

GROWTHPOINT PROPERTIES AUSTRALIA (ASX CODE: GOZ)

# ANNUAL RESULTS PRESENTATION

*for the year ended 30 June 2014*

18 August 2014

*Growthpoint Properties Australia Trust  
ARSN 120 121 002*

*Growthpoint Properties Australia Limited  
ABN 33 124 093 901 AFSL 316409*

**GROWTHPOINT**  
PROPERTIES

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## EXECUTIVE MANAGEMENT TEAM





# FY14 OVERVIEW



Timothy Collyer  
Managing Director



INDUSTRIAL PORTFOLIO:  
27-49 LENORE DRIVE, ERSKINE PARK, NSW

# KEY RESULTS FOR FY14

## STRATEGY & PERFORMANCE

**18.6%p.a.**

TOTAL SECURITYHOLDER RETURN  
*for 5 years to 30 June 2014<sup>1</sup>*

**\$331.5m**

NEW EQUITY RAISED  
*during FY14 – largest year to date*

**132<sup>nd</sup>**

LARGEST ENTITY ON THE ASX  
*by market capitalisation*

*Continuation of  
existing strategy*

**10.8%**

FY14 TOTAL  
SECURITYHOLDER RETURN<sup>1</sup>

**20.0cps**

FY14 EARNINGS  
*at top of guidance range*

**15<sup>th</sup>**

LARGEST A-REIT ON ASX  
*by market capitalisation*

1. Source: UBS Investment Research.



OFFICE PORTFOLIO: 33-39 RICHMOND ROAD, KESWICK, SA



# KEY RESULTS FOR FY14

## PROPERTY

OVER

**124,000m<sup>2</sup>**

OF NEW AND EXTENDED LEASING  
DURING FY14

*Out of a 1,036,740m<sup>2</sup> portfolio*

**\$345.1m**

OF PROPERTY ACQUIRED  
DURING FY14

*Largest year to date*

PROPERTY PORTFOLIO  
VALUED AT

**\$2.1B**

*as at 30 June 2014*

**6.9yrs**

WALE

*up from 6.8 years at 30 June 2013*



INDUSTRIAL PORTFOLIO: 70 DISTRIBUTION STREET, LARAPINTA, QLD

# KEY RESULTS FOR FY14

## FINANCIAL MANAGEMENT

FY14 DISTRIBUTION  
GUIDANCE OF

**19.0cps**

ACHIEVED

INCREASE  
IN NTA

**8%**

OVER FY14 TO \$2.16

GEARING  
REDUCED TO

**40.9%**

FY14 RETURN  
ON EQUITY (ROE)

**17.5%**

*Investment grade  
rating issued by Moody's*



INDUSTRIAL PORTFOLIO: 10 GASSMAN DRIVE, YATALA, QLD

# GOZ'S JOURNEY

2009<sup>1</sup>

**\$650m**

*in property assets*

*100% industrial*

**11.0yrs**

*WALE*

**2.7%p.a.**

*WARR<sup>2</sup>*

**75%**

*Gearing*

*One debt facility  
with two major banks  
with a single maturity  
maturing in 2 years*

**\$113m**

*Market Capitalisation*

**\$27m**

*Freefloat*

*Growing distributions,  
quality tenants*

*Externally managed  
with investors charged  
external management  
fees plus costs and  
performance fees*

2014<sup>1</sup>

**\$2.1B**

*in property assets*

*50% industrial /  
50% office*

**6.9yrs**

*WALE*

**3.2%p.a.**

*WARR<sup>2</sup>*

**40.9%**

*Gearing*

*Two debt facilities  
with three major banks  
maturing in 3-5 years*

**\$1.3B**

*Market Capitalisation*

**\$399m**

*Freefloat*

*Growing distributions,  
quality tenants*

*Internally managed  
with low management  
expenses and no funds  
management fees to  
external parties*

*Technical requirements  
for ASX/S&P 300 Index  
inclusion met*

*Investment grade rated  
by Moody's*

*Respected A-REIT  
with a reputation for  
delivering superior risk-  
adjusted returns*

*Good corporate citizen*

1. As at 30 June. 2. Assumes CPI of 3.0% per annum as per ABS release for the year to 30 June 2014.



INDUSTRIAL PORTFOLIO: 130 SHARPS ROAD, MELBOURNE AIRPORT, VIC



# STRATEGY & PERFORMANCE



Aaron Hockly  
Company Secretary  
& General Counsel



# KEY ACHIEVEMENTS







## FOR THE FIVE YEARS TO 30 JUNE 2014

WHAT WE SAID WE WOULD DO	WHAT WE ACHIEVED	STATUS
Increase distributions to Securityholders	Distributions have increased steadily each year from 14.0 cents for FY10 to 19.0 cents for FY14 (35.7% growth) with 19.7 cents forecast for FY15 (40.7% growth)	✓
Recapitalise	Raised over \$1 billion in new equity through six rights offers, five DRPs, two placements and one scrip takeover	✓
Internalise management	<ul style="list-style-type: none"> <li>› Securityholders own both the Trust which owns the properties and the manager of the Trust</li> <li>› The Group has an established and proven board and management team</li> </ul>	✓
Operate as a “pure” commercial landlord	GOZ has maintained its commitment to being a pure landlord with all assets on balance sheet, 100% of income derived from rent under leases to quality tenants (or ancillary to such ownership), no off-shore investments, no funds management and all assets being industrial or office properties	✓
Diversify Securityholder register	<ul style="list-style-type: none"> <li>› Capital raisings and increased freefloat<sup>1</sup> have enabled a larger number of Securityholders to own GOZ securities including a large number of institutions in South Africa, Australia and elsewhere</li> <li>› GRT's holding reduced from 76.2% to 64.0%</li> </ul>	✓
Increase size of the Group	<p>2009: assets \$650 million<sup>2</sup></p> <p>2014: assets \$2.1 billion<sup>3</sup></p>	✓
Increase market capitalisation	<p>2009: market capitalisation \$113 million; ranked 435<sup>th</sup> on ASX<sup>3</sup></p> <p>2014: market capitalisation \$1.3 billion; ranked 132<sup>nd</sup> on ASX<sup>3</sup></p>	✓

1. Freefloat: securities considered available for trading on the ASX. For Growthpoint, this is the market capitalisation less securities held by GRT and Emira Property Fund in accordance with Standard & Poor's released guidelines. 2. As at 5 August 2009. 3. As at 30 June.

# KEY ACHIEVEMENTS

## FOR THE FIVE YEARS TO 30 JUNE 2014 *(continued)*





WHAT WE SAID WE WOULD DO	WHAT WE ACHIEVED	STATUS
Increase freefloat	<p>2009: freefloat \$27 million or 27%<sup>2</sup></p> <p>2014: freefloat \$399 million, or 31%, making GOZ the 205<sup>th</sup> ASX listed entity by freefloat<sup>3</sup></p>	
Inclusion in the S&P/ASX 300 index	<p>GOZ would readily qualify for S&amp;P/ASX 300 index inclusion by market capitalisation and freefloat as ranked 132<sup>nd</sup> and 205<sup>th</sup> respectively at 30 June 2014, however, daily trading volumes were insufficient for inclusion at last index rebalance date (February 2014)</p> <p>Trading volumes to the date of this report have been above the required level so, if continued until the end of August, the Group is well placed for index inclusion in September<sup>4</sup></p>	
Increase research coverage	<p>2009: one research provider covering GOZ<sup>2</sup></p> <p>2014: seven research providers covering GOZ<sup>3</sup></p>	
Make gearing appropriate for portfolio and market conditions	<ul style="list-style-type: none"> <li>› Gearing reduced from over 75% at 30 June 2009 to 40% at 30 June 2014</li> <li>› Target gearing range of 40%-45% introduced</li> <li>› Average debt expiry increased from 2 years to 3 years</li> <li>› Single debt maturity replaced with staggered expiries</li> </ul>	
Reduce debt costs	<p>2010: all-in debt costs 8.0%<sup>5</sup></p> <p>2014: all-in debt costs 5.8%<sup>5</sup></p>	
Obtain credit rating	<p>Moody's issued the Group with an investment grade rating in August 2014 of Baa2 for senior secured debt</p>	

2. As at 5 August 2009. 3. As at 30 June. 4. This is based on Standard & Poor's published index criteria. However, Standard & Poor's retain discretion to admit on rebalance date.  
5. For year to 30 June.



# KEY ACHIEVEMENTS

## FOR THE FIVE YEARS TO 30 JUNE 2014 *(continued)*

WHAT WE SAID WE WOULD DO	WHAT WE ACHIEVED	STATUS
Expand property portfolio	Acquired 31 properties worth over \$1.3 billion over five years to 30 June 2014	
Diversify property portfolio by sector, location and individual assets	<p>2009: 28 industrial properties valued at \$650 million across five States primarily in Victoria<sup>3</sup></p> <p>2014: 51 office and industrial properties in every State in Australia and the ACT valued at \$2.1 billion with close to a third of value in each of Qld, Vic and NSW<sup>3</sup></p>	
Diversify tenant base	<p>2009: Approximately 70% of revenue from Woolworths<sup>5</sup></p> <p>2014: Woolworths 24% of income, NSW Police 10%, GE 6%, Linfox 5%, Commonwealth of Australia 4%, Jacobs Engineering 3%, Energex 3%, Fox Sports 2%, Star Track Express 2% among other high quality tenants<sup>5</sup></p>	
Not dilute asset quality	Assets have only been acquired where they add to the overall portfolio quality and enhance or secure distributions to Securityholders	

3. As at 30 June. 5. For year to 30 June.

# KEY STRATEGIES

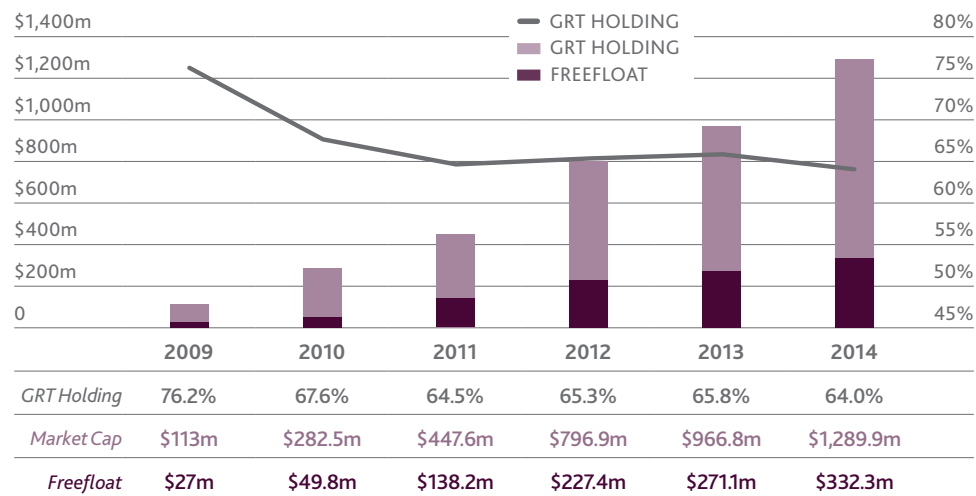
- 1 *Increase distributions to securityholders*
- 2 *Keep growing where opportunities are available*
- 3 *Focus on property fundamentals first*
- 4 *Continue as a “pure landlord”*
- 5 *Maintain simple and transparent business*



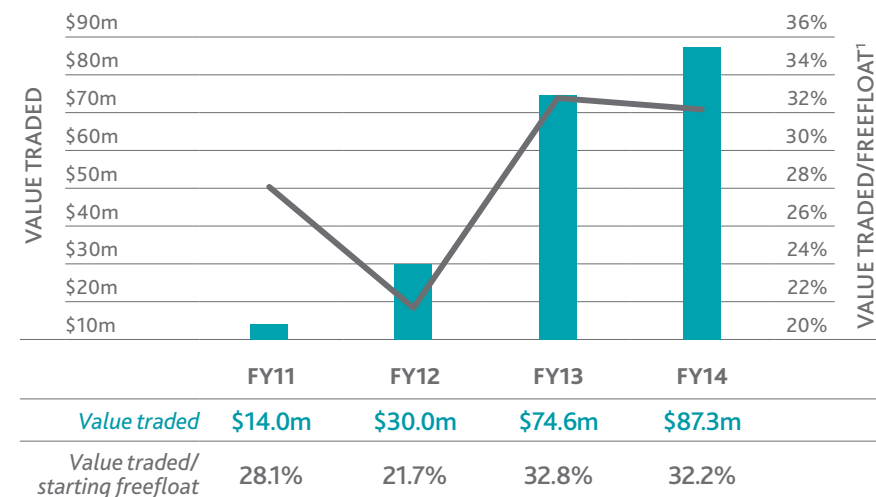
INDUSTRIAL PORTFOLIO: 51-65 LENORE DRIVE, ERSKINE PARK, NSW

# EQUITY CAPITAL

## MARKET CAPITALISATION AND FREEFLOAT<sup>1</sup>



## HISTORICAL LIQUIDITY ANALYSIS



Source: Merrill Lynch.

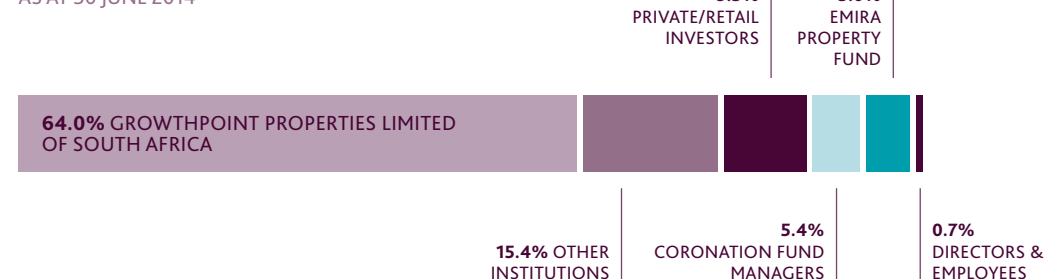
## LOCATION OF GOZ SECURITYHOLDERS<sup>2</sup>

AS AT 30 JUNE 2014



## SIGNIFICANT HOLDERS OF GOZ<sup>2</sup>

AS AT 30 JUNE 2014



1. Freefloat: securities considered available for trading on the ASX. For Growthpoint, this is the market capitalisation less securities held by GRT and Emira Property Fund in accordance with Standard & Poor's released guidelines.

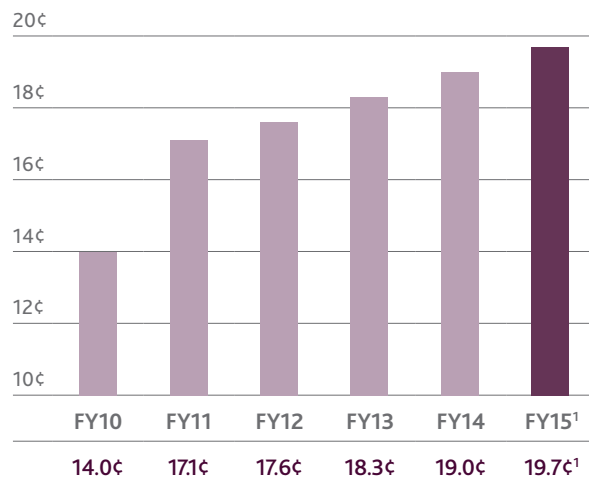
2. Figures are approximate.



# DISTRIBUTIONS & SECURITY PRICE

## DISTRIBUTIONS

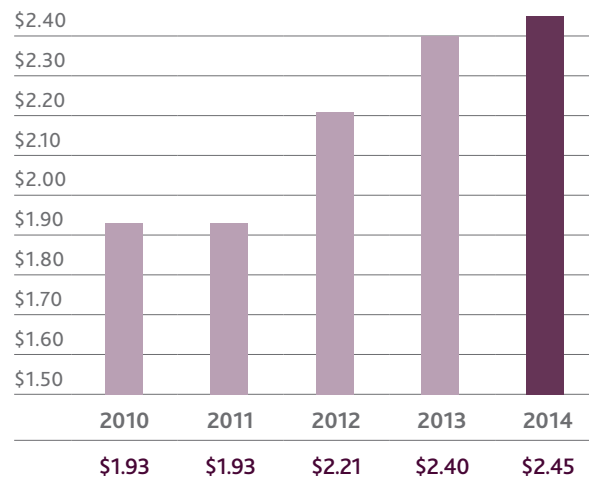
PER STAPLED SECURITY AS AT 30 JUNE



1. Distribution guidance only.

## SECURITY PRICE

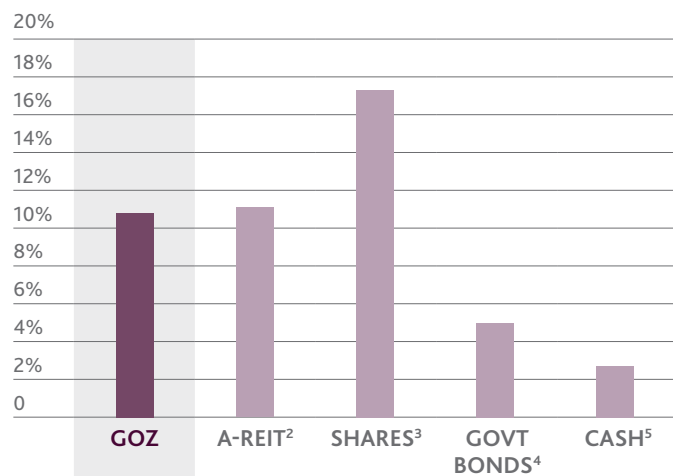
AS AT 30 JUNE



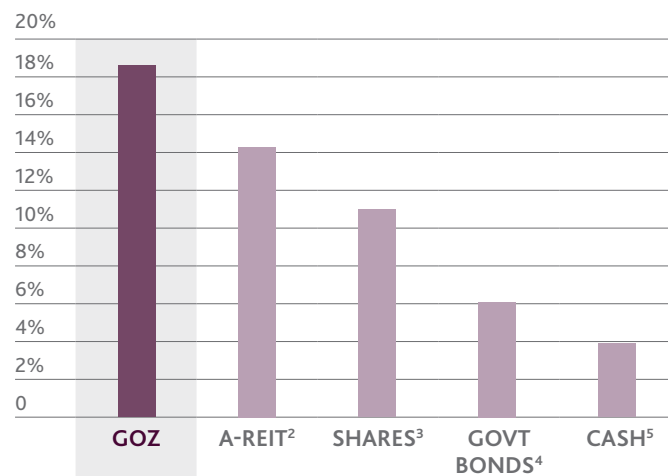
OFFICE PORTFOLIO: CB2, 42 MERIVALE STREET, SOUTH BRISBANE, QLD

# GOZ RETURNS FY10-FY14

## TOTAL RETURN COMPARISON OVER ONE YEAR TO 30 JUNE 2014<sup>1</sup>

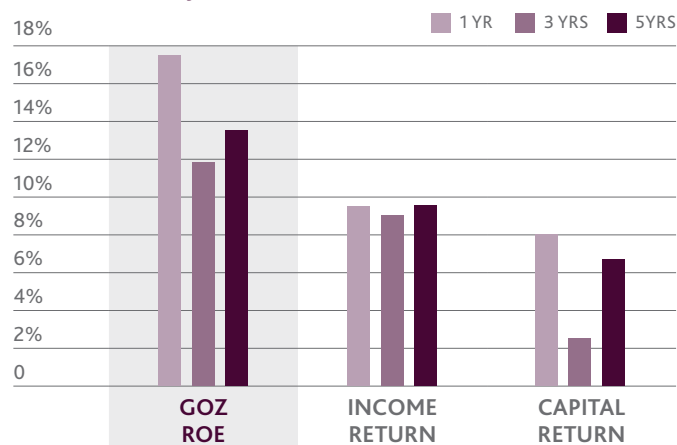


## TOTAL RETURN COMPARISON OVER FIVE YEARS PER ANNUM, TO 30 JUNE 2014<sup>1</sup>



1. Source: UBS Investment Research. 2. S&P/ASX 300 Prop Acc. Index. 3. S&P/ASX 300 Acc. Index. 4. UBS Govt Bond Index - all maturities. 5. UBS Bank Bill Index.

## RETURN ON EQUITY PER ANNUM TO 30 JUNE 2014



# 67.8%

TOTAL RETURN ON EQUITY  
OVER 5 YEARS

# 35.4%

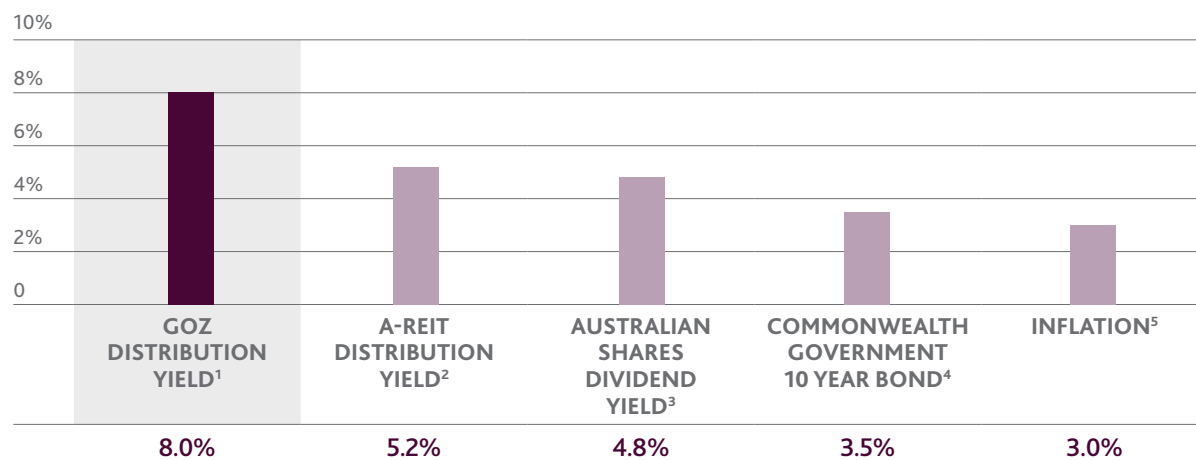
TOTAL RETURN ON EQUITY  
OVER 3 YEARS



OFFICE PORTFOLIO: 10-12 MORT STREET, CANBERRA, ACT

# RELATIVE FORECAST INCOME YIELDS

TO 30 JUNE 2014



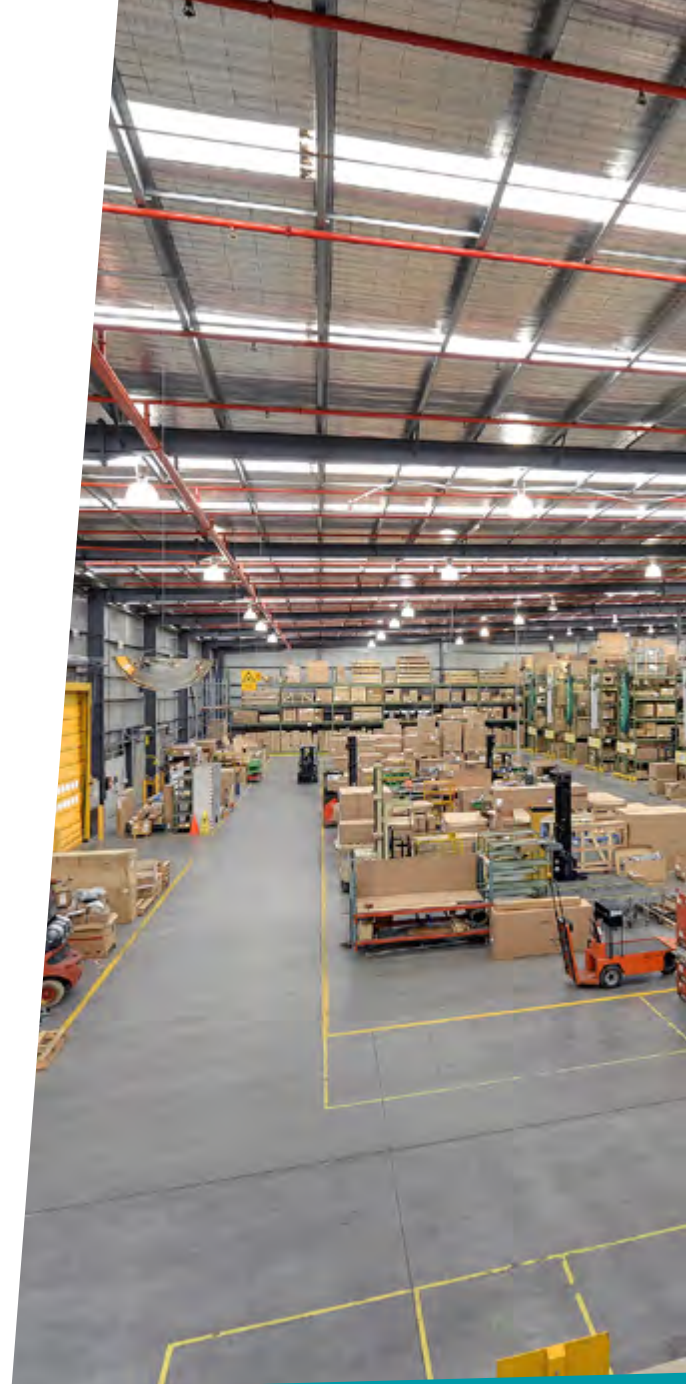
1. FY15 distribution yield based on 30 June 2014 closing price of \$2.45 and FY15 distribution guidance of 19.7 cps.

2. FY15 estimated distribution yield for S&P/ASX A-REIT 200. Source: Bank of America Merrill Lynch Global Research.

3. FY15 estimated dividend yield for S&P/ASX 200. Source: Bank of America Merrill Lynch Global Research.

4. As at 30 June 2014. Source: Reserve Bank of Australia.

5. CPI All Groups (weighted average of eight capital cities) movement for the year ended 30 June 2014 as released by the Australian Bureau of Statistics on 23 July 2014.



INDUSTRIAL PORTFOLIO: 75 ANNANDALE ROAD, MELBOURNE AIRPORT, VIC



# STRATEGY & PERFORMANCE SUMMARY

- 1 *Established 5 year track record of growth, distributions and execution of communicated strategy*
- 2 *High comparative historical and forecast returns*
- 3 *Significant increase in freefloat and liquidity*
- 4 *S&P/ASX 300 index inclusion expected soon (based on S&P's released formulas)*



INDUSTRIAL PORTFOLIO: 70 DISTRIBUTION STREET, LARAPINTA, QLD

# PROPERTY PORTFOLIO



Michael Green  
Head of Property

INDUSTRIAL PORTFOLIO:  
120 NORTHCORP BOULEVARD, BROADMEADOWS, VIC





# PROPERTY PORTFOLIO

## OVERVIEW

### SECTOR DIVERSITY (%)

BY MARKET VALUE, AS AT 30 JUNE

2009



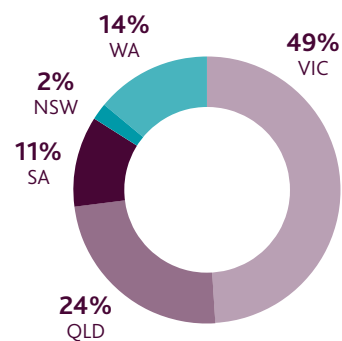
2014



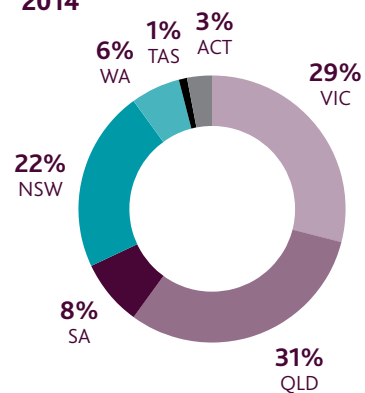
### GEOGRAPHIC DIVERSITY (%)

BY MARKET VALUE, AS AT 30 JUNE

2009



2014



### TOP TEN TENANTS

BY PASSING RENT, AS AT 30 JUNE 2014

	%	WALE
WOOLWORTHS ●	24%	8.1yrs
NSW POLICE ●	10%	9.9yrs
GE CAPITAL FINANCE AUSTRALASIA ●	6%	3.7yrs
LINFOX ●	5%	8.9yrs
COMMONWEALTH OF AUSTRALIA ●	4%	2.7yrs
JACOBS ENGINEERING ●	3%	4.3yrs
ENERGEX ●	3%	13.4yrs
FOX SPORTS ●	2%	8.5yrs
STAR TRACK EXPRESS ●	2%	5.0yrs
RUNGE PINCOCK MINARCO ●	2%	1.0yrs
<b>TOTAL</b>	<b>61%</b>	<b>7.4yrs</b>

● Industrial ● Office



INDUSTRIAL PORTFOLIO: 599 MAIN NORTH ROAD, GEPPS CROSS, SA



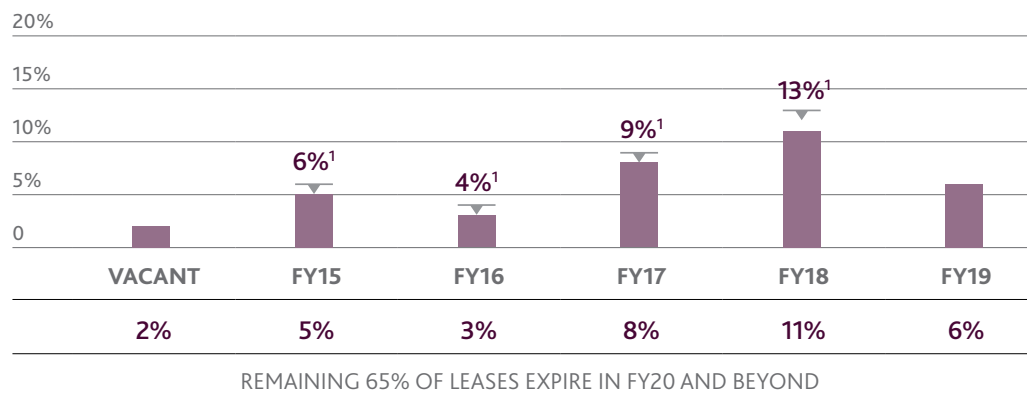
# PROPERTY PORTFOLIO

## LEASING

- › 124,095m<sup>2</sup> of leasing completed in FY14 (details in Appendix 4)
- › Significant leases included Downer EDI Mining, Peabody Energy Australia and Paper Australia
- › Focussed on upcoming expiries
- › Brisbane remains a challenging market (refer to slide 25)

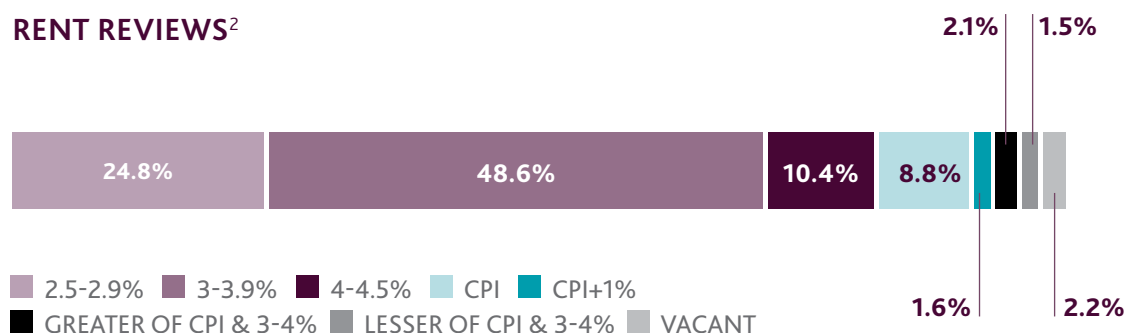
### LEASE EXPIRY PROFILE

AS AT 30 JUNE 2014



1. 30 June 2013 position.

### RENT REVIEWS<sup>2</sup>



2. Figures may not sum due to rounding

# PROPERTY PORTFOLIO

## KEY METRICS AS AT 30 JUNE 2014

	INDUSTRIAL	OFFICE	TOTAL
NO. OF PROPERTIES	35	16	51
TOTAL / AVERAGE VALUE	\$1,043.9m / \$29.8m	\$1,049.8m / \$65.5m	\$2,093.7m / \$41.1m
% OF PORTFOLIO VALUE	50%	50%	100%
TOTAL / AVERAGE LETTABLE AREA	857,565m <sup>2</sup> / 24,502m <sup>2</sup>	179,175m <sup>2</sup> / 11,198m <sup>2</sup>	1,036,740m <sup>2</sup> / 20,328m <sup>2</sup>
AVERAGE PROPERTY AGE	8.9 years	6.9 years	7.9 years
AVERAGE VALUATION CAP RATE	8.0%	7.8%	7.9%
OVER (UNDER) RENTING	0.8%	5.5%	3.2%
WALE	7.3 years	6.5 years	6.9 years
WARR <sup>1</sup>	2.9%	3.5%	3.2%
AVERAGE VALUE ( <i>per m<sup>2</sup></i> )	\$1,217	\$5,859	\$2,019
AVERAGE RENT ( <i>per m<sup>2</sup> per annum</i> )	\$99	\$516	\$171
CAPITAL EXPENDITURE FY14 ( <i>\$/% of asset value</i> )	\$3.2m / 0.3%	\$3.1m / 0.3%	\$6.3m / 0.3%
NUMBER OF TENANTS	33	58	90 <sup>2</sup>

1. Assumes CPI of 3.0% per annum as per ABS release for year to 30 June 2014. 2. Fujii Xerox is both an office and industrial tenant.

# OFFICE ACQUISITIONS

## FOR FY14

### 1 CHARLES STREET, PARRAMATTA, NSW

The property comprises a prominent A-grade commercial office building of 32,000m<sup>2</sup> and 444 car spaces consisting of two inter-connecting towers and was completed in 2003.

The building was purpose built for, and is fully leased to, the NSW Police and is utilised as their headquarters with a remaining lease term of 9.9 years.

The property is located in the heart of the Parramatta CBD and benefits from excellent transport links and local amenities.

#### PROPERTY KEY METRICS

# \$241.1m

#### PURCHASE PRICE

*As at purchase on 30 June 2014*

# 7.00%

#### CAP RATE

# 9.9yrs

#### WALE

# 7.6%

#### FY15 INCOME YIELD



# INDUSTRIAL ACQUISITIONS

## FOR FY14



### 213-215 ROBINSONS RD, RAVENHALL, VIC

A high spec distribution and production facility attached to a two level high spec office.

MONTH OF SETTLEMENT  
**December 2013**

PURCHASE PRICE  
**\$23.2m**

INITIAL YIELD  
**8.5%**

WALE\*  
**11.6yrs**

WARR  
**3.00%<sup>2</sup>**



### 120-132 ATLANTIC DR, KEYSBOROUGH, VIC

A high spec distribution warehouse/office facility, comprising ambient and temperature controlled high bay warehousing.

MONTH OF SETTLEMENT  
**December 2013**

PURCHASE PRICE  
**\$17.4m**

INITIAL YIELD  
**7.5%**

WALE\*  
**15.0yrs**

WARR  
**3.50%**



### 9-11 DRAKE BLVD, ALTONA, VIC

Three adjoining distribution warehouses each with separate street access, mezzanine office, Early Suppression Fast Response sprinklers and environmentally sustainable design features.

MONTH OF SETTLEMENT  
**December 2013**

PURCHASE PRICE  
**\$24.7m<sup>1</sup>**

INITIAL YIELD  
**8.1%**

WALE\*  
**7.6yrs**

WARR  
**3.50%**



### 19&20 SOUTHERN CRT, KEYSBOROUGH, VIC<sup>3</sup>

Two separately titled modern distribution warehouses with mezzanine offices, Early Suppression Fast Response sprinklers and environmentally sustainable design features.

MONTH OF SETTLEMENT  
**April 2014**

PURCHASE PRICE  
**\$18.8m**

INITIAL YIELD  
**8.3%**

WALE\*  
**5.0yrs**

WARR  
**3.50%**



### 99-103 WILLIAM ANGLISS DR, LAVERTON NTH, VIC

A modern cold storage warehouse and distribution facility with ancillary offices and workshop.

MONTH OF SETTLEMENT  
**April 2014**

PURCHASE PRICE  
**\$19.9m**

INITIAL YIELD  
**8.3%**

WALE\*  
**15.0yrs**

WARR  
**3.50%**

\* WALE on purchase. 1. Including development and yield adjustments. 2. Assumes CPI of 3.0% per annum as per ABS release for year to 30 June 2014.  
3. Comprises two separate properties



# THE BRISBANE OFFICE MARKET

**Current Brisbane office market vacancy rates:** at 14.7%<sup>1</sup> in the CBD and 12.2%<sup>1</sup> in the fringe.

**Exposure to the Brisbane office market:** six modern office buildings totalling 67,175m<sup>2</sup> with a combined WALE of 5.5 years.

**Growthpoint's actions:** undertaken 18,714m<sup>2</sup> of leasing in Brisbane office assets over FY14.

## **Future challenges:**

- › current vacancy of 2,180m<sup>2</sup> within the SW1 complex at South Brisbane and 2,892m<sup>2</sup> in 333 Ann Street.
- › additional 1,000m<sup>2</sup> likely to become vacant within the SW1 complex during FY15 and an additional 8,088m<sup>2</sup> within 333 Ann Street in June 2015.
- › Growthpoint is actively seeking tenants for the vacant space and the potential upcoming vacant space.

*Growthpoint's modern and well located assets and the business's willingness to meet the market should continue to ensure a high level of occupancy into the future.*

1. PCA Office Market Report, August 2014.



OFFICE PORTFOLIO: A1, 32 CORDELIA STREET, SOUTH BRISBANE, QLD

# PORTFOLIO DEVELOPMENT AND EXPANSION POTENTIAL

PROPERTY	SECTOR	DEVELOPMENT TYPE	STATUS	POTENTIAL ADDITIONAL LETTABLE AREA	ON-COMPLETION VALUE (APPROX)
Woolworths Distribution Centres (6 properties)	Industrial	Potential expansion	Future potential moving 30% site coverage ratio to 45%	202,453m <sup>2</sup>	\$241.3m
Building 3 site, Richmond, VIC	Office	Partial site redevelopment	DA/permit obtained. Pre-commitments to be obtained prior to GE lease expiry	18,000m <sup>2</sup>	\$100.0m
5 Viola Place, Brisbane Airport, QLD	Industrial	Expansion clause in lease	Negotiating terms outside lease clause	6,250m <sup>2</sup>	\$7.9m
99-103 William Angliss Drive, Laverton North, VIC	Industrial	Expansion clause in lease	Tenant considering	3,000m <sup>2</sup>	\$7.0m
120-132 Atlantic Drive, Keysborough, VIC	Industrial	Expansion clause in lease	Future potential	3,000m <sup>2</sup>	\$3.2m
3 Viola Place, Brisbane Airport, QLD	Industrial	Potential expansion	DA/permit obtained	2,400m <sup>2</sup>	\$3.2m
<b>TOTAL</b>				<b>235,103m<sup>2</sup></b>	<b>\$362.6m</b>

# PROPERTY PORTFOLIO

## SUMMARY

- 1 *Portfolio in excellent shape across all key metrics*
- 2 *Portfolio enhanced by FY14 acquisitions - most acquisitions of any year to date*
- 3 *Potential upside from development*
- 4 *Significant leasing done but challenges remain*



OFFICE PORTFOLIO: 333 ANN STREET, BRISBANE, QLD



# DETAILED FINANCIAL RESULTS



Dion Andrews  
Chief Financial Officer

OFFICE PORTFOLIO:  
BUILDING C, GORE HILL TECHNOLOGY PARK,  
219-247 PACIFIC HIGHWAY, ARTARMON, NSW



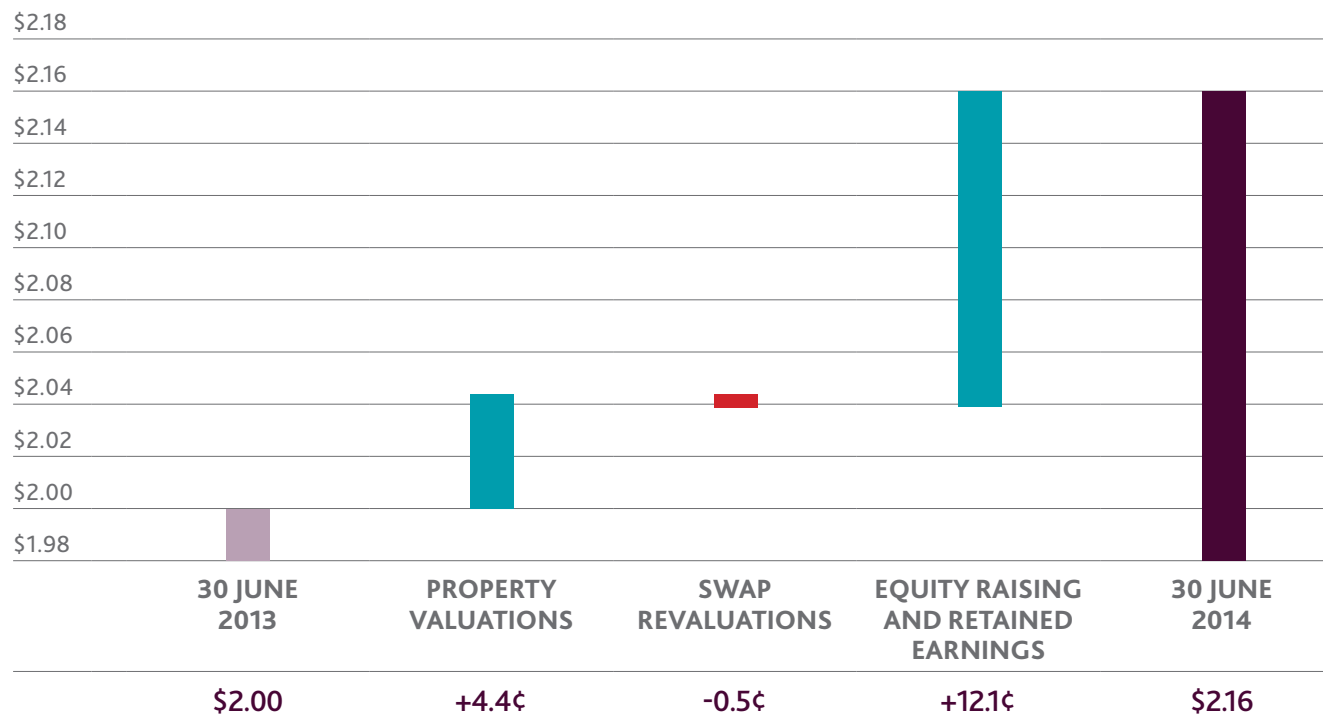


# FINANCIAL RESULTS

	FY2014	FY2013	CHANGE	% CHANGE
STATUTORY ACCOUNTING PROFIT (\$'000)	117,348	93,956	23,392	24.9
STATUTORY ACCOUNTING PROFIT PER SECURITY (¢)	25.7	23.7	2.0	8.6
DISTRIBUTABLE INCOME (\$'000)	91,069	76,423	14,646	19.2
DISTRIBUTABLE INCOME PER SECURITY (¢)	20.0	19.3	0.7	3.6
DISTRIBUTIONS PER "GOZ" STAPLED SECURITY (¢) <sup>1</sup>	19.0	18.3	0.7	3.8
PAYOUT RATIO (%)	95.3	95.0	n/a	0.3
FY14 YEAR ICR (TIMES)	3.2	2.6	0.6	23.8
FY14 YEAR MER (%)	0.47	0.39	n/a	20.5
NTA PER STAPLED SECURITY (\$)	2.16	2.00	0.16	8.0
BALANCE SHEET GEARING (%)	40.9	46.8	n/a	(12.6)

# MOVEMENTS IN NET TANGIBLE ASSETS

PER STAPLED SECURITY



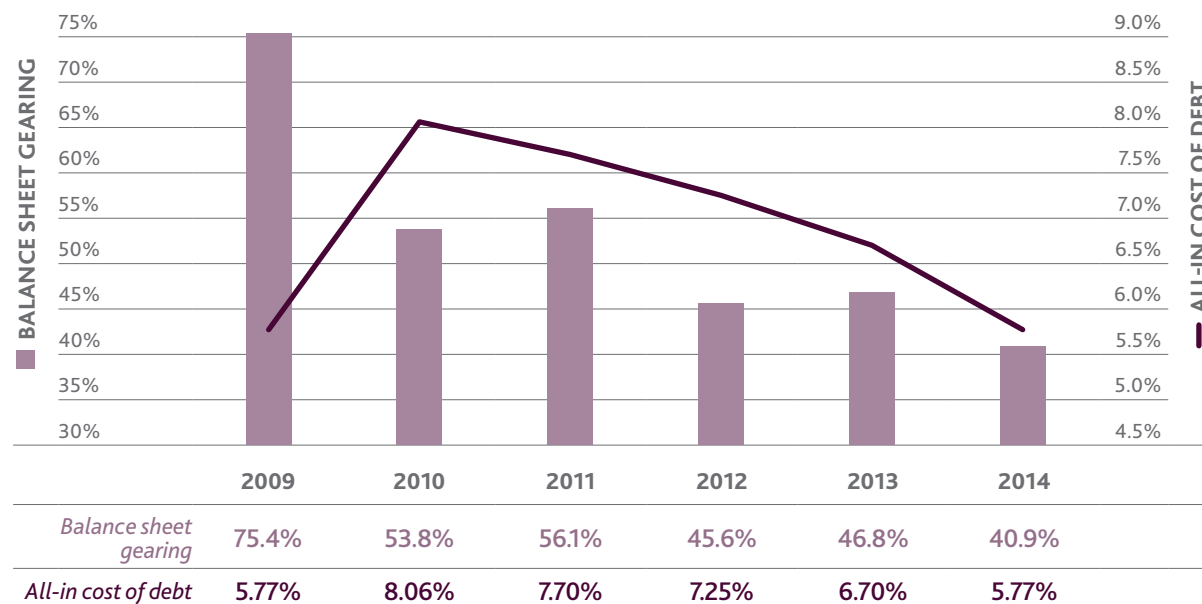
INDUSTRIAL PORTFOLIO: 99-103 WILLIAM ANGLISS DRIVE, LAVERTON NORTH, VIC

# DEBT MANAGEMENT

## GEARING

### REDUCTION IN GEARING AND COST OF DEBT

AS AT 30 JUNE



- › Growthpoint could raise new five year bank debt (fully hedged) at circa 5.25% under current agreements. This is significantly lower than the current weighted average.
- › The Group is currently in negotiations to extend its current bank debt which had a weighted average maturity of 3.3 years at 30 June 2014. At the same time it will reprice the debt to market which is expected to decrease the current weighted average cost.

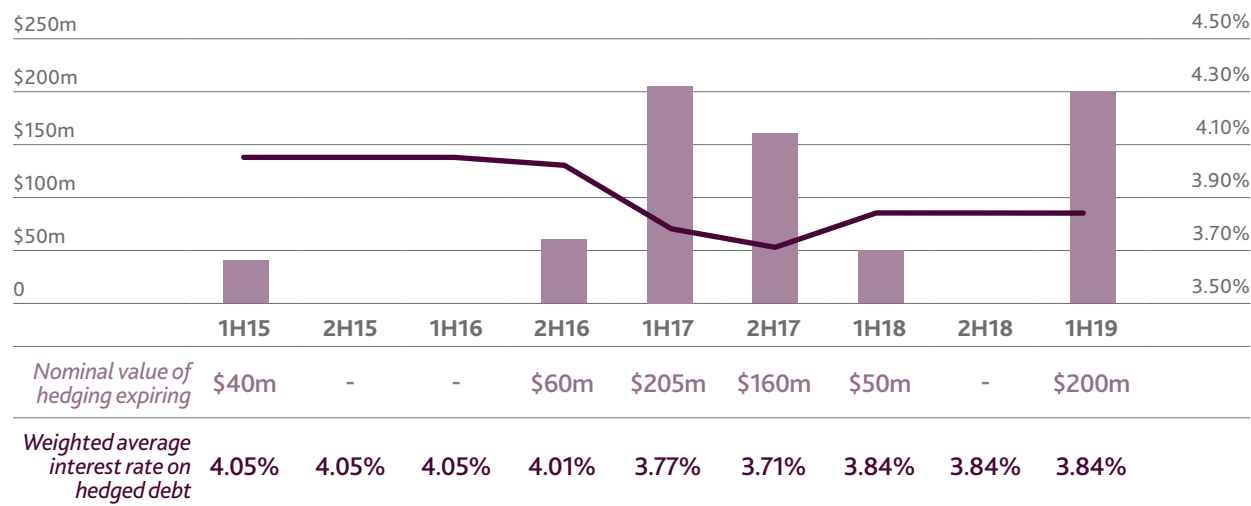


OFFICE PORTFOLIO: CB1, 22 CORDELIA STREET, SOUTH BRISBANE, QLD

# DEBT MANAGEMENT

## INTEREST RATE HEDGING

### HEDGING MATURITY PROFILE



- › The weighted average interest rate maturity at 30 June 2014 was 3.0 years
- › The Group will maintain fixed debt at or above 75% of total debt in line with its policies and will seek to match the maturity profile of hedges to that of floating debt relatively closely.



INDUSTRIAL PORTFOLIO: 13 BUSINESS STREET, YATALA, QLD



# OPERATING EXPENSES

## OPERATING EXPENSES

	FY2014	FY2013	FY2012
Total operating expenses (\$'000)	8,498 <sup>1</sup>	6,431	5,551
Average gross asset value (\$'000)	1,810,053	1,662,816	1,368,255
OPERATING EXPENSES TO AVERAGE GROSS ASSETS (%)	0.47%	0.39%	0.41%

- › Operating expenses or MER is forecast to return to its long run average of circa 0.4% for FY15

## CAPITAL EXPENDITURE

	FY2014	FY2013	FY2012
Total portfolio capital expenditure (\$'000)	6,236	3,672	2,346
Average property asset value (\$'000)	1,870,274	1,608,105	1,285,261
CAPITAL EXPENDITURE TO AVERAGE PROPERTY PORTFOLIO VALUE (%)	0.34%	0.23%	0.18%

1. This figure excludes \$392,000 associated with one off charges as they are not expected to be repeated. Growthpoint is disputing these charges.

# FINANCIAL RESULTS

## SUMMARY

- 1 *FY14 guidance achieved*
- 2 *FY15 guidance of 19.7cps provided*
- 3 *Gearing reduced to 40.9%*
- 4 *Investment grade rating issued and banking facilities have been restructured to allow capital markets issue*



INDUSTRIAL PORTFOLIO: 28 BILSTON DRIVE, WODONGA, VIC

# CONCLUSION

OFFICE PORTFOLIO:  
89 CAMBRIDGE PARK DRIVE, CAMBRIDGE, TAS





# FOCUS

## FOR THE YEAR AHEAD

### STRATEGY & PERFORMANCE

- › Likely S&P/ASX 300 Index inclusion soon
- › Continue to grow distributions
- › Continue to seek accretive acquisitions to continue to increase trading volumes, improve portfolio, secure and improve distributions and deploy cheaper debt capital

### PROPERTY PORTFOLIO

- › Further acquisitions
- › Focus on leasing
- › Consider potential sales to enhance portfolio

### FINANCIAL MANAGEMENT

- › Capital markets issue
- › Reprice and extend bank debt facilities



OFFICE PORTFOLIO: 1 CHARLES STREET, PARRAMATTA, NSW

# APPENDICES



INDUSTRIAL PORTFOLIO:  
45-55 SOUTH CENTRE ROAD, MELBOURNE AIRPORT, VIC

# APPENDIX 1

## GROWTHPOINT PROPERTIES LIMITED (GRT) - SOUTH AFRICA<sup>1</sup>

- › GRT owns 64.0% of the securities of GOZ (at 30 June 2014) and is its major securityholder
- › GRT first invested in GOZ in August 2009. GRT has no other offshore investments
- › GRT's investment in GOZ is driven by:
  - Opportunities available for investment
  - Relative income (yield) return and potential for capital growth
  - Benefits of diversification
  - Business synergies and comparable strategies
  - Attractiveness of investment in AUS (stability, economic performance, regulatory environment)
- › GOZ represents:
  - 25.5% of GRT's gross assets
  - 26.3% of GRT's net property income
  - 14.7% of GRT's total distributable income

### KEY FACTS

LISTING	GRT is listed on the Johannesburg Stock Exchange (JSE)
RANKING ON JSE	35th
EXCHANGE RATE USED	AUD:ZAR = 9.96
MARKET CAPITALISATION (CURRENTLY)	R 56.5b / AUD 5.7b
GROSS ASSETS	R 83.3b / AUD 8.4b
NET ASSETS	R 49.9b / AUD 5.0b
GEARING (SA ONLY)	27.3%
PROPERTIES	Diversified property portfolio in office, industrial and retail property sectors plus 50% of the V&A Waterfront, Cape Town
NO. OF EMPLOYEES (SA ONLY)	528
NO. OF PROPERTIES	437 properties in SA including a 50% co-ownership of the V&A Waterfront

<sup>1</sup>. All information supplied by GRT.



# APPENDIX 2

## SECURITYHOLDER CALENDAR

### 2014

#### 29 August

*Distribution paid for the half year ended 30 June 2014*  
*Annual Tax Statement for year ended 30 June 2014 mailed*  
*FY14 report sent to Securityholders*

#### 26 November

*Annual General Meeting (to be held in Melbourne)*

### 2015

#### 16 February

*Results for the half year ended 31 December 2014 announced to ASX*

#### 27 February

*Distribution paid for the half year ended 31 December 2014*

#### 3 March

*Half year report sent to Securityholders*

#### 17 August

*Results for the year ended 30 June 2015 announced to ASX*

#### 31 August

*Distribution paid for the half year ended 30 June 2015*  
*Annual Tax Statement for year ended 30 June 2015 mailed*  
*FY15 report sent to Securityholders*

*\* Dates indicative and subject to change by the Board.*



INDUSTRIAL PORTFOLIO: 365 FITZGERALD ROAD, DERRIMUT, VIC

# APPENDIX 3

## BOARD OF DIRECTORS



### LYN SHADDOCK

FAP, KSS

*Independent Chairman (to 30 June 2014) and Director*

*Appointed as a Director on 5 August 2009, will retire on 26 November 2014*

**Committees:** Nomination, Remuneration & HR Committee

**Current Australian directorships (in addition to Group entities):** *Independent Chairman of Calibre Capital*

Lyn has over 50 years' experience in the property industry and has been involved with developments in Sydney, Melbourne, Brisbane, San Francisco and Kuala Lumpur, including many from inception to completion. His experience spans a range of business conditions and economic cycles.

Among other memberships, Lyn was a member of Sydney's Central Planning Committee (responsible for planning Sydney and administering major development approvals) from 1989 to 1993, the New South Wales Heritage Council from 1987 to 1991 and the New South Wales Executive of the Property Council from 1971 to 1991. In addition to being awarded honorary life membership of the Property Council of Australia (both nationally and in New South Wales), Lyn served as the President of the New South Wales Division from 1980 to 1983 and Honorary Director and Chairman of the National Finance Committee from 1988 to 1996.

Lyn has served on numerous boards and committees and, in addition to his roles with the Group, he is Independent Chairman of Calibre Capital. Lyn has been the Chairman of the responsible entity of the Trust (including Growthpoint Properties Australia Limited and Growthpoint Properties Australia Limited's predecessor) since the listing of the Trust in July 2007.

In 2014, His Holiness Pope Francis recognised Lyn's extensive community service, especially to the Archdiocese of Sydney, by appointing him as a Knight of the Order of Pope St Sylvester.



### TIMOTHY COLLYER

B.BUS (PROP), GRAD DIP FIN & INV, AAPI, F FIN, MAICD

*Managing Director*

*Appointed as a Director on 12 July 2010*

**Current Australian directorships of public companies (in addition to Group entities):** Nil

Tim is a highly experienced executive with over 25 years' experience in ASX listed and unlisted property funds management, property investment and development, property valuation and property advisory. During his career Tim has been involved with numerous corporate transactions including mergers, acquisitions, takeovers, recapitalisations and property portfolio purchase and disposals.

Tim has worked across the office, industrial and retail property sectors in all States and Territories in Australia. He previously served as the Property Trust Manager at Australand Property Group for a period of six years where he was responsible for the management of its listed and unlisted property trusts. Tim has also held management positions at Heine Funds Management, where he was responsible for the management of an ASX listed A-REIT office fund, and at a major accounting firm within its real estate advisory group.

Tim holds a Bachelor of Business (Property) and a Graduate Diploma in Applied Finance and Investment. He is also an Associate of the Australian Property Institute, a Fellow of the Financial Services Institute of Australasia and a member of the Australian Institute of Company Directors.



### GEOFFREY TOMLINSON

BEC

*Independent Chairman (from 1 July 2014) and Director*

*Appointed as a Director on 1 September 2013*

**Committees:** Audit, Risk &

*Compliance Committee and Nomination, Remuneration & HR Committee*

**Current Australian directorships of public companies (in addition to Group entities):** *Calibre Ltd, National Australia Bank Limited, National Australia Financial Management Limited, National Equities Limited, MLC Investments Limited, MLC Lifetime Company Limited, MLC Limited, Navigator Australia Limited, WM Life Australia Limited, Antares Capital Partners Ltd, National Asset Management Ltd and Plum Financial Services Ltd*

Geoff is currently the Chairman of MLC Limited, a director of National Australia Bank and Calibre Limited and was previously a director of Amcor Limited and Dyno Nobel Limited (among other directorships). He has spent 42 years in the financial services industry including six years as Group Managing Director of National Mutual Holdings Ltd (which changed its name to AXA Asia Pacific Ltd prior to being acquired by AMP Ltd in 2011) where he led that entity's demutualisation and ASX listing. Geoff has chaired and been a member of a number of board committees including audit, risk and remuneration.

# APPENDIX 3

## BOARD OF DIRECTORS *(continued)*



### MAXINE BRENNER

BA, LLB

#### *Independent Director*

*Appointed as a Director on 19 March 2012*

**Committees:** Audit, Risk & Compliance (Chair)

**Current Australian directorships of public companies (in addition to Group entities):**

Orica Limited, Origin Energy Limited, Qantas Airways Limited and Paedove Pty Limited

Maxine is currently a Director of Orica Limited, Qantas Airways Limited and Origin Energy Limited. She has been involved in advisory work for many years, particularly in relation to mergers and acquisitions and several years in investment banking at Investec Bank (Australia) Ltd. Prior to this, she was a Lecturer in Law at University of NSW and corporate lawyer at Freehills (now Herbert Smith Freehills). Her former directorships include Treasury Corporation of NSW, Neverfail Springwater Ltd, Federal Airports Corporation and Bulmer Australia Ltd. In addition, Maxine has also served as a member of the Takeovers Panel.



### ETIENNE DE KLERK

BCOM (INDUSTRIAL PSYCH), BCOM (HONS) (MARKETING), BCOM (HONS) (ACC), CA (SA)

#### *Director\**

*Appointed as a Director on 5 August 2009*

**Committees:** Audit, Risk & Compliance

**Current Australian directorships of public companies (in addition to Group entities):** Nil

Etienne is an Executive Director of Growthpoint Properties Limited, a Director of V&A Waterfront Holdings, past President and a Director of the South African Property Owners Association and Chairman of the Tax and Legislation Committee of the South African REIT Association. He has over 17 years' experience in banking and property finance and has been involved with listed property for over 10 years with Growthpoint's mergers, acquisitions, capital raisings and operating service divisions.



### GRANT JACKSON

ASSOC. DIP. VALUATIONS, FAPI

#### *Independent Director*

*Appointed as a Director on 5 August 2009*

**Committees:** Audit, Risk & Compliance

**Current Australian directorships of public companies (in addition to Group entities):** Chief Executive Officer and Director of m3property Property Australia Pty Ltd (and related entities)

Grant has over 26 years' experience in the property industry, including over 23 years as a qualified valuer. Grant has expertise in a wide range of valuation and property advisory matters on a national basis and he regularly provides expert evidence to Courts and Tribunals. He is a member of the Standards Sub-committee of the Australian Property Institute.



### FRANCOIS MARAIS

BCOM, LLB, H DIP (COMPANY LAW)

#### *Independent Director*

*Appointed as a Director on 5 August 2009*

**Committees:** Nomination, Remuneration & HR

**Current Australian directorships of public companies (in addition to Group entities):** Nil

Francois is an attorney and is the practice leader and senior director of Glyn Marais, a South African corporate law firm which specialises in corporate finance. Francois is Chairman of Growthpoint Properties Limited in South Africa and a Director of V&A Waterfront Holdings (among other directorships).



### NORBERT SASSE

BCOM (HONS) (ACC), CA (SA)

#### *Director^*

*Appointed as a Director on 5 August 2009*

**Committees:** Nomination, Remuneration & HR (Chair)

**Current Australian directorships of public companies (in addition to Group entities):** Nil

Norbert is the Chief Executive Officer and a Director of Growthpoint Properties Limited, a Director of V&A Waterfront Holdings and Chairman of the South African REIT Association. He has over 20 years' experience in corporate finance dealing with listings, delistings, mergers, acquisitions and capital raisings, and over 10 years' experience in the listed property market.



# APPENDIX 3

## EXECUTIVE MANAGEMENT



**MICHAEL GREEN**

B.BUS (PROP)

### *Head of Property*

As Head of Property, Michael oversees the asset selection, asset management, property management, facilities

management and property analysis functions of the Group.

Michael has over 13 years' experience in listed and unlisted property fund management, property investment and development, both in Australia and Europe.

Michael was previously based in London and worked as a transaction manager for Cordea Savills. Michael was responsible for acquisitions and asset management in the BENELUX region for Cordea Savills Pan European Funds. Prior to moving to Europe, he spent four years as a property analyst for Australand's listed and unlisted property trusts.

Michael holds a Bachelor of Business (Property).



**DION ANDREWS**

B.BUS, FCCA

### *Chief Financial Officer*

Dion is a Chartered Accountant and is responsible for the financial reporting

obligations of the Group as well as debt structuring, raising debt capital and technology.

Dion has over 14 years' experience in accounting roles in a corporate capacity.

Prior to moving to the Group, Dion spent five years at a listed property funds group, MacarthurCook, as Senior Finance Manager and before that held the role of Group Accountant for a funds management group in London.

Dion holds a Bachelor of Business from the University of South Australia and is a fellow of the Association of Certified Chartered Accountants. He was appointed as an additional company secretary on 8 May 2014.



**AARON HOCKLY**

BA, LLB, GDLP, GRADDIPACG, MAPPFIN, FCIS, MAICD, FGIA, SAFIN

### *Company Secretary and General Counsel*

Aaron is responsible for the investor relations,

transaction structuring and execution, company secretarial, legal and compliance functions.

Aaron has over 14 years' experience in corporate governance, financial services, corporate and commercial law, property finance and M&A and has worked in Australia, London and New Zealand.

Aaron has a Masters in Applied Finance, a Bachelor of Laws and a Bachelor of Arts and graduate diplomas in Legal Practice, Applied Corporate Governance and Applied Finance. He is a Fellow of the Governance Institute of Australia, a Fellow of the Institute of Chartered Secretaries and Administrators, a member of the Australian Institute of Company Directors and a Senior Associate of the Financial Services Institute of Australasia. He has been a director and chairman of a number of not-for-profit organisations and is currently Chairman of a large arts festival. In 2012, Aaron was a finalist for Australian Corporate Lawyer of the Year.

# APPENDIX 4

## NEW AND EXTENDED LEASES

ADDRESS			TENANT	START DATE	TERM (YRS)	ANNUAL RENT INCREASES	NLA (M <sup>2</sup> )	CAR PARKS
<i>Industrial</i>								
27-49 Lenore Dr	Erskine Park	NSW	Linfox	Q1, FY14	10.0	CPI	29,476	149
9-11 Drake Blvd	Altona	VIC	Atlas Specialty Metals	Q2, FY14	5.0	Fixed 3.50%	5,481	30
120-132 Atlantic Dr	Keysborough	VIC	Symbion	Q2, FY14	15.0	Fixed 3.50%	12,864	120
9-11 Drake Blvd	Altona	VIC	Prolife Foods	Q3, FY14	5.0	Fixed 3.50%	6,637	38
19 Southern Crt	Keysborough	VIC	Transms	Q4, FY14	5.0	Fixed 3.50%	6,455	43
9-11 Drake Blvd	Altona	VIC	Peter Stevens Motorcycles	Q4, FY14	10.0	Fixed 3.50%	13,625	43
Lots 2-4, 44-54 Raglan St	Preston	VIC	Paper Australia	Q1, FY14	6.0	CPI (min 2%, max 4%)	26,980	250
<i>Office</i>								
CB1, 22 Cordelia St	South Brisbane	QLD	SW1 Kitchen & Garden Bar	Q1, FY14	11.0	Fixed 4.00%	122	1
Bldg C, 219-247 Pacific Hwy	Artarmon	NSW	The Media Store Pty Ltd	Q1, FY14	7.0	Fixed 3.50%	1,075	15
CB1, 22 Cordelia St	South Brisbane	QLD	Toyota Tsusho	Q2, FY14	10.0	Fixed 3.75%	994	21
A4, 52 Merivale St	South Brisbane	QLD	Fuji Xerox	Q2, FY14	3.0	Fixed 4.00%	186	0
CB1, 22 Cordelia St	South Brisbane	QLD	Quanta Services Australia	Q3, FY14	10.0	Fixed 4.00%	1,379	18
333 Ann St	Brisbane	QLD	Anne Street Partners	Q3, FY14	7.0	Fixed 3.75%	867	6
A1, 32 Cordelia St	South Brisbane	QLD	Sabre Pacific	Q3, FY14	5.0	Fixed 4.00%	208	2
A4, 52 Merivale St	South Brisbane	QLD	Belle Property	Q4, FY14	3.0	Fixed 3.75%	142	3
1231-1241 Sandgate Rd	Nundah	QLD	QInvest	Q4, FY14	7.5	Fixed 4.00%	90	0
1231-1241 Sandgate Rd	Nundah	QLD	Studio Pilates	Q4, FY14	7.0	Fixed 3.50%	99	0
1231-1241 Sandgate Rd	Nundah	QLD	Edo Australia	Q4, FY14	7.0	Fixed 4.00%	113	0
333 Ann St	Brisbane	QLD	Queensland Local Government Superannuation Board	Q4, FY14	10.0	Fixed 3.75%	1,734	10
CB1, 22 Cordelia St	South Brisbane	QLD	Downer EDI Mining	Q4, FY14	8.0	Fixed 3.75%	5,636	120
CB1, 22 Cordelia St	South Brisbane	QLD	AMP Services Limited	Q4, FY14	3.6	Fixed 4.00%	1,382	22
CB2, 42 Merivale St	South Brisbane	QLD	Peabody Energy Australia	Q4, FY14	10.0	Fixed 3.75%	5,762	22
Bldg C, 219-247 Pacific Hwy	Artarmon	NSW	Telstra Corporation	Q4, FY14	10.0	Fixed 3.50%	2,788	27
<b>TOTAL/WEIGHTED AVERAGE</b>					<b>8.8</b>	<b>3.5%<sup>1</sup></b>	<b>124,095</b>	<b>940</b>

1. Assumes CPI of 3.0% per annum as per ABS release for year to 30 June 2014.

# APPENDIX 5

## DISTRIBUTABLE INCOME

### RECONCILIATION FROM STATUTORY PROFIT TO DISTRIBUTABLE INCOME

	2014	2013	CHANGE	CHANGE
	\$'000	\$'000	\$,000	%
PROFIT AFTER TAX	117,348	93,956	23,392	24.9
LESS NON-DISTRIBUTABLE ITEMS:				
- STRAIGHT LINE ADJUSTMENT TO PROPERTY REVENUE	(5,373)	(5,769)	396	
- NET CHANGES IN FAIR VALUE OF INVESTMENTS	(23,780)	(5,990)	(17,790)	
- LOSS OF SALE OF INVESTMENT PROPERTIES	-	(279)	279	
- NET (GAIN) / LOSS ON DERIVATIVES	2,950	(5,596)	8,546	
- DEFERRED TAX EXPENSE	(76)	101	(177)	
<b>DISTRIBUTABLE INCOME</b>	<b>91,069</b>	<b>76,423</b>	<b>14,646</b>	<b>19.2</b>



# APPENDIX 5

## DISTRIBUTABLE INCOME *(continued)*

### COMPONENTS OF DISTRIBUTABLE INCOME

	FY14	FY13	CHANGE	CHANGE
	\$'000	\$'000	\$'000	%
Property income	172,283	153,870	18,413	12
Property expenses	(23,643)	(20,474)	(3,169)	15
NET PROPERTY INCOME	148,640	133,396	15,244	11
Interest income <sup>1</sup>	734	5,759	(5,025)	(87)
TOTAL OPERATING INCOME	149,374	139,155	10,219	7
Borrowing costs	(49,042)	(56,272)	7,230	(13)
Operational and trust expenses	(8,890)	(6,431)	(2,459)	38
OPERATING AND TRUST EXPENSES	(57,932)	(62,703)	4,771	(8)
Current tax expense	(373)	(27)	(346)	1,281
DISTRIBUTABLE INCOME	91,069	76,425	14,644	19
DISTRIBUTIONS PAID	86,790	72,590	14,200	20
	77% tax deferred	70% tax deferred		
	0% tax free	7% tax free		

1. Prior year includes coupon interest received on the developments of Energex, Nundah, Fox Sports, Gore Hill and Linfox, Erskine Park. Current year includes coupon interest received on the development of Linfox, Erskine Park and acquisitions from Australand.

# APPENDIX 6

## FINANCIAL POSITION

	AS AT 30 JUNE 2014	AS AT 30 JUNE 2013
	(\$'000)	(\$'000)
<b>ASSETS</b>		
Cash and cash equivalents	21,321	9,405
Investment properties	2,075,893	1,646,915
Other receivables	-	20,951
Other assets	31,565	3,127
<b>TOTAL ASSETS</b>	<b>2,128,779</b>	<b>1,680,398</b>
<b>LIABILITIES</b>		
Borrowings	871,214	786,893
Distributions payable	46,851	37,463
Derivative financial instruments	21,158	34,341
Other liabilities	24,483	17,562
<b>TOTAL LIABILITIES</b>	<b>963,706</b>	<b>876,259</b>
<b>NET ASSETS</b>	<b>1,165,073</b>	<b>804,139</b>
Securities on issue ('000)	540,115	402,830
NTA per security (\$)	2.16	2.00
Balance Sheet Gearing (%)	40.9	46.8

# GLOSSARY

<b>ABS</b>	Australian Bureau of Statistics
<b>A-REIT</b>	Australian Real Estate Investment Trust
<b>ANZ</b>	Australia and New Zealand Banking Group Limited
<b>ASX</b>	Australian Securities Exchange
<b>B</b>	billion
<b>BILAT/Bilateral Facility</b>	bilateral loan facility from National Australia Bank to Growthpoint
<b>Board</b>	the board of directors of the company
<b>Cap rate</b>	in full, "capitalisation rate". Refers to the market income produced by an asset divided by its value or cost
<b>CBD</b>	central business district
<b>Company</b>	Growthpoint Properties Australia Limited
<b>cps</b>	cents per security
<b>dps</b>	distribution per security
<b>FY13</b>	the year ended 30 June 2013
<b>FY14</b>	the year ended 30 June 2014
<b>FY15</b>	the year ending 30 June 2015
<b>freefloat</b>	securities considered available for trading on the ASX. For Growthpoint, this is the market capitalisation less securities held by GRT and Emira in accordance with S&Ps released guidelines
<b>fund through</b>	a mechanism under which an entity (in this report typically Growthpoint) funds development as completion of works occur
<b>Gearing</b>	interest bearing liabilities divided by total assets
<b>GOZ/Group/ Growthpoint</b>	Growthpoint Properties Australia comprising the Company, the Trust and their controlled entities
<b>Growthpoint SA/GRT</b>	Growthpoint Properties Limited of South Africa (major Securityholder of GOZ)
<b>JSE</b>	Johannesburg Stock Exchange
<b>NAB</b>	National Australia Bank Limited

<b>NABERS</b>	National Australian Built Environment Rating System (a national system for measuring environmental performance of buildings)
<b>NTA</b>	net tangible assets
<b>m</b>	million
<b>m<sup>2</sup></b>	square metres
<b>MER</b>	management expense ratio comprising all the Group's costs other than interest divided by the average gross assets for the year
<b>Securityholder</b>	an owner of Growthpoint securities
<b>S&amp;P</b>	Standard & Poor's
<b>SFA/Syndicated Facility</b>	syndicated loan facility from National Australia Bank Limited, Westpac Banking Corporation and Australia and New Zealand Banking Group to Growthpoint
<b>Trust</b>	Growthpoint Properties Australia Trust
<b>WARR</b>	weighted average rent review
<b>WALE</b>	weighted average lease expiry
<b>WBC</b>	Westpac Banking Corporation



# THANK YOU

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**GROWTHPOINT**  
PROPERTIES

