"> New guidance on fair value measurement and disclosure requirements. 	1 January 2013
IAS 1: Presentation of Financial Statements	<ul style="list-style-type: none"> New requirements to group together items within OCI that may be reclassified to the profit or loss section of the income statement in order to facilitate the assessment of their impact on the overall performance of an entity. <i>Annual Improvements 2009 – 2011 Cycle</i> amendments clarifying the requirements for comparative information including minimum and additional comparative information required. 	1 July 2012 1 January 2013
IAS 16: Property, Plant and Equipment	<ul style="list-style-type: none"> <i>Annual Improvements 2009 – 2011 Cycle</i> amendments to the recognition and classification of servicing equipment. 	1 January 2013
IAS 19: Employee Benefits	<ul style="list-style-type: none"> Amendments to the accounting for current and future obligations resulting from the provision of defined benefit plans. 	1 January 2013
IAS 32: Financial Instruments: Presentation	<ul style="list-style-type: none"> Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the net related credit exposure. This information will help investors understand the extent to which an entity has set off in its balance sheet and the effects of rights of set-off on the entity's rights and obligations. <i>Annual Improvements 2009-2011 Cycle</i> amendments to clarify the tax effect of distribution to holders of equity instruments. 	1 January 2013 1 January 2013

The directors have not yet determined what the impact of these new Standards and interpretations on the company will be.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 August 2012

	Year ended 2012 R000	Year ended 2011 R000
2. Investment property		
Net carrying value		
Cost	4 001 711	3 115 400
Fair value surplus	447 886	280 263
	4 449 597	3 395 663
Movement for the year		
Investment properties at the beginning of year	3 395 663	–
Businesses acquired	–	2 857 500
Acquisitions	860 498	390 000
Disposals	–	(132 100)
Change in fair value	253 489	285 000
Straight line rental income accrual	(85 866)	(4 737)
Capital expenditure, tenant installations and lease commissions	25 813	–
– Capitalised	26 355	–
– Amortised	(542)	–
Balance at the end of the year	4 449 597	3 395 663
Reconciliation to independent valuation		
Investment properties at valuation	4 449 597	3 395 663
Straight line lease accrual	90 603	4 737
	4 540 200	3 400 400
Full details of investment properties owned by the company are contained in the register of investment properties which is open for inspection by members at the registered office of the company (see inside back cover).		
In terms of the accounting policy, the portfolio is valued annually. The properties were valued by Quadrant Properties, a registered valuer in terms of Section 19 of the Property Valuers Professional Act (Act No 47 of 2000).		
The valuations were performed using the discounted cash flow methodology. This method is based on an open market basis with consideration given to the future earnings potential and applying an appropriate capitalisation rate to the property.		
Investment properties are encumbered as set out in note 11.		
3. Straight-line rental income accrual		
Balance at the beginning of the year	4 737	–
Movement for the year	85 866	4 737
Balance at the end of the year	90 603	4 737
4. Goodwill		
Arising on business combination	95 703	95 703
Goodwill acquired in a business combination is allocated at acquisition to the cash generating units that are expected to benefit from the business combination. Goodwill is tested annually for impairment by comparing the carrying amount to the value in use. The cash flows used in the value in use calculation was the forecast distribution for 2013 financial year capitalised at a rate of 8,37% (2011: 8,53%). The following key assumptions were applied by management in calculating the forecast distribution:		
Vacancy rates of 1,5%		
Average rental increases in respect of renewals of 5%		
Average increase in operating costs of 8%		
All profits will be distributed to unitholders and thus no tax will be payable		

	Year ended 2012 R000	Year ended 2011 R000
5. Property, plant and equipment		
Computer equipment	–	34
Cost	145	145
Accumulated depreciation	(145)	(111)
Furniture, fittings and equipment	439	488
Cost	724	614
Accumulated depreciation	(285)	(126)
Motor vehicles	4	5
Cost	6	6
Accumulated depreciation	(2)	(1)
	443	527
Movement for the year		
Balance at beginning of year	527	–
Businesses acquired	–	735
Computer equipment	–	145
Furniture, fittings and equipment	–	584
Motor vehicles	–	6
Acquisitions		
Furniture, fittings and equipment	109	30
Depreciation	(193)	(238)
Computer equipment	(34)	(111)
Furniture, fittings and equipment	(158)	(126)
Motor vehicles	(1)	(1)
	443	527
6. Debt structuring fee		
Cost	–	7 500
Amortisation	–	(554)
	–	6 946
Current portion	–	(1 900)
Long term portion	–	5 046
In 2012, the structuring fees have been set off against secured liabilities in terms of IAS 39 which requires transaction costs to be offset against the debt balance and recognised as additional interest using the effective interest rate method over the term of the loan.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 August 2012

	Year ended 2012 R000	Year ended 2011 R000
7. Trade and other receivables		
Trade receivables	17 242	12 289
Impairments	(4 798)	(2 131)
	12 444	10 158
Amounts due from vendors	2 077	–
Rates clearances	569	2 661
Prepayments	730	298
Other receivables	1 500	563
	17 320	13 680
Ageing of receivables past due but not impaired		
30 days	1 191	816
60 days	428	361
90 days	233	734
120+ days	1 731	360
Total	3 583	2 271
Ageing of impaired receivables		
Current	583	1 065
30 days	1 004	189
60 days	384	166
90 days	329	133
120+ days	2 498	578
Total	4 798	2 131
Movement on the impairment of trade receivables		
Balance at the beginning of the year	2 131	–
Impairment losses recognised on receivables	2 667	2 131
Balance at the end of the year	4 798	2 131
The allowance for doubtful debts has been determined on a tenant by tenant basis.		
8. Cash and cash equivalents		
For purposes of the cash flow statement, cash and cash equivalents comprise:		
Bank balances	17 322	70 220
Cash is invested with First National Bank Limited and Rand Merchant Bank, a division of FirstRand Bank Limited.		

	Year ended 2012 R000	Year ended 2011 R000
9. Stated capital		
Authorised		
1 000 000 000 ordinary no par value shares		
Issued		
249 147 699 (2011: 219 744 713) ordinary shares	550 087	477 168
Movement for the year		
Balance at the beginning of the year	477 168	–
Shares issued during the year	74 622	477 168
Share issue expenses	(1 703)	–
Balance at the end of the year	550 087	477 168
The unissued shares are under the control of the directors. This authority remains in force until the next annual general meeting of the company.		
Each share is irrevocably linked to one debenture, together comprising one linked unit.		
10. Debentures		
Authorised		
1 000 000 000 variable rate subordinated debentures of R7,26 each		
Issued		
249 147 698 (2011: 219 744 713) debentures	1 808 812	1 595 347
Movement for the year		
Balance at the beginning of the year	1 595 347	–
Debentures issued during the year	213 465	1 595 347
Balance at the end of the year	1 808 812	1 595 347
The debentures are unsecured and subordinated in favour of the unsubordinated creditors of the company.		
As the company is obligated to pay interest on the debentures, which interest is calculated in terms of a distributable earnings formula and accrues to the debenture holder every six months, the instrument has been classified as a liability.		
The debentures are redeemable at the instance of the debenture holder by special resolution after 31 August 2041 or on the 10th anniversary after this date or every 10 years thereafter.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 August 2012

				Year ended 2012 R000	Year ended 2011 R000
11. Secured financial liabilities					
Nedbank Corporate (a division of Nedbank Limited)					
A facility of R895,0 million with Nedbank Limited is secured by mortgage bonds over 50% of the investment properties (note 2).					
Details of the facility are as follows:					
Facility R000	Nature	Rate %	Maturity	842 700	576 765
200 000	Fixed loan	9,110	17 May 2016	200 000	200 000
100 000	Floating based on 3-month Jibar plus 1,9%	6,954	17 May 2016	99 995	100 000
150 000	Floating based on 1-month Jibar plus 1,9%	6,844	17 May 2016	114 254	–
300 000	Floating based on 3-month Jibar plus 1,9%	6,954	17 May 2014	299 968	276 765
117 325	Floating based on 1-month Jibar plus 1,9%	6,844	17 May 2014	117 161	–
27 675	Floating based on 1-month Jibar plus 1,9%	6,844	17 May 2014	11 322	–
Rand Merchant Bank (a division of FirstRand Bank Limited)					
A facility of R895,0 million with Rand Merchant Bank is secured by mortgage bonds over 50% of investment properties (note 2).					
Details of the facility are as follows:					
Facility R000	Nature	Rate %	Maturity	842 750	576 766
300 000	Floating based on 3-month Jibar plus 1,9%	6,954	17 May 2016	300 000	300 000
150 000	Floating based on 1-month Jibar plus 1,9%	6,844	17 May 2016	114 928	–
300 000	Floating based on 3-month Jibar plus 1,9%	6,954	17 May 2014	300 000	276 766
116 500	Floating based on 1-month Jibar plus 2,05%	6,994	17 May 2014	116 500	–
28 500	Floating based on 1-month Jibar plus 2,05%	6,994	17 May 2014	11 322	–
Total debt				1 685 450	1 153 531
Less: Deferred finance costs				(6 352)	–
Reallocated from debt structuring fee (note 6)				(6 946)	–
Finance costs incurred during the year				(1 450)	–
Amortisation for the year				2 044	–
				1 679 098	1 153 531
At year end, the company's unutilised loan facilities amounted to R104,6 million, the gearing ratio was 37,1% (2011: 33,9%) and the average all inclusive rate of interest for the year under review was 8,72% (2011: 9,26%).					
The borrowings are secured by mortgage bonds over investment properties valued at R4,54 billion (note 2).					

	Year ended 2012 R000	Year ended 2011 R000
12. Derivative instruments		
Long-term cancellable interest rate swaps		
R400 million at a fixed rate of 9,67%, maturing on 19 May 2016	32 062	23 433
R400 million at a fixed rate of 9,00%, maturing on 19 May 2014	14 592	13 806
R200 million at a fixed rate of 9,11%, maturing on 19 May 2014	7 630	7 451
R93,2 million at a fixed rate of 7,06% maturing on 19 May 2014	334	–
R93,2 million at a fixed rate of 7,16% maturing on 17 May 2014	235	–
	54 853	44 690
The derivative instruments were valued by Rand Merchant Bank (a division of FirstRand Bank Limited) and Nedbank Limited by discounting the future cash flows using the JIBAR swap curve.		
13. Deferred taxation		
Arising on the revaluation of:		
Investment property	257 664	152 255
Derivative instruments	(15 359)	(12 513)
	242 305	139 742
Movement for the year		
Balance at beginning of year	139 742	–
Adjustment to rate of CGT	50 108	–
Change in fair value of investment property	31 258	39 237
Change in fair value of derivative instruments	(2 846)	7 125
Straight line rental income accrual	24 043	1 326
Arising on business combination	–	95 703
On disposal of investment property	–	(3 649)
	242 305	139 742
14. Trade and other payables		
Income received in advance	17 977	14 030
Value added taxation	3 689	23 598
Asset, property and facility management fees	1 899	5 805
Tenant deposits	4 581	3 766
Accrued interest	3 387	3 314
Tenant installations	–	3 139
Accrued expenses	2 075	5 980
Other payables	–	1 128
	33 608	60 760
15. Net operating profit		
Net operating profit includes the following items:		
Income		
Derecognition of current liability	5 466	–
Charges		
Amortisation of structuring fee	2 044	554
Asset management fees	11 192	2 874
Audit fees – current year	320	300
Depreciation	193	238
Facility management fees	13 620	–
Property management fees	10 166	12 521

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 August 2012

	Year ended 2012 R000	Year ended 2011 R000
16. Directors' emoluments		
Fees paid to executive directors		
SM Ngebulana	3 719	722
MF Rodel	2 469	565
JA Finn	1 895	438
	8 083	1 725
The executive directors' remuneration, comprising salary only, was paid by Billion Asset Managers (Proprietary) Limited, the company's asset manager.		
Fees paid to non-executive directors		
AM Mazwai	210	67
ATM Mokgokong	220	60
J Odendaal	210	57
KL Reynolds	180	60
NV Qangule ¹	74	–
TSM Seopa ¹	74	–
SP Fifield ²	90	57
SV Zilwa	230	63
	1 288	364
¹ Appointed 26 April 2012.		
² Retired at AGM held on 28 March 2012.		
³ Remuneration for 2011 includes amounts paid to directors from 17 May 2011 to 31 August 2011.		
17. Changes in fair values		
Unrealised gain on revaluation of investment property	253 489	285 000
Straight line rental income accrual	(85 866)	(4 737)
Derivative instruments	(10 162)	(17 502)
	157 461	262 761
18. Net finance charges		
Interest paid – secured financial liabilities	126 434	144 859
Interest paid – other	–	423
Interest received – bank	(8 623)	(581)
	117 811	144 701

	Year ended 2012 R000	Year ended 2011 R000
19. Taxation		
Deferred	102 564	44 038
Reconciliation of taxation charge:		
Profit before tax at 28%	69 090	26 933
Taxation effect of:		
Fair value adjustment to investment property at 18,6% (2011: 14%)	(15 676)	(39 237)
Change in CGT rate	50 108	–
Reversal of deferred taxation on derivative instruments no longer required	–	8 377
Other	572	154
Permanent differences:		
Derecognition of current liability	(1 530)	–
Restructuring costs	–	14 008
Debt arrangement fees	–	33 803
	102 564	44 038
No provision for normal taxation has been made as the company has an estimated loss for tax purposes of R12,5 million. No deferred taxation asset has been raised on this assessable loss as the company does not expect to have taxable income in the foreseeable future as all profits are distributed to linked unitholders.		
20. Earnings, headline earnings and distributable earnings		
Number of linked units in issue at year end	249 147 699	219 744 713
Weighted average number of linked units in issue used for the calculation of earnings and headline earnings per linked unit	226 332 267	64 419 020
Reconciliation of earnings, headline earnings and distributable earnings		
Profit for the year attributable to equity holders	144 185	52 152
Debenture interest	200 378	48 898
Earnings	344 563	101 050
Change in fair value of properties (net of deferred taxation)	(136 365)	(241 026)
Change in fair value of properties	(167 623)	(280 263)
Deferred taxation	31 258	39 237
Deferred taxation – CGT rate adjustment	50 108	–
Headline profit/(loss) loss attributable to linked unitholders	258 306	(139 976)
Change in fair value of financial instruments (net of deferred taxation)	7 317	12 601
Change in fair value of financial instruments	10 162	17 502
Deferred taxation	(2 845)	(4 901)
Straight line rental income accrual (net of deferred taxation)	(61 823)	(3 411)
Straight line rental income accrual	(85 866)	(4 737)
Deferred taxation	24 043	1 326
Derecognition of current liability	(5 466)	–
Amortisation of structuring fee	2 044	554
Deferred taxation – other adjustments	–	8 376
Listing costs	–	50 028
Debt arrangement fees	–	120 726
Retained profit at listing date	–	–
Distributable earnings attributable to linked unitholders	200 378	48 898
Basic and diluted earnings per linked unit (cents)	152,24	156,86
Headline profit/(loss) per linked unit (cents)	114,13	(217,29)
Distribution per linked unit (cents)	85,50	22,25

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 August 2012

	Year ended 2012 R000	Year ended 2011 R000
21. Notes to the cash flow statement		
21.1 The following convention applies to figures other than adjustments		
Outflows of cash are represented by figures in brackets. Inflows of cash are represented by figures without brackets.		
21.2 Cash absorbed by operation		
Profit before taxation	246 749	96 190
Adjusted for:		
Non-cash items	(255 737)	(276 517)
Changes in fair values	(157 461)	(262 761)
Straight line rental income accrual	(85 866)	(4 737)
Depreciation	193	238
Amortisation of tenant installations and lease commissions	542	–
Rental warranty	(15 189)	(9 811)
Amortisation of structuring fee	2 044	554
Net finance charges	117 811	144 701
Debenture interest	200 378	48 898
Operating profit before working capital changes	309 201	13 272
Working capital changes	(30 792)	(101 743)
Trade and other receivables	(3 640)	(10 096)
Trade and other payables	(27 152)	(91 647)
Cash generated from/(absorbed by) operations	278 409	(88 471)
22. Business combination		
Pursuant to its listing on the JSE Limited on 17 May 2011, Rebosis acquired the assets and liabilities of Hemingways Shopping Centre (Proprietary) Limited, Mdantsane Shopping Centre (Proprietary) Limited and Phomella Property Investments (Proprietary) Limited with effect from 1 December 2011.		
Details of the net assets acquired are as follows:		
Investment property		2 857 500
Property, plant and equipment		735
Trade and other receivables		3 395
Cash and cash equivalents		8 571
Secured financial liabilities		(2 245 470)
Derivative instruments – interest rate swaps		(70 138)
Deferred taxation		(95 703)
Trade and other payables		(152 219)
Total net assets acquired		306 671
Goodwill		95 703
Purchase consideration settled in cash		402 374
Less: Cash and cash equivalents		(8 571)
Cash outflows on acquisition		393 803
The goodwill that arose was as a result of the purchase price exceeding the fair value of the net assets acquired. This was as a result of the purchase price of the business acquired including amounts in relation to the benefit of expected synergies and the benefits of the established portfolio of assembled properties. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.		

	Year ended 2012 R000	Year ended 2011 R000
23. Commitments		
23.1 Capital commitments		
Capital improvements in respect of investment properties		
– Approved and committed	13 618	13 838
– Approved not yet committed	7 176	10 210
	20 794	24 048
23.2 Operating expense commitments		
The company has entered into various service contracts for the cleaning and general maintenance of the property portfolio. The operating expense commitments payable to service providers in future years are as follows:		
– Due within one year	8 003	8 250
– Due two to five years	2 325	3 142
	10 328	11 392
24. Minimum lease payments receivable		
Minimum lease payments comprises contractual rental income from investment properties and operating lease recoveries due in terms of signed lease agreements		
– Receivable within one year	362 926	297 623
– Receivable two to five years	1 100 381	1 245 019
– Receivable beyond five years	538 948	341 103
	2 002 255	1 883 745
25. Related parties and related party transactions		
Parties are considered related if one party has the ability to exercise control or significant influence over the other party in making financial or operational decisions.		
Related parties with whom the company transacted during the year were:		
Billion Property Management Services (Proprietary) Limited		
Property management fees	10 166	5 179
Facility management fee	13 620	6 975
Leasing commission	1 361	–
Relationship: Directorial		
Amount owing at year end (included in trade and other payables)	172	4 869
Billion Asset Managers (Proprietary) Limited		
Asset management fees	11 192	2 874
Relationship: Directorial		
Amount owing at year end (included in trade and other payables)	1 298	935
Billion Group (Proprietary) Limited		
Developer guarantee income	35 360	18 049
Relationship: Directorial		
Amount owing at year end (included in trade and other payables)	1 261	15 188
Nedbank Limited		
Directors' emoluments	180	60
Relationship: Directorial		
Amount owing at year end (included in trade and other payables)	103	60

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 August 2012

26. Financial risk management

The company's financial instruments consist mainly of deposits with banks, interest bearing liabilities, derivative instruments, trade and other receivables, trade and other payables, debentures and linked unitholders for distribution. Book value approximates fair value in respect of these financial instruments. Exposure to market, credit and liquidity risks arises in the normal course of business.

The table below sets out the classification of each class of financial asset and liability and their fair values:

	Financial assets		Financial liabilities		Total
	At amortised cost R000	At fair value through profit or loss R000	At amortised cost R000	At fair value through profit or loss R000	
As at 31 August 2012					
Financial assets					
Trade and other receivables	17 320	–	–	–	17 320
Cash and cash equivalents	17 322	–	–	–	17 322
Total financial assets	34 642	–	–	–	34 642
Financial liabilities					
Debentures	–	–	1 808 812	–	1 808 812
Secured financial liabilities	–	–	1 679 098	–	1 679 098
Derivative instruments	–	–	–	54 853	54 853
Trade and other payables	–	–	33 608	–	33 608
Unitholders for distribution	–	–	105 888	–	105 888
Total financial liabilities	–	–	3 627 406	54 853	3 682 259
As at 31 August 2011					
Financial assets					
Trade and other receivables	13 680	–	–	–	13 680
Debt structuring fee	6 946	–	–	–	6 946
Cash and cash equivalents	70 220	–	–	–	70 220
Total financial assets	90 846	–	–	–	90 846
Financial liabilities					
Debentures	–	–	1 595 347	–	1 595 347
Secured financial liabilities	–	–	1 153 531	–	1 153 531
Derivative instruments	–	–	–	44 690	44 690
Trade and other payables	–	–	60 760	–	60 760
Developer guarantee	–	–	15 188	–	15 188
Unitholders for distribution	–	–	48 898	–	48 898
Total financial liabilities	–	–	2 873 724	44 690	2 918 414

Interest rate risk

The company manages its exposure to changes in interest rates by fixing interest rates, by way of interest rate swap arrangements, in respect of borrowings. At year end, interest rates in respect of 79% of borrowing were fixed.

The average rate of interest for the year was 8,72% and the average interest rate at year end was 8,50%.

An increase of 1% in the prime interest rate will result in an increase of R3,58 million per annum in respect of the floating portion of the debt.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial commitments as and when they fall due. This risk is managed by holding cash balances and a revolving loan facility and by regularly monitoring cash flows.

The company will utilise undrawn facilities and cash on hand to meet its short term funding requirements.

A maturity analysis of the company's financial assets and liabilities and its exposure to interest rate risk at year end are set out in the table following:

	Weighted average effective interest rate %	Less than one year R000	One to five years R000	More than five years R000	Total R000
26. Financial risk management					
<i>continued</i>					
Liquidity risk <i>continued</i>					
As at 31 August 2012					
Financial assets					
Trade and other receivables	–	17 320	–	–	17 320
Cash and cash equivalents	3,40	17 322	–	–	17 322
Total financial assets	–	34 642	–	–	34 642
Financial liabilities					
Debentures	Variable	–	–	1 808 812	1 808 812
Secured financial liabilities	8,72	–	2 272 045	–	2 272 045
Derivative instruments	–	–	54 853	–	54 853
Trade and other payables	–	33 608	–	–	33 608
Unitholders for distribution	Variable	105 888	–	–	105 888
Total financial liabilities	–	139 496	2 326 898	1 808 812	4 275 206
As at 31 August 2011					
Financial assets					
Trade and other receivables	–	13 680	–	–	13 680
Debt structuring fee	–	1 900	5 046	–	6 946
Cash and cash equivalents	4,00	70 220	–	–	70 220
Total financial assets	–	85 800	5 046	–	90 846
Financial liabilities					
Debentures	Variable	–	–	1 595 347	1 595 347
Secured financial liabilities	9,26	–	1 559 512	–	1 559 512
Derivative instruments	–	–	44 690	–	44 690
Trade and other payables	–	60 760	–	–	60 760
Developer guarantee	–	15 188	–	–	15 188
Unitholders for distribution	Variable	48 898	–	–	48 898
Total financial liabilities	–	124 846	1 604 202	1 595 347	3 324 395

Credit risk

Credit risk arises from the risk that a tenant may default or not meet its obligations timeously. The financial position of the tenants is monitored on an ongoing basis. The risk is minimised as receivables are spread over a wide tenant base. Allowance is made for specific doubtful debts and credit risk is therefore limited to the carrying amount of the financial asset at year end.

The impairment allowance at 31 August 2012 of R4,8 million (2011: R2,1 million), net of tenant deposits and guarantees, relates to tenants who have either vacated the premises or who have been handed over for non payment.

Management does not consider there to be any credit risk exposure that is not already covered in the impairment. The carrying value of receivables is considered to reasonably approximate fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
for the year ended 31 August 2012

Year ended
2012
R000

Year ended
2011
R000

27. Capital management

The company's borrowings, excluding debentures, are limited to 50% of the valuation of the investment property portfolio in terms of the existing debt covenants and to 65% in terms of the articles of the company.

As at 31 August 2012, the unutilised borrowing capacity of the company was as follows:

Investment properties at valuation	4 540 200	3 400 400
50% thereof	2 270 100	1 700 200
Total borrowings	1 685 450	1 153 531
Unutilised borrowing capacity	584 650	546 669

Management is committed to a gearing level of a maximum of 45%.

28. Fair value hierarchy

The different levels have been defined as:

Level 1 – fair value is determined from quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – fair value is determined through the use of valuation techniques based on observable inputs, either directly or indirectly

Level 3 – fair value is determined through the use of valuation techniques using significant inputs

The only financial instrument carried at fair value is the derivative instruments, comprising interest rate swaps, that is categorised as level two (refer note 12).

	Property portfolio			Admin and corporate costs R000	Total R000
	Retail R000	Office R000	Total R000		
29. Segmental report					
2012					
Property portfolio	308 248	191 781	500 029	–	500 029
Contractual rental income	263 762	150 401	414 163	–	414 163
Straight line rental income accrual	44 486	41 380	85 866	–	85 866
Net income from facilities management	–	15 822	15 822	–	15 822
Sundry income	539	76	615	5 466	6 081
Total revenue	308 787	207 679	516 466	5 466	521 932
Operating costs	(75 679)	(22 815)	(98 494)	–	(98 494)
Administration and corporate costs	–	–	–	(15 961)	(15 961)
Changes in fair values of investment property and derivative instruments	59 714	107 909	167 623	(10 162)	157 461
Finance charges	–	–	–	(117 811)	(117 811)
Segment profit before taxation	292 822	292 773	585 595	(138 468)	447 127
Investment property	2 382 000	2 158 200	4 540 200	–	4 540 200
Other assets	7 372	9 386	16 758	114 029	130 787
Total assets	2 389 372	2 167 586	4 556 958	114 029	4 670 987
Total liabilities	7 328	15 917	23 245	3 901 320	3 924 565

	Property portfolio			Admin and corporate costs R000	Total R000
	Retail R000	Office R000	Total R000		
29. Segmental report continued					
For period 17 May 2011 to 31 August 2011					
Property portfolio	59 784	46 160	105 944	–	105 944
Contractual rental income	64 791	38 677	103 468	–	103 468
Straight line rental income accrual	(5 007)	7 483	2 476	–	2 476
Facilities management income	–	3 994	3 994	–	3 994
Sundry income	105	42	147	–	147
Total revenue	59 889	50 196	110 085	–	110 085
Operating costs	(16 401)	(6 334)	(22 735)	–	(22 735)
Administration and corporate costs	–	–	–	(3 901)	(3 901)
Changes in fair values of investment property and derivative instruments	73 507	34 017	107 524	(44 691)	62 833
Finance charges	–	–	–	(32 672)	(32 672)
Segment profit before taxation	116 995	77 879	194 874	(81 264)	113 610
Investment property	1 915 000	1 485 400	3 400 400	–	3 400 400
Other assets	5 632	7 555	13 187	173 889	187 076
Total assets	1 920 632	1 492 955	3 413 587	173 889	3 587 476
Total liabilities	6 302	1 808	8 110	3 050 046	3 058 156

	Results for period 17 May 2011 to 31 August 2011 R000	Results for period 1 September 2010 to 16 May 2011* R000	Total for year ended 31 August 2011 per statement of comprehensive income R000
Reconciliation of 2011 to statement of comprehensive income			
Property portfolio	105 944	151 123	257 067
Contractual rental income	103 468	148 862	252 330
Straight line rental income accrual	2 476	2 261	4 737
Facilities management income	3 994	–	3 994
Sundry income	147	256	403
Total revenue	110 085	151 379	261 464
Operating costs	(22 735)	(36 990)	(59 725)
Administration and corporate costs	(3 901)	(56)	(3 957)
Restructuring costs and debt arrangement fees	–	(170 754)	(170 754)
Changes in fair values of investment property and derivative instruments	62 833	199 928	262 761
Finance charges	(32 672)	(112 029)	(144 701)
Segment profit before taxation	113 610	31 478	145 088

* Prior to its listing on 17 May 2011, there was no requirement for Reboasis to disclose segmental information.

UNITHOLDER ANALYSIS

Company: Rebois Property Fund Limited
 Register date: 31 August 2012
 Number of linked units issued: 249 147 699

	Number of unitholders	%	Number of units	%
Unitholder spread				
1 – 1 000 units	112	21,75	24 370	0,01
1 001 – 10 000 units	131	25,44	746 885	0,30
10 001 – 100 000 units	124	24,08	4 919 675	1,97
100 001 – 1 000 000 units	99	19,22	36 855 843	14,79
1 000 001 units and over	49	9,51	206 600 926	82,92
Total	515	100,00	249 147 699	100,00
Distribution of unitholders				
Bank	1	0,19	23 000	0,01
Close corporations	10	1,94	119 860	0,05
Endowment funds	10	1,94	425 017	0,17
Individuals	231	44,85	1 962 186	0,79
Insurance companies	19	3,69	18 247 714	7,32
Investment companies	9	1,75	831 783	0,33
Medical schemes	3	0,58	226 696	0,09
Mutual funds	78	15,15	120 656 224	48,43
Nominees and trusts	50	9,71	37 843 888	15,19
Other corporations	3	0,58	788 608	0,32
Private companies	23	4,47	1 997 614	0,80
Retirement funds	78	15,15	66 025 109	26,50
Total	515	100,00	249 147 699	100,00
Public/Non-public unitholders				
Non-public unitholders	8	1,55	36 971 937	14,84
Directors and associates of the company holdings				
Public unitholders	507	98,45	212 175 762	85,16
Total	515	100,00	249 147 699	100,00
Beneficial unitholders holding 5% or more				
Ngebulana, SM			36 371 937	14,60
Stanlib			31 263 305	12,55
Government Employees Pension Fund			29 338 145	11,78
Sanlam			20 667 307	8,30
Coronation Fund Managers			16 116 332	6,47
Old Mutual			15 084 860	6,05
Total			148 841 886	59,74

UNITHOLDER DIARY

Financial year end	31 August
Annual general meeting	20 March 2013
Annual report posted	February 2013
Announcement of interim results	18 April 2013
Announcement of annual results	6 November 2013

DISTRIBUTION DETAILS

for the year ended 31 August 2012

Interest on debentures	Distribution number	Cents
Six months ended 29 February 2012	2	43,00
Six months ended 31 August 2012	3	42,50

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS AND DEBENTURE HOLDERS

Rebosis Property Fund Limited

Registration number 2010/003468/06

(Formerly Business Venture Investments No 1389 (Proprietary Limited) ("Rebosis" or "the company")

JSE share code: REB

ISIN code: ZAE000156147

Notice is hereby given that the annual general meeting of shareholders and debenture holders ("unitholders" or "linked unitholders") of Rebosis will be held at the offices of the company on the 3rd Floor, Palazzo Towers West, Montecasino Boulevard, Fourways on Wednesday, 20 March 2013, at 10:00 for the purposes of:

- A. presenting the audited annual financial statements of the company as well as the directors' report and the audit committee report for the year ended 31 August 2012;
- B. transacting any other business as may be transacted at an annual general meeting of linked unitholders of a company; and
- C. considering and if deemed fit adopting with or without modification, the unitholder special and ordinary resolutions set out below.

Important dates to note	2013
Record date to receive this notice of annual general meeting	Friday, 1 February
Last day to trade in order to be eligible to participate in and vote at the annual general meeting	Friday, 8 March
Record date for voting purposes ("voting record date")	Friday, 15 March
Last day to lodge forms of proxy by 10:00 on	Monday, 18 March
Annual general meeting held at 10:00 on	Wednesday, 20 March
Results of AGM released on SENS	Wednesday, 20 March

In terms of section 62(3)(e) of the Companies Act, 71 of 2008, as amended:

- a shareholder who is entitled to attend and vote at the general meeting is entitled to appoint a proxy or two or more proxies to attend and participate in and vote at the general meeting in the place of the Rebosis Linked unitholder, by completing the proxy in accordance with the instructions set out herein;
- a proxy need not be a linked unitholder of the company;
- meeting participants (including linked unitholders and proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the unitholder meeting; in this regard all meeting participants will be required to provide identification satisfactory to the chairman of the meeting. Forms of identification involve valid identity documents, driver's licenses and passports.

1. Special resolution 1: Linked unit repurchases

"Resolved that the directors be authorised in terms of the company's Memorandum of Incorporation ("MOI") and the debenture trust deed, until this authority lapses at the next annual general meeting of the company unless it is then renewed at the next annual general meeting of the company and provided that this authority shall not extend beyond 15 months, to enable the company or any subsidiary of the company (if applicable) to acquire linked units of the company subject to the Listings Requirements of the JSE Limited ("JSE") and the Companies Act, 71 of 2008, as amended, on the following bases:

- a) the acquisition of linked units must be implemented through the order book operated by the JSE trading system without any prior understanding or arrangement between the company and the counterparty;
- b) the company (or any subsidiary) must be authorised to do so in terms of its MOI;
- c) the number of linked units which may be acquired pursuant to this authority in any financial year (which commenced 1 September 2012) may not in the aggregate exceed 20% (or 10% where the acquisitions are effected by a subsidiary) of the company's share capital as at the date of this notice of annual general meeting;
- d) repurchases may not be made at a price more than 10% above the weighted average of the market value on the JSE of the linked units in question for the five business days immediately preceding the repurchase;
- e) repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the Listings Requirements of the JSE) unless a repurchase programme is in place and the dates and quantities of linked units to be repurchased during the prohibited period have been determined and full details thereof announced on SENS prior to commencement of the prohibited period;
- f) after the company has acquired linked units which constitute, on a cumulative basis, 3% of the number of linked units in issue (at the time that authority from linked unitholders for the repurchase is granted), the company shall publish an announcement to such effect, or any other announcements that may be required in such regard in terms of the JSE Listings Requirements applicable from time to time;
- g) the company (or any subsidiary) shall appoint only one agent to effect repurchases on its behalf; and

- h) a resolution has been passed by the board of directors of the company or its subsidiaries authorising the acquisition, and the company has passed the solvency and liquidity test as set out in section 4 of the Companies Act, 2008, and that, since the application of the solvency and liquidity test by the board, there have been no material changes to the financial position of the company.”

In accordance with the Listings Requirements of the JSE, the directors record that:

Although there is no immediate intention to effect a repurchase of the linked units of the company, the directors will utilise the general authority to repurchase linked units as and when suitable opportunities present themselves, which may require immediate action.

The directors undertake that, after considering the maximum number of linked units that may be repurchased and the price at which the repurchases may take place pursuant to the general authority, for a period of 12 months after the date of this annual general meeting:

- the company and the group will, in the ordinary course of business, be able to pay its debts;
- the consolidated assets of the company and the group fairly valued in accordance with International Financial Reporting Standards will be in excess of the consolidated liabilities of the company and the group after the buyback; and
- the company’s and the group’s share capital, reserves and working capital will be adequate for ordinary business purposes.”

The following additional information, some of which may appear elsewhere in the integrated annual report of which this notice forms part, is provided in terms of the Listings Requirements of the JSE for purposes of this general authority:

- Directors – pages 12 and 13;
- Major beneficial unitholders – page 66;
- Directors’ interests in linked units – page 42; and
- Capital structure of the company – page 41.

Litigation statement

In terms of section 11.26 of the Listings Requirements of the JSE, the directors, whose names appear on pages 12 and 13 of the integrated annual report of which this notice forms part, are not aware of any legal or arbitration proceedings including proceedings that are pending or threatened, that may have or have had in the recent past (being at least the previous 12 months) a material effect on the company’s financial position.

Directors’ responsibility statement

The directors, whose names appear on pages 12 and 13 of the integrated annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the Companies Act, 71 of 2008, as amended, and the Listings Requirements of the JSE.

Material changes

Other than the facts and developments reported on in the integrated annual report of which this notice forms part, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report for the financial year ended 31 August 2012 and up to the date of this notice.

The reason for and effect of special resolution 1:

The reason for special resolution 1 is to afford directors of the company a general authority for the company (or a subsidiary of the company) to effect a repurchase of the company’s linked units on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the Listings Requirements of the JSE and the Companies Act, 71 of 2008, as amended, to effect repurchases of the company’s linked units on the JSE.

This resolution will require the support of at least 75% of the voting rights exercised on it in order for it to be adopted.

2. Special resolution 2: Financial assistance to related or inter-related company

“Resolved that, to the extent required by the Companies Act, 71 of 2008, as amended (“the Companies Act”), the board of directors of the company may, subject to compliance with the requirements of the company’s Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance in terms of section 45 of the Companies Act by way of loans, guarantees, the provisions of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, such authority to endure until the next annual general meeting of the company.”

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS AND DEBENTURE HOLDERS *continued*

The reason and effect for special resolution 2:

The company would like the ability to provide financial assistance, in appropriate circumstances and if necessary, in accordance with section 45 of the Companies Act. Under the Companies Act, the company will, however, require the special resolution referred to above to be adopted, provided that the board of directors of the company be satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company, all applicable requirements in respect of financial assistance as set out in the company's Memorandum of Incorporation are complied with and, immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act. In the circumstances and in order to, *inter alia*, ensure that the company's subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from the company (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in special resolution 2. Therefore, the reason for, and effect of, special resolution number 2 is to permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the entities referred to in special resolution 2 above.

This resolution will require the support of at least 75% of the voting rights exercised on it in order for it to be adopted.

3. Special resolution 3: Approval of non-executive directors' remuneration for their services as directors: 2012/2013

"Resolved that the fees payable by the company to the non-executive directors for their services as directors (in terms of section 66 of the Companies Act, 71 of 2008, as amended) be and are hereby approved for the financial year ending 31 August 2013 and for a period of two years from the passing of this resolution or until its renewal, whichever is the earliest, as follows:

	Annual fee
Board chairperson	R400 000
Non-executive director	R150 000
Audit and risk committee chairperson	R100 000
Audit and risk committee member	R40 000
Remuneration and nomination committee member	R40 000
Investment committee chair	R100 000
Investment committee member	R40 000
Social and ethics committee chair	R60 000
Social and ethics committee member	R40 000

This resolution will require the support of at least 75% of the voting rights exercised on it in order for it to be adopted.

The reason and effect for special resolution 3:

To obtain linked unitholder approval by way of a special resolution in accordance with section 66 of the Companies Act, 71 of 2008, as amended, for the payment by the company of remuneration to each of the non-executive directors of the company for services rendered as directors for a period of two years from the passing of this resolution or until its renewal, whichever is the earliest, in the amount set out in special resolution 3 above.

4. Ordinary resolution 1: Confirmation of appointment of director

"Resolved that the appointment of NV Qangule as a director of the company be confirmed."

An abridged *curriculum vitae* is included in the integrated annual report of which this notice forms part.

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

5. Ordinary resolution 2: Confirmation of appointment of director

"Resolved that the appointment of TSM Seopa as a director of the company be confirmed."

An abridged *curriculum vitae* is included in the integrated annual report of which this notice forms part.

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

6. Ordinary resolution 3: Re-election of director

"Resolved that KL Reynolds who retires by rotation in terms of the company's Memorandum of Incorporation ("MOI") and who, being eligible, offers himself for re-election, be re-elected as a director of the company."

An abridged *curriculum vitae* is included in the integrated annual report of which this notice forms part.

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

7. Ordinary resolution 4: Re-election of director

"Resolved that WJ Odendaal who retires by rotation in terms of the MOI and who, being eligible, offers himself for re-election, be re-elected as a director of the company."

An abridged *curriculum vitae* is included in the integrated annual report of which this notice forms part.

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

8. Ordinary resolution 5: Re-election of director

“Resolved that SV Zilwa who retires by rotation in terms of the MOI and who, being eligible, offers herself for re-election, be re-elected as a director of the company.”

An abridged *curriculum vitae* is included in the integrated annual report of which this notice forms part.

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

9. Ordinary resolution 6: Re-appointment of members of the audit and risk committee

“Resolved that SV Zilwa (chairperson), AM Mazwai, TSM Seopa and NV Qangule be re-appointed as members of the audit and risk committee”.

An abridged *curriculum vitae* for each member is included in the integrated annual report of which this notice forms part.

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

10. Ordinary resolution 7: Re-appointment of auditors

“Resolved that PKF (Jhb) Inc be reappointed as the auditors of the company.”

The audit and risk committee has nominated for appointment as auditors of the company under section 90 of the Companies Act, 71 of 2008, as amended, PKF (Jhb) Inc.

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

11. Ordinary resolution 8: Unissued linked units

“Resolved that all authorised but unissued linked units of the company be placed under the control of the directors of the company until the next annual general meeting, with the authority to allot and issue all or part thereof in their discretion, subject to the provisions of the Companies Act, 71 of 2008, as amended, and the Listings Requirements of the JSE.”

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

12. Ordinary resolution 9: Issue of linked units for cash

“Resolved that, subject to the Memorandum of Incorporation of the company and the debenture trust deed, the directors of the company be and are hereby authorised until this authority lapses at the next annual general meeting of the company, provided that this authority shall not extend beyond 15 months, to allot and issue linked units for cash subject to

the Listings Requirements of the JSE and the Companies Act, 71 of 2008, as amended, on the following bases:

- a) the allotment and issue of linked units for cash shall be made only to persons qualifying as public shareholders and not to related parties, as defined in the Listings Requirements of the JSE;
- b) the number of linked units issued for cash shall not in the aggregate in the financial year of the company (which commenced 1 September 2012) exceed 5% of the company's issued linked units. The number of linked units which may be issued for cash shall be based on the number of linked units in issue at the date of the application, added to those that may be issued in future (arising from the conversion of options/convertibles) at the date of such application, less any linked units issued or to be issued in future arising from options/convertible linked units issued by the company during the current financial year, plus any linked units to be issued for cash pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to the date of application), the terms of which have been announced;
- c) the maximum discount at which linked units may be issued for cash is 10% of the weighted average price on the JSE of those linked units over 30 days prior to the date that the price of the issue is agreed between the company and the party subscribing for the linked units;
- d) after the company has issued linked units for cash which represent, on a cumulative basis within a financial year 5% or more of the number of linked units in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including the effect of the issue on the net asset value, the average discount to the weighted average price of those linked units over 30 days, the net tangible asset value, earnings, headline earnings, and if applicable diluted earnings and diluted headline earnings per linked unit of the company; and
- e) the linked units which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such linked units or rights as are convertible into a class already in issue.”

In terms of the Listings Requirements of the JSE, this resolution will require the support of 75% of the votes cast by unitholders present in person or by proxy at the annual general meeting on it in order for it to be adopted.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS AND DEBENTURE HOLDERS *continued*

13. Ordinary resolution 10 : Signature of documentation

"Resolved that a director of the company or the company secretary be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of ordinary resolutions 1, 2, 3, 4, 5, 6, 7, 8 and 9 and special resolutions 1, 2 and 3 which are passed by the linked unitholders with and subject to the terms thereof."

Voting and proxies

Each of Rebosis' linked units comprises one ordinary share and one debenture. Certificated and own-name dematerialised unitholders are therefore advised that they must complete a separate form of proxy for certificated and own-name dematerialised unitholders and a separate form of proxy for certificated and own-name dematerialised debenture holders in order for their vote/s to be valid. The form of proxy for certificated and own-name dematerialised unitholders is included in this annual report.

A unitholder of the company entitled to attend, speak and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and to vote in his stead. The proxy need not be a unitholder of the company.

On a show of hands, every unitholder of the company present in person or represented by proxy shall have one vote only. On a poll, every unitholder of the company present in person or represented by proxy shall have one vote for every linked unit in the company by such unitholder.

A form of proxy is attached for the convenience of certificated and own-name dematerialised unitholders holding linked units in the company who cannot attend the annual general meeting but wish to be represented thereat.

Such unitholders must complete and return the attached form of proxy and lodge it with the transfer secretaries of the company.

Dematerialised unitholders who have not elected own-name registration in the subregister of the company through a Central Securities Depository Participant ("CSDP") and who wish to attend the annual general meeting, must instruct the CSDP or broker to provide them with the necessary authority to attend.

Dematerialised unitholders who have not elected own-name registration in the subregister of the company through a CSDP and who are unable to attend, but wish to vote at the annual general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that unitholder and the CSDP or broker. Such unitholders are advised that they must provide their CSDP or broker with

separate voting instructions in respect of the shares and the debentures in terms of their linked units.

Forms of proxy may also be obtained on request from the company's registered office. The completed forms of proxy must be deposited at, posted or faxed to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received at least 48 hours prior to the annual general meeting. Any unitholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting should the unitholder subsequently decide to do so.

By order of the board



Company Secretary

Registered office

3rd Floor, Palazzo Towers West
Montecasino Boulevard
Fourways, 2055
(PO Box 2972, Northriding, 2162)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited
70 Marshall Street, Johannesburg, 2001

FORM OF PROXY OF UNITHOLDERS

REBOSIS PROPERTY FUND LIMITED

Registration number 2010/003468/06
 (Formerly Business Venture Investments No 1389 (Proprietary) Limited)
 ("Rebosis" or "the company")
 JSE share code: REB ISIN code: ZAE 000156147

Each of Rebosis' linked units comprises one ordinary share and one debenture. Certificated and own-name dematerialised unitholders are therefore advised that they must complete a form of proxy for certificated and own-name dematerialised unitholders in order for their vote/s to be valid.

This form of proxy is for use by the holders of the company's certificated linked units ("certificated unitholders") and/or dematerialised linked units held through a Central Securities Depository Participant ("CSDP") or broker who have selected own-name registration and who cannot attend but wish to be represented at the annual general meeting of the company on the 3rd Floor, Palazzo Towers West, Montecasino Boulevard, Fourways, on Wednesday, 20 March 2013, at 10:00 or any adjournment if required. Additional forms of proxy are available at the company's registered office.

They are not for the use by holders of the company's dematerialised linked units who have not selected own-name registration. Such unitholders must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary authorisation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting but wish to be represented thereat, in order for the CSDP or broker to vote in accordance with their instructions.

I/We _____ (NAME IN BLOCK LETTERS)

of _____ (ADDRESS)

being the registered holder of _____ linked units

hereby appoint _____ of _____ or failing him/her,

_____ of _____ or failing him/her,

the chairperson of the general meeting, as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the company to and at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. Unless this is done, the proxy will vote as he/she thinks fit.

		In favour of	Against	Abstain
1.1	Special resolution 1: General authority to enable the company (or any subsidiary) to repurchase linked units of the company			
1.2	Special resolution 2: General authority for company to grant financial assistance to related and inter-related companies			
1.3	Special resolution 3: Approval of remuneration of non-executive directors: 2012/2013			
1.4	Ordinary resolution 1: Confirmation of appointment of NV Qangule as a director of the company			
1.5	Ordinary resolution 2: Confirmation of appointment of TSM Seopa as a director of the company			
1.6	Ordinary resolution 3: To re-elect KL Reynolds as a director of the company			
1.7	Ordinary resolution 4: To re-elect WJ Odendaal as a director of the company			
1.8	Ordinary resolution 5: To re-elect SV Zilwa as a director of the company			
1.9	Ordinary resolution 6: To reappoint members of the audit and risk committee			
1.10	Ordinary resolution 7: To reappoint PKF (Jhb) Inc as auditors of the company			
1.11	Ordinary resolution 8: Authority to place the unissued linked units under the control of directors			
1.12	Ordinary resolution 9: General authority to enable the company to issue for cash up to 5% of the authorised but unissued linked units			
1.13	Ordinary resolution 10: To authorise the signature of documentation			

Signed this _____ day of _____ 2013

Signature _____

Assisted by _____ (if applicable)

Please read the notes on the reverse.

NOTES TO THE FORM OF PROXY

1. Each of Rebosis' linked units comprises one ordinary share and one debenture. Certificated and own-name dematerialised unitholders are therefore advised that they must complete a form of proxy for certificated and own-name dematerialised unitholders in order for their vote/s to be valid.
2. This form of proxy is to be completed only by those members who are:
 - holding linked units in certificated form; or
 - recorded in the subregister in electronic form in their own name.
3. Each unitholder is entitled to appoint one or more proxies (none of whom need to be a unitholder of the company) to attend, speak and vote in place of that unitholder at the annual general meeting.
4. Unitholders that are certificated or own-name dematerialised unitholders may insert the name of a proxy or the names of two alternate proxies of the unitholder's choice in the space/s provided, with or without deleting "the chairperson of the general meeting", but any such deletion must be initialled by the unitholders. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy, the chairperson shall be deemed to be appointed as the proxy.
5. A unitholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the unitholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairperson, to vote or abstain from voting as deemed fit and in the case of the chairperson to vote in favour of the resolution.
6. A unitholder or his/her proxy is not obliged to use all the votes exercisable by the unitholder, but the total of the votes cast or abstained from may not exceed the total of the votes exercisable in respect of the linked units held by the unitholder.
7. Forms of proxy must be lodged at, posted or faxed to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received at least 48 hours prior to the annual general meeting.
8. The completion and lodging of this form of proxy will not preclude the relevant unitholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such unitholder wish to do so. Where there are joint holders of linked units, the vote of the first joint holder who tenders a vote as determined by the order in which the names stand in the register of unitholders, will be accepted. In addition to the foregoing, a unitholder may revoke the proxy appointment by: (i) cancelling it in writing or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the unitholder as at the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered in the required manner.
9. Where there are joint holders of any linked units, only that holder whose name appears first in the register in respect of such linked units needs to sign this form of proxy.
10. The chairperson of the annual general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, the chairperson is satisfied as to the manner in which the unitholder concerned wishes to vote.
11. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or Computershare Investor Services (Proprietary) Limited or waived by the chairperson of the general meeting.
12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
13. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Computershare Investor Services (Proprietary) Limited.

CORPORATE INFORMATION

Share code: REB

ISIN: ZAE000156147

JSE sector: Real Estate – Real Estate holdings and development

Year end: 31 August

Company registration number

2010/003468/06

Country of incorporation

South Africa

Website

www.rebosis.co.za

Directors

SM Ngebulana (chief executive)

JA Finn (chief financial officer)

MF Rodel (chief operating officer)

ATM Mokgokong* (chairperson)

AM Mazwai*

WJ Odendaal*

NV Qangule

KL Reynolds^o

TSM Seopa*

SV Zilwa*

* *Independent non-executive*

^o *Non-executive*

Registered office and company secretary

M Ndema

3rd Floor, Palazzo Towers West

Montecasino Boulevard

Fourways, 2191

(PO Box 2972, Northriding, 2162)

Telephone: +27 (0)11 511 5335

Facsimile: +27 (0)11 511 5626

Bankers

First National Bank

(a division of FirstRand Bank Limited)

6th Floor, First Place

Corner Simmonds and Pritchard Streets

Johannesburg, 2001

(PO Box 1153, Johannesburg, 2000)

Independent auditors

PKF (Jhb) Inc

Chartered Accountants (SA) Registered Auditors

42 Wierda Road West

Wierda Valley, 2196

(Private Bag X10046, Sandton, 2146)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited

Ground Floor, 70 Marshall Street

Johannesburg, 2001

(PO Box 61051, Marshalltown, 2107)

Trustee for debenture holders

Java Capital Trustees and Sponsors

(Proprietary) Limited

2 Arnold Road, Rosebank, 2196

(PO Box 2087, Parklands, 2121)

Sponsor

Java Capital Trustees and Sponsors

(Proprietary) Limited

2 Arnold Road, Rosebank, 2196

(PO Box 2087, Parklands, 2121)

Legal advisers

Bowman Gilfillan

165 West Street

Sandton, 2146

(PO Box 785812, Sandton 2146)

Enquiries relating to the annual report

JA Finn

janys@rebosis.co.za