



ASX Release

30 November 2017

BWF - 55 Pyrmont Bridge Road restructure

In December 2014, BlackWall announced that it had completed the \$80 million acquisition of an interest in an office and media hub located at 55 Pyrmont Bridge Road on the Western fringe of Sydney's CBD.

The transaction was funded through a joint venture with National Australia Bank and a wholesale investment syndicate structured by BlackWall known as the Pyrmont Bridge Trust. That trust had a fixed term of 5 years, expiring in 2019. In December 2016, the Pyrmont Bridge Trust undertook a rights issue and acquired NAB's position in 55 Pyrmont Bridge Road.

BlackWall announces that it has today completed a transaction ("Pyrmont Transaction") under which:

1. the Pyrmont Bridge Trust's term has been extended by three years to 2022; and
2. the entity which owns the property at 55 Pyrmont Bridge Road completed a rights issue to raise \$6,975,000, the proceeds of which have been applied to debt reduction.

In June 2017, 55 Pyrmont Bridge Road was independently valued at \$111 million. Under the terms of the Pyrmont Transaction, BlackWall as manager is entitled to a performance fee calculated by reference to the Pyrmont Bridge Trust's investor returns. To date, an investment in the Pyrmont Bridge Trust has generated an IRR in excess of 30% per annum, net of all fees. Under the restructure, BlackWall will crystallise its fee and will take payment for that fee by way of units in the Trust.

Given the revaluation of the property at June 2017, a portion of the fee was recognised as revenue in BlackWall's 2017 financial statements. With the Pyrmont Transaction complete, the balance of the fee, \$7.9 million, will be brought to account as revenue for the half year ending 31 December 2017 and will add 13 cents per share to BlackWall's net asset backing (37 cents per share at 30 June 2017).

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