

## ASX ANNOUNCEMENT GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

1 August 2016

### Property valuation increases

Growthpoint Properties Australia (“**Growthpoint**”) announces that 23 of its properties have been independently valued at 30 June 2016 with the balance valued internally by directors.

On a like-for-like basis<sup>1</sup>, Growthpoint’s property portfolio increased by \$55.0 million or 2.1% over the six months ended 30 June 2016 and \$130.0 million or 5.5% over the 12 months ended 30 June 2016.

The aggregate valuation increase recorded is due to significant leasing across the portfolio, particularly in the Queensland office market, as well as firming capitalisation rates. A good example of this is the 10.8% increase in the valuation of 333 Ann Street, Brisbane, QLD to \$102.5 million. Growthpoint achieved strong leasing outcomes at this property over the 6 months and the capitalisation rate of the property decreased from 7.75% to 7.25% as a result. The average capitalisation rate across the portfolio reduced from 7.06% at 31 December 2015 to 6.91% at 30 June 2016.

Property valuation increases over the year to 30 June 2016 are the key driver in net tangible assets per security increasing by 7.7% to \$2.67, noting that this figure is subject to audit.

#### Managing Director, Timothy Collyer, said:

“After adjusting for these valuation gains and our acquisition of 75 Dorcas Street, the property portfolio was valued at \$2.8 billion at 30 June 2016, \$221 million or 8.5% higher than at 31 December 2015.

We are particularly pleased with the significant leasing we have been able to undertake across the portfolio maintaining our weighted average lease expiry at 6.2 years at 30 June 2016, a high occupancy rate of 99% and attracting and retaining many high quality tenants. We hope to be able to announce further leasing success in coming months.

We also remain confident of continuing to grow the portfolio as a means of increasing distributions to securityholders and enhancing the overall portfolio including through our takeover of the GPT Metro Office Fund.

In the near-term, Growthpoint’s property values should be further supported by:

1. continuing strong buyer demand for quality properties like those owned by Growthpoint;
2. Low interest rates and bond yields;
3. expected leasing success with the portfolio; and
4. improving leasing markets in the areas where Growthpoint has medium-term lease expiries.”

Growthpoint expects to release its full year results on 22 August 2016 when full details of individual property values will be released.

**Aaron Hockly, Chief Operating Officer** [www.growthpoint.com.au](http://www.growthpoint.com.au)

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#### Growthpoint’s Key Metrics

Total property portfolio value	<b>\$2.8 billion</b>
Distribution guidance FY17	<b>21.3 cents</b>
Number of properties	<b>58</b>
Office / industrial	<b>56% / 44%</b>
Average property age	<b>8.6 years</b>
Occupancy	<b>99%</b>
Weighted average lease expiry (weighted by income)	<b>6.2 years</b>
Weighted average rent review (assumes CPI of 1.3%)	<b>3.1%</b>
Weighted average capitalisation rate	<b>6.9%</b>
NTA per stapled security* (subject to audit)	<b>\$2.67</b>
Balance sheet gearing (subject to audit)*	<b>42.6%</b>
All-in cost of debt*	<b>4.1%</b>
Percentage debt fixed*	<b>65%</b>
Average debt maturity*	<b>4.2 years</b>
Average fixed rate debt maturity*	<b>5.7 years</b>

\* as at 30 June 2016

#### Key dates for Securityholders

Full year results release	<b>22 Aug 2016</b>
Next distribution paid	<b>31 Aug 2016</b>

<sup>1</sup> Prior to adjusting for acquisition costs (primarily stamp duty) and capital expenditure.



## **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 58 office and industrial properties throughout Australia valued at approximately \$2.8 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.