

ASX ANNOUNCEMENT

GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

30 June 2014

Completion of acquisition of 1 Charles Street, Parramatta, NSW

Growthpoint Properties Australia (“**Growthpoint**”) confirms completion of its acquisition of 1 Charles Street, Parramatta, New South Wales for \$241.1 million¹.

Highlights

- Acquisition of the NSW Police Headquarters in Parramatta
- Purchase price: \$241.1 million¹
- Lessee: NSW State Government (‘AAA’ rated by S&P)
- Improvements: A-grade office building completed in 2003
- Lettable area: 31,954.1m² across two towers
- Car parks: 444
- NABERS Energy Rating: 4.5 stars
- FY15 yield: 7.6%
- Weighted average lease expiry (“**WALE**”): 10 years with a further 5 year option
- Rent increases: Fixed 3.5% increases per annum, with adjustments made quarterly
- Independent valuation: Colliers have valued the property at \$241.1 million as at 30 June 2014

The property is strategically located at 1 Charles Street in the heart of the Parramatta CBD and benefits from excellent transport links and local amenities. The property enjoys close proximity to the Parramatta Transport Interchange (rail and bus) as well as super-regional Westfield Parramatta and Church Street Mall. 1 Charles Street is also positioned close to the \$1.6 billion Parramatta Square redevelopment precinct, which will comprise a six stage development of residential apartments, commercial buildings and community facilities. Parramatta is the primary office CBD of Western Sydney with around 700,000 square metres of office space. The vacancy rate for “A grade” office in Parramatta is currently 0.5%², which compares favourably to other major Australian office markets. The location is expected to benefit significantly from the redevelopment of Parramatta Square and extensive government infrastructure spending in Western Sydney over the next decade including development of Sydney’s second international and domestic airport at Badgerly’s Creek.

The building has 31,954.1m² of lettable area across two towers both with large, efficient floor plates. The award winning building features a number of innovative design features including environmental initiatives to minimise heat gain, reduce glare and harvest rainwater and boasts a 4.5 star NABERS Energy rating. The property also features a high car parking allocation of 444 underground car spaces.

Key portfolio metrics post acquisition

Number of assets	51	Property portfolio value	\$2.1 billion
Average capitalisation rate	8.0%	Weighted average lease expiry	6.9 years
Weighted average rent review	3.2% ³	Average property age	7.6 years

Growthpoint Managing Director, Timothy Collyer, said:

“This acquisition is our largest single asset purchase to date and is a continuation of our strategy to acquire high quality, modern assets located in prime markets with long WALE and fixed rental increases which will underpin

¹ Excluding acquisition costs. Under the lease, Growthpoint also assumes responsibility for a \$6 million contribution to works at the property which the tenant can call on from June 2019.

² Jones Lang LaSalle Research (Q4, 2013 data)

³ Assumes CPI of 2.5%

the future growth of Growthpoint's distributable income. This acquisition also increases Growthpoint's weighting to NSW from 12% to 22% in accordance with a deliberate strategy to increase exposure to this State.

We are delighted to welcome the NSW Police as our second largest tenant (after ASX-listed Woolworths). The NSW Police joins Growthpoint's enviable list of tenants with 93% now being Australian government, investment grade or large national tenants.

We continue to seek investment opportunities in both office and industrial property markets."

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 \$2.1 billion 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.