



17 March 2017

ASX ANNOUNCEMENT

GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

Growthpoint issues AUD208 million in US Private Placement notes

Growthpoint Properties Australia (“**Growthpoint**”) is pleased to announce that it has successfully secured long term debt finance to the equivalent of AUD208 million via the US Private Placement (“**USPP**”) market. This serves to diversify both the sources and tenor of Growthpoint’s debt platform.

The USPP issue was more than four times oversubscribed from its original size (USD150 million) and as a result, Growthpoint was able to tighten pricing by 5 bps from the bottom end of the initial guidance range, as well as increase the offer size to USD160 million.

The issue will comprise two tranches of USD denominated notes, and one tranche of AUD, across tenors of 10 and 12 years. Further details are provided below:

- USD100 million (approx. AUD130 million) with a tenor of 10 years, maturing in June 2027
- USD40 million (approx. AUD52 million) with a tenor of 12 years, maturing in June 2029
- AUD26 million with a tenor of 12 years, maturing in June 2029

The USD denominated notes have been fully currency hedged and swapped back to an average floating margin of 2.13% over the 90 day bank bill swap rate. The weighted average tenor of the issue is 10.8 years. In line with Growthpoint’s strategic objective of fixing between 75% and 100% of its debt, the notes have been fully fixed to maturity at a weighted average interest rate of 5.34% per annum.

Upon settlement, which is currently targeted for 15 June 2017, the proceeds will be used to repay shorter term debt maturing in 2018.

Growthpoint’s Chief Financial Officer, Dion Andrews, said: “The successful completion of this transaction will help Growthpoint achieve a number of significant financial management initiatives which were outlined at our HY17 results in February and targeted for completion by the end of this calendar year. These include:

- extending the company’s debt maturity profile from an average of 3.5 years at 31 December 2016 to approximately 5.3 years (pro forma);
- increasing the level of fixed debt from 71% to over 75%; and
- increasing total debt capital markets issuance from 33% of total drawn debt to approximately 48%, with the balance existing bank debt

“Growthpoint is really pleased with the response it has received from US Private Placement investors. This is a strong endorsement of Growthpoint’s credit strength and high quality property portfolio,” Mr Andrews said.

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