

ASX Release

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NTA Uplift & Meeting to Consider Acquisition – BWR

BlackWall will call a meeting of unitholders in BlackWall Property Trust (BWR) to consider a series of transactions that will grow the Trust's gross assets by around \$40 million, roughly a 30% increase. The transactions will also add over 300 unitholders to BWR's register. In contemplation of this transaction, the Trust's real estate portfolio has been independently valued generating a 5 cent per unit increase in the NTA per unit. This brings current NTA to \$1.43 per unit.

The transactions will see BWR effectively taking over two unlisted trusts managed by BlackWall - BlackWall Telstra House Trust and the Bakehouse Quarter Trust. As a result, BWR will significantly grow its investment in 55 Pyrmont Bridge Road, Pyrmont, the Bakehouse Quarter at North Strathfield and 490 Northbourne Ave in the ACT. All three projects are currently held in joint ventures between the relevant retail trusts and two high net worth syndicates. The retail investors will be offered ASX-listed BWR units in exchange for their unlisted positions.

"Each of the investment positions to be acquired have development potential and we expect to them to contribute to NTA growth over time," said BlackWall CEO, Stuart Brown.

Combined, the three assets have over 50,000 sqm of commercial, retail and social amenity and each is home to WOTSO WorkSpace, BlackWall's growing collaborative workspace business.

The transactions also contemplate the acquisition by BWR of BlackWall's position in the Pelathon Pub Group. BlackWall recently announced the completion of its turnaround strategy for the pub group, which was acquired in 2009. At a recent meeting of the pub group's unitholders, full management control was transferred to specialist hotel operator Pelathon Management Group. Once BlackWall's investment in the pub group is consolidated onto the BWR balance sheet, BWR will distribute this holding in-specie to its unitholders.

"During the pub group's recovery, we employed both the BWR and BWF balance sheets to assist the process. Our aim was to distribute this investment at the appropriate time," said Mr Brown. "This transaction will add over 1,000 retail and high net worth investors to the pub group register, better positioning it to raise capital, chase M&A opportunities and in time, if Pelathon chooses, to undertake a compliance listing on the ASX." In a recent press announcement Pelathon director Jaz Mooney flagged that the fund aims to grow to \$100 million in gross assets.

BlackWall expects to complete the transactions set out above by the close of this financial year. The first step in the process is the lodgement of a BWR product disclosure statement with ASIC and the ASX, which will be announced shortly.
