

ASX ANNOUNCEMENT GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

9 April 2014

Industrial property acquisition in Victoria

Growthpoint Properties Australia ("**Growthpoint**") today announces that it has exchanged contracts to acquire a modern industrial property at 99-103 William Angliss Drive, Laverton North, Victoria for \$19.85 million (before transaction costs). The property has a new 15 year lease in place to Scott's Refrigerated Freightways, one of Australia's leading providers of refrigerated logistics, providing an initial yield of 8.3%.

Key metrics for the acquisition:

- Purchase price: \$19.85 million¹
- Initial yield: 8.3%
- Net rental: \$1.65 million per annum
- Lease term: 15 years
- Rent increases: 3.5% per annum
- Occupancy: 100%

The property has a gross lettable area of 8,871 square metres and comprises cold storage facilities including refrigerated rooms, office, workshop and ancillary facilities. The total land area is 3.735 hectares. The property is fully leased to Scott's Refrigerated Freightways for 15 years from 24 March 2014. The tenant is responsible for all usual outgoings at the property. The tenant has an option to expand the facilities within the first two years of the lease at a cost of up to \$6 million. Growthpoint will procure the expansion and pay the associated costs with all such costs to be rentalised at a rate determined under the lease. Growthpoint is also entitled to a development margin for any expansion.

Laverton North is an established industrial area in Melbourne's west approximately 15 kilometres from Melbourne's CBD. The property is proximate to the Deer Park Bypass, Western Freeway, Princes Highway and the Western Ring Road.

The acquisition will be funded by utilising proceeds from the February 2014 distribution reinvestment plan ("**DRP**"). A 5% deposit has been paid and settlement of the contract will occur within 20 business days. Balance sheet gearing following completion of this acquisition and payment of the final amounts for the development of 19 and 20 Southern Court, Keysborough² is expected to be approximately 41%.

On 25 March 2014, Automotive Holdings Group, which is listed on the ASX under the code "AHE", announced it had agreed terms to acquire Scott's Refrigerated Freightways for approximately \$116 million. Automotive Holdings Group is a diversified automotive retailing and logistics group with operations across Australia and New Zealand. For the six months ended 31 December 2013, Automotive Holdings Group had total revenue of \$2.3 billion. Automotive Holdings Group is expected to either become the tenant or the guarantor of the lease from Growthpoint.

Growthpoint Managing Director, Timothy Collyer, said,

"The acquisition of this modern industrial property leased to a significant logistics company for 15 years at an initial passing yield of 8.3% enhances both our long WALE of 6.6 years³ and the relatively high distribution yield of approximately 7.9%⁴.

Since February 2013, Growthpoint has purchased 8 industrial properties to a value of \$208.0 million. The properties are well located and modern (or newly constructed) industrial property with a weighted

¹ Excludes transaction costs

² Completion of construction occurred on 4 April 2014.

³ Estimated as at 31 March 2014.

⁴ Based on FY 2014 distribution guidance of 19.0 cents per stapled security and a security price of \$2.41

average lease expiry of 10 years, average yield of 8.1% and average annual rent increase of approximately 3.0% per annum.

The long term, growing rental income stream from such properties continues to underpin distributions to Growthpoint securityholders.”

Timothy Collyer, Managing Director

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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 50 office and industrial properties throughout Australia valued at over \$1.8 billion (including this current acquisition) and has an investment mandate to invest in office, industrial and retail property sectors.

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.