

Growthpoint Properties Australia (ASX Code: GOZ)

Growthpoint Properties Australia Trust ARSN 120 121 002

Growthpoint Properties Australia Limited ABN 33 124 093 901 AFSL 316409

[www.growthpoint.com.au](http://www.growthpoint.com.au)

# Overview of Growthpoint Properties Australia (GOZ)

## UBS Conference

7 November 2016

**GROWTHPOINT**  
PROPERTIES



SPACE TO THRIVE

255 London Circuit, Canberra, ACT



# Important information

## Disclaimer

This presentation and its appendices (“Presentation”) is dated 7 November 2016 and has been prepared by Growthpoint Properties Australia Limited ACN 124 093 901 (both in its capacity as responsible entity of Growthpoint Properties Australia Trust ARSN 120 121 002 and in its own capacity). Units in Growthpoint Properties Australia Trust are stapled to shares in Growthpoint Properties Australia Limited and, together form Growthpoint Properties Australia (“Growthpoint”). By receiving this Presentation, you are agreeing to the following restrictions and limitations.

## Summary Information

This Presentation contains summary information about Growthpoint. The information is subject to change without notice and does not purport to be complete or comprehensive. It does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with Growthpoint’s other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.asx.com.au](http://www.asx.com.au).

The information in this Presentation has been obtained from or based on sources believed by Growthpoint to be reliable. To the maximum extent permitted by law, Growthpoint, and its affiliates, officers, employees, agents and advisors do not make any warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Presentation and disclaim all responsibility and liability for the information (including, without limitation, liability for negligence).

## Not Financial Product Advice

This Presentation is not financial product advice or a recommendation to acquire Growthpoint stapled securities (“Securities”). It has been prepared without taking into account any investor’s objectives, financial position, situation or needs. Therefore, before making an investment decision, investors should consider the appropriateness of the information in this Presentation and have regard to their own objectives, financial situation and needs. Investors should seek such financial, legal or tax advice as they deem necessary or consider appropriate for their particular jurisdiction. Growthpoint Properties Australia Limited is not licensed to provide financial product advice.

## Financial Information

All information is in Australian dollars. Investors should note that this Presentation contains pro forma historical financial information. The

pro forma historical financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Investors should also be aware that certain financial data included in this Presentation is “non-IFRS financial information” under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by the Australian Securities and Investments Commission (“ASIC”) and “non-GAAP financial measures” under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. These measures include distributions per Security, Gearing, net tangible assets, net tangible assets per Security, EPS yield, DPS yield, capitalisation rates and distribution yield. The disclosure of such non-GAAP financial measures in the manner included in this Presentation would not be permissible in a registration statement under the U.S. Securities Act of 1933, as amended (“Securities Act”). Growthpoint believes these non-IFRS financial information and non-GAAP financial measures provide useful information to users in measuring the financial performance and conditions of Growthpoint. The non-IFRS financial information and these non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, are not measures of financial performance, liquidity or value under the IFRS or U.S. GAAP and may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or non-GAAP financial measures and ratios included in this Presentation.

In addition, this Presentation contains some pro forma financial information. The pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the Rules of the U.S. Securities and Exchange Commission.

## Future Performance

This Presentation contains “forward-looking” statements. Forward-looking statements can generally be identified by the use of forward-looking words such as “anticipated”, “expected”, “projections”, “guidance”, “forecast”, “estimates”, “could”, “may”, “target”, “consider”, and “will” and other similar expressions and include, but are not limited to, earnings and distributions guidance, change in NTA, and expected gearing. Forward looking statements, opinions and estimates are based on assumptions and contingencies which are subject to certain risks, uncertainties and change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements including projections, indications or guidance on future earnings or financial position and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Should one or more of the risks or uncertainties materialize, or should underlying assumptions prove incorrect, there can be no assurance that actual outcomes will not differ materially from these statements. To the fullest extent permitted by law, Growthpoint and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

An investment in the Securities and the outcome of the matters referred to in forward-looking statements are subject to investment and other known and unknown risks, some of which are beyond the control of Growthpoint, including possible delays in repayments and loss of income and principal invested. Growthpoint does not guarantee any particular rate of return or the performance of Growthpoint nor do they guarantee the repayment of capital from Growthpoint or any particular tax treatment. Persons should have regard to the risks outlined in this Presentation.

## Past Performance

Past performance information given in this Presentation is given for illustration purposes only and should not be relied upon as (and is not) an indication of future performance. Actual results could differ materially from those referred to in this Presentation.

## Not an Offer

This Presentation is not an offer or an invitation to acquire new Securities or any other financial products and is not a prospectus, product disclosure statement or other offering document under Australian law or any other law. It is for information purposes only. This Presentation may not be distributed or released in the United States. This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States.

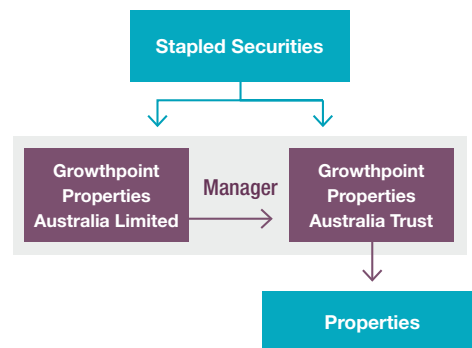
# Overview of Growthpoint Properties Australia (“GOZ”)

## What is GOZ?

GOZ is an ASX-listed landlord with a mandate to invest in Australian office, industrial and retail real property with a portfolio currently worth \$3.3 billion.

GOZ is included in the S&P/ASX 200 Index (among other indices).

Owners of GOZ’s securities own both the real properties and the manager of those properties. All properties are 100% owned by GOZ on its balance sheet so GOZ’s owners have an interest in all of the properties GOZ owns.



## GOZ’s history

GOZ commenced in its current form in 2009 with \$650 million of industrial property. It has grown and diversified to now own \$2.0 billion of office property and \$1.2 billion of industrial property in every Australian State and in the Australian Capital Territory.

## What we do

GOZ seeks to provide investors with a continually growing income stream with 100% of income derived from rent of properties GOZ owns and manages.

## How we do it

GOZ acquires modern, well-located properties leased to quality tenants and holds these assets for the medium to long term.

Growthpoint Properties Limited, South Africa’s largest listed landlord, currently owns 64.3% of GOZ.

## Our “pure landlord” investment philosophy

### 1 100% investment in Australia

All of GOZ’s 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

The 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 the Group 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 it owns, 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.

# Key metrics

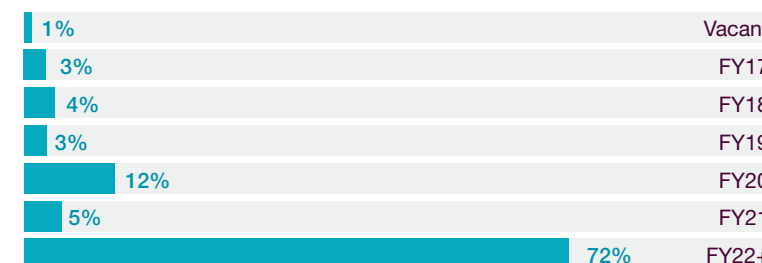
(as at 1 October 2016)<sup>1</sup>

Total property portfolio value	<b>\$3.3B</b>
Distribution guidance FY17 <sup>2</sup>	<b>21.3 cps</b>
Number of properties	<b>63</b>
Office / industrial	<b>62% / 38%</b>
Average property age	<b>8.9 yrs</b>
Occupancy	<b>98.6%</b>
Weighted average lease expiry (WALE)	<b>6.5 yrs</b>
Weighted average rent review <sup>3</sup>	<b>3.2%</b>
Weighted average capitalisation rate	<b>6.9%</b>
Gearing	<b>42.5%</b>
Average debt term	<b>3.9 yrs</b>
Average duration of hedges	<b>3.4 yrs</b>

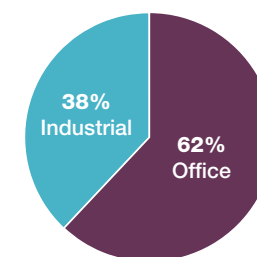
## Top ten tenants by passing rent

	%	WALE (yrs)
Woolworths Limited	18	5.9
NSW Police	8	7.7
Commonwealth of Australia	5	9.5
GE Capital Finance Australasia <sup>4</sup>	5	14.5
Linfox	4	6.7
Samsung	3	5.5
Jacobs Group	2	7.2
Lion	2	7.6
Energex	2	11.1
ANZ Banking Group	2	3.4
<b>Total / Weighted Average</b>	<b>51</b>	<b>7.6</b>
Balance of portfolio	49	5.2
<b>Total portfolio</b>	<b>100</b>	<b>6.5</b>

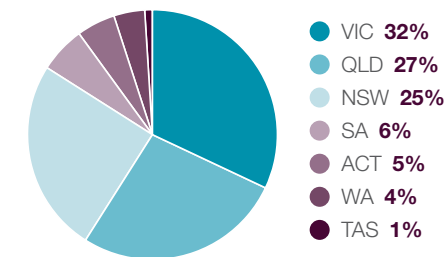
## Portfolio lease expiry profile per financial year by income



## Sector diversity by property value



## Geographic diversity by property value



1. Includes Building C, 211 Wellington Rd, Mulgrave, Victoria at it's 'on completion' valuation.

2. Excludes any impact from the takeover of GMF.

3. Assumes Consumer Price Index change of 1.3% per annum as per Australian Bureau of Statistics release for year to 30 September 2016.

4. Leases to Country Road / David Jones, with a weighted average lease term from commencement of 14.5 years, will replace the existing lease to GE Capital Finance Australasia upon the lease expiry and are included in this WALE.

# Property portfolio overview

(as at 1 October 2016)

Over

59,000 sqm

of new and extended leasing  
during FY16, and over

39,000 sqm

leased since 30 June 2016

Out of a 1,109,545 sqm portfolio (together, 8.8% of  
portfolio lettable area)

\$768.3m

of property acquired since  
1 July 2015 including recent takeover  
of GPT Metro Office Fund (GMF)

		Office <sup>1</sup>	Industrial	Total
Number of properties	<i>no.</i>	26	37	63
Total property value / average property value	<i>\$m</i>	2,035.5 / 78.3	1,226.4 / 33.1	3,261.9 / 51.8
Occupancy	<i>%</i>	97.7	100	98.6
Total lettable area / average property lettable area	<i>sqm</i>	300,529 / 11,559	868,578 / 23,475	1,169,107 / 18,557
Weighted average property age	<i>years</i>	8.1	10.1	8.9
Weighted average valuation capitalisation rate	<i>%</i>	6.8	7.1	6.9
Weighted average lease expiry	<i>years</i>	7.0	5.6	6.5
Weighted average rent review <sup>2</sup>	<i>%</i>	3.5	2.7	3.2
Average capital value (per sqm)	<i>\$</i>	6,773	1,412	2,790
Average rent (per sqm, per annum)	<i>\$</i>	531	109	216
Number of tenants	<i>no.</i>	106	38	143 <sup>3</sup>

1. Includes Building C, 211 Wellington Rd, Mulgrave, Victoria at it's 'on completion' valuation.

2. Assumes Consumer Price Index change of 1.3% per annum as per Australian Bureau of Statistics release for year to 30 September 2016.

3. Fuji Xerox is both an office and industrial tenant.

# Summary

- GOZ included in S&P/ASX 200 Index and ranked 116<sup>th</sup> <sup>1</sup> on the ASX by market capitalisation
- 10<sup>th</sup> largest A-REIT and one of the only “pure landlord” options with internalised management
- Track record – 19.0% per annum total return for last five years<sup>2</sup>
- Quality property portfolio, with long term leases to government and major corporate tenants and fixed rent reviews, provides a steadily growing rental income stream
- GMF transaction:
  - Quality A-Grade suburban office portfolio acquired
  - Accretive to earnings; potential upside to distribution
  - Capital management initiatives being considered to reduce gearing within target range (asset sales, DRP or other equity capital raising)
- Growth:
  - Further accretive acquisitions – direct and M&A opportunities
  - Development, expansion and potential re-zoning of existing properties
  - Further positive leasing outcomes
  - Imbedded property portfolio fixed rent growth (~3.2%p.a.)
- Attractive FY17e DPS yield of 6.9% versus sector average of 5.1%<sup>2</sup>

1. Source: IRESS as at 31 October 2016

2. Source: UBS Investment Research as at 31 October 2016

## Distributions

per stapled security

		Growth
FY17*	21.3c	+3.9%
FY16	20.5c	+4.1%
FY15	19.7c	+3.7%
FY14	19.0c	+3.8%
FY13	18.3c	+4.0%
FY12	17.6c	+2.9%

\* Distribution guidance only excluding any change which the Directors may determine as a result of the takeover of GMF.



15 Green Square Close, Fortitude Valley, QLD



Building B, 211 Wellington Road, Mulgrave, VIC

For more information contact:

Aaron Hockly  
**Chief Operating Officer**

**Tel:** +61 3 8681 2900

**Fax:** +61 3 8681 2910

[aaron.hockly@growthpoint.com.au](mailto:aaron.hockly@growthpoint.com.au)

[www.growthpoint.com.au](http://www.growthpoint.com.au)

Growthpoint Properties Australia  
Level 22, 357 Collins Street  
Melbourne VIC 3000

**Thank you**