

## ASX/Media Announcement

25 September 2017

### Propertylink rejects non-binding, conditional proposal from Centuria

Propertylink Group (ASX:PLG) (**Propertylink or the Group**) announces that on 22 September 2017 it received an unsolicited, indicative, conditional and non-binding proposal from Centuria Capital Group (ASX:CNI) (**CNI**) and Centuria Property Funds No. 2 Limited as Responsible Entity of Centuria Industrial REIT (ASX:CIP) (**CIP**) (collectively **Centuria**) to acquire 100% of the outstanding securities in Propertylink by way of Propertylink schemes of arrangement (the **Indicative Proposal**).

This Indicative Proposal follows an initial approach (**Initial Approach**) received by Propertylink from Centuria on 15 September 2017. The Propertylink Board reviewed the Initial Approach, and together with its advisers, determined that there was insufficient information to assess value and accordingly sought further detail. Centuria responded with the Indicative Proposal.

The Indicative Proposal involves a de-stapling of Propertylink Australian Industrial Partnership (**PAIP**), Propertylink Trust (**PT**) and Propertylink (Holdings) Limited (**PHL**). The Indicative Proposal contemplates that:

- CNI would acquire Propertylink's funds management business and co-investment stakes via an acquisition of PHL and PT; and
- CIP would acquire Propertylink's balance sheet industrial portfolio via an acquisition of PAIP.

Under the Indicative Proposal, Propertylink securityholders would receive the following consideration per Propertylink security:

- \$0.055 cash (6% of total implied consideration);
- 0.23 CNI securities (32% of implied total consideration); and
- 0.23 CIP units (62% of total implied consideration).

Adopting the five day Volume Weighted Average Price (**VWAP**) for both CNI and CIP the offer consideration implies an offer value of approximately \$0.95 per Propertylink security<sup>1</sup>.

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<sup>1</sup> Based on the five day VWAP to 22 September 2017 of \$1.33 and \$2.56 for CNI and CIP respectively.

The Propertylink Board, having reviewed the Proposal with its advisers, has unanimously rejected the Indicative Proposal for the following reasons:

- It undervalues Propertylink taking into account the nature of consideration, the underlying value of Propertylink's investment portfolio, co-investment stakes and institutional wholesale funds management platform;
- The Indicative Proposal contemplates a control transaction; however, offers no premium for control;
- The predominantly scrip offer consideration leaves Propertylink security holders owning two entities with significantly increased balance sheet and look through leverage;
- It exposes Propertylink security holders to significant value risk arising from change of control and key person provisions in Propertylink's wholesale funds management arrangements; and
- It exposes Propertylink security holders to significant value risk due to the nature of CNI's listed funds platform, should those management arrangements be challenged.

The Propertylink Board believes the Group is well positioned for continued growth given the strength in its industrial and logistics balance sheet portfolio, several initiatives currently underway in the funds management business and the strong capital position of the platform.

Propertylink has appointed Goldman Sachs as its financial adviser and Herbert Smith Freehills as its legal adviser.

The Propertylink Board remains committed to maximising value for all Propertylink security holders.

### Further Enquiries

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## About Propertylink

Propertylink is an A-REIT, listed on the Australian Stock Exchange under the code "PLG". Propertylink is an internally managed real estate group that owns and manages a diversified portfolio of logistics, business park and office properties and is a leading investment and asset management business with over A\$1.5 billion of assets under management. Propertylink's integrated, in-house approach to active asset management is aimed at maximising the performance and value of assets under management for our global investors from North America, Europe, the Middle East, Asia and Australia.