



Josephine Sukkar Bsc (Hons), Grad Dip Ed,
Director: Growthpoint Properties Australia Limited.

Josephine Sukkar AM was appointed to Growthpoint's Board on 1 October 2017. Having co-led a major construction firm for over 27 years, Josephine brings extensive experience in the construction industry to the Board. This experience was particularly sought after to assist Growthpoint as it explores further development of its existing property portfolio.

Factors shaping the construction industry in Australia today

Australia is in the midst of its biggest construction boom since prior to the global financial crisis, with broad-based strength across industries and capital cities driving demand for new space. Leading sectors include commercial, residential, education, healthcare (particularly aged care) and industrial/logistics, while geographic areas seeing the most activity remain concentrated in capital cities experiencing the strongest population growth, mainly across the Eastern seaboard.

Supporting this view is the most recent edition of the RLB Crane Index[®], with the index value of 161 being the highest reading since the commencement of the survey in 2012. This activity translates to 684

cranes currently on projects across Australia, with Sydney making up just over half of that number. There is also significant demand for new fit-outs, particularly in Sydney and Melbourne CBDs where commercial office vacancy rates are the lowest in Australia.

This demand has, however, put a significant strain on the construction labour market and, coupled with underinvestment in vocational training in Australia over the last few decades, resulted in a shortage of skilled tradespeople supporting the building industry². This has pushed up the cost of trades, increasing the cost of construction on projects nationally.

It is imperative to understand these and other complexities in

Our key metrics

as at 31 March 2018

Total property portfolio value	\$3.3 billion
Distribution guidance FY18	22.2 cents
Number of properties	57
Office / industrial	66% / 34%
Average property age	10.3 years
Occupancy	98%
Weighted average lease expiry	5.5 years
Weighted average rent review (assumes CPI of 1.9%)	3.3%
Weighted average capitalisation rate	6.4%
NTA per stapled security (at 31 December 2017)	\$3.08
Gearing	35.5%
Percentage debt fixed	80%
Weighted average debt maturity	4.3 years
Average NABERS rating (energy)	4.5 stars

the construction industry prior to the commencement of any new development project. Careful planning, extensive due diligence and alignment with the right partners (consultants, contractors, finance providers) will optimise the likelihood of a successful project delivery.

Figure 1: RLB Crane Index[®] (Base = Q2 2015 = 100)

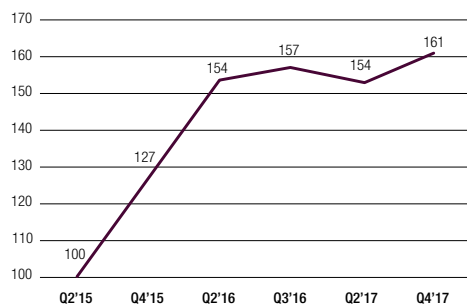
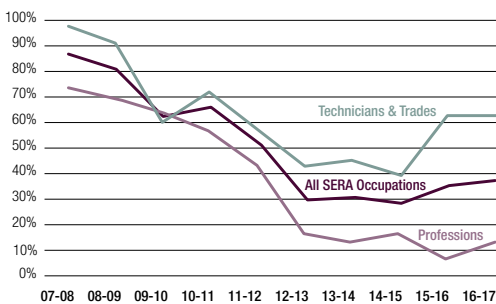


Figure 2: Proportion of consistently surveyed occupations in shortage





Update on development at Botanicca, Richmond

Growthpoint has received development approval for a 20,000 sqm office building across two towers in Richmond, Victoria. The buildings will be located next to the new David Jones/Country Road head office and are designed to have excellent green credentials including an anticipated 5 Star Green Star rating and a 5 Star NABERS (Energy) rating.

Growthpoint is currently seeking tenant pre-commitments with construction expected to take approximately 18 months from commencement.

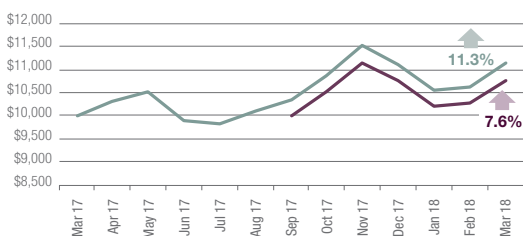
More details are available at: growthpoint.com.au/properties/for-lease/

Value of hypothetical \$10,000 investment in Growthpoint

An investor purchasing \$10,000 worth of GOZ securities on 1 April 2017 would have had securities worth \$11,130.18 one year later on 31 March 2018 (assuming distributions were reinvested). \$10,000 invested on 1 October 2017 would have been worth \$10,762.44 on 31 March 2018.

Total operating costs attributable to this hypothetical investment over these periods would have been approximately \$64.44 for the full year or \$29.49 for six months. This is equal to approximately 0.4% of the value of their investment¹.

● \$10,000 invested for 12 months² ● \$10,000 invested for 6 months²



1. Operating costs being all costs other than interest calculated to 31 December 2017.
2. Assumes reinvestment of distributions.

Leases completed since 31 December 2017

Address	Sector	Tenant	Start date	Term (yrs)	Annual rent increases	Lettable area (sqm)	Car parks
10 Butler Boulevard, Adelaide Airport, SA	Industrial	Toll Transport	Q3, FY18	4.0	Fixed 3.25%	8,461	N/A
Car Park, 572-576 Swan Street, Richmond, VIC	Office	GE Capital Finance Australasia	Q3, FY18	3.0	Fixed 3.50%	-	52
109 Burwood Road, Hawthorn, VIC	Office	Flow Power	Q3, FY18	5.1	Fixed 3.75%	1,193	36
333 Ann Street, Brisbane, QLD	Office	QLD LG Super Board	Q3, FY18	2.8	Fixed 4.00%	679	3
5 Viola Place, Brisbane Airport, QLD	Industrial	CEVA Logistics	Q3, FY18	2.0	Greater of CPI & 3.5%	12,971	N/A
Car Park, 572-576 Swan Street, Richmond, VIC	Office	Country Road Group	Q4, FY18	9.1	Fixed 3.00%	-	41
Building C, 211 Wellington Road, Mulgrave, VIC	Office	Tech Data Advanced Solutions	Q4, FY18	5.0	Fixed 3.25%	417	28
6 Parkview Drive, Sydney Olympic Park, NSW	Office	SPX Flow Technology Australia	Q4, FY18	2.0	Fixed 3.75%	436	13
333 Ann Street, Brisbane, QLD	Office	Raw on Ann	Q4, FY18	5.0	Fixed 4.50%	96	1
333 Ann Street, Brisbane, QLD	Office	QLD LG Super Board	Q1, FY19	2.2	Fixed 3.75%	385	-
9-11 Drake Boulevard, Altona, VIC	Industrial	Prolife Foods	Q3, FY19	5.0	Fixed 3.50%	6,637	N/A
40 Annandale Road, Melbourne Airport, VIC	Industrial	Australian Postal Corporation	Q1, FY20	5.0	Fixed 3.75%	44,424	N/A
Total / Weighted Average				4.1	3.6%	75,699	396

Portfolio update

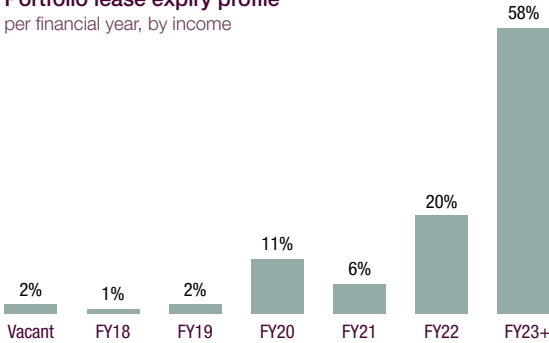
as at 31 March 2018

		Office	Industrial	Total
Number of properties	no.	26	31	57
Total value	\$m	2,157.7	1,127.3	3,285.0
Occupancy	%	97	99	98
Total / average lettable area	sqm	286,518 / 11,020	717,026 / 23,130	1,003,543 / 17,606
Weighted average valuation cap rate	%	6.1	6.8	6.4
Weighted average lease expiry	years	5.6	5.1	5.5
Weighted average rent review ¹	%	3.5	2.8	3.3
Average value (per sqm)	\$	7,531	1,572	3,273
Average rent (per sqm, per annum)	\$	544	115	236
Number of tenants	no.	101	38	139

1. Assumes Consumer Price Index change of 1.9% per annum as per Australian Bureau of Statistics release for year to 31 December 2017.

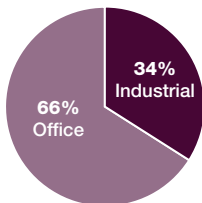
Portfolio lease expiry profile

per financial year, by income



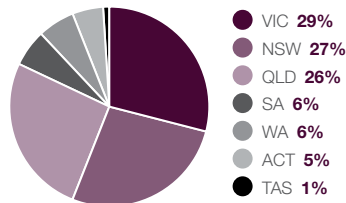
Sector diversity

by property value



Geographic diversity

by property value



Top ten tenants

by passing rent (as at 31 March 2018)

	%	WALE (yrs)
Woolworths	16%	4.7
NSW Police	9%	6.2
Commonwealth of Australia	6%	8.1
Country Road/ David Jones	4%	14.2
Linfox	4%	5.2
Samsung Electronics	3%	4.0
Lion	3%	6.1
ANZ Banking Group	3%	2.0
Jacobs Group	2%	7.1
Queensland Urban Utilities	2%	5.1
Total / Weighted Average	50%	6.1
Balance of portfolio	50%	5.0
Total portfolio	100%	5.5



Contact details

Retail Investors:

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Phone (within Australia): 1300 850 505

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Email: webqueries@computershare.com.au

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Investor Services Line: 1800 260 453

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2018 Securityholder Calendar

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.