

# Propertylink Group

## Half Year 2018 Results Presentation

13 February 2018



# Agenda

1	Financial & operational highlights	Stuart Dawes, CEO
2	Delivering against our strategy	Stuart Dawes, CEO
3	Financial results	Tony Groth, CFO
4	Operating segments & market trends	Stuart Dawes, CEO
5	Wholly owned industrial portfolio	Peter McDonald, CIO
6	Investment management	Stuart Dawes, CEO
7	Outlook and guidance	Stuart Dawes, CEO
8	Q&A	

# Financial highlights

Solid underlying earnings further enhanced by strong performance fees in first half

**Distributable earnings of \$33.3m**  
up 84% on pcp

**Performance fees of \$22.3m<sup>#</sup>**  
achieved during 1H18

**Interim distribution of 3.6cps**  
reflecting a distribution yield of 7.2%\*

**Growth in NTA of 12% to 97.5 cps**  
since 30 June

**Balance sheet gearing 30.6%**  
at low end of target range

\* 12 month distribution yield calculated using PLG share price at 29 December 2017 of \$1.00

# Performance fees contributed \$14.7m to distributed earnings after tax and staff incentives



# Operational highlights

## Wholly Owned Industrial Portfolio

Uplift in  
portfolio  
valuations of  
**\$40m**  
in 1H18

Occupancy  
increased to  
**99%**  
up from 97% at  
30 June

Like for like  
rental growth of  
**4.1%\***  
over the half year  
period

Acquisition of  
**\$48m**  
business park  
asset in Sydney

## Investment Management

Average total  
return of  
**24%<sup>^</sup>**  
delivered across  
the portfolio since  
inception

Average total  
return of  
**25%**  
achieved on  
assets divested  
during 1H18

Establishment of  
**PACT fund**  
targeting initial  
investment of  
\$500m

Valuations  
delivering  
**\$83m**  
growth in AUM in  
1H18

\* Like for like rental growth from 1H17 to 1H18

<sup>^</sup> Equity weighted average total return across external funds excluding 50 Ann Street, Brisbane (PEP) and PACT in acquisition phase



# Delivering against our strategy

Strategy	Key achievements in 1H18
 <p><b>Invest</b></p> <p>Invest in a wholly owned portfolio of industrial assets and co-invest in external funds</p>	<ul style="list-style-type: none"> <li>✓ \$758m portfolio of 30 industrial assets delivering 75% of revenue</li> <li>✓ Capital re-deployed to increase co-investments in external funds</li> <li>✓ Co-investments of \$98m with an average income yield of 7.7%</li> </ul>
 <p><b>Enhance</b></p> <p>Enhance the wholly owned industrial portfolio and assets held in external funds through active management</p>	<ul style="list-style-type: none"> <li>✓ Full leasing of 495 Victoria St, Wetherill Park for a 5 year term following acquisition under vacant possession in PAIP II fund</li> <li>✓ Completion of \$6.3m repositioning of asset in Clayton, VIC and commencement of 15 year lease with Walkinshaw Automotive</li> <li>✓ Leased remaining vacancy at Canning Vale, WA delivering an increase in occupancy across the wholly owned portfolio</li> </ul>
 <p><b>Grow</b></p> <p>Grow the investment management business and wholly owned industrial portfolio</p>	<ul style="list-style-type: none"> <li>✓ Growth in the wholly owned industrial portfolio through the \$48m acquisition of Sydney business park asset</li> <li>✓ Establishment of PACT fund with new investor, Partners Group with \$150m acquisition of 73 Miller Street, North Sydney as seed asset</li> <li>✓ Valuations delivering \$123m growth in AUM across the wholly owned portfolio and external funds</li> </ul>
 <p><b>Maintain</b></p> <p>Maintain a conservative capital structure</p>	<ul style="list-style-type: none"> <li>✓ \$40m extension of debt facilities with term increased to 4.1 years</li> <li>✓ Low cost at debt maintained at 3.40%*</li> <li>✓ Borrowing facility capacity of \$55m to fund growth opportunities</li> </ul>

\* Cost as at 31 December 2017 and includes floating rate, hedge rate and bank margin but excludes undrawn facility fees

# Financial results



22 Rodborough Road, Frenchs Forest NSW

# Key earnings metrics

**Strong earnings from the real estate portfolio enhanced by performance fees, achieving outstanding returns for investors and delivering distribution growth**

Earnings metrics	HY18	HY17	Change
Total comprehensive income*	\$83.1m	\$38.1m	218.1%
Net revaluation gains / revaluation gain per security	\$51.3m / 8.51 cps	\$16.5m / 2.74 cps	310.9%
Distributable earnings / distributable earnings per security*	\$33.3m / 5.52 cps	\$18.0m / 2.99 cps	184.6%
Distribution per security / payout ratio	3.60 cps / 65%	2.70 cps / 90%	133.3%
<b>Operating revenue</b>			
Net property income^	\$21.5m	\$18.7m	15.0%
Performance fee income#	\$22.3m	-	-
Co-investment income++	\$2.8m	\$1.4m	200.0%
Investment management revenue	\$2.9m	\$4.0m	(27.5%)
Property management revenue	\$1.9m	\$2.1m	(9.5%)

\* HY17 includes 6 months of income from PHL and PT (investment management and co-investment income) and 4.5 months of income from PAIP (wholly owned industrial portfolio)

^ HY17 includes 4.5 months of PAIP income (wholly owned industrial portfolio)

# Performance fees in HY18 contribute \$14.7m to distributable earnings after tax and staff incentives. Performance fees of \$25.2m in HY17 were attributed to pre-IPO security holders

++ Excluding fair value adjustments of \$11.6m (HY17 \$1.5m)



# Key balance sheet metrics

Maintaining a strong financial position through operational and financial success in 1H18

	31 December 2017	30 June 2017	Movement
Cash	\$14.9m	\$20.0m	(\$5.1m)
Investment properties*	\$758.5m	\$701.9m	\$56.5m
Co-investments	\$97.9m	\$63.3m	\$34.6m
Drawn debt	\$280.0m	\$257.0m	\$23.0m
Net equity	\$592.4m	\$530.6m	\$61.8m
NTA per security	97.5cps	87.3 cps	10.2 cps

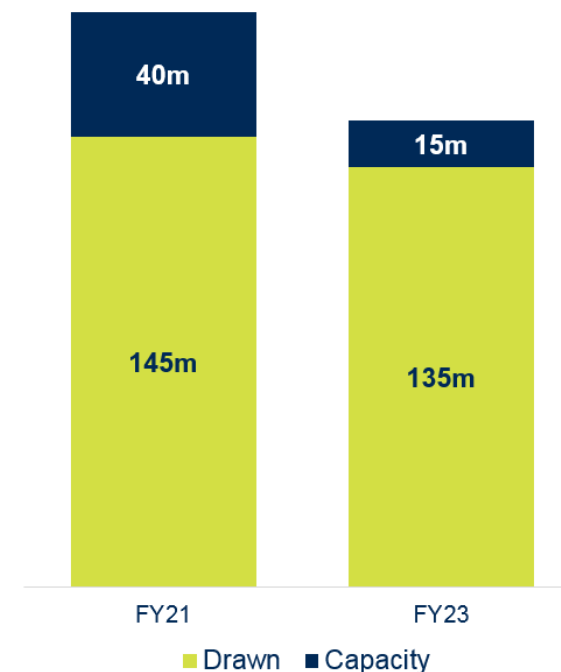
\* Investment properties include Melbourne Markets included in PPE in the statutory accounts. 30 June 2017 includes \$6.8m interest directly held in 73 Miller Street, North Sydney.

# Debt and capital management

**Capitalising on strong operational and financial performance to increase the limit and term of debt facilities, providing capacity for growth**

Key debt metrics	31 Dec 2017	30 Jun 2017
Debt facilities	\$340m	\$300m
Debt headroom	\$55m	\$38m
Cash	\$15m	\$20m
Total liquidity	\$70m	\$58m
Gearing (net debt to total tangible assets)	30.6%	30.5%
Look-through gearing*	36.1%	35.2%
Weighted average debt maturity	4.1 years	3.1 years
Hedged debt ^	63.4%	69.1%
Interest cost #	3.40%	3.41%

Debt maturity profile by years - \$m



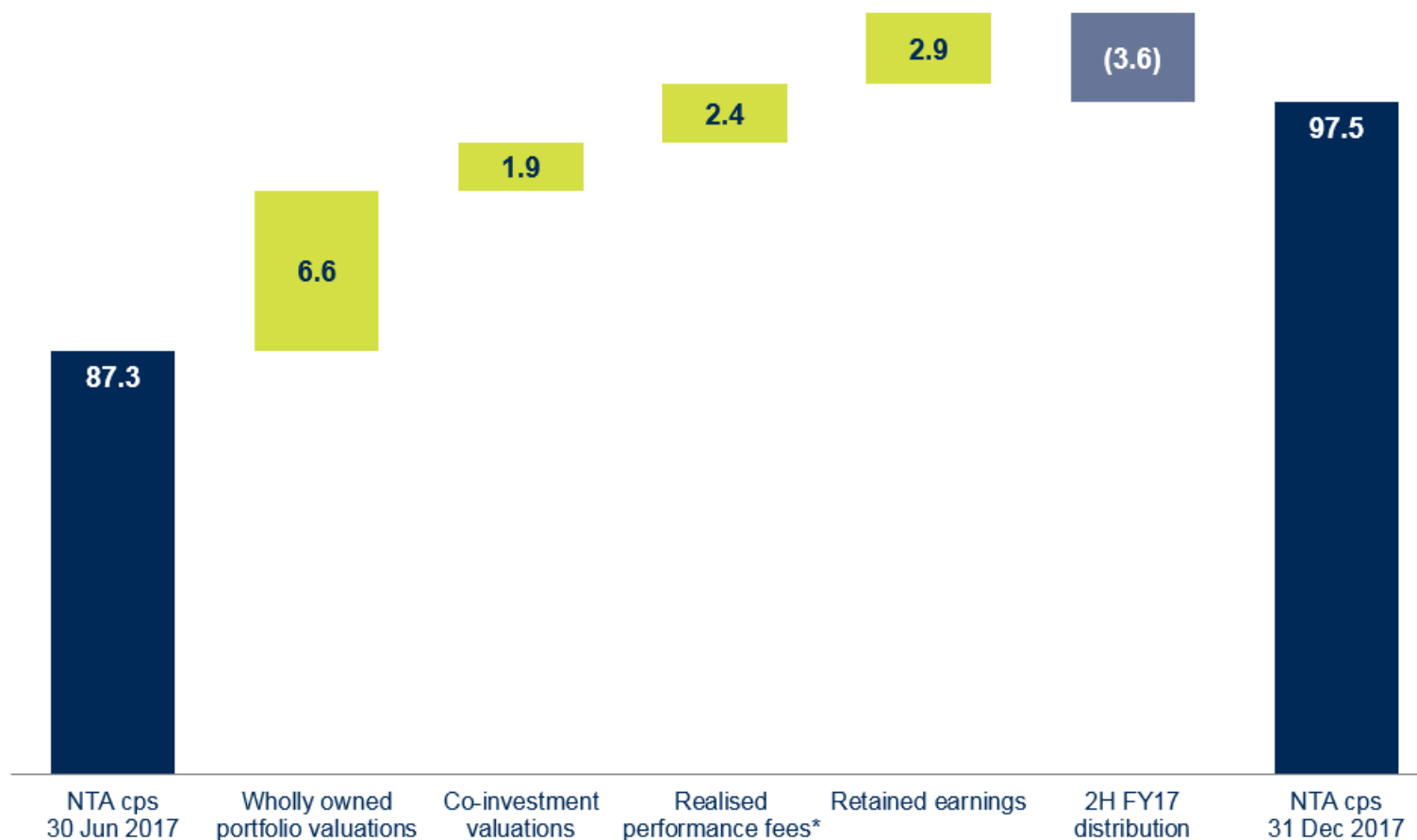
\* Adjusted for cash and debt in equity accounted investments

^ Hedges of \$177.5m matched to previous debt term (15 August 2019 and 15 August 2021) with a hedge rate between 1.83% and 2.54%

# Cost as at 31 December 2017 and 30 June 2017 and includes floating rate, hedge rate and bank margin but excludes undrawn facility fees

# NTA increase of 12% during 1H18

Delivering strong value across external funds and the wholly owned industrial portfolio, driving increased NTA in the first half of FY18



\* Net of tax and staff incentives



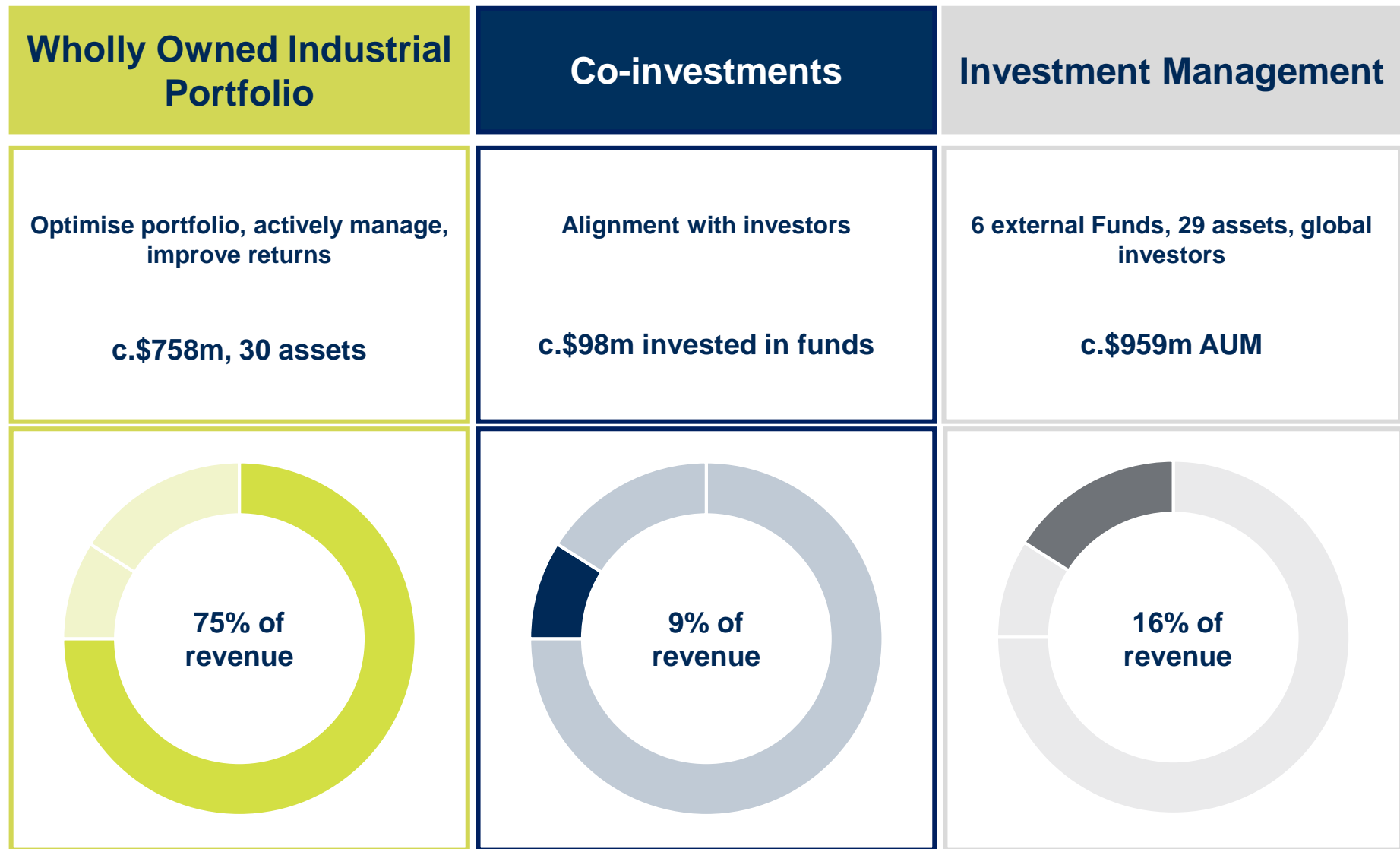
# Operating segments & market trends



201-205 Fairfield Road, Yennora NSW



# Propertylink operating segments



Investment management revenue does not include performance fees

# Active asset management underpinned by market trends

Across the markets in which Propertylink invests, we have identified four key strategic themes to drive medium to long term value through our investment strategies



## Urbanisation

Long-term view to reposition existing commercial or industrial sites for alternate use, based on urbanisation trends and requirements



## Last mile logistics

Focussed on in-fill locations with easy access to CBD and key residential areas to facilitate final stage of e-commerce supply chain



## Ageing population

Ongoing demand for medical-related facilities and services, occupying office and industrial space, providing treatment and care for increased aging population



## Technology

Utilising technology to drive greater efficiencies in existing real estate plus the development of new sectors driven by growth in the technology and communications industry



# Wholly owned industrial portfolio



7-15 Gundah Road, Mount Kuring-Gai NSW



# Location & asset composition positions the portfolio for growth

**Heavily exposed to urban east coast infill locations with limited land supply and strong demand**  
**A number of assets are also exposed to upside through medium/long term alternate use**



**Portfolio quality enhanced through sale of non-core asset sales at considerable premium to book values**

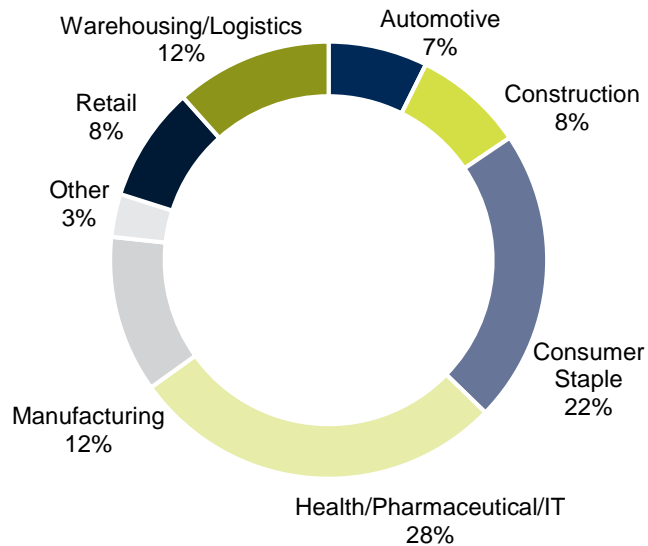
**Strong exposure to the Sydney and Melbourne industrial markets maintained post non-core asset sales**

**Predominantly prime asset base combined with assets that have good repositioning and development opportunities**

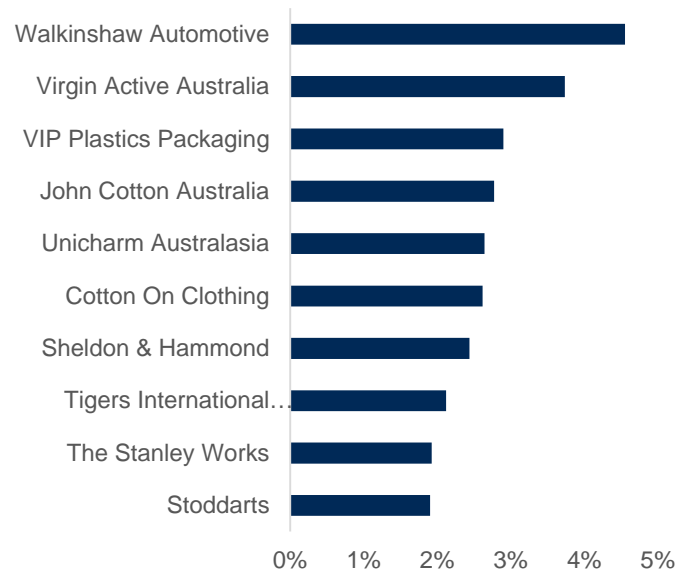
# Strong tenant diversification providing earnings stability

**189 tenants in the industrial portfolio with no single tenant contributing more than 5% of total annual rental income and good industry diversification**

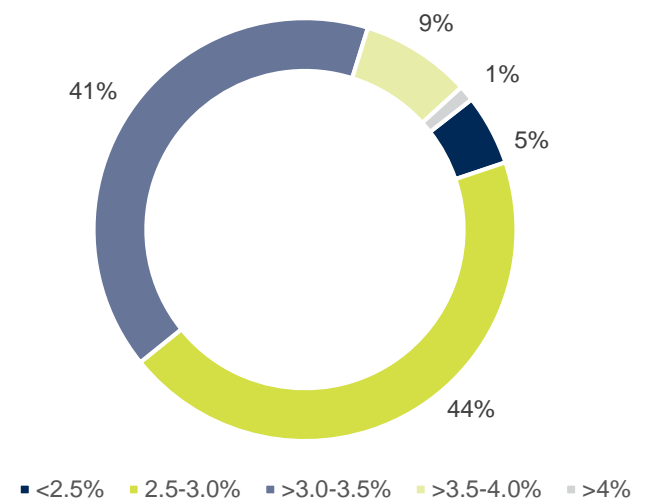
Tenant breakdown by industry



Top Ten Tenants (by income)



Rent review composition



**The top 10 tenants constitute 28% of the portfolio annual rental income with a WALE of 5.3 years**

**Like for like rental growth in 1H18 v 1H17 of 4.1%**

**Passing rent 1.6% below market**

**95% of all income is reviewed annually by 2.5% or more with 50% being more than 3.0%**



# Active lease management maintaining portfolio strength

A further 23,438 sqm or 5.1% of the portfolio has been transacted upon since 30 June 2017

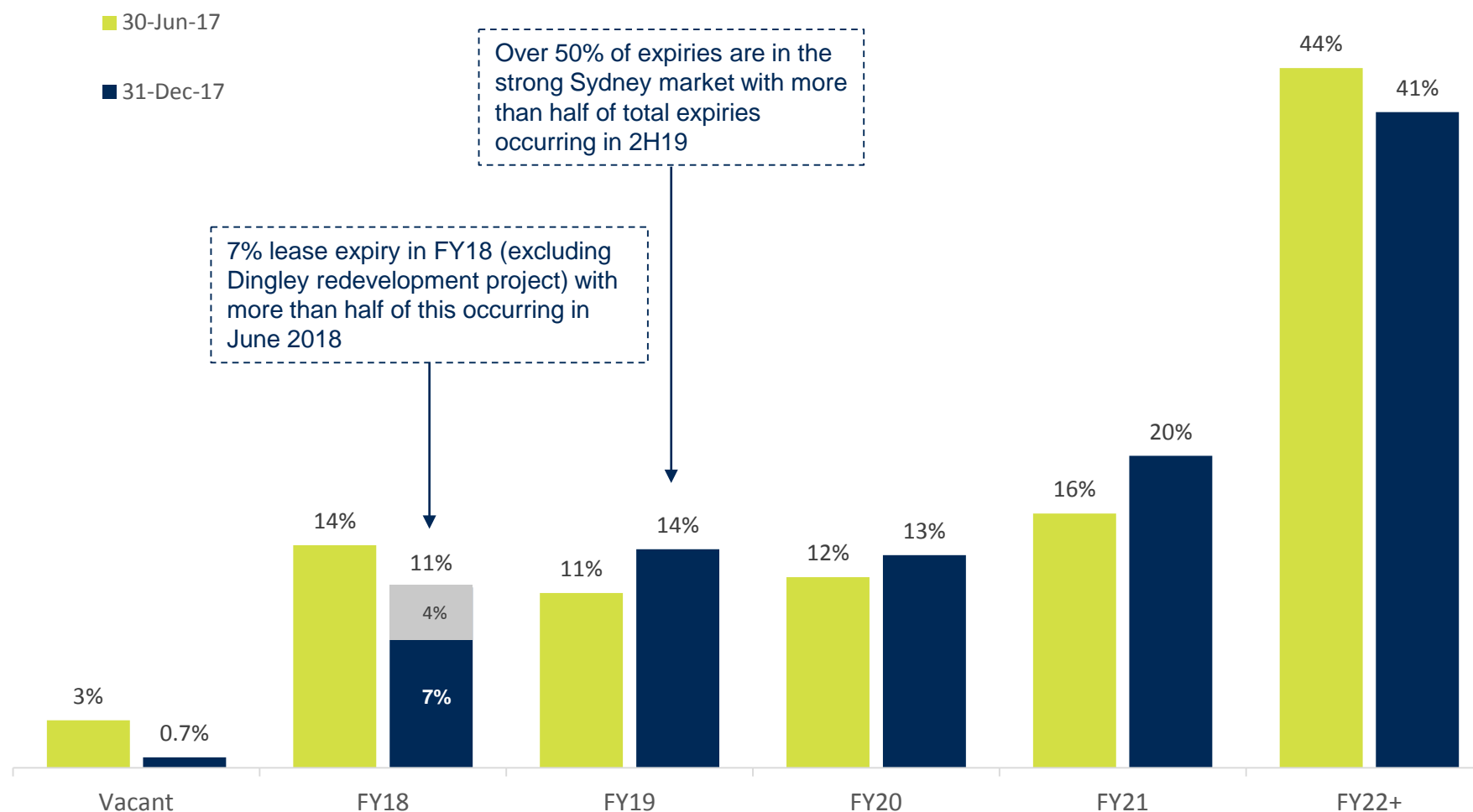
	6 months to 31 December 2017	12 months to 30 June 2017
Leasing transactions	16	58
Lease renewals	7	21
New leases	9	37
Average lease term across leasing transactions	4.1 years	5.5 years
Average lease incentives on renewals	3.8%	6.8%
Average lease incentives on new deals	11.1%	14.6%
Retention rate on renewals	87.5%	78.2%
Average downtime on new deals	4.7 months	5.0 months

44% of leasing transactions in HY18 in relation to vacant space

Strong leasing focus continues to provide strong income security in FY18 and FY19

# Continued focus on management of near term expiries

Propertylink's active management of the portfolio is maintaining a low short term expiry profile



■ 1 Lake Drive, Dingley VIC will become a redevelopment project once the current lease expires in June 2018

# Active asset management increasing valuations

Active management of the \$758m wholly owned industrial portfolio continuing to deliver strong value



Portfolio valuations during first half delivering \$39.7m\* or 7.1%^ uplift in HY18

WACR tightened 36 basis points to 6.86%

Settlement of 150-156 McCredie Road, Smithfield and 8 Sylvania Way, Lisarow delivering sale proceeds of \$32.6m

Enhancing the portfolio through targeted capital expenditure of \$6.8m#

\* 100% of the wholly owned industrial portfolio was revalued at 30 September 2017 delivering a valuation uplift of \$37.3m. The remaining valuation uplift results from internal valuations at 31 December 2017.

^ On a like for like basis

# Capex comprising \$1.1m maintenance and \$5.7m improvements



# Repositioning of 71-93 Whiteside Road, Clayton VIC

Repositioning of 28,662 sqm industrial facility after securing a 15 year lease with Walkinshaw Automotive



Before capital works



Post asset repositioning including construction of new state of the art corporate hub facility

**\$6.3m\* project to reposition the asset for Walkinshaw Automotive under a long term lease**

**Modernisation project including hardstand upgrade and construction of new state of the art corporate facility**

**Strong leasing outcome and capital works driving 45% increased asset value since acquisition**

**Demonstrates Propertylink's ability to collaborate with and secure long term tenants to drive asset value**

\* Costs incurred to 31 December 2017 of \$5.0m

# 1-5 Lake Drive, Dingley Vic redevelopment opportunity

**Redevelopment of existing industrial estate extending to approximately 16,796sqm  
over three buildings with an estimate end value of \$34.4m**



**Redevelopment of existing industrial estate sub-dividing three buildings into 37 office warehouse units**

**Development application submitted with expected commencement in July 2018**

**Redevelopment expected to benefit from the strong strata industrial market in Melbourne**

**Maximising value opportunity for industrial development with return on cost over 15%**



# Acquisition of Orion Road, Lane Cove in strong Sydney market

**A well positioned business park asset with adjoining development site providing Propertylink with the ability to create new prime grade stock**



**\$48m acquisition of 9,751 sqm modern business park asset on a cap rate of 7.13%**

**86% occupied with WALE of 2.8 years anchored by NetCom Wireless and Bupa Dental Corporation**

**Potential to deliver value through active lease management and asset enhancement**

**Development pipeline with put and call option\* over adjoining 7,922sqm vacant land with existing DA in place**

**Capability to create a new asset for wholly owned industrial portfolio in the strong Sydney market**

\* Settlement expected September 2018

# Wholly owned industrial portfolio delivering strong metrics

Active asset management continues to improve the performance and positioning of the wholly owned industrial portfolio, delivering tangible value to security holders

	31 Dec 2017	30 Jun 2017	31 Dec 2016
Industrial portfolio value	\$758m	\$695m	\$698m
Number of properties	30	30	32
Gross lettable area	461,606 sqm	481,164 sqm	503,698 sqm
Occupancy	99.3%	97.0%	95.1%
Like for like rental growth	4.1%*	2.57%^	-
Tenant incentives	9.30%	12.99%	11.04%
WALE	4.0 years	4.4 years	4.4 years
WACR	6.86%	7.22%	7.40%

\* Like for like rental growth from 1H17 to 1H18

^ Like for like rental growth from 2H16 to 2H17



# Investment management



1 Lahrs Road, Ormeau QLD



# Propertylink external funds under management

**c.\$959m AUM**

**6 external funds**

**29 assets**

**18.4% average co-investment**

## Industrial

**c.\$320m AUM**

**2 funds and mandates**

**15 assets**



**7 Viola Place, Brisbane Airport QLD**

## Office

**c.\$299m AUM**

**3 funds**

**5 assets**



**10 & 10A Julius Avenue, North Ryde NSW**

## Diversified

**c.\$340m AUM**

**1 fund**

**9 assets**

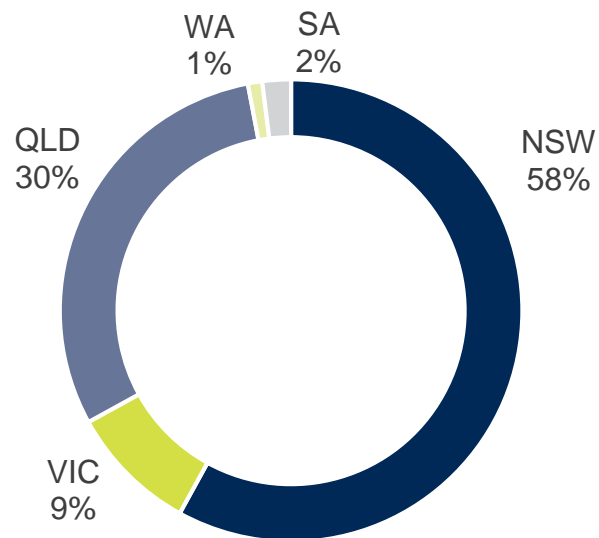


**80 Mount Street, North Sydney NSW**

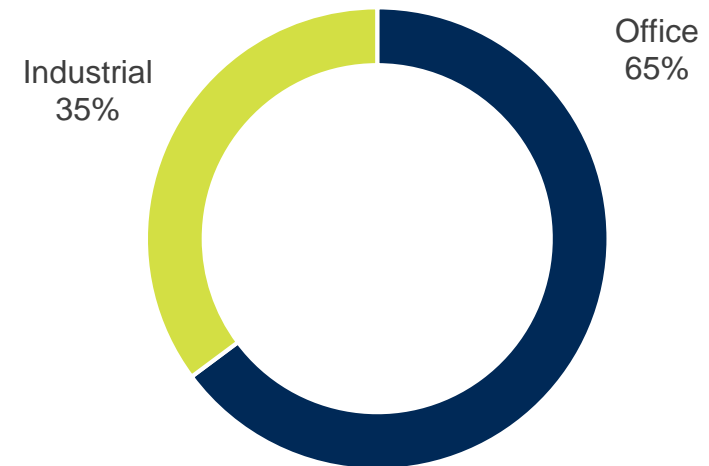
# External funds portfolio

**A diverse portfolio of industrial and office properties with 58% of assets located in the strong Sydney market**

Asset Geography



Asset Type



**Total asset value of \$959m**

**WALE of 4.0 years and occupancy of 93%**

**WACR of 6.56% across the portfolio**

# Continued track record of delivering strong returns

**Delivering strong returns across external funds under management with a proven track record in disciplined acquisitions, active asset management and timely divestments**

- Average total return of 24% since establishment of external funds\*
- Average total return of 25% on assets divested in HY18 and 28% since establishment
- Co-investments delivering an income yield of 7.7% and \$2.8m<sup>^</sup> to distributable earnings in HY18

Divestments in 1H18	Sale Price	Total return	Settlement	PLG Co-Investment	Performance Fee
POP II – 1 office asset	\$275.0m	38%	July 2017	5.0%	\$17.5m
Confidential Mandate – 1 industrial asset	\$50.6m	25%	July 2017	10.0%	\$1.3m
POP I – 1 office asset	\$150.0m	15%	Dec 2017	5.0%	\$3.5m
<b>Equity weighted average total return</b>		<b>25%</b>			

\* Equity weighted average total return across external funds excluding 50 Ann Street, Brisbane (PEP) and PACT in acquisition phase

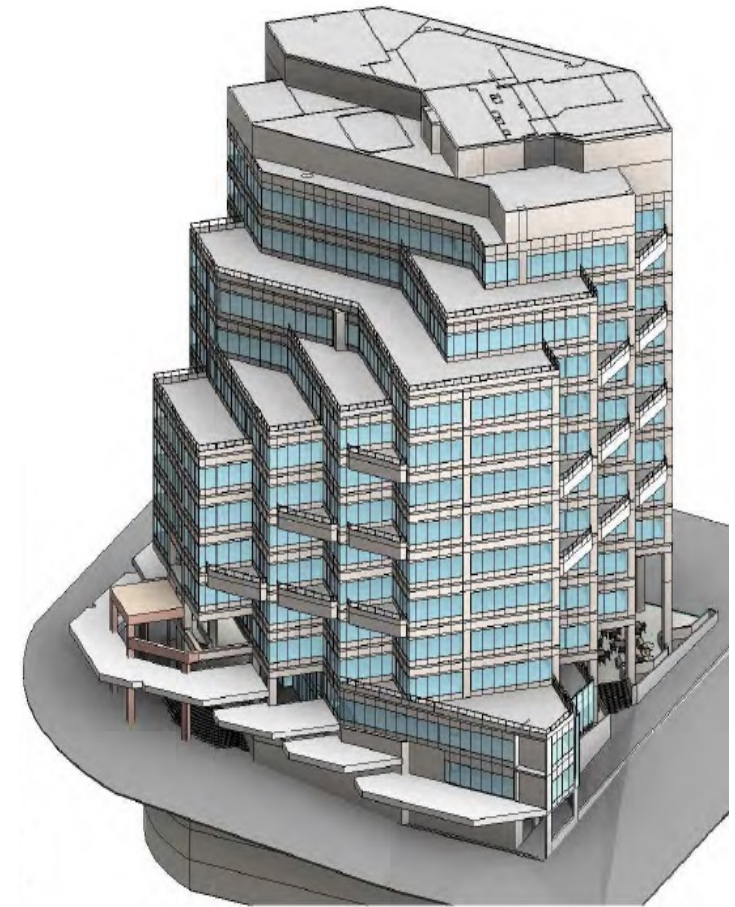
<sup>^</sup> Excluding valuation uplifts in co-investments of \$11.6m



# Establishment of PACT with new investor, Partners Group

**Recycling fund asset to establish new PACT fund, providing strong growth opportunities focused on the creation of core institutional grade assets in the office market**

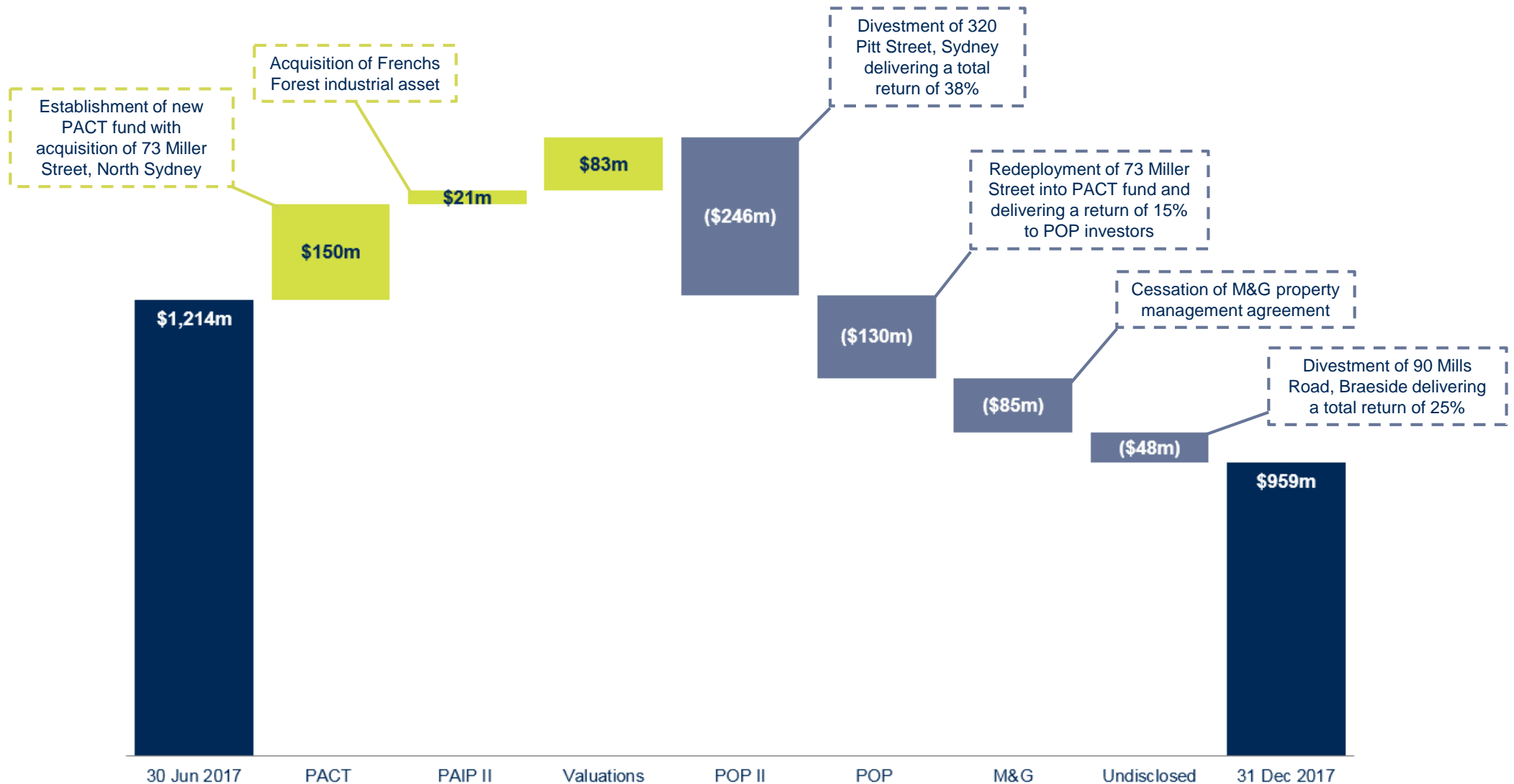
- Establishment of the Propertylink Australian Commercial Trust (PACT ) with new investor, Partners Group
- PACT acquired 73 Miller Street, North Sydney from POP for \$150m\* on a core market yield of 6.6%
- PACT targeting \$500m of value-add office in Sydney, Melbourne and Brisbane
- Propertylink co-investment of 15% in PACT
- Propertylink to continue strategy to reposition 73 Miller Street for core institutional ownership with an estimated \$30m capex program commencing July 2019
- Sale of 73 Miller Street, North Sydney realised an IRR of 15% for POP and a performance fee of \$3.5m to Propertylink (\$2.4m after tax)



\* Comprising 95% interest held by Propertylink's offshore investment partner acquired for \$142.5m and Propertylink rolling in its 5% direct interest into PACT

# Investment management AUM in 1H18

Realising strong returns for security holders and investors in external funds in 1H18, while demonstrating the ability to recycle assets into new funds





# FY18 outlook & guidance



183 Viking Drive, Wacol QLD



# FY18 Outlook and guidance

**Ongoing solid operational and financial performance continues to provide a strong platform for growth in FY18 and beyond**

- Market outlook
  - Wholly owned industrial portfolio providing stable recurring income with solid growth prospects following the completion of non-core divestments
  - Significant exposure to strong Sydney and Melbourne markets, with focus on opportunities to capitalise on emerging market trends surrounding urbanisation and e-commerce
  - Strong appetite for Australian investment across industrial and office markets, with ongoing support from existing and new external fund investors
  - Continue to pursue property acquisitions using our top down bottom up approach with a focus on the ability to execute using our active asset management skill-set to realise value
  - Focus on opportunities to execute development to drive returns and create prime grade product
- FY18 guidance, as upgraded in December 2017
  - Distributable Earnings per Security of 9.0 cents – up 20% on prior year
  - Distribution per Security of 7.3 cents – up 16% on prior year
- Sufficient capital for new growth initiatives to deliver enhanced earnings and value





1 Orielson Road, Smeaton Grange NSW



# Appendices



571 Mount Derrimut Road, Derrimut VIC



# Income statement

	HY18 \$m	HY17 \$m	
Rental income	29.2	24.7	
Straight-lining of rental income	1.5	0.7	
Property related expenses	(6.8)	(4.9)	← PAIP contribution for 4.5 months in HY17
Property related depreciation expense	(1.4)	(0.9)	
Straight-lining of ground lease expense	(1.1)	(0.8)	
<b>Net property income</b>	<b>21.5</b>	<b>18.7</b>	
Co-investment income	14.4	3.0	← Includes \$11.6m (HY17 \$1.5m) of valuation uplifts in co-investments
Investment management fee income	2.2	2.5	
Property management fee income	1.9	2.1	
Property acquisition fee income	0.7	1.5	
Performance fee income	22.3	25.2	← Performance fee attributed to pre-IPO Securityholders in HY17
Gain on disposal of investment property	-	0.1	
Fair value movements in investment property	29.0	8.3	← Valuation uplift of property portfolio excluding Melbourne Markets
Other income	0.2	0.2	
<b>Total income</b>	<b>92.3</b>	<b>61.6</b>	
Operating expenses	(9.6)	(7.8)	← HY17 includes \$1.3m of IPO related bonus, HY18 includes \$1.3m bonus provision related to \$22.3m performance fees
IPO costs	-	(16.8)	
<b>Operating EBIT</b>	<b>82.7</b>	<b>37.0</b>	
Finance costs	(4.7)	(5.3)	← HY17 includes \$1.6m of borrowing costs written off due to IPO refinance
<b>Net income before tax</b>	<b>78.0</b>	<b>31.8</b>	
Tax	(5.5)	(2.1)	
<b>Net income after tax</b>	<b>72.6</b>	<b>29.6</b>	
Fair value movements in property, plant and equipment	10.7	6.7	← Melbourne Markets valuation uplift
Fair value movements in cash flow hedges	(0.1)	1.9	
<b>Total comprehensive income</b>	<b>83.1</b>	<b>38.1</b>	

# Reconciliation of distributable earnings

\$m	HY18	HY17
<b>Total comprehensive income</b>	<b>83.1</b>	<b>38.1</b>
Performance fees attributed to pre-IPO security holders	-	(25.2)
IPO related costs	-	20.0
Income tax expense attributable to outperformance fees and IPO costs	-	2.1
<b>Adjusted total comprehensive income</b>	<b>83.1</b>	<b>35.1</b>
Property fair value adjustments	(39.7)	(15.0)
Co-investments fair value adjustments	(11.6)	(1.5)
Fair value movement on cash flow hedges	0.1	(1.9)
Adjustment for rental income straight lining	(1.5)	(0.7)
Adjustment for ground lease expense straight lining	1.1	0.8
Amortisation of leasing costs	0.2	-
Amortisation of borrowing costs	0.2	0.2
Depreciation and amortisation charges	1.4	1.0
<b>Distributable Earnings</b>	<b>33.3</b>	<b>18.0</b>
<b>Distributable Earnings per Security (cents)</b>	<b>5.52</b>	<b>2.99</b>
<b>Payout ratio</b>	<b>65%</b>	<b>90%</b>
<b>Distribution per Security (cents)</b>	<b>3.60</b>	<b>2.70</b>

Includes IPO costs of \$16.8m, borrowing costs \$1.6m, staff bonus of \$1.25m and loss on sale of investment in PAIP \$0.4m

Co-investment fair value adjustments equity accounted

# Summary balance sheet

(\$m)	31 December 2017	30 June 17
Cash and equivalents	14.9	20.0
Investment properties held for sale	-	31.6
Equity accounted investments	97.9	63.3
Investment properties	652.5	572.8
Property, plant and equipment	106.4	98.1
Intangible assets	4.6	4.6
Other assets	10.6	12.0
<b>Total assets</b>	<b>886.9</b>	<b>802.3</b>
Borrowings	278.5	255.9
Tax liabilities	7.5	3.8
Other liabilities	8.5	12.0
<b>Total liabilities</b>	<b>294.5</b>	<b>271.7</b>
<b>Net assets</b>	<b>592.4</b>	<b>530.6</b>
<b>Net tangible assets</b>	<b>587.8</b>	<b>526.1</b>
Securities on issue	602,780,330	602,780,330
NTA per security	\$0.975	\$0.873

←	The divestment of Smithfield and Lisarow properties, settled in 1H18
←	30 June 2017 includes \$6.8m investment in 73 Miller St, North Sydney
←	Includes Melbourne Markets \$106.0m (30 June 2017 \$97.6m)



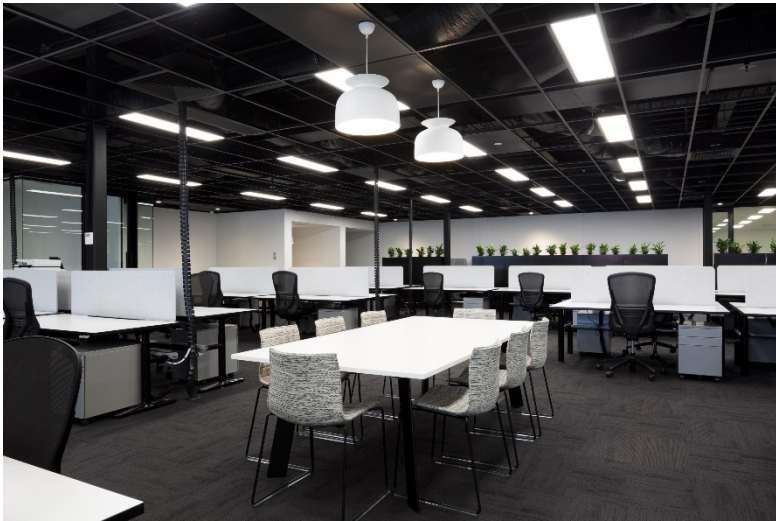
# Wholly owned industrial portfolio: valuation movements

No.	Property Address	Value (\$m) 30-Jun-17	Value (\$m) 31-Dec-17	Movement (%)	Cap Rate (%) 30-Jun-17	Cap Rate (%) 31-Dec-17	Area (sqm)	Occupancy (%)	WALE (yrs by income)
1	15 Talavera Road, Macquarie Park NSW	71.8	78.2	8.91%	6.50%	6.25%	12,597	100%	2.9
2	7-15 Gundah Road, Mount Kuring-Gai NSW	57.0	58.3	2.19%	7.00%	6.75%	32,954	98%	2.1
3	16 Rodborough Road, Frenchs Forest, NSW	30.1	31.7	5.32%	7.00%	6.75%	8,410	100%	5.0
4	50-52 Airds Road, Minto NSW	29.3	32.6	11.26%	7.50%	7.00%	21,557	100%	2.8
5	122 Newton Road, Wetherill Park NSW	30.4	32.7	7.57%	6.25%	6.00%	18,060	100%	6.1
6	44 Mandarin Street, Villawood, NSW	21.2	23.3	9.91%	8.50%	7.25%	19,645	100%	1.8
7	164-166 Newton Road, Wetherill Park NSW	18.3	20.7	13.11%	7.00%	6.25%	11,854	100%	2.3
8	4 Brunker Road, Chullora NSW	11.2	12.5	11.61%	7.25%	6.50%	6,428	100%	3.2
9	13 Boundary Road, Northmead NSW	10.7	11.5	7.48%	7.00%	6.25%	5,660	100%	3.3
10	22 Rodborough Road, Frenchs Forest, NSW	10.6	11.3	6.60%	7.25%	7.25%	4,035	100%	3.4
11	18-20 Orion Road, Lane Cove, NSW*	-	48.0	-	-	7.13%	9,751	86%	2.8
12	1 Oriellon Road, Smeaton Grange NSW	9.1	10.4	14.29%	7.00%	6.50%	7,689	100%	4.3
13	163 Viking Drive, Wacol QLD	25.0	25.2	0.80%	6.50%	6.50%	13,636	100%	3.5
14	183 Viking Drive, Wacol QLD	23.0	23.2	0.87%	6.50%	6.50%	12,246	100%	6.0
15	57-101 Balham Road, Archerfield QLD	27.7	28.5	2.89%	8.50%	8.00%	24,368	100%	2.8
16	848 Boundary Road, Richlands QLD	13.1	14.3	9.16%	8.25%	8.00%	9,818	89%	2.7
17	37-53 Eurora Street, Kingston QLD	7.0	7.1	1.43%	8.00%	7.25%	6,096	100%	0.6
18	Melbourne Markets, 315 Cooper Street Epping, VIC	97.6	106.0	8.61%	7.25%	7.00%	74,968	100%	4.5
19	71-93 Whiteside Road & 74-84 Main Road, Clayton, VIC	28.0	35.2	25.71%	6.15%	5.75%	28,662	100%	14.7
20	144-168 National Boulevard, Campbellfield VIC	23.1	23.6	1.95%	6.50%	6.25%	16,620	100%	7.0
21	18-24 Ricketts Road, Mount Waverley VIC	17.3	18.8	8.38%	7.50%	7.25%	8,916	100%	2.0
22	1-5 Lake Drive, Dingley VIC	16.3	16.5	1.23%	7.50%	7.00%	17,431	100%	0.5
23	127-161 Cherry Lane, Laverton North, VIC	13.7	14.5	5.69%	10.50%	10.00%	25,639	100%	4.8
24	82 Taryn Drive, Epping VIC	12.4	12.5	0.40%	6.75%	6.75%	10,590	100%	0.3
25	25 Strezlecki Avenue, Sunshine West VIC	10.7	11.0	2.80%	7.50%	7.00%	10,467	100%	2.0
26	63-73 Woodlands Drive, Braeside VIC	10.2	10.6	3.43%	6.50%	6.25%	7,598	100%	6.4
27	571 Mount Derrimut Road, Derrimut VIC	8.0	8.3	3.75%	7.25%	7.00%	8,321	100%	3.9
28	7 Modal Crescent, Canning Vale WA	14.3	15.7	9.79%	8.00%	8.00%	15,251	100%	2.3
29	39 McDowell Street, Welshpool WA	8.6	8.5	(1.16%)	7.75%	7.75%	6,925	100%	2.2
30	17-19 Leadership Way, Wangara WA	7.8	8.0	2.56%	8.25%	8.00%	5,415	100%	2.1
	150-156 McCredie Road, Smithfield NSW^	22.8	Sold		7.75%				
	8 Sylvania Way, Lisarow NSW^	8.8	Sold		9.00%				
Total		695.1	758.5	7.07%	7.22%	6.86%	461,606	99.3%	4.0

\* 18-20 Orion Road, Lane Cove NSW acquired in December 2017

^ 150-156 McCredie Road, Smithfield sold in July 2017 and 8 Sylvania Way Lisarow sold in November 2017

# Repositioned 71-93 Whiteside Road, Clayton VIC



# Propertylink external funds at 31 December 2017

Investment Management				
\$959m AUM	6 external funds	29 assets	18.4% average co-investment	
Industrial \$320m AUM	<b>PAIP II</b> <ul style="list-style-type: none"> <li>14 assets</li> <li>AUM \$289m</li> <li>17.1% co-investment</li> </ul>	<b>SEDCO Mandate</b> <ul style="list-style-type: none"> <li>1 asset</li> <li>AUM \$31m</li> <li>7.5% co-investment</li> </ul>		<b>Diversified</b> \$340 AUM
				<b>Propertylink Enhanced Partnership (PEP)</b> <ul style="list-style-type: none"> <li>Diversified portfolio</li> <li>9 assets</li> <li>AUM \$340m</li> <li>25% co-investment</li> </ul>
Office \$299m AUM	<b>POP III</b> <ul style="list-style-type: none"> <li>3 assets</li> <li>AUM \$115m</li> <li>11.2% co-investment</li> </ul>	<b>PACT</b> <ul style="list-style-type: none"> <li>1 asset</li> <li>AUM \$175m</li> <li>15.0% co-investment</li> </ul>	<b>The Gantry Investment Trust</b> <ul style="list-style-type: none"> <li>1 asset</li> <li>AUM \$9m</li> </ul>	



# Glossary

<b>Distributable Earnings:</b>	Cash available for distribution during the relevant period, being the net profit after tax adjusted for property fair value adjustments, straight-lining of rental income and expenses, depreciation, the amortisation on capitalised borrowing costs and other non-cash items
<b>Gearing:</b>	Interest bearing liabilities (excluding debt establishment costs) less cash divided by total tangible assets less cash
<b>Gearing (look through):</b>	Represents Gearing defined above adjusted to include debt and cash in equity accounted investments
<b>NTA</b>	Net tangible assets
<b>WALE</b>	Weighted average lease expiry, calculated as the average lease expiry of all properties within the portfolio (or in the external funds, as applicable) weighted by each property's income
<b>WACR</b>	The capitalisation rate for a portfolio of properties, calculated by dividing the Net Passing Rent of the portfolio by the assessed valuation of the portfolio, excluding costs of acquisition and fees, weighted by each property's valuation

# Contact

**CARRIE BARRACK**

Investor Relations Manager  
[cbarrack@propertylink.com.au](mailto:cbarrack@propertylink.com.au)

**T: + 61 2 9186 4747**

**Level 29, 20 Bond Street  
Sydney NSW 2001**

**[www.propertylink.com.au](http://www.propertylink.com.au)**

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