

Growthpoint Properties Australia

Annual Results Presentation Year Ended 30 June 2011

22 August 2011



GROWTHPOINT
PROPERTIES

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GROWTHPOINT
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Glossary & Disclaimer

A-IFRS	Australian International Financial Reporting Standards
A-REIT	Australian Real Estate Investment Trust
cps	cents per stapled security
dps	distributions per stapled security
Energex Nundah	the building to be constructed at 1231-1241 Sandgate Road, Nundah, Brisbane, Queensland (refer to the Rights Offer Booklet dated 21 June 2011 and to ASX announcements made on the same date for further details)
FY09	the 12 months ended 30 June 2009
FY10	the 12 months ended 30 June 2010
FY11	the 12 months ended 30 June 2011
FY12	the 12 months ending 30 June 2012
GOZ and Group	Growthpoint Properties Australia comprising Growthpoint Properties Australia Limited, Growthpoint Properties Australia Trust and their controlled entities
GRT	Growthpoint Properties Limited of South Africa (which hold 61.5% of GOZ)
Distributable Income	net profit excluding any adjustments for A-IFRS or other accounting standards/requirements
WALE	weighted average lease expiry
WARR	weighted average rent review
WACR	weighted average capitalisation rate
LVR	“loan to value ratio” as that term is defined in GOZ’s Syndicated Facility Agreement
ICR	“interest cover ratio” as that term is defined in GOZ’s Syndicated Facility Agreement

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Overview

FY11 Results in line with guidance

- Statutory profit of \$43.4m
- Distributable Income of \$36.4m
- Distributions paid/payable of 17.1 cps (+22% of FY10 on 14.0 cps), consistent with market guidance

Growth and diversification of portfolio ¹

- Direct property acquisitions and takeover of Rabinov Property Trust adding 15 properties valued at \$480m
- Portfolio now comprises 37 assets valued at \$1.24bn. At entry of GRT to AUS market the portfolio comprised 23 assets valued at \$650m
- Diversification into the office sector, which now comprises 35% of portfolio

Debt facility expanded and term extended

- Debt facility expanded to \$660m limit, with an extended duration to December 2013
- NAB and Westpac are joined by new syndicate member ANZ Bank
- Lending margin reduced from 2.2% p.a. to 2.0% p.a.

Quality property portfolio

- GOZ enjoys a diversified portfolio of modern, well leased properties, with quality tenants and a rising income
- Lease renegotiations and sales of smaller assets has reduced FY12/13 vacancies and improved the overall quality of assets
- WALE: 9.0 yrs; WARR: 3.0% p.a.; WACR: 8.4%. Major tenants: Woolworths, Coles Group, GE, Energex & SKM

GOZ well positioned to take advantage of opportunities

- GOZ has strong support from GRT, other institutional investors and its banks to grow the portfolio over time
- \$450m has been raised in equity (new issues and scrip issue) since mid 2009
- GOZ will continue to look for strategic acquisitions to grow the portfolio to add value for securityholders

¹ Includes Energex Nundah

Financial Results

	FY2011	FY2010	CHANGE	% CHANGE
Statutory accounting profit (\$'000)	43,373	46,694	(3,321)	-7%
Distributable income (\$'000)	36,407	22,452	13,955	62%
Distributions paid / payable (\$'000)	36,480	22,347	14,133	63%
Distributions per security (cents)	17.1	14.0	3.1	22%
Payout ratio	100%	100%	0	0%
Annual interest cover ratio (times)	2.0	1.8	0.2	

	AS AT 30 JUNE 2011	AS AT 30 JUNE 2010	CHANGE	% CHANGE
Net tangible assets (\$'000)	478,564	324,003	154,561	48%
Securities on issue (\$'000)	237,578	159,620	77,958	49%
NTA per security (\$)	2.01	2.03	(0.02)	-1%
Balance sheet gearing ¹	56.1%	53.8%	2.3%	
Loan to value ratio	58.0%	56.3%	1.7%	

AS AT 15 AUGUST 2011

Balance sheet gearing ¹ (after equity raising)	47.8%
Loan to value ratio (after equity raising)	50.2%

¹ Borrowing divided by total assets

Distributable Income

	FY2011 (\$'000)	FY2010 (\$'000)	CHANGE (\$'000)	% CHANGE
Property income	88,419	66,909	21,510	32%
Property expenses	(9,217)	(7,608)	(1,609)	21%
Net property income	79,202	59,301	19,901	34%
Interest income	863	279	584	209%
Other income	2,166	-	2,166	N/A
Total operating income	82,231	59,580	22,651	38%
Borrowing costs	(41,465)	(34,250)	(7,215)	21%
Operational and trust expenses	(4,244)	(2,878)	(1,366)	47%
Total operating and trust expenses	(45,709)	(37,128)	(8,581)	23%
Current tax expense	(115)	-	(115)	N/A
Distributable income	36,407	22,452	13,955	62%
Distributions paid	36,480	22,347	14,133	63%
Tax components	88% tax deferred 12% tax free	100% tax deferred	-	-

Financial Position

- Significant property asset growth to \$1.16bn (\$1.24bn including Energex Nundah)
- NTA substantially consistent with prior year. No significant increase in property revaluations
- Balance sheet gearing¹ reduced to 48.6% post equity raising in July 2011 and new debt facility commencing in August 2011

Assets	JUNE 2011 (\$'000)	JUNE 2010 (\$'000)
Cash and cash equivalents	24,144	16,739
Investment properties	1,157,703	747,300
Other assets	8,263	10,789
Total assets	1,190,110	774,828
Liabilities		
Borrowings	(667,242)	(416,630)
Distributions payable	(20,669)	(13,568)
Other liabilities	(23,635)	(20,627)
Total liabilities	(711,546)	(450,825)
Net assets	478,564	324,003
Securities on issue ('000)	237,578	159,620
NTA per security	\$2.01	\$2.03
Balance sheet gearing ¹	56.1%	53.8%

¹ Borrowing divided by total assets

Debt & Capital Management

- Capital raising proceeds used to reduce debt. On the commencement of the new debt facility on 15 August 2011, LVR decreased to 50.2% and balance sheet gearing decreased to 48.6% (versus a facility default LVR of 65%)
- Lending margin of 2.00% p.a. locked in until December 2013
- Expected FY12 ICR to be at or above 2.1 times
- Weighted average hedge term of 3.2 years
- Reduced the average cost of debt over the year
- Look to capital markets in future to diversify funding sources

Interest Rate Hedging

	FY12	FY13	FY14	FY15
% Hedged	84%	68%	23%	9%

Average Cost of Debt

	FY11	FY10
Average cost of debt	7.86%*	8.21%

Interest Cover Ratio

	FY11	FY10
Annual ICR (times)	2.0	1.8
Facility ICR (times)	1.4	1.4

HEDGED AMOUNT (\$'000)	TYPE	BASE RATE	MATURITY DATE	YEARS REMAINING	% OF TOTAL
87,286	Fixed	5.750%	May-14	2.9	13%
87,286	Fixed	5.750%	May-15	3.9	13%
95,427	Fixed	5.750%	May-13	1.9	14%
75,000	Fixed	5.468%	May-14	2.9	11%
60,000	CPI	6.820%	May-18	6.9	9%
30,000	Fixed	5.400%	Dec-13	2.5	4%
100,000	Fixed	4.995%	Sep-13	2.3	15%
133,713	Floating	4.963%			20%
668,713		5.528% weighted average			

* Prior to the new facility commencing

Property Portfolio

- Since 2009, the property portfolio has increased by circa 92% via the acquisition of 16 quality assets. GOZ's acquisitions have increased distributions to investors and diversified the sources of income.
- GOZ has successfully implemented a diversification strategy over the last 12 months, providing investors with additional exposure to quality, well leased, modern buildings.
- GOZ has targeted office properties which demonstrate characteristics of environmental sustainability.

Assets Acquired

PROPERTY ADDRESS	DATE	SECTOR	PRICE (\$m)	INITIAL YIELD	WALE AT ACQUISITION
134 Lillkar Road, Goulburn, NSW	Feb-10	Industrial	65.5	9.9%	12.0
670 Macarthur Street, Pinkenba, QLD	Aug-10	Industrial	8.2	8.3%	5.1
32 Cordelia Street, South Brisbane, QLD (Carpark)	Sep-10	Office	9.7	9.0%	4.4
52 Merivale Street, South Brisbane, QLD	Sep-10	Office	62.4	8.7%	4.8
32 Cordelia Street, South Brisbane, QLD	Sep-10	Office	60.7	8.1%	8.1
13 Business Street, Yatala, QLD	Sep-10	Industrial	14.9	8.5%	8.9
29 Business Street, Yatala, QLD	Sep-10	Industrial	10.7	8.0%	6.5
10 Gassman Street, Yatala, QLD	Sep-10	Industrial	5.0	7.9%	7.1
33-39 Richmond Road, Keswick, SA	Dec-10	Office	46.5	9.0%	12.8
365 Fitzgerald Road, Derrimut, VIC	Jun-11	Industrial	12.2	9.0%	7.6
306-318 Abbots Road, Lyndhurst, VIC	Jun-11	Industrial	8.0	9.3%	2.6
Building 2, 572-576 Swan Street, Richmond, VIC	Jun-11	Office	72.0	8.1%	6.7
Buildings 1&3, 572-576 Swan Street, Richmond, VIC	Jun-11	Office	47.5	8.0%	6.8
66 Kennedy Drive, Cambridge, TAS	Jun-11	Office	25.5	10.0%	12.9
7 Laffer Drive, Bedford Park, SA	Jun-11	Office	18.8	11.3%	2.1
1231-1241 Sandgate Road, Nundah, QLD	Jun-11	Office	77.9	8.3%	13.7
Total/Average			545.5	8.7%	8.9

Assets Divested

PROPERTY ADDRESS	DATE	SECTOR	PRICE (\$m)	INITIAL YIELD	WALE
45 Northlink Place, Virginia, QLD	Jan-11	Industrial	3.7	10.1%	5.6
Lot 1, 44-54 Raglan Street, Preston, VIC	Jun-11	Industrial	9.6	11.1%	0.3
6-10 Koomang Road, Scoresby, VIC	Jun-11	Industrial	4.6	14.0%	0.7
Total/Average			17.9	11.6%	1.5

Portfolio Evolution

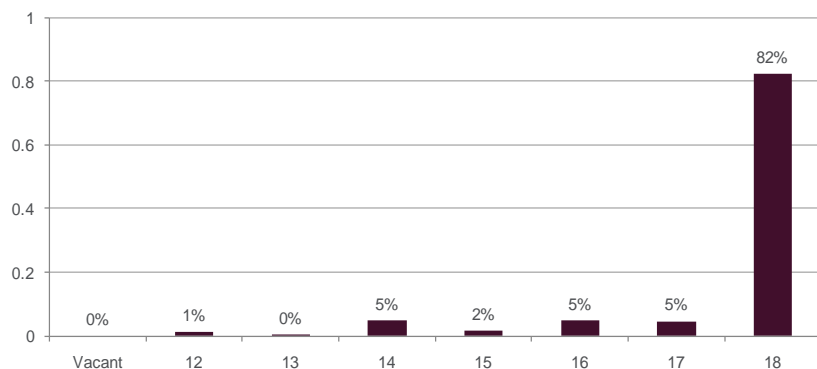
	JUNE 2011 ¹	JUNE 2010	JUNE 2009
Number of Assets	37	25	23 ²
Value (\$m)	1,244.8	756.9	650.0
WALE (years)	9.0	10.0	10.8
No. of Tenants	55	19	17
Industrial	65%	100%	100%
Office	35%	0%	0%
Average Building Age (years)	5.5	7.5	7.4
Average Cap Rate	8.4%	8.6%	8.9%

¹ Includes Energex Nundah

² 44-54 Raglan Street, Preston, VIC was considered one asset at this time. GOZ has subsequently divested Lot 1 and retains Lots 2-4.

Property Portfolio

Lease Expiry Profile – by income



- GOZ's portfolio is characterised by quality tenants and a long WALE
- Current WALE is 9.0 years, one of the longest of any ASX listed A-REIT
- Active asset management has been successfully employed to reduce any potential loss of income in FY12

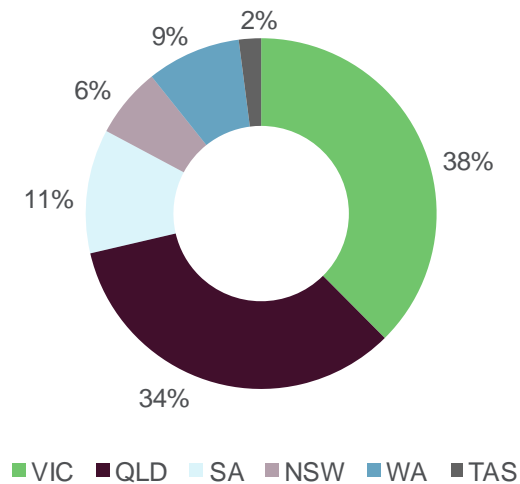
Asset Management Strategies

ADDRESS	TENANT	M ²	% OF PORTFOLIO RENT	MONTH OF POTENTIAL EXPIRY	STATUS
81 Derby Street, Silverwater, NSW	Blue Star Print Group	7,984	1.0%	September 2012	Lease extended to 2017
6 Koomang Road, Scoresby, VIC	VIP Plastics	7,385	0.6%	March 2012	Sold at book value
1304 Femtree Gully Road, Scoresby, VIC	VIP Plastics	7,621	0.7%	January 2012	On the market for sale
31 Garden Street, Kilsyth, VIC	Cummins Filtration	8,828	0.7%	February 2012	Lease extended to 2019
45-55 South Centre Road, Tullamarine, VIC	Willow Ware Australia and 1300 Temp Fence	14,082	0.7%	February 2012	Lease extension negotiations progressing positively
130 Sharps Road, Tullamarine, VIC	The Laminex Group	28,100	1.8%	June 2012	Lease extended to 2022
Lot 1, 44-54 Raglan Street, Preston, VIC	Chemist Warehouse	12,840	1.0%	September 2011	Sold at book value
Total/Average		86,840	6.5%		

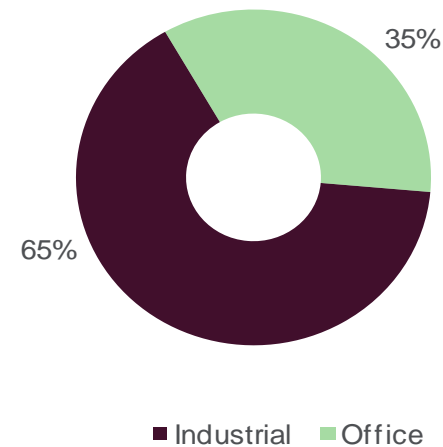
Property Portfolio

- GOZ has a well diversified portfolio geographically, with assets in each state. The portfolio has a 78% weighting to the key Australian Eastern Seaboard States
- GOZ has successfully executed its diversification strategy throughout FY11 having moved from 100% industrial at the commencement of FY11 to a portfolio with a 35% exposure to quality office properties
- GOZ has acquired several quality office assets without diluting the portfolio WALE, whilst improving the average building age of the portfolio. The average capitalisation rate has reduced to 8.4%

Geographic Diversification

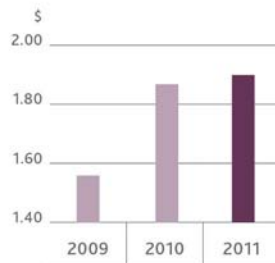


Sector Diversification

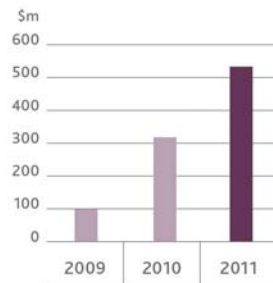


Changes in Equity

SHARE PRICE



MARKET CAPITALISATION



DISTRIBUTIONS PER STAPLED SECURITY



Over 2 years GOZ has:

- Undertaken a placement, 3 rights issues and a scrip takeover, raising over \$450m in new equity
- Increased its share price from \$1.56 to \$1.90 (closing prices at 30 June)
- Paid or declared distributions totalling over \$70m
- Increased annual distributions from 14.0 dps to 17.5 dps (forecast for FY12)

GRT HOLDING AND INVESTMENT IN GOZ



SIGNIFICANT HOLDERS OF GOZ

as at 18 August 2011

GRT	61.04%
EMIRA PROPERTY FUND	8.17%
RABINOV HOLDINGS	7.16%
CORONATION ASSET MANAGEMENT	5.80%
APN FUNDS MANAGEMENT	4.02%

Also over this period:

- GRT decreased its percentage holding from 76% to 61% whilst increasing the quantum of dollars invested from \$200m to over \$320m
- Significant holders have increased from 1 to 5
- Institutions on GOZ's register have increased

Comparative Returns & Focus

COMPARATIVE RETURNS 5 AUGUST 2009 - 30 JUNE 2011*

Cash ¹	4.2%
Australian Bonds ²	5.4%
Australian Shares ⁴	8.7%
A-REITS (Listed Property) ³	11.1%
GOZ ⁵	22.9%

* All figures are annualised

- Since August 2009, GOZ has outperformed all of the major indices
- GOZ is focused on providing growing and secure distributions
- GOZ is providing guidance of 17.5 dps for FY12 (a distribution yield of 9.3% based on recent rights issue price of \$1.90)
- Increased trading volumes should lead to GOZ being included in the S&P / ASX 300
- GOZ will continue to provide frequent, timely and fulsome updates to its investors

COMPARATIVE RETURNS FOR YEAR ENDED 30 JUNE 2011



NOTES	ITEM	SOURCE
1	CASH	RBA Cash Rate
2	AUSTRALIAN BONDS	Australian 10 year bond rate (average)
3	A-REITS (LISTED PROPERTY)	S&P/ASX 300 Prop Acc. Index - IRESS
4	AUSTRALIAN SHARES	S&P/ASX 300 Acc. Index - IRESS
5	GOZ	IRESS

Strategy



Industrial

- Quality base of industrial properties of \$813.1m
- Market changing in AUS with new entrants and consolidation of ownership, however, still opportunities



Office

- Preferred sector of new investment
- Office markets to outperform over 5 year period
- Preference to invest in modern properties that have (or have potential) to maintain a high NABERS rating



Retail

- Lowest yielding asset class
- Market uncertainty due to online retailing, changing retail formats, consumer weakness
- GOZ will consider expansion opportunities should appropriate opportunities arise



Equity

- Cost of equity high for quality of property portfolio
- Liquidity in GOZ to improve over time
- S&P/ASX index inclusion a short term goal



Debt

- Lower bank debt cost
- Review swap book regularly
- Diversify debt into capital markets where cost is competitive to bank debt
- Reduce gearing level as cost of equity lowers



Cost of Capital

- Lower cost of capital assists in making distribution accretive acquisitions
- Consistent, rising distribution will increase ASX price over time

Strategy

Demonstrated transactional ability

- **Individual property acquisitions**
 - Examples: World Park Office Building, Adelaide (\$46.5 m); and Coles, Goulburn (\$65.5m)
 - Strategy: Purchase quality properties on market via real estate agents and off market directly through the vendor
- **Property portfolios**
 - Example: Property Solutions Group portfolio of 7 assets (\$171.5m)
 - Strategy: Buy a quality property portfolio from an experienced developer. Establish strategic relationships
- **Development**
 - Example: Energex Nundah (\$82.5m)
 - Gain access to quality property investment, 80% pre-committed to Energex and Powerlink (QLD Govt) via land purchase and development fund through
- **Corporate activity (M & A)**
 - Example: Rabinov Property Trust (\$184m)
 - Negotiate a “friendly” takeover of an ASX listed trust, retaining quality assets that meet GOZ’s investment criteria
 - Used GOZ scrip as consideration for the transaction

Benefits of Growth

- **Diversify property portfolio**
 - Returns from property sectors are different over time
 - Tenant diversification - reduces risk of a concentrated tenant insolvency
- **Drive distribution growth**
 - Transactions can be accretive to distributions and reduce the risks to the distribution profile
- **Improvement to access to capital**
 - Free float increase / greater institutional investor interest and trading
 - S & P / ASX Index inclusion
 - Greater research coverage
 - Capital markets for part of debt

Summary & Outlook

- **GOZ – simple and proven business model**

- Hold a quality, diversified property portfolio with quality tenants. 100% occupancy and long WALE of 9.0 years
- The assets are owned “on balance sheet” and are controlled by GOZ
- Revenue of GOZ comes from rent from leases with fixed annual reviews resulting in revenue increasing over time
- GOZ invests in property markets it understands, within Australia
- Security holders own the property assets together with the manager or responsible entity; no fee leakages to third party fund managers or conflicts of interests
- GOZ is not a developer but will enter into development arrangements with experienced, reputable parties, where lease pre-commitments are in place

- **Positive outlook**

- Continue to manage the portfolio to maximise income to securityholders
- Leasing strategy for FY12/13 expiries, concentration on integration of RBV properties into GOZ and oversight of Energex Nundah
- Review property acquisition opportunities where they meet GOZ’s strict investment criteria
- Distribution guidance for FY12 of 17.5 cps, providing an attractive distribution yield of 9.2% at \$1.90 (price of recent capital raising)