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## ASX ANNOUNCEMENT

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25 August 2014

GDI Property Group<sup>1</sup> is pleased to release its first set of financial results for the period ended 30 June 2014 ("FY14").

### Key highlights

- Funds From Operations (FFO)<sup>2</sup> of \$22.2 million vs Offer Document<sup>3</sup> Forecasts<sup>4</sup> of \$21.9 million
- FFO per security of 3.9 cents per security, in line with Offer Document Forecasts
- Statutory profit of \$12.9 million vs Offer Document Forecasts of \$7.3 million
- NTA<sup>5</sup> of \$0.93, up \$0.02 from the NTA included in the Offer Document of \$0.91
- Gearing of 21% as at 30 June 2014
- Distribution per security of 3.5 cents, in line with Offer Document Forecasts
- Confirming FY15 Offer Document Forecasts of FFO of 8.2 cents per security and a distribution of 7.5 cents per security

Mr Steve Gillard, Managing Director of GDI Property Group, said that this was a solid result and a consequence of much hard work by all the team at GDI Property Group. "We are very pleased to have exceeded our Offer Document Forecasts for the period ended 30 June 2014. As a team we have been extremely focussed on achieving these results. We acknowledge that the security price is still below the issue price, but believe that if we can continue to deliver on our strategy the security price will look after itself."

Operational highlights during the period included establishing GDI No. 38 Diversified Property Trust, a \$66.5 million acquisition of a portfolio of seven properties on a sale and leaseback basis from UGL Limited, partially funded by a successful \$43.8 million capital raising closing oversubscribed in under three weeks and the exchange of contracts to acquire 66 Goulburn St, Sydney for \$136 million, \$2 million lower than the independent valuation of \$138 million, with settlement occurring on 15 July 2014.

During FY14, leasing conditions in all markets remained challenging. Mr John Garland, Head of Property, stated that GDI Property Group's property portfolio was well placed in a difficult leasing market. "Our properties are extremely well located in each CBD with good natural light and easily divisible floor plates, meaning we are able to meet the demand of small, medium and large businesses. At this stage of the cycle we are seeing a real uplift in enquiry from smaller users, and our buildings are well positioned to meet this style of tenant's accommodation needs."

Commenting on the individual assets, Mr Gillard advised that GDI Property Group was progressing well with repositioning 233 Castlereagh St, Sydney, for sale and was confident that a sale of the property will be achieved during FY15. He further stated that the three vacant floors (2,509 sqm of NLA) in 197 St Georges Terrace, Perth, are now subject to signed Heads of Agreement, taking occupancy of that building, subject to execution of the leases, to 100%. 5 Mill St, Perth had performed in line with expectations and there had been no income assumed from 1 Mill St, Perth in the period. At 307 Queen St, Brisbane, GDI Property Group completed the foyer refurbishment and is pleased with the level of tenant retention and new tenant enquiry. 25 Grenfell St, Adelaide remains a well tenanted property.

### Guidance for FY15

Notwithstanding the challenging leasing markets, GDI Property Group is pleased to confirm its Offer Document Forecasts for FY15 of FFO of 8.2 cents per security and a distribution of 7.5 cents per security, subject to the settlement of any sale of 233 Castlereagh St not occurring before 30 June 2015 and no material change in circumstances.

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1. The stapled group comprising GDI Property Group Limited (ACN 166 479 189) and GDI Property Trust (ARSN 166 598 161) and their controlled entities.
  2. FFO is a Property Council of Australia definition which adjusts AIFRS net profit for non-cash changes in Investment properties, non-cash impairment of goodwill, non-cash fair value adjustments to financial instruments, amortisation of incentives, straight-line adjustments and other unrealised one-off items. GDI Property Group also adjusts funds management fees charged that remain unpaid from its calculation of FFO.
  3. Offer Document refers to the Prospectus and Product Disclosure Statement dated 25 November 2013 prepared by GDI Property Group Limited (ACN 166 479 189) and GDI Funds Management Limited (ACN 107 354 003) as responsible entity of GDI Property Trust (ARSN 166 598 161).
  4. Offer Document Forecasts refers to the financial forecasts included in the Offer Document.
  5. Net Tangible Assets.