GROWTHPOINT PROPERTIES AUSTRALIA (ASX CODE: GOZ)

PROPERTY ACQUISITION & EQUITY RAISING

3 June 2014

Growthpoint Properties Australia Trust
ARSN 120 121 002

Growthpoint Properties Australia Limited
ABN 33 124 093 901 AFSL 316409

GROWTHPOINT PROPERTIES

IMPORTANT INFORMATION

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CONTENTS

EXECUTIVE MANAGEMENT TEAM

TIMOTHY COLLYER
Managing Director

AARON HOCKLY
Company Secretary & General Counsel

DION ANDREWS
Chief Financial Officer

MICHAEL GREEN
Portfolio Manager

GROWTHPOINT
PROPERTIES

OVERVIEW

TRANSACTION OVERVIEW

ACQUISITION	› Acquisition of the NSW Police Headquarters, an A-grade office building located in Parramatta, New South Wales (**Acquisition**)[1] – Purchase price of $241.1 million[2], representing a FY15 yield of 7.6% – Fully leased to the NSW State Government ('AAA' rated), with WALE of 10 years[3] – 3.5% per annum fixed increases in rent, adjusted quarterly
ACQUISITION FUNDING	› Equity raising of up to $125 million via a renounceable rights offer (**Rights Offer**) – Offer price of $2.40 per new Security – Growthpoint SA has committed to taking up its full entitlement under the Rights Offer (approximately $80.0 million worth of new Securities) – The Rights Offer is not underwritten › Debt facilities – $100 million expansion to existing Syndicated Debt Facility – Growthpoint will utilise undrawn debt capacity to fund the balance of the Acquisition ($31 million - $76 million)
TRANSACTION IMPACT	› FY14 distribution guidance of 19.0 cps maintained › FY15 guidance provided – Distributable income of 20.3 to 20.6 cps, representing a yield of 8.5% - 8.6% on the offer price – Distribution guidance of 19.7cps, representing a yield of 8.2% on the offer price › Transaction is earnings accretive for FY15 › Pro forma balance sheet gearing of 43.4% - 45.6%[4]

1. Contract is subject to a number of conditions including deeds with tenants and third parties. Completion expected to occur by 30 June 2014
2. Excludes transaction costs
3. As at 31 May 2014
4. As at 31 December 2013, pro forma for balance date adjustments, completion of the Acquisition and the Rights Offer. Range depends on Securityholders other than Growthpoint SA who take up entitlements. See page 13 for full pro forma balance sheet

ACQUISITION

TRANSACTION MEETS GROWTHPOINT'S OBJECTIVES

TRANSACTION IMPACTS

- Accretive to FY15 distributable income
- Quality A-grade office building (4.5 star NABERS), specified and constructed to high office standard
- Enhances Growthpoint's portfolio metrics – WALE, occupancy, average fixed rent increase and tenant quality
- Increases Growthpoint's NSW property exposure to 22% from 12%, further diversifying the portfolio
- Investment into the growth market of Greater Western Sydney which is supported by strong projected population growth and significant government committed infrastructure projects

PROPERTY ACQUISITION

NSW POLICE HEADQUARTERS, 1 CHARLES STREET, PARRAMATTA, NSW

- Strategically located in the heart of the Parramatta CBD, benefitting from excellent transport links and local amenities
- Fully leased to the 'AAA' rated NSW State Government with a significant remaining lease term of 10 years plus a further 5 year option period
- Completed in 2003, the A-grade office building offers 31,954m² of lettable area across two towers both with large, efficient floor plates
- Generous car parking allocation of 444 underground spaces, representing a ratio well in excess of comparable properties which will help secure the incumbent tenant, given its requirement for extensive car parking
- As part of the Acquisition, Growthpoint will have access to a $2.2 million account available for refurbishment and capital expenditures. In June 2019 Growthpoint will need to make available $6.0 million for the tenant to spend on capital expenditure or refurbishment

KEY FACTS

PROPERTY TYPE	A-grade office
BUILT	2003
INTEREST	100% freehold
NET LETTABLE AREA	31,954.1 m²
AVERAGE FLOOR PLATE	1,243 to 2,483 m²
LAND AREA	6,460 m²
CAR PARKING	444 spaces
NABERS ENERGY RATING	4.5-star
PURCHASE PRICE	$241.1 million[1]
FY2015 YIELD	7.6%
OCCUPANCY	100%
TENANT	100% occupied by NSW Government (NSW Police)
LEASE TERM	20 years to May 2024 (with a 5 year option)
WALE	10 years[2]
RENT REVIEWS	Fixed 3.5% per annum, adjusted quarterly
INDEPENDENT VALUATION	Colliers International have valued this property at $241.1 million, supporting the Acquisition price

1. Excluding Acquisition costs
2. As at 31 May 2014

PROPERTY ACQUISITION

LOCATION

COMMERCIAL

1. 1 Charles Street
2. Eclipse - 60 Station St.
3. Sydney Water Head Office - 1 Smith St.
4. The Jessie Street Centre - 2-12 Macquarie St.
5. The Justice Precinct
6. CBA - 101 George St.
7. Colonial Tower - 150 George St.
8. 130 George St.
9. The Octagon- 110 George St.
10. Parramatta Square

RETAIL

11. Westfield Parramatta
12. Church Street Mall

PUBLIC TRANSPORT

13. Parramatta Transport Interchange
14. Parramatta Ferry Terminal

- Parramatta is located 24km from the Sydney CBD, directly connected via modern road and rail infrastructure
- The property benefits from proximity to public transport, Parramatta CBD amenities and major arterial roads
  - Close to Parramatta's rail and bus interchange and Parramatta Ferry Wharf
  - Nearby to shops, restaurants and amenities at the super-regional Westfield Parramatta and Church Street Mall
  - Convenient access to both the M4 Western Motorway and the M2 Motorway
- Prominent position near the $1.6 billion Parramatta Square redevelopment which will comprise a six stage development of residential apartments, commercial buildings and community facilities
- Economic conditions within the 700,000 sqm Parramatta office market remain positive with A-grade vacancy rate at 0.5%[1]
- Greater Western Sydney region targeted by government for significant infrastructure spending, including Sydney's newly announced second international airport and the West Connex road project

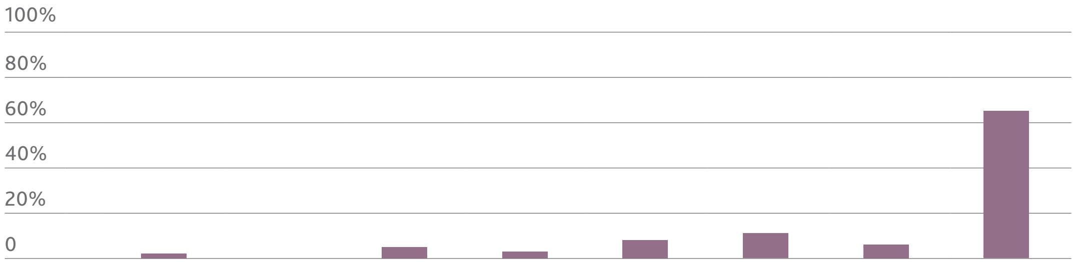
1. Source: PCA Office Market Report January 2014

TRANSACTION IMPACT

PORTFOLIO OVERVIEW
POST ACQUISITION

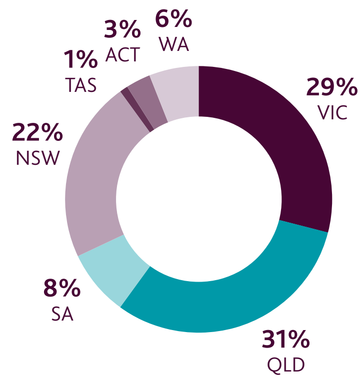
- The Acquisition continues Growthpoint's portfolio and income enhancement strategy
  - Defensive portfolio with high occupancy, long WALE and strong lease covenants
  - 6.9 year portfolio WALE and 98% occupancy as at 30 April 2014
  - Rising rental income through average annual fixed rental increases of 3.2%
  - Modern, well located assets with low capex requirements and features that are able to attract and retain tenants
  - Strong lease covenants with 93% of income secured by Woolworths ('A-' rated) and government, investment grade or national tenants
  - Increases NSW property exposure, further diversifying the portfolio

PRO FORMA LEASE EXPIRY PROFILE
PER FINANCIAL YEAR, BY RENTAL INCOME

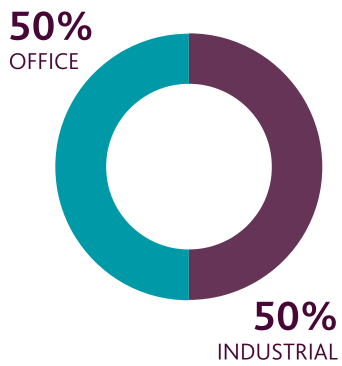


VACANT	FY14	FY15	FY16	FY17	FY18	FY19	FY20+
2%	0%	5%	3%	8%	11%	6%	65%

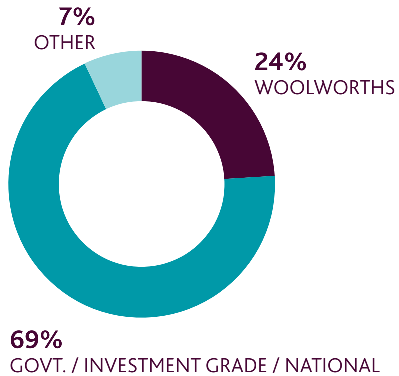
GEOGRAPHIC DIVERSITY[1]
BY PROPERTY VALUE
USING 30 APRIL 2014 FIGURES



SECTOR DIVERSITY[1]
BY PROPERTY VALUE
USING 30 APRIL 2014 FIGURES



TENANT QUALITY[1]
BY PASSING RENT



1. As at 30 April 2014, pro forma for completion of the Acquisition

PORTFOLIO OVERVIEW
PROPERTY PORTFOLIO KEY METRICS

METRIC	AS AT 31 DEC 13	PRO FORMA[1]
NUMBER OF ASSETS	49	51
TOTAL / AVERAGE VALUE	\$1,800.8m / \$36.8m	\$2,064.9m / \$40.5m
TOTAL / AVERAGE LETTABLE AREA	995,964 m² / 20,356 m²	1,036,844 m² / 20,330 m²
AVERAGE PROPERTY AGE	7.0 years	7.6 years
AVERAGE VALUATION CAP RATE	8.2%	8.0%
OVER (UNDER) RENTING	0.8%	2.7%
WALE	6.6 years	6.9 years
WARR	3.1%	3.2%

1. Pro forma using 30 April 2014 figures for the acquisition of the NSW Police Headquarters, the acquisition of 99-103 William Angliss Drive, Laverton North and completion of the properties at 19 and 20 Southern Court, Keysborough. WALE and WARR are also pro forma for the recent leasing deals completed.

PRO FORMA BALANCE SHEET[1]

$m	31 DEC 2013 REPORTED	POST BALANCE DATE ADJUSTMENTS[3]	DEC 2013 PRO FORMA *(Pre-Transaction)*	TRANSACTION ADJUSTMENTS[4]	DEC 2013 PRO FORMA *(Post Transaction, assumes $125m equity raised)*	DEC 2013 PRO FORMA *(Post Transaction, assumes $80m equity raised)*
CASH AND CASH EQUIVALENTS	9.4		9.4		9.4	9.4
INVESTMENT PROPERTIES	1,791.9	31.9	1,823.8	241.1	2,064.9	2,064.9
OTHER RECEIVABLES	-		-		-	-
OTHER ASSETS	7.7		7.7	0.2	7.9	7.9
TOTAL ASSETS	**1,809.0**		**1,840.9**		**2,082.2**	**2,082.2**
BORROWINGS	731.9	41.3	773.2	130.9	904.1	949.0
DISTRIBUTIONS PAYABLE	39.9	(39.9)	-	-	-	-
DERIVATIVE FINANCIAL INSTRUMENTS	15.2		15.2		15.2	15.2
OTHER LIABILITIES	18.9		18.9		18.9	18.9
TOTAL LIABILITIES	**805.9**		**807.3**		**938.2**	**983.1**
NET ASSETS	**1,003.1**	**30.5**	**1,033.6**	**110.4**	**1,144.0**	**1,099.1**
SECURITIES ON ISSUE (m)	475.7	12.3	488.0	52.1	540.1	521.4
NTA PER SECURITY ($)	2.11		2.12		2.12	2.11
BALANCE SHEET GEARING[2]	40.5%		42.0%		43.4%	45.6%

1. All figures quoted exclude movements in value since 31 December 2013 except for acquisitions after this date (including the Acquisition) and therefore do not take into account movements in property values or derivatives in particular and exclude any impact from the distribution reinvestment plan for the August 2014 distribution
2. Borrowings divided by total assets
3. Includes payment of 1H14 distribution including issue of Securities under Distribution Reinvestment Plan, acquisition of 99-103 William Angliss Drive, Laverton North, completion of the properties at 19 and 20 Southern Court and revaluation of 9-11 Drake Boulevard, Altona, including adjustment to the purchase price due to vendor securing a 10 year lease over one of the units
4. Includes the Acquisition, Rights Offer and drawdown of new and existing debt facilities and assumes $125 million is raised in the Rights Offer

ACQUISITION FUNDING

SOURCES AND APPLICATIONS OF FUNDS

- The Acquisition and associated costs will be funded using a combination of debt and equity
  - Rights Offer to raise up to $125 million of new equity
  - New $100 million tranche to expand existing Syndicated Debt Facility
  - Undrawn debt capacity in the Syndicated Debt Facility to fund the balance, with the final amount based on take-up under the Rights Offer

SOURCES[1]	($m)
RIGHTS OFFER	125.0
NEW SYNDICATED DEBT FACILITY TRANCHE	100.0
CURRENT UNDRAWN DEBT CAPACITY	30.9[1]
TOTAL SOURCES	**255.9**

APPLICATIONS	($m)
ACQUISITION PURCHASE PRICE	241.1
ACQUISITION COSTS[2]	14.8
TOTAL APPLICATIONS	**255.9**

1. Assumes $125 million of equity raised under the Rights Offer. If Growthpoint SA takes up its full entitlement but no other securityholders take up entitlements under the Rights Offer, Growthpoint will utilise approximately $75.9 million of currently undrawn capacity under existing debt facilities to make up the difference
2. Includes stamp duty on the Acquisition and other costs associated with the Acquisition and Rights Offer

EQUITY RAISING STRUCTURE

- 1 for 9.37 renounceable rights offer to raise up to $125 million
- Offer price of $2.40
  - Represents a 3.9% discount to Growthpoint's distribution adjusted price on 2 June 2014 and a 1.2% discount to Growthpoint's distribution adjusted 5 day volume weighted average price[1]
  - Provides a 8.2% distribution yield based on Growthpoint FY15 guidance
- Growthpoint's major securityholder, Growthpoint Properties Limited of South Africa (Growthpoint SA), has committed to taking up its full entitlement under the Rights Offer (approximately $80 million worth of new Securities)
- The Rights Offer is not underwritten. To the extent there is any shortfall which is not taken up by existing eligible securityholders, Growthpoint may offer the shortfall Securities to existing or new investors at the offer price of $2.40

RIGHTS OFFER	› Existing securityholders will be entitled to 1 new Security for every 9.37 Securities held on the record date › Rights will be tradeable on the ASX during the rights trading period › Eligible securityholders may choose to take up all or part of their entitlement, apply for additional Securities in excess of their entitlement[2], trade some or all of their rights during the rights trading period or do nothing (in which case, their entitlements may be offered for sale as part of a shortfall bookbuild) › If a sufficient shortfall remains following the allocation of additional Securities (if any)[2], Growthpoint may conduct a bookbuild at the offer price of $2.40 for any remaining Securities relating to rights that were not taken up
DISTRIBUTION ENTITLEMENT	› New Securities issued under the Rights Offer will not be entitled to the distribution for the half year ended 30 June 2014 but will rank equally with existing Securities in all other respects

1. VWAP over the period 27 May to 2 June 2014
2. Growthpoint reserves the right to scale back allocations for additional Securities. Therefore, securityholders who apply for additional Securities may be allocated a lesser number of additional Securities than applied for, or may be allocated no additional Securities at all

EQUITY RAISING TIMETABLE

ANNOUNCEMENT OF RIGHTS OFFER VIA ASX	Tuesday, 3 June 2014
EX-DATE FOR RIGHTS OFFER AND RIGHTS TRADING COMMENCES	Thursday, 5 June 2014
RIGHTS OFFER RECORD DATE	7.00pm, Tuesday, 10 June 2014
RIGHTS OFFER OPENS	9.00am, Thursday, 12 June 2014
DESPATCH OF RIGHTS OFFER BOOKLET	Thursday, 12 June 2014
RIGHTS TRADING PERIOD ENDS	Monday, 16 June 2014
RIGHTS OFFER CLOSES	5.00pm, Monday, 23 June 2014
BOOKBUILD FOR RIGHTS OFFER SHORTFALL SECURITIES (IF ANY)	Thursday, 26 June 2014
ALLOTMENT OF NEW SECURITIES ISSUED UNDER THE RIGHTS OFFER*	Monday, 30 June 2014
NORMAL TRADING IN NEW SECURITIES ISSUED UNDER THE RIGHTS OFFER*	Tuesday, 1 July 2014

Times refer to Melbourne, Australia time. Growthpoint reserves the right to vary the timetable (subject to ASX Listing Rules, the Corporations Act and other applicable laws)
* Excludes securities issued under the Shortfall Bookbuild (if any). Any such securities will be allotted on Wednesday, 2 July 2014

DEBT FUNDING
DEBT FACILITIES

- Growthpoint has expanded its existing Syndicated Debt Facility with a new $100 million tranche (Acquisition Tranche)[1]
- The Acquisition Tranche will be fully drawn at completion of the Acquisition and will have a 12 month initial term at the end of which Growthpoint is able to convert the tranche to a 2 or 4 year tranche under the Syndicated Debt Facility
- Growthpoint has approximately $139.9 million[2] of undrawn debt capacity currently available under the Syndicated Debt Facility
- Growthpoint will drawdown approximately $30.9 million[3] to help fund the transaction
- Following completion of the transaction:[4]
  - Weighted average cost of debt across all facilities (including the Acquisition Tranche) of 5.79% p.a.
  - Weighted average debt maturity of 3.4 years[2]
  - Approximately 82% of drawn debt hedged under all facilities, for an average duration of approximately 3.0 years
  - Pro forma balance sheet gearing of 43.4% - 45.6%[3]
  - Pricing on the Syndicated Debt Facility will increase by 0.10% if the LVR under the agreement increases and remains at or above 45%

SUMMARY OF DEBT FACILITIES

METRIC	SYNDICATED DEBT FACILITY	BILATERAL
SIZE	$925 million	$70 million
MATURITY	Acquisition Tranche ($100m): 30-Jun-15[5] Tranche 1 ($315m): 31-Dec-16 Tranche 2 ($255m): 31-Dec-17 Tranche 3 ($255m): 31-Dec-18	30 April 2019

PRO FORMA BALANCE SHEET GEARING[3]

EQUITY RAISING SIZE	$125m	$110m	$95m	$80m
IMPLIED TAKE-UP OF NON GRT ENTITLEMENTS	100%	67%	33%	0%
BALANCE SHEET GEARING	43.4%	44.1%	44.9%	45.6%

1. Subject to finalisation of ancillary documentation and satisfaction of customary conditions precedent to draw down of funds
2. As at 31 May 2014
3. Assumes $80 million -$125 million of equity raised under the Rights Offer. If no securityholders other than Growthpoint SA take up entitlements under the Rights Offer, Growthpoint would utilise approximately $75.9 million of currently undrawn capacity under existing debt facilities to make up the difference. Excludes the impact of any movement in asset or liability values (including property revaluations and derivatives) and the distribution reinvestment plan for the August 2014 distribution
4. Assumes new $50 million interest rate swap for four years at 3.22%
5. Growthpoint has the option at maturity to extend by either 2 or 4 years at agreed margins under the existing Syndicated Debt Facility

OUTLOOK AND STRATEGY

THE FOCUS FOR GROWTHPOINT IN THE SHORT TO MEDIUM TERM REMAINS:

- Continuing to provide secure and growing distributions to Securityholders
- Continued growth and diversification of the property portfolio via M&A transactions, direct property acquisitions and fund through developments
- Maintenance of a gearing ratio of 40%-45% and further diversification of debt funding sources to the capital markets
- Tenant retention strategies and the leasing of current vacant space
- Evaluation of tenant requested expansions and redevelopment opportunities within the portfolio
- Continuing to expand and diversify the Securityholder base and trading liquidity to achieve S&P/ASX index inclusion

APPENDIX 1: CONTROL IMPLICATIONS

CONTROL IMPLICATIONS

- The Rights Offer is structured as a pro rata offer to all eligible Growthpoint Securityholders
- Growthpoint SA currently owns approximately 64.0% of the Securities on issue and has provided a commitment to take up its full entitlement under the Rights Offer (approximately $80 million worth of new Securities)
- The degree to which Growthpoint SA's interest in Growthpoint may increase will depend on the rate of take-up by other eligible Growthpoint Securityholders
- The table below outlines the potential interest Growthpoint SA will hold in Growthpoint following the Rights Offer at differing levels of Securityholder participation
- Any increase in Growthpoint SA's interest in Growthpoint as a result of the Rights Offer proceeds under Item 9 of Section 611 of the Corporations Act
- Growthpoint SA has advised Growthpoint that it intends to participate in any distribution reinvestment plan for the August 2014 distribution. This could further increase Growthpoint SA's holding in Growthpoint by up to approximately 0.5%

		POST RIGHTS OFFER		
	CURRENT	100% TAKE-UP OF NON GRT ENTITLEMENTS	50% TAKE-UP OF NON GRT ENTITLEMENTS	0% TAKE-UP OF NON GRT ENTITLEMENTS
GROWTHPOINT SA	64.0%	64.0%	65.2%	66.3%
OTHER SECURITYHOLDERS	36.0%	36.0%	34.8%	33.7%

APPENDIX 2: KEY RISKS

KEY RISKS SUMMARY

- Property Acquisitions
- Counterparty / Credit Risk
- Tenant Risk
- Market Perception Risk
- Rights Offer
- Trust Taxation Status
- Capital Expenditure
- Environmental
- Competition
- Funding and Refinancing Risk
- Security Market Prices
- Interest Rates
- Insurance
- Property Market Risks
- Debt Covenants
- Litigation and Disputes
- Regulatory Issues and Changes in Law
- Property Valuation Risk
- Buildings Condition and Defects
- Property Illiquidity Risks
- Employees and Directors
- General Economic Conditions
- Changes in Accounting Policy
- Forward Looking Statements and Financial Forecasts
- Fixed Nature of Costs
- Land Values
- Foreign exchange/currency risk

KEY RISKS

PROPERTY ACQUISITIONS

A key element of the Group's future strategy will involve the acquisition of properties to add to its property portfolio. Whilst it is the Group's policy to conduct a thorough due diligence process in relation to any such acquisition, risks remain that are inherent in such acquisitions.

Growthpoint may acquire assets to add to its portfolio. There are inherent risks in such acquisitions. These risks could include unexpected problems or other latent liabilities such as the existence of asbestos or other hazardous materials or environmental liabilities. There are also risks associated with integration of businesses, including financial and operational issues as well as employee related issues. There is also a risk the expected benefits, synergies and other advantages in relation to the acquired assets will not be realised. Growthpoint's value, earnings and distributable income may be adversely affected by the occurrence of any of these risks.

COUNTERPARTY / CREDIT RISK

A-REITs are exposed to the risk that third parties, such as tenants, developers, service providers and financial counterparties to derivatives (including foreign exchange and interest rate hedging instruments) and other contracts may not be willing or able to perform their obligations.

TENANT RISK

There is a risk that tenants may default on their rental or other obligations under leases with the Group, leading to a reduction in future income which may impact on the value of properties owned by the Group. Furthermore, there is a risk that the Group will be unable to negotiate suitable lease extensions from existing tenants or replace current leases with new tenants on similarly commercial terms which may impact the value of properties owned by the Group.

The Group relies on certain key tenants for the majority of its revenue. Any financial difficulty or insolvency affecting a key tenant, or a breach of lease by a key tenant, could have a material adverse effect on the Group's financial performance or position.

MARKET PERCEPTION RISK

The extent to which the Rights Offer enhances value for Securityholders depends on the Rights Offer being viewed as a positive initiative by the market. There is a risk that this will not be the case. For example, the market may not value the (enlarged) Group as highly as anticipated, because of concerns relating to factors such as the potential for other acquisitions which reduce headroom in debt facility covenants and the continued level of control held by Growthpoint SA. This may adversely impact on the market price of the Securities. The market value of the Securities may also differ from the underlying NTA.

RIGHTS OFFER

The Rights Offer is not underwritten. There is a risk that Growthpoint will raise less proceeds than outlined in the presentation, depending on the level of take-up by securityholders. If less than the full proceeds are raised, Growthpoint will draw on additional debt under its existing facilities. Pricing on the Syndicated Debt Facility will increase by 0.10% where the LVR under the Syndicated Debt Facility agreement increases and remains above 45%. If no other Securityholders take up entitlements other than Growthpoint SA and no Securities are issued under any shortfall bookbuild, Growthpoint's pro forma 31 December 2013 gearing would be 45.6%

Growthpoint SA has committed to take up its full entitlement under the Rights Offer (approximately $80 million worth of new Securities).

TRUST TAXATION STATUS

Currently, the Growthpoint Properties Australia Trust will not incur tax on income provided that income is distributed. However, the trust would lose this tax transparency if there is a legislative change which removed the tax transparency of property trusts or Growthpoint Properties Australia Trust engages in business activities which lead to it being subject to tax at the corporate tax rate. It is the intention of the Directors that the Growthpoint Properties Australia Trust will be managed so that the trust is not taxed at the corporate rate under the existing law.

Depending on investors' individual circumstances, a loss of the Growthpoint Properties Australia Trust's tax transparency may adversely affect post tax investment returns. In addition, the taxation treatment of Securityholders is dependent upon the tax law as currently enacted in Australia and other relevant jurisdictions. Changes in tax law or changes in the way tax law is expected to be interpreted in Australia or such other jurisdictions may adversely impact the tax outcomes for Securityholders.

Changes to the unit holder composition could impact Growthpoint Properties Australia Trust and its subsidiary entities' ability to utilise prior and current year tax losses. While GOZ does not anticipate the Rights Offer will trigger a change of control for tax purposes, any movements in the register will be factored into future change of control monitoring.

KEY RISKS
CONTINUED

CAPITAL EXPENDITURE

There is a risk that unforeseen capital expenditure may be required under the terms of the current property leases. This may in turn impact the cash available to service debt and the value of the Group.

ENVIRONMENTAL

The Group's properties may, from time to time, be exposed to a range of environmental risks, including asbestos, which may require remedial work and potentially expose the Group to third party liability. This could potentially impact earnings, distributions and property values.

COMPETITION

The value of property held by the Group may be negatively affected by oversupply or overdevelopment in surrounding areas. Alternatively, prices for properties the Group is considering for acquisition may be inflated via competing bids by other prospective purchasers.

FUNDING AND REFINANCING RISK

Market volatility has had a significant impact on the real estate sector and its ability to access capital from investors. The real estate investment industry tends to be highly capital intensive. The ability of the Group to raise funds on favourable terms for future refinancing (first requirement 30 June 2015) and acquisitions depends on a number of factors including general economic, political, and capital and credit market conditions. The inability of the Group to raise funds on favourable terms for future acquisitions and refinancing could adversely affect its ability to acquire new properties or refinance its debt.

SECURITY MARKET PRICES

The market price of the Securities will depend on a variety of factors. The price at which these Securities trade on the ASX could deviate materially from their offer price. Factors including general movements in interest rates, domestic and international capital markets, macro-economic conditions, global geo-political events and hostilities, investor perceptions and other factors could all impact the market price performance.

INTEREST RATES

To the extent that interest rate exposure has not been hedged, fluctuations in interest rates could impact the Group's funding costs adversely, resulting in a decrease in distributable income. Furthermore, fluctuations in interest rates may impact the Group's earnings before interest due to the impact this may have on the property market in which the Group operates.

INSURANCE

The Group purchases insurance as is customary for property owners and managers. This insurance provides a degree of protection for the Group's assets, liabilities and people. There is a risk that insurance may not be available or sufficient. Furthermore, there are some risks that are uninsurable or risks where the insurance coverage is reduced.

PROPERTY MARKET RISKS

The Group will be subject to the prevailing property market conditions in the sectors in which it operates. Adverse changes in market sentiment or market conditions may impact the Group's ability to acquire, manage or develop assets, as well as the value of the Group's properties and other assets. These impacts could lead to a reduction in earnings and the carrying value of assets.

DEBT COVENANTS

The Group's debt facilities are subject to a variety of covenants including interest coverage ratios and loan to value ratios. In the event of unforeseen fluctuations in rental income or a fall in asset values, the Group may be in breach of its loan covenants and be required to repay amounts outstanding under the debt facilities immediately and sell properties at unacceptable prices. Furthermore, there is a risk that unforeseen capital expenditure may be required under the terms of the current leases. This may in turn impact the cash available to service debt.

LITIGATION AND DISPUTES

Legal and other disputes (including industrial disputes) may arise from time to time in the ordinary course of operations. Any such dispute may impact on earnings or affect the value of the Group's assets.

REGULATORY ISSUES AND CHANGES IN LAW

Changes in laws or regulatory regimes may have a materially adverse impact on the financial performance of the Group by reducing income or increasing costs such as changes to environmental laws which may impact forecast capital expenditure.

KEY RISKS
CONTINUED

PROPERTY VALUATION RISK

The value of properties held by the Group may fluctuate from time to time due to market and other conditions. Factors relevant to determining value include rental, occupancy levels and property yield, and these may change significantly over time for a variety of reasons. External and Directors' valuations represent only the analysis and opinion of such persons at a certain date and they are not guarantees of present or future values. The values of properties may impact on the value of an investment in the Group.

BUILDINGS CONDITION AND DEFECTS

The Group's properties are professionally managed by experienced property managers. Nevertheless, there is a risk that latent defects in the properties may prevent the properties being available for their intended use or may require additional capital expenditure. This may adversely affect returns available to Securityholders.

PROPERTY ILLIQUIDITY RISKS

Property assets are by their nature illiquid investments. Therefore, it may not be possible for the Group to dispose of assets in a timely manner should it need to do so. In addition, to the extent that there may be only a limited number of potential buyers for the properties, the realisable value of those assets may be less than book value of those assets.

EMPLOYEES AND DIRECTORS

The Group is reliant on retaining its key directors, senior executives and other employees. The loss of any director, senior executive or key employee could negatively impact the Group's operations.

GENERAL ECONOMIC CONDITIONS

The Group's operating and financial performance is influenced by a variety of general economic and business conditions, including the level of inflation, interest rates, ability to access funding, oversupply and demand conditions and government fiscal, monetary and regulatory policies. Prolonged deterioration in these conditions, including an increase in interest rates and an increase in the cost of capital could have a material adverse impact on the Group's operating and financial performance.

CHANGES IN ACCOUNTING POLICY

The Group must report and prepare financial statements in accordance with prevailing accounting standards and policies. There may be changes in these accounting standards and policies in the future which may have an adverse impact on the Group.

FORWARD LOOKING STATEMENTS AND FINANCIAL FORECASTS

There can be no guarantee that the assumptions and contingencies contained within forward looking statements, opinions or estimates (including projections, guidance on future earnings and estimates) will ultimately prove to be valid or accurate. The forward looking statements, opinions and estimates depend on various factors, many of which are outside the control of the Group.

No assurances can be given in relation to the payment of future distributions. Future determinations as to the payment of distributions by the Group will be at the discretion of the Directors and will depend upon the availability of profits, the operating results and financial condition of the Group, future capital requirements, covenants in relevant financing agreements, general business and financial conditions and other factors considered relevant by the Directors. No assurance can be given in relation to the level of franking or tax deferral of future distributions. Franking or tax deferred capacity will depend upon the amount of tax paid in the future, the existing balance of franking credits and other factors.

FIXED NATURE OF COSTS

Many costs associated with the ownership and management of property assets are fixed in nature. The value of properties (and the value attributed to Growthpoint) may be adversely affected if the income from the asset declines and these fixed costs remain unchanged.

LAND VALUES

Events may occur from time to time that affect the value of land which may then impact the financial returns generated from particular property related investment businesses or projects. For example, unanticipated environmental issues may impact on the future earnings of Growthpoint. Such events may materially affect Growthpoint's earnings and value.

FOREIGN EXCHANGE/CURRENCY RISK

All information in this Presentation is provided in Australian dollars. Securityholders who are based outside of Australia, or who rely on funding denominated in currency(s) other than the Australian dollar, should be aware of the impact that fluctuations in exchange rates may have on the value of their investments in, and returns from, the Group.

APPENDIX 3: FOREIGN JURISDICTIONS

FOREIGN JURISDICTIONS

SOUTH AFRICA

The offer of new Securities under the Rights Offer described in this Presentation does not constitute an offer to the public in South Africa in terms of the Companies Act, 2008 (Companies Act) and, accordingly, this document has not been registered as a prospectus with the South African Companies and Intellectual Property Commission.

The issuer is not authorised and the new Securities are not allowed to be offered to the public. This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the new Securities may not be circulated or distributed, nor may the new Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in South Africa except to "institutional investors" (as set out in section 96(1)(a) of the Companies Act), or to shareholders pursuant to a rights offer (including the Rights Offer), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the Companies Act.

In addition, the Rights Offer does not constitute soliciting investments from members of the public in South Africa in terms of the Collective Investment Schemes Control Act, 2002 (CISCA) and, accordingly, Growthpoint has not registered as a foreign collective investment scheme in South Africa under CISCA.

HONG KONG

WARNING: This document has not been, and will not be, authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise this document or to permit the distribution of this document or any documents issued in connection with it.

No advertisement, invitation or document relating to the new Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the new Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

This document is confidential to the person to whom it is addressed and must not be distributed, published, reproduced or disclosed (in whole or in part) by the recipient to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the Rights Offer.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Rights Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

SINGAPORE

This document has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the "SFA") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. The issuer is not authorised or recognised by the MAS and the new Securities are not allowed to be offered to the retail public. This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the new Securities may not be circulated or distributed, nor may the new Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the new Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

GLOSSARY

A-REIT	Australian real estate investment trust
ACQUISITION	the acquisition of the NSW Police Headquarters, 1 Charles Street, Parramatta, New South Wales
BALANCE SHEET GEARING	borrowings divided by total assets
BILATERAL	means the loan facility agreement with National Australia Bank dated 17 February 2012 (as amended)
CPS	cents per Security
DIRECTORS	the directors of Growthpoint
DISTRIBUTABLE INCOME	net profit excluding any adjustments for International Financial Reporting Standards (IFRS) or other accounting standards/requirements
DPS	distributions per Security
RIGHTS OFFER	the 1 for 9.37 renounceable rights offer to raise up to $125 million
FY14	the year ending 30 June 2014
FY15	the year ending 30 June 2015
GROWTHPOINT / GOZ / GROUP	Growthpoint Properties Australia comprising Growthpoint Properties Australia Limited in its own capacity and as responsible entity for Growthpoint Properties Australia Trust, and their controlled entities
GROWTHPOINT SA / GRT	Growthpoint Properties Limited of South Africa (which currently holds 64.0 % of Growthpoint)
LVR	"loan to value ratio" as that term is defined in the Syndicated Debt Facility
NTA	net tangible assets
SECURITIES	ordinary fully paid Growthpoint stapled securities
SECURITYHOLDER	the holder of Securities
SYNDICATED DEBT FACILITY	means the syndicated loan facility agreement between Growthpoint, National Australia Bank Limited, Westpac Banking Corporation and Australia and New Zealand Banking Group Limited dated 5 August 2009 (as amended)
WARR	weighted average rent review
WALE	weighted average lease expiry (by rental income)

THANK YOU

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