ENN successfully completes $30 million Institutional Placement

Highlights

- $30 million raised at $1.85 per new security
- Strong investor demand with the Institutional Placement significantly oversubscribed
- Proceeds from the capital raising to fund new funds management initiatives
- Upgrade to estimated FY16 Distribution per security
- Earnings per security accretive from the establishment of the Elanor Commercial Property Fund and the Elanor Retail REIT

Elanor Investors Group ("ENN" or the "Group") is pleased to announce the successful completion of an Institutional Placement ("Placement") to raise $30 million. The proceeds from the Placement will be used to establish and cornerstone a new commercial property fund, the Elanor Commercial Property Fund ("ECPF" or "Fund"), and cornerstone a new retail Real Estate Investment Trust ("Retail REIT") which ENN is preparing to list on the ASX.

ENN Chief Executive Officer, Glenn Willis said "Since listing in July 2014 we have grown funds under management from $87 million to over $489 million. This Institutional Placement will position ENN for further significant growth with the establishment of multi-asset funds in the commercial and retail property sectors to augment our multi-asset hotel fund (Elanor Hospitality and Accommodation Fund) launched in March this year".

Funds Management Initiatives

ENN announces a number of new funds management initiatives:

- The establishment of ECPF. ENN is currently in due diligence on 3 commercial assets to seed the Fund. The Fund is targeting an initial portfolio size of $125-$150 million. ENN intends to cornerstone the Fund and retain a holding of approximately 15%;

- The listing of the Retail REIT on the ASX. It is intended that the Retail REIT will comprise a portfolio of metropolitan and regional retail assets, with an initial target portfolio size of $160-$200 million. ENN intends to cornerstone the Retail REIT and retain at least a 15% stake.

It is intended that both the ECPF and a new listed Retail REIT will be established prior to 31 December 2016. "These two funds will significantly increase ENN's funds under management and positions the Group for our next stage of growth" said Mr Willis.

FY16 Earnings Guidance and FY16 Distribution Upgrade

ENN announces that its estimated Core Earnings per unit for the year ended 30 June 2016, based on unaudited accounts, is in the range of 16.0 cents to 16.3 cents per security.

ENN's actual Core Earnings remain subject to completion of a review of the Group's accounts by its auditors and approval by the ENN Board. ENN is scheduled to release its FY16 annual result on 24 August 2016, and the actual audited Core Earnings will be announced on or around this date.

ENN also announces that its 2HFY16 Distribution is upgraded to 7.3 cents per security, an increase of 9% from the 6.7 cents market guidance announced on 22 June 2016. This results in an estimated full FY16 Distribution of 14.6 cents per security, which represents a 23% increase on FY15.

Equity Raising

The new securities issued under the Placement will rank equally with existing securities in ENN.

"We are pleased with the strong support from existing investors and the opportunity to broaden the investor base with the introduction of a number of new institutional investors" Mr Willis said.

The Placement was fully underwritten by Moelis Australia Advisory Pty Limited.

ENN also intends to undertake a Security Purchase Plan ("SPP") to provide eligible ENN securityholders in Australia and New Zealand the opportunity to acquire between $5,000 and $15,000 of ENN securities per securityholder, at the same issue price as the Placement. ENN will seek to raise up to $3 million under the SPP. Further information regarding the SPP will be provided on or around 5 August 2016.

ENDS.

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