
ASX ANNOUNCEMENT

14 April 2015

GDI Property Group is pleased to announce it has exchanged contracts to acquire 80 George Street, Parramatta for \$38.7 million. 80 George Street, Parramatta will be the sole asset of GDI No. 40 Office Trust, a new unlisted property fund ("**New Fund**") to be launched by GDI Property Group within the next month¹.

80 George Street, Parramatta is a distinctive, fully leased, B grade office tower located in the tightly held central commercial precinct of the Parramatta CBD, in close proximity to amenities such as Westfield Parramatta, the rail station, Parramatta Square and the river. The location is also well serviced by bus, and convenient car parking, both under the building and in nearby parking stations.

Prominently located on the corner of George Street and Horwood Place, the property provides approximately 8,184 sqm of good quality, functional office and retail space over 10 upper levels and one ground floor level, around a central core with four sides of natural light. Upon settlement on or before 20 June 2015, GDI Property Group intends to immediately commence refurbishment works and mechanical upgrades, with an aim of improving the properties appeal, NABERS ratings and amenity.

Mr Steve Gillard, Managing Director of GDI Property Group explained that GDI Property Group had been investigating the Parramatta market for a number of years. "Vacancy rates in the Parramatta office market remain tight, being one of the lowest for all CBD office precincts around Australia. Net absorption is forecast to be positive and prime net face rents are also forecast to grow over the next two years".

Mr Greg Marr, Head of Unlisted Funds at GDI Property Group, stated that the New Fund would be launched within a month¹. Although details of the New Fund were still being finalised, Mr Marr explained that it was expected to have a commencing yield of 8.5%p.a.² and a conservative capital structure that would enable GDI Property Group to fund the refurbishment works. "Given the quality of the asset and the attractive commencing yield, we anticipate a strong level of interest in the New Fund once it is launched", Mr Marr explained.

Settlement of the property is scheduled to occur no later than 20 June 2015.

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¹ This announcement does not constitute an offer to any person. The offer under the Information Memorandum will only be made to persons who are wholesale clients for the purposes of section 761G or section 761GA of the Corporations Act. The trustee of the New Fund is GDI No. 40 Pty Limited ACN 604 536 969 (the Trustee), which does not hold an Australian financial services licence. Accordingly, no offer will be made to any person other than an offer by GDI Funds Management Limited ACN 107 354 003 AFSL 253 142 (GDIFM) to arrange the issue of units, under an agreement between the Trustee and GDIFM in accordance with section 911A(2)(b) of the Corporations Act. The information in this announcement has been prepared without taking into account the investment objectives, financial situation or needs of any person. Before making an investment decision, you should read the Information Memorandum (when released) and consider whether the investment is appropriate for you in light of your particular investment needs, objectives and financial circumstances. We recommend you seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest in the New Fund. No GDI Property Group entity guarantees any particular rate of return, the performance of any investment in the New Fund or the repayment of capital from the New Fund. Investments are subject to investment and other risks. This could involve delays in repayment and loss of income or capital invested.

² The expected yield is based on certain assumptions and may not be achieved.