
ASX ANNOUNCEMENT

20 February 2017

Results release

GDI Property Group¹ is pleased to release its 31 December 2016 half yearly financial results. The highlight for the period was undoubtedly exchanging contracts for the sales of 25 Grenfell Street, Adelaide and 307 Queen Street, Brisbane, for a combined premium above book value of approximately \$24.4 million. The post period end settlements of these transactions has left GDI Property Group with only \$49.4 million of drawn debt and a loan to value ratio of just over 8%. Although this enables GDI Property Group to undertake acquisitions of over \$250 million and still be within the Board's gearing policy, we will continue to be prudent with our capital and will review acquisition opportunities with some caution.

Other highlights for the period included:

- the leasing of 8,800sqm of the 10,432sqm vacancy created by the departure of Consolidated Media holdings Limited from 66 Goulburn Street, Sydney
- increased occupancy at 197 St Georges Terrace, Perth (to 100%) and 5 Mill Street, Perth, with all indications suggesting that the Perth leasing market has bottomed
- strong demand from tenants for the refurbished space at 50 Cavill Avenue, Surfers Paradise, with both the pace of leasing up and the effective rents being achieved exceeding GDI Property Group's acquisition expectations
- an increase in the net tangible asset per security of \$0.06 to \$1.07 following the sales mentioned above and the revaluation of all the remaining properties
- the sale of 80 George Street, Parramatta, for \$51.88 million on behalf of GDI No. 40 Office Trust with investors in that fund receiving an internal rate of return² in excess of 19% for the approximately 18 month investment

Buyback

GDI Property Group today also announces that its Board has approved an on-market securities buy-back ("buy-back") as part of its active approach to capital management. Should market conditions permit, GDI Property Group intends to undertake the buy-back of 5% of GDI securities within the next 12 months. The buyback will be funded from undrawn debt facilities.

Guidance

GDI Property Group is pleased to provide guidance for the remainder of FY17, subject to no material change in circumstances, as follows:

- Funds from operation (FFO) per security of not less than 8.2 cents for the full year, noting that the first half's FFO per security was 4.73 cents
- Distribution per security of not less than 7.75 cents for the full year, noting that the first half's distribution was 3.875 cents

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1. GDI Property Group comprises the stapled entities GDI Property Group Limited (ACN 166 479 189) and GDI Property Trust (ARSN 166 598 161)
 2. Internal rate of return; IRR means the discount rate that makes the net present value of all cash flows from a particular project equal to zero