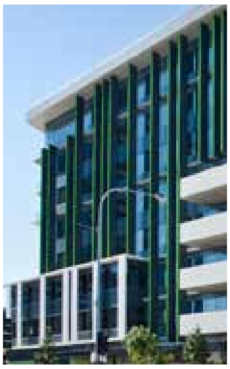
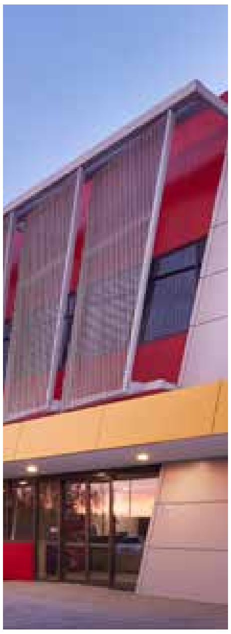
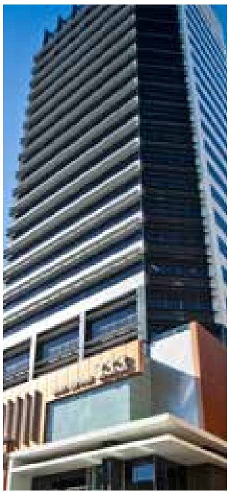




2015 HALF YEAR REPORT

FOR THE SIX MONTHS ENDED
31 DECEMBER 2014

GROWTHPOINT PROPERTIES AUSTRALIA

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

SPACE TO THRIVE

GROWTHPOINT
PROPERTIES

IN THIS REPORT

This Directors' Report which follows is signed at Melbourne, 16 February 2015 in accordance with a resolution of the Directors of Growthpoint Properties Australia Limited.

DIRECTORS' REPORT

INTERIM FINANCIAL REPORT

ADDITIONAL INFORMATION

THE DIRECTORS' REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

The Directors of Growthpoint Properties Australia Limited ACN 124 093 901 ("the Company"), being the Responsible Entity of Growthpoint Properties Australia Trust ARSN 120 121 002 ("the Trust"), present their report for Growthpoint Properties Australia ("Growthpoint", "GOZ" or "the Group") consisting of the Company and the Trust and its controlled entities, for the six months ended 31 December 2014.

The shares of the Company and the units of the Trust are stapled and issued as stapled securities. The shares of the Company and the units of the Trust cannot be traded separately and can only be traded as stapled securities.

PRINCIPAL ACTIVITY

The principal activity of the Group is property investment. There has been no significant change in the nature of this activity during the period. Further details in relation to the nature of these activities are provided in this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group expects to continue to manage its existing property portfolio to increase its returns to Securityholders whilst also expanding its total assets.

FURTHER READING ONLINE

WWW Our website contains important and extended information. This symbol shows that you can find more information online: ***www.growthpoint.com.au***

GLOSSARY

A-REIT	*Australian Real Estate Investment Trust*
ANZ	*Australia and New Zealand Banking Group Limited*
ASX	*Australian Securities Exchange*
B	*billion*
Board	*the board of directors of the Company*
Cap rate	*in full, "capitalisation rate". Refers to the market income produced by an asset divided by its value or cost*
CBA	*Commonwealth Bank of Australia*
CBD	*central business district*
Company	*Growthpoint Properties Australia Limited*
cps	*cents per security*
CY13	*12 months ended 31 December 2013*
CY14	*12 months ended 31 December 2014*
dps	*distribution per security*
fund through	*a mechanism under which an entity (in this report typically Growthpoint) funds development as completion of works occur*
FY13	*the year ended 30 June 2013*
FY14	*the year ended 30 June 2014*
FY15	*the year ending 30 June 2015*
Gearing	*interest bearing liabilities divided by total assets*
GOZ/Group/ Growthpoint	*Growthpoint Properties Australia comprising the Company, the Trust and their controlled entities*
Growthpoint SA/GRT	*Growthpoint Properties Limited of South Africa (major Securityholder of GOZ)*
HY14	*first half of FY14 being the six months ended 31 December 2013*
HY15 / the Half Year	*first half of FY15 being the six months ended 31 December 2014*
JSE	*Johannesburg Stock Exchange*
NAB	*National Australia Bank Limited*
NABERS	*National Australian Built Environment Rating System (a national system for measuring environmental performance of buildings)*
NPI	*net property income*
NTA	*net tangible assets*
m	*million*
m^2	*square metres*
MER	*management expense ratio comprising all the Group's costs other than interest divided by the average gross assets for the year*
Securityholder	*an owner of Growthpoint securities*
S&P	*Standard & Poor's*
Syndicated Facility	*syndicated loan facility from CBA, NAB, WBC and ANZ to Growthpoint*
Trust	*Growthpoint Properties Australia Trust*
WARR	*weighted average rent review*
WALE	*weighted average lease expiry*
WBC	*Westpac Banking Corporation*

PERFORMANCE

"In August 2014, Moody's issued the Group with an investment grade rating on senior secured debt (Baa2) highlighting, among other things, the relative security of Growthpoint's income stream."

GEOFF TOMLINSON
Independent Chairman

TIMOTHY COLLYER
Managing Director

OUTLOOK

"Although we continue to look for ways to grow and improve the property portfolio, we will be careful not to over pay for assets and will also consider asset sales where prices are attractive relative to our view of fundamental value."

FROM THE CHAIRMAN & MANAGING DIRECTOR

The six months to 31 December 2014 ("the Half Year") was another significant period for Growthpoint Properties Australia with the property portfolio, sources and costs of debt and the rating and cost of equity all being improved.

Growthpoint's property portfolio remains well leased with a WALE of 6.5 years and we have maintained a high level of occupancy at 98%. Despite the challenging leasing market, significant leasing success was recorded during the Half Year. Refer to the leasing table on page 8 for more details.

An office building to be constructed in Mulgrave was acquired on a fund through basis for $62.6 million. The property is 60% pre-leased to Monash University with the balance under a five year rent guarantee from the joint developers, Australand and Commercial & Industrial Property.

Growthpoint took advantage of high demand for quality assets and disposed of an industrial building at 42-44 Garden St, Kilsyth, Victoria above its book value.

In August 2014, Moody's issued the Group with an investment grade rating on senior secured debt (Baa2) highlighting, among other things, the relative security of Growthpoint's income stream. This rating should allow the Group to undertake a capital markets issuance in the future.

In September 2014, the Group restructured its bank debt facilities to allow for capital markets issuance, reduce debts costs, introduce the Commonwealth Bank to its lending syndicate (joining NAB, WBC and ANZ), and extend the average debt maturity.

We have continued to grow distributions to Securityholders (up 4.3% on the prior corresponding period) and met market guidance for the Half Year of 9.8 cents per stapled security. We remain on track to achieve a 19.7 cent distribution per stapled security for FY15; a 3.7% increase on FY14. The growing distribution stream and Growthpoint's inclusion in the S&P/ASX 300 Index in September 2014, helped Growthpoint achieve a marked increase in its share price.

In November 2014, we farewelled Lyn Shaddock from the board. Lyn had been Chairman of the Group for seven years and was a champion of maximising distributions to Securityholders and trading assets primarily on the basis of property fundamentals.

Although we continue to look for ways to grow and improve the property portfolio, we will be careful not to over pay for assets and will also consider asset sales where prices are attractive relative to our view of fundamental value. Asset sales will also be considered where the asset being disposed no longer meets our investment criteria or where we can utilise the funds for assets which better meet Growthpoint's over-arching aim to secure and increase distributions to Securityholders.

Thank you for your support for Growthpoint Properties Australia.

T.J. Collyer.

Geoff Tomlinson
Independent Chairman and Director

Timothy Collyer
Managing Director

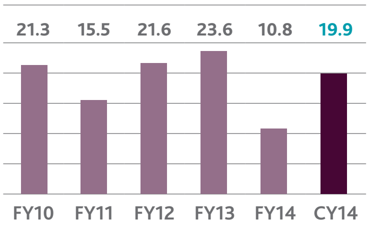
Growthpoint Properties Australia Limited

KEY RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

SECURITYHOLDER RETURNS

19.9%

TOTAL SECURITYHOLDER RETURNS CY14[1]



TOTAL SECURITYHOLDER RETURN PER ANNUM (%)

$141.8m

HY15 STATUTORY PROFIT

up 123.4% from HY14

19.7cps

FORECAST DISTRIBUTION FY15

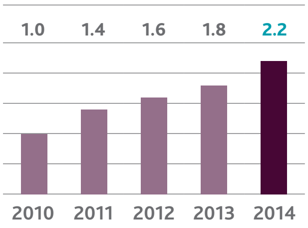
up 3.7% from FY14

GROUP

$2.2B

PORTFOLIO VALUE

as at 31 December 2014



TOTAL PORTFOLIO VALUE AT 31 DECEMBER ($B)

$1.5B

MARKET CAPITALISATION

up from $1.3 billion as at 30 June 2014

$56.4m

HY15 DISTRIBUTABLE PROFIT

34.2% increase from HY14

__Growthpoint__ is an ASX listed real estate investment trust or A-REIT (ASX Code: GOZ), with a mandate to invest in Australian property in the industrial, office and retail sectors.

The objective of the Group is to provide investors with a tradeable security producing consistently growing income returns and long-term capital appreciation.

"

IN THE SIX MONTHS TO 31 DECEMBER 2014, GROWTHPOINT ACHIEVED ITS DISTRIBUTION GUIDANCE, HAD SIGNIFICANT LEASING SUCCESS AND SAW LARGE INCREASES IN BOTH NTA AND SECURITY PRICE.

DION ANDREWS
Chief Financial Officer

1. Source: UBS Investment Research.

INVESTMENT PHILOSOPHY

THE **FOUR PILLARS** OF OUR "PURE LANDLORD" INVESTMENT PHILOSOPHY:

1 100% INVESTMENT IN AUSTRALIA

All of the Group's investment properties are located in Australia where our management understands the key markets. We have increased the diversification of the portfolio to cover every State in Australia and the Australian Capital Territory.

2 NOT A DEVELOPER

The Group does not operate a property development business and does not intend to take on any significant development risk. It will likely continue to purchase properties to be developed, fund construction of developments, or enter a joint venture where the Group becomes the owner of the property on completion but only where material leases are in place.

3 NO FUNDS MANAGEMENT

The Group does not have a funds management business nor does it intend to become a fund manager. The Group intends only to manage a portfolio of properties that its Securityholders own, and accordingly the Group's income is, and will continue to be, derived solely from rental income.

4 INTERNALISED MANAGEMENT

The Group has internalised management via a stapled entity structure. Securityholders own both the property trust and the manager/responsible entity. There are no fees payable to external managers for operating the business and no conflicts of interest between Securityholders and the manager/responsible entity.

GOZ BUSINESS LIFE CYCLE

1 RAISE CAPITAL:

Raise equity capital from Securityholders in Australia and elsewhere and debt capital, currently from all four major Australian banks.

2 ACQUIRE:

Well built, well located Australian commercial real estate.

3 INCOME FROM LEASES:

Lease vacant space and collect rent from tenants.

4 ASSET MANAGEMENT:

Maintain and improve assets through capital expenditure, repairs and maintenance. Sell assets that no longer meet investment criteria.

5 PAY COSTS:

Pay interest costs on debt capital and operating and management costs.

6 DISTRIBUTIONS:

Return as much of the remaining property income to Securityholders as deemed prudent.

HIGHLIGHTS FOR THE HALF YEAR

PERFORMANCE

"Growthpoint's total Securityholder return, taking into account distributions paid/ payable and the movement in the GOZ security price for the five years ended 31 December 2014 was 20.4%, outperforming the S&P/ASX 300 Property Accumulation Index which returned 12.0%."

HALF YEAR PROFIT

$141.8m

HALF YEAR PROFIT

up 123.4% from the previous corresponding period.

AARON HOCKLY

Company Secretary & General Counsel

Growth in profit, distributions and NTA per security drove a strong return on equity. The Group's quality property portfolio has been enhanced and its financial position strengthened.

NET TANGIBLE ASSETS: the Group's NTA per stapled security moved from $2.16 at 30 June 2014 to $2.32 at 31 December 2014, a 7.4% increase. Most of this increase was attributable to positive property revaluations (refer to property revaluation section below). Over the 12 months ended 31 December 2014, NTA per stapled security moved from $2.11 to $2.32, a 10.0% increase.

HALF YEAR PROFIT of $141.8 million was up 123.4% from the previous corresponding period.

HALF YEAR DISTRIBUTABLE INCOME of $56.4 million was up 34.2% from the previous corresponding period. This equates to 10.2 cents per stapled security, up 3.0% from the previous corresponding period.

DISTRIBUTIONS payable for the Half Year are $54.4 million and are due to be paid to Securityholders on 27 February 2015, providing a payout ratio of 96.3%. This equates to a 9.8 cent distribution per stapled security, consistent with market guidance and a 4.3% increase from the previous corresponding period. Distributions are forecast to be 45.4% tax deferred and 1.7% tax free (these figures will be confirmed with the full year results).

DISTRIBUTION GUIDANCE: Directors provided distributable income guidance prior to the start of FY15 of 20.3-20.6 cents per stapled security and FY15 distribution guidance of 19.7 cents per stapled security. Recent leasing and debt cost reductions have meant that directors are now indicating that the FY15 distributable income will be not less than 20.6 cents per stapled security.

RETURN ON EQUITY: The return on Securityholders' equity, taking into account distributions paid/ payable and the change in NTA per stapled security, for the 12 months ended 31 December 2014 was 19.2%.

TOTAL SECURITYHOLDER RETURN: Growthpoint's total Securityholder return, taking into account distributions paid/payable and the movement in Growthpoint's security price for the 12 months ended 31 December 2014 was 19.9%, versus the S&P/ASX 300 Property Accumulation Index of 26.8%[1]. Over the five years ended 31 December 2014, Growthpoint's total Securityholder return was 20.4% per annum outperforming the S&P/ASX 300 Property Accumulation Index which returned 12.0%[1].

INDEX INCLUSION: in September 2014, Growthpoint was included in the S&P/ASX 300 Index. This was a significant milestone for the Group and has enabled a broadening of the Securityholder register to include a much greater number of Australian institutions. Growthpoint expects to be included in the S&P/ASX 200 index at some stage as it is ranked higher than several existing participants on a market capitalisation and liquidity basis. However, as Standard & Poor's retains the discretion to admit constituents so there is no guarantee that this will occur in any particular timeframe.

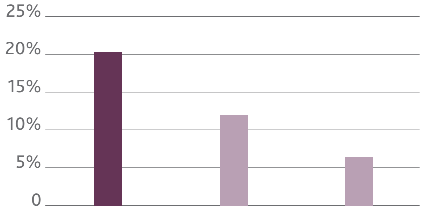
PROPERTY REVALUATIONS: 27 of the Group's 51 properties were independently valued at 31 December 2014 with the remainder valued internally by Directors' valuations. In aggregate, the book value of the property portfolio increased by $95.2 million equating to a 4.5% increase on a like-for-like basis. This was caused by a fall in the weighted average capitalisation rate over the Half Year from 7.9% to 7.6% and leasing undertaken in the portfolio (refer to leasing section on page 8). A summary of the property valuations at 31 December 2014 appears on page 8.

PROPERTY ACQUISITION: During the Half Year, the Group agreed terms for the acquisition of an office property under construction at 211 Wellington Road, Mulgrave, Victoria. The total land purchase price and construction cost to Growthpoint will be $62.6 million which Growthpoint will pay in installments as works are completed. Australand Holdings Limited and Commercial & Industrial Property Pty Ltd are the joint developers of the property and will pay Growthpoint 7.25% per annum on funds outlayed by Growthpoint until practical completion. The property has been 60% pre-let to Monash University, one of Australia's largest and most prestigious universities, for five years from practical completion. The developers are providing a five year rental guarantee for the balance of the property until other leasing has been undertaken. The property will comprise a seven level office building with a lettable area of 12,718 square metres together with a multi-deck car park of 650 spaces. The acquisition will provide an initial income yield of 7.75% from practical completion. The property has been independently valued at $62.6 million, equating to the land purchase price plus construction costs, at practical completion. Growthpoint will fund the acquisition from its distribution reinvestment plan.

1. Source: UBS Investment Research.

TOTAL RETURN COMPARISON

PER ANNUM, OVER 5 YEARS TO 31 DECEMBER 2014[1]



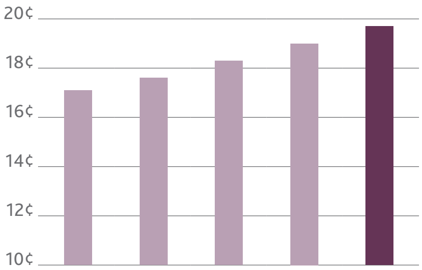
GOZ	A-REIT[2]	SHARES[3]
20.4%	12.0%	6.5%

1. Source: UBS Investment Research.
2. S&P/ASX 300 Prop Index.
3. S&P/ASX 300 Acc. Index.

GOZ has outperformed the A-REIT index and the S&P/ASX 300 Index over the last five years by 8.2% and 13.9% per annum respectively.

DISTRIBUTIONS

PER STAPLED SECURITY



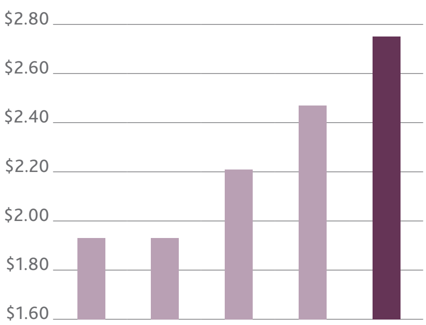
FY11	FY12	FY13	FY14	FY15[1]
17.1¢	17.6¢	18.3¢	19.0¢	19.7¢[1]

1. Distribution guidance only.

15.2% total increase in distributions FY11 to FY15 approximating 3.8% per annum.

SECURITY PRICE

AS AT 31 DECEMBER



2010	2011	2012	2013	2014
$1.93	$1.93	$2.21	$2.47	$2.75

42.5% increase in security price since December 2010 approximating 10.6% per annum growth.

1231-1241 SANDGATE RD, NUNDAH, QLD

SECURITYHOLDER RETURNS

7.2%

HY15 DISTRIBUTION YIELD

Based on 31 December 2014 closing price

20.5%p.a.

TOTAL SECURITYHOLDER RETURN

for five years to 31 December 2014 (Source: UBS Investment Research)

Property valuations as at 31 December 2014[1]

SECTOR	PROPERTIES	VALUE ($m)	% OF PORTFOLIO	WEIGHTED AVERAGE CAPITALISATION RATE	WEIGHTED AVERAGE INITIAL YIELD
Industrial	34	1,079	50%	7.6%	7.8%
Office	17	1,099	50%	7.6%	8.2%
Total	**51**	**2,178**	**100%**	**7.6%**	**8.0%**

1. 211 Wellington Road, Mulgrave, Victoria included at land cost of $7 million only.

PROPERTY DISPOSAL: the Group sold its industrial property at 42-44 Garden Street, Kilsyth, Victoria for $19.0 million to the existing tenant during the Half Year. The sale price was above the book value of $18.75 million and net proceeds were used to repay debt. Growthpoint may consider further property disposals where it can do so above book value, where the property being disposed of no longer meets Growthpoint's investment criteria or where Growthpoint can utilise the proceeds to secure and increase distributions to Securityholders.

PROPERTY PORTFOLIO: Growthpoint's property portfolio has been carefully established by highly experienced property professionals over several years. It comprises one of Australia's best industrial portfolios and a high quality office portfolio spread across every Australian State and Canberra with 83% of the portfolio (by value) in Australia's three most populous States: New South Wales, Victoria and Queensland. The portfolio has 98% occupancy, fixed weighted average annual rental reviews of 3.1% and a weighted average lease expiry term of 6.5 years. Refer to pages 14-23 for more details on the portfolio and individual properties.

EQUITY RAISING: During the Half Year, Growthpoint raised $34.4 million through its distribution reinvestment plan ("DRP") in respect of the August 2014 distribution and is due to raise approximately $42.3 million from the DRP in respect of its February 2015 distribution. The DRP prices were $2.42 and $2.73, respectively, and had participation rates of 75.2% and 77.8% respectively. Proceeds will be used for debt reduction and the property acquisition referred to above.

NEW LEASES: The table below shows leasing undertaken during the Half Year. Growthpoint continues to record a high level of leasing success reflecting the modern, quality, well-located properties the Group owns and management's efforts to retain tenants well in advance of lease expiries. Prospects for leases expiring over the next two years are currently positive and the Group hopes to be in an position to announce additional leasing success over the remainder of this financial year.

CAPITAL MANAGEMENT INITIATIVES: The Half Year was particularly significant for Growthpoint's debt costs, structure and capacity. In particular, the following was achieved:

1. Growthpoint took advantage of historically low interest rates to blend and extend a number of interest rate hedges. As a result, Growthpoint's cost of debt fell to 5.0% at 31 December 2014 from 5.8% at 30 June 2014.
2. Moody's issued the Group with an investment grade credit rating on senior secured debt of Baa2 in August 2014.
3. The Group's debt facilities were amended to enable greater flexibility going forward including possible capital markets issuance.
4. After adding Commonwealth Bank of Australia, the Group now has all of the four major Australian banks in its syndicate.

Leasing success during the Half Year

PROPERTY	STATE	SECTOR	TENANT	START DATE	TERM (yrs)	ANNUAL RENT INCREASES	AREA (m²)	CAR PARKS (No.)
1231-1241 Sandgate Road, Nundah	QLD	Office	Zambrero Property Group	Q1, FY15	7.0	Fixed 3.50%	70	–
CB1, 22 Cordelia Street, South Brisbane	QLD	Office	Icon Cancer Care	Q2, FY15	8.6	Fixed 3.75%	1,395	13
A4, 52 Merivale Street, South Brisbane	QLD	Office	Urban Circus	Q2, FY15	6.0	Fixed 4.00%	622	2
Car Park, 32 Cordelia Street & 52 Merivale Street, South Brisbane	QLD	Office	Secure Parking	Q2, FY15	5.0	Fixed 4.00%	–	215
A4, 52 Merivale Street, South Brisbane	QLD	Office	Elders Rural Services Australia	Q2, FY15	5.0	Fixed 3.75%	600	4
333 Ann Street, Brisbane	QLD	Office	Everyday Hero	Q3, FY15	5.0	Fixed 3.50%	867	–
670 Macarthur Avenue, Pinkenba	QLD	Industrial	Reliance Worldwide Corporation	Q4, FY15	5.0	Fixed 3.50%	3,328	20
12-16 Butler Boulevard, Adelaide Airport	SA	Industrial	Palcove T/A Cheap as Chips	Q2, FY16	5.0	Fixed 3.25%	16,800	200
TOTAL / WEIGHTED AVERAGE					**5.7**	**Fixed 3.6%**	**23,682**	**454**

Summary of movements in value for the Half Year

PROPERTY TYPE	Properties at 30 Jun 2014 (No.)	Value at 30 Jun 2014 ($m)	Capex for Half Year ($m)	Property acquisitions & expansions ($m)	Property disposals ($m)	Revaluation gain / (loss) ($m)	Valuation at 31 Dec 2014 ($m)	Change due to revaluation (%)	Properties at 31 Dec 2014 (No.)
INDUSTRIAL PORTFOLIO	35	1,044	0.2	–	(18.8)	53.7	**1,079**	5.1	34
OFFICE PORTFOLIO	16	1,050	0.5	7.2	–	41.5	**1,099**	4.0	17
Total portfolio	**51**	**2,094**	**0.7**	**7.2**	**(18.8)**	**95.2**	**2,178**	**4.5**	**51**

Key debt metrics and changes during the Half Year

	unit of measure	31 DEC 2014	30 JUN 2014	CHANGE	% CHANGE
TOTAL ASSETS	*$'000*	**2,226,532**	2,128,779	97,753	4.6
INTEREST BEARING LIABILITIES	*$'000*	**816,225**	871,214	(54,989)	(6.3)
TOTAL DEBT FACILITIES	*$'000*	**1,025,000**	995,000	30,000	3.0
UNDRAWN DEBT	*$'000*	**203,351**	118,337	85,014	71.8
BALANCE SHEET GEARING	*%*	**36.7**	40.9	(4.2)	–
WEIGHTED AVERAGE DEBT MATURITY	*years*	**3.7**	3.3	0.4	11.1
ALL-IN COST OF DEBT	*%*	**5.0**	5.8	(0.8)	–
DEBT HEDGED	*%*	**82**	82	0	–
WEIGHTED AVERAGE HEDGE MATURITY	*years*	**3.7**	3.0	0.7	23.3
ANNUAL INTEREST COVERAGE RATIO	*times*	**3.5**	3.2	0.3	–

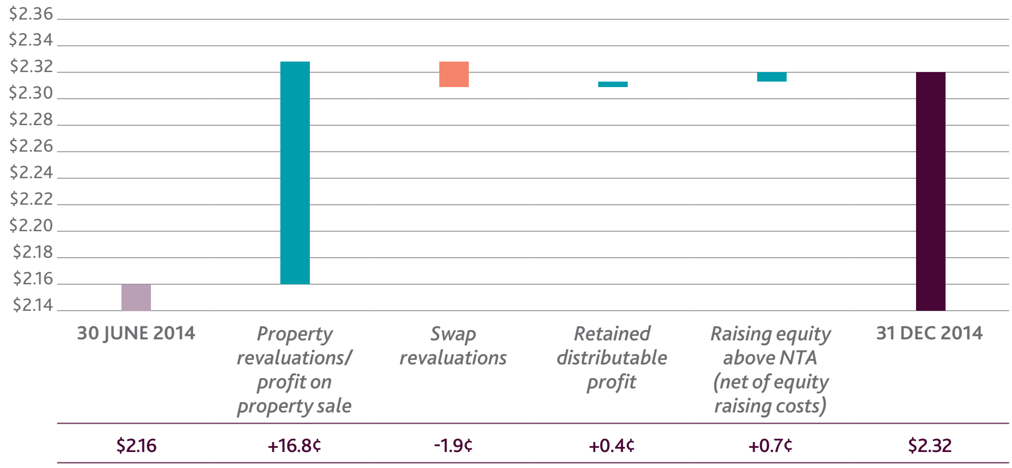
51-65 LENORE DRIVE, ERSKINE PARK, NSW

GEARING

> "Growthpoint's balance sheet gearing was 36.7% as at 31 December 2014 which is near the bottom of its target range of 35% to 45%"

MOVEMENTS IN NTA

PER STAPLED SECURITY



At 31 December 2014, Growthpoint had 82% of its drawn debt hedged with a weighted average maturity of 3.7 years. Full details of Growthpoint's hedging program are in the table on page 11.

Growthpoint's current syndicated facility with NAB, WBC, ANZ and CBA has the following expiry dates and limits.

MATURITY	LIMIT ($m)
Jun-2015	100*
Dec-2017	255
Dec-2018	255
Jun-2019	100
Dec-2019	315
TOTAL	**1,025**

* Growthpoint has the option to extend by three or four years at maturity.

At 31 December 2014, Growthpoint's weighted average debt expiry term was 3.8 years.

Growthpoint's balance sheet gearing was 36.7% as at 31 December 2014 which is near the bottom of its target range of 35% to 45%. This gearing level together with debt headroom of approximately $203 million provide the Group with significant capacity to undertake further acquisitions and tenant requested property expansions.

Growthpoint has expanded its target gearing range to 35% to 45% (previously 40% to 45%) to provide the Group with more flexibility for its capital management strategies.

NET PROPERTY INCOME: The property portfolio had like-for-like net property income growth of 0.6% for the 12 months ended 31 December 2014. This was lower than Growthpoint's weighted average rent review primarily due to:

1. rental reversions on lease renewals at:
   a. 7 Laffer Drive, Bedford Park, South Australia; and
   b. Lots 2-4, 44-54 Raglan Street, Preston, Victoria;
2. the vacancy at 306-318 Abbotts Road, Dandenong South, Victoria (this property is expected to be leased and/or sold during the balance of the 2015 financial year); and
3. lease incentives including rent free periods as part of several lease renewals particularly to Peabody Energy at CB2, 42 Merivale Street, South Brisbane, Queensland.

The like-for-like net property income does not include properties which have been purchased or divested since January 2013. These acquisitions and disposals equate to 26.8% of the total portfolio value and have a weighted average net property income growth rate of 3.28%.

BOARD CHANGES: During the Half Year, Lyn Shaddock retired from the Board. Lyn had been the Chairman of the Group from its listing in 2007 until 30 June 2014 and remained as an independent director until the Annual General Meeting on 26 November 2014. Lyn was replaced as Chairman by Geoff Tomlinson.

PROPERTY SECTOR

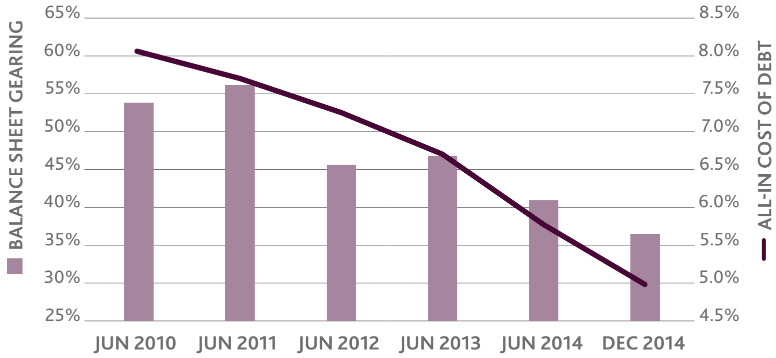
ECONOMIC OVERVIEW

Australian Gross Domestic Product ("**GDP**") has continued to grow slightly below trend as the economy has begun to balance out the previous peak in mining investment with other domestic drivers and resources exports. GDP growth is forecast to be 2.5% in FY15, increasing to 3.0% growth in FY16[2]. The Reserve Bank of Australia ("**RBA**") has continued its accommodative stance to monetary policy with interest rates recently falling to a record low of 2.25%, as inflation remains lower than the target range of 2.0% and 3.0%. The exchange rate, considered high by the RBA compared to its fundamental value, has depreciated especially against the US dollar and should help achieve more balanced growth domestically and result in increased demand for Australian exports.

2. National Australia Bank Limited, *Global & Australian Forecasts*, December 2014.

REDUCTION IN GEARING AND COST OF DEBT

AS AT MONTH END

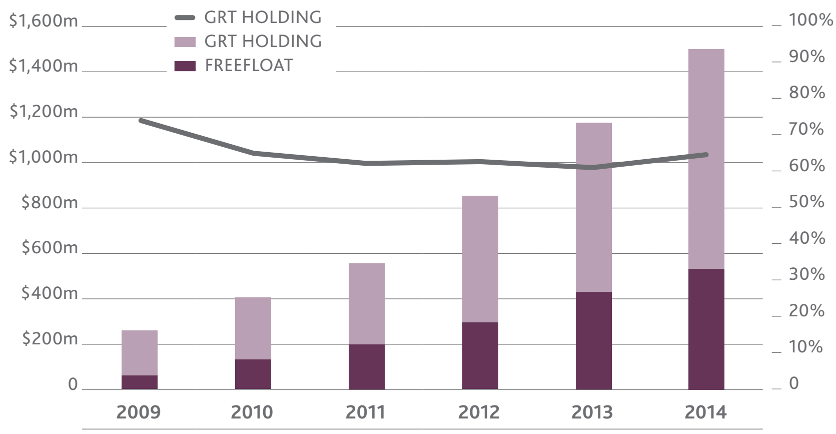


Balance sheet gearing	53.8%	56.1%	45.6%	46.8%	40.9%	36.7%
All-in cost of debt	8.06%	7.70%	7.25%	6.70%	5.77%	4.98%

Gearing and all-in-cost of debt has reduced significantly. This, coupled with significant debt headroom, makes it easier to acquire quality properties accretively (all other things being equal).

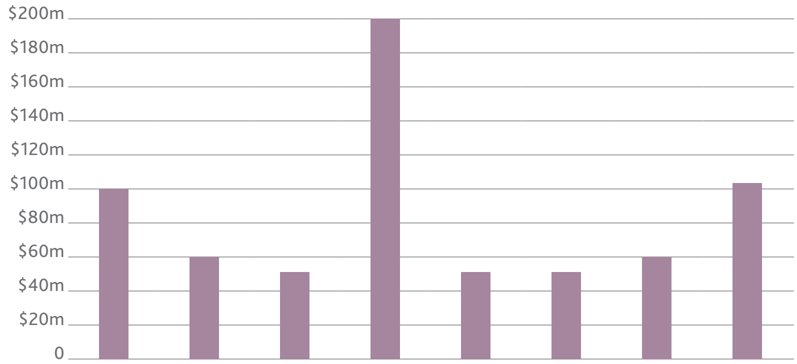
MARKET CAPITALISATION AND FREE FLOAT

AS AT 31 DECEMBER



Growthpoint's significant increase in liquidity, freefloat and trading volumes enabled inclusion in the S&P/ASX 300 in September 2014 and should lead to S&P/ASX 200 inclusion.

INTEREST RATE HEDGING



Growthpoint intends to keep a significant portion of its debt hedged and is required by banking facilities and internal policies to have 75-100% of debt fixed.

KEY DETAILS

									Weighted average
Time to maturity	1.8yrs	2.5yrs	3.5yrs	3.9yrs	4.1yrs	4.1yrs	4.8yrs	4.9yrs	3.7yrs
Fixed Rate	3.80%	3.38%	3.20%	3.84%	3.57%	3.55%	3.70%	4.14%	3.74%
End month	Sep 16	Jun 17	Jul 18	Nov 18	Jan 19	Jan 19	Nov 19	Nov 19	

DISTRIBUTABLE INCOME

Distributable income is the net profit available for distribution from the Group which excludes accounting adjustments such as fair value movements to the value of investment property and interest rate swaps, movements in deferred tax assets and profits on sale of investment properties. Distributable income is non-IFRS financial information and has not been subject to review by the Group's external auditors.

Distributable income has been provided to allow Securityholders to identify that income which is available to distribute to them and will assist in the assessment of relative performance of the Group.

The table below provides a reconciliation of distributable income from statutory profit.

Reconciliation from statutory profit to distributable income

	HY15	HY14	CHANGE	CHANGE
	$'000	*$'000*	*$'000*	*%*
PROFIT AFTER TAX	**141,824**	63,492	78,332	123.4
LESS NON-DISTRIBUTABLE ITEMS:				
- Straight line adjustment to property revenue	**(2,047)**	(2,856)	809	
- Net changes in fair value of investment property	**(93,140)**	(15,188)	(77,952)	
- Profit on sale of investment property	**(250)**	–	(250)	
- Net unrealised change in value of derivatives	**10,282**	(19,107)	29,389	
- Loss on settlement of derivatives	**–**	15,750	(15,750)	
- Deferred tax income	**(222)**	(42)	(180)	
DISTRIBUTABLE INCOME	**56,447**	42,049	14,398	34.2

The payout ratio, calculated as distributions on ordinary stapled securities divided by distributable income, was 96.3% (previous corresponding period: 95.0%).

The table below summarises those components that make up distributable income earned.

Components of distributable income

	HY15	HY14	CHANGE	CHANGE
	$'000	*$'000*	*$'000*	*%*
Property income	**98,077**	83,764	14,313	17.1
Property expenses	**(12,723)**	(11,348)	(1,375)	12.1
NET PROPERTY INCOME	**85,354**	72,416	12,938	17.9
Interest income	**425**	457	(32)	(7.0)
TOTAL OPERATING INCOME	**85,779**	72,873	12,906	17.7
Borrowing costs	**(24,473)**	(26,398)	1,925	(7.3)
Operating and trust expenses	**(4,455)**	(4,276)	(179)	4.2
TOTAL OPERATING AND TRUST EXPENSES	**(28,928)**	(30,674)	1,746	(5.7)
Current tax expense	**(404)**	(150)	(254)	169.3
DISTRIBUTABLE INCOME	**56,447**	42,049	14,398	34.2
DISTRIBUTIONS PAID	**54,351**	39,940	14,411	36.1
Tax components	45.4% tax deferred 1.7% tax free (forecast)	73.6% tax deferred		

In December 2014 the Australian consumer sentiment index was at its lowest level since August 2011, as a result of concern for job security and the outlook of the economy[3]. Australia's unemployment rate has also been creeping higher over the past 12 months to December 2014 as it has increased to 6.1% from 5.9%[4].

PROPERTY MARKET OVERVIEW

Over the last two years, the Australian commercial property market has seen a disconnect between weak occupier demand and high investment demand. This appears to be the result of mixed economic conditions coupled with historically low interest rates and bond yields.

In the office sector, weak occupier demand has resulted in high levels of vacancies and incentives across Australia.

Within the industrial market, occupier demand was patchy over 2014 with the gross take-up being substantially below the 10 year average and at its lowest level since 2009.

Office market leasing conditions are expected to remain difficult in 2015, however, Growthpoint has recorded significant leasing success and hopes to continue this track record. Moderate occupier demand for industrial space is being experienced. Competition for well leased office and industrial properties will continue as the demand for investment outweighs the supply of property coming to market for sale with the strong demand from offshore investors, as well as domestic institutional and A-REIT investors, expected.

OUTLOOK

Growthpoint's property portfolio is modern, well leased to quality tenants with a WALE of 6.5 years and a rising rental income through fixed annual rental increases. The balance sheet is well capitalised, and access to capital for the Group has been good. The Board and management are confident of the Group's investment strategy and there has been good investor support demonstrated by the higher security price in 2015.

The focus for Growthpoint in the short to medium-term remains:

- Continuing to provide growing distributions to Securityholders
- Continued growth and diversification of the property portfolio via M&A transactions, direct property acquisitions and developments
- Maintenance of balance sheet gearing within the range of 35% to 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
- Greater awareness of Growthpoint as an investment option particularly by Australian institutional investors
- S&P/ASX 200 Index inclusion (technical requirements have been met)

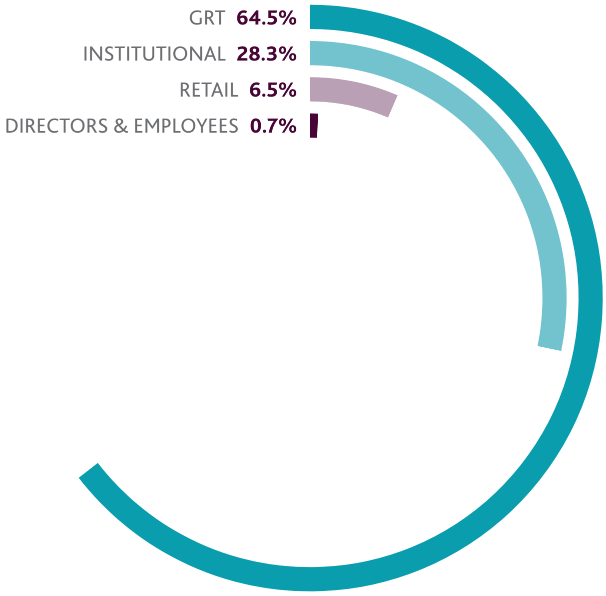
AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 45.

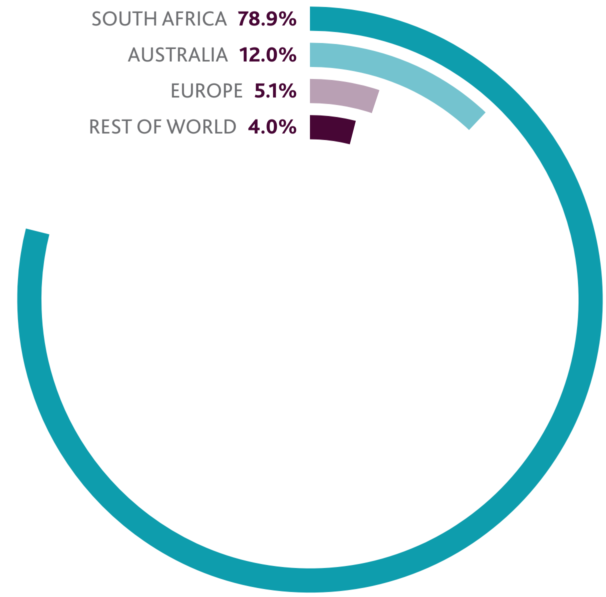
ROUNDING OFF

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

GOZ SECURITYHOLDERS*
AS AT 31 DECEMBER 2014



LOCATION OF GOZ SECURITYHOLDERS*
AS AT 31 DECEMBER 2014



* Figures are approximate only.

3. Westpac Banking Corporation, *Consumer Sentiment Index*, December 2014
4. Australian Bureau of Statistics, *Labour Force Australia – December 2014*, January 2015

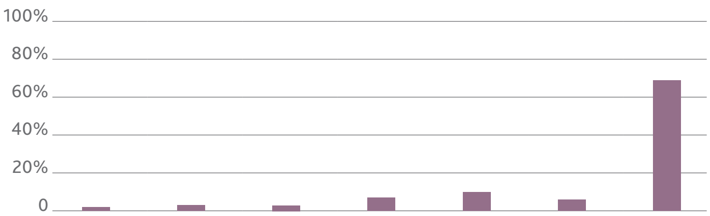
PORTFOLIO OVERVIEW AS AT 31 DECEMBER 2014

	INDUSTRIAL	OFFICE[1]	TOTAL
NO. OF PROPERTIES	34	17	**51**
TOTAL / AVERAGE VALUE	$1,079.0m / $31.7m	$1,154.6m / $67.9m	**$2,233.6m / $43.8m**
% OF PORTFOLIO VALUE	48%	52%	**100%**
OCCUPANCY	99%	98%	**98%**
LIKE FOR LIKE VALUE CHANGE HY15 *($/% of asset value)*	$53.7m / 5.0%	$41.6m / 3.6%	**$95.2m / 4.5%**
TOTAL / AVERAGE LETTABLE AREA	831,678m^2 / 24,461m^2	192,003m^2 / 11,294m^2	**1,023,681m^2 / 20,072m^2**
AVERAGE PROPERTY AGE	8.8 years	7.0 years	**7.8 years**
AVERAGE VALUATION CAP RATE	7.6%	7.6%	**7.6%**
WALE	6.9 years	6.2 years	**6.5 years**
WARR[2]	2.7%	3.5%	**3.1%**
AVERAGE VALUE *(per m^2)*	$1,297	$6,013	**$2,182**
AVERAGE RENT *(per m^2 per annum)*	$101	$528	**$182**
CAPITAL EXPENDITURE HY15 *($/% of asset value)*	$0.2m / 0.02%	$0.5m / 0.04%	**$0.7m / 0.03%**
HY15 NET PROPERTY INCOME	$44.4m	$41.0m	**$85.4m**
NUMBER OF TENANTS	32	63	**93[3]**

1. Includes 211 Wellington Road, Mulgrave, Victoria at its on completion valuation.
2. Assumes Consumer Price Index change of 1.7% per annum as per Australian Bureau of Statistics release for CY14.
3. Fuji Xerox and Australand Rent Guarantee are both office and industrial tenants.

PORTFOLIO RENT EXPIRING

PER FINANCIAL YEAR



VACANT	FY15	FY16	FY17	FY18	FY19	FY20+
2%	3%	3%	7%	10%	6%	69%

SECTOR DIVERSITY (%)

BY MARKET VALUE, AS AT 31 DECEMBER 2014

INDUSTRIAL **48%** OFFICE **52%**

TOP TEN TENANTS

BY PASSING RENT

	%	*WALE*
WOOLWORTHS (Industrial)	23%	7.7yrs
NSW POLICE (Office)	10%	9.4yrs
GE CAPITAL FINANCE AUSTRALASIA (Office)	6%	3.2yrs
LINFOX (Industrial)	4%	8.4yrs
COMMONWEALTH OF AUSTRALIA (Office)	4%	2.2yrs
JACOBS ENGINEERING (Office)	3%	3.8yrs
ENERGEX (Office)	3%	12.9yrs
FOX SPORTS (Office)	2%	8.0yrs
STAR TRACK EXPRESS (Industrial)	2%	4.5yrs
RUNGE PINCOCK MINARCO (Office)	2%	0.5yrs
TOTAL	**59%**	**6.9yrs**

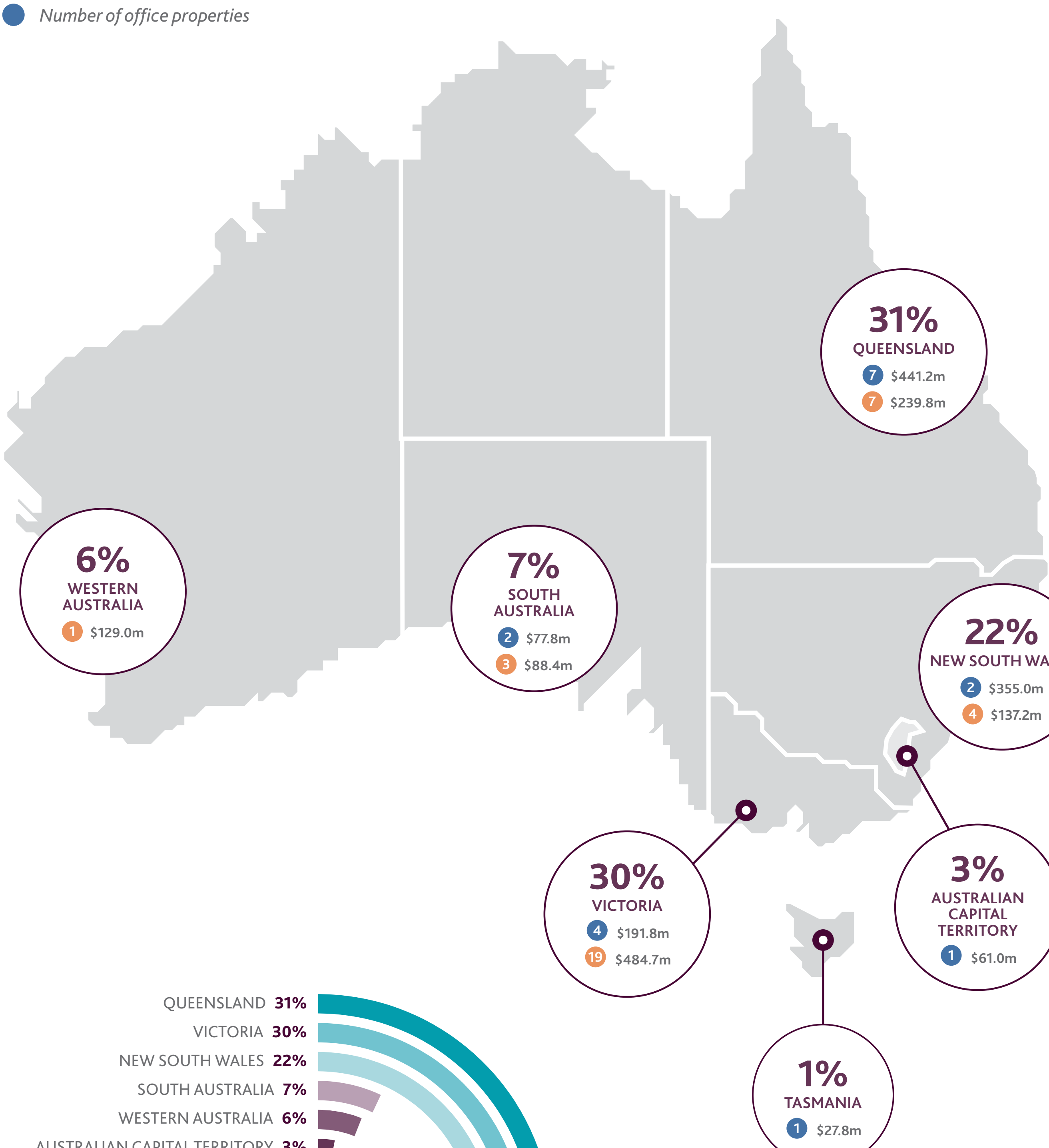
Industrial *Office*

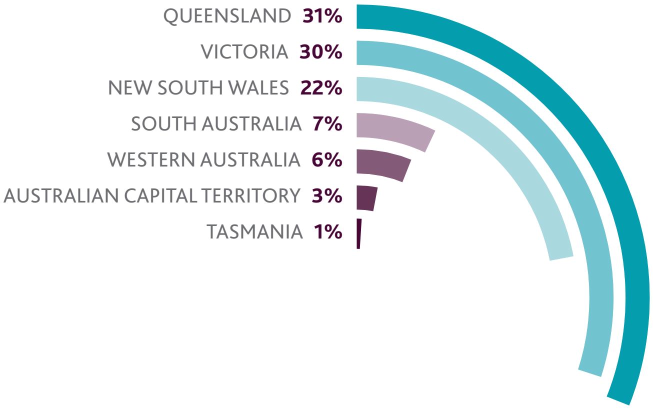
GEOGRAPHIC DIVERSITY[1]

VALUES PER SECTOR PER STATE

Number of industrial properties

Number of office properties





1. Includes 211 Wellington Road, Mulgrave, Victoria at its on completion valuation.

OFFICE PORTFOLIO REVIEW

KEY STATISTICS

AS AT 31 DECEMBER 2014

$1,154.6m

TOTAL VALUE*

31 December 2013: $799.4m

7.6%

AVERAGE CAP RATE

31 December 2013: 8.2%

52%

OF GROWTHPOINT PORTFOLIO

31 December 2013: 44%

98%

OCCUPANCY

31 December 2013: 97%

6.2yrs

WALE

31 December 2013: 5.6 years

* Includes 211 Wellington Road, Mulgrave at its on completion valuation.

MICHAEL GREEN

Head of Property

Highlights for the Half Year included the following:

LEASING

Growthpoint successfully leased 3,484 square metres of office space within the Brisbane office market and renegotiated and extended the car park lease to Secure Parking at the SW1 complex for five years. Pleasingly, Growthpoint have added a number of quality new tenants to the portfolio and the office portfolio occupancy is 98% and the WALE is 6.2 years as at 31 December 2014 versus 97% and 5.6 years, respectively, as at 31 December 2013.

CAPITAL TRANSACTIONS

Growthpoint have been actively pursuing prudent acquisitions in a very competitive market for acquirers. In late December 2014, Growthpoint announced its acquisition of land and the development fund through of a 12,718m², seven level office building, independently valued at $62.6 million on completion. The property is located at 211 Wellington Road, Mulgrave, Victoria and is 60% leased to Monash University for five years from practical completion (anticipated in early 2016). The developers will provide a five year rent guarantee over any portion of the property which is not leased at completion. The acquisition provides Growthpoint with an attractive initial yield of 7.75% from completion of the development.

VALUATIONS

The competitive acquisition conditions have resulted in yield compression across the office sector. Growthpoint's portfolio has benefitted from this yield compression with the average capitalisation rates falling to 7.6% at 31 December 2014 from 8.2% at 31 December 2013. Valuations increased 4.0% on a like-for-like basis during calendar year 2014. Of particular note, 1 Charles Street, Parramatta which was acquired by Growthpoint on 30 June 2014 for $241.1 million, was revalued to $255 million at 31 December 2014; a 5.8% increase from the purchase price over six months.

KEY ACHIEVEMENT FOR THE HALF YEAR

Leasing much of the current vacancies and potential future vacancies within 333 Ann Street and the SW1 complex in Queensland.

SUSTAINABILITY

Growthpoint continues to look for innovative and cost effective ways to improve the individual NABERS ratings within the office portfolio. The average NABERS energy rating has increased from 3.75 stars to 3.98 stars over the Half Year.

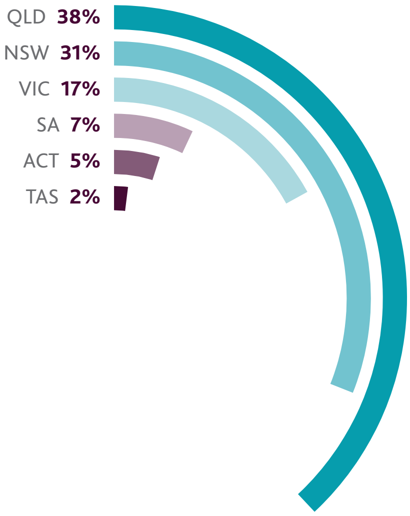
LOOKING FORWARD

Management's focus will remain on leasing in Brisbane and extending leases ahead of time for upcoming potential expiries for the remainder of this financial year.

Growthpoint continues to seek acquisition opportunities and will also consider divestments of assets which no longer fit the future strategy for the portfolio or where high prices can be obtained.

GEOGRAPHIC DIVERSITY

BY MARKET VALUE AS AT 31 DECEMBER 2014



17

ASSETS

31 December 2013: 15

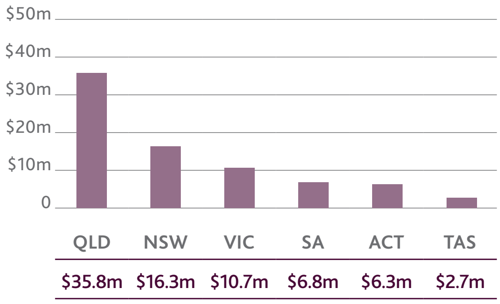
63

TENANTS

31 December 2013: 58

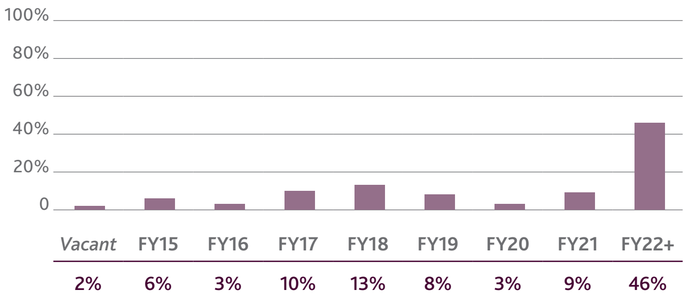
NET PROPERTY INCOME PER STATE

FOR CALENDAR YEAR 2014



OFFICE PORTFOLIO LEASE EXPIRY PROFILE

PER FINANCIAL YEAR



333 ANN STREET, BRISBANE, QLD

OFFICE PORTFOLIO PROPERTY PROFILES BY VALUE *as at 31 December 2014*

AVERAGE VALUE

$6,013

Per m²

AVERAGE RENT

$528

Per m² per annum

TOTAL LETTABLE AREA

192,003m²

AVERAGE BUILDING AGE

7.0 years

WWW

for more information on each property please see our website ***growthpoint.com.au***

1 CHARLES ST, PARRAMATTA, NSW

Book Value	*WALE*	*Cap rate*
$255.0m	9.4yrs	6.75%

BLDG C, GORE HILL TECH PARK, 219-247 PACIFIC HWY, ARTARMON, NSW

Book Value	*WALE*	*Cap rate*
$100.0m	7.2yrs	7.25%

333 ANN ST, BRISBANE, QLD

Book Value	*WALE*	*Cap rate*
$95.0m	2.6yrs	8.00%

ENERGEX BUILDING, 1231-1241 SANDGATE RD, NUNDAH, QLD

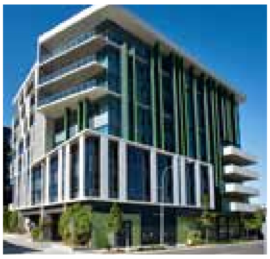
Book Value	*WALE*	*Cap rate*
$89.0m	11.8yrs	7.50%

GE BUILDING 2, 572-576 SWAN ST, RICHMOND, VIC

Book Value	*WALE*	*Cap rate*
$76.0m	3.2yrs	8.00%

CB1, 22 CORDELIA ST, SOUTH BRISBANE, QLD

Book Value	*WALE*	*Cap rate*
$74.2m	7.4yrs	7.50%



A1, 32 CORDELIA ST, SOUTH BRISBANE, QLD

Book Value	*WALE*	*Cap rate*
$65.3m	3.8yrs	8.00%

211 WELLINGTON RD, MULGRAVE, VIC *(to be constructed)*

Book Value	*WALE*	*Cap rate*
$62.6m[1]	5.0yrs[1]	7.75%[1]

1. Figures are on completion.

10-12 MORT ST, CANBERRA, ACT

Book Value	*WALE*	*Cap rate*
$61.0m	2.2yrs	8.50%

WORLDPARK, 33-39 RICHMOND RD, KESWICK, SA

Book Value	*WALE*	*Cap rate*
$60.2m	8.5yrs	8.00%

A4, 52 MERIVALE ST, SOUTH BRISBANE, QLD

Book Value	*WALE*	*Cap rate*
$58.0m	1.8yrs	8.00%

GE BUILDINGS 1&3, 572-576 SWAN ST, RICHMOND, VIC

Book Value	*WALE*	*Cap rate*
$52.0m	3.2yrs	8.00%

CB2, 42 MERIVALE ST, SOUTH BRISBANE, QLD

Book Value	*WALE*	*Cap rate*
$45.5m	8.7yrs	7.50%

89 CAMBRIDGE PARK DR, CAMBRIDGE, TAS

Book Value	*WALE*	*Cap rate*
$27.8m	9.3yrs	8.25%

7 LAFFER DRIVE, BEDFORD PARK, SA

Book Value	*WALE*	*Cap rate*
$17.6m	3.6yrs	10.00%

CAR PARK, 32 CORDELIA ST & 52 MERIVALE ST, SOUTH BRISBANE, QLD

Book Value	*WALE*	*Cap rate*
$14.3m	4.9yrs	7.50%

CAR PARK, 572-576 SWAN ST, RICHMOND, VIC

Book Value	*WALE*	*Cap rate*
$1.2m	3.2yrs	12.00%

1 CHARLES STREET, PARRAMATTA, NSW

INDUSTRIAL PORTFOLIO REVIEW

KEY STATISTICS

AS AT 31 DECEMBER 2014

$1,079.0m

TOTAL VALUE

31 December 2013: $1,001.4m

7.6%

AVERAGE CAP RATE

31 December 2013: 8.2%

48%

OF GROWTHPOINT PORTFOLIO

31 December 2013: 56%

99%

OCCUPANCY

31 December 2013: 100%

6.9yrs

WALE

31 December 2013: 7.5 years

ANDREW FITT

Senior Asset Manager

Highlights for the Half Year included the following:

LEASING

By engaging with tenants well in advance of lease expiries, the Group extended a number of leases previously due to expire in the 2015 calendar year so as to minimise vacancy.

The Group extended its lease of 12-16 Butler Boulevard, Adelaide Airport, South Australia to Cheap As Chips. This lease was extended by five years and now expires in November 2020. The market rent payable on commencement of the renewed term represents a 15.4% increase on the previous passing rent and has fixed annual increases of 3.25% during the term.

The Group also extended its lease over Building 1, 660 MacArthur Avenue, Pinkenba, Queensland to Reliance Worldwide for a term of five years from April 2015 with fixed 3.5% annual rent increases.

EXPANSIONS

The Group funded the expansion of Peter Stevens Motorcycles' ground floor offices at 9 Kimpton Way, Altona, Victoria at a cost of approximately $776,000. The rent was increased by 9% of the cost of the works per annum.

Also in Victoria, Growthpoint is hopeful that a 2,425m² expansion and upgrade of 99-101 William Angliss Drive, Laverton North will proceed in 2015. This expansion is provided for in the existing lease and was anticipated when this property was purchased in 2014.

Finally, the Group is in regular dialogue with Woolworths in relation to possible expansion opportunities of the six distribution centres Growthpoint owns.

VALUATIONS

Global investor appetite for logistics and industrial assets has driven yield compression for this sector resulting in significant growth in the book value of the Group's industrial assets. Valuations increased 7.5% on a like-for-like basis during calendar year 2014. Of particular note, the Woolworths Regional Distribution Centres at 70 Distribution Street, Larapinta, Queensland and 20 Colquhoun Road, Perth Airport, Western Australia increased by $14 million or 8.2% and $10.3 million or 8.7% respectively during the 2014 calendar year.

CAPITAL TRANSACTIONS

No new industrial properties were acquired in the Half Year.

42 Garden Street, Kilsyth, Victoria was sold to the tenant, ARB Corporation. Settlement of the sale occurred in October 2014. The sale price of $19 million was $250,000 above the previous book value of $18.75 million with net proceeds being used to repay debt.

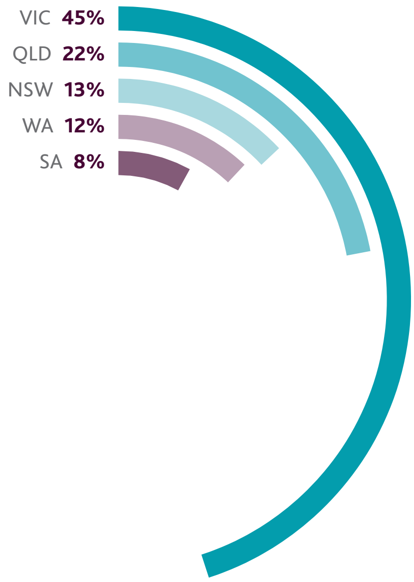
Growthpoint may consider further asset sales where it can enhance the property portfolio metrics, achieve prices above fundamental value or recycle the proceeds into assets which better meet the Group's investment criteria.

LOOKING FORWARD

In 2015, the Group aims to lease or sell the sole vacant property in its industrial portfolio: 306-308 Abbotts Road, Dandenong South; a modern 10,714m² factory/warehouse with generous office accommodation.

The Group intends to continue growing its industrial portfolio.

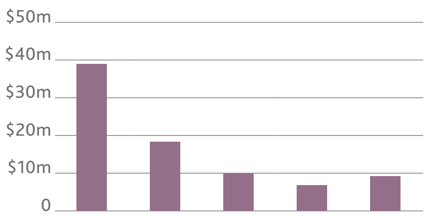
GEOGRAPHIC DIVERSITY
BY MARKET VALUE AS AT 31 DECEMBER 2014



34
ASSETS
31 December 2013: 34

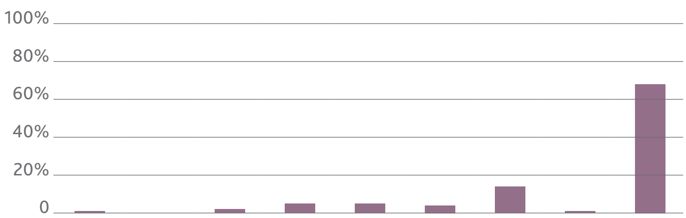
32
TENANTS
31 December 2013: 32

NET PROPERTY INCOME PER STATE
FOR CALENDAR YEAR 2014

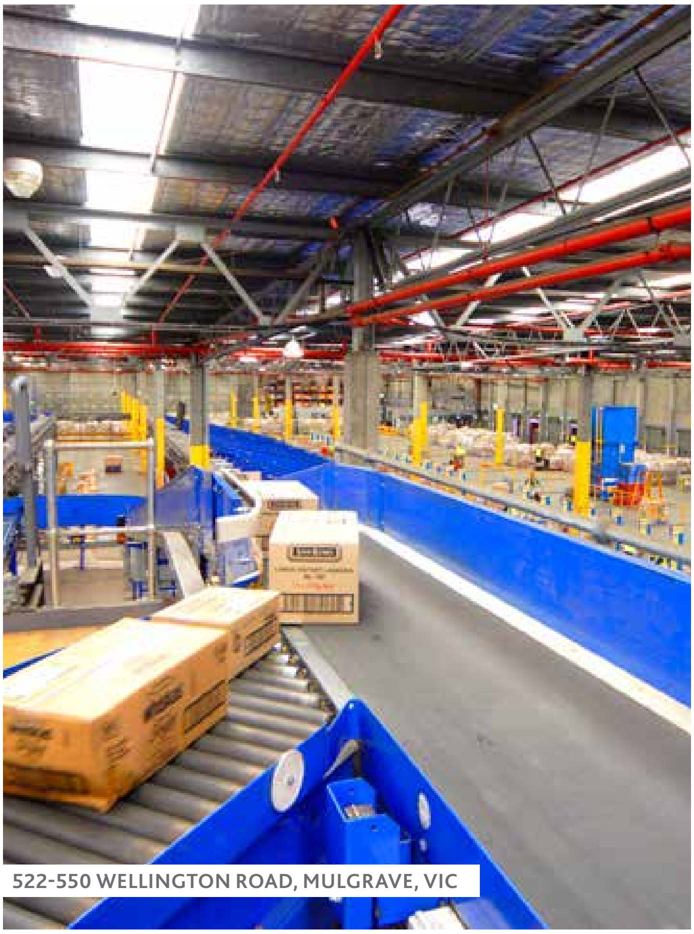


VIC	QLD	NSW	SA	WA
$38.9m	$18.3m	$9.8m	$6.8m	$9.2m

INDUSTRIAL PORTFOLIO LEASE EXPIRY PROFILE
PER FINANCIAL YEAR



Vacant	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22+
1%	0%	2%	5%	5%	4%	14%	1%	68%


522-550 WELLINGTON ROAD, MULGRAVE, VIC


70 DISTRIBUTION STREET, LARAPINTA, QLD

INDUSTRIAL PORTFOLIO PROPERTY PROFILES BY VALUE *as at 31 December 2014*

AVERAGE VALUE

$1,297
Per m²

AVERAGE RENT

$101
Per m² per annum

TOTAL LETTABLE AREA

831,678m²

AVERAGE BUILDING AGE

8.8 years

WWW

for more information on each property please see our website ***growthpoint.com.au***

70 DISTRIBUTION ST, LARAPINTA, QLD

Book Value	WALE	Cap rate
$184.7m	7.2yrs	7.25%

20 COLQUHOUN RD, PERTH AIRPORT, WA

Book Value	WALE	Cap rate
$129.0m	10.8yrs	7.25%

28 BILSTON DR, WODONGA, VIC

Book Value	WALE	Cap rate
$77.7m	6.6yrs	7.75%

120 NORTHCORP BLVD, BROADMEADOWS, VIC

Book Value	WALE	Cap rate
$72.0m	6.6yrs	7.50%

599 MAIN NORTH RD, GEPPS CROSS, SA

Book Value	WALE	Cap rate
$66.7m	6.6yrs	7.75%

522-550 WELLINGTON RD, MULGRAVE, VIC

Book Value	WALE	Cap rate
$58.8m	6.6yrs	7.25%

27-49 LENORE DR, ERSKINE PARK, NSW

Book Value	WALE	Cap rate
$53.9m	8.7yrs	7.00%

6-7 JOHN MORPHETT PL, ERSKINE PARK, NSW

Book Value	WALE	Cap rate
$41.5m	5.1yrs	7.00%

40 ANNANDALE RD, MELBOURNE AIRPORT, VIC

Book Value	WALE	Cap rate
$38.5m	4.5yrs	8.75%

9-11 DRAKE BLVD, ALTONA, VIC

Book Value	WALE	Cap rate
$27.0m	6.7yrs	7.75%

51-65 LENORE DR, ERSKINE PARK, NSW

Book Value	WALE	Cap rate
$27.0m	13.2yrs	6.75%

213-215 ROBINSONS RD, RAVENHALL, VIC

Book Value	WALE	Cap rate
$26.1m	10.5yrs	7.00%

130 SHARPS RD, MELBOURNE AIRPORT, VIC

Book Value	WALE	Cap rate
$24.0m	7.5yrs	8.75%

99-103 WILLIAM ANGLISS DR, LAVERTON NORTH, VIC

Book Value	WALE	Cap rate
$22.0m	14.2yrs	7.50%

LOTS 2-4, 44-54 RAGLAN ST, PRESTON, VIC

Book Value	WALE	Cap rate
$20.5m	4.7yrs	8.50%

120-132 ATLANTIC DR, KEYSBOROUGH, VIC

Book Value	WALE	Cap rate
$19.7m	14.0yrs	6.75%

120 LINK RD, MELBOURNE AIRPORT, VIC

Book Value	*WALE*	*Cap rate*
$17.5m	2.1yrs	8.75%

365 FITZGERALD RD, DERRIMUT, VIC

Book Value	*WALE*	*Cap rate*
$16.2m	5.2yrs	7.75%

13 BUSINESS ST, YATALA, QLD

Book Value	*WALE*	*Cap rate*
$14.8m	4.7yrs	8.00%

81 DERBY ST, SILVERWATER, NSW

Book Value	*WALE*	*Cap rate*
$14.8m	2.7yrs	8.00%

12-16 BUTLER BLVD, ADELAIDE AIRPORT, SA

Book Value	*WALE*	*Cap rate*
$13.9m	5.9yrs	8.75%

60 ANNANDALE RD, MELBOURNE AIRPORT, VIC

Book Value	*WALE*	*Cap rate*
$12.8m	3.3yrs	9.25%

20 SOUTHERN CRT, KEYSBOROUGH, VIC

Book Value	*WALE*	*Cap rate*
$12.5m	4.3yrs	7.75%

29 BUSINESS ST, YATALA, QLD

Book Value	*WALE*	*Cap rate*
$12.3m	2.3yrs	8.25%

5 VIOLA PL, BRISBANE AIRPORT, QLD

Book Value	*WALE*	*Cap rate*
$12.0m	1.3yrs	8.25%

45-55 SOUTH CENTRE RD, MELBOURNE AIRPORT, VIC

Book Value	*WALE*	*Cap rate*
$8.8m	2.2yrs	9.75%

670 MACARTHUR AVE, PINKENBA, QLD

Book Value	*WALE*	*Cap rate*
$8.7m	3.4yrs	8.00%

31 GARDEN ST, KILSYTH, VIC

Book Value	*WALE*	*Cap rate*
$8.7m	3.9yrs	8.50%

10 BUTLER BLVD, ADELAIDE AIRPORT, SA

Book Value	*WALE*	*Cap rate*
$7.8m	3.1yrs	9.00%

306-318 ABBOTTS RD, DANDENONG SOUTH, VIC

Book Value	*WALE*	*Cap rate*
$7.7m	0.0yrs	8.25%

19 SOUTHERN CRT, KEYSBOROUGH, VIC

Book Value	*WALE*	*Cap rate*
$7.5m	4.3yrs	7.75%

75 ANNANDALE RD, MELBOURNE AIRPORT, VIC

Book Value	*WALE*	*Cap rate*
$6.8m	1.8yrs	9.50%

10 GASSMAN DR, YATALA, QLD

Book Value	*WALE*	*Cap rate*
$5.0m	2.8yrs	8.25%

3 VIOLA PL, BRISBANE AIRPORT, QLD

Book Value	*WALE*	*Cap rate*
$2.4m	8.2yrs	8.00%

BOARD & EXECUTIVE MANAGEMENT

BOARD OF DIRECTORS

The following persons were directors of Growthpoint Properties Australia Limited for the entire reporting period unless otherwise indicated.

GEOFF TOMLINSON (67)
Independent Chairman & Director

TIMOTHY COLLYER (46)
Managing Director

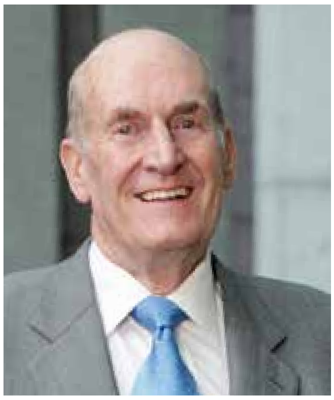
MAXINE BRENNER (52)
Independent Director; Chair - Audit, Risk & Compliance Committee

ESTIENNE DE KLERK (45)
Director[1]

GRANT JACKSON (48)
Independent Director

FRANCOIS MARAIS (60)
Independent Director

NORBERT SASSE (50)
Director[2]; Chair - Nomination, Remuneration & HR Committee



LYN SHADDOCK (77)
Director *(to 26 November 2014)*

1. Not deemed independent as Executive Director of GRT. 2. Not deemed independent as CEO of GRT.

PEOPLE

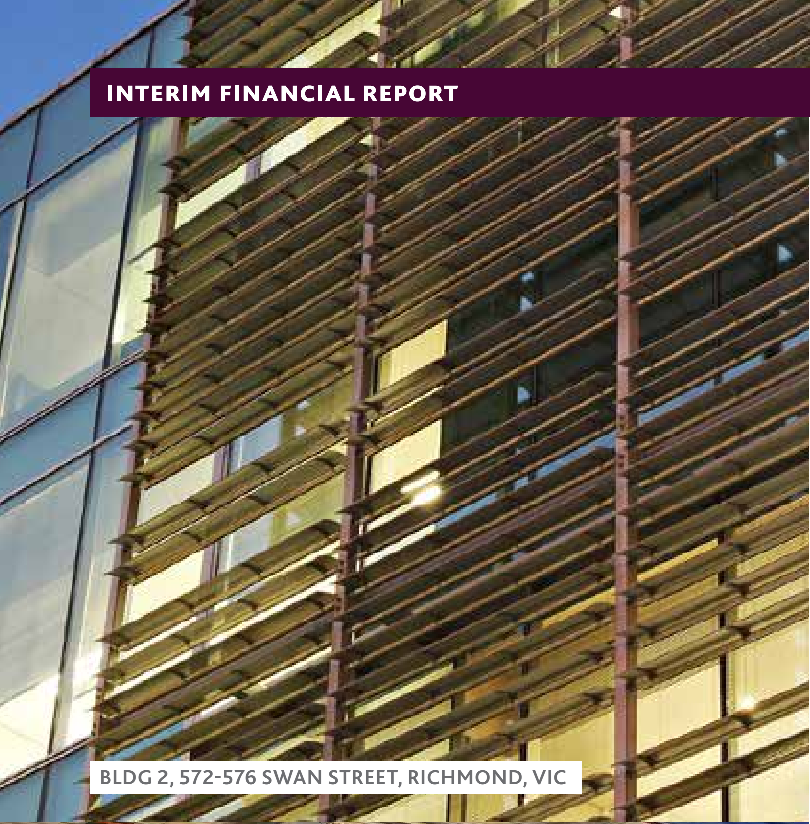
"After seven years as Chairman plus an additional five months as a director Lyn Shaddock retired from the Board during the Half Year."

EXECUTIVE MANAGEMENT

AARON HOCKLY (36)
Company Secretary & General Counsel

MICHAEL GREEN (35)
Head of Property

DION ANDREWS (42)
Chief Financial Officer



BLDG 2, 572-576 SWAN STREET, RICHMOND, VIC

120 NORTHCORP BOULEVARD, BROADMEADOWS, VIC

INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS TO 31 DECEMBER 2014

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

DECLARATIONS / REPORTS

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Growthpoint Properties Australia during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2014	Notes	**Half Year 2014**	Half Year 2013
		$'000	*$'000*
Revenue			
Property revenue		**98,077**	83,764
Straight line adjustment to property revenue		**2,047**	2,856
Net changes in fair value of investment properties		**93,140**	15,188
Profit on sale of investment properties		**250**	-
Net change in fair value of derivatives		**(10,282)**	19,107
Loss on settlement of derivative		**-**	(15,750)
Net investment income		**183,232**	105,165
Expenses			
Property expenses		**(12,723)**	(11,348)
Other expenses from ordinary activities		**(4,455)**	(4,276)
Total expenses		**(17,178)**	(15,624)
Profit from operating activities		**166,054**	89,541
Interest income		**425**	457
Borrowing costs		**(24,473)**	(26,398)
Net finance costs		**(24,048)**	(25,941)
Profit before income tax		**142,006**	63,600
Income tax benefit / (expense)		**(182)**	(108)
Profit for the period		**141,824**	63,492
Profit attributable to:			
Owners of the Trust		**141,908**	63,516
Owners of the Company		**(84)**	(24)
		141,824	63,492
Distribution to Securityholders	4.4	**(54,351)**	(39,940)
Change in net assets attributable to Securityholders / Total Comprehensive Income		**87,473**	23,552
Basic and diluted earnings per stapled security (cents)		**25.6**	15.0

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014	Notes	31 December 2014	30 June 2014
		$'000	$'000
Current assets			
Cash and cash equivalents		**28,251**	21,321
Trade and other receivables	3.3	**19,442**	13,093
Assets held for sale		**-**	17,741
Total current assets		**47,693**	52,155
Non-current assets			
Trade and other receivables (non current)	3.3	**57,970**	56,458
Plant & equipment		**370**	434
Investment properties	3.1	**2,119,980**	2,019,435
Other receivables		**-**	-
Deferred tax assets		**519**	297
Total non-current assets		**2,178,839**	2,076,624
Total assets		**2,226,532**	2,128,779
Current liabilities			
Trade and other payables	3.4	**36,613**	23,751
Provision for distribution payable	4.4	**54,351**	46,850
Current tax payable		**752**	348
Derivative financial instruments	4.2	**-**	192
Total current liabilities		**91,716**	71,141
Non-current liabilities			
Interest bearing liabilities	4.1	**816,225**	871,214
Derivative financial instruments	4.2	**31,823**	21,350
Total non-current liabilities		**848,048**	892,564
Total liabilities		**939,764**	963,705
Net assets		**1,286,768**	1,165,074
Securityholders' funds			
Contributed equity	4.3	**1,336,668**	1,303,009
Reserves		**3,287**	2,718
Accumulated losses		**(53,187)**	(140,653)
Total Securityholders' funds		**1,286,768**	1,165,074

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2014	Contributed equity	Share-based payments reserve	Deferred tax expenses charged to equity	Profits reserve	Accumulated losses	**Total**
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Balance at 30 June 2014	1,303,009	2,257	461	7	(140,660)	**1,165,074**
Total comprehensive income for the period						
Profit after tax for the period	-	-	-	-	141,824	**141,824**
Total other comprehensive income	-	-	-	-	-	**-**
Total comprehensive income for the period	-	-	-	-	141,824	**141,824**
Transactions with Securityholders in their capacity as Securityholders:						
Contributions of equity, net of transaction costs	33,659	-	-	-	-	**33,659**
Distributions provided or paid	-	-	-	-	(54,351)	**(54,351)**
Share-based payment transactions	-	562	-	-	-	**562**
Deferred tax expense charged to equity	-	-	-	-	-	**-**
Total transactions with Securityholders	33,659	562	-	-	(54,351)	**(20,130)**
Balance at 31 December 2014	1,336,668	2,819	461	7	(53,187)	**1,286,768**
Total recognised income and expense for the period is attributable to:						
- Trust						**141,908**
- Company						**(84)**
Growthpoint Properties Australia						**141,824**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(cont.)*

FOR THE HALF YEAR ENDED 31 DECEMBER 2013	Contributed equity	Share-based payments reserve	Deferred tax expenses charged to equity	Profits reserve	Accumulated losses	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Balance at 30 June 2013	973,911	1,026	414	7	(171,219)	**804,139**
Total comprehensive income for the period						
Profit after tax for the period	-	-	-	-	63,492	**63,492**
Total other comprehensive income	-	-	-	-	-	**-**
Total comprehensive income for the period	-	-	-	-	63,492	**63,492**
Transactions with Securityholders in their capacity as Securityholders:						
Contributions of equity, net of transaction costs	174,669	-	-	-	-	**-**
Distributions provided or paid	-	-	-	-	(39,940)	**(39,940)**
Share-based payment transactions	-	672	-	-	-	**672**
Deferred tax expense charged to equity	-	-	28	-	-	**28**
Total transactions with Securityholders	174,669	672	28	-	(39,940)	**135,429**
Balance at 31 December 2013	1,148,580	1,698	442	7	(147,667)	**1,003,060**
Total recognised income and expense for the period is attributable to:						
- Trust						**63,516**
- Company						**(24)**
Growthpoint Properties Australia						**63,492**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2014	**Half Year 2014**	Half Year 2013
	$'000	*$'000*
Cash flows from operating activities		
Cash receipts from customers	**98,545**	83,897
Cash payments to suppliers	**(17,443)**	(18,374)
Cash generated from operating activities	**81,102**	65,523
Interest paid	**(24,486)**	(25,862)
Taxes paid	**-**	-
Net cash inflow from operating activities	**56,616**	39,661
Cash flows from investing activities		
Interest received	**425**	457
Receipts from sale of investment properties	**19,000**	-
Payments for investment properties	**(938)**	(105,940)
Payments for plant & equipment	**(5)**	(53)
Net cash inflow from investing activities	**18,482**	(105,536)
Cash flows from financing activities		
Proceeds from external borrowings	**120,525**	102,427
Repayment of external borrowings	**(175,502)**	(158,000)
Proceeds from equity raising	**34,366**	176,822
Equity raising costs	**(706)**	(2,154)
Payment for settlement of derivatives	**-**	(15,750)
Distributions paid to Securityholders	**(46,851)**	(37,463)
Net cash outflow from financing activities	**(68,168)**	65,882
Net increase / (decrease) in cash and cash equivalents	**6,930**	7
Cash and cash equivalents at the beginning of the period	**21,321**	9,405
Cash and cash equivalents at the end of the period	**28,251**	9,412

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

Section 1: *Basis of preparation*

in this section…

This section outlines the entities being reported on and confirms compliance with accounting standards.

REPORTING ENTITY

Growthpoint Properties Australia was formed by the stapling of two entities comprising Growthpoint Properties Australia Limited ("the Company") and Growthpoint Properties Australia Trust and its controlled entities ("the Trust"). The Company is the Responsible Entity for the Trust. Growthpoint Properties Australia is also referred to as "the Group".

The Group was established for the purpose of facilitating a joint quotation of the Company and the Trust and their controlled entities on the Australian Securities Exchange (ASX Code: GOZ). The constitutions of the Company and the Trust ensure that, for so long as the two entities remain jointly quoted, the number of shares in the Company and the number of units in the Trust shall be equal and the shareholders of the Company and the unitholders of the Trust are identical. The Company, both in its personal capacity and in its capacity as the Responsible Entity of the Trust, must at all times act in the best interests of the Group. The Group is a for profit entity.

The consolidated interim financial report includes financial statements for Growthpoint Properties Australia, the stapled consolidated group, which is domiciled in Australia, as at and for the six months ended 31 December 2014. The Group's registered address is Level 22, 357 Collins Street, Melbourne, Victoria 3000, Australia.

STATEMENT OF COMPLIANCE

This consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, and with IAS 34 *Interim Financial Reporting*.

The consolidated interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Growthpoint Properties Australia during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This consolidated interim financial report was authorised for issue by the Directors of the Group on 16 February 2015.

The Group is of a kind referred to in class order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off, in accordance with that class order, to the nearest thousand dollars, unless otherwise stated.

ACCOUNTING POLICIES

The accounting policies applied by the Group in this interim financial report are consistent with those of the previous financial year ended 30 June 2014 and the corresponding interim reporting period.

SECTION 2: *Results for the Half Year*

in this section...

This section focuses on the results and performance of the Group on a segmented basis.

2.1 SEGMENTAL INFORMATION

The Group operates wholly within Australia and derives rental income solely from property investments. The Group segments net property income into Office and Industrial segments and those results are shown below:

	Office	Industrial	**Total**
	$'000	*$'000*	*$'000*
Statement of profit or loss and other comprehensive income for the half year to 31 December 2014			
Revenue, excluding straight line lease adjustment	46,352	51,725	**98,077**
Property expenses	(5,632)	(7,091)	**(12,723)**
Segment results	40,720	44,634	**85,354**
Income not assigned to segments			**95,862**
Expenses not assigned to segments			**(39,210)**
Net profit before income tax			**142,006**
Statement of profit or loss and other comprehensive income for the half year to 31 December 2013			
Revenue, excluding straight line lease adjustment	37,336	46,428	**83,764**
Property expenses	(5,434)	(5,914)	**(11,348)**
Segment results	31,902	40,514	**72,416**
Income not assigned to segments			**18,501**
Expenses not assigned to segments			**(27,317)**
Net profit before income tax			**63,600**

Property values are also reported by segment and this information is reported in note 3.1.

SECTION 3: *Operating assets and liabilities*

in this section...

This sections shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in Section 4.

On the following pages there are sections covering working capital, non-current assets, acquisitions and disposals, other payables due after more than one year and provisions.

3.1 INVESTMENT PROPERTY

DETERMINATION OF FAIR VALUE

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio at least once every three years. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgably and willingly.

SECTION 3: *Operating assets and liabilities (cont.)*

3.1 INVESTMENT PROPERTY *(cont.)*

DETERMINATION OF FAIR VALUE *(cont.)*

In the absence of current prices in an active market, the valuations are prepared by considering the net present value of the estimated cash flows expected from ownership of the property, a discounted cash flow valuation. A discount rate or target internal rate of return that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and when appropriate counter-notices, have been served validly and within the appropriate time.

INVESTMENT PROPERTY VALUE

			Latest External Valuation		Consolidated Book Value	
INDUSTRIAL PROPERTIES			Date	Valuation	**31 December 2014**	30 June 2014
				$'000	*$'000*	*$'000*
Victoria						
28 Bilston Drive	Wodonga	VIC	30-Jun-14	75,500	**77,700**	75,500
120 Northcorp Boulevard	Broadmeadows	VIC	30-Jun-14	69,500	**72,000**	69,500
522-550 Wellington Road	Mulgrave	VIC	31-Dec-14	58,800	**58,800**	55,000
40 Annandale Road	Melbourne Airport	VIC	30-Jun-14	36,600	**38,500**	36,600
9-11 Drake Boulevard	Altona	VIC	31-Dec-14	27,000	**27,000**	25,900
213-215 Robinsons Road	Ravenhall	VIC	30-Jun-14	24,750	**26,100**	24,750
130 Sharps Road	Melbourne Airport	VIC	31-Dec-14	24,000	**24,000**	23,350
99-103 William Angliss Drive	Laverton North	VIC	31-Dec-14	22,000	**22,000**	21,200
Lots 2-4, 44-54 Raglan Street	Preston	VIC	31-Dec-14	20,500	**20,500**	19,700
42-44 Garden Street (i)	Kilsyth	VIC	31-Dec-13	18,600	**-**	18,750
120-132 Atlantic Drive	Keysborough	VIC	31-Dec-14	19,700	**19,700**	17,850
120 Link Road	Melbourne Airport	VIC	31-Dec-14	17,500	**17,500**	17,400
365 Fitzgerald Road	Derrimut	VIC	30-Jun-14	16,100	**16,200**	16,100
60 Annandale Road	Melbourne Airport	VIC	30-Jun-14	13,000	**12,750**	13,000
20 Southern Court	Keysborough	VIC	31-May-13	11,770	**12,500**	12,100
45-55 South Centre Road	Melbourne Airport	VIC	31-Dec-14	8,750	**8,750**	8,700
31 Garden Street	Kilsyth	VIC	31-Dec-14	8,650	**8,650**	8,500
306 - 318 Abbotts Road	Dandenong South	VIC	31-Dec-14	7,700	**7,700**	8,000
19 Southern Court	Keysborough	VIC	31-May-13	7,030	**7,500**	7,300
75 Annandale Road	Melbourne Airport	VIC	30-Jun-14	6,875	**6,800**	6,875
Queensland						
70 Distribution Street	Larapinta	QLD	31-Dec-14	184,700	**184,700**	173,200
13 Business Street	Yatala	QLD	31-Dec-14	14,800	**14,800**	14,300
29 Business Street	Yatala	QLD	30-Jun-14	11,900	**12,250**	11,900
5 Viola Place	Brisbane Airport	QLD	31-Dec-14	12,000	**12,000**	11,200
670 Macarthur Avenue	Pinkenba	QLD	30-Jun-14	8,600	**8,700**	8,600
10 Gassman Avenue	Yatala	QLD	30-Jun-14	4,950	**4,950**	4,950
3 Viola Place	Brisbane Airport	QLD	31-Dec-14	2,400	**2,400**	2,150

SECTION 3: *Operating assets and liabilities (cont.)*

3.1 INVESTMENT PROPERTY *(cont.)*

INVESTMENT PROPERTY VALUE *(cont.)*

INDUSTRIAL PROPERTIES			Latest External Valuation Date	Latest External Valuation Valuation	Consolidated Book Value **31 December 2014**	Consolidated Book Value 30 June 2014
				$'000	*$'000*	*$'000*
Western Australia						
20 Colquhoun Road	Perth Airport	WA	31-Dec-14	129,000	**129,000**	121,000
New South Wales						
27-49 Lenore Drive	Erskine Park	NSW	30-Jun-14	51,000	**53,900**	51,000
6-7 John Morphett Place	Erskine Park	NSW	31-Dec-14	41,500	**41,500**	39,200
51-65 Lenore Drive	Erskine Park	NSW	31-Dec-14	27,000	**27,000**	25,450
81 Derby Street	Silverwater	NSW	31-Dec-14	14,750	**14,750**	13,550
South Australia						
599 Main North Road	Gepps Cross	SA	31-Dec-14	66,700	**66,700**	62,700
12-16 Butler Boulevard	Adelaide Airport	SA	31-Dec-14	13,900	**13,900**	11,000
10 Butler Boulevard	Adelaide Airport	SA	31-Dec-14	7,800	**7,800**	7,600
Total Industrial Properties				1,085,325	**1,079,000**	1,043,875

(i) This property was sold in October 2014

OFFICE PROPERTIES			Latest External Valuation Date	Latest External Valuation Valuation	Consolidated Book Value **31 December 2014**	Consolidated Book Value 30 June 2014
				$'000	*$'000*	*$'000*
Victoria						
Building 2, 572-576 Swan Street	Richmond	VIC	30-Jun-14	75,000	**76,000**	75,000
211 Wellington Road (ii)	Mulgrave	VIC	21-Nov-14	62,600	**7,000**	-
Buildings 1&3, 572-576 Swan Street	Richmond	VIC	30-Jun-14	52,000	**52,000**	52,000
Car Park, 572-576 Swan Street	Richmond	VIC	30-Jun-14	1,200	**1,200**	1,200
Queensland						
333 Ann Street	Brisbane	QLD	30-Jun-14	95,000	**95,000**	95,000
1231-1241 Sandgate Road	Nundah	QLD	31-Dec-14	89,000	**89,000**	87,800
CB1, 22 Cordelia Street	South Brisbane	QLD	30-Jun-14	69,000	**74,150**	69,000
A1, 32 Cordelia Street	South Brisbane	QLD	30-Jun-14	64,500	**65,250**	64,500
A4, 52 Merivale Street	South Brisbane	QLD	31-Dec-14	58,000	**58,000**	57,000
CB2, 42 Merivale Street	South Brisbane	QLD	30-Jun-14	45,000	**45,500**	45,000
Car Park, 32 Cordelia Street	South Brisbane	QLD	31-Dec-14	14,250	**14,250**	10,400
South Australia						
World Park, 33-39 Richmond Road	Keswick	SA	30-Jun-14	57,000	**60,200**	57,000
7 Laffer Drive (iii)	Bedford Park	SA	30-Jun-14	17,450	**17,600**	-
New South Wales						
1 Charles Street	Parramatta	NSW	31-Dec-14	255,000	**255,000**	241,118
Building C, 219-247 Pacific Highway	Artarmon	NSW	31-Dec-14	100,000	**100,000**	92,800

SECTION 3: *Operating assets and liabilities (cont.)*

3.1 INVESTMENT PROPERTY *(cont.)*

INVESTMENT PROPERTY VALUE *(cont.)*

OFFICE PROPERTIES			Latest External Valuation Date	Latest External Valuation Valuation	Consolidated Book Value **31 December 2014**	Consolidated Book Value 30 June 2014
				$'000	*$'000*	*$'000*
Tasmania						
89 Cambridge Park Drive	Cambridge	TAS	31-Dec-14	27,800	**27,800**	26,700
Australian Capital Territory						
10-12 Mort Street	Canberra	ACT	30-Jun-14	61,000	**61,000**	57,500
Total Office Properties				1,143,800	**1,098,950**	1,032,018
Sub-totals				2,229,125	**2,177,950**	2,075,893
Less: Non-current trade receivables (rental income recognised on a straight line basis)					**(57,970)**	(56,458)
Total investment properties					**2,119,980**	2,019,435

(ii) This property is a development fund through (see Contractual Obligations section below). The external valuation is "as complete" whereas the current book value is at fair value less cost to complete.

(iii) At 30 June 2014, this property had been transferred to assets available for sale. The proposed transaction did not proceed so the property has been transferred back to investment property.

VALUATION BASIS

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for comparable properties in similar location and condition and subject to similar leases.

External valuations were conducted by Jones Lang LaSalle, Colliers International, Savills, m3property, Urbis, CBRE and Knight Frank. The fair value of properties not externally valued as at 31 December 2014 were based on Director Valuations.

At each reporting date the Directors update their assessment of the fair value of each property in accordance with the Group accounting policy.

The Group determines a property's value within a range of reasonable fair value estimates and, in making that assessment, considers information from a variety of sources including:

- Current prices for comparable investment properties, as adjusted to reflect differences for location, building quality, tenancy profile and other factors.
- Discounted cash flow projections based on estimates of future cash flows.
- Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from analysis of market evidence.

At reporting date, the key assumptions used by the Group in determining fair value were in the following ranges for the Group's portfolio of industrial properties:

	December 2014	June 2014
Discount rate	**8.8% - 9.8%**	9.0% - 10.3%
Terminal yield	**7.3% - 10.3%**	7.5% - 10.3%
Capitalisation rate	**6.8% - 9.8%**	7.3% - 9.8%
Expected vacancy period	**3-12 months**	3-12 months
Rental growth rate	**2.5% - 5.0%**	2.5% - 5.0%

SECTION 3: *Operating assets and liabilities (cont.)*

3.1 INVESTMENT PROPERTY *(cont.)*

VALUATION BASIS *(cont.)*

For the office portfolio the following ranges were used:

	December 2014	June 2014
Discount rate	**8.3% - 10.3%**	8.5% - 10.5%
Terminal yield	**7.3% - 10.3%**	7.5% - 10.5%
Capitalisation rate	**6.8% - 12.0%**	7.0% - 12.0%
Expected vacancy period	**2-12 months**	6-12 months
Rental growth rate	**3.1% - 4.5%**	3.1% - 4.5%

COMMENTARY ON DISCOUNT RATES

	December 2014	June 2014
Average 10 year discount rate used to value the Group's properties	**8.88%**	9.15%
10 year bond rate	**2.81%**	3.54%
Implied property risk premium	**6.07%**	5.61%

As the above table shows, over the six months to 31 December 2014 discount rates utilised in the valuation of the Group's property portfolio have tightened (lowered) although the implied property risk premium has increased. At the reporting date, the weighted average discount rate utilised in valuing the Group's portfolio of property, has decreased by approximately 27 basis points. Over this same period the implied property risk premium has increased by approximately 46 basis points. The implied property risk premium is the difference between the weighted average discount rate and the 10 year Australian Government bond rate. The increase in the implied property risk premium is driven by the reduction in the bond rate of 73 basis points from June 2014, which outweighed the tightening of the Group's weighted average discount rate.

COMMENTARY ON CAPITALISATION RATES

Industrial

There continues to be strong interest in the industrial property sector, as domestic and foreign institutional investors compete for prime and now more secondary quality stock. Over the past 24 months prime yields have been progressively firming towards levels recorded during the peak market preceding the Global Financial Crisis. This has led to further firming of yields over the past six month of 25 to 50 basis points for both ends of the prime yield range and some of the more secondary quality stock. These transactions have provided good evidence for the Group's own industrial properties which reduced the weighted average capitalisation rate used to value the industrial portfolio from 8.0% to 7.6% over the six months to 31 December 2014.

Office

Over the past 18 to 24 months, the commercial property market has experienced significant investment activity from both domestic and international institutional investors, predominantly for A-grade office assets which has led to firmer yields. However, in contrast to the buoyant investment metrics, office leasing conditions remain challenging. Following some new leasing deals and lease extensions to existing tenants and an improving investment market, the weighted average capitalisation rate used in valuing the office portfolio has firmed from 7.8% to 7.6% over the six months to 31 December 2014.

UNCERTAINTY AROUND PROPERTY VALUATIONS

Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. A "willing seller" is not a forced seller prepared to sell at any price. The best evidence of fair value is given by current prices in an active market for comparable property in terms of investment characteristics such as location, lettable and land area, building characteristics, property condition, lease terms and rental income potential, amongst others.

The fair value of investment property has been assessed to reflect market conditions at the end of the reporting period. While this represents the best estimates of fair value as at the balance sheet date, the current market uncertainty means that if an investment property is sold in the future the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the financial statements.

SECTION 3: *Operating assets and liabilities (cont.)*

3.1 INVESTMENT PROPERTY *(cont.)*

CONTRACTUAL OBLIGATIONS

At 31 December 2014, the following contractual obligations relating to expansions at existing investment properties are in place:

- Under an expansion clause in the current lease the tenant at 5 Viola Place, Brisbane Airport, Queensland can request a 6,250m^2 expansion at any point during the term (which currently expires on 22 December 2015). The Group would be responsible for funding this expansion. Upon completion of the expansion works the lease would be re-set so that at least seven years remained and rent would be charged on the additional net lettable area constructed under the expansion clause.
- Under an expansion clause in the current lease the tenant at 99-103 William Angliss Drive, Laverton North, Victoria can request a 3,000m^2 expansion within the first two years of the lease (this expansion clause expires on 15 April 2016). The Group would be responsible for funding this expansion. Upon completion of the expansion works a new 15 year lease would commence and rent would be charged on the additional net lettable area constructed under the expansion clause.
- Under an expansion clause in the current lease the tenant at 120-132 Atlantic Drive, Keysborough, Victoria can request a 3,000m^2 expansion at any point during the term (which currently expires on 20 December 2028). The Group would be responsible for funding this expansion. Upon completion of the expansion works the lease would be re-set so that at least seven years remained and rent would be charged on the additional net lettable area constructed under the expansion clause.

The three property expansions detailed above have an estimated aggregate cost of not more than $15.0 million.

The Group also has an obligation in June 2019 to make available $6.0 million to the tenant at 1 Charles Street, Parramatta, New South Wales at its request to spend on capital expenditure or refurbishment at the property.

The Group has entered into a contract and other documents to acquire 211 Wellington Road, Mulgrave, Victoria on a fund through basis. Practical completion of this office building is expected to be in the first quarter of calendar year 2016. A further $62.3 million is payable under the contract of sale of land and the fund through agreement for this property.

RECONCILIATION OF VALUE OF INVESTMENT PROPERTY

	six months to 31 December 2014	six months to 30 June 2014
	$'000	*$'000*
At fair value		
Opening balance	**2,019,435**	1,737,918
Acquisitions	**7,226**	285,444
Capital expenditure	**655**	5,222
Disposals (including straight-line receivable reversal)	**(18,467)**	-
Reclassification (to) / from available for sale	**17,741**	(17,741)
Net gain/(loss) on disposals	**250**	-
Net gain/(loss) from fair value adjustment	**93,140**	8,592
Closing balance	**2,119,980**	2,019,435

3.2 NON-CURRENT ASSETS AVAILABLE FOR SALE

At 30 June 2014, the property at 7 Laffer Drive, Bedford Park, South Australia was classified as available for sale. A party was in due diligence to acquire the property at the time but no contract had been signed. The property had a fair value of $17,741,000 which was the assumed sale price less costs to sell. The sale of the property did not occur during the period under review and there is no active campaign to sell the property. This has been reclassified as investment property.

SECTION 3: *Operating assets and liabilities (cont.)*

3.3 TRADE AND OTHER RECEIVABLES

DETERMINATION OF FAIR VALUE

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Trade and other receivables can be analysed as follows:

	31 December 2014	30 June 2014
	$'000	*$'000*
Rent receivables	**2,764**	1,269
Prepayments	**6,065**	1,111
Unamortised tenant incentives	**10,613**	10,713
	19,442	13,093

Impaired rent receivables

As at 31 December 2014, no rent receivables of the Group were impaired (June 2014: $95,000 impairment):

	$'000
At 30 June 2014	(95)
Provision for impairment recognised in the period	95
Bad debts written off	-
At 31 December 2014	-

Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

	31 December 2014	30 June 2014
	$'000	*$'000*
Non-current		
Rent receivables	**57,970**	56,458
	57,970	56,458

Rent receivables represent the non-current portion of straight-line rental income receivable.

3.4 TRADE AND OTHER PAYABLES

Trade and other payables can be analysed as follows:

	31 December 2014	30 June 2014
	$'000	*$'000*
Trade payables	**846**	3
Non-trade payables	**425**	1,944
GST payable	**4,100**	746
Accrued expenses - other	**15,955**	10,185
Prepaid rent	**15,287**	10,873
	36,613	23,751

$2.2 million of sundry liabilities were reclassified from "non-trade payables" to "accrued expenses - other" as a result of a change in account mapping during the period.

SECTION 4: *Capital structure and financing costs*

in this section...

This section outlines how the Group manages its capital and related financing costs.

4.1 INTEREST BEARING LIABILITIES

The table below summarises the movements in the Group's interest bearing liabilities during the six months to 31 December 2014.

SECURED BANK LOANS	Opening balance 1 July 2014	Movement during period	**Closing balance 31 December 2014**	Facility limit	Maturity
	$'000	*$'000*	*$'000*	*$'000*	
Syndicated bank facility					
- Tranche A	255,000	-	**255,000**	255,000	Dec-17
- Tranche B	255,000	-	**255,000**	255,000	Dec-18
- Tranche C	179,294	(67,645)	**111,649**	245,000	Dec-19
- Tranche D	22,095	(22,095)	**-**	70,000	Dec-19
- Tranche E	100,000	-	**100,000**	100,000	Jun-19
- Tranche F (i)	-	100,000	**100,000**	100,000	Jun-15
Bilateral bank facility	65,234	(65,234)	**-**	-	
Total bank loans	876,623	(54,974)	**821,649**	1,025,000	
Less unamortised upfront costs	(5,409)	(15)	**(5,424)**		
Total interest bearing liabilities	871,214	(54,989)	**816,225**		

(i) Although the maturity of this facility is less than 12 months it is classified as a non-current liability due to the Group having a contractual right to extend the facility at its discretion (on pre-arranged terms) by either three or four years from maturity. The Group currently intends to extend this facility by at least three years prior to the maturity date.

During the period the Group repriced and extended the maturity of tranches under the syndicated bank facility. It also added a Tranche F to the facility and used part of the proceeds to repay and cancel the bilateral bank facility.

The weighted average interest rate (including bank margin and amortisation of upfront fees paid) at 31 December 2014 was 4.98% per annum (30 June 2014: 5.77% per annum). Refer to note 4.2 for details on interest rate swaps.

4.2 DERIVATIVE FINANCIAL INSTRUMENTS

DETERMINATION OF FAIR VALUE

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a substitute instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments can be analysed as follows:

	31 December 2014	30 June 2014
	$'000	*$'000*
Interest rate swap contracts – carried at fair value through profit and loss:		
Total current derivative financial instrument liabilities	**-**	192
Total non-current derivative financial instrument liabilities	**31,823**	21,350
	31,823	21,542

SECTION 4: *Capital structure and financing costs (cont.)*

4.2 DERIVATIVE FINANCIAL INSTRUMENTS *(cont.)*

DERIVATIVE FINANCIAL INSTRUMENTS *(cont.)*

Instruments used by the Group

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates in accordance with the Group's financial risk management policies. The gain or loss from re-measuring the interest rate swaps at fair value is recognised in the statement of profit or loss and other comprehensive income immediately.

Interest rate swap contracts – carried at fair value through profit and loss

Swaps in effect at 31 December 2014 covered 82% (30 June 14: 82%) of the loan principal outstanding. The average fixed interest rate at 31 December 2014 was 3.74% per annum (30 June 14: 4.06% per annum) and the variable rate (excluding bank margin) is 2.69% per annum (30 June 14: 2.67% per annum) at balance date. See table below for further details of swaps in effect at 31 December 2014:

COUNTER PARTY	Amount of Swap	Swap Expiry	Fixed Rate	Term to Maturity
	$'000		*%*	*Years*
NAB	**200,000**	Nov-2018	3.84%	3.9
Westpac	**105,000**	Nov-2019	4.14%	4.9
NAB	**60,000**	Jun-2017	3.38%	2.5
ANZ	**100,000**	Sep-2016	3.80%	1.8
Westpac	**50,000**	Jan-2019	3.57%	4.1
ANZ	**50,000**	Jan-2019	3.55%	4.1
NAB	**60,000**	Nov-2019	3.70%	4.8
ANZ	**50,000**	Jul-2018	3.20%	3.5
Total / Weighted average	**675,000**		**3.74%**	**3.7**

The contracts require settlement of net interest receivable or payable each 30 days. The settlement dates generally coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

At balance date these contracts were liabilities with a fair value of $31,823,000 (30 June 14: liabilities of $21,542,000) for the Group. In the period ended 31 December 2014 there was a loss from the decrease in fair value of $10,282,000 for the Group (2013: gain of $19,107,000).

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	**Total**
	$'000	*$'000*	*$'000*	*$'000*
31 December 2014				
Derivative financial liabilities	-	31,823	-	**31,823**
30 June 2014				
Derivative financial liabilities	-	21,542	-	**21,542**
	-	21,542	-	**21,542**

SECTION 4: *Capital structure and financing costs (cont.)*

SECTION 4.3 CONTRIBUTED EQUITY AND RESERVES

CONTRIBUTED EQUITY

Contributed equity can be analysed as follows:

	Six months to 31 December 2014	**Six months to 31 December 2014**	Six months to 31 December 2013	Six months to 31 December 2013
	No. ('000)	*$'000*	*No. ('000)*	*$'000*
Opening balance at 1 July	**540,115**	**1,303,009**	402,830	973,911
Issues of ordinary stapled securities during the half-year:				
Rights offer	-	-	40,830	100,034
Placement	-	-	20,408	50,000
Distribution reinvestment plan	**14,201**	**34,366**	11,399	26,788
Securities issued under Employee Incentive Plans	**287**	-	237	-
Cost of raising capital	-	**(707)**	-	(2,153)
	14,488	**33,659**	72,874	174,669
Closing balance at 31 December	**554,603**	**1,336,668**	475,704	1,148,580

DISTRIBUTION REINVESTMENT PLAN

The Distribution Reinvestment Plan was operative for the distribution the Group has declared for the six months ended 31 December 2014.

SECTION 4.4 DISTRIBUTIONS

PERIOD FOR DISTRIBUTION	**Total distribution**	Total stapled securities	Distributions per stapled security
	$'000	*('000)*	*(cents)*
Half year to 31 December 2014 GOZ	**54,351**	554,603	9.80

PERIOD FOR DISTRIBUTION	**Total distribution**	Total stapled securities	Distributions per stapled security
	$'000	*('000)*	*(cents)*
Half year to 31 December 2013 GOZ	**38,960**	414,467	9.40
Half year to 31 December 2013 GOZNA	**531**	20,408	2.60
Half year to 31 December 2013 GOZN	**449**	40,830	1.10
	39,940		

SECTION 4: *Capital structure and financing costs (cont.)*

SECTION 4.5 SHARE-BASED PAYMENT ARRANGEMENTS

DETERMINATION OF FAIR VALUES

Fair value is calculated based on the present value of the performance right on the date of issuance in future periods, discounted at a market-related discount rate.

SHARE-BASED PAYMENT ARRANGEMENTS

At 31 December 2014 the Group has the following share based payment arrangements:

Employee Incentive Plans FY11, FY12, FY13, FY14 and FY15

The Group has introduced employee incentive plans for all employees (including the Managing Director). The plans are designed to link employees' remuneration with the strategic long term goals and performance of the Group and with the maximisation of wealth for its Securityholders. The current measures for the plans, which are reviewed regularly by the Nomination, Remuneration & HR Committee and/or the Board are described in full on pages 73 to 74 in the Remuneration Report section of the Directors' Report in the 30 June 2014 Annual Report.

Under each plan the employee is sent a letter of invitation to the plan which outlines the percentage of their base salary that they can earn as performance rights. Acceptance of this invitation is the grant date for those performance rights. The percentage of the maximum possible earnings for each employee is determined by the percentage of the measures under each plan that are achieved.

Subject to the employee remaining employed by the Group, on or about 30 September of each year the employee will receive 25% of his or her performance rights as they vest through the issue of stapled securities in the Group. Securities will be issued for an equivalent amount at an issue price per security based on the volume weighted average price of the securities over the 20 trading days preceding their issue on the first vesting of the plan. For the FY2011, FY12 and FY13 incentive plans, subsequent issues of securities are issued on the same basis. Subsequent issues of securities under the FY14 and FY15 incentive plans are equivalent to the amount of securities issued at the first vesting date. Any director in the plan will have their grant ratified at the Group's Annual General Meeting and following approval will be issued their securities on the same basis as the employees. The performance rights are cumulative and, subject to some exceptions, immediately vest in the case of a takeover of the Group or a redundancy.

During the period, the total cost of the FY14 Employee Incentive Plan performance rights was determined. The total cost for the Managing Director was $448,263 and for other employees $438,813. The first tranche of these performance rights vested during the year.

The fair value of performance rights under the FY15 Employee Incentive Plan was determined on the grant date of those rights and then "trued-up" at 31 December 2014 where allowed. The fair value of these rights for directors is estimated as $519,904 and for other employees $555,777. This estimate is based on achieving 80.0% of the maximum payable under the 2015 plan. This is seen as a reasonable estimate for fair value as it is based on the percentage achieved for the 2013 and 2014 plans which was then adjusted for information available on likely achievement as at 31 December 2014. The actual costs of performance rights cannot be determined until FY16 and the first issue of securities under the 2015 plan will not occur until FY16. The performance measures of the FY15 incentive plan are 50% Total Shareholder Return and 50% Return On Equity as described in pages 73 and 74 in the remuneration report sections of the directors' report in the 30 June 2014 Annual Report.

During the period, $561,167 was recognised in the share based payments reserve (Dec 13: $672,437). This represents the amounts recognised under the plans in operation and is the portion of the fair value of the total cost recognised of the unissued securities, which remain conditional on employment with the Group at the relevant vesting date.

As of the date of the report, the number of equity shares to be granted and vested in the future cannot be determined until the rights fully vest.

The table below outlines the value of performance rights granted during the period to 31 December 2014, where those values can be determined. It also outlines the value of performance rights that were issue as Stapled Securities in the Group.

PLAN IDENTIFICATION	PLAN PARTICIPANTS	Issue date	Value of securities issued on conversion of performance rights	Number of securities issued on conversion of performance rights	Value of performance rights still to vest	Percentage of plan that vested during FY14
			$	No.	$	%
FY14 Plan	Director	27/11/2014	112,066	40,457	N/A	25%
FY14 Plan	Employees	8/10/2014	109,703	39,605	N/A	25%
FY13 Plan	Director	8/10/2014	138,040	49,834	276,080	25%
FY13 Plan	Employees	8/10/2014	122,538	44,238	245,075	25%
FY12 Plan	Director	8/10/2014	98,791	35,665	98,791	25%
FY12 Plan	Employees	8/10/2014	83,389	30,104	83,389	25%
FY11 Plan	Director	8/10/2014	75,870	27,390	-	25%
FY11 Plan	Employees	8/10/2014	53,752	19,406	-	25%

The value of performance rights still to vest for the FY14 Plan is unknown as f the total number of securities is determined on the first vesting date. The number of securities still to vest from this plan for the Director is 121,371 and for employees is 118,811.

SECTION 5: *Other notes*

5.1 RELATED PARTY TRANSACTIONS

DIRECTOR TRANSACTIONS

A number of directors, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

One of these entities transacted with the Group in the reporting period. The terms and conditions of the transaction were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions non related parties on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to Directors and entities over which they have significant control or significant influence were as follows:

DIRECTOR		**Six months ended 31 December 2014**	Six months ended 31 December 2013
	Transaction	*$*	*$*
G. Jackson (i)	Valuation	**13,200**	41,500
F. Marais (ii)	Legal services	**-**	1,780

(i) The Group used the valuation services of m3property, a company that Mr Jackson is a director of, to independently value three properties (2013: 2). Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms and Mr Jackson was not directly involved in the Group's engagement of m3property. At balance date $13,200 remained payable (2013: $18,000).

(ii) In the prior period, the Group used the legal services of Glyn Marais, a company that Mr Marais is a partner of, to provide advice on a security purchase plan offered to South African residents. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

The Group also uses the services of National Australia Bank of which Geoff Tomlinson was a director during the period (he retired as a director on 18 December 2014). Services included transactional banking, lending, provision of interest rate swaps and provision of life insurance. These services were provided on a commercial, arm's length basis and all services were being used prior to Geoff Tomlinson joining the Board. Mr Tomlinson had no involvement in the engagement or day to day administration of these services.

MOVEMENTS IN SECURITIES

The movement in the number of ordinary stapled securities in the Group held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

SECURITYHOLDER	Opening securities 1 July2014	Securities granted as compensation	Acquired securities	Disposed securities	**Closing securities 31 December 2014**
	No.	*No.*	*No.*	*No.*	*No.*
G. Jackson	139,807	-	-	-	**139,807**
L. Shaddock (i)	550,001	-	-	-	**N/A**
N. Sasse	1,164,881	-	41,754	-	**1,206,635**
E. de Klerk	1,219,975	-	43,395	-	**1,263,370**
T. Collyer	315,165	153,346	-	-	**468,511**
F. Marais	81,800	-	46,432	-	**128,232**
A. Hockly	48,346	34,236	2,787	-	**85,369**
D. Andrews	56,394	31,596	-	-	**87,990**
M. Green	55,449	31,076	-	-	**86,525**
G. Tomlinson	55,337	-	-	-	**55,337**

(i) On 26 November 2014, Lyn Shaddock retired as a director of the Group.

During the period to 31 December 2014, a total of 250,254 stapled securities with a total value of $693,204 were issued to key management personnel upon vesting of Performance Rights under the Employee Incentive Scheme.

SECTION 5: *Other notes (cont.)*

5.2 SUBSEQUENT EVENTS

On 19 January 2015, the Group announced that the issue price for securities to be issued under the DRP for the distribution to be paid on or around 27 February 2015 will be $2.73 per stapled security.

Approximately 77.8% of Growthpoint's distribution payable on or around 27 February 2015 will be issued new stapled securities under the DRP raising $42.3 million for the issue of 15.5 million new stapled securities. Total stapled securities on issue following the DRP will be approximately 570.1 million.

Other than noted above, there has not arisen a transaction or event of an unusual nature likely to affect significantly the operations of the business, the results of those operations or the state of affairs of the entity in future financial years from the end of the interim period to the date of this report.

DIRECTORS' DECLARATION

In the opinion of the Directors:

(a) the attached Financial Statements and notes set out on pages 26 to 44 are in accordance with the *Corporations Act 2001*, including:

  i) complying with Australia Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

  ii) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors of the Group.

T. J. Collyer.

Timothy Collyer
Managing Director
Growthpoint Properties Australia Limited

Melbourne, 16 February 2015

AUDITOR'S INDEPENDENCE DECLARATION

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Growthpoint Properties Australia Limited, being the Responsible Entity of Growthpoint Properties Trust

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2014 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Dean Waters
Partner

Melbourne

16 February 2015

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INDEPENDENT AUDITOR'S REPORT

Independent auditor's review report to the Stapled Security holders of Growthpoint Properties Australia Limited and Growthpoint Properties Australia Trust

Report on the consolidated financial report

We have reviewed the accompanying interim financial report of Growthpoint Properties Australia, which comprises the consolidated statement of financial position as at 31 December 2014, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 5 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Growthpoint Properties Australia Limited (the Company), Growthpoint Properties Trust (the Trust), and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the Growthpoint Properties Australia Limited, being the Responsible Entity of Growthpoint Properties Australia Trust, are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Growthpoint Properties Australia, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Growthpoint Properties Australia is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Dean Waters
Partner

Melbourne

16 February 2015

ABOUT GROWTHPOINT SOUTH AFRICA[1]

Growthpoint Properties Limited of South Africa ("GRT") owns 64.5% of the securities of GOZ (at 31 December 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:

- 24.5% of GRT's gross assets
- 28.2% of GRT's net property income
- 16.9% of GRT's total distributable income

KEY FACTS

LISTING	GRT is listed on the Johannesburg Stock Exchange (JSE)
RANKING ON JSE	34th
EXCHANGE RATE USED	AUD:ZAR = 9.49
MARKET CAPITALISATION (CURRENTLY)	R 64,1b / AUD 6.8b
GROSS ASSETS	R 86,6b / AUD 9.1b
NET ASSETS	R 52,9b / AUD 5.6b
GEARING (SA ONLY)	26.9%
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)	530
NO. OF PROPERTIES	431 properties in SA including a 50% co-ownership of the V&A Waterfront

1. All information supplied by GRT (figures as at last publicly released).

V&A WATERFRONT, CAPE TOWN

LINCOLN ON THE LAKE, UMHLANGA

SECURITYHOLDER INFORMATION

TOP 20 LEGAL SECURITYHOLDERS

as at 31 December 2014

REFER TO THE GRAPHS ON PAGES 13 FOR MORE INFORMATION IN RELATION TO BENEFICIAL SECURITYHOLDERS.

RANK	NAME	*No. of Units*	*% of Units*
1.	GROWTHPOINT PROPERTIES LIMITED	357,911,983	64.53
2.	NATIONAL NOMINEES LIMITED	32,262,105	5.82
3.	J P MORGAN NOMINEES AUSTRALIA LIMITED	30,053,010	5.42
4.	EMIRA PROPERTY FUND	27,225,813	4.91
5.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	25,464,490	4.59
6.	CITICORP NOMINEES PTY LIMITED	23,284,079	4.20
7.	BNP PARIBAS NOMS PTY LTD	5,817,750	1.05
8.	SHARON INVESTMENTS PTY LTD	4,252,000	0.77
9.	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	4,066,348	0.73
10.	RABINOV HOLDINGS PTY LTD	2,189,990	0.39
11.	BRISPOT NOMINEES PTY LTD	1,504,533	0.27
12.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,077,041	0.19
13.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	724,597	0.13
14.	MR MAX KARL KOEP	625,000	0.11
15.	GABA PTY LTD	500,000	0.09
16.	MR LAURENCE R TOLLEMACHE + MRS WENDY P TOLLEMACHE	500,000	0.09
17.	MR TIMOTHY JAMES COLLYER	468,511	0.08
18.	TALSTON PTY LTD	459,291	0.08
19.	MRS CLAIRE MARIA D'ADORANTE	432,263	0.08
20.	APPRECIATION HOLDINGS PTY LTD	400,000	0.07
Total Top 20 legal holders of fully paid stapled securities		**519,218,804**	**93.62**
Total Remaining Holders Balance		**35,383,893**	**6.38**

DISTRIBUTION OF SECURITYHOLDERS

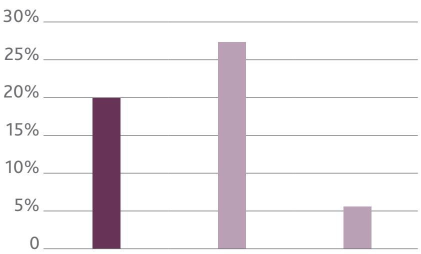
as at 31 December 2014

RANGE	*Total holders*	*Units*	*% of Issued Capital*
1 - 1,000	695	350,017	0.06
1,001 - 5,000	1,246	3,412,199	0.62
5,001 - 10,000	513	3,825,270	0.69
10,001 - 100,000	755	19,547,910	3.52
100,001 - 9,999,999,999	67	527,467,301	95.11
Total	**3,277**	**554,602,697**	**100.00**

As at 31 December 2014, there were 554,602,697 fully-paid stapled securities held by 3,277 individual Securityholders.

TOTAL RETURN COMPARISON

PER ANNUM, OVER 1 YEARS TO 31 DECEMBER 2014[1]

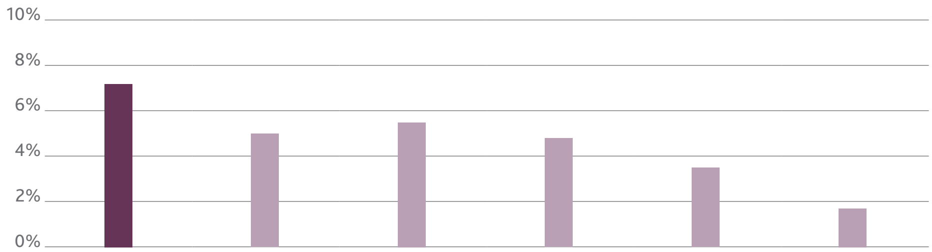


GOZ	A-REIT[2]	SHARES[3]
19.9%	27.3%	5.5%

1. Source: UBS Investment Research.
2. S&P/ASX 300 Prop Index.
3. S&P/ASX 300 Acc. Index.

RELATIVE FORECAST INCOME YIELDS

TO 30 JUNE 2015



GOZ DISTRIBUTION YIELD[1]	A-REIT DISTRIBUTION YIELD[2]	A-REIT DISTRIBUTION YIELD (EX WFD)[3]	AUSTRALIAN SHARES DIVIDEND YIELD[4]	COMMONWEALTH GOVERNMENT 10 YEAR BOND[5]	INFLATION[6]
7.2%	5.0%	5.5%	4.8%	3.5%	1.7%

1. FY distribution guidance of 19.7 cents divided by 31 December 2014 closing price of $2.75.
2. S&P/ASX 300 Property Index (Source: UBS Investment Research).
3. S&P/ASX 300 Property Index excluding Westfield Corporation (Source: UBS Investment Research).
4. FY15 estimated dividend yield for S&P/ASX 300 (Source: Bank of America Merrill Lynch Global Research).
5. As at 31 December 2014. Source: Reserve Bank of Australia.
6. CPI All Groups (weighted average of eight capital cities) movement for the year ended 31 December 2014 as released by the Australian Bureau of Statistics on 28 January 2015. The "trimmed mean" which the Reserve Bank of Australia uses for analysis was 2.2%.

COMPANY DIRECTORY

GROWTHPOINT PROPERTIES AUSTRALIA

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

Growthpoint Properties Australia Trust
ARSN 120 121 002

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www.computershare.com

AUDITOR

KPMG

147 Collins Street,
Melbourne VIC 3000 Australia

2015 SECURITYHOLDER CALENDAR*

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

25 November

Annual General Meeting

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

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