

ASX Announcement

27 February 2015



Diploma selected to develop and build former Chemlabs site in East Perth

- Diploma selected to transform the former Chemistry Centre in East Perth
- Mixed use development incorporating a 1700m² supermarket, 1500m² of commercial and 226 apartments
- Estimated project end value of \$160m
- Diploma will undertake construction and development management
- Settlement expected mid 2015 with marketing launch in third quarter 2015
- Construction to commence in 2016 and expected to contribute to group earnings through to FY18

Leading Western Australian construction & property development company

Diploma (ASX:DGX) has been selected by the Metropolitan Redevelopment Authority (MRA) following a competitive bid process to develop and construct a mixed use project on the former Chemlabs site in East Perth.

The site comprises a total land area of 5335m² fronting Hay Street, Plain Street and De Vlamingh Avenue East Perth. The company is currently preparing documentation for lodgment for development approval with the Metropolitan Redevelopment Authority once settlement of the site is complete.

Diploma will develop the site with its Joint Venture partner Wingate Property. Diploma has had a successful relationship with Wingate over many years across a number of transactions. It is expected marketing will commence in the third quarter of 2015 with the project likely to contribute to earnings in FY18.

Diploma is very familiar with the Queens Riverside precinct having recently completed the 26 level \$103m Q3 apartment tower and the \$115m 24 level Fraser Suites hotel both for Fraser property.

Commenting on the acquisition, Diploma Managing Director Nick Di Latte said "we are very pleased with having been selected to develop the former Chemistry Centre in East

Perth. On completion, the project will include a 1700m² supermarket located within the existing heritage building which will be accessed via a central high street through the project.

Seventy-five percent of the ground floor area will be open to the public and include other boutique amenities such as restaurants, bars and office tenancies. In addition to this, 226 apartments will be created on the site with views across Queens Gardens, the WACA ground, Swan River and Burswood in a 16 level tower.

Our aim is to create a mix of apartment types that will enhance the offering to potential residents, who will benefit from the convenience of the retail offerings at street level within the development. Diploma, together with its design team at Woods Bagot was able to develop a unique, visually pleasing innovative design which reflects the MRA's vision for the site."

Diploma Properties currently has five projects under construction with a combined value of \$172m. Four projects are due for completion in FY16. Diploma recently announced the acquisition of development sites in Scarborough and Subiaco which are expected to contribute \$65m in revenue to the FY17 financial year.

Diploma also recently announced that it had entered into two Heads of Terms to sell two Quest Serviced Apartment developments currently under construction in Perth and Rockingham for a combined value of \$63.5m. The Heads of Terms are subject to due diligence which is expected to be completed by the end of March 2015. Once completed and settled in July 2015 and February 2016, both sales would result in Diploma receiving net cash of \$20m.

Ends