



GROWTH-POINT
PROPERTIES



FY19 **Highlights.**

**Funds From
Operations**

25.1 cps

+0.4% on FY18

**Distributions
per security**

23.0 cps

+3.6% on FY18

**Net Property
Income**

\$230.4m

+5.4% on FY18

**Property
portfolio value**

\$4.0bn

+18.7% on 30 June 2018

**Net tangible
assets per security**

\$3.52¹

+10.3% on 30 June 2018

**Portfolio
occupancy**

98%

(30 June 2018: 98%)



positioned for
growth.

2019 Annual Summary

for the year ended 30 June 2019

1. Pro forma for the settlement of the Institutional Placement and Security Purchase Plan launched in FY19 but settled in early FY20, raising \$174 million for the issue of 43.7 million securities and the repayment of debt from those proceeds.



Introduction from the Chairman and Managing Director.



Geoff Tomlinson
Independent Chairman & Director



Timothy Collyer
Managing Director

Growthpoint finishes its 10th year with strong returns and a quality portfolio in the office and logistics sectors.

In August 2019, Growthpoint Properties Australia celebrated its 10th anniversary as an ASX listed A-REIT. Since its inception, Growthpoint's business has grown substantially, whilst at the same time providing strong total returns to Securityholders. Our concentration has been to build and manage the property portfolio for the long-term, on a sustainable basis.

In FY19 attractive long-term returns to Securityholders continued, with the Group delivering an above-sector total Securityholder return of 21.0%¹.

Other key highlights over the year were:

- Statutory earnings of 52.9 cents per security (cps)
- FFO of 25.1 cps, an increase of 0.4% on FY18
- Annual distribution of 23.0 cps, an increase of 3.6% on FY18

- 10.3% increase in NTA per security, up from \$3.19 at 30 June 2018 to \$3.52²
- Completed over \$386.5 million in property transactions, taking advantage of strong pricing to sell and reinvest favourably into modern office properties, with quality tenants and long WALEs
- Undertaken 116,901 sqm of new and extended leasing, equating to approximately 11.4% of total portfolio lettable area, maintaining portfolio occupancy at 98%.
- Undertaken two significant equity raisings that were oversubscribed, raising \$309 million, increasing the market capitalisation of the Group and trading free float
- Reduced gearing by 372 basis points (bps), from 33.9% as at 30 June 2018 to 30.1%², below the Group's target range, providing significant flexibility to take advantage of growth opportunities as they arise
- Successfully completed a 10 year USPP debt placement of \$161 million. The Group's weighted average debt maturity is 4.6 years, with no refinancing required until September 2020

Growthpoint had a busy year, undertaking significant transactions during FY19, including:

Acquisitions – purchased two modern, A-Grade office buildings for a total consideration of \$341.3 million.

Disposals – two non-core office buildings located at Bedford Park, South Australia and Cambridge, Tasmania were sold for \$45.2 million.

Debt – raised \$161 million of 10 year debt in the USPP market, refinancing a bridge facility.

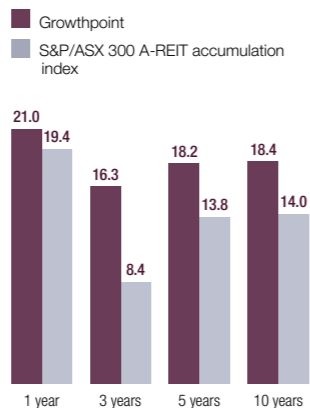
Development – Building 3, Botanicca, Victoria, a 19,300 sqm A-Grade office building, proceeding well for completion in early 2020. Gepps Cross, South Australia distribution facility leased by Woolworths undergoing a \$54 million expansion. Currently considering development options for 25.0 hectare Broadmeadows industrial land.



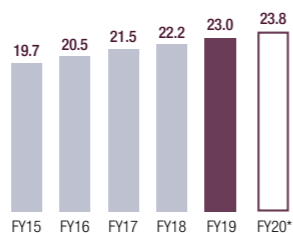
Total Securityholder return over 10 years

18.4%

compared to 14.0% for the S&P/ASX 300 A-REIT accumulation index return for the same period¹



Total Securityholder return over 1, 3, 5 & 10 years (%)¹



Distributions (¢) per stapled security

*Distribution guidance only.



836 Wellington Street, West Perth, WA

Equity raising – during the year Growthpoint successfully raised \$309 million of equity via a Rights Offer, an Institutional Placement and Security Purchase Plan³. These issues were well supported by existing and new Securityholders and accord with the strategy of increasing the market capitalisation and trading free float of the Group.

The above transactions have left Growthpoint well placed in the market. With an office and logistics property portfolio value of \$4.0 billion and a market capitalisation of \$3.4 billion^{2,4}, there is an increasing universe of investors interested in Growthpoint. The balance sheet is in good shape with gearing at 30.1%², providing future flexibility should opportunities arise. The targeted mixture of long-term debt capital markets and traditional institutional bank debt, provides Growthpoint with diversity of debt providers and a long weighted average debt expiry of 4.6 years.

The Group is well placed with a quality property portfolio in the favoured office and logistics sectors. Modern assets, with quality tenants and a long WALE are key characteristics. Major internal development opportunities will be completed in FY20 and further opportunities are under review. Whilst we favour the office and logistics markets, we will consider investment and business opportunities in other markets.

Growthpoint has continued to review and enhance the sustainability of its property portfolio and operations and maintains high governance standards. We seek to invest in modern office buildings with high NABERS energy and water ratings, we have committed to additional investments in on-site renewable energy projects and have developed an energy procurement strategy with the aim of securing the most cost-effective, long-term approach to purchasing renewable energy. Annually, we participate and are benchmarked in the GRESB and CDP surveys and these have showed continuous improvement.

The Board has had a continued focus on the Group's "culture". Through internal and external surveys and reporting, the culture has been observed as a positive one. Employees have also articulated the culture and the core values that we operate by – Respect, Success, Inclusion, Integrity and Fun. More information on these initiatives can be found in the Group's FY19 Sustainability Report.

As highlighted in last year's annual report, to adopt best practice, the Board implemented three key changes to Remuneration in FY19 that will further align management remuneration with the Securityholder. Further, PWC continued to advise the Nomination, Remuneration and HR Committee on benchmarking of remuneration and directors' fees. More

information on the Group's remuneration can be found on pages 32 to 53 of this report.

Directors, management and employees are proud of the achievements of the Group during the last 10 years and we would like to thank all stakeholders and Securityholders for their continued support.

Geoff Tomlinson
Independent Chairman & Director

Growthpoint Properties Australia Limited

Timothy Collyer
Managing Director

Growthpoint Properties Australia Limited



Ten years of sustainable growth.

	FY10	>	FY19
Property portfolio value	\$0.8bn		\$4.0bn
Total office assets	–		26
Total industrial assets	25		31
Share price (at 30 June)	\$1.80		\$4.12
Market capitalisation	\$0.3bn		\$3.4bn ^{2,4}
Free float	\$0.1bn		\$1.3bn ^{2,4}
No. employees	5		26

- Source: UBS Investment Research: Annual compound returns to 30 June 2019.
- Pro forma for the settlement of the Institutional Placement and Security Purchase Plan launched in FY19 but settled in early FY20, raising \$174 million for the issue of 43.7 million securities and the repayment of debt from those proceeds.
- The settlement of the placement and Security Purchase Plan occurred in early FY20.
- Pro forma, using the closing price of \$4.39 on 31 July 2019, multiplied by 771.5 million securities on issue.

FY19 – transactions.



Property acquisitions

\$341m

Purchased two modern, A-Grade office buildings located at Newstead, QLD and West Perth, WA



Development pipeline

\$353m

- Bldg 3, Botanicca, VIC, a 19,300 sqm A-Grade office building, completion expected in Q1 2020
- Gepps Cross, SA distribution facility leased by Woolworths undergoing a \$54 million expansion
- Considering development options for 25.0 hectare Broadmeadows, VIC industrial land



Strategic divestments

\$45m

Sold two non-core office buildings located at Bedford Park, SA and Cambridge, TAS



Equity & Debt

\$470m

- Equity** – successfully raised \$309 million of equity via a Rights Offer, an Institutional Placement and Security Purchase Plan
- Debt** – raised \$161 million of 10 year debt in the USPP market, refinancing a prior bridge facility



Property Portfolio overview.



Total office assets
26

– 69% of total property portfolio by property value



Total industrial assets
31

– 31% of total property portfolio by property value



Portfolio occupancy
98%

– 30 June 2018: 98%

As at 30 June		FY19	FY18	FY17	FY16	FY15
Number of properties	<i>no.</i>	57	57	58	58	53
Total value	<i>\$m</i>	3,983.8	3,356.1	3,283.8	2,832.6	2,372.5
Occupancy	<i>%</i>	98	98	99	99	97
Like-for-like value change	<i>\$m / % of asset value</i>	330.9 / 10.0	193.8 / 6.2	138.6 / 5.2	130.2 / 5.5	186.0 / 9.0
Total lettable area	<i>sqm</i>	1,026,466	1,003,444	1,056,336	1,109,545	1,050,611
Weighted average property age	<i>years</i>	11.3	10.6	9.6	9.2	8.3
Weighted average valuation cap rate	<i>%</i>	5.9	6.2	6.5	6.9	7.3
WALE	<i>years</i>	5.0	5.3	6.1	6.9	6.7
WARR	<i>%</i>	3.3¹	3.3	3.3	3.1	3.0
Average value (per sqm)	<i>\$</i>	3,881	3,345	3,109	2,553	2,258
Average rent (per sqm, per annum)	<i>\$</i>	260	238	231	198	183
FY net property income	<i>\$m</i>	225.4	213.6	223.3	181.2	171.8
Number of tenants	<i>no.</i>	154	142	145	116	97

Top ten tenants

by passing rent, as at 30 June 2019

	<i>%</i>	WALE (yrs)
Woolworths	14	5.3
NSW Police	8	4.9
Commonwealth of Australia	8	7.0
Bank of Queensland	4	7.6
Linfox	4	3.9
Country Road Group	3	13.0
Samsung Electronics	3	2.7
Lion	2	4.8
ANZ Banking Group	2	6.7
Jacobs Group	2	7.3
Total / weighted Average	50	6.1
Balance of portfolio	50	3.9
Total portfolio	100	5.0

● Office ● Industrial

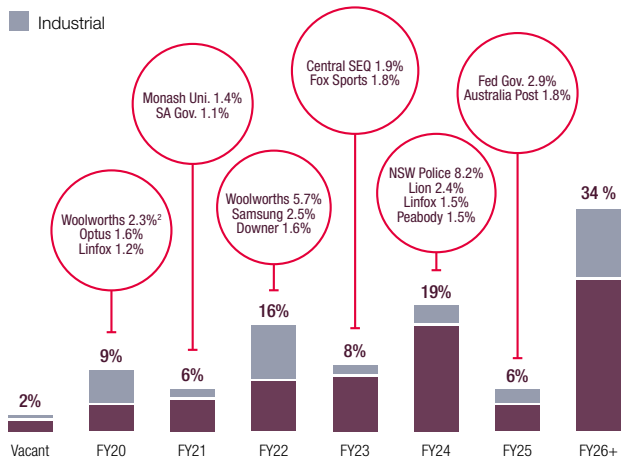
Portfolio lease expiry profile (%)

per financial year, by income

○ Major lease expiries (>1% of portfolio income)

■ Office

■ Industrial



1. Assumes CPI change of 1.6% per annum as per Australian Bureau of Statistics release for FY19.

2. Refers to Broadmeadows, Victoria property which may be removed if developed or sold.

Frequently asked questions.

How do I update my contact details?

Please update your details via **Computershare**. Please note you will require your holder identification number.

How do I buy or sell Growthpoint securities?

Growthpoint securities trade on the ASX under the code 'GOZ'. To buy or sell securities directly you must transact via an ASX approved broker (including on-line brokers such as NAB, E-Trade and Commsec). More details are available at asx.com.au/products/shares/buying-selling-shares.htm.

Growthpoint cannot sell direct to you other than via the DRP or, in certain limited circumstances, additional equity raisings.

Why does Growthpoint outsource its registry function to Computershare?

Most ASX-listed entities outsource this function to a third party registry provider. Growthpoint does not have the scale or in-house resources (including technology) to in-source this function. Computershare is one of the largest registry providers in Australia and is included in the ASX's top 100 companies with a market capitalisation of approximately \$8.0 billion. Growthpoint has chosen Computershare on the basis of its price and service offering. Growthpoint regularly considers Computershare's performance (including any complaints or feedback received from Securityholders), pricing and services versus other providers to determine if it should continue to outsource this function to Computershare.

Growthpoint Properties Australia Trust
ARSN 120 121 002

Growthpoint Properties Australia Limited
ABN 33 124 093 901 AFSL 316409

This document includes some highlights from the 2019 Annual Report for Growthpoint Properties Australia but is not a fulsome annual report and does not include all of the information required to understand all of the information provided. Users should refer to the full 2019 Annual Report which is available at www.growthpoint.com.au.

I have lost or not received a tax statement, holding statement or report. How can I obtain a replacement?

Contact Computershare in the first instance. Details are supplied below.

Contacting Computershare

For direct holders for Growthpoint securities, most matters can be dealt with on-line at: www-au.computershare.com/Investor/

Note that you will require your holder identification number.

If you cannot resolve matters on-line, contact details for Computershare are:

- **Address:** Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, VIC 3067 Australia
- **Telephone:** 1300 850 505 (within Australia) or +61(0) 3 9415 4000 (from outside of Australia)
- **Facsimile:** +61(0) 3 9473 2500
- **Email:** webqueries@computershare.com.au

For indirect holders, i.e. holders that hold securities via fund, custodian or other third party, you should contact that party. Computershare will only be able to assist those with holdings directly on Growthpoint's Securityholder register.

Complaints

Growthpoint Properties Australia aims to provide each Securityholder with a professional and high level of client service in managing the Stapled Group. If you have a complaint, you may contact us in writing to our registered address or by email to complaints@growthpoint.com.au, detailing the complaint. A response will normally be provided within 15 working days. All complaints should be addressed to the Complaints Manager.

The Responsible Entity is a member of the Australian Financial Complaints Authority (AFCA), an external, independent complaints handling organisation. AFCA can be contacted on 1800 931 678, should your complaint not be resolved by Growthpoint Properties Australia.



Contact details.

Retail Investors:

Computershare Investor Services Pty Limited
GPO Box 2975, Melbourne VIC 3001 Australia

Phone (within Australia): 1300 850 505
Phone (outside Australia): +61 (0)3 9415 4000
Fax: +61 (0)3 9473 2500
Email: webqueries@computershare.com.au

Institutional Investors:

Email: info@growthpoint.com.au
Investor Services Line: 1800 260 453

www.growthpoint.com.au

Corporate directory.

Growthpoint Properties Australia Limited
ABN 33 124 093 901; AFSL No 316409

Growthpoint Properties Australia Trust
ARSN 120 121 002

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Directors

Geoffrey Tomlinson, Timothy Collyer, Maxine Brenner, Estienne de Klerk, Grant Jackson, Francois Marais, Norbert Sasse, Josephine Sukkar

Company Secretaries

Dion Andrews, Yien Hong*

Auditor KPMG

Tower 2, 727 Collins Street
Melbourne VIC 3008 Australia

ASX Code

Growthpoint Properties Australia securities are listed on the Australian Securities Exchange (Code GOZ).

1. Yien Hong has been appointed Company Secretary and General Counsel on a fixed term contract until 23 August 2019.