
ASX ANNOUNCEMENT

5 June 2015

SATISFACTION OF FIRST PRECONDITION TO SALE OF 233 CASTLEREAGH STREET, SYDNEY

GDI Property Group is pleased to announce that it has received written confirmation from the Consent Authority that it agrees to amend the Restrictive Covenant on terms contemplated in the Option Deed relating to the sale of 233 Castlereagh Street, Sydney. Receipt of this confirmation is the first precondition ("**First Precondition**") of the Option Deed. The second precondition ("**Second Precondition**") is the Consent Authority signing in registrable form an instrument that gives effect to the amendment.

Mr Steve Gillard, Managing Director of GDI Property Group stated that he was pleased the Consent Authority has confirmed that they would amend the Restrictive Covenant on terms contemplated in the sale of 233 Castlereagh Street, Sydney. "This is the most important step to achieving settlement of 233 Castlereagh Street, Sydney on 30 September 2015. GDI Property Group would now prepare an instrument for the Consent Authority to sign that gives effect to what it has agreed to." Mr Gillard stated.

If the Second Precondition is not satisfied by 30 September 2015, then either party may rescind the Option Deeds at any time, or the Purchaser may waive the Second Precondition.

Other terms of the Option Deed and Contract for Sale include:

Option fees:

The Call Option Fee of \$15.6 million is payable in three instalments as follows:

- a \$1 million Call Option Fee was paid on execution of the Option Deed;
- now the First Precondition has been satisfied, \$7 million is payable within 28 days; and
- the final \$7.6 million is payable on the later of five business days after the Second Precondition has been satisfied and the date the Purchaser exercises the Call Option.

Option exercise timing:

- the Call Option is exercisable at any time between 1 July 2015 and the later of 12 August 2015 and five business days after the Second Precondition is satisfied or waived by the purchaser; and
- the Put Option is exercisable at any time up to five business days after the Call Option has expired.

Settlement:

In the event either Option is exercised, then settlement of the sale will occur on the later of 30 September 2015 and 28 days after the Second Precondition is satisfied or waived by the Purchaser. The three Call Option instalment payments totalling \$15.6 million will form the deposit under the Contract for Sale if either the Call Option or Put Option is exercised.

GDI Property Group intends to release its full year financial results on Monday 24th August 2015 and, assuming the Option Deed has been exercised, will update the market on the use of the settlement proceeds at that time. Options being explored include new acquisition opportunities, increasing the on market buy back from 5 percent to 10 percent and repaying debt.

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