

## ASX/Media Announcement

30 October 2018

### Propertylink portfolio and co-investment valuations, status of the ESR Proposal and EGM

#### PORTFOLIO AND CO-INVESTMENT VALUATIONS

Propertylink Group (ASX: PLG) (**Propertylink**) today announces the independent valuations of Propertylink's wholly owned industrial portfolio and investment management platform.

The Directors of Propertylink (**Directors**) commissioned the independent valuations in response to the non-binding, indicative and conditional proposal from ESR Real Estate (Australia) Pty Ltd (**ESR**) to acquire all the Propertylink securities which it does not already own by way of an agreed off-market takeover offer (**Proposal**).

Independent valuations were completed for 29 of the 31 properties<sup>1</sup> in the wholly owned industrial portfolio as at 30 September 2018. The independent valuations have resulted in a net increase of \$30.9 million or approximately 3.9%<sup>2</sup> on book value at 30 September 2018. The portfolio weighted average capitalisation rate has reduced by 17 bps to 6.49%<sup>3</sup>. Further detail on the independent valuation metrics for the wholly owned industrial portfolio is provided in Annexure 1.

Across the investment management platform, 25 of the 28 properties<sup>4</sup> were independently valued as at 30 September 2018<sup>5</sup>. The independent valuations have resulted in an increase in the carrying value of Propertylink's co-investment in external funds of \$8.6 million.

The net increase in book value of the wholly owned industrial portfolio combined with the increase in the carrying value of co-investments, results in an increase in Propertylink's net tangible assets of 6.6 cents per security.

#### STATUS OF THE ESR PROPOSAL

Subject to the satisfactory completion of due diligence by ESR and the negotiation of a Bid Implementation Agreement on terms acceptable to Propertylink, the Directors continue to intend to unanimously recommend that Propertylink securityholders accept a takeover bid from ESR at the Proposal price of \$1.20<sup>6</sup> per security. The Director's intention to recommend the Proposal is conditional

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<sup>1</sup> Excludes 14–16 Orion Road, Lane Cove NSW, the acquisition of which was settled in September 2018 and 1-5 Lake Drive, Dingley VIC, which is a development asset.

<sup>2</sup> Excludes 14-16 Orion Road, Lane Cove NSW and 1-5 Lake Drive, Dingley VIC.

<sup>3</sup> Portfolio weighted average cap rate excludes 14-16 Orion Road, Lane Cove NSW and 1-5 Lake Drive, Dingley VIC which have been classified as development assets.

<sup>4</sup> Independent valuations exclude 80 Mount Street, North Sydney NSW, which was divested in September 2018, with settlement expected to occur in November 2018 and two other properties within the Propertylink Enhanced Partnership (PEP).

<sup>5</sup> 1 Lahrs Road, Ormeau QLD was valued as at 15 November 2018 as required by Propertylink Commercial and Industrial Investments (PCII).

<sup>6</sup> The Proposal price will be reduced by the cash amount of any dividends or distributions that Propertylink securityholders receive or become entitled to receive.

on an Independent Expert opining that the ESR offer is fair and reasonable to Propertylink securityholders not associated with ESR and in the absence of a superior proposal.

ESR has been granted a period of three weeks from 16 October 2018 to conduct its due diligence on Propertylink.

Propertylink securityholders do not need to take any action in relation to the Proposal at the present time. Propertylink will continue to keep securityholders informed in relation to the Proposal.

### **EGM REQUISITIONED BY CENTURIA**

For the reasons set out in the Notice of Meeting regarding the upcoming Extraordinary General Meeting requisitioned by Centuria<sup>7</sup>, and Propertylink's letter to securityholders dated 25 October 2018, the Directors unanimously recommend that Propertylink securityholders vote **against** all of the resolutions proposed by Centuria.

### **ENDS**

#### **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\$1.8 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.

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<sup>7</sup> Propertylink Holdings Limited securityholder meeting requisitioned by Centuria Investment Holdings Pty Limited as trustee of Centuria Capital No. 2 Industrial Fund (Centuria) on 20 September 2018. Centuria is a wholly-owned subsidiary of the Centuria Capital Group.

## Annexure 1 – Wholly owned industrial portfolio valuation metrics

No.	Property Address	Value (\$m) 30-Sep-18	Movement (\$m) <sup>8</sup>	Movement (%) <sup>8</sup>	Cap Rate (%) 30-Jun-18	Cap Rate (%) 30-Sep-18
1	15 Talavera Road, Macquarie Park NSW	83.7	1.6	2.0%	6.00%	6.00%
2	7-15 Gundah Road, Mount Kuring-Gai NSW	63.0	4.0	6.8%	6.75%	6.50%
3	16 Rodborough Road, Frenchs Forest NSW	33.2	0.5	1.5%	6.50%	6.50%
4	50-52 Airds Road, Minto NSW	38.0	3.7	10.7%	6.50%	6.00%
5	122 Newton Road, Wetherill Park NSW	35.7	2.1	6.3%	6.00%	5.75%
6	44 Mandarin Street, Villawood NSW	27.0	2.1	8.4%	7.00%	6.50%
7	164-166 Newton Road, Wetherill Park NSW	24.2	1.9	8.5%	6.00%	5.50%
8	4 Brunker Road, Chullora NSW	14.8	1.1	7.8%	6.25%	5.75%
9	13 Boundary Road, Northmead NSW	14.1	1.9	15.6%	6.00%	5.50%
10	22 Rodborough Road, Frenchs Forest NSW	11.9	0.6	5.3%	7.00%	7.00%
11	18-20 Orion Road, Lane Cove NSW	51.4	1.3	2.7%	7.00%	7.00%
12	1 Orierton Road, Smeaton Grange NSW	12.1	1.0	9.0%	6.25%	5.75%
13	163 Viking Drive, Wacol QLD	25.6	0.2	0.8%	6.50%	6.50%
14	183 Viking Drive, Wacol QLD	23.7	0.5	2.2%	6.50%	6.25%
15	57-101 Balham Road, Archerfield QLD	32.1	1.1	3.5%	7.75%	7.50%
16	848 Boundary Road, Richlands QLD	15.5	0.5	3.2%	7.50%	7.50%
17	37-53 Eurora Street, Kingston QLD	8.7	0.6	7.5%	7.25%	6.75%
18	Melbourne Markets, 315 Cooper Street, Epping VIC	114.5	1.9	1.7%	7.00%	6.79%
19	71-93 Whiteside Road & 74-84 Main Road, Clayton VIC	41.5	1.0	2.5%	5.50%	5.75%
20	144-168 National Boulevard, Campbellfield VIC	25.5	1.0	4.1%	6.25%	6.00%
21	18-24 Ricketts Road, Mount Waverley VIC	21.7	0.7	3.2%	6.75%	6.75%
22	127-145 Cherry Lane, Laverton North VIC	15.8	0.3	1.9%	9.50%	9.25%
23	82 Taryn Drive, Epping VIC	15.0	0.0	0.0%	6.25%	6.25%
24	25 Strezlecki Avenue, Sunshine West VIC	11.5	0.1	0.8%	6.75%	6.75%
25	63-73 Woodlands Drive, Braeside VIC	11.9	0.1	0.4%	5.75%	5.75%
26	571 Mount Derrimut Road, Derrimut VIC	9.4	0.4	4.5%	6.75%	6.50%
27	7 Modal Crescent, Canning Vale WA	17.2	0.7	4.1%	7.50%	7.50%
28	39 McDowell Street, Welshpool WA	8.7	(0.1)	(1.1%)	7.50%	7.50%
29	17-19 Leadership Way, Wangara WA	8.5	0.2	2.4%	7.75%	7.50%
<b>Total (excluding Development)</b>		<b>815.8</b>	<b>30.9</b>	<b>3.9%</b>	<b>6.66%</b>	<b>6.49%</b>
30	14-16 Orion Road, Lane Cove NSW	8.6	n/a	n/a	-	-
31	1-5 Lake Drive, Dingley VIC	16.7	0.0	0.0%	6.75%	-
<b>Total</b>		<b>841.1</b>	<b>30.9</b>	<b>3.8%</b>	<b>6.66%</b>	<b>6.49%</b>

<sup>8</sup> Represents the change in book value resulting from the 30 September 2018 independent valuations. The change is relative to Propertylink's carrying value at 30 September 2018.