



GDI PROPERTY GROUP

Half yearly results presentation

Disclaimer

This presentation has been prepared and issued by GDI Property Group Limited (ACN 166 479 189) and GDI Funds Management Limited (ABN 34 107 354 003, AFSL Number 253 142) as responsible entity of GDI Property Trust (ARSN 166 598 161). Shares in GDI Property Group Limited are stapled to units in GDI Property Trust, which with their controlled entities, form GDI Property Group (ASX:GDI). This is not an offer of securities for subscription or sale and is not financial product advice.

Information in this presentation, including, without limitation, any forward looking statements or opinions (the Information) may be subject to change without notice. To the extent permitted by law, GDI Property Group, GDI Property Group Limited, GDI Funds Management Limited and their officers, employees and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the Information and disclaim all responsibility and liability for it (including, without limitation, liability for negligence). Actual results may differ materially from those predicted or implied by any forward looking statements for a range of reasons outside the control of the relevant parties. You should note that returns from all investments may fluctuate and that past performance is not necessarily a guide to future performance.

The Information in this presentation should not be considered to be comprehensive or to comprise all the information which a GDI Property Group security holder or potential investor may require in order to determine whether to deal in GDI Property Group securities. Whilst every effort is made to provide accurate and complete information, GDI Property Group does not represent or warrant that the information in this presentation is free from errors or omissions, is complete or is suitable for your intended use. In particular, no representation or warranty is given as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in the information – such material is, by its nature, subject to significant uncertainties and contingencies. This presentation does not take into account the financial situation, investment objectives and particular needs of any particular person. Any prospective investor or other security holder must satisfy itself by its own investigation and by undertaking all necessary searches and enquiries as to the accuracy and comprehensiveness of all Information contained in this presentation.

The repayment and performance of an investment in GDI Property Group is not guaranteed by GDI Property Group Limited or GDI Funds Management Limited or any of their related bodies corporate or any other person or organisation.

A investment in GDI Property Group is subject to investment risk, including possible delays in repayment, the loss of income and the loss of the amount invested.



INTRODUCTION

A solid first half

- FFO¹ of \$23.97 million, representing 52% of full year FFO guidance of \$46.27 million
- Paid our forecast distribution of 3.75 cents per stapled security
 - Payout ratio of 89% of FFO and 100% of AFFO
- NTA² per security of \$0.96, up \$0.03 from 30 June 2014 and \$0.05 from Initial public offer (IPO)
 - Mill Green Complex (+\$2.0 million) and 25 Grenfell St, Adelaide (nil change) revalued at 31 December 2014
 - Increase primarily due to the conditional sale of 233 Castlereagh St, Sydney
- Settled the acquisition of 66 Goulburn St, Sydney for \$136 million, vs an independent valuation of \$138 million
- Conditionally sold 233 Castlereagh St, Sydney for \$156 million
- Portfolio occupancy³ 89%
- Weighted average lease expiry³ (WALE) at 23 February 2015 of 4.2 years (30 June 2014: 3.3 years), and 4.6 years excluding 233 Castlereagh St, Sydney
- Excluding 233 Castlereagh St, Sydney, no major lease expiries in remainder of FY15

-
1. FFO is a Property Council of Australia definition which adjusts AIFRS net profit for non-cash changes in Investment properties, non-cash impairment of goodwill, non-cash fair value adjustments to financial instruments, amortisation of incentives, straight-line adjustments and other unrealised one-off items. GDI Property Group also adjusts funds management performance fees charged that remain unpaid from its calculation of FFO.
 2. Calculated as total assets less total liabilities, excluding deferred tax assets, intangible assets and derivative financial instruments, the benefit of the surrender payment ceases.
 3. By Net Lettable Area (NLA). Includes guarantees, signed Heads of Agreement and, where a lease has been surrendered, assumed occupancy until the benefit of the surrender payment ceases.

On track for FY15

- Confirm full year guidance of FFO of 8.2 cents per security and distribution of 7.5 cents per security
- Balance sheet in a sound position with no debt expiry until 16 December 2016
 - Gearing of 34%¹
 - Unutilised bank facilities of \$34 million as at 31 December 2014
- Property portfolio well positioned
 - Occupancy² as at 23 February of 89%, WALE² (by NLA) of 4.2 years (4.6 years excluding 233 Castlereagh St, Sydney)
 - Excluding 233 Castlereagh St, Sydney, 0.7% of the Portfolio NLA expires in remainder of FY15, 8.4% in FY16
 - Since 1 July 2014, 25,440 sqm of office space (20% of the Portfolio) has been either leased, renewed, extended or is subject to signed Heads of Agreement to lease
- Progressing satisfaction of condition of option deeds for the sale of 233 Castlereagh St, Sydney
- Continued momentum in the funds business
 - An approximately \$40 million asset in exclusive due diligence
 - Reviewing other \$40 - \$60 million opportunities
 - Subject to due diligence, expect to launch GDI No. 40 Office Trust in Q4 of FY15

1. Calculated as net debt divided by total assets less intangibles, deferred tax assets and cash and cash equivalents.

2. Including signed Heads of Agreement, guarantees and, where a lease has been surrendered, assumed occupancy until the benefit of the surrender payment ceases.



FINANCIAL RESULTS

Profit and Loss

- Total comprehensive income for the period of \$36.1 million, includes revaluations of +\$25.5 million, mark to market loss on interest rate swaps of -\$2.6 million and acquisition expenses relating to 66 Goulburn St, Sydney of -\$7.6 million
- Property income[↑] +\$5.3 million vs previous 28 week period ended 30 June 2014, primarily due to acquisition of 66 Goulburn St, Sydney and leasing successes in 197 St Georges Terrace and 307 Queen St, Brisbane
- Funds management income[↓] -\$2.4 million vs previous 28 week period ended 30 June 2014, as no contribution from activity based fees

	As at 31 December 2014 \$'000
Revenue from ordinary activities	
Property income	39,513
Funds management income	958
Interest revenue	155
Net fair value gain of investment property	25,474
Total income	66,100
Expenses	
Property expenses	9,671
Finance costs	7,261
Net fair value loss on interest rate swaps	2,588
Corporate and administration expenses	2,742
Acquisition expenses	7,624
Initial public offer costs	729
Total expenses	30,615
Profit before tax	35,485
Income tax benefit	597
Net profit for the period	36,082
Other comprehensive income	-
Total comprehensive income for the period	36,082

NPAT to AFFO

- FFO of \$23.97 million, 52% of full year guidance of \$46.27 million
- Cash received from guarantees at 233 Castlereagh St, Sydney, 66 Goulburn St, Sydney and 307 Queen St, Brisbane, not included in Property revenue
- Portfolio acquisition and other transaction costs includes acquisition costs (\$7.6 million) and Initial public offer (IPO) expenses of \$729,000
 - Includes the expense relating to 1.5 million performance rights issued to staff (excluding the Managing Director) as disclosed in the Offer Document, which will be reversed for FFO purposes over the vesting period

	Group \$'000
Total comprehensive income for the period	36,082
Portfolio acquisition and other transaction costs	8,353
Cash received from guarantees	3,495
Straightlining adjustments	(1,300)
Amortisation of debt and incentives	824
Fair value adjustments	(22,886)
Other FFO adjustments	(597)
FFO	23,971
Maintenance capex	(345)
Cash fitout payments	(657)
Incentive abatement	(296)
Rent free adjustment	(859)
Leasing fees capitalised	(460)
AFFO	21,354
Payout ratio for FFO	89%
Payout ratio for AFFO	100%

Balance sheet in a strong position

- Property revaluations of \$25.5 million equivalent to 4.5 cents per security
 - Principle contribution from the revaluation of 233 Castlereagh St, Sydney to \$156 million as a result of the conditional sale announced on 6 November 2014
 - 233 Castlereagh St, Sydney now classified as current asset held for sale
- Bank facility increased to \$348 million to fund the acquisition of 66 Goulburn St, Sydney, \$34 million undrawn as at 31 December 2014
- NTA¹ increased to \$0.96 per security

	As at 31 December 2014	As at 30 June 2014
	\$'000	\$'000
Total current assets	181,322	26,926
Investment properties	700,359	694,351
Other assets	1,233	627
Intangible assets	18,110	18,110
Total assets	901,024	740,015
Total current liabilities	28,637	24,180
Borrowings	307,974	169,333
Derivative financial instruments	4,816	2,228
Other liabilities	46	112
Total liabilities	341,473	195,853
Net assets	559,551	544,162
Net tangible assets	545,143	525,534
NTA per security	\$0.96	\$0.93

1. Calculated as total assets less total liabilities, excluding deferred tax assets, intangible assets and derivative financial instruments, divided by securities on issue.

Debt profile

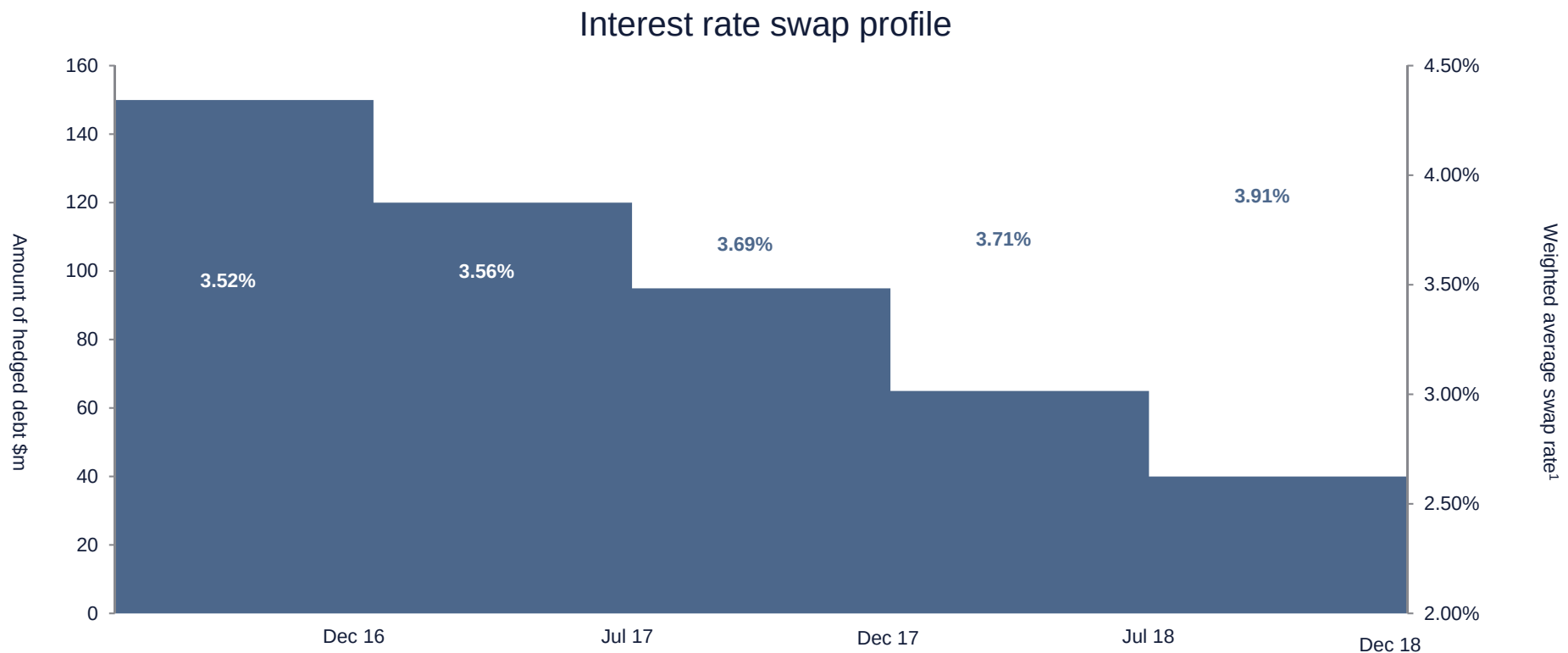
- Drawn debt of \$309 million, split between 5 year (Tranche A) and 3 year (Tranche B) maturities
- No expiry until FY17 (December 2016)

	Facility size \$'000	Drawn \$'000	Undrawn \$'000	Expiry
Tranche A	85,000	85,000	-	Dec 18
Tranche B	228,000	224,000	4,000	Dec 16
Tranche C	30,000	-	30,000	Dec 16
Tranche D (BG)	5,000	-	-	Dec 16
TOTAL	348,000	309,000	34,000	
Key covenants	Maximum Covenant LVR ¹ ratio 50% vs actual 37%			
	Covenant ICR ² 2.0X vs actual of 4.1X			

1. Covenant LVR is calculated as total debt including net derivative exposures divided by the value of the properties
2. Covenant ICR is calculated as EBIT for the previous 12 month period divided by interest expense for the previous 12 month period. The IPO expenses have been excluded from EBIT in calculating the Covenant ICR for the period ended 31 December 2014

Interest rate hedging

- Board hedging policy of at least 50% of drawn debt hedged
 - post the acquisition of 66 Goulburn St, Sydney at 49%, but is expected to remain below target given strategy to sell 233 Castlereagh St, Sydney
- All in cost of drawn debt for the period of 4.71% (inclusive of line fees on undrawn facilities, but excluding amortisation of establishment fees)



1. Excluding margin and line fees



GUIDANCE AND STRATEGY

Guidance and strategy

- Confirm Offer Document¹ forecasts for FY15 FFO of 8.2c per security and distribution of 7.5c per security
- Strategy remains unchanged, but management's objectives for FY15 include:

Strategy as detailed at 30 June 2014

Sell 233 Castlereagh St, Sydney and review capital alternatives

Launch at least two new funds

Execute leases for 197 St George's Terrace

Lease 5 Mill St, Perth by 30 June 2015

Lease 1 Mill St, Perth by 30 June 2015

Renew FY16 expiries at 25 Grenfell St, Adelaide

Status as at 23 February 2014

- Conditional sale entered in to 6 November 2014
- Lodging S96 Application to Consent Authority
- One asset in exclusive due diligence
- Reviewing other opportunities

Completed

- Occupancy currently² 88%
- Remain committed to leasing by 30 June 2015
- Space suits a number of tenants currently in the market
- Alternative asset management strategies also being progressed
- Heads of Agreement signed with PIRSA (subject to cabinet approval) for a new 12 year lease for existing and additional space
- Department of Water lease extended by 6 months

1. Prospectus and Product Disclosure Statement dated 25 November 2013

2. Includes 6% that has been surrendered but is assumed to be occupied until 30 June 2015

Guidance and strategy

Strategy as detailed at 30 June 2014

Lease at least 2,000sqm of net lettable area at 66 Goulburn St, Sydney

Including the Guarantees¹, increase occupancy to +100% at 307 Queen St, Brisbane

Wind up, or be close to winding up GDI No. 27

Wind up, or be close to winding up GDI No. 29

Wind up, or be close to winding up GDI No. 36

Status as at 23 February 2014

- Approximately 3,200sqm leased or subject to Heads of Agreement
- Occupancy currently² 89%
- Strong momentum in leasing activity
- Capital works programs commenced in both assets
- Sale of either asset delayed until CY16
- No contribution to earnings assumed
- Strata market in Perth currently challenging
- Delayed realisation of balance of strata units
- Performance fee of \$449,000 still not recognised in FFO
- Asset likely be marketed for sale in CY15

1. The rental guarantee over approximately 3,157 sqm of space

2. Including signed Heads of Agreement

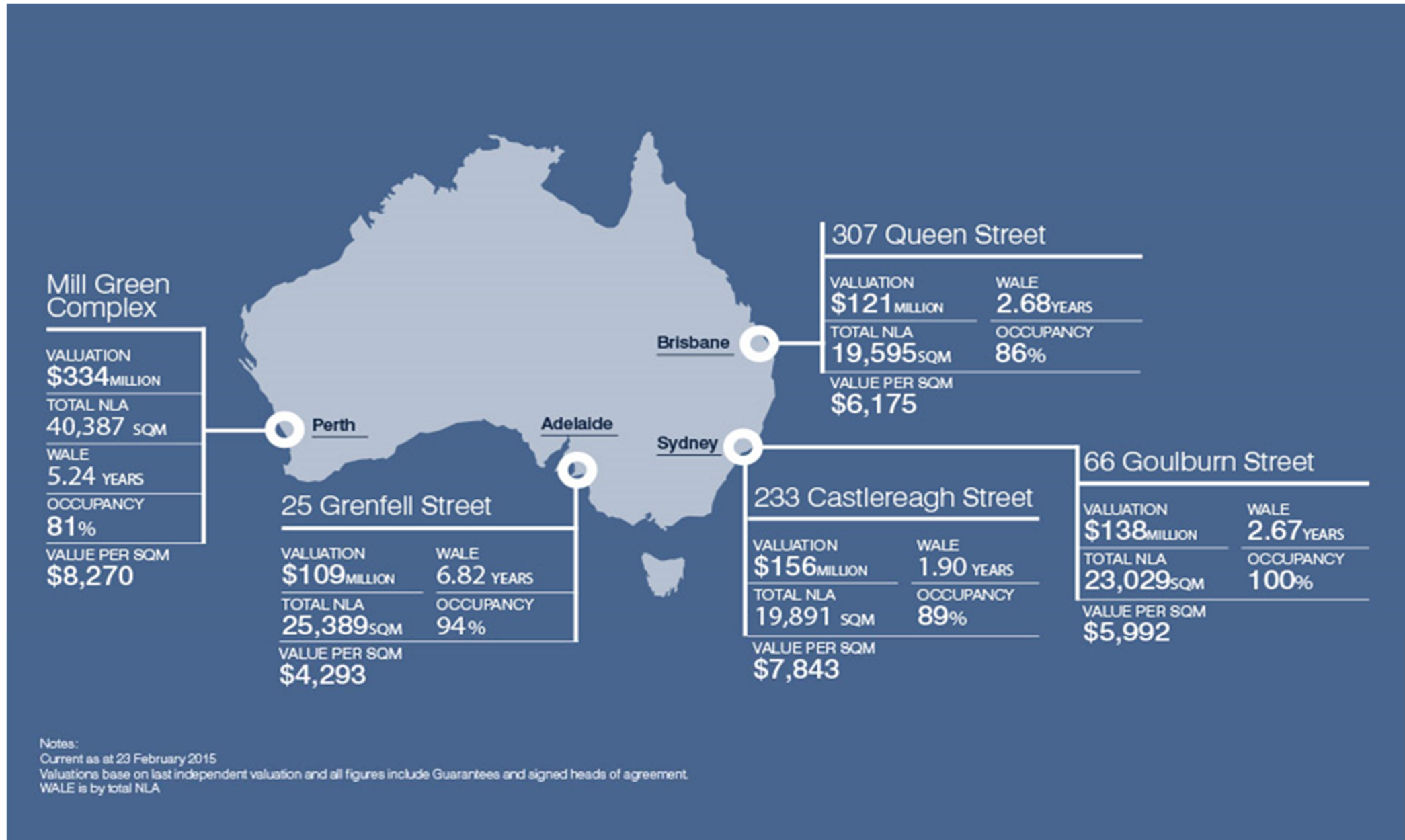
Announcement of security buyback

- GDI Property Group today announces that its Board has approved an on-market securities buy-back
- Should market conditions permit, GDI Property Group intends to undertake the buy-back of up to 5% of GDI Property Group securities over a 12 month period
- Prior to the settlement of 233 Castlereagh St, Sydney, GDI Property Group will utilise undrawn debt facilities to fund the buy-back



THE PROPERTY PORTFOLIO

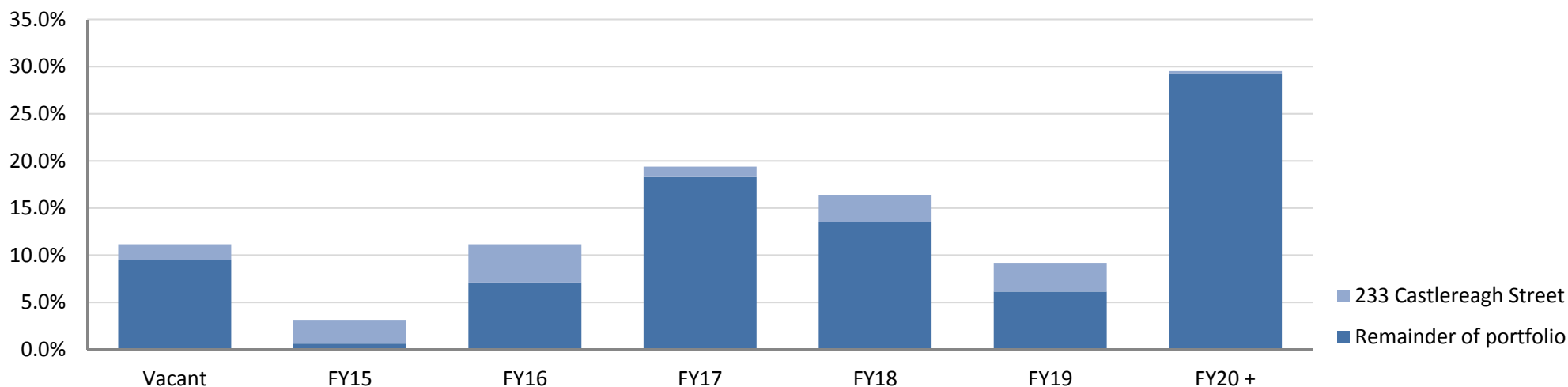
Portfolio overview



Portfolio overview

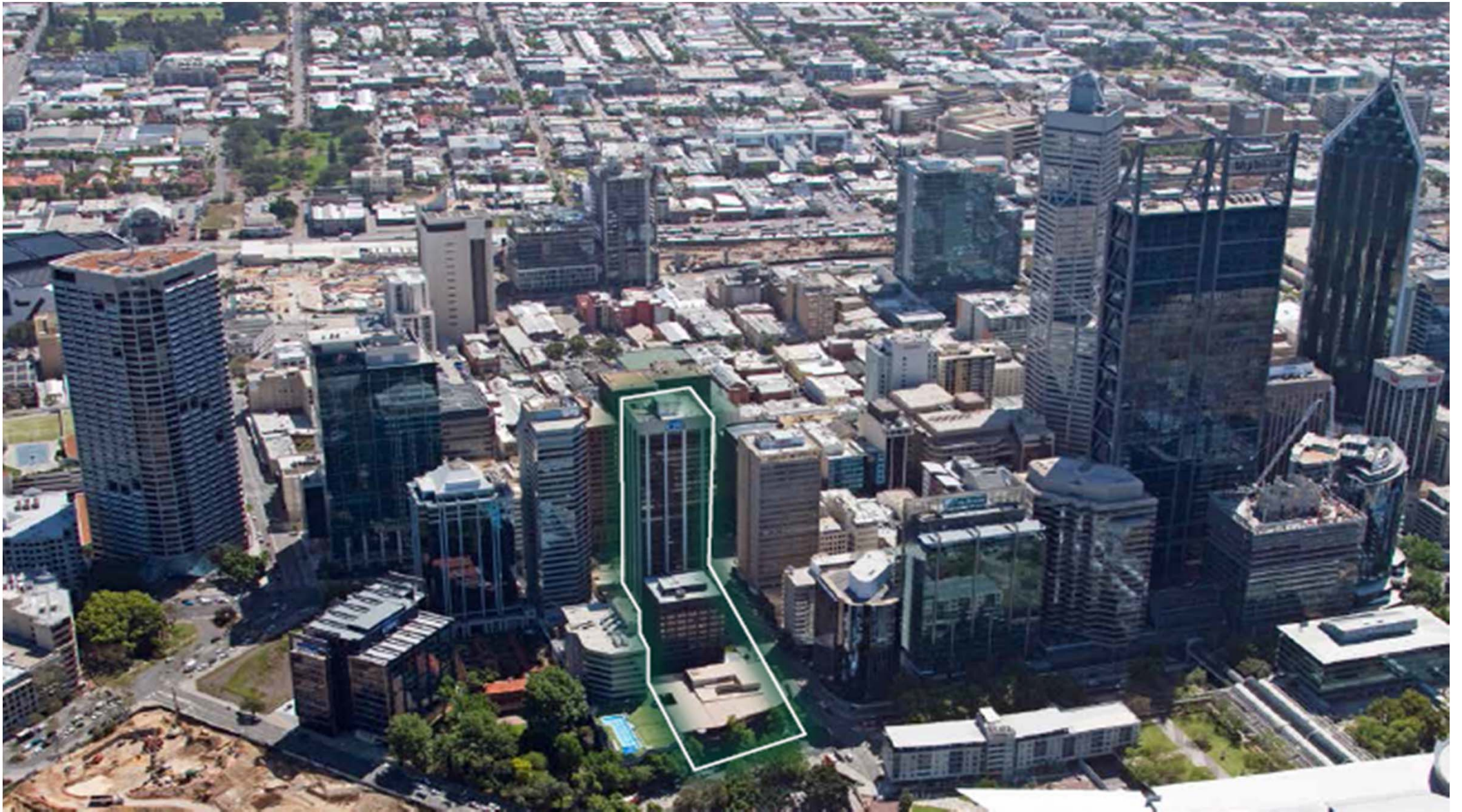
- Total NLA of 128,290 sqm
- As at 16 February 2015, portfolio occupancy¹ of 89%
- WALE¹ (by NLA) of 4.2 years (by NLA), 4.6 years excluding 233 Castlereagh St, Sydney
- Weighted average capitalisation rate (WACR) of 8.0%, excluding 233 Castlereagh St, Sydney
- 25,440 sqm of leases executed, renewed, extended or subject to signed Heads of Agreement in the period from 1 July 2014 to 16 February 2015
- FY15 lease expiries of 3.2%, only 0.7% excluding 233 Castlereagh St, Sydney
- FY16 lease expiries of 11.2%, only 8.4% excluding 233 Castlereagh St, Sydney
 - No FY16 expiries in Mill Green

Portfolio lease expiry

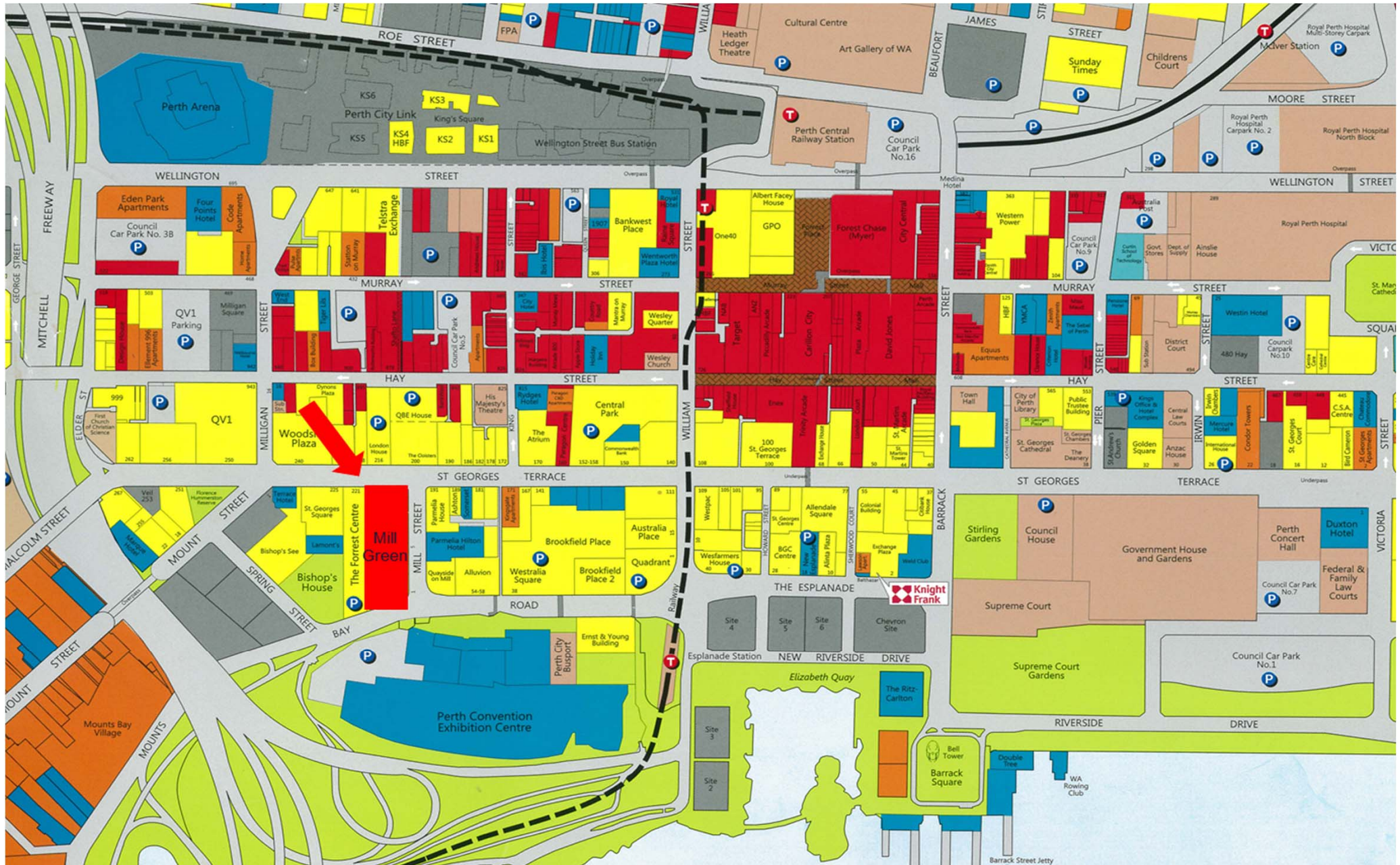


1. Including signed Heads of Agreement, guarantees and where a lease has been surrendered, assumed occupancy until the benefit of the surrender payment ceases.

Mill Green Complex

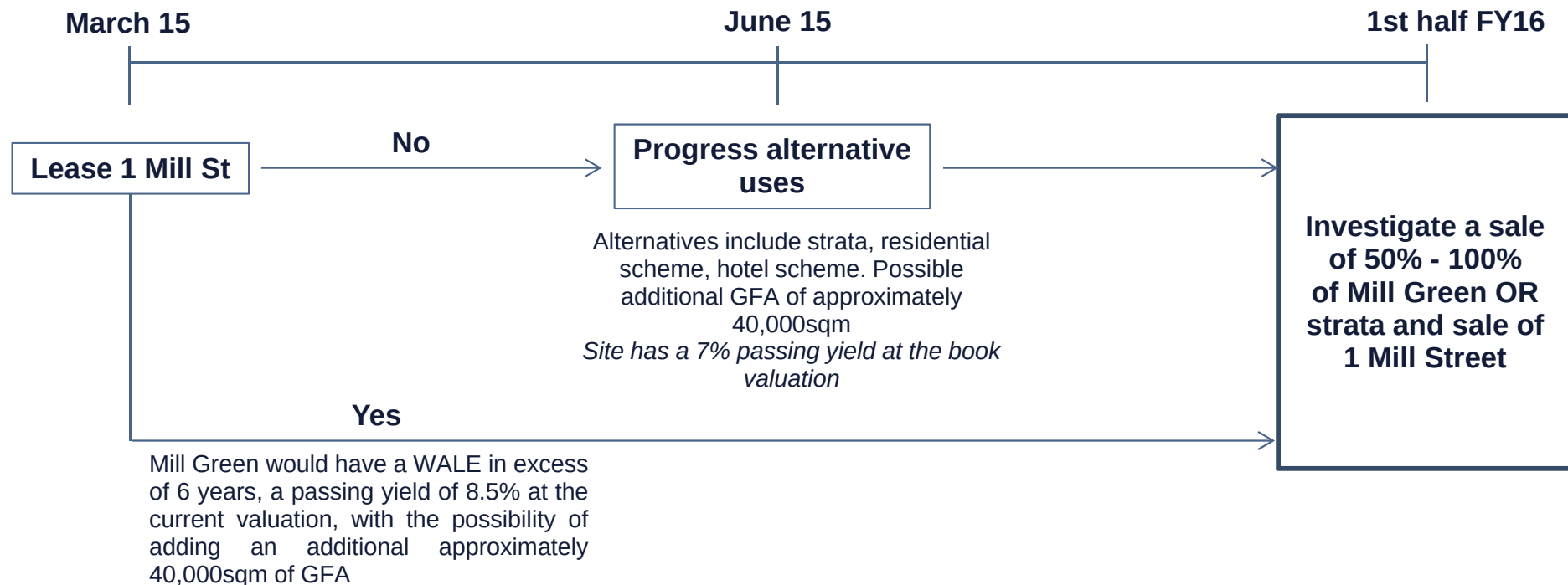


Mill Green Complex



Mill Green Complex

- 197 St Georges Terrace near full occupancy
 - A full floor tenant negotiated an early release, but the half floor sub tenant remains in occupation
- 5 Mill Street is continuing to lease up well
 - Remain committed to having at least Heads of Agreement for all vacant space by 30 June 2015
- 1 Mill Street remains vacant, but there are a number of lease requirements in the market which suit
- GDI is actively managing the asset strategy of Mill Green and is positioned to take advantage of any change in market conditions



197 St Georges Terrace, Perth



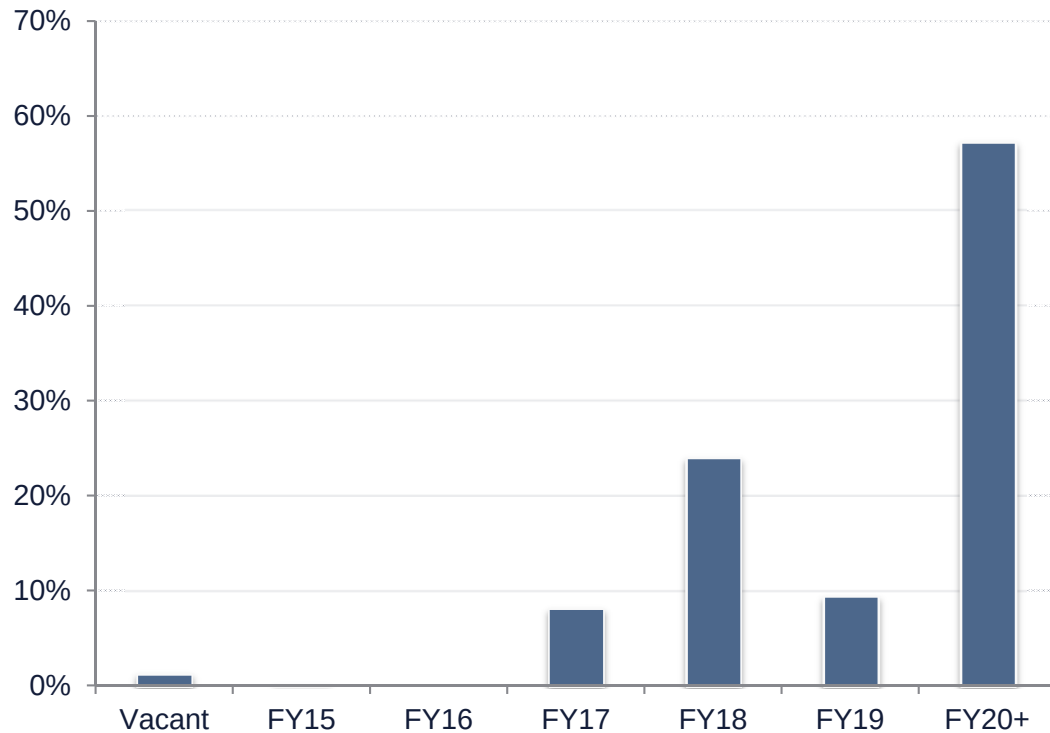
Actual view from Level 10



Refurbished foyer

197 St Georges Terrace, Perth

Lease expiry profile



Key metrics as at 23 February 2015

Independent valuation date	31 December 2014
Independent valuation	\$239 million
Rate/sqm of NLA	\$9,000
Capitalisation rate	8.00%
Discount rate	8.75%
Grade	A
Total NLA (sqm)	26,554
Typical floor plate (sqm)	855
Car parking	181
Occupancy (by NLA)	99%
WALE (by NLA)	5.8 years
NABERS Energy rating	5 stars

Tenant name	NLA		Rent review		Lease expiry
	sqm	% total	Type	% p.a.	
Amec Minproc Limited	7,341	28%	Fixed	4%	FY23
Chevron Australia Pty Ltd	4,643	17%	Fixed	4.5%	FY18
CBI Construction Pty Ltd	2,505	9%	Fixed	4%	FY19
Clough Projects Pty Ltd	1,670	6%	Fixed	4.5%	FY17

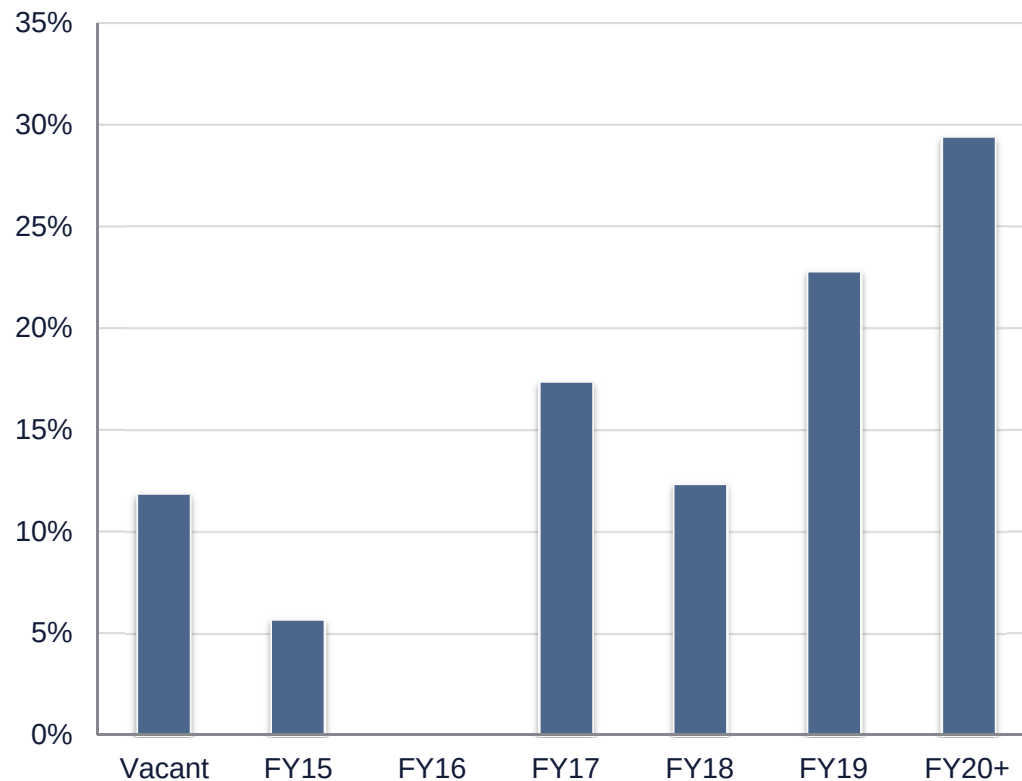
5 Mill Street, Perth



Mill Green

5 Mill Street, Perth

Lease expiry profile



Key metrics as at 23 February 2015

Independent valuation date	31 December 2014
Independent valuation	\$54 million
Rate/sqm of NLA	\$7,516
Capitalisation rate	8.25%
Discount rate	8.75%
Grade	B
NLA Total (sqm)	7,185
Typical floor plate (sqm)	735
Car parking	56
Occupancy (by NLA) ¹	88%
WALE (by NLA)	3.3 years
NABERS Energy rating	Target 4 stars

1. Includes 6% that has been surrendered but is assumed to be occupied until 30 June 2015

Tenant name	NLA		Rent review		Lease expiry
	sqm	% total	Type	% p.a.	
Wesfarmers General Insurance Ltd	741	10%	Fixed	4.0%	FY21
Environmental Resources Management Australia Ltd	737	10%	Fixed	3.5%	FY21
Accenture Australia Pty Ltd	603	8%	Fixed	3.5%	FY20
Marubeni Itochu Tubulars Ocean	441	6%	Fixed	4.0%	FY17

1 Mill Street, Perth



Key metrics as at 23 February 2015

Independent valuation date	31 December 2014
Independent valuation	\$41 million
Rate/sqm of NLA	\$6,167
Capitalisation rate	8.25%
Discount rate	9.00%
Grade	A
NLA Total (sqm)	6,648
Typical floor plate (sqm)	1,900
Car parking	44
Occupancy (by NLA)	0%
WALE	n.a.
NABERS Energy rating	Target 4 stars

233 Castlereagh Street, Sydney

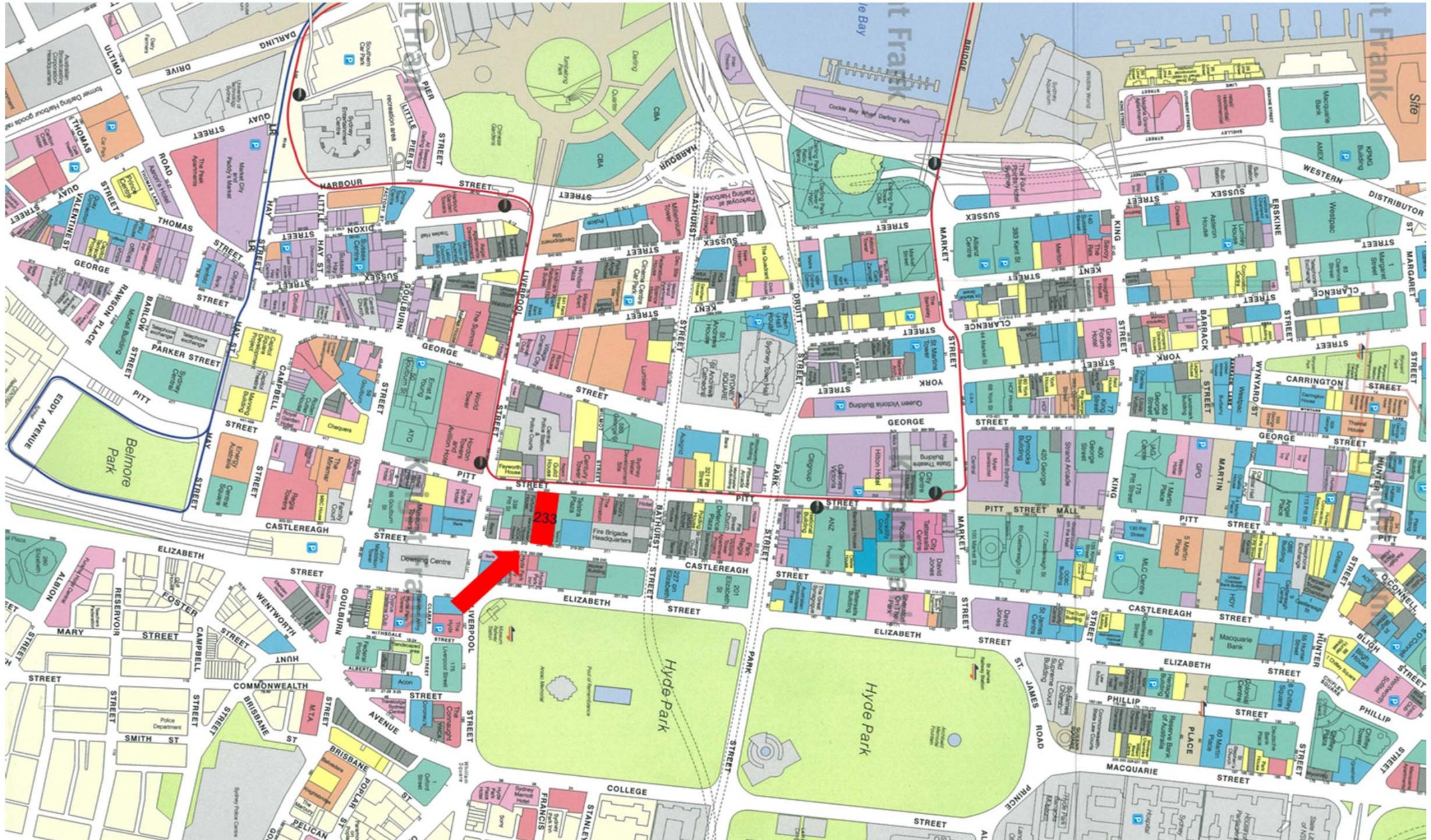


View from rooftop



Refurbished foyer

233 Castlereagh Street, Sydney

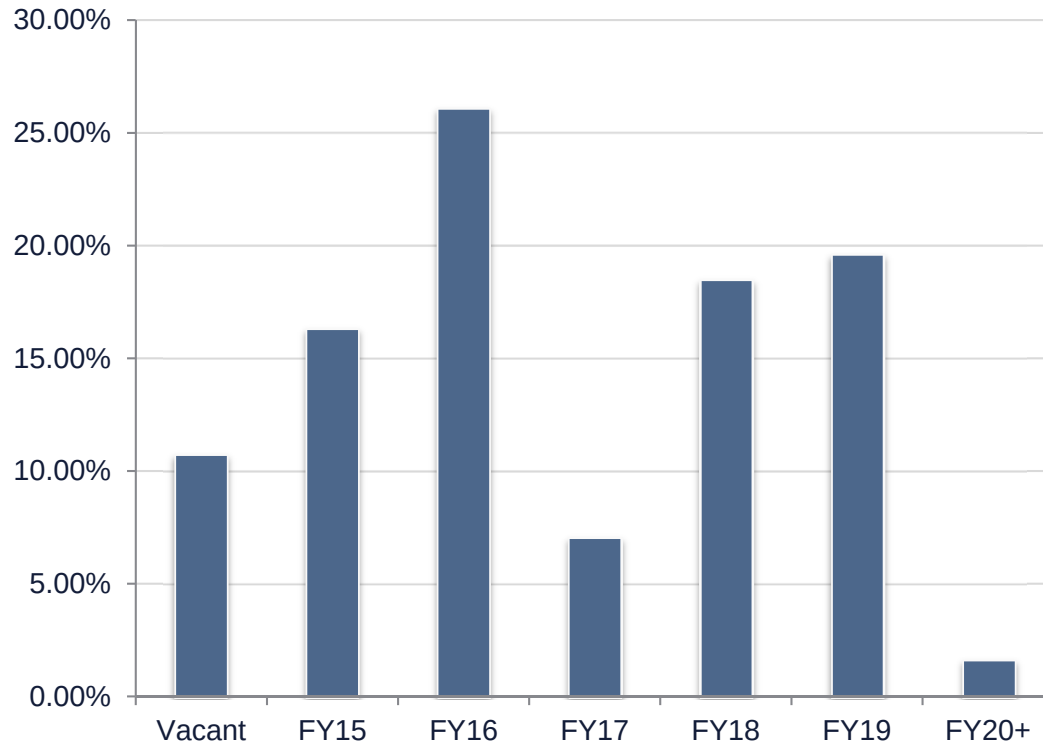


233 Castlereagh Street, Sydney

- Entered in to conditional put and call options to sell 233 Castlereagh St, Sydney on 6 November 2014 for an eventual settlement on 30 September 2015
 - 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
- GDI Property Group is in the process of lodging a Section 96 application, with the consent of the adjoining owners
- GDI Property Group remains confident that the Consent Authority will either amend or replace the Restriction on Use

233 Castlereagh Street, Sydney

Lease expiry profile



Key Metrics as at 23 February 2015

Director's valuation date	31 December 2014
Director's valuation	\$156 million
Rate/sqm of NLA	\$7,843
Capitalisation rate	N/A
Discount rate	N/A
Grade	B
NLA Total	19,891
Typical floor plate (sqm)	864
Car parking	193
Occupancy (by NLA) ¹	89%
WALE (by NLA) ¹	1.9 years
NABERS Energy rating	2 stars

1. Including guarantees

Tenant name	NLA		Rent review		Lease expiry
	sqm	% total	Type	% p.a.	
Morlaw Holdings Pty Ltd (Moray and Agnew)	3,552	18%	Fixed	3.75%	FY19
Carson Wagonlit Australia Pty Ltd	1,727	9%	Fixed	4.00%	FY18 ²
Copyright Agency Limited	1,727	9%	Fixed	4.00%	FY16
Singapore Airlines	1,396	7%	Fixed	4.00%	FY18

2. Demolition clause included in lease renewal

307 Queen Street, Brisbane

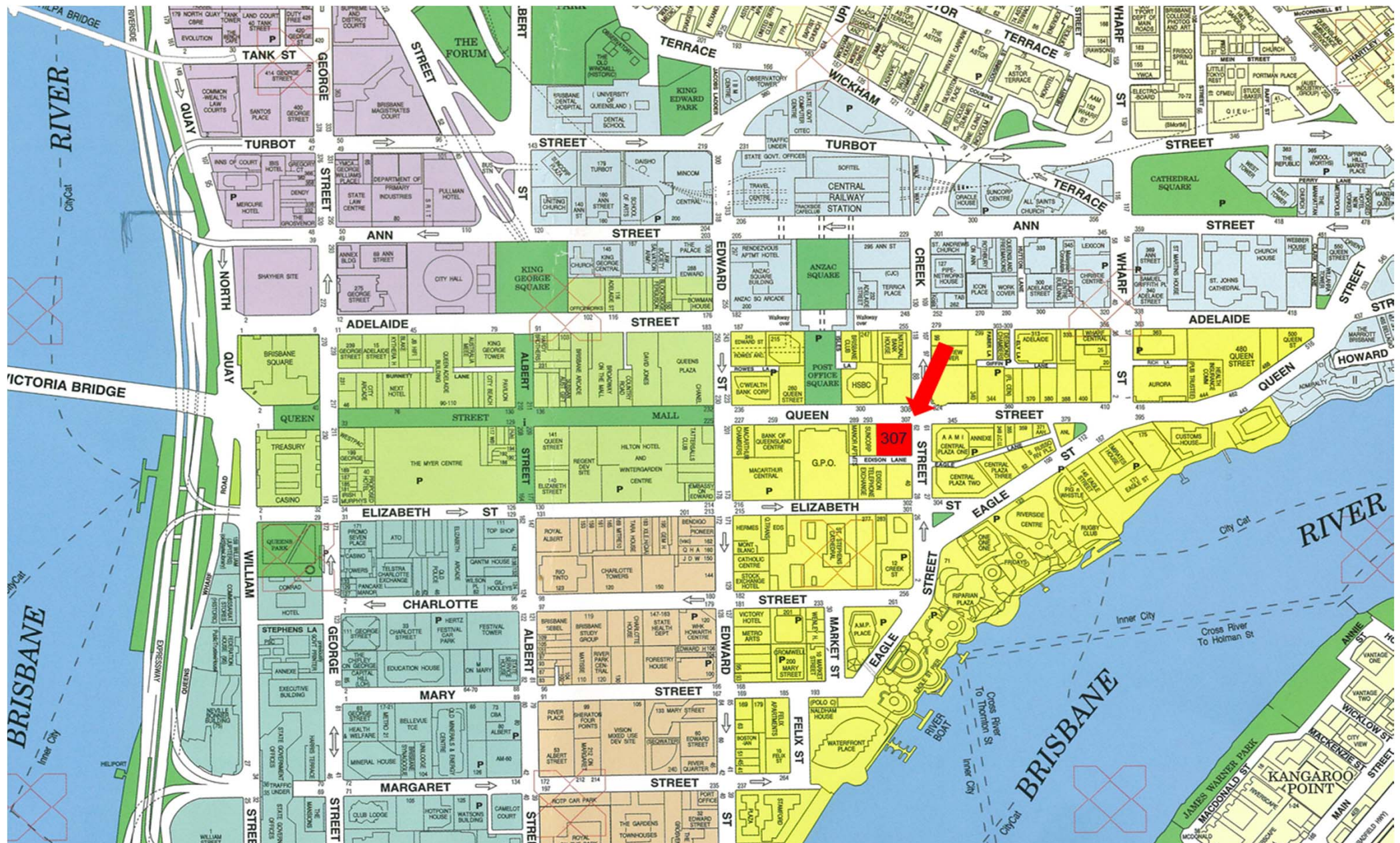


Refurbished foyer



Refurbished tenant lobby

307 Queen Street, Brisbane

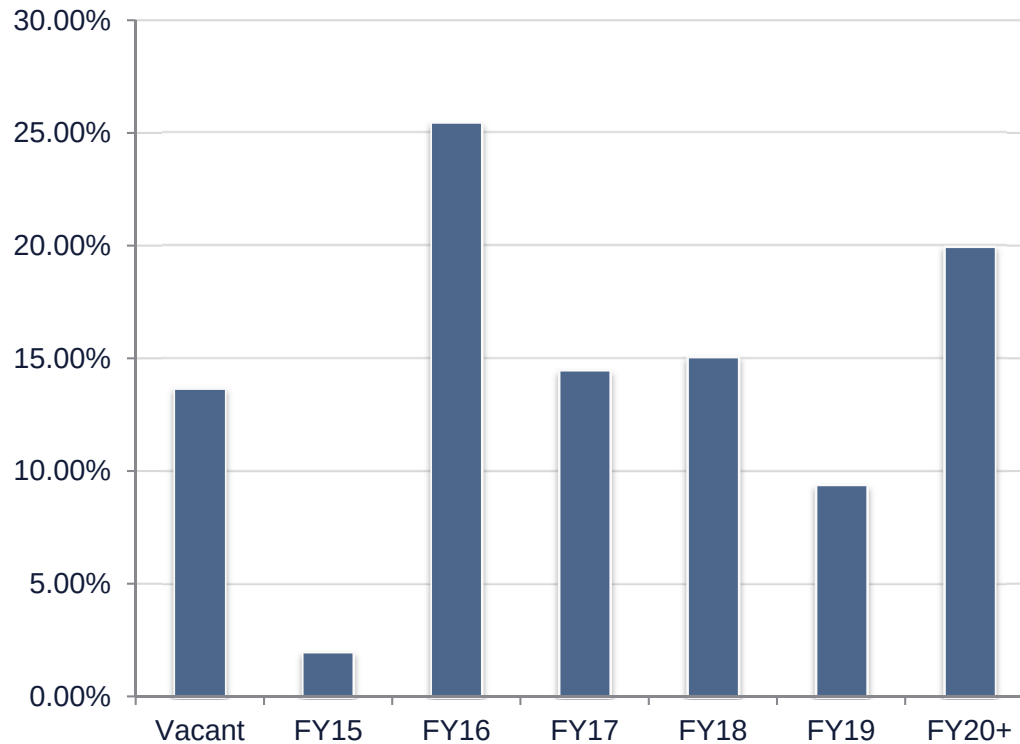


307 Queen Street, Brisbane

- The Brisbane CBD office market during the six month period ended 31 December 2014 was generally characterised by reasonable levels of tenant enquiry but minimal commitment. However, the early part of 2015 points to a much stronger take up of office space
 - Currently negotiating over 3,000sqm of space
- Executed a 796sqm lease to Glencore Australia Holdings, commenced October 2014
- Accepted an approximately 1,200sqm payout (expiry February 2017) to enable early refurbishment and releasing
 - 360sqm already subject to Heads of Agreement

307 Queen Street, Brisbane

Lease expiry profile



Key metrics as at 23 February 2015

Independent valuation date	30 June 2014
Independent valuation	\$121 million
Rate/sqm of NLA	\$6,175
Capitalisation rate	8.00%
Discount rate	9.00%
Grade	B
NLA Total (sqm)	19,595
Typical floor plate (sqm)	800
Car parking	95
Occupancy (by NLA) ¹	86%
WALE (by NLA) ¹	2.7 years
NABERS Energy rating	Target 5 stars

1. Including guarantees and signed Heads of Agreement

Tenant name	NLA		Rent review		Lease expiry
	sqm	% total	Type	% p.a.	
Harrick Curran Administration Pty Ltd	1,592	8%	Fixed	3.75%	FY18
Chandler MacLeod Group Pty Ltd	1,234	6%	Fixed	4.50%	FY17
William Buck (Qld)	822	4%	Fixed	3.00%	FY22
Glencore Australia Holdings	796	4%	Fixed	4.00%	FY20

25 Grenfell Street, Adelaide



25 Grenfell Street, Adelaide

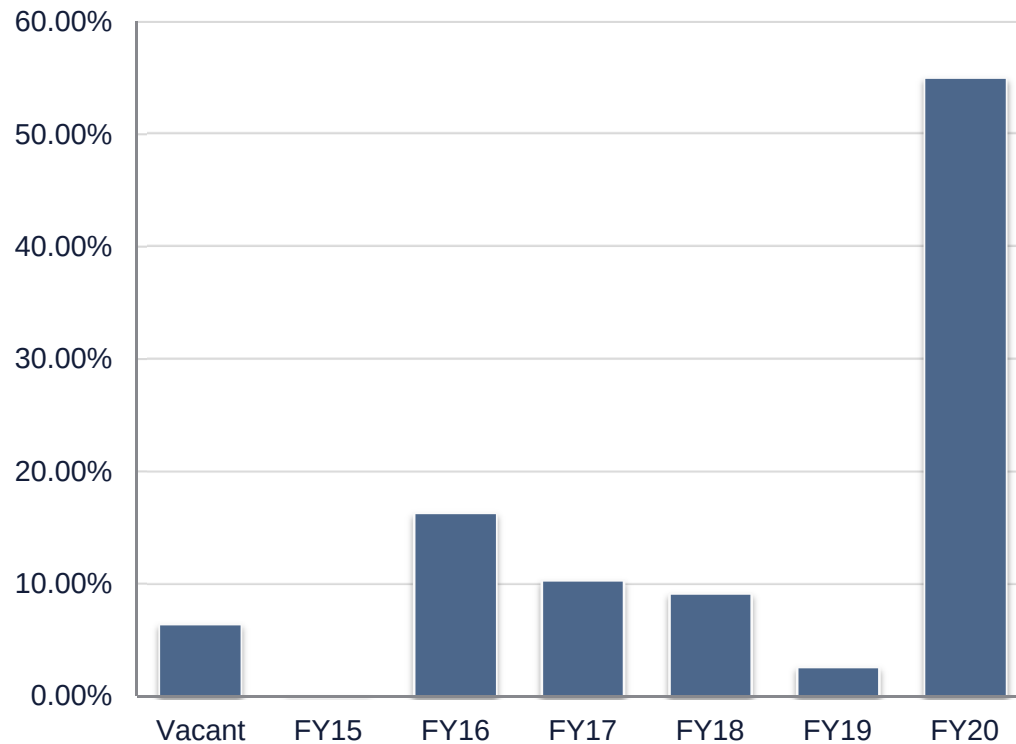


25 Grenfell Street, Adelaide

- New full floor lease to Regus Service Offices executed commencing 1 May 2015
- Heads of Agreement with Funds SA for 780sqm for 10 years
 - Replacing two CY15 expiring leases, with one of those two reducing space and taking the balance of the floor
- Heads of Agreement signed with PIRSA (subject to Cabinet approval) for a new 12 year lease commencing March 2016
 - Taking an additional 477sqm to a total of 5,885sqm
- Agreement with Department of Water to extend lease expiry by six months to March 2016

25 Grenfell Street, Adelaide

Lease expiry profile



Key metrics as at 23 February 2015

Independent valuation date	31 December 2014
Independent valuation	\$109 million
Rate/sqm of NLA	\$4,293
Capitalisation rate	8.25%
Discount rate	9.00%
Grade	A
Total NLA (sqm)	25,389
Typical floor plate (sqm)	1,040
Car parking	30
Occupancy (by NLA) ¹	94%
WALE (by NLA) ¹	6.8 years
NABERS Energy rating	4 stars

1. Including signed Heads of Agreement

Tenant name	NLA		Rent review		Lease expiry
	sqm	% total	Type	% p.a.	
Minister for Administrative Services (PIRSA) ²	5,408	21%	Fixed	3.00%	FY28
Minter Ellison	5,229	21%	Fixed	3.75%	FY23
Minister for Administrative Services (Department of Water)	4,176	16%	Fixed	3.00%	FY16
Regus Serviced Offices	1,078	4%	Fixed	3.75%	FY25

2. Signed Heads of Agreement, subject to Cabinet approval

66 Goulburn Street, Sydney

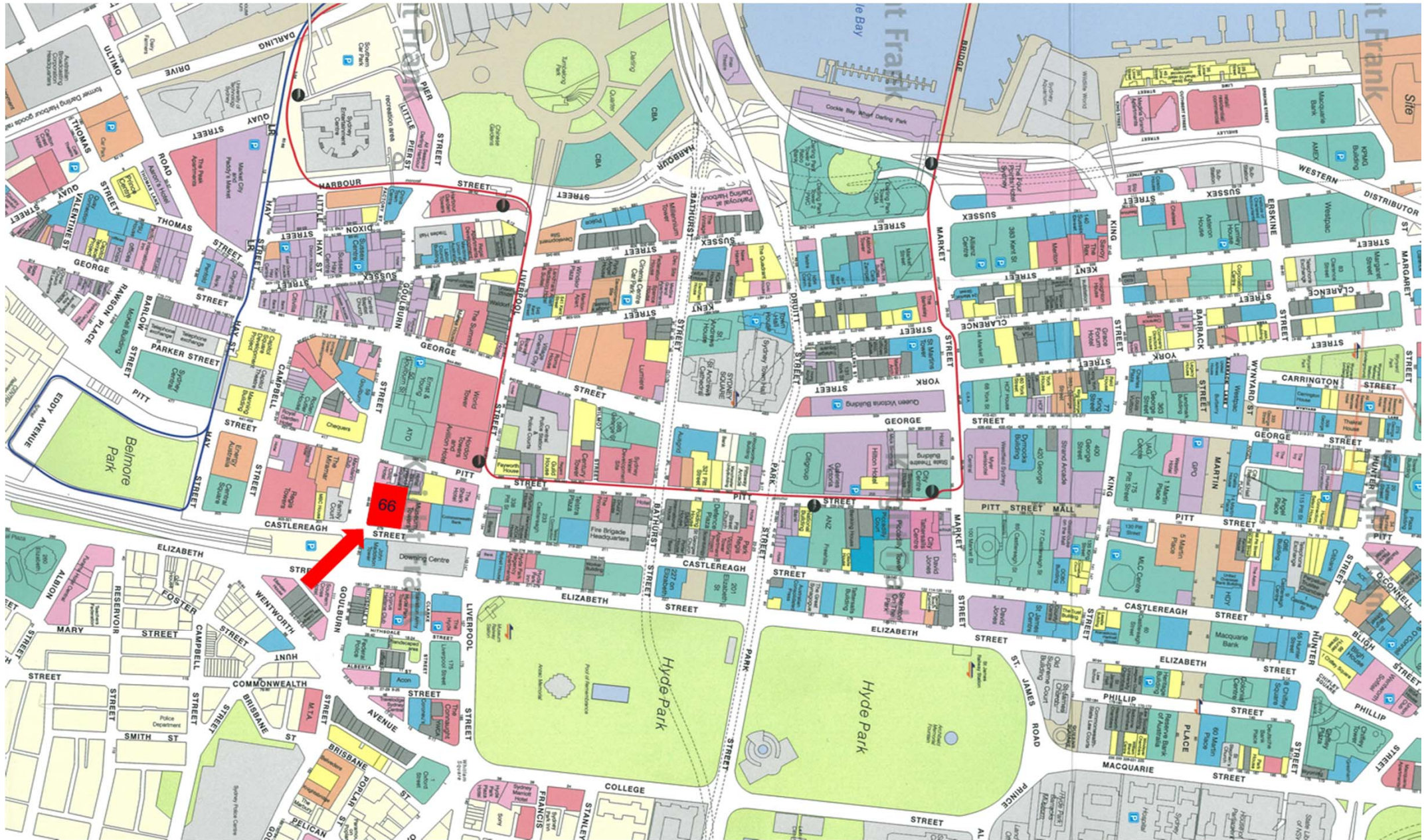


Concept design – tenancy foyer



Concept design – Building entrance

66 Goulburn Street, Sydney

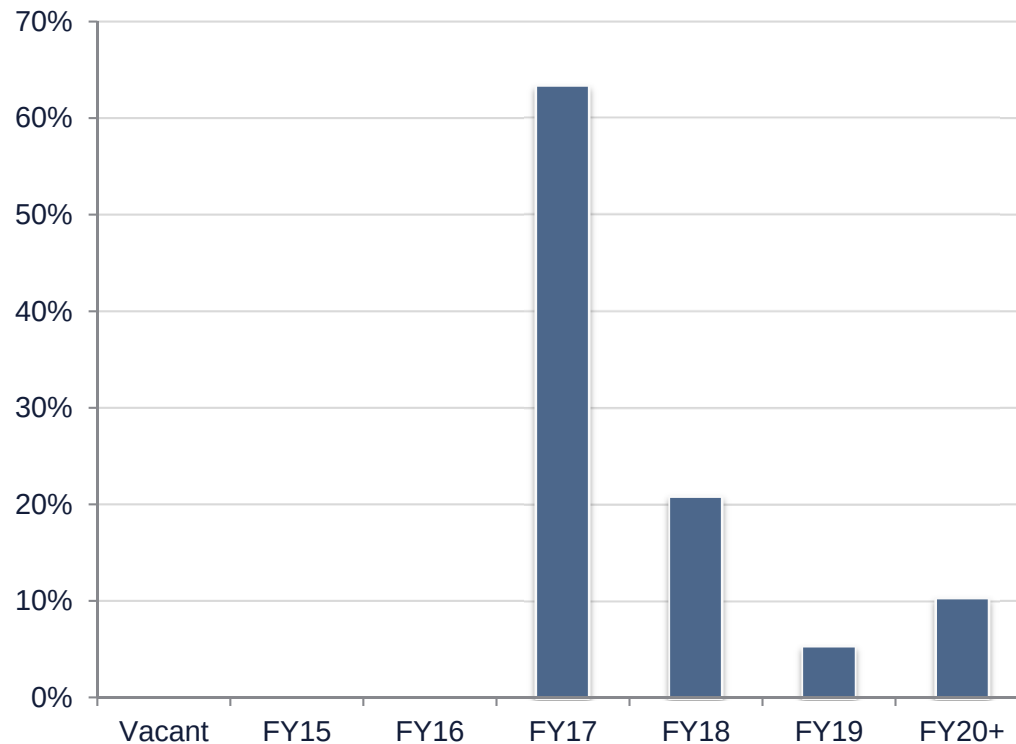


66 Goulburn Street, Sydney

- Strong leasing activity over vacant space, in excess of management's forecasts
 - Two four year leases executed and commenced for Level 7 (bottom level of office tower)
 - Heads of Agreement for 1,500sqm (Level 12 and Part 11)
 - Heads of Agreement for 945sqm (Level 10)
- Net rents achieved between \$20 - \$40 in excess of valuation
- Effectively extends the vacancy guarantee (full occupancy) to FY18, or alternatively can be used to fund incentives or future expiries

66 Goulburn Street, Sydney

Lease expiry profile



Key metrics as at 23 February 2015

Independent valuation date	26 May 2014
Independent valuation	\$138 million
Rate/sqm of NLA	\$5,992
Capitalisation rate	7.50%
Discount rate	9.00%
Grade	A
NLA Total (sqm)	23,029
Typical floor plate (sqm)	950
Car parking	54
Occupancy (by NLA) ¹	100%
WALE (by NLA) ¹	2.7 years
NABERS Energy rating	5.5 stars

1. Including the guarantee and signed Heads of Agreement

Tenant name	NLA		Rent review		Lease expiry
	sqm	% total	Type	% p.a.	
Consolidated Media Holdings Limited	10,432	45%	Fixed	4%	FY17
William Buck Services (NSW) Pty Limited	1,950	8%	Fixed	4%	FY17
Prudential Investment Company of Australia Pty Limited	1,500	6%	Fixed	4%	FY18



FUNDS BUSINESS

Existing Funds Business

		Date established	AUM \$m	No. of properties	Sector	Expected termination date (year)	Update
GDI No. 27		June 2007	14.0	2	Office	CY16	Complete asset refurbishments and position both assets for sale in CY16
GDI No. 28		June 2007	14.0	1	Office	CY17	Actively manage the leasing
GDI No. 29		July 2008	10.2	1	Office	CY17	Lease existing vacant strata units to increase passing income
GDI No. 33		May 2010	41.0	1	Office	CY17	Continue the momentum of selling both vacant possession and investor stock
GDI No. 36		October 2012	102.6	1	Office	CY15	New leasing arrangements should be finalised by 30 June 2015, at which time a review of the strategy for the fund will be undertaken
GDI No. 38		June 2014	66.5	7	Industrial (6) Office (1)	CY20	Commenced investigating alternative uses for Broadmeadow site and capex works at Pymble. Likely that some of the smaller assets will be divested in CY15
TOTAL AUM			248.3				