ASX ANNOUNCEMENT
GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

16 February 2015

Half Year Results

The Directors of Growthpoint Properties Australia Limited today announce the results for Growthpoint Properties Australia (**"Growthpoint"**) for the half-year ended 31 December 2014 (**"the Half Year"**).

Timothy Collyer, Managing Director, commented:

"The Half Year saw Growthpoint:

1. achieve its distribution guidance of 9.8 cents per stapled security, 4.3% higher than the previous corresponding period;
2. achieve significant leasing success;
3. record a 7.4% increase in net tangible assets per stapled security from $2.16 to $2.32;
4. record a 4.5% uplift in property valuations;
5. included in the S&P/ASX 300 Index;
6. issued with an investment grade rating on senior secured debt;
7. extend, reprice and restructure its debt facility resulting in lower debt costs and flexibility for future debt issuance including via the debt capital markets; and
8. lowered its balance sheet gearing to 36.7% which is at the lower end of its revised target gearing range of 35%-45% providing capacity for future growth."

Highlights for the Half Year

Net tangible assets: Growthpoint's net tangible assets (**"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. For the Half Year, distributions are forecast to be 45.4% tax deferred and 1.7% tax free. These figures will be confirmed with the full year results release in August 2015.

Distribution guidance: Directors provided distributable income guidance prior to the start of the financial year ending 30 June 2015 (**"FY15"**) of 20.3 to 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].

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[1] Source: UBS Investment Research

GROWTHPOINT PROPERTIES

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 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 (net of capital expenditure of $0.7 million). 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 the tables below for more details.

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.v8%
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.

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

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.

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 of the Half Year Report or Growthpoint's website 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 a position to announce additional leasing success over the remainder of this financial year.

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**

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.

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 Investor Presentation released with this announcement.

Growthpoint's current syndicated facility with NAB, WBC, ANZ and CBA has the expiry dates and limits detailed in the table to right of this page. At 31 December 2014, Growthpoint's weighted average debt expiry term was 3.7 years.

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.

Growthpoint's balance sheet gearing was 36.7% as at 31 December 2014; at the bottom end of the current 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 and new leases 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. 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.

At 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. 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%.

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 weighted average lease expiry or 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 Growthpoint has been good. The Board and management are confident of Growthpoint'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).

Aaron Hockly, Company Secretary **www.growthpoint.com.au**

Media and investor enquiries should be directed to:
Aaron Hockly, Company Secretary, Growthpoint Properties Australia
Telephone: +61 8681 2900, info@growthpoint.com.au

Growthpoint Properties Australia

Growthpoint Properties Australia is a publicly traded ASX listed A-REIT (ASX Code: GOZ) that specialises in the ownership and management of quality investment property. GOZ owns interests in a diversified portfolio of 51 office and industrial properties throughout Australia valued at approximately $2.2 billion and has an investment mandate to invest in office, industrial and retail property sectors.

Growthpoint is included in the S&P/ASX 300 index and has been issued with an investment grade rating of Baa2 for senior secured debt by Moody's.

GOZ aims to grow its portfolio over time and diversify its property investment by asset class, geography and tenant exposure through individual property acquisitions, portfolio transactions and corporate activity (M&A transactions) as opportunities arise.

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GROWTHPOINT PROPERTIES AUSTRALIA (GOZ)
16 FEBRUARY 2015

APPENDIX 4D

RESULTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2014

1. DETAILS OF REPORTING PERIODS:

The current reporting period is the 6 months to 31 December 2014. The previous corresponding reporting period was for the 6 months to 31 December 2013.

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

2.1/2.2/2.3 Revenue and profit from ordinary activities and net profit for the half-year attributable to security holders:

	Period ended 31-Dec-14	Period ended 31-Dec-13	Change
	$'000	*$'000*	*%*
Revenue from ordinary activities	**100,124**	86,620	15.6
Profit from ordinary activities after tax attributable to security holders	**56,447**	42,049	34.2
Net profit attributable to security holders	**141,824**	63,492	123.4

2.4/2.5 Amounts per stapled security of distributions paid/payable during the half-year:

	Stapled securities	Record date	Payment date
	(cents)		
Interim distribution GOZ	9.80	31-Dec-14	27-Feb-15

2.6 Explanation of figures in 2.1 to 2.4:

Commentary on the above figures is included in the attached half-year results market release and half-year financial report.

3. NET TANGIBLE ASSETS PER STAPLED SECURITY:

	31-Dec-14	30-Jun-14	Change
	$	*$*	*%*
Net tangible assets per stapled security	**2.32**	2.16	7.4

4. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD:

No control has been gained or lost over another entity during the period.

5. DETAILS OF DISTRIBUTIONS:

	Stapled security	**Total distribution**	Payment date
	(cents)	*$'000*	
Interim distribution GOZ	9.80	**54,351**	27-Feb-15

6. DETAILS OF DISTRIBUTION REINVESTMENT PLANS IN OPERATION:

In December 2014, the Group announced that the Distribution Reinvestment Plan ("DRP") would be in operation for the distribution payable on or about 27 February 2015 in respect of the 31 December 2014 record date. The DRP price was $2.73 per stapled security. Subject to market conditions and requirements for equity, the Group intends to operate the DRP for future distributions.

7. DETAILS OF ASSOCIATED AND JOINT VENTURES:

Not applicable.

8. ACCOUNTING STANDARDS USED FOR FOREIGN ENTITIES:

Not applicable.

9. DESCRIPTION OF AUDIT DISPUTE OR QUALIFICATION:

Not applicable.