

ASX ANNOUNCEMENT GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

7 May 2015

Acquisition of three industrial properties in Victoria

Growthpoint Properties Australia (“**Growthpoint**”) has exchanged contracts to acquire three modern industrial properties in Victoria for \$56.9 million¹ at a weighted average passing yield 7.84%. The properties have a weighted average lease expiry (“**WALE**”) of 6.8 years, a weighted average rent review (“**WARR**”) of 3.6%, gross lettable area of 37,694m² and total land area of 68,389 m². They are located in Knoxfield, an established industrial precinct 27 kilometres south-east of Melbourne’s Central Business District.

The acquisition will be fully funded from debt available from the existing undrawn facilities taking Growthpoint’s gearing to 39.2%; in the middle of the target gearing range of 35%-45%. After this acquisition, Growthpoint will have \$322.4 million available in undrawn debt for future acquisitions. Settlement of the acquisitions is expected to occur in five business days.

Property details

Details of the individual properties are:

Property	1500 Ferntree Gully Road & 8 Henderson Road, Knoxfield, Victoria	6 Kingston Park Court, Knoxfield, Victoria	3 Millennium Court, Knoxfield, Victoria
Purchase price	\$36.55 million	\$11.1 million	\$9.25 million
Independent valuation²	\$36.55 million	\$11.1 million	\$9.25 million
Property description	Modern office and warehouse facility with adjoining expansion land and extensive car parking	Modern office and warehouse facility	Modern office and warehouse facility
Land area	40,844m ²	12,795m ²	14,750m ²
Lettable area	22,009m ²	7,645m ²	8,040m ²
Major tenant(s)	Brown & Watson International Pty Ltd; PFD Food Services Pty Ltd	NGK Spark Plug (Australia) Pty Ltd	Orora Limited
WALE	8.4 years	7.1 years	0.8 years
Renewal options	Two five year options	None further	One three year option
Passing yield/market yield	7.86%/7.25%	7.25%/7.25%	8.45%/7.75%
WARR	3.5%	4.0%	3.5%

About Knoxfield

Knoxfield is an established industrial precinct approximately 27 kilometres south-east of Melbourne’s Central Business District. The precinct has excellent access to major roads including Ferntree Gully Road, Stud Road and Eastlink. The area is tightly held and has limited available development land.

¹ Excludes transaction costs.

² All three properties have been independently valued by CBRE.

Impact on guidance

The transactions referred to above will be approximately 0.4 cents accretive to distributable income. However, due to the timing of the acquisition, will have minimal impact on the current financial year. As a result, guidance for the current financial year is unchanged being at least 20.6 cents per stapled security for distributable income and 19.7 cents per stapled security for distributions³.

Growthpoint's Managing Director, Timothy Collyer, commented:

“Growthpoint is pleased to expand its industrial property portfolio with these modern warehouse property assets, leased to quality tenants, being well located in the tightly held suburb of Knoxfield.

The acquisitions increase both distributable income and the weighted average lease expiry which is now 6.2 years. Growthpoint's industrial portfolio remains 100% leased and, although relatively small, the upcoming expiry at 3 Millennium Court gives Growthpoint an opportunity to extend the lease with a high quality tenant.

Growthpoint continues to look for acquisitions like this which enhance distributions and the property portfolio.”

Aaron Hockly, Company Secretary

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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 53 office and industrial properties throughout Australia valued at approximately \$2.3 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.

³ 9.8 cents was paid in respect of the six months ended 31 December 2014 and 9.9 cents is forecast for the six months ending 30 June 2015.