

GROWTHPOINT
PROPERTIES



2018 Half Year Results Presentation

For the six months ended 31 December 2017

20 February 2018

Growthpoint Properties Australia

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

www.growthpoint.com.au

Agenda

1. HY18 Highlights

2. Market Conditions

3. Financial Management

4. Property Portfolio

5. Strategy and FY18 Objectives

Important information

This presentation and its appendices ("Presentation") is dated 20 February 2018 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 restrictions and limitations outlined on slide 39. Refer to slide 39 for other important information.

Executive Management Team



Timothy Collyer
Managing Director



Michael Green
Head of Property



Aaron Hockly
Chief Operating Officer



Dion Andrews
Chief Financial Officer



1 Charles Street, Parramatta, NSW

HY18 Highlights and Market Conditions

Highlights for HY18



Securityholder returns



- 12.5 cents in FFO per security
- 11.0 cents in distributions per security
- 21.3% CY17 return on equity (CY17: 12.7%)
- 17.0%¹ average Total Securityholder Return over past 5 years



Property



- \$3.3 billion property portfolio
- Like-for-like valuation uplift of \$124.6 million, or 4% over HY18
- Cap rate compression of 17 bps to 6.36%
- 42,741 sqm of leasing completed³



Significant Transactions



- Acquisitions: \$114.1 million
- Divestments: \$90.8 million
- Equity raised: \$52.3 million²



Growth



- Potential development of new 20,000 sqm complex at Richmond
- Sell assets with underlying residential value
- Continue to explore direct and listed property opportunities



Capital Management



- Lowered gearing to 35.8%⁴
- Net tangible assets increased 6.9% to \$3.08 per security



Sustainability



- Maintained average office portfolio NABERS energy rating at 4.5 stars
- Improved gender diversity (48% of employees female)

1. Source: UBS Investment Research, Annual compound returns to 31 December.

2. Under the Distribution Reinvestment Plan for the distribution payable on 28 February 2018, prior to withholding tax.

3. Includes leasing completed post 31 December 2017.

4. Gearing calculation changed during the period from interest bearing liabilities divided by total assets to interest bearing liabilities less cash divided by total assets less cash. This change brings Growthpoint's gearing calculation more closely in line with industry peers.

Highlights for HY18 (continued)



Perth industrial portfolio

- Acquisition of portfolio of **four modern industrial properties** settled October 2017
- Price \$46.0 million at **8.1% yield**



IDR interest acquired

- **18.2% interest in Industria REIT (ASX: IDR)** purchased for \$68.1 million in July 2017
- **7.2% DPS yield** forecast FY18
- ASX trading price well above acquisition price



Woolworths, Mulgrave divested

- Property sold for \$90.8 million
- **38% premium to book value**
- **5.2% yield** on sale price, record for a Woolworths facility
- Settled in December 2017



New Leases

- **Westpac: 7 Laffer Drive, Bedford Park, SA** – 6,343 sqm office lease, 7 year term, annual rent increases of 3.00%
- **Toll: 10 Butler Boulevard, Adelaide Airport, SA** – 8,461 sqm industrial lease, 4 year term, annual rent increases of 3.25%¹
- **Direct Couriers: 101-111 South Centre Road, Melbourne Airport, Vic** – 14,082 sqm industrial lease, 10 year term, annual rent increases to the greater of CPI and 3.50%



Guidance upgraded during period to:

At least

24.3cps

FY18 FFO

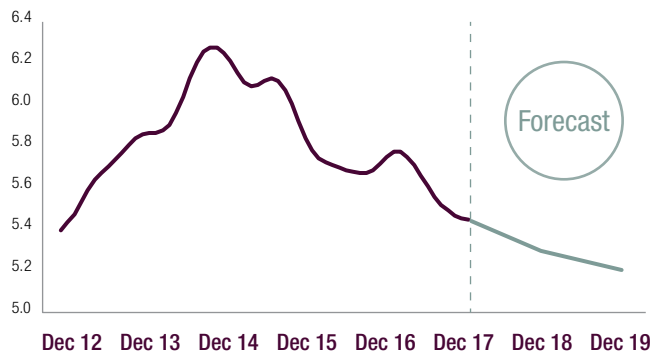
22.2cps

FY18 DPS

1. Documents in process of being executed.

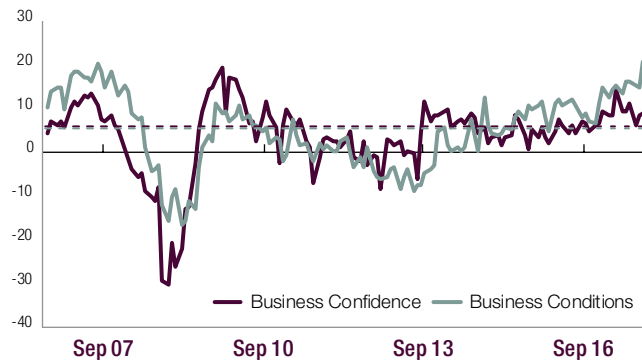
Domestic economy and property market remain supportive

Unemployment (%)



Source: Australian Bureau of Statistics (ABS), NAB Group Economics

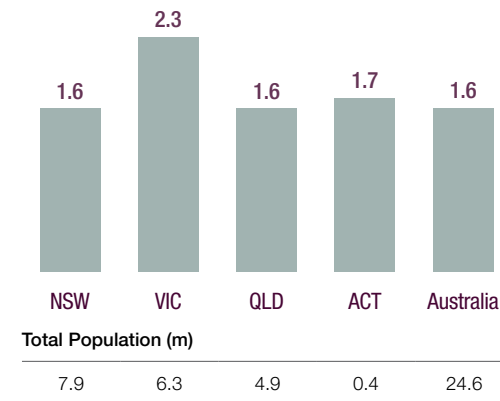
NAB Business Survey (net balance)



* Dotted lines are long -run averages since Sep 98

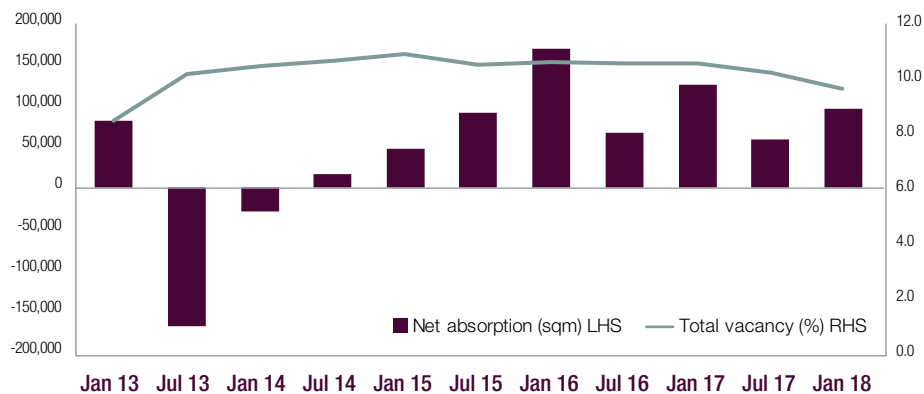
Source: NAB Group Economics

Population growth (%)



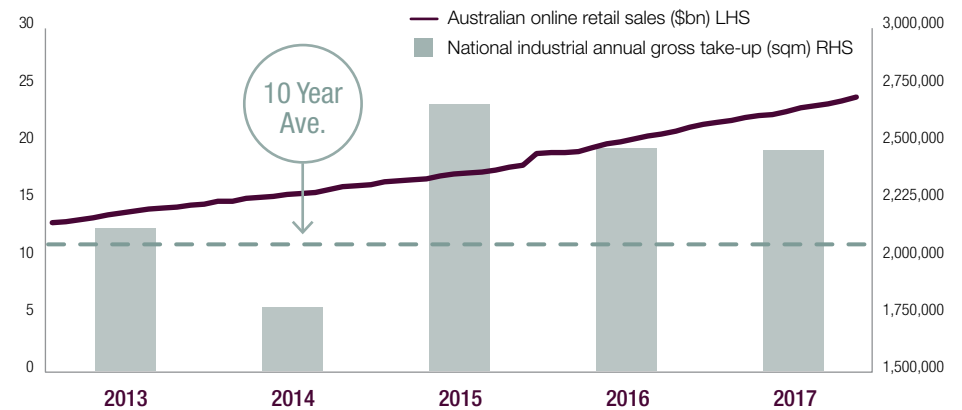
Source: ABS, 30 June 2017

National office vacancy and net absorption



Source: Property Council of Australia (PCA)

Australian online retail sales and national industrial annual gross take-up



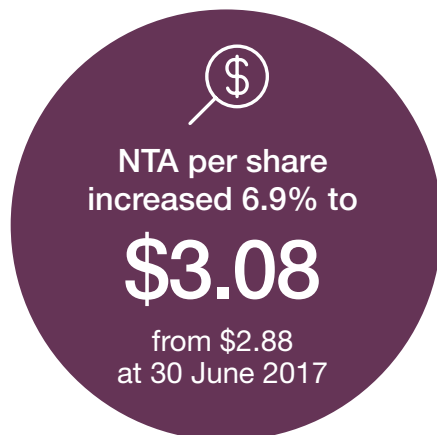
Source: NAB Group Economics, JLL Research



Financial Management

2 and 10 Hugh Edwards Drive, Perth Airport, WA

HY18 Highlights

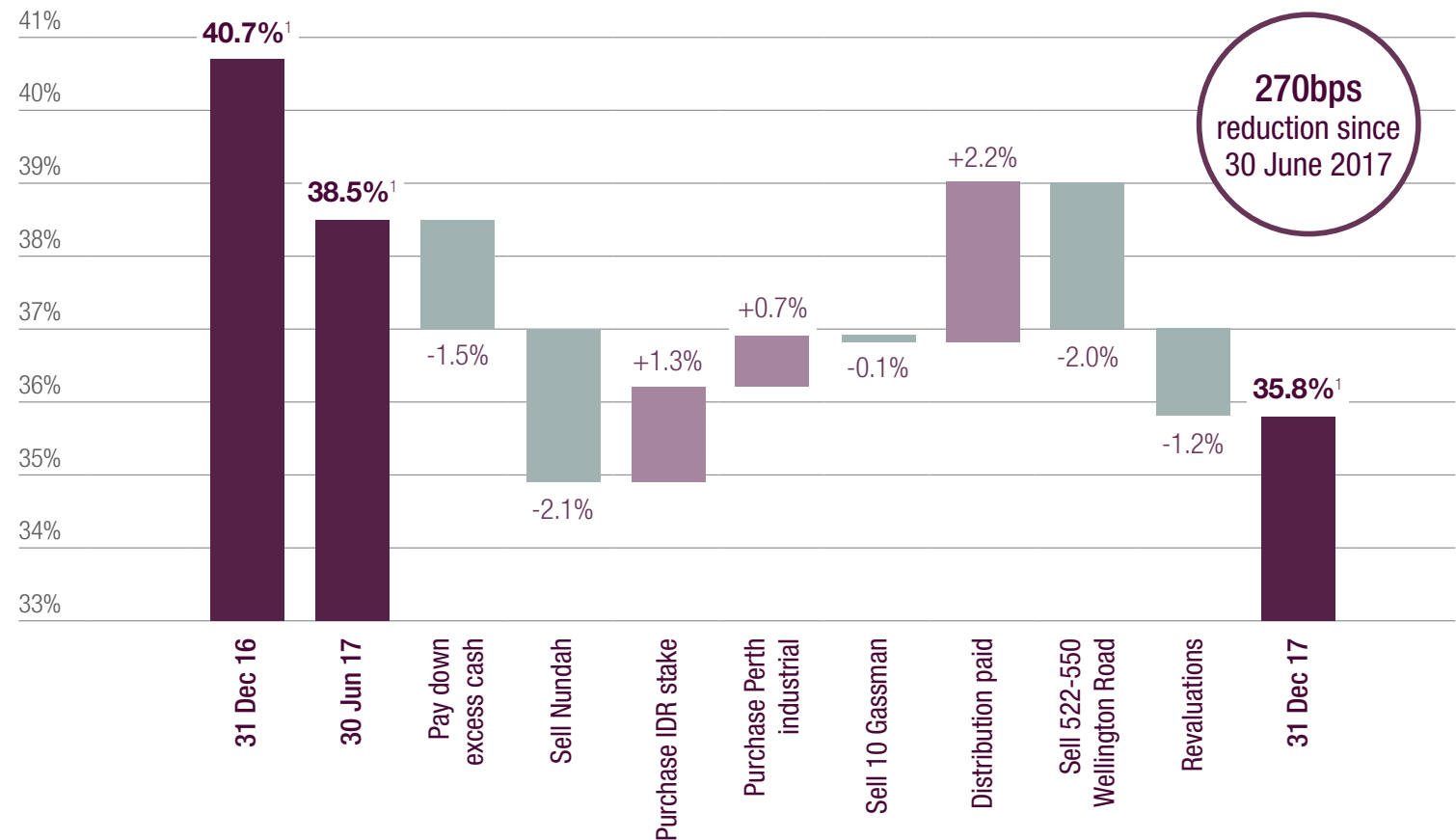


1. Gearing calculation changed during the period from interest bearing liabilities divided by total assets to interest bearing liabilities less cash divided by total assets less cash. This change brings Growthpoint's gearing calculation more closely in line with industry peers.

Areas of interest: Gearing further reduced over HY18

- Proceeds from above-book value sale of 522-550 Wellington Road, Mulgrave used to pay down debt at end of CY17
- Book value of property portfolio increased \$124.6 million, or 4% on a like-for-like basis over HY18
- Gearing conservatively placed at bottom end of target gearing range (35%-45%) offering balance sheet flexibility

Key items influencing gearing (%)



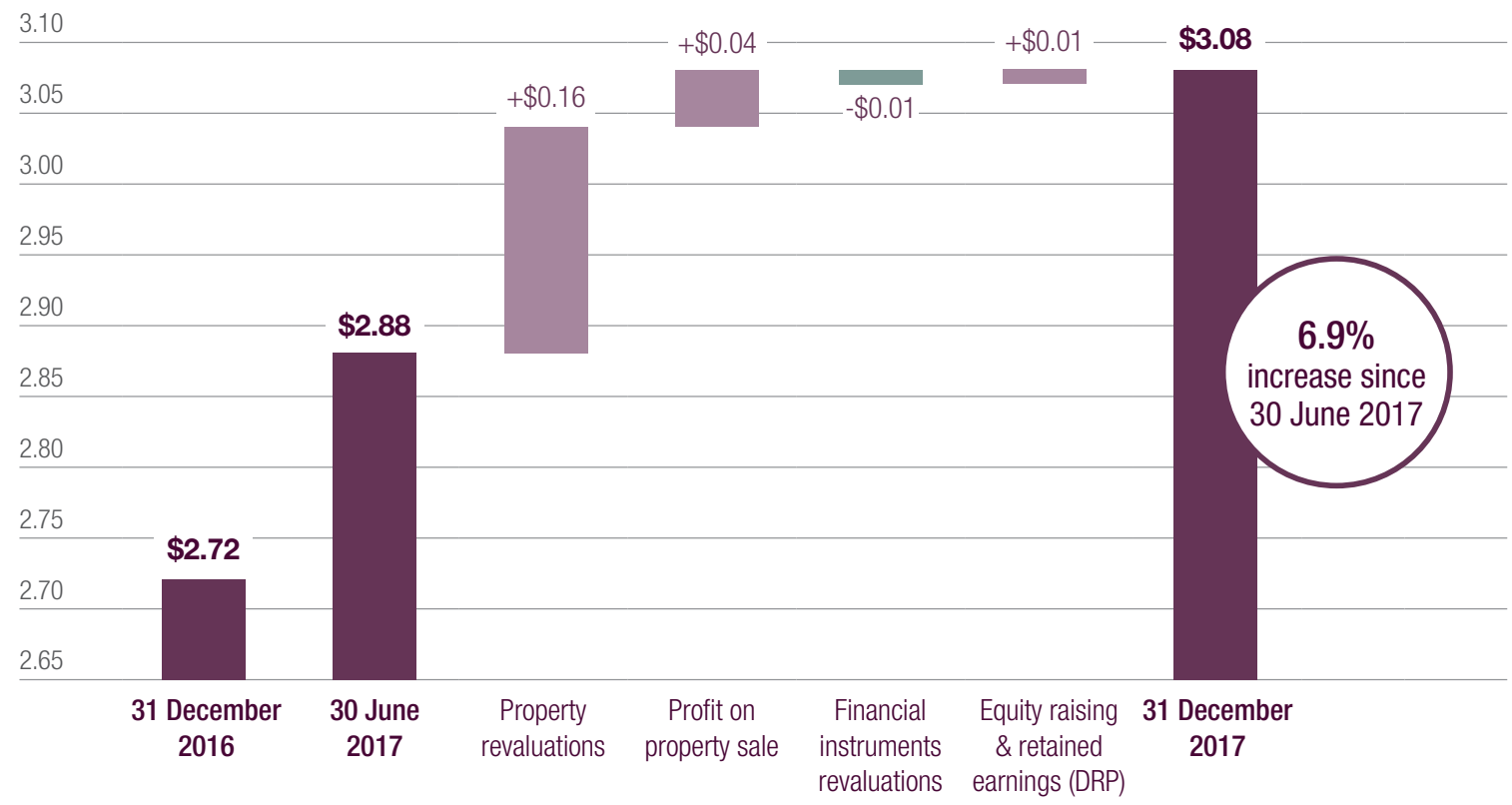
1. Gearing calculation changed during the period from interest bearing liabilities divided by total assets to interest bearing liabilities less cash divided by total assets less cash. This change brings Growthpoint's gearing calculation more closely in line with industry peers.

Areas of interest: Movements in NTA

Uplift to NTA driven by:

- 17 bps fall in weighted average capitalisation rate to 6.36%
- Sale of assets at significant premium to book value
- Improvement in market rents - particularly in Sydney and Melbourne
- Excellent leasing outcomes

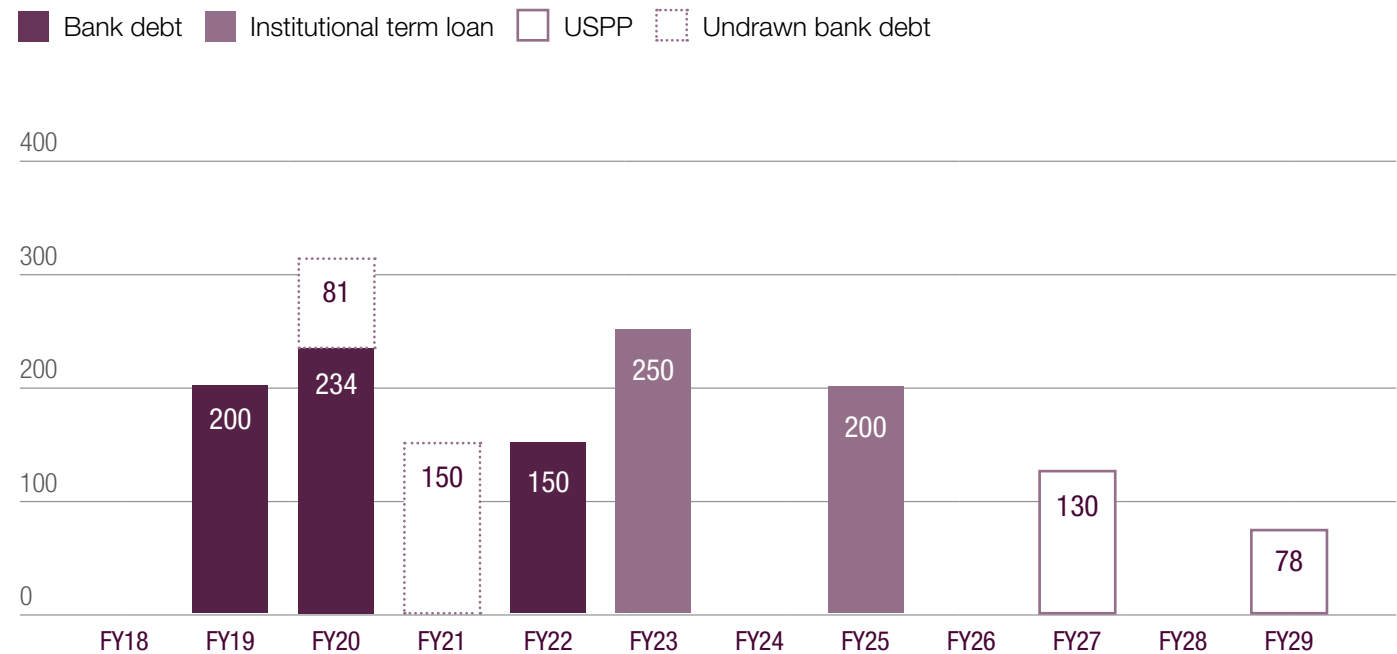
Movements in NTA per stapled security (\$)



Areas of interest: Upcoming debt maturities

- \$200 million of bank debt maturing in FY19, and \$315 million maturing in FY20
- Considering further debt capital markets issuance
- Well diversified debt funding profile
- Aim to take advantage of favourable pricing environment, while also extending weighted average tenor

Debt maturity profile (\$m)



Summary

- › Continued growth in distributions to Securityholders - Targeting 3-4% growth per annum
- › Balance sheet flexibility - gearing 35.8%¹
- › Consider further debt capital markets issuance
- › Well placed to support business in future transactions

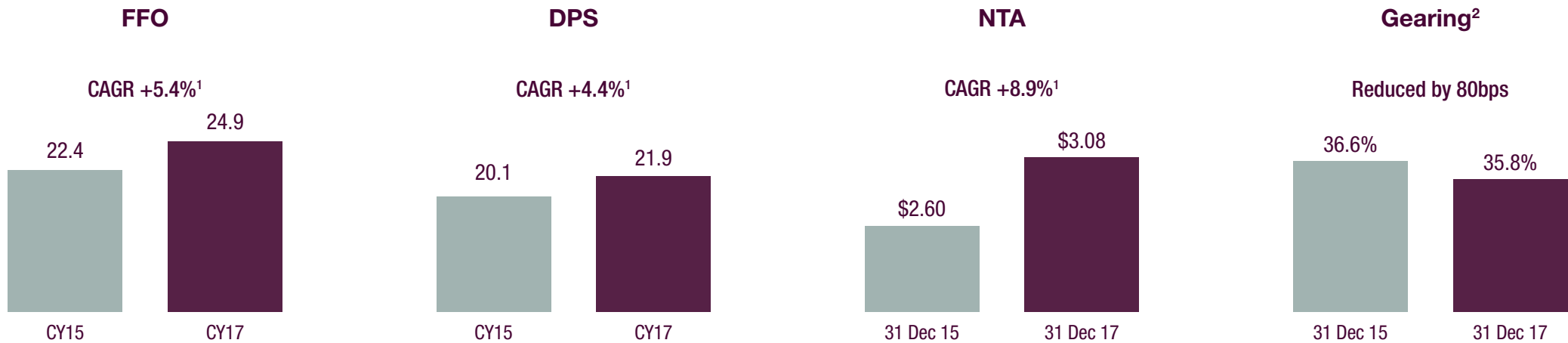
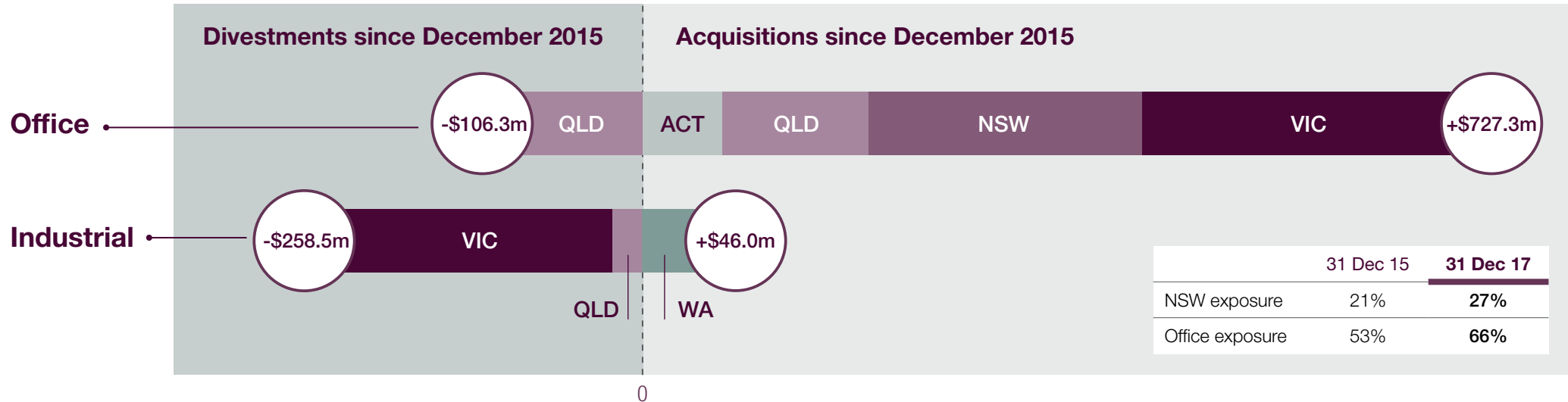
1. Gearing calculation changed during the period from interest bearing liabilities divided by total assets to interest bearing liabilities less cash divided by total assets less cash. This change brings Growthpoint's gearing calculation more closely in line with industry peers.



120-132 Atlantic Drive, Keysborough, VIC

Property Portfolio, Strategy and FY18 Objectives

Benefits of recent portfolio repositioning



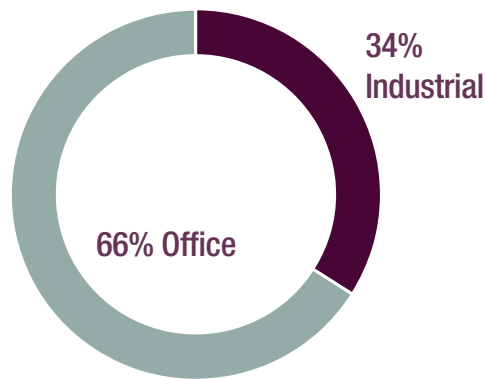
1. 2-year compound annual growth rate.

2. Gearing calculation changed during the period from interest bearing liabilities divided by total assets to interest bearing liabilities less cash divided by total assets less cash. This change brings Growthpoint's gearing calculation more closely in line with industry peers.

Well diversified portfolio

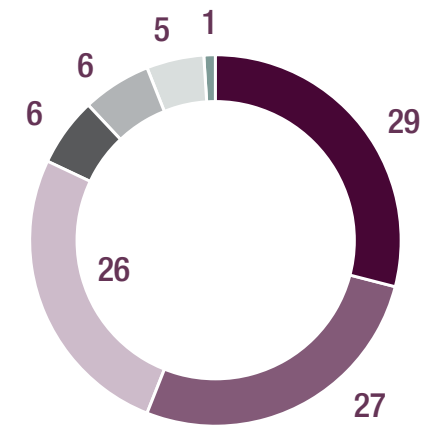
Sector diversity (%)

by property value as at 31 December 2017



Geographic diversity (%)

by property value as at 31 December 2017

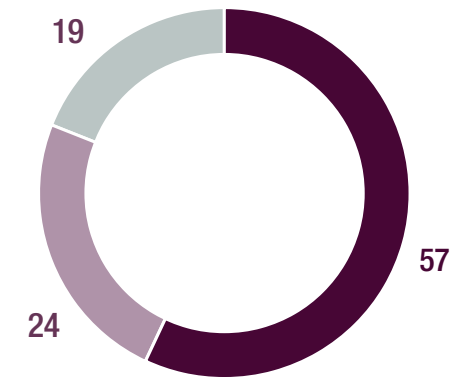


- VIC
- NSW
- QLD
- SA
- WA
- ACT
- TAS

87% Located on Australia's Eastern seaboard

Tenant type (%)

by income as at 31 December 2017



- Listed company
- Government owned
- Private company & other

High quality tenants and low near-term expiries

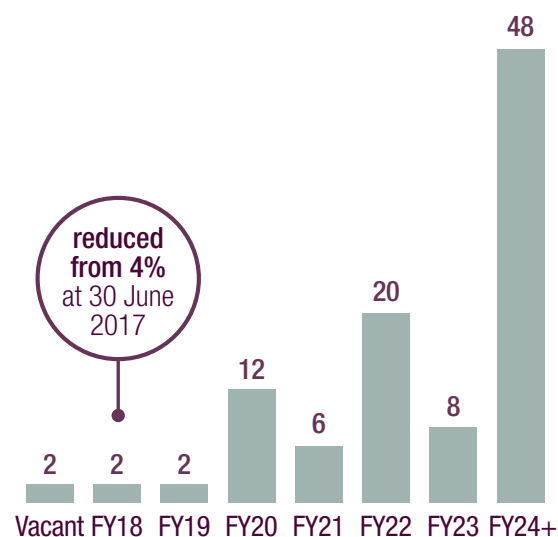
Top ten tenants

by passing rent as at 31 December 2017

	%	WALE (yrs)
Woolworths	15	5.0
NSW Police	9	6.4
Commonwealth of Australia	6	8.3
Linfox	4	5.4
Country Road / David Jones ¹	3	12.8
Samsung Electronics	3	4.2
Lion	3	6.3
ANZ Banking Group	2	2.2
Jacobs Group	2	7.4
Queensland Urban Utilities	2	5.3
TOTAL / Weighted Average	49	6.2
Balance of portfolio	51	5.1
Total portfolio	100	5.6

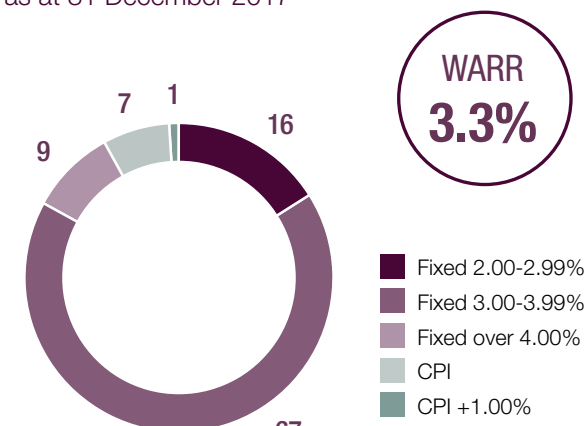
Portfolio lease expiry profile (%)

per financial year, by income



Annual rent review type (%)²

as at 31 December 2017



Like-for-like NPI growth (HY17 to HY18):

	Office	Industrial	Total
	%	%	%
NPI	-1.0	-2.5	-1.7
NPI - adjusted	1.5	0.5	1.1
NPI - FFO	2.1	-1.3	0.7

HY18 NPI adjusted for:

Office

10-12 Mort Street, Canberra, ACT – rent reversion as part of 8 year lease extension to Commonwealth Government

Industrial

5 Viola Place, Brisbane Airport, QLD – 6 months vacancy (commercial terms being documented for new lease commencing March 2018)

1. The lease to Country Road/ David Jones with a lease term of 14.25 years, replaces the existing lease to GE Capital Finance Australasia at Building 2, 572-576 Swan Street, Richmond, VIC, upon lease expiry.

2. Leases that have a minimum lease increase, typically 3%, or CPI are shown as the minimum fixed rate for the above.

Strategy and FY18 objectives

Primary objective: Increase distributions for Securityholders

Disciplined Financial Growth			Returns <ul style="list-style-type: none"> – Achieve upgraded FY18 FFO and distribution guidance: – FFO: at least 24.3 cps – Distributions: 22.2 cps
Acquisitions & Disposals	Expansion & Development	Portfolio Management	Property <ul style="list-style-type: none"> – Continue to evaluate investment opportunities, focus on Australian Eastern seaboard office, preference Melbourne and Sydney but will acquire where we see value – Offshore demand and unsolicited offers creating opportunities to sell some assets – Consider further listed market opportunities, where values permit – Act early on upcoming lease expiries – Internal development opportunities (e.g. Richmond, Victoria) – Not considering investment in retail
Debt	Equity		Capital Management <ul style="list-style-type: none"> – Consider further debt capital markets issuance if required – Maintain prudent gearing settings – Aim to match long WADM with WALE – Raise equity to support accretive acquisitions
Risk, Compliance, ESG			Sustainability <ul style="list-style-type: none"> – Prudent risk mitigation, monitoring and management embedded throughout organisation – Conducting feasibility assessments on solar and other energy efficiency projects

Summary

- › Domestic economic conditions remain favourable for commercial property
- › Continue to evaluate opportunities to sell assets at premium to book values based on change in use
- › Continue reviewing listed market investment opportunities which may offer superior returns than direct property acquisitions
- › Investigating further internal development opportunities
- › Balance sheet flexibility; considering further debt capital markets issuance to replace medium term bank debt maturities

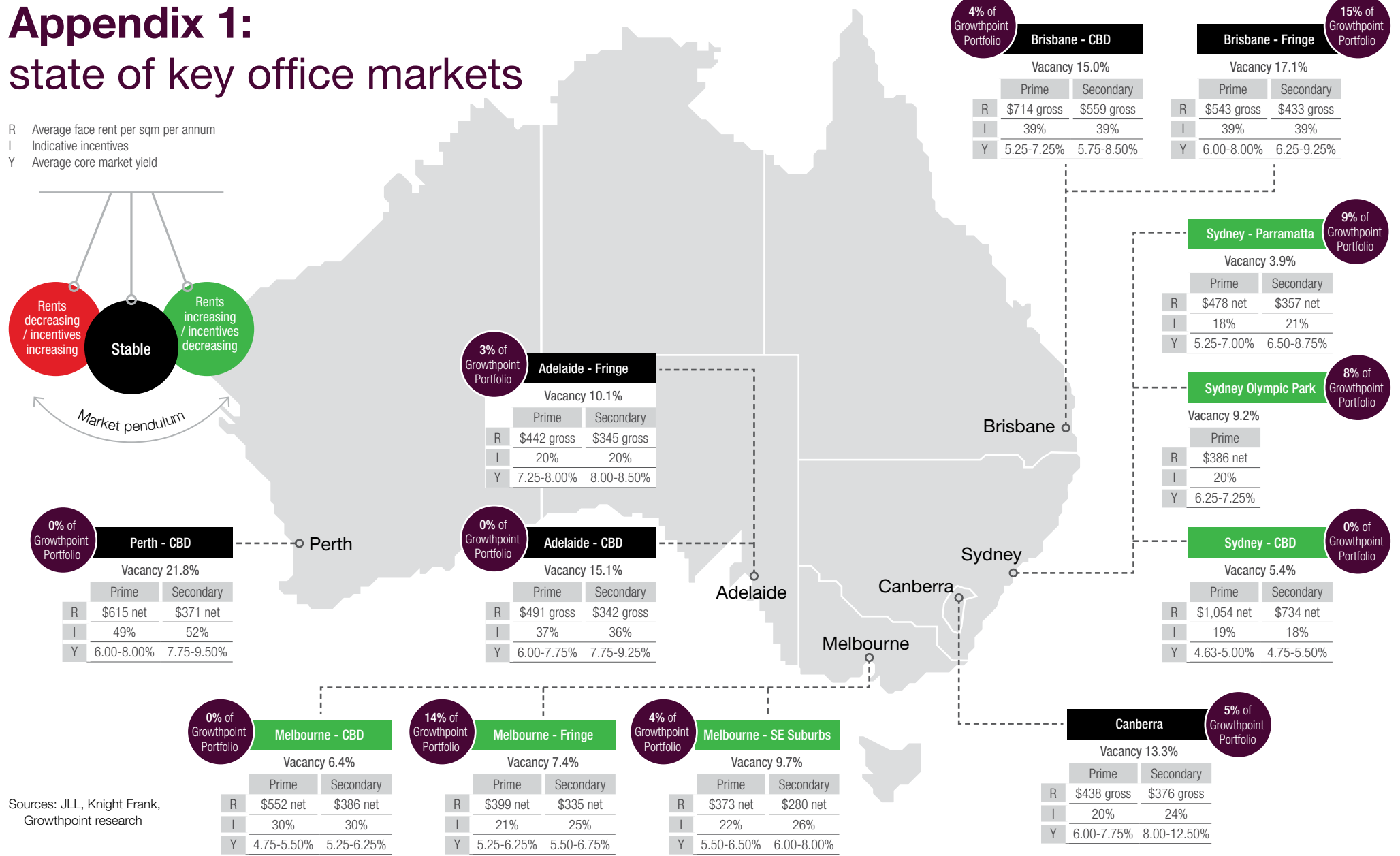
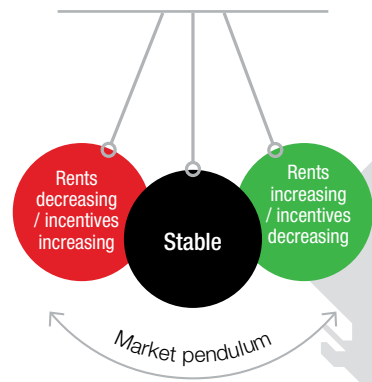


Appendices

3 Murray Rose Avenue, Sydney Olympic Park, NSW

Appendix 1: state of key office markets

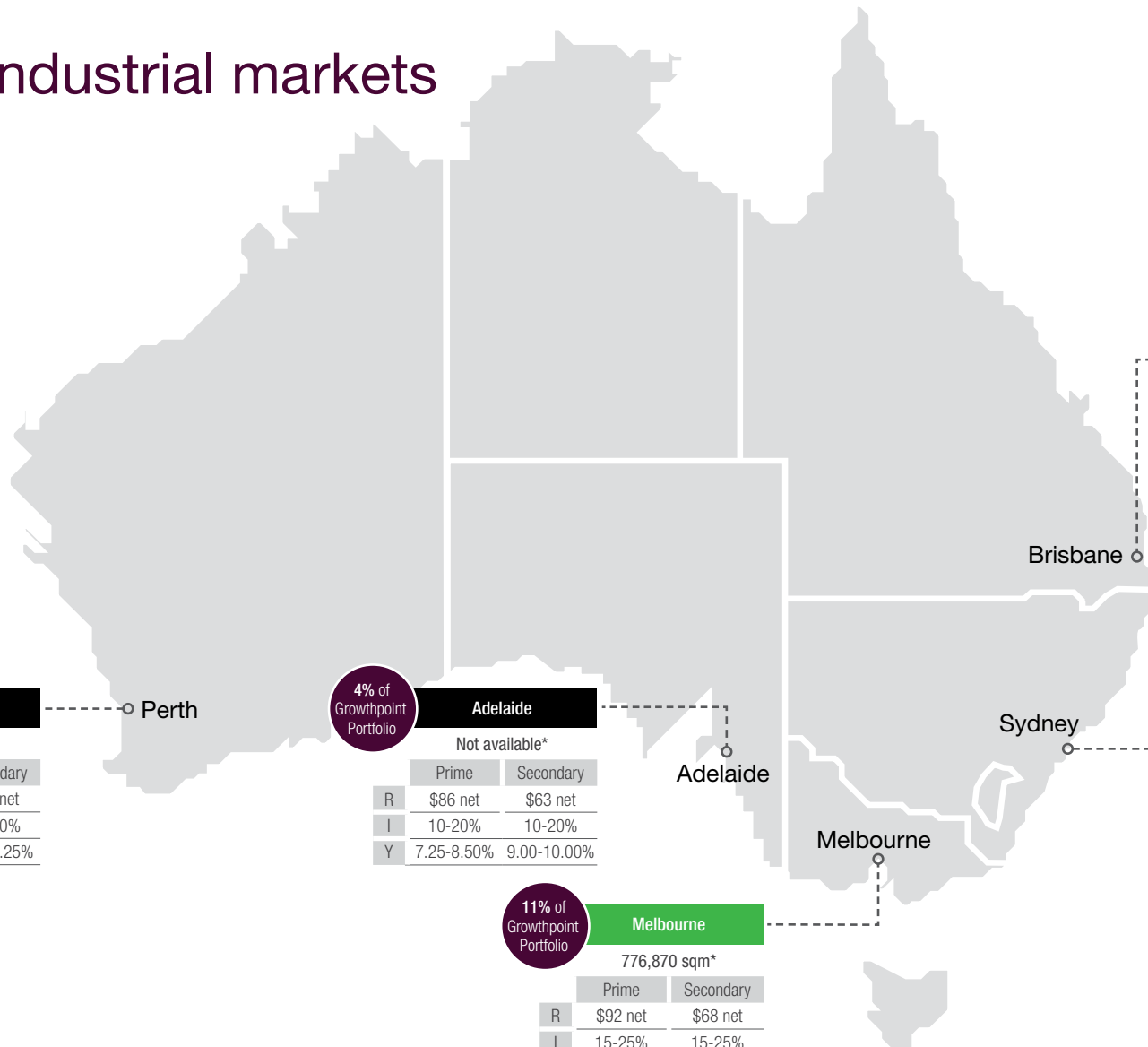
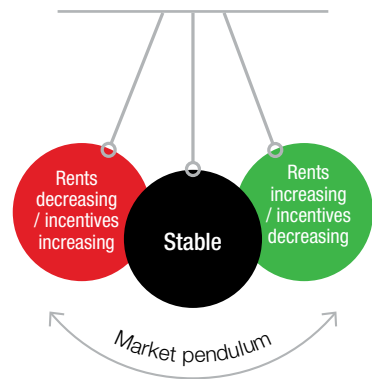
R Average face rent per sqm per annum
I Indicative incentives
Y Average core market yield



Sources: JLL, Knight Frank, Growthpoint research

Appendix 2: state of key industrial markets

R Average face rent per sqm per annum
I Indicative incentives
Y Average core market yield



Perth 6% of Growthpoint Portfolio

694,978 sqm*

	Prime	Secondary
R	\$100 net	\$86 net
I	5-15%	10-20%
Y	6.50-7.00%	7.50-8.25%

Adelaide 4% of Growthpoint Portfolio

Not available*

	Prime	Secondary
R	\$86 net	\$63 net
I	10-20%	10-20%
Y	7.25-8.50%	9.00-10.00%

Melbourne 11% of Growthpoint Portfolio

776,870 sqm*

	Prime	Secondary
R	\$92 net	\$68 net
I	15-25%	15-25%
Y	5.75-6.50%	6.75-8.00%

Brisbane 7% of Growthpoint Portfolio

479,388 sqm*

	Prime	Secondary
R	\$110 net	\$83 net
I	8-15%	10-20%
Y	6.00-6.75%	7.50-8.75%

Sydney 6% of Growthpoint Portfolio

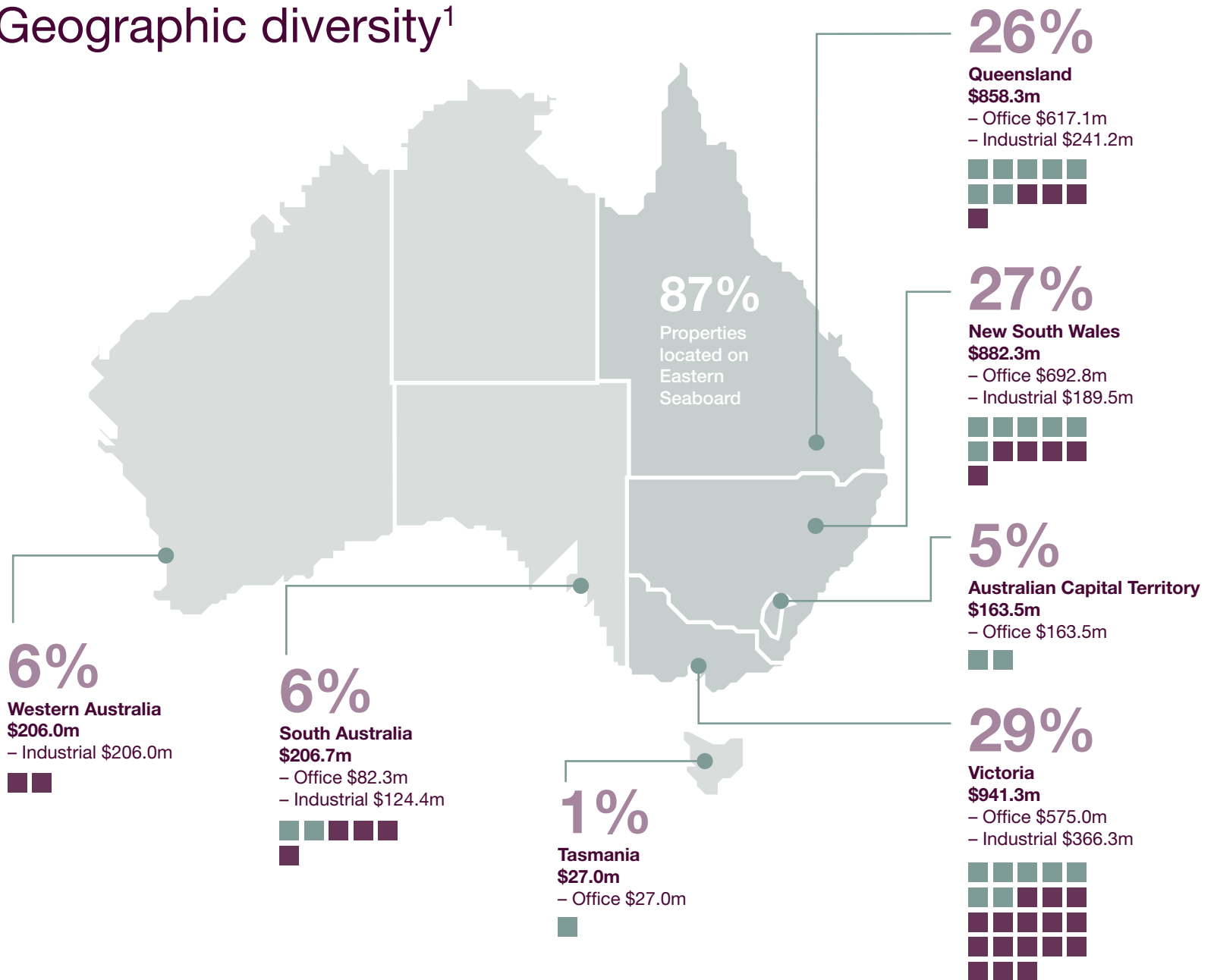
390,998 sqm*

	Prime	Secondary
R	\$144 net	\$132 net
I	8-20%	10-15%
Y	5.25-6.75%	6.50-8.00%

Sources: JLL, Knight Frank, Growthpoint research
*Vacancy rates (%) unavailable

Appendix 3: Geographic diversity¹

■ Office properties
■ Industrial properties



1. Figures may not sum due to rounding.

Appendix 4: Summary Financials

		HY18	HY17	Change	% Change
Net property income and distributions from securities	\$'000	108,823	113,476	(4,653)	(4.1%)
Statutory accounting profit	\$'000	207,291	113,005	94,286	83.4%
Statutory accounting profit per security	¢	31.3	17.6	13.7	77.8%
Funds From Operations (FFO)	\$'000	82,476	83,766	(1,290)	(1.5%)
FFO per security	¢	12.5	13.1	(0.6)	(4.6%)
Distributions per security	¢	11.0	10.6	0.4	3.8%
Payout ratio to FFO	%	88.3	81.2		(7.1%)
Calendar year ICR (times)	times	4.2	4.1	0.1	2.7%
Calendar year MER	%	0.40	0.38		0.02%
		As at 31 Dec 2017	As at 30 Jun 2017	Change	% Change
NTA per stapled security (\$)	\$	3.08	2.88	0.20	6.9%
Gearing ¹	%	35.8¹	38.5 ¹		(2.7%)

Details about distribution components under the attribution managed investment trust or “AMIT” regime (only relevant for the full year distribution) and Fund Payment amounts (only relevant for foreign holders) will be made available on Growthpoint’s website on or before the relevant distribution date. For more information got to <http://growthpoint.com.au/investor-centre/distributions/>

1. Gearing calculation changed during the period from interest bearing liabilities divided by total assets to interest bearing liabilities less cash divided by total assets less cash. This change brings Growthpoint’s gearing calculation more closely in line with industry peers.

Appendix 5: Reconciliation from statutory profit to Funds From Operations (FFO)

	HY18	HY17	Change	Change
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	%
Profit after tax	207,291	113,005	94,286	83.4%
Less:				
- Straight line adjustment to property revenue	(2,903)	1,072	(3,975)	
- Net changes in fair value of investment property	(102,893)	(27,438)	(75,455)	
- (Profit)/ loss on sale of investment property	(24,401)	1,312	(25,713)	
- Net change in fair value of investment in securities	(6,517)	-	(6,517)	
- Net change in fair value of derivatives	4,177	(7,908)	12,085	
- Depreciation	86	62	24	
- Amortisation of incentives	7,464	3,618	3,846	
- Deferred tax benefit	172	43	129	
FFO	82,476	83,766	(1,290)	(1.5%)

Appendix 6: Financial position

	as at 31 December 2017	as at 30 June 2017
	\$'000	\$'000
Assets		
Cash and cash equivalents	31,521	31,459
Investment properties	3,285,000	3,180,275
Other assets	83,432	116,638
Total assets	3,399,953	3,328,372
Liabilities		
Borrowings	1,237,186	1,299,380
Distributions payable	72,789	72,086
Derivative financial instrument liabilities	10,595	6,440
Other liabilities	42,789	48,985
Total liabilities	1,363,359	1,426,891
Net assets	2,036,594	1,901,481
Securities on issue (no.)	661,716,369	661,340,472
NTA per security (\$)	3.08	2.88
Gearing¹ (%)	35.8	38.5

1. Gearing calculation changed during the period from interest bearing liabilities divided by total assets to interest bearing liabilities less cash divided by total assets less cash. This change brings Growthpoint's gearing calculation more closely in line with industry peers.

Appendix 7: Lease incentives

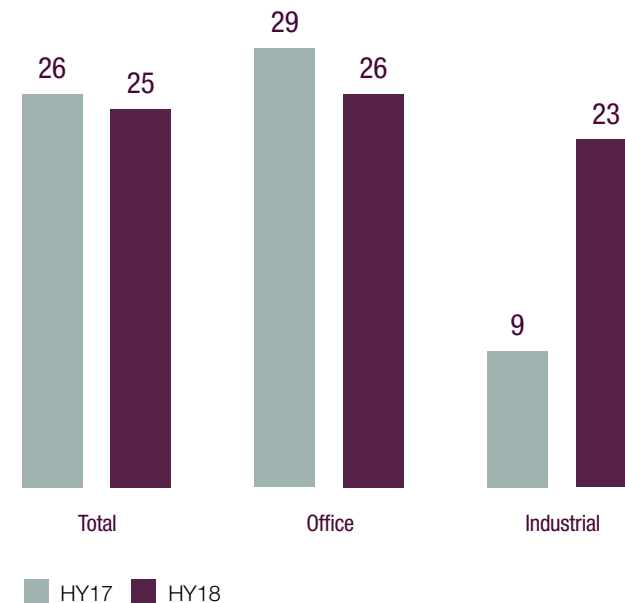
Lease incentives for leasing completed in HY18 averaged 25% (26% office and 23% industrial). This includes fit-out, rent free, rental abatement and cash payments.

Financial impact of lease incentives and leasing costs¹

The impact of lease incentives on Growthpoint's HY18 financial statements are:

- Consolidated Cash Flow Statement
 - Reduction in “cash generated by operating activities” by \$11.6 million due to lease incentives granted in cash and fit-out and leasing costs paid²
- Consolidated Statement of Profit or Loss and Other Comprehensive Income
 - Reduction in “Property revenue” by \$7.5 million due to the amortisation of tenant incentives and leasing costs
 - Reduction in Net changes in fair value of investment properties by \$9.7 million which represents the net value of lease incentives and leasing costs recognised during the period
- Consolidated Statement of Financial Position
 - Unamortised lease incentives of \$47.9 million recognised within investment property as a reconciling item³
 - Unamortised leasing costs of \$3.6 million⁴ recognised within investment property as a reconciling item

Average lease incentives (%)



1. The financial impact includes all relevant historical impacts but not necessarily all future ones. For example, a cash payment would be captured here regardless of when a lease commences but rent free for a future period would not be captured until the relevant period.

2. Other non-cash lease incentives provided for HY18 were rent abatement of \$3.3 million and rent free incentives of \$2.3 million.

3. Includes lease incentives recognised during HY18 and prior period balances.

4. Includes establishment costs such as legal costs and agent fees.

Appendix 8: Operating and capital expenses

Operating expenses

		CY17	CY16
Total operating expenses	\$'000	13,066	11,198
Average gross assets value	\$'000	3,295,858	2,915,574
Operating expenses to average gross assets	%	0.40	0.38

Expected to remain around
0.40%
based on current portfolio

Capital expenditure

		CY17	CY16
Total portfolio capex	\$'000	15,889	4,265
Average property asset value	\$'000	3,083,095	2,881,191
Capital expenditure to average property portfolio value	%	0.52	0.15

Expected to average
0.3%-0.5%
over medium-term based on current portfolio

Appendix 9: Target fixed/hedged debt 65% to 100%

Weighted average fixed debt

Maturity date	Time to maturity	Fixed rate	Face value of Swap
Interest Rate Swaps (IRS)			
Jun-2020	2.5yrs	2.36%	\$25m
Jun-2020	2.5yrs	2.36%	\$25m
Dec-2020	3.0yrs	2.42%	\$50m
May-2021	3.4yrs	2.10%	\$50m
Jun-2021	3.5yrs	2.48%	\$50m
Jun-2021	3.5yrs	2.33%	\$50m
Nov-2021	3.9yrs	2.20%	\$75m
Weighted Average IRS	3.3yrs	2.30%	\$325m
Fixed Rate Debt Facilities (FRDF)			
Dec-2022	5.0yrs	4.40%	\$60m
Dec-2022	5.0yrs	4.39%	\$90m
Dec-2022	5.0yrs	4.45%	\$100m
Mar-2025	7.2yrs	4.67%	\$200m
Jun-2027	9.5yrs	5.28%	\$130m
Jun-2029	11.5yrs	5.45%	\$52m
Jun-2029	11.5yrs	5.35%	\$26m
Weighted average FRDF / Total	7.3yrs	4.78%	\$658m
Weighted Average Fixed Debt / Total	6.0yrs	3.96%	\$983m
Debt fixed at 31 December 2017	79%		

Weighted average fixed debt (term)

6.0yrs

(30 June 2017: 6.4 years)

Weighted average fixed debt (rate)

3.96%

(30 June 2017: 3.96%)

Appendix 10: Portfolio overview – Five year performance summary

As at 31 December		2017	2016	2015	2014	2013
Number of properties	<i>no.</i>	56	59	57	51	49
Total value	<i>\$m</i>	3,285.0	3,194.7	2,611.5	2,233.6	1,800.8
Occupancy	<i>%</i>	98	99	97	98	98
HY like-for-like value change	<i>\$m / % of asset value</i>	124.6 / 4.0	59.6 / 2.2	77.0 / 3.2	95.2 / 4.5	22.9 / 1.3
Total lettable area	<i>sqm</i>	1,003,529	1,065,623	1,085,041	1,023,681	995,964
Weighted average property age	<i>years</i>	10.1	9.1	8.4	7.8	7.0
Weighted average valuation cap rate	<i>%</i>	6.4	6.7	7.1	7.6	8.2
WALE	<i>years</i>	5.6	6.3	6.6	6.5	6.6
WARR ¹	<i>%</i>	3.3	3.3	3.1	3.1	3.1
Average value (per sqm)	<i>\$</i>	3,273	2,998	2,407	2,182	1,808
Average rent (per sqm, per annum)	<i>\$</i>	239	227	188	182	158
HY net property income	<i>\$m</i>	106.4	113.5	87.4	85.4	72.4
Number of tenants	<i>no.</i>	139	144	108	93	89

1. Assumes CPI change of 1.9% per annum (Source: Australian Bureau of Statistics, All Groups, Dec Qtr 2016 to Dec Qtr 2017).

Appendix 11: Leasing

Leases completed in HY18

Address	Sector	Tenant	Start date	Term (yrs)	Annual rent increases (%)	NLA (sqm)	Car Parks	
A1, 32 Cordelia Street	South Brisbane	QLD Office	Jacobs Group (Australia)	Q4, FY17	1.0	n/a	1,311	11
6 Parkview Drive	Sydney Olympic Park	NSW Office	Lifestart Co-operative	Q1, FY18	5.0	Fixed 3.50%	670	16
Building C, 211 Wellington Road	Mulgrave	VIC Office	Toshiba (Australia)	Q2, FY18	8.0	Fixed 3.25%	506	20
101-111 South Centre Road	Melbourne Airport	VIC Industrial	Direct Couriers	Q2, FY18	10.2	Greater of CPI & 3.5%	14,082	52
A1, 32 Cordelia Street	South Brisbane	QLD Office	BDS Global Detailing	Q2, FY18	5.0	Fixed 3.50%	736	10
15 Green Square Close	Fortitude Valley	QLD Office	Central SEQ Distributor Retailer Authority	Q2, FY18	4.0	Fixed 3.50%	353	-
Building C, 219-247 Pacific Highway	Artarmon	NSW Office	GG Leasing	Q4, FY18	5.0	Fixed 3.50%	71	1
1-3 Pope Court	Beverly	SA Industrial	Pro-Pac Packaging (Aust)	Q1, FY19	2.0	Fixed 3.25%	3,571	10
7 Laffer Drive	Bedford Park	SA Office	Westpac Banking Corporation	Q1, FY19	7.0	Fixed 3.00%	6,343	520
Weighted average / Total					5.9	3.3%	27,643	640

At 31 Dec 2017



Industrial portfolio

98%

Occupied



Office portfolio

98%

Occupied

All office properties fully occupied other than:

333 Ann St, Brisbane, QLD – 87% occupied, 2,116 sqm available for lease

109 Burwood Rd, Hawthorn, VIC – 86% occupied, 1,725 sqm available for lease

Quad 2, 6 Parkview Drive, Sydney Olympic Park, NSW – 69% occupied, 1,545 sqm available for lease

A1, 32 Cordelia Street, South Brisbane, QLD – 95% occupied, 531 sqm available for lease

15 Green Square Cl, Fortitude Valley, QLD – 99% occupied, 110 sqm available for lease

Leases completed since 31 December 2017

Address	Sector	Tenant	Start date	Term (yrs)	Annual rent increases (%)	NLA (sqm)	Car Parks	
10 Butler Boulevard	Adelaide Airport	SA Industrial	Toll Transport ¹	Q3, FY18	4.0	Fixed 3.25%	8,461	92
Car Park, 572-576 Swan Street	Richmond	VIC Office	GE Capital Finance Australasia	Q3, FY18	3.0	Fixed 3.50%	-	52
Car Park, 572-576 Swan Street	Richmond	VIC Office	Country Road Group	Q4, FY18	9.1	Fixed 3.00%	-	41
9-11 Drake Boulevard	Altona	VIC Industrial	Prolife Foods	Q3, FY19	5.0	Fixed 3.50%	6,637	38
Weighted average / Total					4.5	3.3%	15,098	223

1. Documents in the process of being signed.

Appendix 12: Top five office properties/property groups by value

59%
of office portfolio

\$1,270.8m
total value of top five
properties / property groups

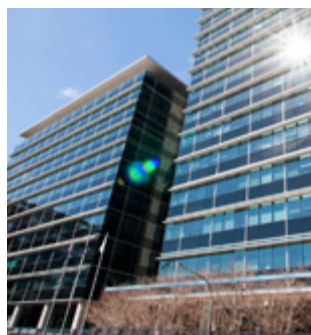
6.4yrs
weighted average
lease expiry

3.6%
weighted average
rent review³



**SW1 Complex,
South Brisbane, QLD**
(5 properties)

Book value: **\$351.1m**
Cap rate: **6.2%**
WALE: **5.5 years**
% of office portfolio: **16%**
Occupancy: **98.6%**¹
Lettable area: **37,536 sqm**
Site area: **23,247 sqm**
Major tenants: **Jacobs
Group & Downer**



**1 Charles St,
Parramatta, NSW**

Book value: **\$310.0m**
Cap rate: **5.8%**
WALE: **6.4 years**
% of office portfolio: **14%**
Occupancy: **100%**
Lettable area: **32,356 sqm**
Site area: **6,460 sqm**
Sole tenant: **NSW Police**



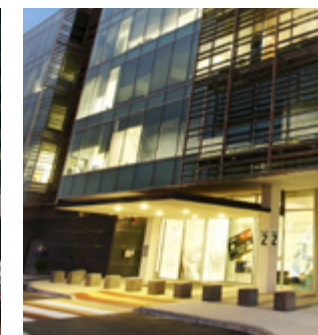
**Sydney Olympic Park,
NSW (4 properties)**

Book value: **\$258.8m**
Cap rate: **6.1%**
WALE: **4.5 years**
% of office portfolio: **12%**
Occupancy: **95.7%**¹
Lettable area: **36,198 sqm**
Site area: **22,229 sqm**
Major tenants: **Samsung &
Lion**



**75 Dorcas St,
South Melbourne, VIC**

Book value: **\$184.0m**
Cap rate: **6.0%**
WALE: **3.9 years**
% of office portfolio: **9%**
Occupancy: **100%**¹
Lettable area: **23,811 sqm**
Site area: **9,632 sqm**
Major tenant: **ANZ Banking
Group**



**Bldgs 1, 2, & 3, 572-576
Swan St, Richmond, VIC**
(3 properties, incl. car park)

Book value: **\$166.9m**
Cap rate: **5.3%**
WALE: **13.2 years**²
% of office portfolio: **8%**
Occupancy: **100%**
Lettable area: **24,511 sqm**
Site area: **27,776 sqm**
Major tenants: **GE Capital
Finance**², **Country Road
Group**

1. Occupancy is for office space and may exclude a small number of vacant car spaces.

2. The lease to Country Road/ David Jones with a lease term of 14.25 years, replaces the existing lease to GE Capital Finance Australasia at Building 2, 572-576 Swan Street, Richmond, VIC, upon lease expiry.

3. Assumes CPI change of 1.9% per annum as per Australian Bureau of Statistics release for CY17.

Appendix 13: Top five industrial properties/property groups by value

79%
of industrial portfolio

\$893.6m
total value of top five
properties / property groups

5.2yrs
weighted average
lease expiry

2.7%
weighted average
rent review¹



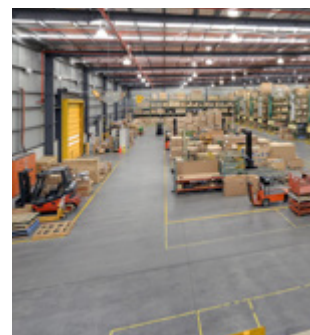
**Woolworths
Distribution Centres**
(4 properties)

Book value: **\$531.0m**
Cap rate: **6.8%**
WALE: **5.0 years**
% of industrial portfolio: **47%**
Occupancy: **100%**
Lettable area: **282,041 sqm**
Site area: **928,336 sqm**
Sole tenant: **Woolworths**



**Linfox properties,
Erskine Park, NSW**
(3 properties)

Book value: **\$145.9m**
Cap rate: **6.0%**
WALE: **5.4 years**
% of industrial portfolio: **13%**
Occupancy: **100%**
Lettable area: **58,077 sqm**
Site area: **195,490 sqm**
Sole tenant: **Linfox**



**Melbourne Airport
industrial properties, VIC**
(6 properties)

Book value: **\$104.8m**
Cap rate: **8.1%**
WALE: **4.8 years**
% of industrial portfolio: **9%**
Occupancy: **100%**
Lettable area: **139,679 sqm**
Site area: **250,660 sqm**
Major tenants: **StarTrack,
Laminex Group**



**Knoxfield industrial
properties, VIC**
(3 properties)

Book value: **\$66.0m**
Cap rate: **6.3%**
WALE: **6.5 years**
% of industrial portfolio: **6%**
Occupancy: **100%**
Lettable area: **37,694 sqm**
Site area: **68,389 sqm**
Major tenant: **Brown &
Watson International**



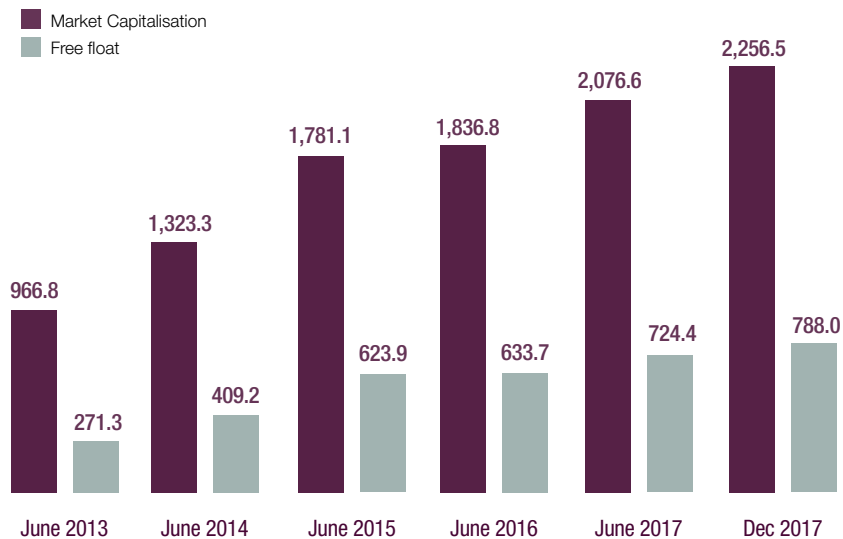
**Perth Airport industrial
properties, WA**
(4 properties)

Book value: **\$46.0m**
Cap rate: **8.1%**
WALE: **6.8 years**
% of industrial portfolio: **4%**
Occupancy: **90%**
Lettable area: **31,948 sqm**
Site area: **57,617 sqm**
Major tenants: **Mainfreight
Distribution, Linton
Street**

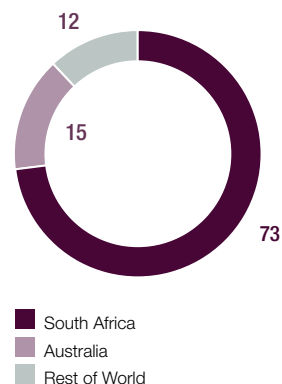
1. Assumes CPI change of 1.9% per annum as per Australian Bureau of Statistics release for CY17.

Appendix 14: Equity capital overview

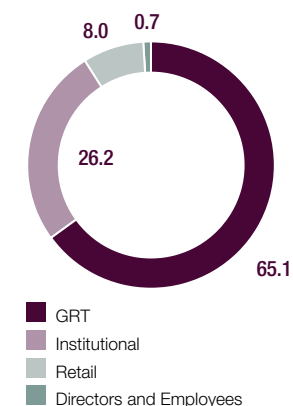
Market capitalisation and free float (\$m)



Location of Growthpoint Securityholders¹ (%) as at 31 December 2017



Growthpoint Securityholders¹ (%) as at 31 December 2017



New securities issued in HY18

	Number	Issue price	Value
		\$	\$
Employee incentive plan	375,897	3.18	1,199,352

1. Figures are approximate and based on beneficial ownership.

Appendix 15: Growthpoint Properties Limited - South Africa (GRT)

Growthpoint Properties Limited of South Africa (“GRT”) owns 65.1% of the securities of Growthpoint (at 31 December 2017) and is its major Securityholder.

Other information about GRT

- GRT is the largest primary listed South African REIT
- Included in the JSE Top 40 Index
- Top ten constituent of FTSE EPRA / NAREIT Emerging Index
- Included in the FTSE/JSE Responsible Investment Index, FTSE4Good Index and the Dow Jones Sustainability Index
- Underpinned by high-quality, physical property assets, diversified across sectors (Retail, Office and Industrial)
- Consistent record of growth and creating value for investors with 7.09% compound average annual growth in distributions over the past 5 years
- Sustainable quality of earnings that can be projected with a high degree of accuracy

- Well capitalised and conservatively geared
- Good corporate governance with transparent reporting
- Proven management track record
- Recipient of multiple sustainability, governance and reporting awards
- Baa3 global scale rating from Moody’s

As of 30 June 2017 Growthpoint represents:

- 26.6% of GRT’s gross property assets
- 25.3% of GRT’s net property income
- 15.4% of GRT’s total distributable income

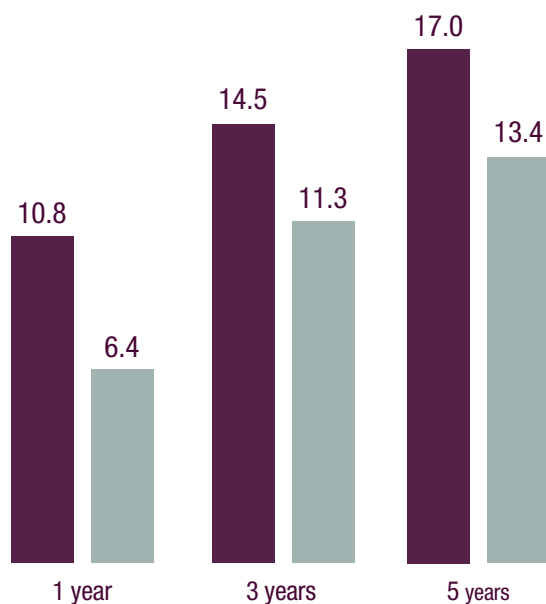
Key Facts (as at 31 December 2017)¹

Listing	GRT is listed on the Johannesburg Stock Exchange (JSE)
Ranking on the JSE	21 by market capitalisation
Closing exchange rate used	AUD:ZAR=10.04
Market capitalisation	R70.7B / AUD7.0B
Gross assets	R126.9B / AUD12.7B
Net assets	R78.8B / AUD7.9B
Gearing (SA only)	33.4%
Distributable Income	R5.6B/ AUD546m (using an average exchange rate of R10.26 / AUD)
ICR (SA only)	3.4 times
No. of employees (SA only)	630
Properties	472 properties in South Africa, including 50% ownership of the prestigious V&A Waterfront

1. All information supplied by GRT (figures as at 30 June 2017).

Appendix 16: Above-sector historical returns and strong forecast distribution yield

Total Securityholder return comparison over 1, 3 and 5 years (%)¹



■ Growthpoint
■ S&P/ASX 300 A-REIT accumulation index

1. UBS Investment Research, Annual compound returns to 31 December 2017.

Relative income yields (%)



1. FY18 distribution guidance of 22.2 cents divided by 16 February 2018 closing price of \$3.12.
 2. S&P/ASX 300 Property Index (Source: Petra Capital).
 3. FY18 estimated dividend yield for S&P/ASX300 (Source: Bloomberg).
 4. As at 16 February 2018. Source: Iress.
 5. Simple average, major bank headline 12 month term deposit rate (dated 2 February 2018).
 6. Source: Australian Bureau of Statistics, All Groups CPI, Dec Qtr 2016 to Dec Qtr 2017.

Appendix 17: Board of Directors



Geoffrey Tomlinson (70)
Independent Chairman (since 1 July 2014) and Director (since 1 September 2013)
BEC

Over 45 years' experience in the financial services industry.



Timothy Collyer (49)
Managing Director (since 12 July 2010)
B.Bus (Prop), Grad Dip Fin & Inv, AAPI, F Fin, MAICD

Over 29 years' experience in A-REITs and unlisted property funds, property investment, development and valuations.



Maxine Brenner (55)
Independent Director (since 19 March 2012)
BA, LLB

Over 27 years' experience in corporate advisory, mergers and acquisition, financial and legal advisory work.



Estienne de Klerk (48)
Director (since 5 August 2009)
BCom (Industrial Psych),
BCom (Hons) (Marketing),
BCom (Hons) (Acc), CA (SA)

Over 21 years' experience in banking and property finance and over 16 years' in the listed property market.



Grant Jackson (51)
Independent Director (since 5 August 2009)
Assoc. Dip. Valuations, FAPI

Over 31 years' experience in the property industry, including 28 years as a qualified valuer.



Francois Marais (63)
Director (since 5 August 2009)
BCom, LLB, H Dip (Company Law)

Over 27 years' experience in the listed property market.



Norbert Sasse (53)
Director (since 5 August 2009)
BCom (Hons) (Acc), CA (SA)

Over 22 years' experience in corporate finance and over 14 years' experience in the listed property market.



Josephine Sukkar AM (54)
Independent Director (commencing 1 October 2017)
BSc (Hons), Grad Dip Ed

Over 28 years' experience in the construction industry.

Appendix 18: 2018 Securityholder calendar*

20 February 2018

- Results for the half year ended 31 December 2017 announced to ASX

28 February 2018

- Distribution paid for the half year ending 31 December 2017

6 March 2018

- HY18 interim report sent to Securityholders

26 April 2018

- Investor Update released to ASX

16 August 2018

- Results for the full year ended 30 June 2018 announced to ASX

31 August 2018

- Distribution paid for the half year ending 30 June 2018
- FY18 Annual Report sent to Securityholders

18 October 2018

- Investor Update released to ASX

21 November 2018

- Annual General Meeting

* Dates indicative and subject to change by the Board.

Glossary

A-REIT Australian Real Estate Investment Trust

ASX Australian Securities Exchange

b billion

Baa2 a debt rating issued by Moody's equivalent to BBB issued by S&P. The Moody's system runs from highest to lowest Aaa Aa A Baa Ba B Caa Ca C with the numbers 1-3 denominating modifiers of this rating i.e. Baa2 is higher than Baa3 or Ba1.

bps one hundredth of one percentage point (used chiefly in expressing differences of interest rates)

Board the board of directors of the Company

CAGR compound annual growth rate

CY15, CY16, CY17 the calendar year ended 31 December in the year listed i.e. "CY17" means the calendar year ended 31 December 2017

Capex capital expenditure

Cap rate in full, "capitalisation rate". Refers to the market income produced by an asset divided by its value or cost

Company Growthpoint Properties Australia Limited

CPI consumer price index

cps cents per security

dps distribution per security

Funds From Operations (FFO) the net profit available for distribution from the Group which excludes accounting adjustments such as fair value movements to the value of investment property and interest rate swaps, depreciation, profits or losses on sale of investment properties, deferred tax and amortisation of tenant incentives.

FY13, FY14, FY15, FY16 and FY17 the 12 months ended on 30 June in the year listed i.e. "FY17" means the 12 months ended 30 June 2017

FY18, FY19, FY20, FY21 and FY22 the 12 months ending on 30 June in the year listed i.e. "FY18" means the 12 months ending 30 June 2018

freefloat securities considered available for trading on the ASX. For Growthpoint, this is the market capitalisation less securities held by GRT in accordance with S&P's released guidelines

Gearing interest bearing liabilities less cash divided by total assets less cash

GMF previously GPT Metro Office Fund which traded on the ASX as GMF (renamed Growthpoint Metro Office Fund)

GOZ the ASX trading code that Growthpoint trades under

Growthpoint or the Group Growthpoint Properties Australia comprising the Company, the Trust and their controlled entities

Growthpoint SA or GRT Growthpoint Properties Limited of South Africa (Growthpoint's majority Securityholder) which trades on the JSE under the code "GRT"

ICR Interest coverage ratio

IRR internal rate of return. Provides the annual return of a property before gearing and corporate costs

JSE Johannesburg Stock Exchange

NABERS National Australian Built Environment Rating System (a national system for measuring environmental performance of buildings)

NLA net lettable area

NPI net property income

NTA net tangible assets

m million

MER management expense ratio comprising all the Group's costs other than interest divided by the average gross assets for the year

REIT real estate investment trust

Securityholder an owner of Growthpoint securities

S&P Standard & Poor's

sqm square metres

Trust Growthpoint Properties Australia Trust

USPP United States Private Placement

WADM weighted average debt maturity

WALE weighted average lease expiry

WARR weighted average rent review

Important information

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