



ASX ANNOUNCEMENT

McGrath to grow Sydney CBD footprint with acquisition

5 June 2019 - McGrath Limited (ASX: MEA) today announced it has entered into an agreement to acquire the business and assets, including a rent roll, of a business owned and operated by Richard Shalhoub (currently operating as Sydney Sotheby's International Realty - CBD and Pyrmont), a high performing sales agent prominent in Sydney's lucrative CBD and northern CBD harbourfront market.

The total consideration is expected to be approximately \$1.6 million and will be settled in cash, with the agreement expected to be completed in early July 2019. The agreement is legally binding and all conditions for the agreement are expected to be satisfied by McGrath and Richard Shalhoub. Post completion, the acquisition is not expected to materially alter the short term earnings outlook for the company.

CEO Geoff Lucas said he welcomed Mr Shalhoub's return to McGrath as the company had earmarked the important Sydney CBD precinct and its surrounds for future growth, complementing the company's presence in a key market that has been serviced by its Eastern Suburbs sales office.

Mr Lucas said "Richard returning to McGrath is a win-win for us both and is in line with our overall strategy to increase market share in key markets with the recruitment of exceptional agents who have the desire to be part of a well-resourced and well established brand."

Mr Shalhoub has established himself as one of the CBD's leading agents over the past 15 years, and returns to McGrath where he previously worked for nine years (2007-2016). He was instrumental in the company first being appointed by Property NSW in 2014 as their exclusive selling agent for the Millers Point program, and intimately involved in the success of the State Government sell-off. He left McGrath in August 2016 to become Principal of Sydney Sotheby's International Realty - CBD and Pyrmont.

Mr Shalhoub said "I feel that to best represent our clients we need to be aligned with McGrath's respected and dominant brand with strong referral networks. I believe there will be a growing desire for small agencies to consolidate so they can focus on servicing their clients and grow market share rather than the day to day running of a business."

McGrath Millers Point|Sydney CBD will be located at 27 Kent Street, Sydney.

McGrath announced on 26 April 2019 that it had entered into an agreement to also acquire the business and assets, including rent roll, of a real estate business owned and managed by John McManus (operating as LJ Hooker Willoughby/Artarmon).

Mr McManus also returned to McGrath after five years operating his own businesss.

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