



BLACKWALL
PROPERTY TRUST

ASX Release

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BlackWall Property Trust Announces Private Placement and Rights Issue

ASX listed BlackWall Property Trust (ASX:BWR) has launched a \$12 million capital raising by way of a \$4 million, 1 for 17 rights issue at \$1.20 per unit contemporaneously with an \$8 million private placement to high net worth and institutional investors at the same price.

The offer is priced at a 7 cents per unit discount to the trust's \$1.27 NTA. "Of the \$12 million raised, just over \$9 million is to be invested as soon as we close," said BlackWall CEO Stuart Brown.

The Offer booklet for the rights issue outlines that proceeds will be used to complete a buy-back of just over 4 million BWR units at a deep discount. In addition, the trust will grow its investment by just over \$3 million in the Pymont Bridge Trust. BlackWall recently announced that this single-asset, wholesale investment trust has agreed to acquire full control of 55 Pymont Bridge Road from joint venture partner NAB.

A further \$1.4 million will be allocated to growing BWR's existing investment in the Woods Action Centre at Villawood. "The Woods position is generating just over 8% per annum in distributions and will be held in BWR's Income Portfolio," said Mr Brown.

BWR is a total return REIT holding passive assets funding distributions in its Income Portfolio and NTA/income accretive assets in the Growth Portfolio. Following the capital raising gross assets will grow to \$141 million with \$90 million in the Income and \$51 million in the Growth Portfolio. For the full year to 30 June 2016, the trust paid cash distributions of 10 cents equating to an 8% distribution yield on the issue price. The trust has over \$15 million of carried forward tax losses (incurred in the GFC under previous management) so for the medium term all distributions will be 100% tax deferred.

This raising caps off a busy period for BlackWall and the trust. At the end of June 2016 BWR completed the \$25 million acquisition of a commercial office tower in the ACT and, as mentioned previously, is now taking full control of the \$80 million 55 Pymont Bridge Road.

In addition, BlackWall has announced the possible sale of one of the group's longest held projects, the Bakehouse Quarter at North Strathfield. This 40,000 square metre mixed-use precinct is currently under due diligence for a potential sale in late 2016. BWR has 13% of the wholesale trust which acquired the site from Arnott's Biscuits in 1997. If the sale proceeds BWR's \$20 million investment value will grow significantly.

The private placement and rights issue are expected to close in mid-November.

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