

Growthpoint Properties Australia (ASX Code: GOZ)

Half Year Results Presentation Six Months Ended 31 December 2011

20 February 2012

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

CB2, 42 Merivale St, South Brisbane, QLD



GROWTHPOINT
PROPERTIES

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GROWTHPOINT
PROPERTIES



Glossary & Disclaimer

A-IFRS	Australian International Financial Reporting Standards
A-REIT	Australian Real Estate Investment Trust
Balance Sheet Gearing	borrowings divided by total assets
cps	cents per stapled security
dps	distributions per stapled security
Distributable Income	net profit excluding any adjustments for A-IFRS or other accounting standards/requirements
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)
Fox Sports, Gore Hill	the building to be constructed at 219-247 Pacific Hwy, Artarmon, New South Wales (refer to the Rights Offer Booklet dated 20 Dec 2011 and to the ASX announcement made on the same date for further details)
GOZ or 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 currently holds 64.5% of GOZ)
HY2011	the 6 months ended 31 December 2010
HY2012	the 6 months ended 31 December 2011
FY2011	the 12 months ended 30 June 2011
FY2012	the 12 months ending 30 June 2012
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
MER	"management expense ratio" calculated by dividing all operating expenses by the average gross assets (calculated monthly) for the period where operating expenses equals "other expenses from ordinary activities" as shown on the Statement of Comprehensive Income

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Overview

HY2012 results in line with guidance

PP 3-5

- ▷ Statutory profit: \$26.9 million, an 8.2% increase from HY2011
- ▷ Distributable profit: \$24.9 million, a 57.5% increase from HY2011
- ▷ 8.7cps distribution, 3.6% above HY2011 (7.5 cps for GOZN)
- ▷ 9.1% total return for calendar year to 31 December 2011

Capital management

PP 6-7

- ▷ Extended average debt maturity profile to 4 years
- ▷ Tranching debt maturities
- ▷ LVR 49.7%; ICR 2.1 x
- ▷ 99% of debt is now hedged

Comparative Return & Equity Growth

PP 8-10

- ▷ Significantly expanded market capitalisation and free float
- ▷ Outperformed A-REITs and broader market
- ▷ 2 rights offers fully taken-up raising \$289 million (including underwriting by GRT)

Quality investment property portfolio

PP 11-13

- ▷ 2.1% rise in property portfolio value due to property valuation increases
- ▷ 100% occupancy
- ▷ 100% tenant retention
- ▷ Diversified by location, sector and tenant

Summary

PP 14

- ▷ Diversified property portfolio valued at over \$1.5 billion¹
- ▷ Quality tenants with long WALE and growing rental
- ▷ Continuation of business model: providing secure, growing returns from rent
- ▷ FY2012 guidance of 17.5 cps for GOZ



32 Cordelia St, South Brisbane, QLD



38-40 Annandale Rd, Tullamarine, VIC

¹ Includes Energex, Nundah and Fox Sports, Gore Hill using independent valuations on completion

Financial Results

	HY 2012	HY 2011	CHANGE	% CHANGE
Statutory accounting profit (\$'000)	26,881	24,847	2,034	8.2%
Distributable income (\$'000)	24,944	15,837	9,107	57.5%
Distributions paid / payable (\$'000)	24,748	15,811	8,937	56.5%
Distributions per stapled security (cents)	8.7	8.4	0.3	3.6%
Payout ratio	99.2%	99.8%	N/A	-0.6%
Calendar year ICR (times)	2.1	2.0	0.1	5.7%
Calendar year MER	0.4%	0.4%	0.0	N/A

	AS AT 31 DEC 2011	AS AT 30 JUN 2011	CHANGE	% CHANGE
Total assets (\$'000)	1,450,091	1,190,110	259,981	21.8%
Securities on issue ('000)	291,904	212,778	79,126	37.2%
NTA per security (\$)	1.99	2.01	(0.02)	-1.0%
LVR	49.7%	55.8%	N/A	-6.1%

Distributable Income

	HY2012	HY2011	CHANGE	CHANGE
	(\$'000)	(\$'000)	(\$'000)	%
Property income	56,915	40,985	15,930	38.9%
Property expenses	(6,830)	(4,131)	(2,699)	65.3%
Net property income	50,085	36,854	13,231	35.9%
Interest income	1,332 ¹	413	919	222.5%
Total operating income	51,417	37,267	14,150	38.0%
Borrowing costs	(24,106)	(19,666)	(4,440)	22.6%
Operating and trust expenses	(2,317)	(1,764)	(553)	31.3%
Total operating and trust expenses	(26,423)	(21,430)	(4,993)	23.3%
Current tax expenses	(50)	-	(50)	N/A
Distributable income	24,944	15,837	9,107	57.5%
Distributions paid/payable	24,748	15,811	8,937	56.5%
Tax components	100% tax deferred (forecast)	88% tax deferred 12% tax free		

¹ Includes coupon interest received on the development of Energex, Nundah



572-576 Swan St, Richmond, VIC



572-576 Swan St, Richmond, VIC

Financial Position

	AS AT 31 DEC 2011	AS AT 30 JUN 2011
ASSETS	(\$'000)	(\$'000)
Cash and cash equivalents	24,321	24,144
Investment properties ¹	1,422,709	1,157,703
Other assets	3,061	8,263
Total assets	1,450,091	1,190,110

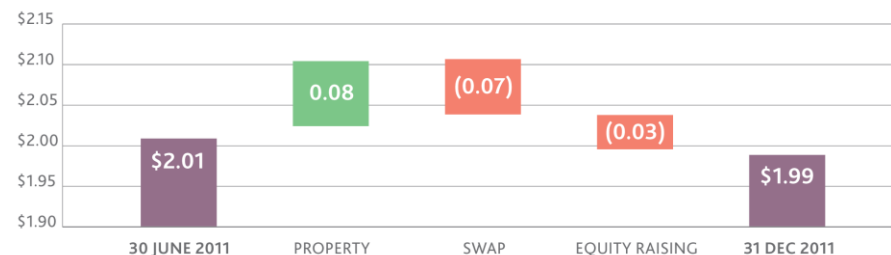
LIABILITIES		
Borrowings	606,288	667,242
Distributions payable	24,748	20,669
Liability for settlement of investment properties ²	196,354	-
Derivative financial instruments	32,706	11,936
Other liabilities	10,297	11,699
Total liabilities	870,393	711,546
Net assets	579,698	478,564

Securities on issue ('000)	291,904	212,778
NTA per security (\$)	1.99	2.01

¹ Includes value of properties that settled post balance date as well as Energex, Nundah as a receivable

² Excludes Fox Sports, Gore Hill

CHANGE TO NTA OVER PERIOD



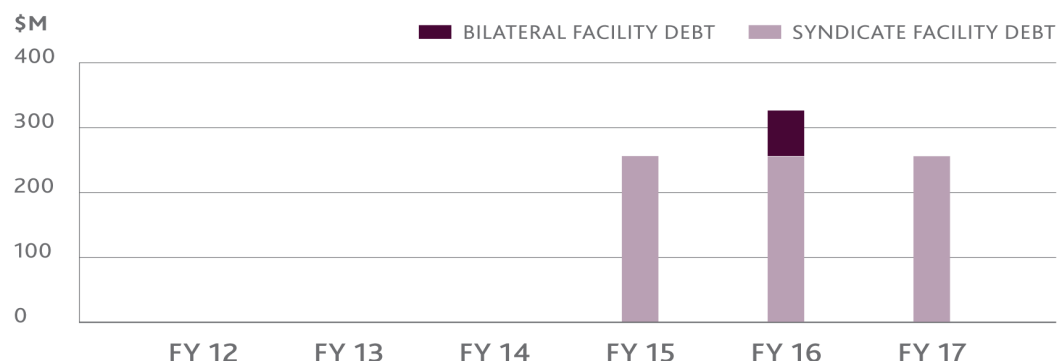
599 Main North Road, Gepps Cross, SA

Debt & Capital Management

Debt Maturity Profile

- Weighted average maturity of debt is 4.0 years as at 31 Dec 2011 (with revised SFA and BILAT in place)

FACILITY EXPIRY PROFILE



Worldpark, 33-39 Richmond Road, Keswick, SA



Syndicated facility agreement (SFA)

- Increased facility by \$105 million to \$765 million, effective 1 Feb 2012
- Tranched facility into 3 tranches of \$255 million each with maturing of Dec 2014, Dec 2015 & Dec 2016 respectively
- Syndicate members are NAB, Westpac & ANZ

Bilateral debt facility (BILAT)

- \$70 million facility with NAB to fund through the development of Fox Sports, Gore Hill
- Matures on 30 Apr 2016
- Helped to diversify debt and maturity dates

FINANCIAL COVENANTS	SFA	BILAT
Default LVR	65.0%	65.0%
LVR at 31 Dec 2011	49.7%	*
Default ICR	1.4 x	1.6 x
ICR for year to 31 Dec 2011	2.1 x	*

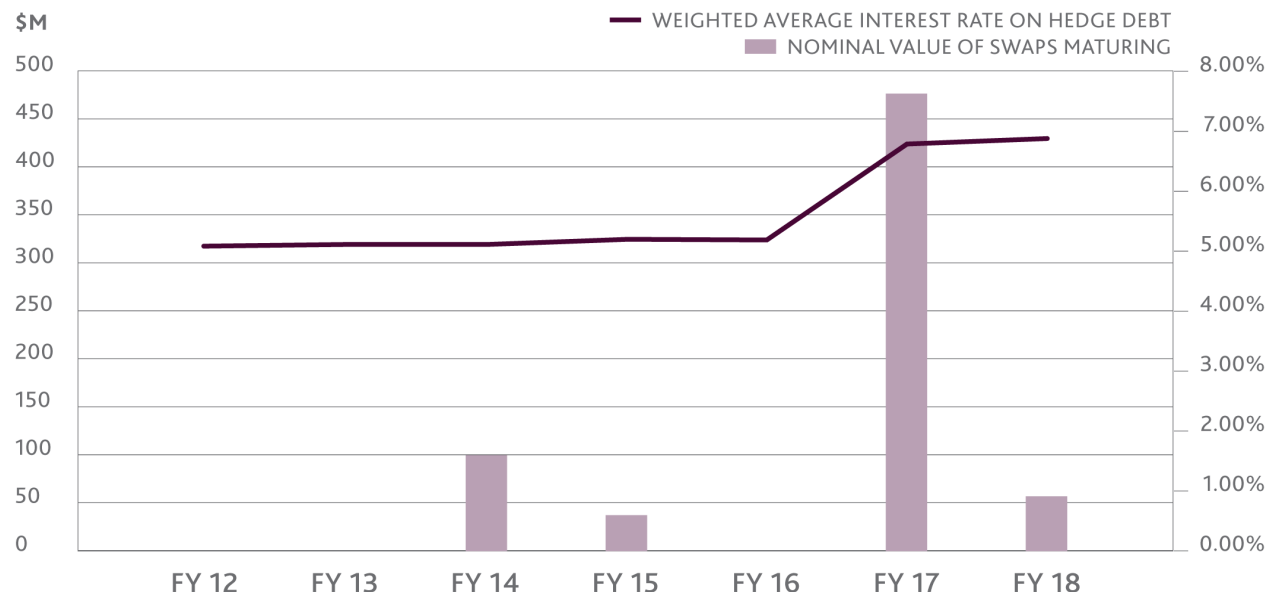
* The bilateral facility came into effect on 17 Feb 2012

Debt & Capital Management



81 Derby Street, Silverwater, NSW

HEDGING MATURITY PROFILE¹

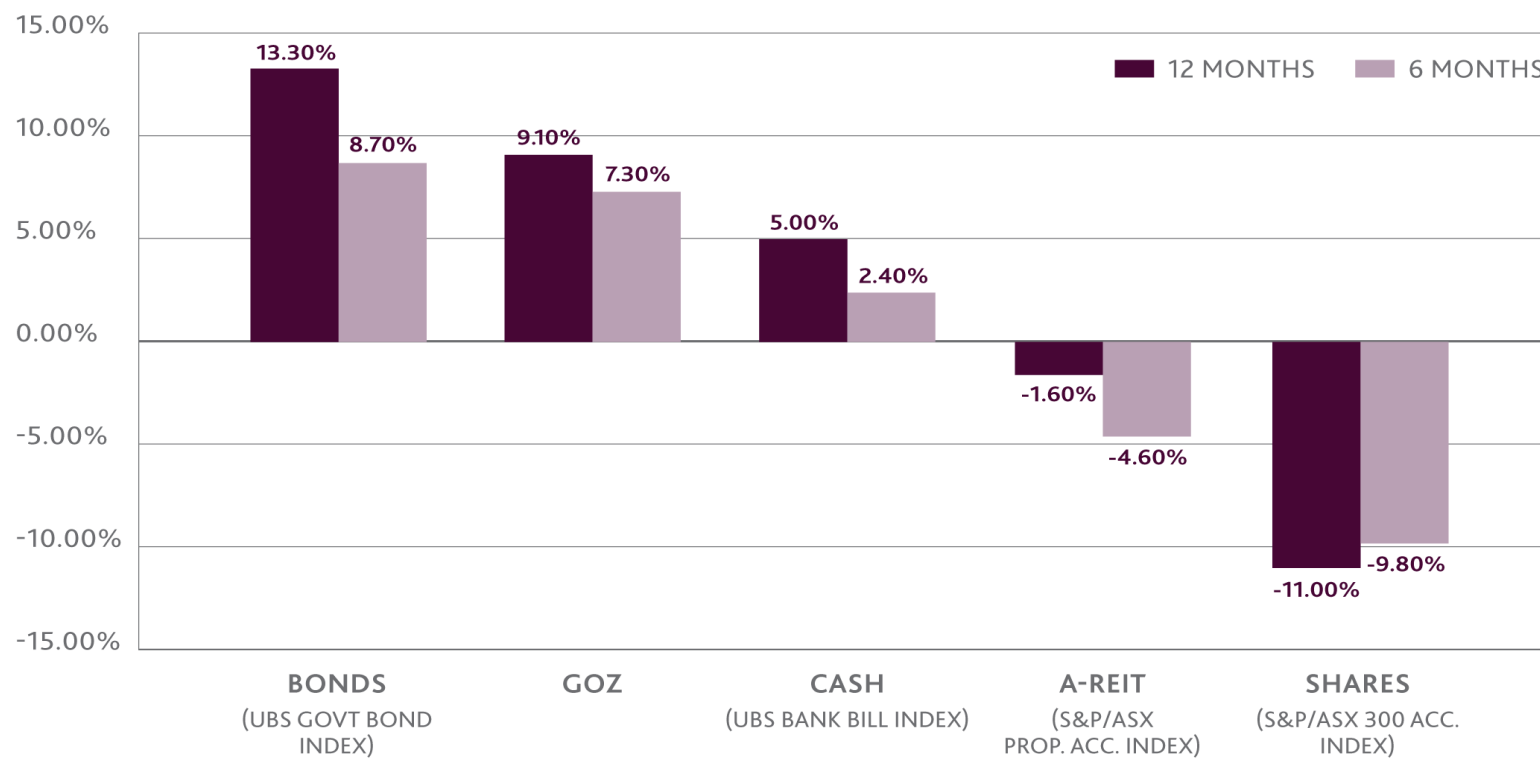


- Swaps restructured to better match debt maturity and take advantage of low swap rates
- Two new 5 year \$50 million forward start swaps at 4.15% per annum and 4.13% per annum respectively, were entered to maintain high level of hedging with new debt being drawn. Swaps started on 1 Feb 2012
- As at 31 Dec 2011
 - Amount of debt hedged 94%
 - Weighted average interest rate on hedged debt 5.10% per annum¹
 - Weighted average duration of hedged debt 4.4 years

¹ Excluding line fees and margin but including forward start swaps

Comparative Returns

TOTAL RETURN COMPARISON TO 31 DECEMBER 2011¹



1. Source: UBS Investment Research.

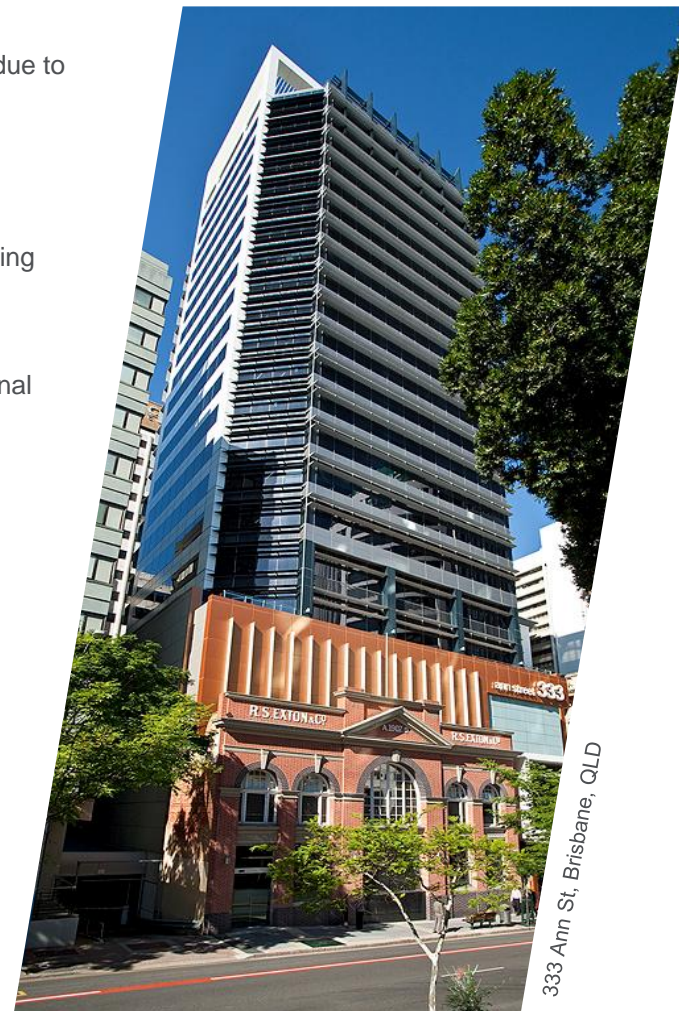
- GOZ has outperformed A-REIT benchmarks over the last 6 and 12 months
- GOZ's high distribution yield provides much of the total return

Rights Offer Overview

- Raised \$166.4 million by a fully taken-up¹ rights offer that closed in Jan 2012
- Coronation Asset Management increased its stake to 8%, GRT increased to 64.5% (due to underwriting)
- 86% take-up before GRT underwrite
- Significant take-up by most investors
- Issued 87.6 million new securities at \$1.90 per stapled security
- New securities initially trade under “GOZNA” until 26 Jun 2012
- Funds used to acquire three completed office buildings in Brisbane and an office building being developed in North Sydney including GOZ's:
 - First CBD property
 - First office property in New South Wales
- Previous \$102.6 million July 2011 rights offer also fully taken-up (including 3% additional take-up by GRT)



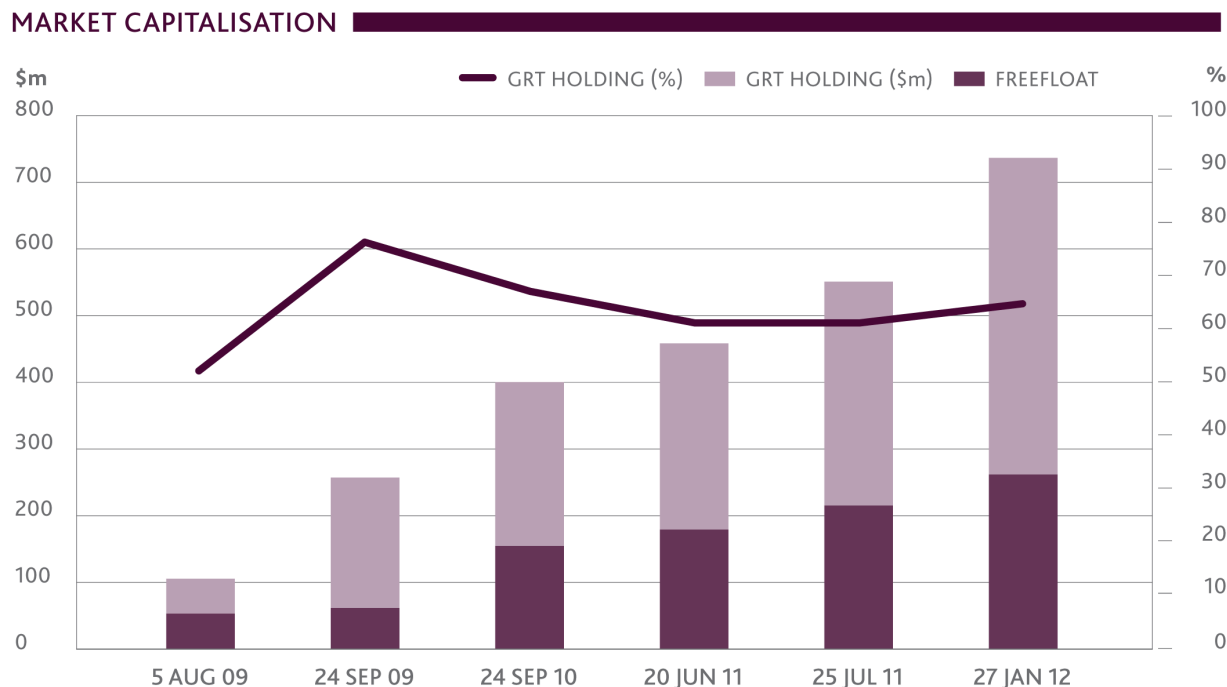
Fox Sports, Gore Hill, NSW
(artist's impression)



333 Ann St, Brisbane, QLD

¹ Includes additional take-up by GRT and other existing investors via underwriting arrangements

Growth in Market Capitalisation & Free Float¹



5 Aug 2009 stapling of Trust and Company, market capitalisation \$104 million, GRT holding 50.1%, free float \$52 million

24 Sep 2009 allotment of 90 million rights offer securities at \$1.60, market capitalisation \$256 million, GRT holding 76.2%, free float \$61 million

24 Sep 2010 allotment of 53 million rights offer securities at \$1.90, market capitalisation \$400 million, GRT holding 67.6%, free float \$129 million

20 Jun 2011 completion of scrip-for-scrip takeover of Rabinov Property Trust, market capitalisation \$457 million, GRT holding 61.0%, free float \$178 million

25 Jul 2011 allotment of 54 million rights offer securities at \$1.90, market capitalisation \$550 million, GRT holding 61.0%, free float \$215 million

27 Jan 2012 allotment of 88 million rights offer securities at \$1.90, market capitalisation \$721 million, GRT holding 64.5%, free float \$261 million

¹ In these figures, "GOZN" and "GOZNA" securities are valued at their issue price of \$1.90.

Property Portfolio¹



120 Northcorp Blvd, Broadmeadows, VIC



22 Cordelia St, South Brisbane, QLD



INDUSTRIAL							OFFICE							TOTAL						
No. of properties	27						13						40							
Total / average value	\$824.4 million			\$30.5 million			\$729.3 million			\$56.1 million			\$1,553.7 million			\$38.8 million				
% of portfolio value	53%						47%						100%							
Total / average lettable area	753,668 square metres			27,914 square metres			131,519 square metres			10,117 square metres			885,187 square metres			22,130 square metres				
Average property age	7 years						3 years						5 years							
Average valuation cap rate	8.4%						8.2%						8.3%							
Average fixed rent growth	2.8%						3.6%						3.2%							
Over (under) renting	4.0%						4.4%						4.2%							
WALE	9.0 years						6.6 years						7.8 years							
Geographic diversification	QLD	VIC	SA	NSW	WA	TAS	QLD	VIC	SA	NSW	WA	TAS	QLD	VIC	SA	NSW	WA	TAS		
	25%	43%	9%	10%	13%	0%	59%	17%	10%	11%	0%	3%	41%	30%	9%	11%	7%	2%		
Lease expiry profile	FY12	FY13	FY14	FY15	FY16	FY17+	FY12	FY13	FY14	FY15	FY16	FY17+	FY12	FY13	FY14	FY15	FY16	FY17+		
	0%	0%	3%	1%	4%	92%	1%	1%	13%	13%	11%	61%	1%	1%	8%	7%	7%	77%		

¹ Assumes completion of properties under development Energex, Nundah and Fox Sports, Gore Hill

Development Assets & Analysis



Fox Sports, Gore Hill, NSW (artist's impression)



Energex, Nundah, QLD (artist's impression)

Value on completion:	\$82,700,000	\$82,500,000
Net lettable area²:	12,910m ²	14,136m ²
Yield on costs:	8.10%	8.25%
Practical completion expected:	Late 2012/Early 2013	November 2012
WALE at completion:	7.6 years ¹	13.7 years ¹
Target NABERS rating:	5 star	4.5 stars
Target Green Star rating:	5 star	5 star

¹ Includes rent guarantee from developer

² Subject to survey on completion

Redevelopment / Expansion Potential

Office

- GE, Richmond. Scope for additional building at site 10,000m² to 12,000m² of NLA

Industrial

- Portfolio site coverage ratio = 36%
- Woolworths distribution centres (54% of industrial portfolio) site coverage ratio = 30%
- Expansions assist tenant retention and extension of leases
- Woolworths Mulgrave long term alternate use - 19 hectares adjoins Mirvac housing estate

Quality, new, pre-committed office assets with high green credentials

Property Markets

OFFICE		INDUSTRIAL		RETAIL	
Investment Yields	↔	Investment Yields	↓	Investment Yields	↔
Rent Growth	↑	Rent Growth	↔	Rent Growth	↓
Vacancy Rates	↓	Tenant Demand	↔	Retail Turnover	↔
Net Absorption	↑	New Supply	↑	Interest Rates / Unemployment	↓ / ↑
<p>Over the past 6 months, conditions across the office markets have been favourable. Throughout 2011, Australian CBD office markets recorded positive net absorption which was approximately 20% above the 10-year average. National vacancy rates have fallen from 7.9% a year ago to 7.2% with the downwards trend expected to continue in key markets, particularly in areas such as South Brisbane and Melbourne. Prime rents have increased across a number of markets, and we expect further growth in the coming years. Growthpoint maintains its positive view of the office market, particularly the Brisbane CBD, Brisbane Fringe and Melbourne Fringe markets.</p>		<p>Tenant demand slowed during the year with gross take-up for 2011 down on the previous year. However, forward indicators suggest that industrial demand will remain positive and the recovery in leasing and development activity will continue. Rents for prime grade stock remained generally steady with growth in some locations. Investment activity remains strong, particularly for well located, prime grade properties with long tenant tenure and good covenants. Growthpoint maintains a positive outlook for the industrial property market.</p>		<p>The retail property market remains reasonably subdued, experiencing flat retail turnover and tough trading conditions particularly in discretionary retail. Tenant demand remains generally soft, however supermarkets and food retailers broke this trend over the past half year. Whilst vacancy currently remains low, centre managers will likely have to offer lower face rents and higher incentives to maintain high occupancy, which is likely to have a direct impact on future investment yields. Growthpoint continues to watch the retail property market.</p>	



32 Cordelia St, South Brisbane, QLD



10 Gassman St, Yatala, QLD



33-39 Richmond Road, Keswick, SA

Summary

- Since August 2009, GOZ has built and diversified its property portfolio to in excess of \$1.5 billion¹
 - Raised equity of \$619 million via a placement, four rights issues and a scrip-for-scrip takeover
 - Twenty properties purchased for \$835 million
- Key characteristics of the property portfolio are:
 - Quality tenants: Woolworths, General Electric, Coles Group, SKM, Energex, State and Federal Government
 - Long leases: Industrial WALE 9.0 years, office WALE 6.6 years, portfolio WALE 7.8 years
 - Modern buildings: Average age industrial portfolio 7.0 years, office portfolio 3.0 years, entire portfolio 5.0 years
 - Growing rental income: Average fixed rental growth of 3.2% per annum
- GOZ has a defined strategy and simple business model
 - Landlord, collecting rental income: Not a fund manager, developer or lender
 - Distribution clarity: Income is solely derived from rent under leases and similar occupation licences. 100% occupancy with limited lease expiries to FY2015
 - Diversification: Optimise the quality of income streams by diversifying the portfolio to office, industrial and retail property markets
 - Concentration:
 1. Asset and property management strategies for new acquisitions.
 2. Bringing 2 office projects to completion in 2012.
 3. Expansion, releasing and other opportunities within the portfolio.
 4. Acquisition opportunities where they meet GOZ's investment criteria.
- Guidance: remains 17.5 cps for FY2012

¹ Includes Energex, Nundah and Fox Sports, Gore Hill using independent valuations at completion

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Thank you

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