
ASX ANNOUNCEMENT

10 OCTOBER 2017

Satisfaction of conditions – 6 Sunray Drive, Innaloo, Perth WA

GDI Property Group¹ is pleased to announce that the conditions precedent in the Sale and Purchase Agreement relating to the acquisition of 6 Sunray Drive, Innaloo, Perth (the Property), have now been satisfied.

The Property, home to IKEA's only Perth store, is being purchased for \$143.5 million on a passing yield of 7.8% p.a. and has a weighted average lease expiry of over 5 years. The IKEA retail store lease expires in February 2023, with IKEA having three five year options. The IKEA retail store lease contains predominantly annual CPI reviews, with market reviews at expiry and at each option date, all of which are subject to a ratchet clause. Should IKEA choose not to exercise its option in February 2023, or at the other two option dates, GDI Property Group believes there is significant underlying land value on an alternate use basis.

GDI Property Group intends to fund the acquisition through a new unlisted, unregistered, managed investment scheme, GDI No. 43 Property Trust (the Trust). The Trust is forecast to have a commencing yield of 8.0% p.a.², with conservative gearing of 41%³. GDI Property Group intends to launch the approximately \$96.0 million public raising for the Trust⁴ imminently.

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1. GDI Property Group comprises the stapled entities GDI Property Group Limited (ACN 166 479 189) and GDI Property Trust (ARSN 166 598 161)
 2. The expected yield is based on certain assumptions and may not be achieved.
 3. Gearing is defined as the loan divided by the independent value of the Property.
 4. This announcement does not constitute an offer to any person. The offer under the Information Memorandum will only be made to persons who are wholesale clients for the purposes of section 761G or section 761GA of the Corporations Act. The trustee of the Trust is GDI No. 43 Pty Limited ACN 620 089 849 (the Trustee), which does not hold an Australian financial services licence. Accordingly, no offer will be made to any person other than an offer by GDI Funds Management Limited ACN 107 354 003 AFSL 253 142 (GDIFM) to arrange the issue of units, under an agreement between the Trustee and GDIFM in accordance with section 911A(2)(b) of the Corporations Act. The information in this announcement has been prepared without taking into account the investment objectives, financial situation or needs of any person. Before making an investment decision, you should read the Information Memorandum (when released) and consider whether the investment is appropriate for you in light of your particular investment needs, objectives and financial circumstances. We recommend you seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest in the Trust. No GDI Property Group entity guarantees any particular rate of return, the performance of any investment in the Trust or the repayment of capital from the Trust. Investments are subject to investment and other risks. This could involve delays in repayment and loss of income or capital invested.