



17 February 2017

ASX ANNOUNCEMENT

GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

REVISED ACCOUNTING TREATMENT OF TENANT INCENTIVES

Growthpoint Properties Australia (“**Growthpoint**”) has determined that as part of its HY17 accounting review process, the treatment of tenant incentives will be modified. This follows changed advice that the tenant incentive assets should be treated as a reconciling item that reduces the fair value of the properties. Previously, the tenant incentive asset was treated as a separate asset to the fair value of the properties for the purposes of calculating net tangible assets.

This will not result in any change to Growthpoint’s

- distributable income or distributions - historic or current;
- covenants under any funding arrangements; or
- tax obligations – historic or future.

The historical Net Tangible Assets (NTA) and NTA per stapled security of the group will be reduced when restated at 31 December 2015 and 30 June 2016 as shown below.

As at 30 June 2016				
	Historical value \$'000	Restated Value \$'000	Change \$'000	Change %
NTA	1,556,841	1,522,412	(34,429)	(2.2%)
NTA per stapled security	2.67	2.61	(0.06)	(2.2%)
As at 31 December 2015				
	Historical Value \$'000	Restated Value \$'000	Change \$'000	Change %
NTA	1,479,838	1,449,219	(30,619)	(2.1%)
NTA per stapled security	2.60	2.55	(0.05)	(1.9%)

This is a one-off change in accounting treatment.

INCREASE IN PROPERTY VALUES

Growthpoint will be releasing its half year results on 21 February 2017. Growthpoint notes that, based on unaudited numbers, it has recorded a \$59.6m or 2.2%, increase in like-for-like property valuations¹ over the 6 months ended 31 December 2016, with the weighted average capitalisation rate falling from 6.91% to 6.72%. Full details of individual property values will be released with Growthpoint’s HY17 results on 21 February 2017.

Growthpoint expects to announce an NTA per stapled security of \$2.72, an increase of 4.2% from 30 June 2016, and total NTA of \$1.74 billion for HY17.

¹ These figures are subject to board approval and audit and are before acquisition costs and other expenses.



GUIDANCE REAFFIRMED

Growthpoint reaffirms its distribution guidance of 21.5 cents per security and distributable income per security of at least 23.3 cents for FY 2017.

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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 59 office and industrial properties throughout Australia valued at approximately \$3.2 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.