
ASX ANNOUNCEMENT

7 November 2014

PROPOSED SALE OF 233 CASTLEREAGH STREET, SYDNEY

GDI Funds Management Limited, as Responsible Entity of GDI Property Trust, is pleased to announce that it has entered into a conditional put and call option deed ("Option Deed") for the sale of 233 Castlereagh Street, Sydney for a sale price of \$156 million.

The \$156 million sale price for the 233 Castlereagh Street, Sydney represents an increase of \$27 million compared to the 30 June 2014 independent valuation, equivalent to approximately 4.8 cents per stapled security and an increase of approximately 6 cents per security above the value ascribed at the time of the Initial Public Offer. Following this sale and the acquisition of 66 Goulburn St, Sydney, GDI Property Group's pro forma NTA per security is now \$0.97.

Commenting on the sale, Managing Director of GDI Property Group Mr Steve Gillard said it was a great result and validated the GDI Property Group business model of buying well-located CBD office properties with multiple exit options.

The Option Deed is conditional upon GDI Property Group procuring by 30 September 2015 delivery of a copy of the amendment or replacement by the Consent Authority of the Restriction on Use covenant to the title of the Property in relation to the allowable Gross Floor Area to a level agreed upon by GDI Property Group and the Purchaser ("Precondition").

The Option Deed will immediately become unconditional upon satisfaction or waiver of the Precondition, but may be rescinded by either party if the amendment or replacement has not been received by 30 September 2015.

GDI Property Group has been in discussion with the Consent Authority and is confident that it will approve the amendment or replacement of the Restriction on Use.

Other key terms of the Option Deed include:

Option fees:

- a \$1 million Call Option Fee has been paid on execution of the Option Deed;
- a further \$7 million Call Option Fee is payable on the later of 28 days after the Consent Authority has provided written confirmation that it will amend or replace the Restriction on Use, or 31 January 2015; and
- a further Call Option Fee of \$7.6 million is payable to GDI Property Group on the earlier of 5 May 2015 and the date the Purchaser exercises the Call Option.

The option fees will be released to GDI Property Group immediately following notification to the Purchaser that the Precondition has been satisfied or has been waived by the Purchaser. If the Option Deed has been rescinded (due to the Precondition not being satisfied or waived by the Purchaser) the Call Option Fee paid up to the rescission date is to be refunded to the Purchaser.

Option exercise timing:

- the Call Option is exercisable at any time between 1 July 2015 and 12 August 2015; and
- the Put Option is exercisable between 13 August 2015 – 19 August 2015.

Deposit:

- assuming the Option is exercised by either the purchaser or GDI Property Group, the Call Option Fees will form the deposit under the sale contract for the 233 Castlereagh Street, Sydney; and
- if the Option is not exercised, the Call Option Fees will be forfeited to GDI Property Group.

Settlement:

- assuming the option is exercised, settlement of the sale would be scheduled to occur on or before 30 September 2015.

Under the terms of the extension to the finance facility to fund the acquisition of 66 Goulburn St, Sydney, GDI Property must repay at least \$75 million of bank debt from the proceeds of sale. GDI Property Group will consider alternatives for use of the remaining net proceeds, including acquisitions and capital management initiatives.

Media Enquiries:

Steve Gillard
Managing Director
+61 2 9223 4222
steve@gdi.com.au

David Williams
Chief Financial Officer
+61 2 9223 4222
david@gdi.com.au