

ASX ANNOUNCEMENT GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

30 September 2015

Acquisition of industrial property in New South Wales

Growthpoint Properties Australia (“**Growthpoint**”) is pleased to announce that it has signed contracts to acquire a 14.1 hectare industrial property in Wollongong for \$20.3 million. The property is 100% leased to a subsidiary of Asciano Limited (a top 50 ASX entity) for 15 years.

The acquisition will be funded from debt taking Growthpoint’s total gearing to 39.7% and its debt headroom to \$145.3 million.

The property has been independently valued by JLL at the purchase price.

Settlement is due to occur on 14 October 2015 with the acquisition expected to be immediately earnings accretive.

Property overview

The 14.1 hectare property located at 34 Reddalls Road, Kembla Grange, Wollongong, New South Wales primarily comprises an asphalt car park constructed in 2012 and has extensive hail mesh.

The property is 100% leased to Patrick Autocare Pty Ltd for 15 years from settlement with three further options of five years each. Growthpoint receives an initial passing yield of 7.0% and the lease has fixed increases of 4.0% per annum. The tenant pays all outgoings and is responsible for maintenance of the property.

Tenant profile

The tenant is Patrick Autocare Pty Ltd; a logistics provider to the automotive industry. Approximately 50% of all new cars into Australia are imported through Patrick Autocare.

Patrick Autocare is a subsidiary of Asciano Limited which is listed on the ASX and has a market capitalisation of approximately \$8.2 billion. Asciano Limited is currently the subject of a merger proposal from a consortium including Brookfield Infrastructure Partners Limited which is listed on the Toronto and New York stock exchanges and has a market capitalisation of approximately USD10 billion. If successful, the merged entity will be listed on the ASX (in addition to its other listings).

Location overview

The City of Wollongong is approximately 80 kilometres south of Sydney and has a population of approximately 290,000 making it the third largest city in New South Wales and the ninth largest in Australia. The area has a long history of mining and heavy industry and is renowned for its deep water port at Port Kembla, New South Wales’ second busiest port and the State’s primary port for car imports.

Growthpoint’s Head of Property, Michael Green, said:

“This acquisition accords with three of our recently confirmed strategies as it will:

1. Increase Growthpoint’s exposure to New South Wales, a State we believe is likely to continue to outperform in economic terms.
2. Provide earnings accretion with the property providing an initial passing income yield of 7.0% versus our marginal debt cost of approximately 2.8% per annum.
3. Improve the overall property portfolio particularly the future earnings growth due to its 4.0% fixed annual rental increases (versus the previous portfolio weighted average of 3.0%) and weighted average lease expiry (“**WALE**”) due to the 15 year lease (versus the previous portfolio WALE of 6.7 years).

We are also delighted to welcome another very high quality tenant, Patrick Autocare, to our portfolio.

Growthpoint’s Key Metrics at 30 September 2015

Total property portfolio value	\$2.4 billion
Distribution guidance FY16	20.5 cents
Number of properties	55
Office / industrial	50% / 50%
Average property age	8.4 years
Occupancy	96.4%
Weighted average lease expiry	6.7 years
Weighted average rent review* <i>*assumes CPI of 1.5%</i>	3.0%
Weighted average capitalisation rate	7.3%
Average debt term	4.5 years
Average duration of fixed debt	4.8 years

Key dates for Securityholders

Annual General Meeting	25 Nov 2015
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Since May 2015, Growthpoint has acquired five well leased industrial properties for approximately \$100 million, at an average purchase yield of 7.65%, with a weighted average lease term of 8.2 years and weighted average fixed rent review of 3.6% per annum. We continue to look for acquisition opportunities.”

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 55 office and industrial properties throughout Australia valued at approximately \$2.4 billion and has an investment mandate to invest in office, industrial and retail property sectors.

Growthpoint is included in the S&P/ASX 200 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.