

14 June 2017

Acquisition of 70-82 Main Beach Road, Pinkenba, QLD

GARDA Capital Limited (**GARDA**) as responsible entity of GARDA Diversified Property Fund (**Fund**) is pleased to announce it has exchanged unconditional contracts to acquire an industrial facility to be developed in Brisbane's popular Australia Trade Coast precinct.

The property will be acquired for \$19 million, representing an initial yield of 7.4% and with a pre-committed 15 year lease in place to a subsidiary of the private Byrne Group, a market leader in Queensland's recycling industry.

The property will operate as a resource recovery facility for soil, rock, gravel and construction materials but does not treat with any noxious or household materials. This facility is an expansion of an existing larger operation by the Byrne Group in the same area.

The freehold property is located at 70-82 Main Beach Road, Pinkenba, QLD, adjoining the Brisbane airport, and northern side of the Brisbane River. The site has immediate access to the major arterial roads network including the Bruce Highway and located only a few minutes from the Gateway Bridge.

The regularly shaped 4 hectare site is benefited from two existing street frontages and is located only a short distance to the proposed \$100 million Brisbane cruise ship terminal which is anticipated to be completed in late 2019.

Settlement of the land is expected later this month with construction commencing thereafter and completion by January 2018. The property will have very low site cover and improvements consisting predominantly of hardstand, a 2,000m² facility and various site offices.

The acquisition will initially be debt funded with LVR anticipated to increase to approximately 44%¹.

GARDA Executive Chairman Matthew Madsen said "the ever increasing regulatory controls continue to support the sustained and strong growth of the construction recycling industry. Differing regulatory frameworks between the Australian states also provides continuing competitive advantage for Queensland based facilities. Locally the site is extremely well located, closer to the city than other major facilities".

Following the acquisition, Fund occupancy will be 93% and demonstrate a WALE of 5.04 years².

GARDA intends providing FY2018 distribution guidance following the release of the annual financial report in August 2017.

-Ends-

¹ Loan to value ratio calculated as total debt anticipated to be drawn following the completion of this acquisition and the acquisition of Wacol (see ASX announcement dated 6 June 2017).

² WALE calculated as at 1 July 2017 based on an initial yield of 7.4% and development completion.

For more information please contact:

Matthew Madsen

Executive Chairman

GARDA Capital Group

Phone: 07 3002 5300

matthew.madsen@gardacapital.com.au

Paul Brown

Manager, Investor Relations

GARDA Capital Group

Phone: 07 3002 5362

paul.brown@gardacapital.com.au

About GARDA Diversified Property Fund (ARSN 104 391 273)

GDF is an ASX listed real estate investment trust (REIT) which invests in commercial offices in city and suburban markets as well as industrial facilities along the eastern seaboard of Australia.

GDF currently holds nine established property assets independently valued at \$215 million, including current unconditional contracted acquisitions.

About GARDA Capital Limited

GARDA Capital Group is an ASX listed (ASX: GCM) real estate investment and funds management group. The GARDA Capital Group is co-invested in GDF holding a 9% stake.

GARDA Capital Limited is the responsible entity of GDF, is a member of the GARDA Capital Group and holds AFSL 246714 which permits it to act as the responsible entity for GDF.
