

ASX RELEASE

GARDA Capital Group (GCM)

3 June 2019

FY19 earnings guidance¹ and dividend announcement

GARDA Capital Group (**GARDA** or **Group**) (ASX: GCM) is pleased to provide the following financial guidance for the year ending 30 June 2019 (**FY19**).

- **84% increase in underlying operating activity earnings after tax to \$2.17 million (FY18: \$1.18 million).**
- **22% increase in assets under management (AUM) to \$347 million (FY18: \$284 million).**
- **217% increase in group statutory profit after tax to \$8.83 million (FY18: \$2.79 million).**
- **Fully franked dividend of 4.0 cents per stapled security, payable on 19 June 2019.**

FY19 GUIDANCE

The Group has generated strong operational returns through the period, underpinned by growth in AUM of GDF which in turn has driven funds management associated revenues.

Additionally, GARDA has delivered strong investment returns most notably through an appreciation in the value of its holding in GDF driven by unit price appreciation from \$1.165 at 30 June 2018 to \$1.425 at 3 June 2019.

| Operating Activities | Actual | | Guidance |
|--|-----------------|-----------------|-----------------|
| | FY18 \$000's | HY19 \$000's | FY19 \$000's |
| Underlying operating activity earnings* before tax | 1,601 | 1,510 | 2,952 |
| Income tax expense | (422) | (414) | (781) |
| Underlying operating activity earnings after tax | 1,179 | 1,096 | 2,171 |
| Investment Activities | | | |
| Net distributions and interest revenue | 1,197 | 638 | 1,431 |
| Fair value movement** | 630 | 3,122 | 5,422 |
| Income tax expense | (80) | (21) | (64) |
| Underlying investment activity earnings after tax | 1,747 | 3,739 | 6,789 |
| Underlying operating profit after tax | 2,926 | 4,835 | 8,960 |
| Statutory Profit Reconciliation | | | |
| Underlying operating profit after tax | 2,926 | 4,835 | 8,960 |
| Non-cash expenses | (139) | (59) | (129) |
| Statutory profit after tax | 2,787 | 4,776 | 8,831 |

*Underlying operating activity earnings exclude non-cash adjustments such as depreciation and amortisation.

** Fair value movement relates primarily to market movements of GARDA's holding in ASX: GDF. Fair value gains / losses reflect a closing price for GDF of \$1.165 (NTA \$1.29) at FY18 and \$1.32 at HY19 (NTA \$1.31). GDF closed at \$1.425 (NTA \$1.37) on 3 June 2019 and this figure has been used for guidance purposes. GDF holds a range of real property assets and trading in its units has historically demonstrated a relatively low level of volatility. However, investors should be aware that movements in GDF's trading price may materially impact GCM's financial performance in any period. GCM considers that the market is aware of any movements in GDF's trading price and does not intend to update its earnings guidance solely in connection with them.

***Investing activities income tax relates to company tax on interest received by GARDA Capital Limited. Interest or distributions received by GARDA Capital Trust are not taxed at Group level but taxed in the hands of securityholders.

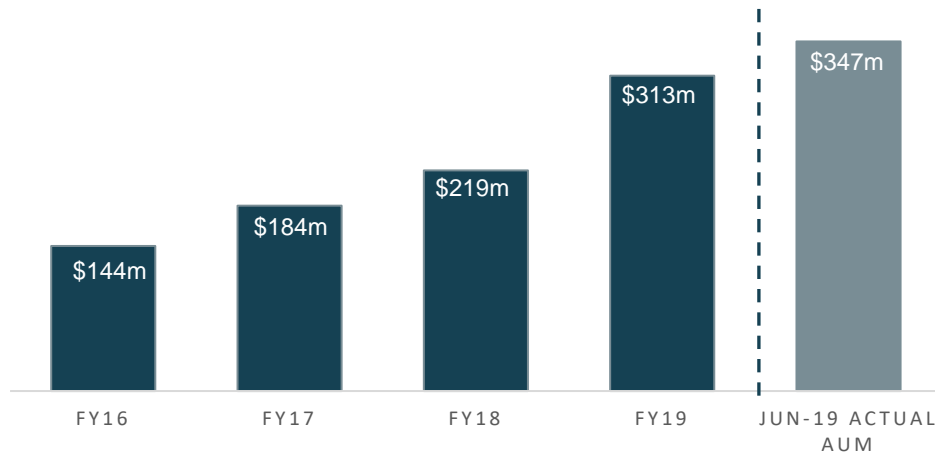
¹ Guidance is based on unaudited management forecasts and is subject to change

ASSETS UNDER MANAGEMENT (AUM) GROWTH

Total AUM has grown 22% (\$63 million) through the year to \$347million, primarily due to industrial acquisitions in Berrinba and Wacol, development of the Botanicca 9 office project, capital enhancement programs and revaluations across the portfolio.

Average AUM has grown year on year, increased by 43%, or \$94 million to \$313 million.

AVERAGE AUM GROWTH



CORPORATE DIVIDEND

In light of its strong financial results, GARDA is please to confirm it will pay securityholders a fully franked dividend of 4.0 cents per stapled security. The total dividends for FY19 reflect approximately a 60% payout ratio.

When coupled with the three previous trust distributions for the year and the expected final trust distribution of 1.25 cents per stapled security, total dividend and distribution payments for FY19 will total 9.875 cents per stapled security.

| GCM Securityholder Payments | H1FY19 | H2FY19 | Total FY19 |
|--------------------------------------|----------------------------|--------------------|--------------|
| | Cents per Stapled Security | | |
| Total quarterly trust distributions | 2.250 | 2.500 ² | 4.750 |
| Fully franked dividend | 1.125 | 4.000 | 5.125 |
| Total securityholder payments | 3.375 | 6.500 | 9.875 |

Executive Chairman, Matthew Madsen, said: "The Group has again delivered strong results in both of its operational and investment activities. These compelling results provide GARDA with the opportunity to reward our securityholders with this material dividend."

The Record Date for the dividend will be 7 June 2019 with the payment occurring on 19 June 2019.

-Ends-

² Includes the forecast 1.25 cents per stapled security trust payment expected to be announced in late June 2019.

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About GARDA Capital Group

GARDA Capital Group (GCM) is an ASX-listed (ASX: GCM) real estate investment and funds management group. GARDA Capital Group is a stapled structure comprising GARDA Capital Limited and GARDA Capital Trust.

GARDA Capital Limited (AFSL 246714) is the parent entity of the GARDA Capital Group and is also the responsible entity of the ASX-listed property fund, GARDA Diversified Property Fund (GDF).

GARDA Capital Trust is a registered managed investment scheme which is the primary investment vehicle for the GARDA Capital Group
