



## FROM MICHAEL GREEN, HEAD OF PROPERTY

### LEASING SUCCESS

Growthpoint has undertaken significant leasing since 1 July 2015 notably:

1. 2,692m<sup>2</sup> at 333 Ann Street, Brisbane with a weighted average lease expiry ("WALE") of 5.1 years in new and extended leases to tenants including Prosperity Services, QER, Rail Control Systems Australia and MedHealth;
2. 9,710m<sup>2</sup> at Growthpoint's SW1 complex in South Brisbane with a WALE of 8.5 years to tenants including Jacobs Group;
3. 2,250m<sup>2</sup> to Coventry Group at 670 Macarthur Avenue, Pinkenba, Queensland through a three year lease renewal from February 2016; and
4. 8,040m<sup>2</sup> to Orora at 3 Millennium Court, Knoxfield, Victoria through a five year lease renewal from March 2016.

These transactions have improved our tenancy and income profile. Refer to page 3 for more details.

### ACQUISITIONS

Since 1 July 2015, Growthpoint has acquired three properties for \$92.0 million providing a weighted average income yield of 7.31% with a WALE of 7.3 years. Refer to page 2 for more details. These acquisitions were not included in our budget assumptions for this financial year and therefore provide income upside to the benefit of Securityholders.

We continue to look for acquisitions that enhance the portfolio and, most importantly, that allow us to grow distributions over time.

### DEVELOPMENT FUND-THROUGHS

Our most recent acquisition of Building C, 211 Wellington Road, Mulgrave, Victoria is the ninth development fund-through transaction we have undertaken. More details about our fund-throughs appear in the table below:

| PROPERTY                                   | Sector     | Acquisition and development costs / initial yield | Current valuation / current passing yield | Practical completion  | % currently leased / % leased at acquisition <sup>1</sup> | Current weighted average lease expiry |
|--------------------------------------------|------------|---------------------------------------------------|-------------------------------------------|-----------------------|-----------------------------------------------------------|---------------------------------------|
| 1231-1241 Sandgate Rd, Nundah, Qld         | Office     | \$77.9m / 8.25%                                   | \$93.2m / 7.44%                           | Nov 2012              | 100% / 96%                                                | 11.0 years                            |
| Bldg C, 219-247 Pacific Hwy, Artarmon, NSW | Office     | \$82.7m / 8.13%                                   | \$103.5m / 7.09%                          | Dec 2012              | 83% / 56%                                                 | 6.4 years                             |
| 27-49 Lenore Dr, Erskine Park, NSW         | Industrial | \$46.3m / 8.00%                                   | \$58.3m / 6.54%                           | Aug 2013              | 100% / 100%                                               | 7.8 years                             |
| 9-11 Drake Blvd, Altona, Vic               | Industrial | \$24.7m / 8.07%                                   | \$29.6m / 7.22%                           | Dec 2013              | 100% / 0%                                                 | 5.9 years                             |
| 120-132 Atlantic Dr, Keysborough, Vic      | Industrial | \$17.4m / 7.50%                                   | \$21.0m / 6.45%                           | Dec 2013              | 100% / 100%                                               | 13.1 years                            |
| 19 Southern Crt, Keysborough, Vic          | Industrial | \$7.0m / 8.25%                                    | \$7.8m / 7.68%                            | Apr 2014              | 100% / 0%                                                 | 3.4 years                             |
| 20 Southern Crt, Keysborough, Vic          | Industrial | \$11.8m / 8.25%                                   | \$13.4m / 7.50%                           | Apr 2014              | 100% / 0%                                                 | 7.2 years                             |
| Bldg B, 211 Wellington Rd, Mulgrave, Vic   | Office     | \$62.6m / 7.75%                                   | \$62.6m / 7.75% <sup>3</sup>              | Dec 2015 <sup>2</sup> | 86% / 62%                                                 | 5.0 years <sup>4</sup>                |
| Bldg C, 211 Wellington Rd, Mulgrave, Vic   | Office     | \$50.9m / 7.25%                                   | \$50.9m / 7.25% <sup>3</sup>              | Aug 2016 <sup>2</sup> | 47% / 47%                                                 | 5.0 years <sup>4</sup>                |
| <b>TOTAL</b>                               |            | <b>\$381.3m</b>                                   | <b>\$440.3m</b>                           |                       |                                                           |                                       |

1. All unleased areas at practical completion have/had a five year rental guarantee from the developer from completion. 2. Expected completion date. 3. On completion valuation.

4. From practical completion.

### OUR KEY METRICS

as at 31 October 2015

|                                                 |            |
|-------------------------------------------------|------------|
| Total property portfolio value                  | \$2.4 B    |
| Distribution guidance FY16                      | 20.5 cps   |
| Number of properties                            | 55         |
| Office / industrial                             | 50% / 50%  |
| Average property age                            | 8.5 yrs    |
| Occupancy                                       | 96.6%      |
| Weighted average lease expiry                   | 6.6 yrs    |
| Weighted average rent review                    | 3.0%       |
| Weighted average capitalisation rate            | 7.3%       |
| Gearing                                         | 39.9%      |
| Average debt term                               | 4.3 yrs    |
| Average duration of hedges                      | 4.7 yrs    |
| 5 year total securityholder return <sup>1</sup> | 19.2% p.a. |

1. Source: UBS Investment Research.

# AT A GLANCE

## GROWTHPOINT PROPERTIES AUSTRALIA

**Growthpoint Properties Australia** 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.

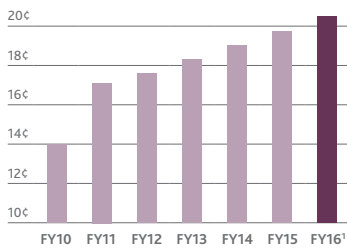
GOZ's objective is to provide investors with a tradeable security producing consistently growing income returns and long-term capital appreciation.

### OUR PHILOSOPHY

*is to be a pure landlord, with 100% of our income derived from rent under leases with quality tenants from commercial real estate.*

### DISTRIBUTIONS

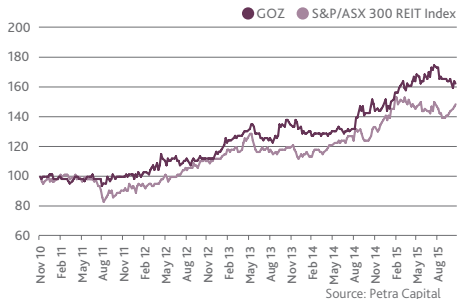
PER STAPLED SECURITY TO 30 JUNE



1. Distribution guidance only.

### GOZ SECURITY PRICE

OVER FIVE YEARS TO 31 OCTOBER 2015



## NEW ACQUISITIONS FOR THE FINANCIAL YEAR

Since 1 July 2015, Growthpoint has announced the acquisition of three properties for a total price of \$92.0 million. Further details are below:

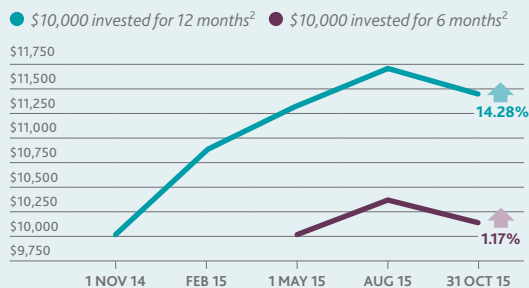
| PROPERTY                                  |     | Sector     | Price (\$m) | Purchase yield (%) | WALE <sup>1</sup> (yrs) | WARR <sup>2</sup> (%) | NPI <sup>3</sup> (\$m) |
|-------------------------------------------|-----|------------|-------------|--------------------|-------------------------|-----------------------|------------------------|
| Building C, 211 Wellington Road, Mulgrave | VIC | Office     | 50.9        | 7.25               | 5.0                     | 3.25                  | 3.69                   |
| 1-3 Pope Court, Beverley                  | SA  | Industrial | 20.8        | 7.75               | 5.3                     | 3.15                  | 1.61                   |
| 34 Reddalls Road, Kembla Grange           | NSW | Industrial | 20.3        | 7.00               | 15.0                    | 4.00                  | 1.42                   |
| TOTAL / AVERAGE                           |     |            | 92.0        | 7.31               | 7.3                     | 3.39                  | 6.72                   |

1. Weighted average lease expiry. 2. Weighted average rent review. 3. Net property income.

## VALUE OF HYPOTHETICAL \$10,000 INVESTMENT IN GROWTHPOINT

An investor purchasing \$10,000 worth of GOZ securities on 1 November 2014 would have had securities worth \$11,428.18 one year later on 31 October 2015 (assuming distributions were reinvested). \$10,000 invested on 31 May 2015 would have been worth \$10,117.20 on 31 October 2015.

Total operating costs attributable to a hypothetical investment over these periods were approximately \$42.68 for the full year or \$20.12 for six months; approximately 0.4% of the value<sup>1</sup>.



1. Operating costs being all costs other than interest. 2. Assumes reinvestment of distributions.

# PORTFOLIO UPDATE<sup>1</sup>

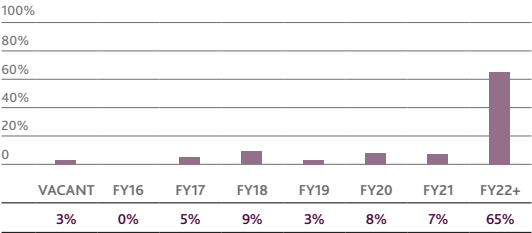
## AS AT 31 OCTOBER 2015

|                                             | INDUSTRIAL                                   | OFFICE                                       | TOTAL                                          |
|---------------------------------------------|----------------------------------------------|----------------------------------------------|------------------------------------------------|
| NO. OF PROPERTIES                           | 38                                           | 17                                           | 55                                             |
| TOTAL / AVERAGE VALUE                       | \$1,207.0m / \$31.8m                         | \$1,206.6m / \$71.0m                         | \$2,413.6m / \$43.9m                           |
| % OF PORTFOLIO VALUE                        | 50%                                          | 50%                                          | 100%                                           |
| TOTAL / AVERAGE LETTABLE AREA               | 873,472m <sup>2</sup> / 22,986m <sup>2</sup> | 191,942m <sup>2</sup> / 11,291m <sup>2</sup> | 1,065,414m <sup>2</sup> / 19,371m <sup>2</sup> |
| AVERAGE PROPERTY AGE                        | 9.2 years                                    | 7.7 years                                    | 8.5 years                                      |
| AVERAGE VALUATION CAP RATE                  | 7.3%                                         | 7.3%                                         | 7.3%                                           |
| OVER (UNDER) RENTING                        | 4.2%                                         | 6.7%                                         | 5.4%                                           |
| WALE                                        | 6.4 years                                    | 6.9 years                                    | 6.6 years                                      |
| WARR <sup>2</sup>                           | 2.7%                                         | 3.2%                                         | 3.0%                                           |
| AVERAGE VALUE (per m <sup>2</sup> )         | \$1,382                                      | \$6,286                                      | \$2,265                                        |
| AVERAGE RENT (per m <sup>2</sup> per annum) | \$107                                        | \$536                                        | \$181                                          |
| NUMBER OF TENANTS                           | 40                                           | 67                                           | 106 <sup>3</sup>                               |

1. Includes Building B, 211 Wellington Road, Mulgrave at its 'on completion' valuation but excludes Bldg C, 211 Wellington Road, Mulgrave. 2. Weighted average rent review assumes CPI of 1.5% per annum as per ABS release for year to 30 September 2015. 3. Fuji Xerox is both an office and industrial tenant.

### PORTFOLIO RENT EXPIRING

PER FINANCIAL YEAR



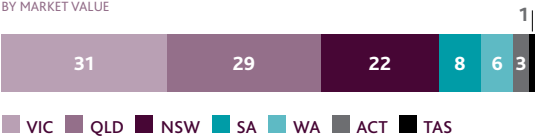
### SECTOR DIVERSITY (%)

BY MARKET VALUE



### GEOGRAPHIC DIVERSITY (%)

BY MARKET VALUE



### TOP TEN TENANTS

BY PASSING RENT

|                                 | %         | WALE (years) |
|---------------------------------|-----------|--------------|
| WOOLWORTHS                      | 24        | 6.8          |
| NSW POLICE                      | 10        | 8.6          |
| GE CAPITAL FINANCE AUSTRALASIA  | 6         | 2.4          |
| LINFOX                          | 4         | 7.6          |
| COMMONWEALTH OF AUSTRALIA       | 4         | 9.4          |
| JACOBS ENGINEERING              | 3         | 8.1          |
| ENERGEX                         | 3         | 12.0         |
| FOX SPORTS                      | 2         | 7.1          |
| STAR TRACK EXPRESS              | 2         | 3.7          |
| DOWNER EDI MINING               | 2         | 6.6          |
| <b>TOTAL / WEIGHTED AVERAGE</b> | <b>60</b> | <b>7.1</b>   |
| <i>Balance of portfolio</i>     | <i>40</i> | <i>5.9</i>   |

Industrial Office



Modern, diversified portfolio with long term leases to quality tenants

## SECURITYHOLDER CALENDAR\*

**25 Nov 2015**

Annual General Meeting (to be held in Melbourne, webcast available for Securityholders unable to attend)

**22 Feb 2016**

Results for the half year ended 31 December 2015 announced to the ASX

**29 Feb 2016**

Distribution paid for the half year ended 31 December 2015. Half Year report sent to Securityholders

**22 Aug 2016**

Results for the year ended 30 June 2016 announced to the ASX

**31 Aug 2016**

Distribution paid for the year ended 30 June 2015. Annual tax statement for the year ended 30 June 2016 mailed. FY16 report sent to Securityholders

**24 Nov 2016**

Annual General Meeting (webcast available for Securityholders unable to attend)

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

## DISTRIBUTION REINVESTMENT PLAN (DRP)

As a result of recent acquisitions and other capital commitments, the board is currently reviewing whether the DRP will be operative for the February 2016 distribution. An announcement will be made not later than 11 December 2015. Investors should note that their DRP elections remain in place until amended. Please contact Computershare to check your DRP election.

FY16 GUIDANCE<sup>1</sup>

Distributable profit for the year ending 30 June 2016 is expected to be at least 21.3 cents per stapled security; a 3.4% increase on distributable income for the year ended 30 June 2015.

Distribution guidance for the financial year ending 30 June 2016 is 20.5 cents per stapled security; a 4.1% increase on the year ended 30 June 2015. This is expected to be paid through the distribution of 10.2 cents per stapled security on 29 February 2016 and the distribution of 10.3 cents per stapled security on 31 August 2016.

The tax deferred status of each distribution payable is respect of the year ending 30 June 2016 will be confirmed with the full year financial results to be released on or around 22 August 2016.

Growthpoint currently offers an attractive FY16 distribution yield of approximately 6.7%<sup>2</sup>; above the A-REIT sector estimated distribution yield of 4.9%.<sup>3</sup>

1. Readers of this document should refer to, among other things, the "Important note" included at the end of the Group's ASX announcement dated 15 June 2015 for important qualifications, assumptions and limitations of this guidance. 2. Using a security price of \$3.08, the closing price on 30 October 2015. 3. Source: UBS Investment Research, S&P/ASX300 Property Index.

## COMPANY DIRECTORY

## GROWTHPOINT PROPERTIES AUSTRALIA

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Investor Services Line: 1800 260 453

## SHARE REGISTRY

## COMPUTERSHARE INVESTOR SERVICES

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Abbotsford VIC 3067 Australia

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Fax: +61 3 9473 2500

computershare.com

## AUDITOR

## KPMG

147 Collins Street,  
Melbourne VIC 3000 Australia

## CONTACTING COMPUTERSHARE

For direct holders for Growthpoint securities, most matters can be dealt with on-line at: [www-au.computershare.com/Investor/](http://www-au.computershare.com/Investor/)

*Note that you will require your holder identification number.*

If you cannot resolve matters on-line, contact details for Computershare are:

**Address:**

Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford Victoria 3067 Australia

**Telephone:** 1300 850 505 (within Australia) or +61(0)3 9415 4000  
(from outside of Australia)

**Facsimile:** +61(0)3 9473 2500

**Email:** [webqueries@computershare.com.au](mailto:webqueries@computershare.com.au)

For indirect holders, i.e. holders that via fund, custodian or other third party, you should contact that party. Computershare will only be able to assist those with holdings directly on Growthpoint's Securityholder register.