

ASX/Media Announcement

3 October 2018

Centuria Industrial REIT rejection of Propertylink proposal

On 2 October 2018, Centuria Property Funds No. 2 Limited (**CPF2L**), as responsible entity of Centuria Industrial REIT (**CIP**) announced that its Independent Board Committee (**IBC**) rejected Propertylink's proposal to acquire CIP (the **Proposal**).

Propertylink continues to strongly believe that its Proposal would provide significant benefits to CIP unitholders and Propertylink securityholders, is in the best interests of CIP unitholders and should be put forward for CIP unitholders' consideration by the IBC.

1. The Proposal implies a price of \$3.04 per CIP Unit based on the last closing price of Propertylink securities at the time of submission (12 September 2018), prior to the announcement of the ESR Proposal.

The Proposal price represents a:

- 5.7% premium to CIP's all time high trading price of \$2.875 on 31 August 2016;
- 18.8% premium to CIP's last stated NTA per Unit as at 30 June 2018 of \$2.56; and
- 15.5% premium to the 3-month VWAP of \$2.63 up to 12 September 2018, being the last trading day prior to the submission of the Proposal.

2. The Proposal is expected to significantly increase equivalent earnings per CIP unit from 18.5 cents to 22.5 cents on a pro forma basis, representing an increase of 21.7%.

This increase is driven by significant cost savings relative to the \$8.4 million of fees CIP paid its manager Centuria Capital Group (CNI) in FY18.

3. The Board of CPF2L previously endorsed the material strategic and financial benefits that would be derived from a combination of CIP and Propertylink's industrial portfolio, including:
 - creation of the largest ASX listed REIT focused on Australian industrial properties;
 - a material increase in scale and portfolio diversification;
 - an enlarged balance sheet providing greater flexibility including improved access to, and cost, capital; and
 - increased investor relevance and potential S&P/ASX 200 index inclusion.

Propertylink further notes that:

- 18.1% of CIP unitholders have already sold their CIP units to Propertylink at a price below the value of the Proposal.

- Propertylink has well-advanced plans to manage leverage through the transaction via the sale of wholly owned Propertylink assets, providing Propertylink with control over execution at all times.

Propertylink continues to reserve its right to proceed with the Proposal without the IBC's recommendation, agreement of a bid implementation agreement or due diligence access.

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 A\$1.8 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.