

A photograph of two tall, modern skyscrapers with glass facades, viewed from a low angle looking up. The buildings are dark blue and grey, with some windows reflecting light.

GDI PROPERTY GROUP

FY14 Annual Results Presentation

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INTRODUCTION

We delivered in FY14

- Exceeded FFO¹ Offer Document² forecasts
 - \$22.2 million v \$21.9 million
- Paid our forecast distribution of 3.5c per security
 - Payout ratio of 90% of FFO and 92% of AFFO
- NTA³ per security up \$0.02 to \$0.93
 - Increase primarily due to increased valuation of 233 Castlereagh St, Sydney (1.4c per security)
- Raised \$43.8m for GDI No. 38 Diversified Property Trust in under three weeks
 - 65% (by number) repeat investors
- Exchanged on (and subsequently settled) 66 Goulburn St, Sydney
 - Acquired for \$136 million (\$5,868/sqm), \$2 million below the independent valuation of \$138 million
- Positioning 233 Castlereagh St, Sydney for sale
 - Demolition clauses included in lease renewals
 - Discussions with tenants about moving to 66 Goulburn St, Sydney

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1. 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.
 2. 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 for GDI Property Trust (ARSN 166 598 161)
 3. Net Tangible Assets

Our challenge

- To gain the support and trust of the public markets by doing what we've been doing for over 20 years, buying commercial property well, managing it well and selling it well
 - Our security price has underperformed since listing, meaning we still have work to do get the support of the public markets



- Our strategy has consistently delivered superior risk adjusted returns to investors
- Our philosophy of buying well located assets that have four sides of natural light and easily divisible floor plates for well below replacement cost, mitigates the downside risk in a difficult leasing environment but leverages our business to take advantage of improvements in that leasing market

How do we improve the security price?

- Continue to deliver on strategy
 - Sell 233 Castlereagh St, Sydney
 - Lease vacant space and renew expiring leases
 - The three vacant floors (2,509 sqm of NLA) in 197 St Georges Terrace are subject to signed Heads of Agreement
 - Complete refurbishment works at 307 Queen St, Brisbane, and 66 Goulburn St, Sydney
 - Maximise the returns to existing investors in the unlisted funds
 - Offer new syndicate products to our loyal investor base and continue to grow that investor base
 - Actively reviewing opportunities
- Increase investor awareness of GDI Property Group
 - Increase research coverage
 - Institutional and retail roadshows / conferences
- Potential catalysts include:
 - Sale of 233 Castlereagh St, Sydney
 - Leasing of 1 Mill St, Perth
 - Launch of new unlisted and unregistered property funds



FY 14 FINANCIAL RESULTS

Exceed Offer Document Forecast FFO

- Statutory profit of \$12.9 million
 - Includes \$(15.5) million of IPO costs, \$8.7 million of investment property revaluation gains and \$(2.2) million of mark to market losses on interest rate swaps
- FFO of \$22.2 million vs Offer Document forecast of \$21.9 million
 - Outperformed Offer Document forecast by \$247,000
- Distribution per security of 3.5c, in line with Offer Document forecasts

	Group \$'000	Offer Document \$'000	Variance \$'000
Total Comprehensive Income for the year	12,919	7,299	5,620
Portfolio acquisition and other transaction costs	15,480	14,086	1,394
Cash received from guarantees	2,156	2,147	9
Straightlining adjustments	(1,549)	(1,924)	376
Amortisation of debt and incentives	111	326	(215)
Net fair value gain on investment properties	(8,699)	-	(8,699)
Net fair value loss on interest rate swaps	2,228	-	2,228
Other FFO adjustments	(466)	-	(466)
FFO	22,181	21,934	247
Maintenance Capex	(169)		
Cash fitout payments	(271)		
Incentive abatement	(24)		
Rent free adjustment	(59)		
AFFO	21,658		
Distribution	19,865	19,865	
Payout Ratio for FFO	90%	91%	
Payout Ratio for AFFO	92%		

Balance sheet in a strong position

- Property revaluations of \$8.7 million, equivalent to 1.53 cents per security
- NTA increased to \$0.93 per security as at 30 June 2014, or \$0.92 post completion of the acquisition of 66 Goulburn St, Sydney on 15 July 2014
- Deliberately managing liquidity so as to not be paying line fees on undrawn debt – \$30 million facility available at 30 June 2014, increased to \$34 million post acquisition of 66 Goulburn St, Sydney
- No refinancings due until FY17

	Audited Group \$'000	Proforma Adjustments ¹ \$'000	Proforma \$'000
Total current assets	26,926	(19,865)	7,061
Investment properties	694,351	138,000	832,351
Intangible assets	18,110	-	18,110
Other assets	627	-	627
Total assets	740,015	118,135	858,149
Total current liabilities	24,180	(19,865)	4,315
Borrowings	169,333	139,000	308,333
Derivative financial instruments	2,228	-	2,228
Other liabilities	112	-	113
Total liabilities	195,853	119,135	314,989
Net assets	544,162	(1,000)	543,160
Net tangible assets	525,534		524,532
NTA per security	\$0.93		\$0.92

1. Proforma adjustments include the acquisition of 66 Goulburn Street, Sydney and the payment of the FY14 distribution

Actual FFO versus Offer Document forecasts

- Variances in actual FFO to Offer Document forecast FFO were attributable to a lower contribution from property, which was more than offset by higher funds management fees and lower operating and interest expenses

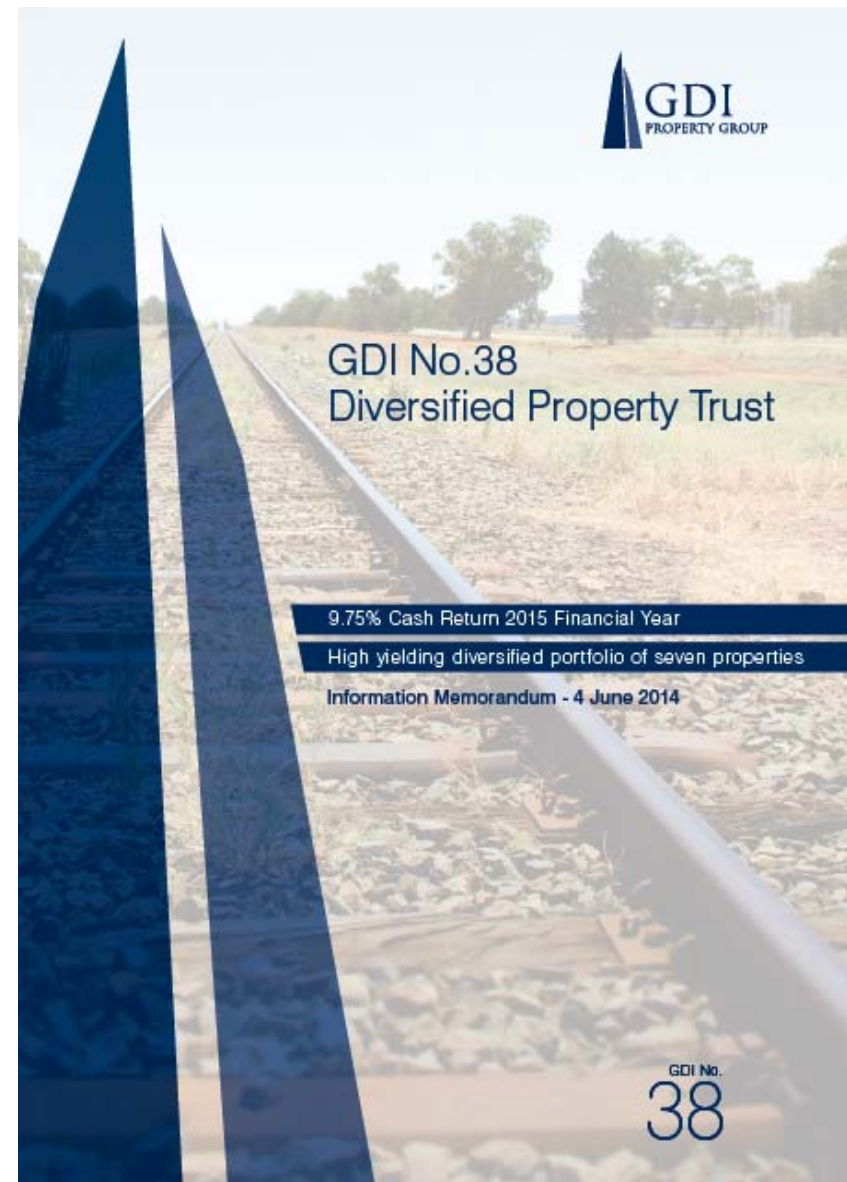
Major variances	Actual	Offer Document	Over/(Under) performance
	\$'000	\$'000	\$'000
Net property income	25,440	26,511	(1,071)
Funds management	3,390	2,350	1,041
Operating expenses	(2,212)	(2,350)	138
Net interest expenses	(4,232)	(4,623)	391
Initial public offer costs	(15,480)	(14,086)	(1,394)

- The lower property contribution was largely as a result of three floors in 197 St Georges Terrace, Perth, remaining vacant during the FY14 period (now subject to Heads of Agreement) and the change to the asset management strategies at 233 Castlereagh St, Sydney
- Operating expenses were lower primarily due to the delayed start of additional staff (now on board)
- Although initial public offer (IPO) costs were higher, the total costs of the IPO when including the amount charged directly to equity were lower than forecast
 - However, the cost of the intended issue of IPO performance rights as disclosed in the Offer Document will be expensed (and reversed in calculating FFO) over the three year vesting period

Funds management

- Exceeded Offer Document forecasts for the Funds Business¹
 - Revenue of \$3.4 million and FFO of \$2.9 million vs \$2.4 million forecast
 - \$649,000 performance fees earned during FY14, but \$449,000 not included in FFO as it remains unpaid (receivable)
 - Lower disposal fees offset by higher due diligence, acquisition and offer management fees
- Established GDI No. 38 Diversified Property Trust
 - Raised \$43.8 million in under three weeks
 - High level of repeat investment (65% by number of investors)
 - 58% of investors considered GDI core investors – not through an intermediary
 - Only 5 financial intermediaries contributed >\$1m of capital – significant room to expand the distribution network

1. The business of managing external, unlisted and unregistered property trusts owned by GDI Property Group Limited



Funds management

	Date established	AUM \$m	No. of properties	Sector	Expected termination date (year)	
GDI No. 27	June 2007	14.0	2	Office	FY15	Complete asset refurbishments and position both assets for sale in FY15
GDI No. 28	June 2007	14.0	1	Office	FY17	Actively manage the leasing
GDI No. 29	July 2008	10.2	1	Office	FY16	Lease existing vacant strata units to sell to investors
GDI No. 33	May 2010	41.0	1	Office	FY17	Continue the momentum of selling vacant possession stock
GDI No. 36	October 2012	102.6	1	Office	FY16	Finalise the leasing arrangements with existing tenants
GDI No. 38	June 2014	66.5	7	Industrial (6) Office (1)	FY20	Begin the process of maximising the capital value of each property by investigating rezoning and redevelopment opportunities
TOTAL AUM		248.3				

Debt profile

- Drawn debt of \$170 million, split equally between 5 year (Tranche A) and 3 year (Tranche B) maturities
- No expiry until FY17
- Post 30 June, extended Tranche B by \$143 million to finance the acquisition of 66 Goulburn Street, Sydney - \$139 million drawn
- Increased LVR covenant to 50% until settlement of 233 Castlereagh St (if sold)

	30 June 2014			Following completion of acquisition of 66 Goulburn St, Sydney		
	Facility size \$'000	Drawn \$'000	Expiry	Facility size \$'000	Drawn \$'000	Expiry
Tranche A	85,000	85,000	Dec 18	85,000	85,000	Dec 18
Tranche B	85,000	85,000	Dec 16	228,000	224,000	Dec 16
Tranche C	30,000	-	Dec 16	30,000	-	Dec 16
Tranche D (BG)	5,000	-	Dec 16	5,000	-	Dec 16
TOTAL	205,000	170,000		348,000	309,000	
Key covenants	Maximum Covenant LVR ¹ ratio 45% vs actual 25%			Maximum Covenant LVR ¹ ratio 50% vs actual 37%		
	Covenant ICR ² 2.0X vs actual 5.9			Covenant ICR ² 2.0X		

1. Covenant LVR is calculated as total debt including net derivative exposures divided by the value of the properties

2. Covenant ICR is calculated as EBIT for the previous 12 month period divided by interest expense for the previous 12 month period. The IPO expenses have been excluded from EBIT in calculating the Covenant ICR for the period ended 30 June 2014

Interest rate hedging

- Board hedging policy of at least 50% of drawn debt hedged
- Stayed at the lower end of this range (59%) given view of continued environment of low interest rates
- All in cost of drawn debt for the period of 4.89% (inclusive of line fees on undrawn facilities, but excluding amortisation of establishment fees) vs Offer Document forecasts of 5.2%
- Post 30 June 2014 executed a further \$50 million of swaps
- Hedging post the acquisition of 66 Goulburn St, Sydney at 49%, but is expected to remain below target given strategy to sell 233 Castlereagh St, Sydney

	At 30 June 2014		Post 66 Goulburn St acquisition	
	\$'000	Rate (before margin)	\$'000	Rate (before margin)
Floating (average over period)	70,000	2.69%	159,000	2.74%
December 2016 (FY17)	30,000	3.35%	30,000	3.35%
July 2017			25,000	3.09%
December 2017	30,000	3.64%		
Average rate on hedged amounts FY18	30,000	3.64%	55,000	3.39%
July 2018			25,000	3.27%
December 2019	40,000	3.91%		
Average rate on hedged amounts FY19	40,000	3.91%	65,000	3.66%
Total drawn debt	170,000		309,000	
Undrawn (excluding bank guarantee)	30,000		34,000	



GUIDANCE AND STRATEGY

Guidance and strategy

- Confirm Offer Document forecasts for FY15 FFO of 8.2c per security and distribution of 7.5c per security
 - Approximately 89% of FY15 Offer Document FFO from existing leases and fees from existing funds
 - Excluding 233 Castlereagh St, Sydney, only 3.6% by NLA of leases expire in FY15
 - Assumes no major change in circumstances, 233 Castlereagh St, Sydney is held for FY15 and leases are executed where we have signed Heads of Agreement
- Strategy remains unchanged, but management's objectives for FY15 include
 - Sell 233 Castlereagh St, Sydney and review capital alternatives for proceeds – reinvestment, repay debt, buyback, special distribution / capital return
 - Launch at least two new funds – actively reviewing opportunities for a new fund
 - Execute leases for 197 St George's Terrace (Heads of Agreement signed)
 - Lease 5 Mill St, Perth – management target of 5 Mill St, Perth being 100% occupied by 30 June 2015
 - Lease 1 Mill St, Perth – management target of 1 Mill St, Perth being 100% occupied by 30 June 2015
 - Renew FY16 expiries at 25 Grenfell St, Adelaide – extend weighted average lease expiry (WALE) to +5 years
 - Lease at least 2,000sqm of net lettable area (NLA) at 66 Goulburn, Sydney, including to tenants in 233 Castlereagh St, Sydney

Guidance and strategy

- Including the Guarantees¹, increase occupancy to +100% at 307 Queen St, Brisbane by 30 June 2015
- Wind up (or be close to winding up) GDI No. 27, GDI No. 29 and GDI No. 36
- The financial impact of some of these objectives had been included in the Offer Document forecasts for FY15, but achieving them all in full would be expected to result in an increase in FFO.
 - Purchase of 66 Goulburn St, Sydney adds approximately \$4 million (8%) to FY15 FFO disclosed in the Offer Document, assuming any sale of 233 Castlereagh St, Sydney does not settle before 30 June 2015
 - Impact of positioning 233 Castlereagh St, Sydney for sale is likely to have an impact of approximately \$1.5 million (3%) vs FY15 FFO disclosed in the Offer Document
 - Leasing 1 Mill St, Perth by 30 June 2015 removes approximately \$2.5 million of FY15 Offer Document FFO (5%) – Offer Document assumption was for the property to be on average 54% occupied during FY15
 - Executing leases for the signed heads of agreement for 197 St Georges Terrace, Perth, will crystallise a reduction in the FY15 FFO disclosed in the Offer Document of approximately \$800,000 – Offer Document had assumed 197 St Georges Terrace, Perth, would be fully let for all of FY15

1. The rental guarantee for vacancies relating to 233 Castlereagh Street, Sydney Australia, 307 Queen Street, Brisbane Australia and 66 Goulburn St, Sydney, plus the payment of existing tenant incentives for 233 Castlereagh Street, Sydney Australia and 307 Queen Street, Brisbane Australia.

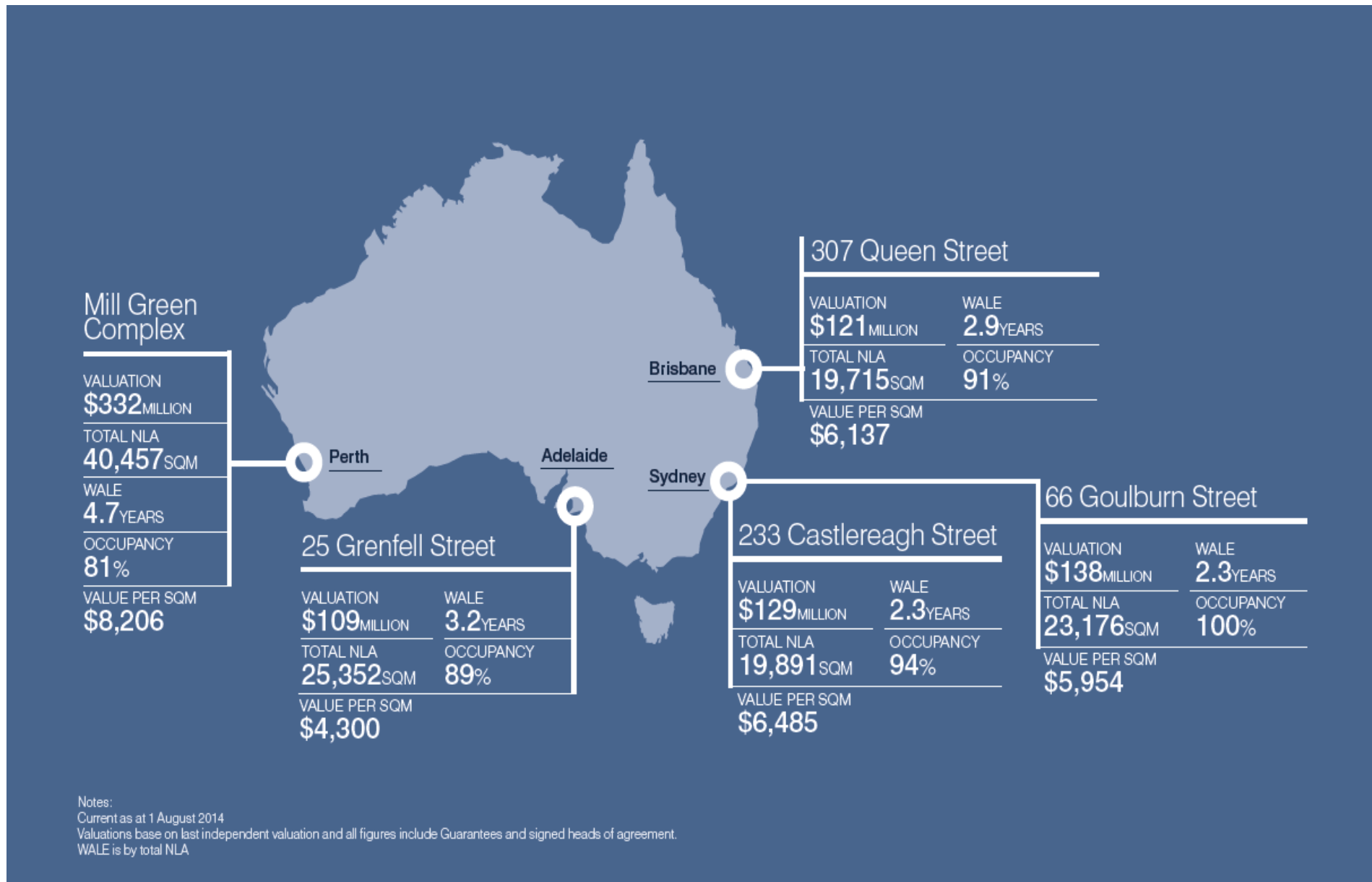
Market commentary – “Climbing the wall of worry”

	The positives	The negatives
Perth	<ul style="list-style-type: none"> • WA accounts for 46% of Australian exports and 16% of Australia's GDP and growing • Diversifying away from engineering to a broader based service economy • Stronger than average population growth – Perth's population approaching 2 million • Limited new supply post the CY15 completions • Tenant enquiries up sharply • Removal of Carbon Tax and potentially Mining Tax – could it lead to new / expansion of projects? 	<ul style="list-style-type: none"> • Slow down in mining capex • Short term pressure on rents and incentives • New supply, albeit largely already accounted for
Sydney	<ul style="list-style-type: none"> • NSW economy showing signs of improvement – strong private sector housing investment • Positive net absorption and reduction in overall vacancy • Strong level of tenant enquiries, particularly from small and medium sized businesses • Large number of withdrawals softening the impact of Barangaroo 	<ul style="list-style-type: none"> • New supply and a shifting of the city core? • Incentive levels holding back effective rental growth
Brisbane	<ul style="list-style-type: none"> • Economy in transition as LNG projects move from construction to production phase – estimated 22.5% increase in overseas exports in FY16 • Forecast increase in gross state product of 6%, an 11 year high • Increasing dwelling investment and approvals • Signs of stabilising rents and incentives • Strong levels of tenant enquiry 	<ul style="list-style-type: none"> • Large amount of vacant space (both direct and sub-lease) and new supply in CY16 • Slow down in mining capex
Adelaide	<ul style="list-style-type: none"> • Little in the forward supply pipeline • Exposure to growth industries – healthcare, education, agriculture • Olympic Dam? 	<ul style="list-style-type: none"> • Withdrawal of car manufacturing from the economy • Lack of short term catalyst



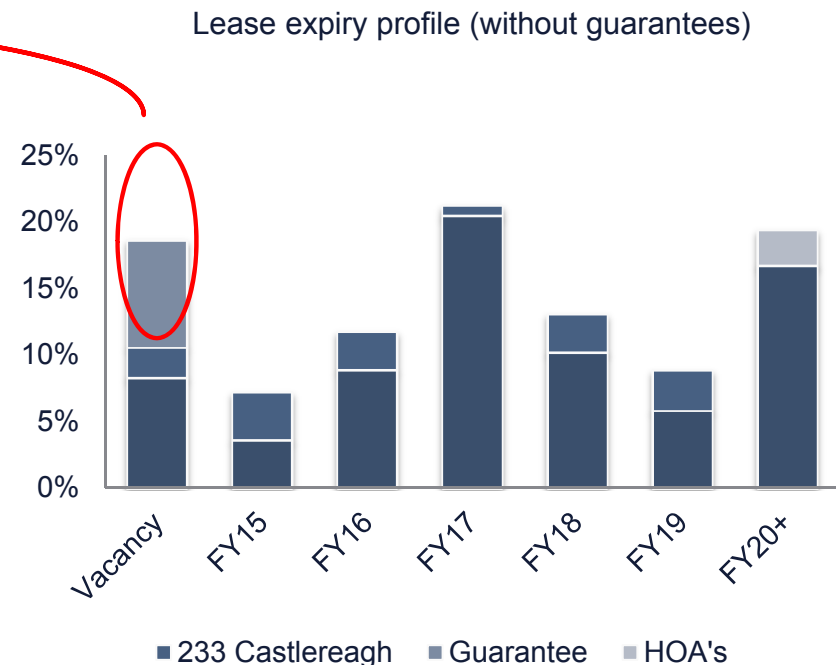
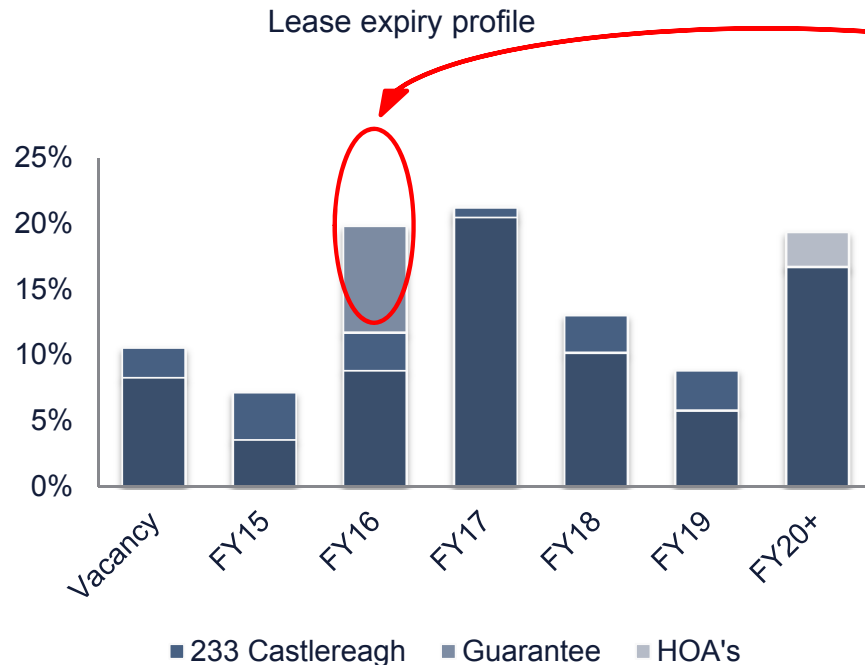
THE PROPERTY PORTFOLIO

Portfolio overview



Portfolio overview

- Total NLA of 128,591 sqm
- Portfolio occupancy of 89%, including Guarantees
- WALE of 3.3 years (by NLA)
- Weighted average capitalisation rate (WACR) of 8.1%, 8.0% post the acquisition of 66 Goulburn St, Sydney
- FY15 lease expiries of 8%, only 3% excluding 233 Castlereagh St, Sydney
- Guarantees effectively move 9% of vacancy to FY16
 - Positioned vacancy to a time when management believes market leasing conditions will be more robust



197 St Georges Terrace, Perth



Valuation details as at last valuation date

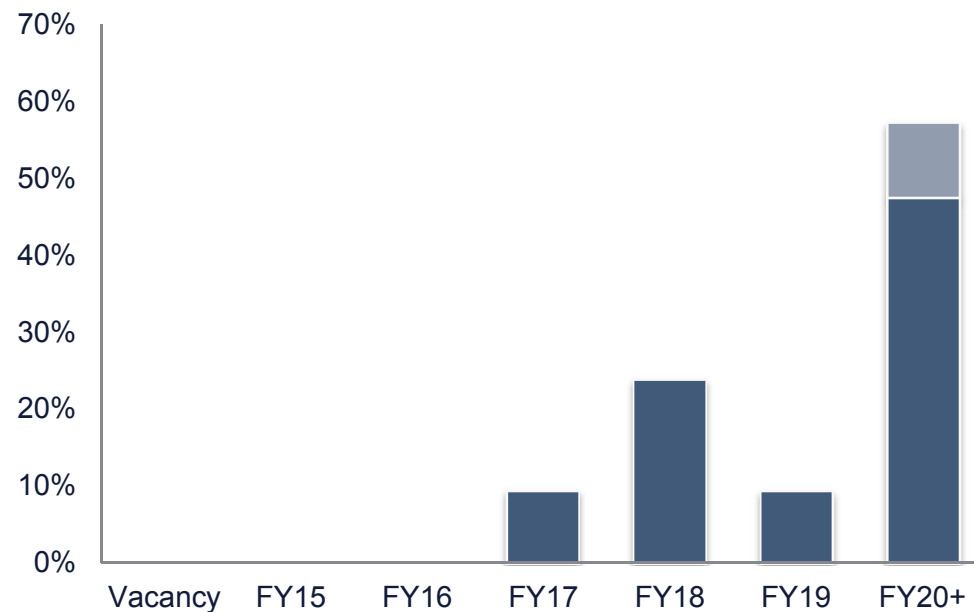
Independent valuation date	1 October 2013
Independent valuation	\$233.5 million
Rate/sqm of NLA	\$8,780
Capitalisation rate	8.25%
Discount rate	9.25%

Key metrics as at 1 August 2014

Grade	A
Total NLA (sqm)	26,595
NLA Office (sqm)	25,815
NLA Retail (sqm)	780
Typical floor plate (sqm)	855
Car parking	181
Occupancy (by NLA)	100% ¹
WALE (by NLA)	6.27 years
NABERS Energy rating	5 stars

1. Including signed Heads of Agreement

197 St Georges Terrace, Perth



- Heads of Agreement now signed for levels 25, 26 and 27
 - 2,509 sqm of NLA
 - Subject to execution, leases to commence in October and November 2014 for terms of 8 and 10 years
- Occupancy (including Heads of Agreement) now at 100%
- No lease expiries until FY17

Tenant name	NLA		Rent review		
	sqm	% total	Type	% p.a.	Lease expiry
Amec Minproc Limited	7,341	28%	Fixed	4%	FY23
Chevron Australia Pty Ltd	4,643	17%	Fixed	4.5%	FY18
CBI Construction Pty Ltd	2,505	9%	Fixed	4%	FY19
Clough Projects Pty Ltd	1,670	6%	Fixed	4.5%	FY17

5 Mill Street, Perth



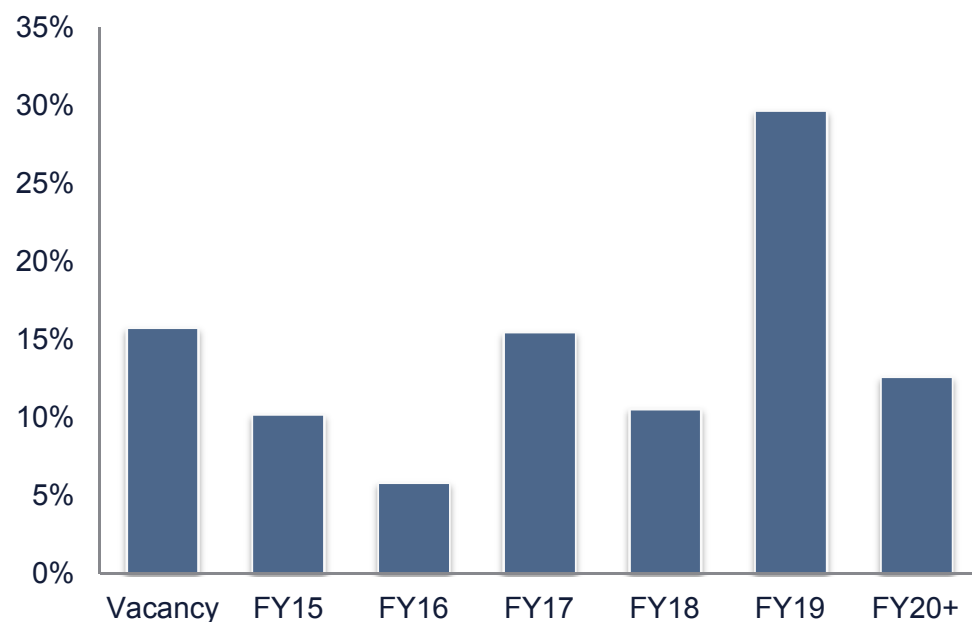
Valuation details as at last valuation date

Independent valuation date	1 October 2013
Independent valuation	\$52.5 million
Rate/sqm of NLA	\$7,278
Capitalisation rate	8.50%
Discount rate	9.25%

Key metrics as at 1 August 2014

Grade	B
NLA Total (sqm)	7,214
NLA Office (sqm)	7,214
NLA Retail (sqm)	n.a.
Typical floor plate (sqm)	735
Car parking	56
Occupancy (by NLA)	84%
WALE (by NLA)	3.0 years
NABERS Energy rating	Target 4 stars

5 Mill Street, Perth



- New six year lease to Environmental Resources Management Australia Ltd
 - Lease commences October 2014
- Vacancy reduced from 25% to 16%, WALE increased to 3.6 years
- Strong levels of enquiry on vacant space

Tenant name	NLA		Rent review		Lease expiry
	sqm	% total	Type	% p.a.	
Wesfarmers General Insurance Ltd	741	10%	Fixed	4.0%	FY21
Environmental Resources Management Australia Ltd	737	10%	Fixed	3.5%	FY21
Accenture Australia Pty Ltd	603	8%	Fixed	3.5%	FY20
Marubeni Itochu Tubulars Ocean	441	6%	Fixed	4.0%	FY17

1 Mill Street, Perth



Valuation details as at last valuation date

Independent valuation date	1 October 2013
Independent valuation	\$46.0 million
Rate/sqm of NLA	\$6,919
Capitalisation rate	8.50%
Discount rate	9.25%

Key metrics as at 1 August 2014

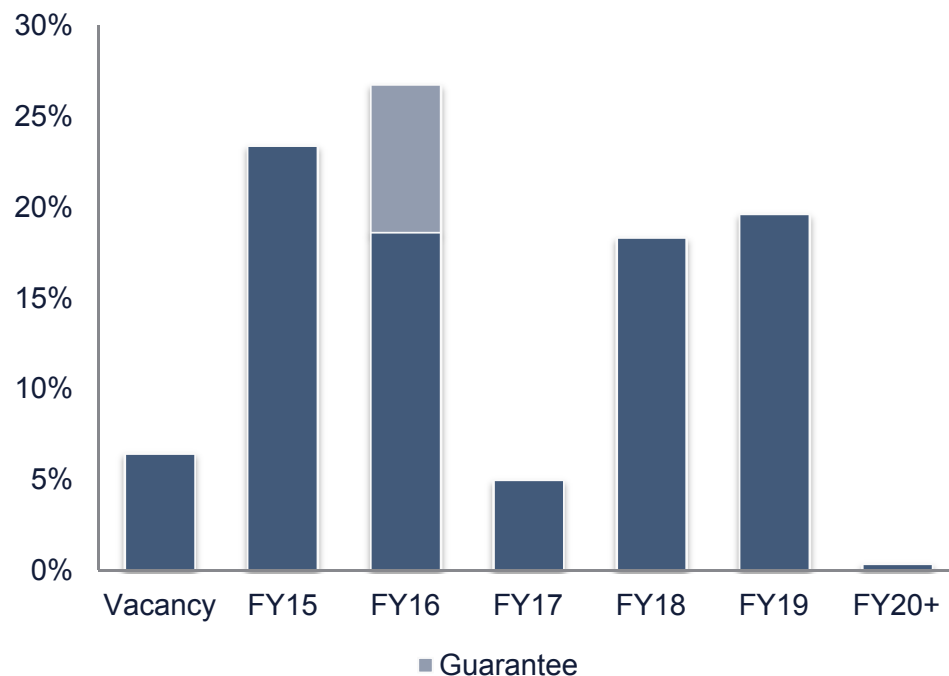
Grade	A
NLA Total (sqm)	6,648
NLA Office (sqm)	6,648
NLA Retail (sqm)	n.a.
Typical floor plate (sqm)	1,900
Car parking	44
Occupancy (by NLA)	0%
WALE	n.a.
NABERS Energy rating	Target 4 stars

233 Castlereagh Street, Sydney



Valuation details as at last valuation date	
Independent valuation date	30 June 2014
Independent valuation	\$129.0 million
Rate/sqm of NLA	\$6,485
Capitalisation rate	7.125%
Discount rate	8.50%
Key metrics as at 1 August 2014	
Grade	B
NLA Total	19,891
NLA Office (sqm)	18,657
NLA Retail (sqm)	1,234
Typical floor plate (sqm)	864
Car parking	193
Occupancy (by NLA)	94%
WALE (by NLA)	2.3 years
NABERS Energy rating	2 stars

233 Castlereagh Street, Sydney



- Building's expiry profile positions it well for residential conversion
- Discussions commenced with longer term tenants, including relocating to 66 Goulburn St, Sydney
- Demolition clauses being inserted into any new or renewed leases
- Opportunity for additional short term income from project space users

	NLA		Rent review		
Tenant name	sqm	% total	Type	% p.a.	Lease expiry
Morlaw Holdings Pty Ltd (Moray and Agnew)	3,552	18%	Fixed	3.75%	FY19
Carson Wagonlit Australia Pty Ltd	1,727	9%	Fixed	4.00%	FY18 ¹
Copyright Agency Limited	1,727	9%	Fixed	4.00%	FY16
Singapore Airlines	1,396	7%	Fixed	4.00%	FY18

1. Demolition clause included in lease renewal

307 Queen Street, Brisbane



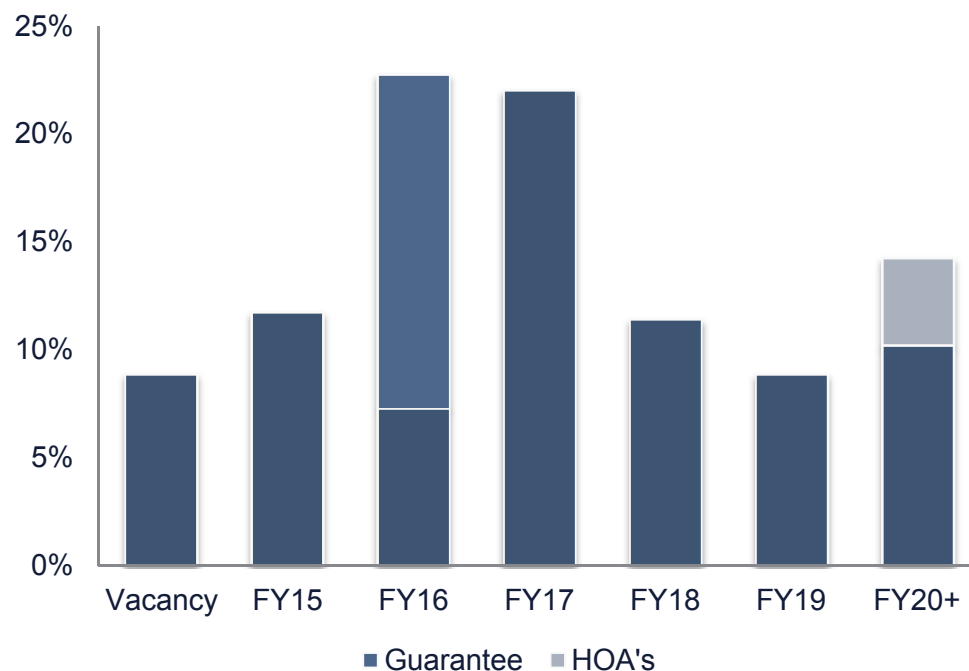
Valuation details as at last valuation date

Independent valuation date	30 June 2014
Independent valuation	\$121.0 million
Rate/sqm of NLA	\$6,137
Capitalisation rate	8.00%
Discount rate	9.00%

Key metrics as at 1 August 2014

Grade	B
NLA Total (sqm)	19,715
NLA Office (sqm)	18,475
NLA Retail (sqm)	1,240
Typical floor plate (sqm)	800
Car parking	95
Occupancy (by NLA)	91%
WALE (by NLA)	2.9 years
NABERS Energy rating	5 stars

307 Queen Street, Brisbane



- Executed new five year lease with Glencore Australia
 - 796 sqm (whole floor)
 - Lease commences October 2014
- High levels of tenant enquiry
 - Asset well positioned to capture small and mid sized tenants, leading the tenant enquiry in Brisbane
- Strategically managing the expiry of the Guarantees

NLA		Rent review			
Tenant name	sqm	% total	Type	% p.a.	Lease expiry
Hanrick Curran Administration Pty Ltd	1,592	8%	Fixed	3.75%	FY18
Chandler MacLeod Group Pty Ltd	1,234	6%	Fixed	4.50%	FY17
William Buck (Qld)	822	4%	Fixed	3.00%	FY22
Wellington Capital Limited	822	4%	-	-	FY15

25 Grenfell Street, Adelaide



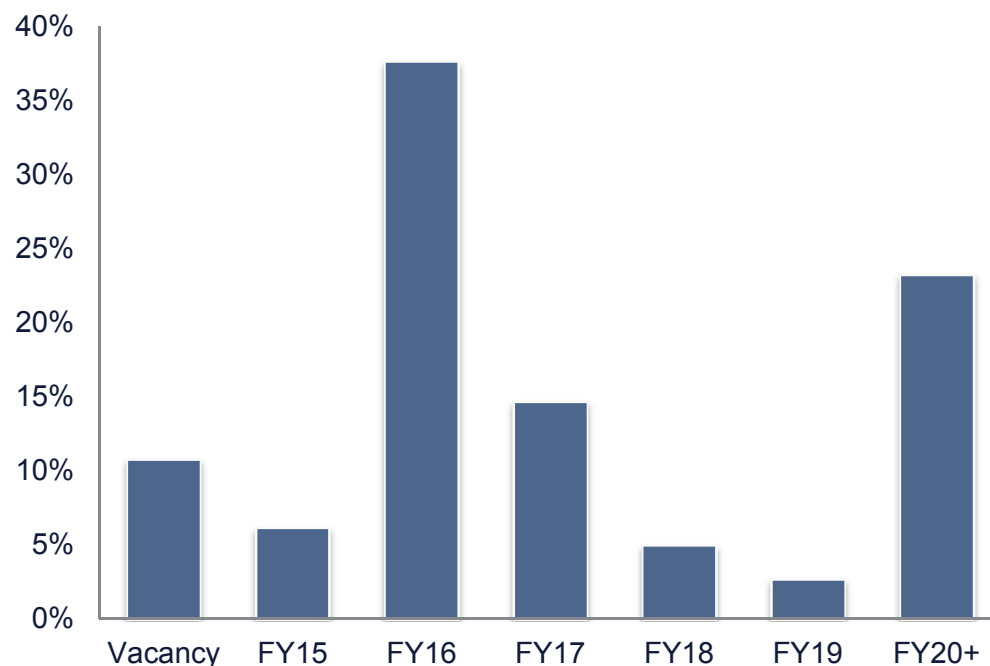
Valuation details as at last valuation date

Independent valuation date	1 October 2013
Independent valuation	\$109.0 million
Rate/sqm of NLA	\$4,300
Capitalisation rate	8.50%
Discount rate	9.50%

Key metrics as at 1 August 2014

Grade	A
Total NLA (sqm)	25,352
NLA Office (sqm)	24,152
NLA Retail (sqm)	1,200
Typical floor plate (sqm)	1,040
Car parking	30
Occupancy (by NLA)	89%
WALE (by NLA)	3.2 years
NABERS Energy rating	4 stars

25 Grenfell Street, Adelaide



- In negotiations with SA Government (PIRSA and Department of Water) about renewing leases due to expire during FY16
- Opportunities to lease vacant space to short term project users

Tenant name	sqm	NLA		Rent review		Lease expiry
			% total	Type	% p.a.	
Minister for Administrative Services (PIRSA)	5,408		21%	Fixed	3.00%	FY16
Minter Ellison	5,229		21%	Fixed	3.75%	FY23
Minister for Administrative Services (Department of Water)	4,176		16%	Fixed	3.00%	FY16
Commonwealth of Australia	1,078		4%	Fixed	3.75%	FY17

66 Goulburn Street, Sydney



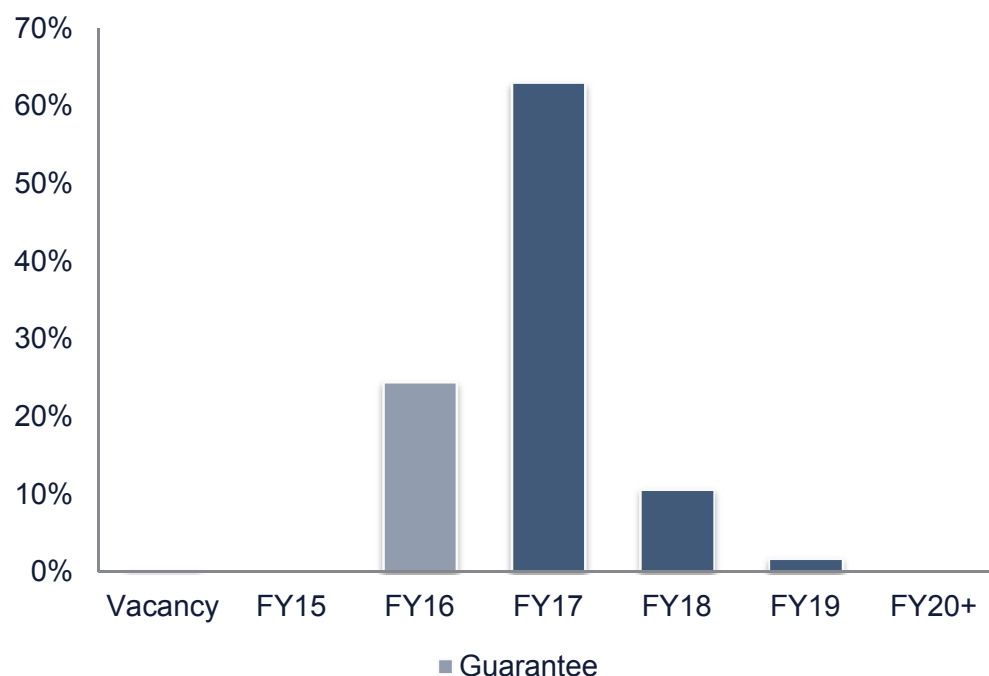
Valuation details as at last valuation date

Independent valuation date	26 May 2014
Independent valuation	\$138.0 million
Rate/sqm of NLA	\$5,954
Capitalisation rate	7.50%
Discount rate	9.00%

Key metrics as at 1 August 2014

Grade	A
NLA Total (sqm)	23,176
NLA Office (sqm)	22,897
NLA Retail (sqm)	279
Typical floor plate (sqm)	950
Car parking	54
Occupancy (by NLA) ⁽²⁾	100%
WALE (by NLA) ⁽²⁾	2.3 years
NABERS Energy rating	5.5 stars

66 Goulburn Street, Sydney



- Guarantees cover approximately 25% of NLA
 - Guarantee can be drawn over five years, but in the absence of any leasing it is intended to be drawn down over 22.5 months
 - Based on current levels of enquiry, confident of achieving leasing deals and therefore extending the Guarantee
- Intention to move tenants from 233 Castlereagh St and other nearby assets being repositioned for conversion

Tenant name	NLA		Rent review		Lease expiry
	sqm	% total	Type	% p.a.	
Consolidated Media Holdings Limited	10,432	45%	Fixed	4%	FY17
William Buck Services (NSW) Pty Limited	1,950	8%	Fixed	4%	FY17
Prudential Investment Company of Australia Pty Limited	1,500	6%	Fixed	4%	FY18



ABOUT GDI PROPERTY GROUP

Overview of GDI Property Group

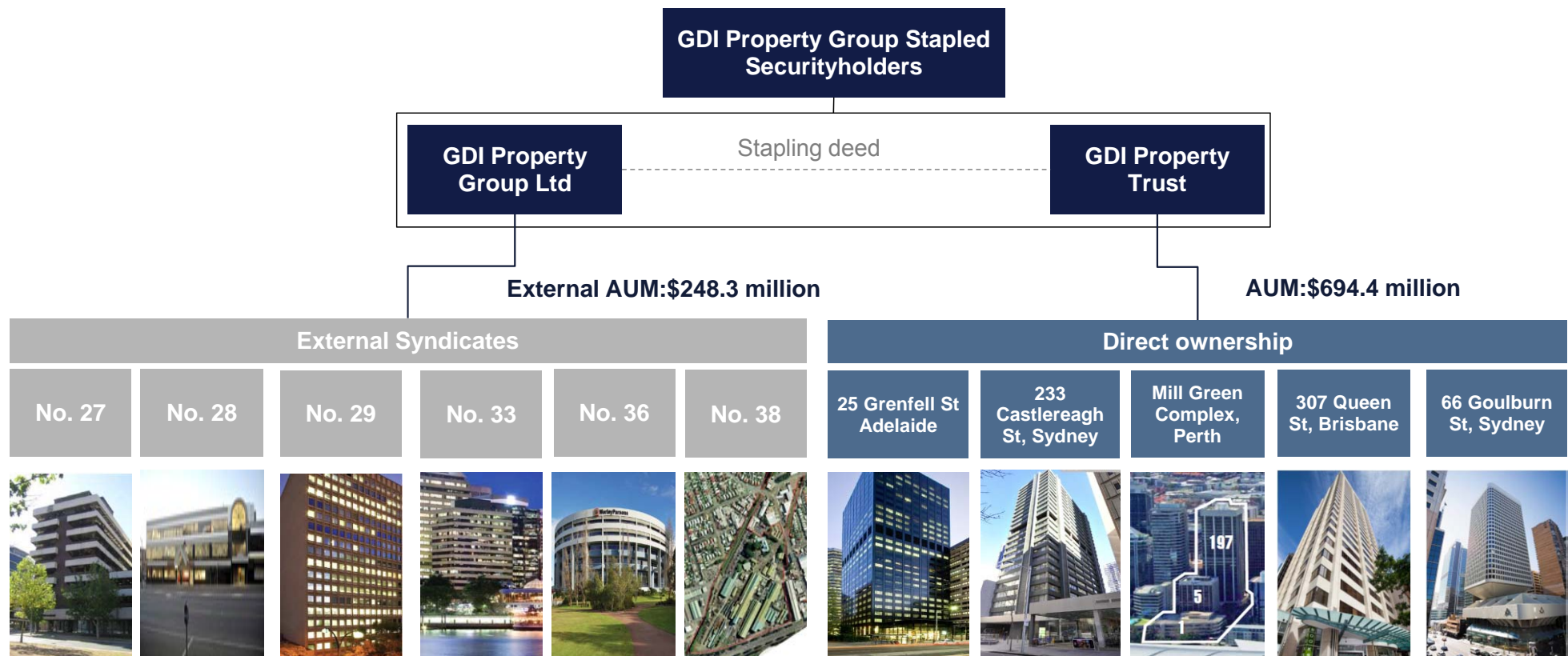
Snapshot

- ASX: GDI
- Listed: 17 December 2013
- Market capitalisation: \$516.5 million as at 21 August 2014
- Vendors hold ~10% (escrowed until 30 June 2015) – open register
 - Average daily trading of \$1 million and median trading of \$325,000 for the period from listing to 30 June 2014
- Enterprise value: \$825.5 million as at 21 August 2014
- AUM: \$1.08 billion as at 21 August 2014
- 20 year track record delivering average IRR on completed funds of +20%
 - No negative returns – only one single digit IRR

Structure

- Integrated, internally managed property and funds management group with capabilities in ownership, management, refurbishment, leasing and syndication of office properties
- Specialist value add / core plus office owner and manager with a small but hands on management team and an experienced Board
- All assets are acquired below managements view of intrinsic value and are typically multi tenanted properties with easily divisible floor plates and four sides of natural light
 - No development or 'fund through'

Structure



- GDI Property Trust will acquire CBD office assets with an acquisition value of over \$100 million - all other properties (office or industrial) are considered for the Funds Business
- No cross ownership between GDI Property Trust and Funds Business – alignment is through performance fees
 - No trading of assets between GDI Property Trust and Funds Business

Management team



Mr Steven Gillard
Managing Director

Mr Gillard has had over 30 years' experience in property related industries and is a Fellow Member of the Australian Property Institute (FAPI). Mr Gillard has spent over 11 years working for major agency firms in property management, subsequently specialising in investment sales and development site sales for Colliers International and DTZ.

In 1991, Mr Gillard moved to the financial markets where he spent seven years as a senior analyst for international stockbroking firms, specifically in the property and tourism sectors.

Mr Gillard completed many major property and tourism related capital raisings during this period. For the next seven years Mr Gillard advised ASX and unlisted companies on the acquisition and sale of property and related businesses. Since Mr Gillard joined GDI group in 2005, assets under management has grown from \$70 million to \$700 million.



Mr David Williams
Chief Financial Officer and Joint Company Secretary

Mr Williams has 20 years' experience in the accounting and financial services industry with major accounting firms, commercial banks and international investment banks. Mr Williams joined GDI group in early 2013 as a consultant, and from the time GDI Property Group listed was formally appointed as Chief Financial Officer and joint company secretary.



Mr John Garland
Head of Property

Mr Garland has over 25 years' experience in the property industry including five years with GDI group. Prior to this, Mr Garland was general manager of a private property investment company focusing primarily on value-add style commercial and industrial property investments.



Mr Paul Malek
Asset Management and Joint Company Secretary

Mr Malek joined GDI group in 2011. Mr Malek has over 26 years' experience in the financial services industry both with bank and non-bank financial institutions specialising in funding of commercial real estate with both private and institutional clients.



Mr Greg Marr
Head of Unlisted Funds

Mr Marr has 27 years experience in the property industry, initially in agency and then in senior management roles within Dexus and The GPT Group where he focussed on capital transactions, asset and investment management. He was most recently Managing Director and Head of Capital Markets for DTZ, a global corporate real estate services provider.

Executive Board



Mr Graham Kelly
Chairman

Mr Kelly is a professional non-executive director with over 40 years' experience in academic life, government service, the diplomatic service, private legal practice, and business management. He has had extensive board experience with numerous listed entities. He was appointed as chairman in October 2013.



Mr Steven Gillard
Managing Director
See previous page



Mr Anthony Veale
Non-Executive Director

Mr Veale is a co founder of GDI Property Group which he established in 1993 . Mr Veale was the driving force behind the establishment of the GDI Property Group's unregistered managed investment schemes business and investor base.

Mr Veale served as executive chairman of the GDI Property Group between 2005 and November 2013 also acting as the GDI Funds Managements Ltd's responsible officer for compliance, coordinating investor liaison and overseeing the operation and performance of GDI's unregistered schemes and the GDI business.

Mr Veale has a 36 year career in Property. He is a qualified Chartered Surveyor and has a Degree in Valuations and Estate Management from the University of the West of England.



Ms Gina Anderson
Independent Non-Executive Director

Ms Anderson is a senior professional with diverse experience in an ASX Top 10 public company (Westpac), large private company (St Hilliers) and non-profit organisation (Philanthropy Australia), having held chief executive, corporate affairs, stakeholder engagement, communications, project management and human resources roles. Ms Anderson was appointed as a director in October 2013.



Mr Les Towell
Independent Non-Executive Director

Mr Towell has been a director of GDI Funds Management Limited (in its personal capacity and as trustee of any trust) since 2003, and has been a director of GDI group since 1998. He has over 45 years' experience in the financial services industry; specialising in compliance, trustee services and private company directorships.



ANNEXURES

Consolidated Statement of Profit or Loss

	Group	Trust
	2014	2014
	\$'000	\$'000
Revenue from ordinary activities		
Property income	34,166	34,166
Funds management income	3,390	-
Interest revenue	209	183
Other income	219	219
Total revenue from ordinary activities	37,985	34,568
Net fair value gain of investment property	8,699	8,699
Total income	46,684	43,267
Expenses		
Property expenses	9,339	9,339
Finance costs	4,522	4,522
Net fair value loss on interest rate swaps	2,228	2,228
Corporate and administration expenses	2,212	323
Initial public offer costs	15,480	13,007
Total expenses	33,782	29,419
Profit before tax	12,903	13,848
Income tax benefit	16	-
Net profit for the period	12,919	13,848
Other comprehensive income	-	-
Total comprehensive income for the period	12,919	13,848
Profit and total comprehensive income attributable to:		
Company shareholders	(929)	-
Trust unitholders (non-controlling interest)	13,848	13,848
Profit and total comprehensive income	12,919	13,848
	Cents	Cents
Basic and diluted earnings/(loss) per stapled security/trust unit	2.28	2.44

Consolidated Statement of Financial Position

	Group 2014 \$'000	Trust 2014 \$'000
Current assets		
Cash and cash equivalents	14,718	13,914
Trade and other receivables	4,827	854
Other assets	7,381	7,369
Total current assets	26,926	22,137
Non-current assets		
Investment properties	694,351	694,351
Plant and equipment	110	-
Deferred tax asset	518	-
Intangible assets	18,110	-
Total non-current assets	713,089	694,351
Total assets	740,015	716,487
Current liabilities		
Trade and other payables	24,056	23,276
Provisions	124	-
Total current liabilities	24,180	23,276
Non-current liabilities		
Borrowings	169,333	169,333
Derivative financial instruments	2,228	2,228
Deferred tax liabilities	-	-
Provisions	102	-
Other liabilities	11	11
Total non-current liabilities	171,673	171,571
Total liabilities	195,853	194,847
Net assets	544,162	521,640
Equity		
Contributed equity	23,451	527,657
Retained profits	(929)	(6,017)
Equity attributable to equity holders of the Company/ Trust	22,522	521,640
Non-controlling interest		
Contributed equity	527,657	-
Retained profits	(6,017)	-
	521,640	-
Total equity	544,162	521,640

Segment performance

	Property \$'000	Funds management \$'000	Reviewed but unallocated \$'000	Total \$'000
<i>Profit after tax from ordinary activities</i>				
Property income	34,166	-	-	34,166
Funds management income	-	3,390	-	3,390
Interest income	183	27	-	209
Other income	219	-	-	219
Total operating segment revenue	34,568	3,417	-	37,985
Property expenses	9,339	-	-	9,339
Finance costs	4,522	-	-	4,522
Corporate and administration expenses	323	-	1,889	2,212
Initial public offer costs	13,007	2,473	-	15,480
Total operating segment expenses	27,191	2,473	1,889	31,554
Straight-lining rental income	(1,559)	11	-	(1,549)
Initial public offer costs	13,007	2,473	-	15,480
Other FFO Adjustments	-	(449)	-	(449)
Amortisation and depreciation	97	14	-	111
Movement in rental guarantees	2,156	-	-	2,156
Funds From Operations	21,078	2,992	(1,889)	22,181
Straight-lining rental income	1,559	(11)	-	1,549
Amortisation and depreciation	(97)	(14)	-	(111)
Other FFO adjustments	-	449	-	449
Rental guarantee income	(2,156)	-	-	(2,156)
Income tax (expense)/benefit		16	-	16
Initial public offer costs	(13,007)	(2,473)	-	(15,480)
Net fair value gain on investment properties	8,699	-	-	8,699
Net fair value loss on interest rate swaps	(2,228)	-	-	(2,228)
Profit after tax from ordinary activities	13,848	960	(1,889)	12,919