

ASX ANNOUNCEMENT GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

25 March 2015

New long-term debt capital issuance

Growthpoint Properties Australia (“**Growthpoint**”) has today issued AUD\$200 million of loan notes for 10 years with the proceeds being used to repay existing bank debt. This debt issue takes the weighted average debt maturity to 4.6 years.

In addition to this new debt issue, Growthpoint has terminated a \$200 million interest rate swap to keep the percentage of debt hedged and at a fixed rate within its target range of 75%-100%. The result of these two transactions takes Growthpoint’s all-in debt cost to 5.06% per annum.

New debt metrics

Following drawdown of the new debt and the termination of the \$200 million interest rate swap, the key debt metrics will be:

Total debt facilities	\$1,225 million
Drawn-debt	\$840.3 million
Headroom	\$384.7 million
Currently available debt headroom¹	\$335.7 million
All-in cost of debt	5.06% per annum
Weighted average debt maturity	4.6 years ²
Percentage debt hedged	80%
Weighted average hedge maturity	5.3 years

Impact on guidance

The transactions referred to above do not affect distribution guidance for the current financial year which remains at least 20.6 cents per stapled security for distributable income and 19.7 cents per stapled security for distributions³.

Growthpoint’s Managing Director, Timothy Collyer, commented:

“This transaction continues achievement of our announced strategy of reducing gearing, obtaining a credit rating and issuing debt into the capital markets to diversify our sources of debt, reduce debt costs and extend debt tenor.

To these points we note:

1. Gearing has been reduced to 37.0% from 53.8% as at 30 June 2010.
2. Moody’s issued Growthpoint with an investment grade credit rating of Baa2 on senior secured debt in August 2014.
3. Debt is now sourced from all four major banks and from the debt capital markets.

¹ Refers to debt headroom available after current known expenditure for the fund-through of 211 Wellington Road, Mulgrave.

² This will increase to 4.8-5.0 years depending on whether Growthpoint chooses to let a current \$100 million bank debt facility expire in June 2015 or extend it for three or four years. This decision is at Growthpoint’s discretion and a further announcement will be made once determined.

³ 9.8 cents was paid in respect of the six months ended 31 December 2014 and 9.9 cents is forecast for the six months ending 30 June 2015.

4. The weighted average all-in cost of debt has been reduced from 8.06% per annum at 30 June 2010 to 5.06% per annum currently.
5. The weighted average debt maturity has been extended from 2.0 years at 30 June 2010 to 4.6 years².”

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

“Growthpoint has taken advantage of both historically low interest rates and this opportunity to significantly extend its debt maturity profile. Growthpoint’s property portfolio has a long weighted average lease expiry (6.5 years as at 31 December 2014), with the rent received backed by quality tenants including Woolworths, NSW State Government, General Electric, Linfox and the Commonwealth of Australia providing a predictable and growing income stream. It makes sense to finance the portfolio with a portion of long-term debt at a fixed cost.

The \$335.7 million of available debt headroom will support acquisitions that Growthpoint continues to actively pursue.

Growthpoint has a number of debt opportunities available to it, particularly in the current market, and so will look to undertake further debt capital markets issuances in the future such as a similar loan note issuance, a direct institutional debt placement, a domestic Medium Term Note or US Private Placement transaction.”

Aaron Hockly, Company Secretary

www.growthpoint.com.au

Media and investor enquiries should be directed to:

Aaron Hockly, Company Secretary, Growthpoint Properties Australia

Telephone: +61 8681 2900, info@growthpoint.com.au

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 51 office and industrial properties throughout Australia valued at approximately \$2.2 billion and has an investment mandate to invest in office, industrial and retail property sectors.

Growthpoint is included in the S&P/ASX 300 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.