

Growthpoint Properties Australia (ASX Code: GOZ)

Growthpoint Properties Australia Trust ARSN 120 121 002

Growthpoint Properties Australia Limited ABN 33 124 093 901 AFSL 316409

www.growthpoint.com.au

Annual General Meeting Presentation

25 November 2015

GROWTHPOINT
PROPERTIES



SPACE TO THRIVE



Bldg C, 211 Wellington Rd, Mulgrave, VIC (Artist's impression)



1231-1241 Sandgate Road, Nundah, QLD

Chairman's address

Geoff Tomlinson
Independent Chairman





1-3 Pope Court, Beverley, SA

Managing Director's address

Timothy Collyer
Managing Director



FY15 Highlights

Financial results

21.2cps

Distributable income
above guidance and 6.0%
above FY14

19.7cps

Distribution paid
at guidance

\$2.48

NTA per security
14.8% increase

Capital management

- Investment grade credit rating from Moody's issued and reaffirmed
- First capital markets issuance \$200m loan notes fixed for 10 years
- Gearing reduced to 37.0% at 30 June 2015 (lower end of target range 35% to 45%)
- Weighted average debt term 4.7 years
- 75% debt hedged



Strong financial results and recent capital management initiatives leave the Group well positioned



1-3 Pope Court, Beverley, SA

Securityholder returns to 30 June 2015

Total Securityholder returns

FY15

36.4%

Over five years

21.3% p.a.

Return on equity

FY15

23.9%

Over five years

67.3%

- Included in S&P/ASX 200 Index and MSCI Global Small Cap Index



Attractive returns



70 Distribution Street, Larapinta, QLD

Property portfolio¹

Property portfolio valued at

\$2.4B

as at 30 June 2015

7.3%

Weighted average
capitalisation rate

6.6yrs

Weighted average lease expiry
(WALE)

97%

Occupancy

3.0%

Weighted average rent review
(WARR)



Growthpoint maintains
a modern portfolio, with
quality tenants, long-term
leases and rising rents

1. As at 31 October 2015, unless otherwise noted. Includes Building B, 211 Wellington Road, Mulgrave, Victoria at its 'on completion' valuation.



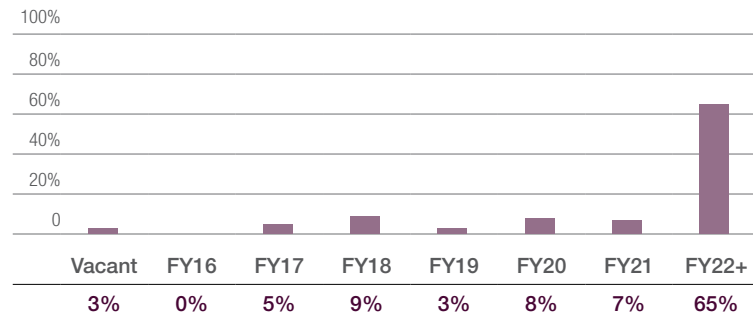
A1, 32 Cordelia Street, South Brisbane, QLD

Property portfolio¹

Continued

Portfolio rent expiring

Per financial Year



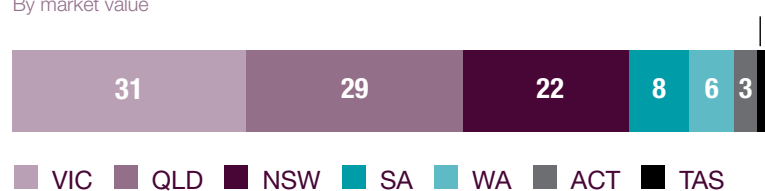
Sector diversity (%)

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
TOTAL / Weighted Average	60	7.1
Balance of portfolio	40	5.9

● Industrial ● Office



Modern, diversified portfolio with long term leases to quality tenants.



1 Charles Street, Parramatta, NSW

1. As at 31 October 2015, unless otherwise noted. Includes Building B, 211 Wellington Road, Mulgrave, Victoria at its 'on completion' valuation.

Post 30 June 2015: Acquisitions

Address		Sector	Date of purchase	Land area (m ²)	Lettable area (m ²)	Year of completion	Purchase price (\$m)	Yield (%)	WALE (yrs)	Annual fixed rent reviews (%)	Major tenant(s)	
1-3 Pope Crt	Beverley	SA	Industrial	Jul 2015	25,660	14,459	2015	20.8	7.8	5.3	3.15	Aluminum Specialities Group, Pro-Pac Packaging
34 Reddalls Rd	Kembla Grange	NSW	Industrial	Oct 2015	141,100	141,100	2012	20.3	7.0	15.0	4.00	Patrick Autocare Pty Ltd (a subsidiary of Asciano Limited)
Building C, 211 Wellington Rd	Mulgrave	VIC	Office	Nov 2015	11,070	10,295	2016 ¹	50.9	7.3	5.0	3.25	BMW Australia Finance Limited
Total / Weighted Average		-	-	-	177,830	165,854	-	92.0	7.3	7.3	3.39	

1. To be developed.



Modern properties,
quality tenants,
long-term growing
rental income



34 Reddalls Road, Kembla Grange, NSW



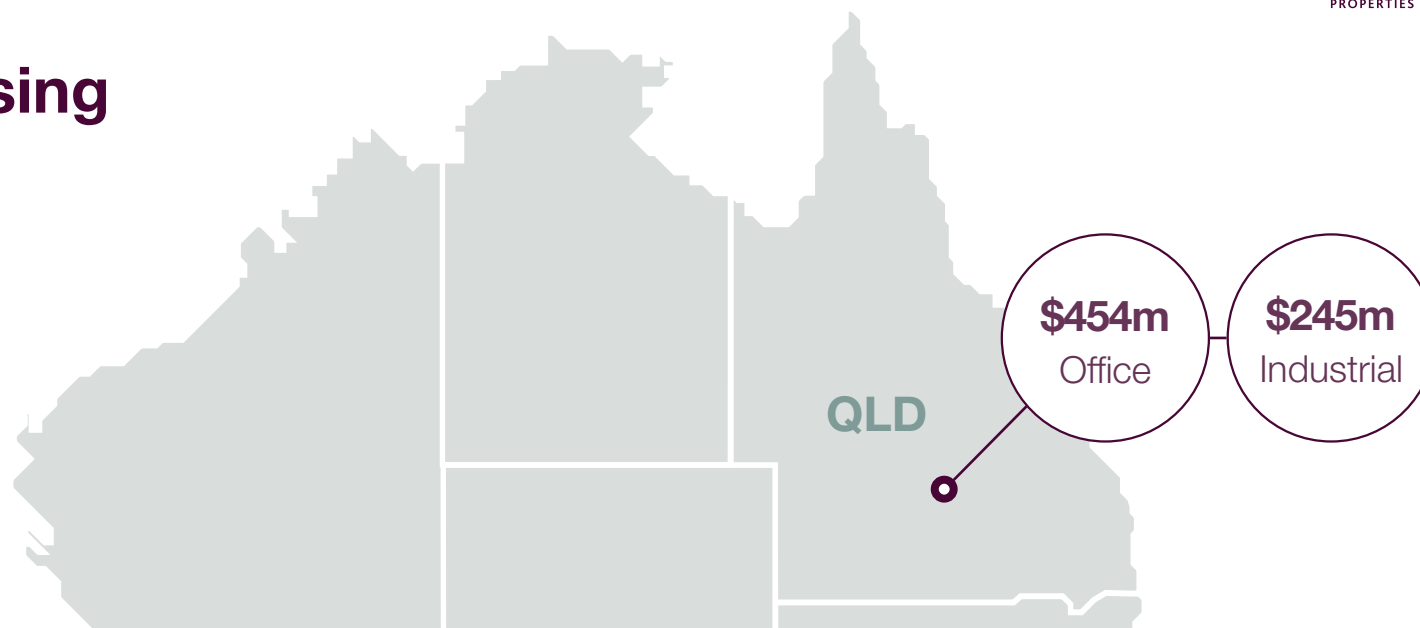
Bldg C, 211 Wellington Road, Mulgrave, VIC (Artist's impression)

Post 30 June 2015: Leasing

Address			Sector	Tenant	Start date	Term (yrs)	Annual rent increases (%)	NLA (m ²)	Car Parks
A1, 32 Cordelia Street	South Brisbane	QLD	Office	Jacobs Group (Australia)	Q4, FY15	9.8	Fixed 3.75%	8,207	61
333 Ann Street	Brisbane	QLD	Office	QER Pty Ltd	Q1, FY16	5.4	Fixed 4.00%	679	5
333 Ann Street	Brisbane	QLD	Office	Prosperity Services	Q1, FY16	5.2	Fixed 3.75%	410	-
A4, 52 Merivale Street	South Brisbane	QLD	Office	Thai Budda	Q1, FY16	5.0	Fixed 4.00%	108	-
333 Ann Street	Brisbane	QLD	Office	Rail Control Systems Australia	Q1, FY16	3.1	Fixed 3.75%	291	-
A1, 32 Cordelia Street	South Brisbane	QLD	Office	Jacobs Group (Australia)	Q1, FY16	1.0	Fixed 3.75%	1,315	13
20 Southern Court	Keysborough	VIC	Industrial	Sales Force National	Q2, FY16	7.2	Fixed 3.00%	11,430	53
333 Ann Street	Brisbane	QLD	Office	MedHealth	Q2, FY16	7.1	Fixed 4.00%	867	5
Building B, 211 Wellington Road	Mulgrave	VIC	Office	BSN Medical (Aust.)	Q3, FY16	5.0	Fixed 3.25%	1,842	65
670 Macarthur Avenue	Pinkenba	QLD	Industrial	Coventry Group Limited	Q3, FY16	3.0	CPI to min 3.0% & max 8.0%	2,250	-
3 Millennium Court	Knoxfield	VIC	Industrial	Orora Ltd	Q3, FY16	5.0	Fixed 3.50%	8,040	75
CB2, 42 Merivale Street	South Brisbane	QLD	Office	Rouge Hair	Q1, FY17	5.0	Fixed 4.00%	80	-
Total / Weighted Average						7.3	3.6%	35,519	277

- Over 100,000m² leased from start of FY15, representing 9.7% of portfolio lettable area.

Brisbane CBD leasing exposure limited



Growthpoint's office property	Office market	Office market vacancy rate ¹ (%)	Value of asset (\$m)	% of Growthpoint's portfolio (by value)	Lettable area (m ²)	Occupancy ² (%)	WALE ² (yrs)	Comment
SW1 office complex	South Brisbane	6.0	269.7	11.2	37,584	94	6.4	Very good leasing success, property has retained high occupancy and attractive WALE
Energex Building, Nundah	Suburban	12.6	93.2	3.9	12,980	100	11.0	Property leased long term to Queensland State Government tenants. No major expiries in short to medium term
333 Ann Street, Brisbane	Brisbane CBD	15.0	91.0	3.8	16,490	52	5.4	Two large tenants vacated in June 2015. Almost 2,000m ² leased since 30 June 2015. 9,000m ² to lease progressively over next 12 months or so. Growthpoint's guidance not reliant on leasing all vacant space in FY16

1. Property Council of Australia, 2015 Office Market Report, July 2015. 2. As at 31 October 2015

Outlook: Market conditions

Property market

- **Tenancy demand improving**

- National office market vacancy rate 10.4%¹ and reducing in key Melbourne and Sydney markets
- National industrial property market gross take-up for 2015 is solid, but expected to be at or slightly lower than 10-year average. 2015 expected to be low point in near term supply cycle

- **Investment markets/values**

- Record transaction volumes with offshore investors dominant
- Large property portfolios sold at record yields
- Capital values have risen and some further capitalisation rate compression is expected (relative to book value capitalisation rates)
- Some stabilisation of yields expected in late 2016

1. Property Council of Australia, 2015 Office Market Report, July 2015.



Outlook: Market conditions

A-REIT market

- Offering an attractive risk adjusted yield with distribution growth
- M&A activity to continue. Small to mid-sized IPOs to continue into 2016 where product is good and where a “window of opportunity” presented
- Volatility in equity markets, with focus on US Federal Reserve raising interest rates and strength of Chinese economy (amongst others)

Interest rates

- RBA has indicated official cash rate to remain low for period ahead
- Historically low rates for Australian borrowers
- Longer dated swap rates and bond yields to rise as US Federal Reserve actually raises rates



120-132 Atlantic Drive, Keysborough, VIC

Outlook: Growthpoint Properties Australia

- Stable income from growing rental income stream
- Limited upcoming vacancies
- Major office assets in strong office markets
- Industrial property portfolio 100% leased; sought after asset class
- New acquisitions to contribute to growth

Returns and outlook

- **19.2% per annum total Securityholder return** for five years to 31 October 2015¹
- **15.0% total Securityholder return** for year to 31 October 2015¹
- Current FY16 **distribution yield of 6.6%**², attractive versus A-REIT sector average of 4.9%¹ and other asset classes
- Guidance:
 - **Distributable income at least 21.3 cps**
 - **Distribution of 20.5 cps** (+4.1% from FY15)

1. Source: UBS Investment Research

2. Based on FY16 distribution guidance of 20.5cps and closing price on 24 November 2015 of \$3.10.



WorldPark, 33-39 Richmond Road, Keswick, SA



Items of business

Building C, Gore Hill Technology Park, 219 Pacific Highway, Artarmon, NSW

Item 1: Financial Statements & Reports – Company & Trust

To receive and consider:

- a) The financial reports and the reports of the Directors and the auditors in respect of the Company for the financial year ended 30 June 2015; and
- b) The financial reports and the reports of the Directors and the auditors in respect of the Trust for the financial year ended 30 June 2015.

***Note:** There is no requirement for Securityholders to approve these reports.*

Item 2: Remuneration report – Company only

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That the Remuneration Report of the Company (which forms part of the Directors’ Report) for the financial year ended 30 June 2015 be adopted.”

Proxies Received

Vote	Votes	%
For	439,115,749	99.85
Against	336,081	0.07
Open	370,705	0.08
Abstain	2,066,354	N/A

Item 3: Re-election of directors – Company only

To consider and, if thought fit, pass the following resolutions as separate ordinary resolutions:

- (a) *“That Mr Geoffrey Tomlinson, who retires under rule 11.1(d) of the Company’s Constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*
- (b) *“That Ms Maxine Brenner, who retires under rule 11.1(d) of the Company’s Constitution and, being eligible, offers herself for re-election, be re-elected as a Director of the Company.”*

Re-elect Geoff Tomlinson

Vote	Votes	%
For	440,496,742	99.89
Against	80,872	0.02
Open	386,945	0.09
Abstain	1,441,606	N/A

Re-elect Maxine Brenner

Vote	Votes	%
For	439,633,015	99.69
Against	962,651	0.22
Open	380,705	0.09
Abstain	1,429,794	N/A

Item 4: Approval of issue to Timothy Collyer (Managing Director) – Company and Trust

To consider and, if thought fit, pass the following as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.14 and all other purposes, the grant of 40,736 Performance Rights to Timothy Collyer under the Growthpoint Properties Australia Employee Incentive Plan, in accordance with the rules of the Plan and on the terms set out in the Explanatory Notes, is approved.”

Proxies Received

Vote	Votes	%
For	439,472,383	99.74
Against	734,910	0.17
Open	371,165	0.09
Abstain	1,449,638	N/A

Item 5: Approval of renewal of proportional takeover provisions for a further three years - Company only

To consider and, if thought fit, pass the following as a special resolution:

“That the proportional takeover provisions in the form of rule 8 of the Company’s Constitution (as last approved by shareholders) be renewed for a further period of three (3) years, with effect from 25 November 2015.”

Proxies Received

Vote	Votes	%
For	440,045,605	99.89
Against	108,543	0.02
Open	375,705	0.09
Abstain	1,498,843	N/A

Close of meeting

Attendees are invited to join directors, auditors and staff for a light lunch immediately following conclusion of meeting.

Visit the Group's website at
www.growthpoint.com.au



Bldg B, 211 Wellington Road, Mulgrave, VIC (Artist's impression)



For more information contact us at:

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Investor services line: 1800 260 453

www.growthpoint.com.au

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Thank you