

ASX ANNOUNCEMENT

GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

30 October 2013

INDUSTRIAL PROPERTY ACQUISITION AND \$150 MILLION EQUITY RAISING

Growthpoint Properties Australia ("Growthpoint") today announces a \$150 million equity raising to fund the acquisition of industrial properties and for capital management initiatives.

Highlights

- \$150 million equity raising at an offer price of \$2.45 per new Growthpoint stapled security
- Proceeds to be used to fund:
 - progress payments for a \$60.2 million¹ portfolio of three industrial properties under development, (announced to the market on 24 July 2013); and
 - acquisition of a modern Victorian industrial property for a purchase price of \$23.2 million²
- Distribution guidance for FY14 of 19.0 cents per stapled security maintained
- At the offer price, new stapled securities are expected to provide a FY14 DPS yield of 7.8%³
- A reduction in gearing, with 30 June 2013 pro forma balance sheet gearing⁴ of 43.5%

New asset acquisition

Growthpoint has exchanged contracts to acquire a modern, high quality industrial property located in a prime industrial market in Melbourne, Victoria for a total consideration of \$23.2 million, providing an initial yield of 8.5%. The property is strategically located at 213-215 Robinsons Road, Ravenhall in the new, master-planned Orbis Business Park 20 kilometres west of the Melbourne CBD and proximate to the Deer Park Bypass, providing ready access to the Western Freeway, Princes Highway and the Western Ring Road.

With a net lettable area of 21,092 sqm, the building comprises open plan office accommodation, warehouse and production facilities and was completed in July 2010. The property is fully leased to Fuji Xerox, Australia's leading document printing and copying company, for 15 years from July 2010 with two options each of 5-years.

Key metrics for the acquisition:

- Purchase price: \$23.2 million¹
- Initial yield: 8.5%
- Weighted average lease expiry ("WALE"): 11.7 years⁵
- Rent increases: Annual by CPI with minimum increase of 3.0%. Market review at the commencement of year 11, with a minimum increase of 3.0% and a maximum increase of 7.0%
- Occupancy: 100%
- Independent valuation: Urbis Valuations Pty Ltd have valued the property at \$23.2 million as at 30 September 2013

¹ Excluding acquisition costs

² Excluding acquisition costs

³ Based on guidance of 19.0 cents per stapled security

⁴ Calculated as borrowings divided by total assets

⁵ As at 1 November 2013. The tenant has a termination right at the end of the 11th year of the original term, being in July 2021. If exercised, this would reduce the WALE by 4 years

Growthpoint Managing Director, Timothy Collyer, said,

“The acquisition is a continuation of our strategy to acquire high quality, modern industrial assets, located in prime markets with long WALE and fixed rental increases which will underpin the future growth of Growthpoint’s distributable income. Growthpoint has successfully completed a number of industrial acquisitions in 2013 with this latest acquisition further demonstrating the Group’s ability to source and execute quality transactions for the benefit of securityholders.”

Industrial portfolio acquisition update

Growthpoint announced on 24 July 2013 the acquisition of three industrial properties under development located in prime industrial markets in Melbourne, Victoria for a total consideration of \$60.2 million⁶ from Australand Property Group (“Victorian Industrial Portfolio”). Growthpoint has completed the upfront funding of land and deposits for these properties of \$12.6 million with the balance payable by progress payments on a fund through basis (for two properties) and on completion (for the other property). Progress payments of \$9.9 million have been made to date and the total remaining cost for the Victorian Industrial Portfolio is \$37.7 million.

Lot 45, Atlantic Drive, Keysborough has been 100% pre-committed to Symbion Pty Ltd, a diversified health services business operating under a number of brands including Symbion Pharmaceutical Services, ChemMart Pharmacy, Pharmacy Choice, Symbion Dental and Terry White Chemists. Symbion is a wholly-owned subsidiary of the New Zealand Stock Exchange listed EBOS Group. The Symbion property is forecast to achieve practical completion in December 2013

The other two properties, located in Altona and Keysborough, are under a five year rental guarantee from ASX listed Australand Holdings Limited. The Altona property is forecast to achieve practical completion in December 2013 and the Keysborough property in February 2014. Of the 5 tenancies areas within these properties, heads of agreement have been reached with two tenants to take up 5,480 sqm at Altona and 6,434 sqm at Keysborough, each for 5 years at rents consistent with the Australand rental guarantee. Agreements for Lease for these tenancies are currently being prepared. The ongoing marketing campaign for the balance of the industrial space is proceeding well.

Key metrics of the Victorian Industrial Portfolio⁷:

- Total cost: \$60.2 million
- Total remaining cost to complete: \$37.7 million
- Weighted average initial yield: 8.0%
- WALE: 7.7 years
- Weighted average rent increases: 3.5% per annum
- Occupancy: 100%⁸

Equity raising

Growthpoint is undertaking a \$150 million equity raising at an offer price of \$2.45 per new Growthpoint stapled security (“Equity Raising”). The offer price represents a 4.2% discount to Growthpoint’s distribution adjusted last closing price on 29 October 2013 and a 4.7% discount to the distribution adjusted 5-day volume weighted average price to 29 October 2013.

At the offer price, new stapled securities are expected to provide a FY14 DPS yield of 7.8%⁹.

The Equity Raising will consist of:

- A \$50 million placement to existing and new institutional investors (“Placement”)¹⁰; and
- A \$100 million, 1 for 10.15 renounceable rights offer to existing eligible securityholders (“Rights Offer”)

⁶ Excluding acquisition costs

⁷ As at practical completion of the development of the properties

⁸ Includes five year rent guarantee from Australand at two properties

⁹ Based on guidance of 19.0 cents per stapled security

¹⁰ Stapled securities issued under the Placement will not be entitled to participate in the Rights Offer

The Equity Raising is underwritten by Merrill Lynch Equities (Australia) Limited. Growthpoint's major securityholder, Growthpoint Properties Limited of South Africa ("Growthpoint SA") has committed to take up its full entitlement under the Rights Offer (approximately \$66.4 million). Growthpoint SA will also sub-underwrite the balance of the Rights Offer (approximately \$33.6 million). Growthpoint SA will not participate in the Placement.

Existing Growthpoint securityholders will receive 1 renounceable right ("Rights") for every 10.15 stapled securities held on the record date of the Rights Offer. Securityholders who are eligible to participate in the Rights Offer (being those securityholders with a registered address in Australia, New Zealand or South Africa or who are otherwise eligible to participate) may choose to apply for all or some of their Rights, sell some or all of their Rights or do nothing. The Rights will trade on the Australian Securities Exchange during the Rights Trading Period under the ASX code "GOZR".

Eligible securityholders who take up their entitlements in full may also apply for additional stapled securities at the offer price of \$2.45. 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. 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. Growthpoint, in consultation with the underwriter, may scale back applications for additional stapled securities at their discretion. After the Rights Offer closes, if a shortfall remains following the allocation of additional stapled securities (if any), the underwriter will conduct a bookbuild at the offer price of \$2.45 for any remaining stapled securities relating to Rights not taken up (if any). In this event, securityholders will receive no value for their Rights.

All new stapled securities issued under the Equity Raising will be entitled to a pro-rata distribution for the half year ended 31 December 2013 for the period from issue to 31 December 2013. New stapled securities under the Placement are expected to be issued on 11 November 2013 and carry an entitlement to 2.6 cents per stapled security. New stapled securities under the Rights Offer are expected to be issued on 11 December and carry an entitlement to 1.1 cents per stapled security¹¹. New stapled securities issued under the Placement and Rights Offer will initially trade under the ASX codes "GOZNA" and "GOZN" respectively until commencement of trading on 23 December 2013 when existing stapled securities trade 'ex' the distribution. From 23 December 2013, all new stapled securities will collapse into "GOZ" and rank equally with existing stapled securities for future distributions and in all other respects.

Further detail in relation to the Rights Offer will be provided to eligible Growthpoint securityholders in the Rights Offer booklet.

Capital management initiatives

As part of the equity raising and property acquisitions abovementioned ("Current Transaction"), Growthpoint will achieve:

- A reduction in pro forma gearing to 43.5% from 46.8 % as at 30 June 2013
- An increase of the average duration of its interest rate hedging to better match the maturity of its debt facilities
- A lower cost of debt for all borrowings of 6.0% per annum (including margin)¹²

Growthpoint announced on 24 July 2013 that it had increased its \$825 million syndicated facility agreement ("SFA") by \$30 million to partly fund the Victorian Industrial Portfolio, with this additional amount expiring on 31 March 2014. As the Victorian Industrial Portfolio will be funded by the Equity Raising, Growthpoint intends to cancel this undrawn facility upon receipt of proceeds from the Equity Raising. The closest maturity of any Growthpoint debt facility thereafter is April 2016, with an average weighted debt maturity of 4.3 years as at 30 June 2013.

Following completion of the Current Transaction, Growthpoint will have approximately 87% of its drawn debt hedged with a weighted average interest rate on hedged debt of approximately 4.2%¹³ per annum and

¹¹ Based on guidance of 9.4 cents per stapled security for the half year to 31 December 2013 and assuming new stapled securities issued under the Placement and Rights Offer are issued on 11 November 2013 and 11 December 2013 respectively

a weighted average duration of 3.2 years as at 28 February 2014 when the final property being constructed is expected to complete.

The weighted average cost of debt across all facilities is expected to be 6.0% per annum (including margin) following completion of the Current Transaction. The interest rate on the SFA will reduce by a further 0.1% per annum while Growthpoint's loan to value ratio under this agreement remains below 45%.

Guidance

Growthpoint reconfirms its previously stated FY14 distributable income guidance of 19.6 to 20.0 cents per stapled security and its FY14 distribution guidance of 19.0 cents per stapled security.

Pro forma balance sheet gearing is expected to decrease to 43.5% while NTA is expected to increase to \$2.06 per stapled security.

Growthpoint's Managing Director, Timothy Collyer, said, "the equity raising supports the acquisition of the high quality industrial assets while also delivering Growthpoint the additional benefits of reduced gearing, Growthpoint's income growth is supported by quality tenants and a rising rental income backed by a WALE of approximately 7.0 years post the acquisitions and recent leasing successes announced.

Indicative Equity Raising timetable

Event	Indicative date
Trading halt and announcement of Equity Raising via ASX	Wednesday, 30 October 2013
Trading recommences	Thursday, 31 October 2013
Ex-date for Rights and commencement of Rights trading	Friday, 1 November 2013
Rights Offer record date	Friday, 8 November 2013
Allotment of new stapled securities issued under the Placement	Monday, 11 November 2013
Rights Offer opens	9.00am Monday, 11 November 2013
Despatch of Rights Offer booklet	Tuesday, 12 November 2013
Rights trading period ends	Friday, 22 November 2013
Rights Offer closes	5.00pm Friday, 29 November 2013
Bookbuild for Rights Offer shortfall securities	Thursday, 5 December 2013
Allotment of new stapled securities issued under the Rights Offer	Wednesday, 11 December 2013
Normal trading commences for new stapled securities	Thursday, 12 December 2013

Times refer to Australian Eastern Standard Time. Growthpoint reserves the right to vary the timetable

ENDS

www.growthpoint.com.au

Timothy Collyer, Managing Director

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¹² Assumes cost to terminate hedge is \$15.8 million and new \$200 million hedge entered for five years at a fixed rate of 4.0% p.a.

¹³ Excluding line fees and margin

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 48 office and industrial properties throughout Australia valued at approximately \$1.8 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.

Important notice and disclaimer

The Equity Raising does not constitute an offer, and stapled securities will not be issued or sold under the Equity Raising, in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, issue or sale. No action has been taken to register or qualify the stapled securities or to otherwise permit a public offering of stapled securities outside Australia. The stapled securities may be offered, issued or sold in any other jurisdiction under the Equity Raising where such an offer, issue or sale is permitted under applicable law.

This announcement is for information purposes only and is not financial product or investment advice or a recommendation to acquire stapled securities. The information provided in this announcement is not advice to investors or potential investors and has been prepared without taking into account the investment objectives, financial circumstances, taxation position or particular needs of investors. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate legal, financial and taxation advice. Growthpoint Properties Australia is not licensed to provide financial product advice. Cooling-off rights do not apply to an investment in any stapled securities.

This announcement contains summary information about the Group and is dated 30 October 2013. The information in this announcement is of general background and does not purport to be complete or comprehensive, nor does it purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with Growthpoint Properties Australia's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.asx.com.au.

This announcement contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "predict", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements, opinions and estimates are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Growthpoint that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements and neither Growthpoint, nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This announcement contains such statements that are subject to risk factors associated with the industries in which Growthpoint operates. Please refer to the "Key Risks" section of the investor presentation released to the ASX on the date of this announcement for further information regarding these risk factors.