



Francois Marais BCom, LLB, H Dip (Company Law), Director: Growthpoint Properties Australia Limited.

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

Long-term cornerstone investor

Growthpoint Properties Limited (GRT) is a leading international property company and South Africa's largest JSE-listed REIT with a market capitalisation of AU\$7.7 billion¹.

GRT led the South African REIT sector's internationalisation in 2009 by investing AU\$200 million in Growthpoint Properties Australia (GOZ) (then known as the Orchard Industrial Property Fund). Since GRT's original investment, GOZ has become a major player in the Australian REIT market, growing from a purely industrial portfolio of \$650 million to a \$3.4 billion diversified portfolio made up of \$2.2 billion of office property and \$1.2 billion of industrial property, located all around Australia.

Developing a new strategic direction has been a major focus for GRT in recent times. Fundamental to this is the internationalisation of our business and a stated strategy to generate a higher level of earnings from offshore investments in the medium term (increasing from 20% at 30 June 2018). Our growth in Australia and, more recently, our market entry into Central and Eastern Europe, in the Romanian and Polish property markets, are serving us well. We are now invested in property on three continents, and

this diversification has helped us continue growing earnings in a challenging South African market.

We are also actively diversifying our funding sources. GRT recently became the first South African corporate to issue green bonds on the JSE. Earlier this year, we issued our inaugural US Dollar-denominated 5-year Eurobond, establishing ourselves as an issuer in the international debt markets.

GRT takes a prudent approach to international investment. We are committed to finding the right opportunities and doing the right deals over the long term. We target growing economies and invest in platforms for growth by partnering with skilled and like-minded local teams such as GOZ.

Our investment in Australia is a significant part of our business strategy. GOZ continues to perform well, achieving its targets and delivering on the guidance that it puts out to the market. As a long-term shareholder in GOZ we have been pleased by the steady growth in earnings and distributions achieved over the years and we remain committed to supporting its future growth.

Our key metrics

as at 30 September 2018¹

Total property portfolio value	\$3.4bn
Distribution guidance FY19	23.0cps
Number of properties	57
Office / industrial	66% / 34%
Average property age	10.8 years
Occupancy	98%
Weighted average lease expiry	5.0 years
Weighted average rent review (assumes CPI of 2.1%)	3.3%
Weighted average capitalisation rate	6.2%
NTA per stapled security (at 30 June 2018)	\$3.19
Gearing	33.7%
Percentage debt fixed	82.0%
Weighted average debt maturity	4.9 years
Average NABERS rating (energy)	4.5 stars

1. Key metrics do not include 836 Wellington Street, West Perth which settled on 31 October 2018

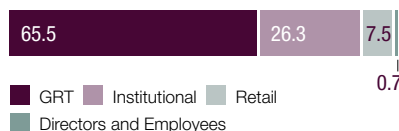
GOZ Contribution to GRT earnings (%)

as at 30 June 2018



GOZ Securityholders* (%)

as at 18 July 2018



* Figures are approximate and based on beneficial ownership.

Update on transactions

Acquisitions

Further to the announcement dated 18 July 2018, Growthpoint confirms that settlement of the acquisition of **836 Wellington Street, West Perth, WA** has occurred today (31 October 2018). The property was purchased for \$91.3 million reflecting a market yield of 6.25%.

Divestments

Growthpoint also provides an update on the sale of **Quads 2 & 3, Sydney Olympic Park, NSW**.

Quads 2 & 3 were marketed for sale in August 2018 and attracted good interest from both domestic and offshore purchasers. While it was pleasing to receive a number of offers at the relevant book values, the intention was only to sell the properties should a higher price be realisable from the potential to convert the properties to residential use (as was achieved in the recent sale of Growthpoint's Woolworths Distribution Centre in Mulgrave, Victoria).

Given the anticipated premium for higher and better use as residential was not able to be achieved, the sales campaign has been closed and the properties will be retained.

There is no change to FY19 Funds from Operations or Distributions guidance arising from the above transactions.

836 Wellington Street,
West Perth, WA



Quad 2, Sydney
Olympic Park, NSW



Quad 3, Sydney
Olympic Park, NSW

Leases completed since 30 June 2018

Address	Sector	Tenant	Start date	Term (yrs)	Annual rent increases (%)	Lettable area (sqm)	Car parks
Building C, 211 Wellington Road, Mulgrave, VIC	Office	Huili Group P/L T/A The Taste Corner	Q1, FY19	5.0	Fixed 3.25%	145	2
102 Bennelong Parkway, Sydney Olympic Park, NSW	Office	True Health Spines & Sports Chiropractic	Q1, FY19	3.0	Fixed 3.50%	69	1
333 Ann Street, Brisbane, QLD	Office	Terracom	Q1, FY19	3.0	Fixed 3.75%	83	-
333 Ann Street, Brisbane, QLD	Office	Bluebook Insurance	Q2, FY19	5.0	Fixed 3.50%	218	1
109 Burwood Road, Hawthorn, VIC	Office	Green Energy Trading	Q2, FY19	7.0	Fixed 4.00%	518	10
A1, 32 Cordelia Street, South Brisbane, QLD	Office	Jacobs Group (Australia)	Q2, FY19	7.9	Fixed 3.75%	1,311	11
58 Turlong Crescent, Perth Airport, WA ¹	Industrial	Perth Inflight Catering Services	Q2, FY19	1.0	n/a	1,013	-
Building C, 211 Wellington Road, Mulgrave, VIC	Office	Endress+Hauser	Q2, FY19	7.0	Fixed 3.25%	362	10
75 Dorcas Street, South Melbourne, VIC	Office	Mondelez Australia	Q3, FY19	3.0	Fixed 3.75%	248	-
Total / Weighted Average				5.6	3.7%	3,967	35

1. Subject to approval by Perth Airport.

Portfolio update

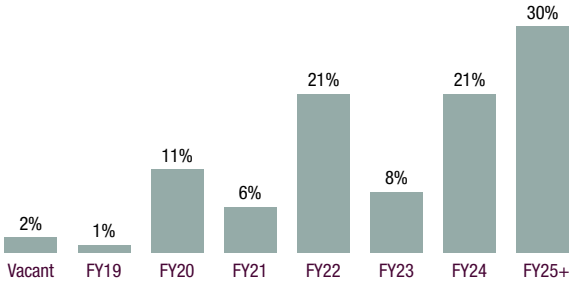
as at 30 September 2018

		Office	Industrial	Total
Number of properties	no.	26	31	57
Total value	\$m	2,209.3	1,146.8	3,356.1
Occupancy	%	98	99	98
Total lettable area	sqm	286,368	717,014	1,003,382
Weighted average valuation cap rate	%	6.0	6.6	6.2
Weighted average lease expiry	years	5.3	4.7	5.0
Weighted average rent review ¹	%	3.5	2.8	3.3
Average value (per sqm)	\$	7,715	1,599	3,345
Average rent (per sqm, per annum)	\$	548	116	239

1. Assumes Consumer Price Index change of 2.1% as per Australian Bureau of Statistics release for FY18.

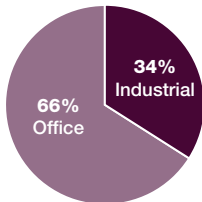
Portfolio lease expiry profile

per financial year, by income



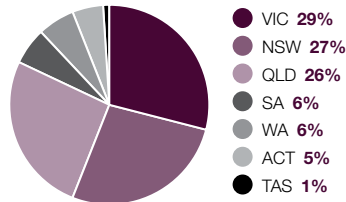
Sector diversity

by property value



Geographic diversity

by property value



Top ten tenants

by passing rent (as at 30 September 2018)

	%	WALE (yrs)
Woolworths	15	4.2
NSW Police	9	5.7
Commonwealth of Australia	5	7.5
Country Road / David Jones	4	13.7
Linfox	4	4.7
Samsung Electronics	3	3.5
Lion	3	5.6
ANZ Banking Group	2	1.5
Jacobs Group	2	8.0
Queensland Urban Utilities	2	4.6
Total / weighted average	49	5.7
Balance of portfolio	51	4.6
Total portfolio	100	5.0



FY19 Funds from Operations (FFO) and Distributions guidance reaffirmed

- FFO per security: 'at least' 24.6 cents
- Distributions per security: 23.0 cents

Contact details

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2018/2019 Securityholder Calendar

21 November 2018

- Annual General Meeting

21 February 2019

- Results for the half year ending
31 December 2018 announced to the ASX

28 February 2019

- Distribution paid for the half year ending
31 December 2018

* Dates indicative and subject to change by the Board.