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21 December 2011

Dear Securityholder

Renounceable rights offer to raise approximately $166.4 million

On Tuesday, 20 December 2011, Growthpoint Properties Australia (ASX code: GOZ) announced an equity capital raising of approximately $166.4 million by way of a 3 for 10 renounceable rights offer of approximately 87.6 million fully paid new ordinary stapled securities at an offer price of $1.90 per stapled security (**Rights Offer**). The Rights Offer will be used to fund proposed acquisitions of four office properties located in Queensland and New South Wales.

The record date for the Rights Offer is 7.00pm (Melbourne time) on Friday, 30 December 2011. The Rights Offer is open to securityholders at the record date whose registered address is in Australia or New Zealand (and who are otherwise eligible to participate).

Details of the Rights Offer are set out in an offer booklet (the **Offer Booklet**) announced on the Australian Securities Exchange (**ASX**) at the time of announcement of the capital raising. A copy of the Offer Booklet is available to securityholders with registered addresses in Australia or New Zealand on ASX's website at www.asx.com.au. Eligible securityholders will be mailed an Offer Booklet together with an Entitlement and Acceptance Form no later than Thursday, 5 January 2012.

Key information regarding the Rights Offer is as follows:

The offer price of $1.90 per new stapled security represents a discount of 2.1% to the GOZ closing price prior to the announcement of the Rights Offer.

Fractional entitlement to new stapled securities will be rounded up to the nearest whole number of securities. For this purpose, holdings in the same name will not be aggregated for the calculation of entitlements.

New stapled securities issued under the Rights Offer will **not** be entitled to the full amount of any distributions for the full year ending 30 June 2012. Instead, new stapled securities will be entitled to a pro-rata share of those distributions based on the period those securities are on issue during the half year for which the distribution relates. Accordingly, the new stapled securities will initially trade under the code GOZNA until commencement of trading on 26 June 2012 when existing stapled securities trade 'ex' the distribution. From 26 June 2012, new stapled securities will trade under the code GOZ and will rank equally with existing stapled securities for distributions and in all other respects. The distributions for the half year ending 30 June 2012 are expected to be paid in August 2012.

Rights trading will start on Thursday, 22 December 2011 and end on Thursday, 12 January 2012.

Growthpoint Properties Limited of South Africa (**Growthpoint SA**), Growthpoint Properties Australia's major securityholder, has committed to take up its full entitlement under the Rights Offer (being approximately 61.02% of the new stapled securities) and underwrite the remaining approximately 39% of the new stapled securities.

Growthpoint SA, as underwriter, intends to seek sub-underwriters to take up any shortfall that arises as a result of eligible securityholders not applying for all their entitlement to new stapled securities and persons to whom rights have been transferred or sold not taking up the new stapled securities to which the rights relate

Following the completion of the Rights Offer, if fully subscribed, Growthpoint Properties Australia will have issued an additional 87.6 million stapled securities and will have approximately 379.5 million stapled securities in total on issue at that time.

Use of proceeds

The proceeds of the Rights Offer will be used to partially fund the proposed acquisitions of the properties known as CB1 and CB2, SW1, 100 Melbourne Street, South Brisbane, Queensland, South Brisbane, Queensland, 333 Ann Street, Brisbane, Queensland and Building C in the Gore Hill Business Park in Artarmon, Sydney, New South Wales.

Actions required by securityholders

The rights to subscribe for the new stapled securities may have value and it is important that securityholders determine whether they take up or sell their rights.

Securityholders who have a registered address that is outside Australia or New Zealand (or who are otherwise ineligible to participate under the terms of the Rights Offer) will not be eligible to participate in the Rights Offer and Growthpoint Properties Australia will arrange for the sale on ASX of the rights that would otherwise have been granted to ineligible securityholders. Growthpoint Properties Australia will direct the net proceeds (if any) of the sale of rights to those ineligible securityholders.[1]

If you are an eligible securityholder and wish to take up all of your rights you will either need to complete and return the slip attached to the Entitlement and Acceptance Form accompanying the Offer Booklet, together with your payment for the new stapled securities you wish to subscribe for, or make payment using BPAY® (**if you use BPAY you do not need to return the slip attached to the Entitlement and Acceptance Form**), in each case in accordance with the instructions on the Entitlement and Acceptance Form. A reply paid envelope will be enclosed for your convenience.

There are a number of ways in which eligible securityholders can sell some or all of their rights:

1. If you wish to sell all of your rights on ASX, you should instruct your stockbroker personally and provide details as set out on the Entitlement and Acceptance Form accompanying the Offer Booklet.

2. If you wish to sell part of your rights on ASX and take up the balance, you will need to:

   - in respect of the rights you wish to sell, instruct your stockbroker personally and provide details as requested on the Entitlement and Acceptance Form accompanying the Offer Booklet; and

   - in respect of the rights you are taking up, forward the slip attached to the Entitlement and Acceptance Form to Growthpoint Properties Australia's registry together with your cheque, bank draft or money order for the securities applied for, or make payment using BPAY (if you use BPAY you do not need to return the slip attached to the Entitlement and Acceptance Form), in each case in accordance with the instructions on the Entitlement and Acceptance Form.

1 Please refer to the Offer Booklet for further details

3 If you wish to sell some or all of your rights other than on ASX, you will need to complete a Standard Renunciation Form (which can be obtained from your stockbroker or by calling the Growthpoint Properties Australia Securityholder Information Line (see details below)). For any securities which you apply for, you will need to forward the slip attached to the Entitlement and Acceptance Form to Growthpoint Properties Australia's registry together with your cheque, bank draft or money order for the stapled securities applied for, or make payment using BPAY (if you use BPAY you do not need to return the slip attached to the Entitlement and Acceptance Form), in each case in accordance with the instructions on the Entitlement and Acceptance Form.

Eligible securityholders who take up their entitlements in full can also apply for additional stapled securities. Additional stapled securities will only be available where there is a shortfall between applications received from eligible securityholders (or persons to whom rights have been transferred or sold) and the number of new stapled securities proposed to be issued under the Rights Offer. Eligible Securityholders who apply for additional stapled securities may be allocated a lesser number of additional stapled securities than applied for, or may be allocated no additional stapled securities at all. If applications for additional stapled securities exceed the shortfall, Growthpoint Properties Australia may scale back applications for additional stapled securities. In addition, Growthpoint SA may preference sub-underwriters ahead of existing holders in the allocation of any shortfall.

Key dates for securityholders

GOZ stapled securities quoted on an 'ex' basis and rights trading commences	Thursday, 22 December 2011
Record date for determining rights entitlements	Friday, 30 December 2011
Rights Offer opens	Tuesday, 3 January 2012
Despatch of Offer Booklet and Entitlement and Acceptance Forms	Thursday, 5 January 2012
Rights trading on ASX ends	Thursday, 12 January 2012
New stapled securities quoted on a deferred settlement basis and trading expected to commence for new securities	Friday, 13 January 2012
Rights Offer closes. Last day for acceptance of application money	Thursday, 19 January 2012
Allotment and issue of new stapled securities	Friday, 27 January 2012
Trading expected to commence for new stapled securities on a normal T+3 basis	Tuesday, 31 January 2012

Applications for new stapled securities under the Rights Offer may only be made on the Entitlement and Acceptance Form, which accompanies the Offer Booklet, or by making payment using BPAY (**if you use BPAY you do not need to return the slip attached to the Entitlement and Acceptance Form**). Securityholders who are eligible to participate in the Rights Offer should read the Offer Booklet carefully. For further information on the Rights Offer you should contact your professional advisor or call the Growthpoint Properties Australia Securityholder Information Line on 1800 260 455 (local call cost from within Australia) or +61 3 8681 2933 outside Australia.

On behalf of the Board and management team of Growthpoint Properties Australia, I encourage you to consider this investment opportunity and thank you for your continued support of Growthpoint Properties Australia.

Yours sincerely

Lyn Shaddock
Independent Chairman
Growthpoint Properties Australia