



NEWS RELEASE FROM GROWTHPOINT PROPERTIES

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Growthpoint invests a further R908 million in Australia

Growthpoint Properties continues to grow internationally with a further ZAR908 million investment in Australia.

The leading JSE-listed REIT is following its full rights in the funding call from ASX-listed Growthpoint Properties Australia (GOZ), in which Growthpoint has a 66% shareholding, for the acquisition of the Bank of Queensland headquarters in Brisbane.

GOZ acquired the 24,665sqm A-grade office building, fully occupied by the Bank of Queensland and Collection House, with a weighted average lease expiry of 7.5 years and a weighted average rent review of 3.9% a year. The building is new, completed in 2014, and is certified with excellent green and energy efficiency credentials.

GOZ will partially fund the AUD250m acquisition, which has an initial yield of 6.1%, through an equity raising of up to some AUD135m. Growthpoint has confirmed that it will be taking up its full entitlement of around AUD89m, or ZAR908 million.

Norbert Sasse, Group CEO of Growthpoint, comments, “The growth of our offshore holdings is the key driver for Growthpoint. Australia remains an attractive market for us relative to South Africa and supporting GOZ’s major acquisition further diversifies Growthpoint offshore.”

He adds, “The accretive acquisition is a coup for GOZ in light of the wall of international money competing for direct property assets in the Australian market right now. This deal is remarkable because it adds an extremely high-quality modern asset with excellent covenants in a prime market to the Australian portfolio.”

Growthpoint intends to issue a R1bn bond on the local debt capital markets, which it will use, in the main, to finance the transaction.

Sasse confirms that GOZ is expected to perform well and make a good contribution to Growthpoint’s distribution to shareholders this financial year. GOZ has given growth guidance of AUD23.0 cents per share for FY19. Also, Growthpoint has taken advantage of the weaker Rand in recent months to ensure its distributions are well hedged. The contribution that GOZ makes to Growthpoint’s distributions has now been rebased to include maximum withholding tax.

Growthpoint first invested in GOZ in 2009, at the same time as the Australian listed property bottomed-out after the financial crisis. Since then, GOZ’s market capitalisation has since grown 50-fold, from AUD50m to some AUD2.5bn, with the support of Growthpoint.

Growthpoint is a leading international property company that provides space to thrive with innovative and sustainable property solutions. It is the largest South African primary listed REIT and included in the FTSE/JSE Top 40 Index. Growthpoint owns and manages a diversified portfolio of 512 property assets including 454 properties in South Africa, a 50% interest in the properties at V&A Waterfront, 57 properties in Australia through GOZ and 48 properties in Romania and Poland through its 29% share in LSE AIM-listed Globalworth Investment Holdings (GWI) and 21% holding in Warsaw-listed Globalworth Poland Real Estate (GPRES). Growthpoint is a constituent of the FTSE4Good Emerging Index and the FTSE/JSE Responsible Investment Index.



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