
ASX ANNOUNCEMENT

18 October 2016

GDI Property Group is pleased to announce that GDI No. 40 Pty Limited atf GDI No. 40 Office Trust has exchanged contracts to sell 80 George Street, Parramatta for \$51.88 million, with settlement scheduled for late January 2017. 80 George Street, Parramatta was acquired in June 2015 and the sale price reflects a 34% gross premium to the acquisition price of \$38.70 million. Investors in GDI No. 40 Office Trust are likely to receive an internal rate of return on their equity invested of approximately 19%, with GDI Property Group also generating approximately \$1.5 million of disposal and performance fees.

When GDI Property Group acquired 80 George Street, Parramatta, it immediately commenced a refurbishment program, including upgrading the foyer and painting the exterior. Lift lobbies were also upgraded as they became available. On the back of this refurbishment program, GDI Property Group has been able to drive net rents between \$50 and \$95 per sqm higher, thereby significantly increasing both the passing income and the adopted market rent of the property. GDI Property Group also successfully negotiated an extension of Westpac Banking Corporation's lease through to 30 September 2020, increasing the weighted average lease expiry to over 4 years as at 30 June 2016 from 2.9 years at acquisition.

GDI Property Group is actively reviewing a number of opportunities and hopes to launch a new fund that offers a similar return potential early in 2017.

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