ASX ANNOUNCEMENT
GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

24 July 2013

GROWTHPOINT EXPANDS ITS HIGH QUALITY INDUSTRIAL PORTFOLIO WITH PORTFOLIO ACQUISITION

Growthpoint Properties Australia (**"Growthpoint"**) is pleased to announce it has exchanged contracts to acquire three industrial properties to be developed, located in prime industrial markets in Melbourne, Victoria for a total consideration of $60.2 million[1]. The vendor and developer is Australand Property Group, one of Australia's premier industrial developers. The assets provide an excellent investment opportunity for Growthpoint and will increase its investment weighting to the industrial property sector. Following completion of these acquisitions and their development, Growthpoint's property portfolio will comprise 47 properties with a total value of approximately $1.7 billion.

Key metrics of the acquired properties[1]:

- Total cost: $60.2 million[2]
- Weighted average initial yield: 8.0%
- Weighted average lease expiry (**"WALE"**): 7.7 years
- Weighted average rent increases: 3.5% per annum
- Occupancy: 100%[3]

The acquisitions comprise:

1. 12,800m^2 industrial development, located in the Key Industrial Park **at Lot 45 Atlantic Drive, Keysborough, Victoria** currently under construction. The total cost is $17.3 million (excluding transaction costs), providing an initial yield of 7.5%. The building is expected to be completed in February 2014, from which time it will be 100% leased to **Symbion Pty Ltd**, a major Australian pharmaceutical company on a 15 year lease with four options of five years each. A deposit of 10.0% of the total purchase price has been paid with the balance payable on practical completion. Completion is subject to a number of conditions including finalisation of several construction matters.

2. 17,834m^2 industrial development located in the Key Industrial Park at **19 & 20 Southern Court, Keysborough, Victoria** comprising two buildings to be constructed. The total cost is $18.8 million[4] (excluding transaction costs), providing an initial yield of 8.25%. Australand will provide a 5 year rental guarantee from practical completion (expected to be February 2014) for any part of the building not leased at practical completion. Growthpoint has agreed to acquire the land and entered a development agreement with Australand to develop the buildings on a fund through basis. Growthpoint will receive a coupon of 7.50% per annum on all amounts paid until practical completion.

3. 25,728m^2 industrial development located in the Access Altona Industrial Estate at **9-11 Drake Boulevard, Altona, Victoria** comprising three tenancy areas currently under construction. The total cost is $24.1 million[5] (excluding transaction costs), providing an initial yield of 8.25%. The developer will provide a 5 year rental guarantee from practical completion (expected to be December 2013) for any part of the building not leased at practical completion. Growthpoint has agreed to acquire the land and entered a development agreement with Australand to develop the buildings on a fund through basis. Growthpoint will receive a coupon of 7.50% per annum on all amounts paid until practical completion.

[1] As at practical completion of the development of the properties, excluding transaction costs
2 Excludes transaction costs
[3] Includes five year rent guarantee from Australand at two properties
[4] A negative yield adjustment leading to a higher purchase price applies if the buildings are let for more than 5 years by a yield reduction of 0.07% for each additional year above 5 years up to a maximum increase of 0.35% for 10 years or more
[5] A negative yield adjustment leading to a higher purchase price applies if the buildings are let for more than 5 years by a yield reduction of 0.07% for each additional year above 5 years up to a maximum increase of 0.35% for 10 years or moren extra

A summary of the properties follows:

Property	Site area (m2)	Lettable area (m^2)	Purchase Price ($m)	Initial yield on Year 1 net rent	WALE (yrs)	Fixed rent reviews
Lot 45 Atlantic Drive, Keysborough, VIC	26,181	12,800	$17.40	7.50%	15.0	3.5% p.a.
19&20 Southern Court, Keysborough, VIC	30,668	17,834	$18.80	8.25%	5.0	3.5% p.a.
9-11 Drake Boulevard, Altona, VIC	41,730	25,728	$24.10	8.25%	5.0	3.5% p.a.
Total/average	**98,579**	**56,362**	**$60.20**	**8.00%**	**7.7**	**3.5% p.a.**

The portfolio returns an average initial yield of 8.0%. Due to the purchase of the properties prior to development commencement (or completion) acquisition costs are minimised. If these lower than normal acquisition costs are taken into account, the equivalent yield is approximately 8.4%.

Growthpoint's Managing Director, Timothy Collyer, said,

> "The acquisition of this portfolio is consistent with our strategy to expand our property investment in high quality, modern industrial assets, located in prime markets with long WALE and fixed rental growth which will underpin the future growth of Growthpoint's distributable income. Australand and Growthpoint have completed transactions together previously and we enjoy a very good working relationship. This transaction follows on from the successful $104.7 million Linfox property portfolio acquisition that settled in February 2013, with Growthpoint continuing to seek quality industrial properties in key logistic nodes to complement its existing portfolio."

Funding

The acquisition of the properties will be funded from proceeds from the Distribution Reinvestment Plan (**"DRP"**) for the distribution for the half year ended 30 June 2013 and undrawn debt within the Group's existing syndicated debt facility which was recently increased by $30 million.

The take-up of the DRP is approximately 68.9%, includes full participation by major security holder Growthpoint Properties Limited of South Africa and will raise approximately $24.7 million.

The additional $30 million increase in the syndicated debt facility matures on 31 March 2014 or earlier if $30 million or more is raised prior to this time (such as through an equity raising or the sale of a property). It is anticipated that this $30 million will be repaid on or before this time rather than extended.

Transaction impact

Growthpoint re-affirms its previously stated FY14 guidance of distributable income per stapled security of between 19.6 to 20.0 cents per stapled security and estimated distribution of 19.0 cents per stapled security.

Pro forma balance sheet gearing is expected to increase to 51.0% while NTA is expected to stay stable at $1.94 per stapled security.

Timothy Collyer, Managing Director

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About major tenant Symbion Pty Ltd

Symbion Pty Ltd is a diversified health services business operating under a number of brands including Symbion Pharmaceutical Services, Symbion Hospital Services, Symbion Contract Logistics, Symbion Consumer Products, ChemMart Pharmacy, Pharmacy Choice, Minfos, Lyppard, Clinect, Symbion Dental, Terry White Chemists and Symbion Clinical Trials. On 17 June 2013, Symbion was acquired by New Zealand's EBOS Group to create "the largest and most diversified Australasian marketer, wholesaler and distributer of health care, medical and pharmaceutical products as well as being an Australasian animal care products marketer and distributor". The transaction has a reported value of NZD$1.1B. The transaction has seen EBOS acquire 100% of Symbion with the current owner the Zuellig Group take a 40% share holding of the enlarged EBOS Group. EBOS Group is a publicly listed company on the New Zealand Stock Exchange (NZX.EBO)

Additionally, under the terms of the Symbion lease Growthpoint will hold a bank guarantee equal to six month rent plus GST as security for the lessee's obligations under the lease.

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 47 office and industrial properties throughout Australia valued at over $1.7 billion and has an investment mandate to invest in office, industrial and retail property sectors.

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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