



Australian Securities Exchange - Company Announcements Platform

Centuria Property Funds No. 2 Limited

CENTURIA INDUSTRIAL REIT

Update on Propertylink Proposal

Wednesday, 19 September 2018

On Thursday, 13 September 2018, Centuria Property Funds No. 2 Limited (**CPF2L**), as Responsible Entity of Centuria Industrial REIT (ASX:**CIP**) announced that it had received an unsolicited, indicative, non-binding and conditional proposal from Propertylink Group (**PLG**) to acquire all outstanding CIP units by way of an off-market takeover offer (**Proposal**). The Proposal is comprised of 2.5327 PLG securities (~90% of consideration) and \$0.33 cash (~10% of consideration) valuing CIP units at \$3.04 per unit based on PLG's close price on 12 September 2018.

On 14 September 2018, PLG disclosed a relevant interest in 44.0 million CIP units, being approximately 17.7% of CIP (as compared to the 12.3% interest as disclosed in PLG's announcement of the Proposal).

As announced on 13 September 2018, CPF2L has formed an Independent Board Committee (**IBC**) to consider the Proposal, with Matthew Hardy as the Chairman. Governance protocols and procedures have been adopted by the IBC in order that CPF2L's consideration of the Proposal, in its capacity as responsible entity of CIP, is undertaken independently of Centuria Capital Group.

The IBC will conduct a thorough assessment of the Proposal to ensure its response is in the best interests of CIP unitholders. As part of this review, the IBC has today sent an initial letter (www.centuria.com.au/plg-response) to the Chairman and CEO of PLG. This letter seeks to clarify a number of assumptions made in the Proposal to assist in the IBC's assessment of the Proposal, including:

- Key assumptions underlying the pro forma financial impact to PLG;
- Questions relating to the underlying PLG earnings profile including detail on non-recurring earnings;
- Questions relating to PLG's gearing, loan-to-value ratio and current financial covenants;
- Further information on the PLG portfolio (including in relation to upcoming lease expiries and PLG's proposed asset sales);
- PLG's approach to managing potential conflicts of interest; and
- Clarification of the conditionality of the Proposal.

The members of the IBC are also willing to meet with the Chairman of PLG to discuss the relevant aspects of the Proposal.

The IBC recommends unitholders take no further action at this time.

The IBC has appointed UBS AG, Australia Branch as financial adviser and Jones Day as legal adviser to assist with the IBC's consideration of the Proposal.

CPF2L will keep its unitholders and ASX informed as appropriate.

-Ends-

For further information, please contact:



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About Centuria Property Funds No. 2 Limited

Centuria Property Funds No. 2 Limited (CPF2L), is the Responsible Entity for the ASX-listed Centuria Industrial REIT (CIP).

CIP is Australia's largest ASX-listed income focused industrial investment vehicle and is included in the S&P/ASX 300 Index. CIP owns a portfolio of 38 high quality industrial assets with a value of approximately \$1.0 billion, the properties are located in key metropolitan locations throughout Australia.

CPF2L, combined with Centuria Property Funds Limited (CPFL) are wholly owned subsidiaries of Centuria Capital Group (CNI) and have approximately \$4.0 billion of assets under management across 15 unlisted property funds, one open-ended diversified property fund and two listed REITs.

CNI is an ASX-listed specialist investment manager with approximately \$4.9 billion in assets under management.

www.centuria.com.au