



6 November 2017

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

### **Sale of 522-550 Wellington Road, Mulgrave, VIC**

Growthpoint Properties Australia (“**Growthpoint**”) is pleased to announce that it has entered into contracts for the sale of 522-550 Wellington Road, Mulgrave, VIC for **\$90.75 million**. The sale price represents a **37.7%** premium to the 30 June 2017 book valuation of **\$65.9 million**.

The property comprises one of two Woolworths national distribution centres and the Victorian state head office and is set on a substantial 19.1 hectare infill site with future redevelopment and potential rezoning upside (STCA). The property currently provides a net rent of \$4,704,536 per annum with fixed annual increases of 2.5% and a weighted average lease expiry (WALE) of 3.8 years (as at 30 September 2017).

Settlement of the sale is expected to occur prior to 31 December 2017 and proceeds will be used to pay down existing debt, reducing Growthpoint’s gearing ratio to 38.4%<sup>1</sup>.

This sale is in line with previous management commentary that the Group would seek to realise upside from the sale of assets within the existing portfolio with future development potential to a higher and better use.

Selling agents to the transaction are Dawkins Occhiuto and CBRE.

#### **Growthpoint’s Managing Director, Timothy Collyer, said:**

“This is a fantastic outcome for Growthpoint’s Securityholders and a strong endorsement of the high quality and highly desirable property held within the portfolio. The sale of the Mulgrave property is consistent with recent guidance that we would seek to realise material upside in the sale of assets with future development potential to a higher and better use. Management will continue to evaluate the existing portfolio for further opportunities where higher underlying values can be realised.

“As a result of the sale, pro-forma gearing reduces to 38.4%<sup>1</sup>, leaving Growthpoint conservatively placed at the lower end of our target gearing range.”

Growthpoint reiterates its previous market guidance of FY18 funds from operations (FFO) of at least 24.3 cents per security and distributions of 22.2 cents per security.

#### **For further information, please contact:**

##### **Investor Relations and Media**

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<b>Growthpoint’s Key Metrics at 30 September 2017</b>	
Total property portfolio value	<b>\$3.2 billion</b>
Distribution guidance FY18	<b>22.2 cents</b>
Number of properties	<b>57</b>
Office / industrial	<b>64% / 36%</b>
Average property age	<b>9.9 years</b>
Occupancy	<b>98%</b>
Weighted average lease expiry	<b>5.8 years</b>
Weighted average rent review (assumes CPI of 1.9%)	<b>3.3%</b>
Weighted average capitalisation rate	<b>6.5%</b>
NTA per stapled security (as at 30 June 2017)	<b>\$2.88</b>
Balance sheet gearing	<b>39.5%</b>
Percentage debt fixed	<b>75%</b>
Weighted average debt maturity	<b>5.0 years</b>
Average NABERS rating (energy)	<b>4.5 stars</b>

<sup>1</sup> Pro-forma as at 30 September 2017. Includes the acquisition of Perth Airport industrial properties (ASX announcement dated 9 October 2017) as well as the sale referred to in this announcement.

**Important note**

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.

**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 57 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.

[www.growthpoint.com.au](http://www.growthpoint.com.au)