



From Timothy Collyer, Managing Director

SIGNIFICANT LEASING SUCCESS - NEW LEASES TOTTALLING 96,000 SQUARE METRES

Leasing in key markets for Growthpoint Properties Australia (Growthpoint) is a tale of two sectors. Industrial markets are generally performing well with supply and demand largely matched and property values increasing. Office markets have experienced rising vacancies, falling demand, new supply and a rise in leasing incentives.

Notwithstanding a very competitive office leasing market, Growthpoint has leased nearly 22,000m² of office space since 30 June 2013 significantly reducing its upcoming lease expiries as shown in the graph (right) helping to secure distributions to securityholders.

This leasing success and the nearly 74,000m² of industrial space leased over the same period reflects Growthpoint's:

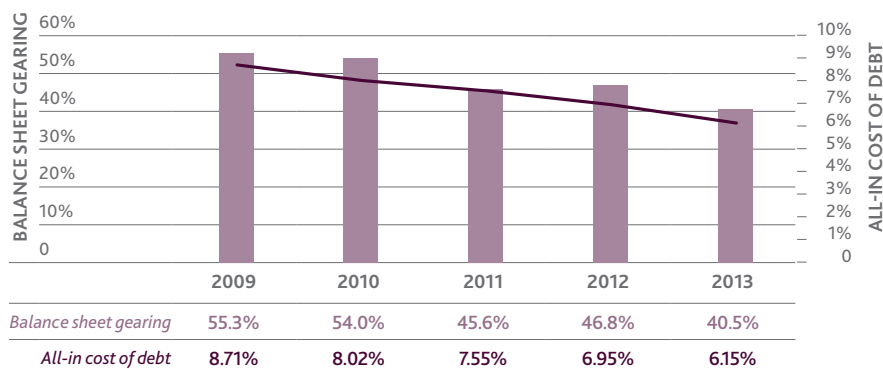
1. **modern and well-located buildings** which are able to attract and retain tenants in a competitive market;
2. **attention to renewing leases well ahead of lease expiries** – we focus on all our renewals, particularly those of the next two years, despite Growthpoint's long weighted average lease expiry (WALE); and
3. **direct relationship with tenants** - we know almost all of our tenants directly, take an interest in their businesses and ensure that tenants deal directly with the people who make decisions about asset management and leasing.

Refer to the table on the following page for more details of recent leasing success.

SIGNIFICANT REDUCTION IN GEARING AND LOWER COST OF DEBT

Growthpoint's gearing and cost of debt have both reduced steadily over the last five years despite growing distributions throughout this period (refer to chart below). In 2013, Growthpoint announced a target gearing range of 40-45% and remains near the bottom of this range. Although this range is above many of our peers, we see this as prudent given our long WALE, modern portfolio, high occupancy and limited near-term expiries. These factors reduce the near term probability of any material reduction in income from vacancies or any material increase in expenses arising from capital expenditure and leasing incentives (especially when compared to our peers).

REDUCTION IN GEARING AND COST OF DEBT AS AT 31 DECEMBER 2014



GROWTHPOINT PROPERTIES

STRATEGY

Growthpoint has a clear and uncluttered "pure landlord" philosophy based on four pillars of internalised management, 100% investment in Australia, not being a developer and not being a fund manager. The combination of these factors differentiates us from most other Australian investment options.

The process underlying our business and its growth is:

1. First and foremost Growthpoint is a property group providing investors access to rental streams and long term capital growth from industrial and office property (although our investment mandate includes retail property, an investment in this sector in the short-medium term is not considered likely). Buying, improving, leasing and selling quality properties is how we deliver returns to securityholders.
2. As a property group, we focus on property fundamentals: location, buildings and other improvements, tenant, lease term, rental growth and capital growth. If a potential property acquisition does not meet these criteria, we do not buy it.
3. We believe that over the long-term a majority of the return from property should come from rental income. We are not property speculators buying properties with a view to quickly on-sell at a profit, nor are we interest rate, currency or other derivative speculators. We generally purchase properties with a view to holding long-term to provide a growing rental stream to securityholders.
4. Being distribution focused means that every decision we make, regardless of how big or small, is considered in light of the short, medium and long term effect on distributions to securityholders and the growth in these distributions.
5. We like simplicity. All of Growthpoint's assets are 100% owned on balance sheet, our current and future income is transparent and our strategy is easily understood.
6. We like diversity. Growthpoint owns assets in every State in Australia and in Canberra split 56% industrial and 44% office and other than ASX listed Woolworths, which provides 27% of Growthpoint's rent and is rated A3 by Moodys', no single tenant provides more than 10% of rental income.



99-103 William Angliss Drive, Laverton North, Victoria

Recent acquisition:

99-103 WILLIAM ANGLISS DRIVE, LAVERTON NORTH, VICTORIA

Our acquisition of 99-103 William Angliss Drive, Laverton North, Victoria for \$19.85 million is reflective of our strategy. The facility was constructed in 2005 and the property is 100% leased for 15 years providing an initial yield of 8.3% plus fixed annual rental increases of 3.5%. The tenant is ASX-listed Automotive Holdings Group which has annual revenues in excess of \$2.3 billion. Laverton North is a prime industrial location approximately 15 kilometres west of Melbourne's CBD and close to several major arterial roads. This property therefore satisfied all our requirements of being modern, well located and well-leased to a quality tenant. It was also both distribution and WALE enhancing.



99-103 William Angliss Drive, Laverton North, Victoria

New / extended leases for FY14

ADDRESS					SECTOR	TENANT	Start date	Term	Annual rent increases	NLA	Car parks
27-49 Lenore Ln	Erskine Park	NSW	Industrial	Linfox			Q1, FY14	10.00	CPI	29,476	149
22 Cordelia St	South Brisbane	QLD	Office	SW1 Kitchen & Garden Bar			Q1, FY14	11.00	Fixed 4.00%	122	1
219-247 Pacific Hwy	Artarmon	NSW	Office	The Media Store Pty Ltd			Q1, FY14	7.00	Fixed 3.50%	1,075	15
22 Cordelia St	South Brisbane	QLD	Office	Toyota Tsusho			Q2, FY14	10.00	Fixed 3.75%	994	21
9-11 Drake Blvd	Altona	VIC	Industrial	Atlas Specialty Metals			Q2, FY14	5.00	Fixed 3.50%	5,481	30
120-132 Atlantic Dr	Keysborough	VIC	Industrial	Symbion			Q2, FY14	15.00	Fixed 3.50%	12,864	120
9-11 Drake Blvd	Altona	VIC	Industrial	Prolife Foods Pty Ltd			Q3, FY14	5.00	Fixed 3.50%	6,637	38
22 Cordelia St	South Brisbane	QLD	Office	Quanta Services Australia			Q3, FY14	10.00	Fixed 4.00%	1,379	18
333 Ann St	Brisbane	QLD	Office	Anne Street Partners			Q3, FY14	7.00	Fixed 3.75%	867	6
32 Cordelia St	South Brisbane	QLD	Office	Sabre Pacific			Q3, FY14	5.00	Fixed 4.00%	208	2
19 Southern Crt	Keysborough	VIC	Industrial	Transms			Q4, FY14	5.00	Fixed 3.50%	6,455	43
9-11 Drake Blvd	Altona	VIC	Industrial	Peter Stevens Motorcycles			Q4, FY14	10.00	Fixed 3.50%	13,625	43
1231-1241 Sandgate Rd	Nundah	QLD	Office	QInvest			Q4, FY14	7.50	Fixed 3.50%	90	0
1231-1241 Sandgate Rd	Nundah	QLD	Office	Sushi Edo			Q4, FY14	7.00	Fixed 4.00%	110	0
333 Ann St	Brisbane	QLD	Office	Queensland Local Government Superannuation Board			Q4, FY14	10.00	Fixed 3.75%	1,734	10
22 Cordelia Street	South Brisbane	QLD	Office	Downer EDI Mining			Q4, FY14	8.00	Fixed 3.75%	5,299	120
22 Cordelia Street	South Brisbane	QLD	Office	Existing tenant ¹			Q4, FY14	3.62	Fixed 4.00%	1,382	22
42 Merivale Street	South Brisbane	QLD	Office	Peabody Energy Australia			Q4, FY14	10.00	Fixed 3.75%	5,762	22
219-247 Pacific Hwy	Artarmon	NSW	Office	New tenant ¹			Q4, FY14	10.00	Fixed 3.50%	788	27
TOTAL/AVERAGE								9.1	3.5% ²	96,348	687

1. Heads of agreement signed. Lease being negotiated. 2. Assumes CPI of 2.5%

FY 2014 distribution guidance

Estimated distributable profit range for the year ending 30 June 2014 remains at 19.6 to 20.0 cents per stapled security (a 1.6%-3.6% increase from the year ended 30 June 2013). Distribution guidance remains at 19.0 cents per stapled security to securityholders of which 9.4 cents was paid in February 2014 and 9.6 cents is expected to be paid in August 2014. This estimated distribution is a 3.8% increase on the previous financial year.¹

Growthpoint currently offers an attractive FY14 distribution yield of approximately 7.6%²; above the A-REIT sector distribution yield of 5.5%.³

1. Readers of this document should refer to, among other things, the "Important note" included at the end of the Group's ASX announcement dated 16 December 2013 for important qualifications, assumptions and limitations of this guidance. 2. Using a security price of \$2.49, the closing price on 20 May 2014. 3. Source: UBS Investment Research, 5 May 2014. 4. The board of Growthpoint Properties Australia Limited may choose to suspend, cancel or reinstate the distribution reinvestment plan and/or alter the discount provided at any time.

Distribution reinvestment plan

You can elect to reinvest all or part of your distributions in additional Growthpoint securities at a small discount to recent trading prices (currently a 2% discount) at any time by contacting Computershare on 1300 850 505 or by visiting computershare.com.au (you will need your SRN or HIN)⁴. This is a cost effective way to increase your holding in Growthpoint as the price is generally below that available on market and participants typically avoid brokerage or similar fees. Elections for the August 2014 distribution must be made before 2 July 2014. You can change your election at any time.

For more information, visit growthpoint.com.au

Growthpoint Properties Australia Trust ARSN 120 121 002 Growthpoint Properties Australia Limited ABN 33 124 093 901 AFSL 316409

PORTFOLIO UPDATE

AS AT 30 APRIL 2014

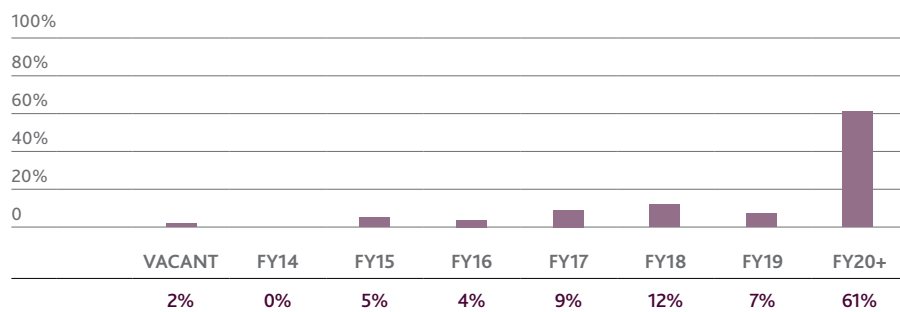
70 Distribution Street, Larapinta, Queensland

	INDUSTRIAL SECTOR	OFFICE SECTOR	TOTAL
NO. OF PROPERTIES	35	15	50
TOTAL / AVERAGE VALUE	\$1,024.9m / \$29.3m	\$799.4m / \$53.3m	\$1,824.3m / \$36.5m
% OF PORTFOLIO VALUE	56%	44%	100%
TOTAL / AVERAGE LETTABLE AREA	857,564 m ² / 24,502 m ²	147,326 m ² / 9,822 m ²	1,004,890 m ² / 20,098 m ²
AVERAGE PROPERTY AGE	8.7 years	5.6 years	7.3 years
AVERAGE VALUATION CAP RATE	8.1%	8.2%	8.2%
OVER (UNDER) RENTING	1.2%	2.0%	1.6%
WEIGHTED AVERAGE LEASE EXPIRY	7.4 years	5.8 years	6.7 years
WEIGHTED AVERAGE ANNUAL FIXED RENT INCREASE ¹	2.8%	3.5%	3.1%
AVERAGE VALUE (PER m ²)	\$1,195	\$5,426	\$1,815
AVERAGE RENT (PER m ²)	\$99	\$502	\$158

1. Assumes CPI of 2.5%.

PORTFOLIO RENT EXPIRING

PER FINANCIAL YEAR



TOP TEN TENANTS

BY PASSING RENT

	%	WALE
WOOLWORTHS	27%	8.3yrs
GE CAPITAL FINANCE AUSTRALASIA	7%	3.9yrs
LINFOX	5%	9.1yrs
COMMONWEALTH OF AUSTRALIA	5%	2.9yrs
SINCLAIR KNIGHT MERZ	4%	4.4yrs
ENERGEX	3%	13.5yrs
FOX SPORTS	2%	8.6yrs
STAR TRACK EXPRESS	2%	5.2yrs
RUNGE PINCOCK MINARCO	2%	1.2yrs
DOWNER EDI MINING	2%	8.1yrs
TOTAL	59%	7.1yrs

SECTOR DIVERSITY

44%

OFFICE

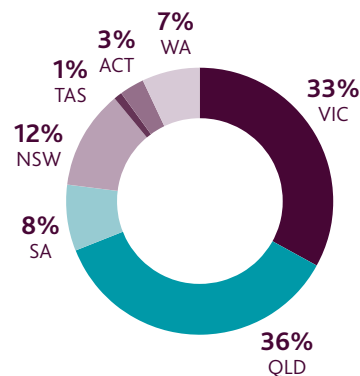


56%

INDUSTRIAL

GEOGRAPHIC DIVERSITY

BY MARKET VALUE



AT A GLANCE

GROWTHPOINT PROPERTIES AUSTRALIA

AS AT 30 APRIL 2014

22 & 42 Cordelia Street, South Brisbane, Queensland

Growthpoint Properties Australia is an ASX listed real estate investment trust or A-REIT (ASX Code: GOZ), with a mandate to invest in Australian property in the industrial, office and retail sectors.

GOZ's objective is to provide investors with a tradeable security producing consistently growing income returns and long-term capital appreciation.

OUR PHILOSOPHY is to be a pure landlord, with 100% of our income derived from rent under leases with quality tenants from commercial real estate.

FOUR PILLARS OF OUR "PURE LANDLORD" INVESTMENT STRATEGY:

1.

100% INVESTMENT IN AUSTRALIA

All of GOZ's investment properties are located in Australia where our management understands the key markets. We have increased the diversification of the portfolio to cover every State in Australia and the Australian Capital Territory.

2.

NOT A DEVELOPER

GOZ does not operate a property development business and does not intend to take on any significant development risk. It will likely continue to purchase properties to be developed, fund construction of developments, or enter a joint venture where GOZ becomes the owner of the property on completion but only where material leases are in place.

3.

NO FUNDS MANAGEMENT

GOZ does not have a funds management business nor does it intend to become a fund manager. GOZ intends only to manage a portfolio of properties that its securityholders own, and accordingly GOZ's income is, and will continue to be, derived solely from rental income.

4.

INTERNALISED MANAGEMENT

GOZ has internalised management via a stapled entity structure. Securityholders own both the property trust and the manager/responsible entity. There are no fees payable to external managers for operating the business and no conflicts of interest between securityholders and the manager/responsible entity.

21.8%

PER ANNUM

TOTAL SECURITYHOLDER RETURN FOR 5 YEARS TO 30 APRIL 2014¹

7.6%

DISTRIBUTION YIELD²

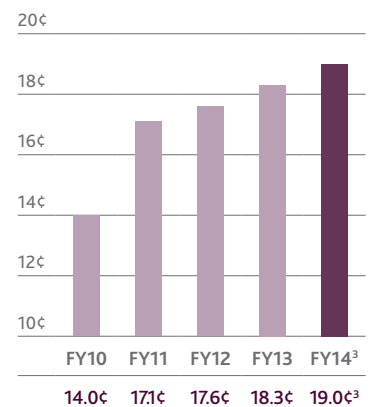
\$1.8bn

PORTFOLIO VALUE

a 6.5% increase from 30 June 2013.

DISTRIBUTIONS

PER STAPLED SECURITY FOR THE 12 MONTHS TO 30 JUNE



1. Source: UBS Investment Research.

2. Based on security price of \$2.49 and FY14 distribution guidance of 19.0 cents.

3. Distribution guidance only.