



Australian Securities Exchange - Company Announcements Platform

Centuria Property Funds No. 2 Limited CENTURIA INDUSTRIAL REIT

Acquisition of 616 Boundary Road, Richlands, QLD and divestment of 7.7% interest in Propertylink Group

Friday, 10 August 2018:

Centuria Property Funds No. 2 Limited (**CPF2L**) as Responsible Entity of Centuria Industrial REIT (ARSN 099 680 252) (**CIP** or the **Trust**) today announces:

- **Acquisition of 616 Boundary Rd, Richlands, QLD for \$15.9 million**
- **Due diligence commenced on significant industrial property in Western Australia**
- **Divestment of CIP's 7.7% interest in Propertylink (ASX:PLG) for \$46.3 million¹**

Acquisition of 616 Boundary Road, Richlands, QLD

CIP has exchanged unconditional contracts to acquire 616 Boundary Road, Richlands, QLD ("Richlands property") for \$15.9 million². The Richlands property is a 13,763sqm warehouse facility on a 3.1ha site with dual street frontages and is located in the prime Richlands market with surrounding occupiers including Coca-Cola and Target.

The Richlands property was acquired off-market and is subject to a three year sale and leaseback to logistics group Border Express. The property will generate an initial yield of 8.2%². Settlement of this acquisition is anticipated in mid August 2018.

Western Australia Property

CIP has also commenced due diligence for the off-market acquisition of a substantial industrial property in Western Australia (**WA Industrial Property**). The property is located in a core industrial market and leased to a number of high quality tenants.

The Western Australia transaction remains subject to the satisfactory completion of due diligence.

Sale of Interest in PLG

CIP has divested its entire 7.7% holding in PLG at a price of \$1.01 per stapled security realising \$46.3 million¹. The divestment represents a premium to initial acquisition price of \$0.95 per stapled security on 8 September 2017 and will realise a profit of \$1.9 million¹. CIP has generated an Internal Rate of Return of 13.3%pa¹ over its 11 month holding period.

Proceeds from the sale of the PLG stake will be used to settle the Richlands Property. The balance of the proceeds will be reinvested in the WA Industrial Property if successful, otherwise they will be used to pay down debt.

Ross Lees, CIP Trust Manager commented: "Given the alternative acquisition opportunities available to CIP, we have decided at this point to realise a profit on our investment in PLG and recycle the capital into our pipeline of direct real estate opportunities. Since June 2017, we have successfully acquired \$94.3 million in off market acquisitions with this latest transaction further demonstrating our ability to unlock high quality assets relevant to our customer base."

¹ Realisation, profit and IRR all take account of transaction costs.

² Before acquisition costs



- Ends -

For further information, please contact:

CENTURIA INDUSTRIAL REIT

Ross Lees

Fund Manager - CIP

Centuria Property Funds No. 2 Limited

Phone: 02 8923 8923

Email: ross.lees@centuria.com.au

Tim Mitchell

Group Head of Investor Relations

Centuria Capital Limited

Phone: 02 8923 8923

Email: tim.mitchell@centuria.com.au

About Centuria Property Funds No. 2 Limited

Centuria Property Funds No. 2 Limited (CPF2L), a wholly-owned subsidiary of Centuria Capital Group (CNI), is the Responsible Entity for the ASX listed Centuria Industrial REIT (CIP).

CIP is Australia's largest ASX-listed income focused industrial investment vehicle and is included in the S&P ASX300 index. CIP owns a portfolio of 38 high quality industrial assets with a value exceeding \$1 billion, the properties are located in key metropolitan locations throughout Australia.

CPF2L, combined with Centuria Property Funds Limited (CPFL), the Responsible Entity for the ASX listed Centuria Metropolitan REIT (CMA), has \$3.8 billion of funds under management in 16 unlisted property funds, one open-ended diversified property fund and two listed REITs.

CNI is an ASX-listed specialist investment manager with \$4.7 billion in funds under management.