



ASX ANNOUNCEMENT GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

21 December 2015

New long term fixed rate debt issuance

Growthpoint Properties Australia (“**Growthpoint**”) has entered into AUD\$250 million of new debt capital markets facilities for seven years at a weighted average all-in fixed interest rate of 4.46% per annum, with the proceeds being used to repay existing bank debt. This debt issue takes the weighted average debt maturity to 4.7 years as at the date of this announcement.

In addition to this new debt issue, Growthpoint has reorganised its interest rate swaps by terminating \$265 million of existing swaps and entering into \$150 million of new interest rate swaps to keep the percentage of fixed debt within its target range of 75%-100% with the current fixed percentage at 81%.

These transactions take Growthpoint’s all-in debt cost to 4.53% per annum as at 21 December 2015.

New debt metrics

Following drawdown of the new debt and the reorganisation of the swap book, the key debt metrics as at 21 December 2015 will be:

	Post transaction	Pre transaction
Total debt facilities	\$1,375 million	\$1,125 million
Drawn-debt	\$998.5 million	\$987.6 million
Headroom	\$376.5 million	\$137.4 million
Currently available debt headroom¹	\$258.6 million	\$19.5 million
All-in cost of debt	4.53% p.a.	4.60% p.a.
Weighted average debt maturity	4.7 years	4.2 years
Percentage debt fixed	81%	68%
Weighted average fixed debt maturity	6.2 years	4.6 years

Growthpoint’s Key Metrics at 30 November 2015*

Total property portfolio value	\$2.5 billion
Distribution guidance FY16	20.5 cents
Number of properties <small>*excludes 255 London Circuit Canberra which is yet to complete</small>	56*
Office / industrial	51% / 49%
Average property age	8.4 years
Occupancy	96.7%
Weighted average lease expiry	6.6 years
Weighted average rent review* <small>*assumes CPI of 1.5%</small>	3.0%
Weighted average capitalisation rate	7.3%

Key dates for Securityholders

Ex-date	29 Dec 2015
Record Date	31 Dec 2015
Results release	22 Feb 2016
Distribution paid	29 Feb 2016

Growthpoint continues to review its level of undrawn debt and may consider cancelling excess headroom within shorter dated debt facilities, which would extend the weighted average debt maturity profile of the Group.

Impact on guidance

The transactions referred to above do not affect guidance for the current financial year which remains at least 21.3 cents per stapled security for distributable income and 20.5 cents per stapled security for distributions².

Growthpoint’s Chief Financial Officer, Dion Andrews, noted:

“These transactions are consistent with our announced strategy of diversifying our sources of debt, reducing debt costs and extending debt duration. They build on our successful March 2015 issuance of \$200 million of loan notes fixed for 10 years. The Group now has approximately one third of its total available debt facilities at fixed interest rates for at least seven years.

¹ Refers to debt headroom available after current known expenditure for the fund-through of Building C, 211 Wellington Road, Mulgrave and the settlement of 255 London Circuit, Canberra.

² 10.2 cents has been declared in respect of the six months ending 31 December 2015 and 10.3 cents is forecast for the six months ending 30 June 2016.



Growthpoint now has:

1. Debt sourced from all four major Australian banks in four tranches as well as debt capital market issuances to four separate lenders.
2. A weighted average all-in cost of debt 4.53% per annum at 21 December 2015; down from 4.76% per annum at 30 June 2015.
3. A weighted average debt maturity of 4.7 years on the date of this announcement; maintaining the same maturity as at 30 June 2015 despite almost six months passing.”

Growthpoint’s Managing Director, Timothy Collyer, commented-

“Growthpoint has taken advantage of both historically low interest rates and this opportunity to extend its debt maturity profile. Growthpoint’s property portfolio has a long weighted average lease expiry (6.6 years as at 30 November 2015), with rental income provided by quality tenants including Woolworths, NSW State Government, General Electric, Linfox and the Commonwealth of Australia providing a predictable and growing income stream for securityholders.

The \$258.6 million of uncommitted debt headroom provides capacity for capital expenditure to enhance existing assets as well as potential acquisitions that we continue to actively pursue.”

Aaron Hockly, Chief Operating Officer

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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. Including the acquisition noted in this announcement, GOZ owns interests in a diversified portfolio of 57 office and industrial properties throughout Australia valued at approximately \$2.5 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.