



Australian Securities Exchange - Company Announcements Platform

Centuria Capital Group

Propertylink Directors Refuse to Engage in Discussions with Centuria

Sydney, 25 September 2017:

Further to Propertylink Group's (**ASX:PLG**) announcement today, and in the interest of complete disclosure, Centuria Capital Group (**ASX:CNI**) and CPF2L, as responsible entity for Centuria Industrial Trust (**ASX:CIP**) now release the written correspondence between CNI, CIP and PLG dating back to 15th September 2017.

Following the acquisition of the strategic stakes in PLG on 8th September 2017, CNI and CIP invited the PLG directors to meet and discuss a potential proposal.

Notwithstanding the 8th September 2017 ASX statement by PLG that they were "open to discussions", the PLG directors have refused to meet and discuss a potential proposal – a position CNI and CIP believe is inconsistent with PLG securityholders' interests.

CNI and CIP collectively own 17% of PLG and are PLG's largest securityholders. CNI and CIP firmly believe that the Centuria Proposal, as outlined in the letters dated 15th September and 22nd September 2017, represents a compelling financial and strategic opportunity for PLG securityholders.

The relevant written correspondence is attached.

Ends

For more information or to arrange an interview, please contact:

John McBain

CEO

Centuria Capital Limited

Phone: 02 8923 8910

Email: john.mcbain@centuria.com.au

Natalie Powell

Chief Marketing Officer

Centuria Capital Limited

Phone: 02 8923 8936

Email: natalie.powell@centuria.com.au

Samantha Pankovas

Director of Corporate Affairs

Phone: 02 9018 8602

Email: samantha@bluechipcommunication.com.au



About Us

Centuria Capital "CNI" is an ASX-listed specialist investment manager with \$4.2 billion in funds under management. We offer a range of investment opportunities including listed and unlisted property funds as well as tax-effective investment bonds. Our drive, allied with our in-depth knowledge of these sectors and intimate understanding of our clients, allows us to transform opportunities into rewarding investments.

Any forward looking statements included in this announcement involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, CNI and its directors. In particular, they speak only as of the date of this announcement, they assume the success of CNI's business strategies, and they are subject to significant regulatory, business, competitive and economic uncertainties, risks and other factors. Actual future events may vary materially from forward looking statements and assumptions on which those statements are based. Other than as required by law, although they believe there is a reasonable basis for the forward looking statements, neither CNI nor its directors, officers, employees or any related body corporate, gives any representation, assurance or guarantee (express or implied) as to the accuracy or completeness of any forward looking statement or that the occurrence of any event, result, performance or achievement will actually occur. Recipients are cautioned not to place undue reliance on such forward looking statements.



22 September 2017

Mr Peter Lancken
Chairman
Propertylink Group
Level 29, 20 Bond Street
Sydney NSW 2000

Dear Peter,

INDICATIVE AND NON-BINDING PROPOSAL TO ACQUIRE ALL OF THE STAPLED SECURITIES IN PROPERTYLINK GROUP FOR \$0.95 EACH

Thank you for responding to the original indicative and non-binding proposal from Centuria Capital Group (**CNI**) and Centuria Property Funds No. 2 Limited (**CPF2L**) as Responsible Entity of Centuria Industrial REIT (**CIP**) (collectively **Centuria**) to acquire all of the stapled securities in Propertylink Group (**PLG**) via schemes of arrangement for \$0.95 per PLG stapled security (**Centuria Proposal**).

Whilst we had understood from our discussions that a formal proposal of the nature already provided was all that you sought in order to progress matters, we, nonetheless, respond below to your letter dated 18 September 2017 in which you sought additional information regarding the Centuria Proposal.

Centuria's approach

As you are aware, the Centuria Board, Centuria management and their advisors believe that working collaboratively with PLG's board, management team and advisors will provide the best opportunity to develop a formal proposal that most benefits all stakeholders. Further, meeting in person to discuss the Centuria Proposal and the value it will create for all stakeholders both in the short and long term seems to be a logical and intelligent step forward.

We have sought to be as transparent as possible in our disclosures although you will appreciate that context is sometimes lost in writing and there are some obvious restraints around some information that must, for the moment, remain confidential.

Offer consideration

The Centuria Proposal indicatively values PLG at \$0.95 per PLG security.

Under the Centuria Proposal:

- CNI will acquire PLG's funds management platform through acquiring Propertylink (Holdings) Limited (**PHL**) and PLG's co-investments through Propertylink Trust (**PT**) (collectively the **Merged Platform**) for CNI scrip and cash.
- Propertylink Australian Industrial Partnership Trust (**PAIP**) will be acquired by CNI and CIP. PAIP has been valued at 69.5 cents per PAIP unit based on publicly available information.
- The acquisition of PAIP will be funded by contributions from CNI and CIP such that:
 - CNI acquires 8.1% of the PAIP units from non-associated PLG securityholders for CNI scrip; and
 - CIP acquires the remaining interest in PAIP. Non-associated PLG securityholders receive CIP scrip and cash for their remaining interests in PAIP.

Centuria Capital Group

Consisting of:
Centuria Capital Limited ABN 22 095 454 336 and
Centuria Capital Fund ARSN 613 856 358

Level 39
100 Miller Street
North Sydney NSW 2060

PO Box 6274
North Sydney
NSW 2060

T: 02 8923 8923
F: 02 9460 2960
E: sydney@centuria.com.au
www.centuria.com.au



We have valued the offer consideration under the Centuria Proposal as follows:

| Centuria Proposal - offer consideration | | | | |
|------------------------------------------------|-----------------|--------------|----------------------------|-------------|
| | \$ value | Ratio | \$ per PLG security | % |
| Cash | | | 0.055 | 6% |
| CIP scrip | 2.56 | 0.23x | 0.587 | 62% |
| CNI scrip | 1.34 | 0.23x | 0.308 | 32% |
| Total consideration | | | 0.950 | 100% |

The basis for the assumed price of CIP of \$2.56 per unit and CNI of \$1.34 per security have been determined by reference to five-day VWAP as at 21 September 2017, being the most recent closing date prior to the date of this letter.

Implementation steps

We anticipate PLG securityholders approving the Centuria Proposal via three inter-conditional schemes of arrangement, one for each of the stapled PLG entities (PAIP, PHL and PT). We would obviously anticipate the independent directors of the PLG Board recommending that PLG securityholders vote in favour of the schemes, absent a superior proposal.

We propose that we would collaboratively work with you and your advisors to prepare the necessary securityholder documentation. The initial step would be to agree the details of the schemes in a scheme implementation agreement including customary exclusivity, matching and no-shop/no-talk provisions.

At a high level, we anticipate that the implementation of the Centuria Proposal would involve:

- De-stapling PAIP, PHL and PT;
- CNI acquiring PHL and PT;
- CNI acquiring a 8.1% interest in PAIP from non-associated PLG securityholders; and
- CIP acquiring 100% of PAIP.

Funding

The Centuria Proposal would be predominantly funded via an issuance of CNI and CIP securities.

The cash component of the offer (5.5c per PLG security) is contributed approximately 4c per PLG security from CIP and 1.5c per PLG security from CNI and is assumed to be funded from existing cash reserves or the merged entities' debt facilities.

Regarding the existing debt facilities, it is anticipated that Centuria and PLG management would work closely with both groups' existing debt providers to ensure an orderly transition of PLG's debt to the respective entities. We note that PLG's primary lender is also a lender to Centuria, which should assist any discussions.



Compelling financial outcome for PLG securityholders

The Centuria Proposal is expected to be financially positive for PLG, CNI and CIP securityholders based on our analysis of public information and our current underlying assumptions. The financial outcomes have been compared on the following basis:

- **FY18 EPS Guidance** - FY18 EPS guidance from CNI, CIP and PLG as disclosed to the market;
- **FY18 Core EPS** - FY18 EPS guidance from CNI, CIP and PLG adjusted for the removal of forecast performance fees; and
- **FY18 Pro-forma EPS** - FY18 EPS guidance from CNI, CIP and PLG adjusted to include forecast performance fees.

We believe the most relevant comparable FY18 EPU metrics are FY18 Core EPS and FY18 Pro-forma EPS as they treat performance fees on a like-for-like basis.

We do not believe comparing FY18 EPS guidance is as relevant or reliable given that both groups treat performance fees differently in their respective guidance as follows:

- PLG FY18 EPS guidance incorporates approximately a \$12.5m performance fee (post tax) on the sale of 320 Pitt Street, Sydney and a performance fee of approximately \$0.7m (post tax) on the sale of Mill Street, Braeside;
- CNI FY18 EPS guidance only includes an assumed average long-term performance fee (approximately \$3.9m post tax).

CNI's FY18 performance fee contribution relates to the sale of 10 Spring Street, Sydney with the sale process being close to finalised. Based on research analysts that cover CNI, the most recent estimate for the performance fee from 10 Spring Street is approximately \$10.5-\$11.0m (post tax). CNI anticipates that the sale process will conclude in circa five business days and at this time a performance fee based on the current negotiations, which are very close to final, is expected to be materially in excess of \$10.5m (post tax).

An outline of the key assumptions is provided in Appendix C.

Impact on PLG securityholders

In addition to offering PLG securityholders a compelling premium, the Centuria Proposal provides an attractive financial outcome for PLG securityholders with positive EPS accretion on both an EPS Core and EPS Pro-forma basis.

| Impact on PLG securityholders | | PLG | Merged | Impact | |
|-------------------------------|---------------|------|------------------|--------|---------------|
| | | | | cps | % |
| FY18 | Core EPS | 6.5 | 7.2 | 0.7 | 10.8% |
| FY18 | Pro-forma EPS | 8.5 | 8.7 | 0.2 | 2.0% |
| FY18 | EPS Guidance | 8.5 | 8.1 ¹ | (0.4) | (4.2%) |
| | NAV | 0.87 | 0.88 | 1.2 | 1.4% |

¹ CNI EPS guidance is based on a \$3.9m post tax performance fee contribution from 10 Spring Street and the actual expected performance fee is expected to be materially in excess of this estimate



Impact on CNI and CIP securityholders

The financial impact on both CNI and CIP investors of the Centuria Proposal is positive with both achieving EPS accretive outcomes.

| Impact on CNI securityholders | | CNI | Merged | Impact | |
|--------------------------------------|---------------|-------------------|---------------|---------------|--------------|
| | | | | cps | % |
| FY18 | Core EPS | 9.1 | 9.8 | 0.67 | 7.3% |
| FY18 | Pro-forma EPS | 13.7 | 15.3 | 1.61 | 11.8% |
| FY18 | EPS Guidance | 10.8 ² | 13.4 | 2.58 | 23.9% |
| | NAV | 1.17 | 1.21 | 3.64 | 3.1% |

| Impact on CIP unitholders | | CIP | Merged Entity | Impact | |
|----------------------------------|--------------|------------|----------------------|---------------|-------------|
| | | | | cpu | % |
| FY18 | EPU Guidance | 19.5 | 19.6 | 0.1 | 0.6% |
| | NAV | 2.39 | 2.39 | 0.58 | 0.2% |

As outlined in our earlier letter dated 15 September 2017, we believe that the strategic benefits of merging the complementary portfolio's of CIP and PAIP are compelling for securityholders of both entities.

30 June 2017 Pro-forma Balance Sheet and gearing

CNI's gross asset value (on a 30 June 2017 pro-forma basis) is expected to increase to approximately \$600m post-merger and pro-forma gearing (total debt less cash / total assets less cash) is expected to be approximately 17.1%.

CIP's total assets are expected to increase to \$1.67bn post-merger with \$0.72bn of borrowings which equates to gearing of 43.3% (total borrowings less cash/(total tangible assets less cash)).

Preliminary due diligence and timetable

In our previous letter, we requested some preliminary due diligence information to progress the preparation of a formal proposal. Appendix B provides further details of the preliminary due diligence information being requested and we expect to be able to complete our preliminary due diligence investigations within five days of signing a mutual confidentiality deed and receiving the required information.

In terms of preparatory due diligence, Centuria, in conjunction with its financial and tax advisors, has undertaken considerable due diligence on PLG's public information over the last five months and is well placed to quickly analyse the additional requested information.

Centuria anticipates and welcomes the opportunity for PLG and its advisors to undertake reciprocal due diligence on CNI and CIP and is prepared to provide additional information as requested.

Following completion of the preliminary due diligence we would wish to proceed with the Centuria Proposal as soon as possible. We envisage that the first court hearing would occur mid-December 2017 and documentation dispatched to securityholders before the end of the year.

² CNI EPS guidance is based on a \$3.9m post tax performance fee contribution from 10 Spring Street and the actual expected performance fee is expected to be materially in excess of this estimate



Approvals and conditionality

The respective boards of CNI and CPF2L are supportive of the Centuria Proposal and look forward to progressing the discussions with the PLG board.

The schemes of arrangement will be subject to customary conditions and we look forward to discussing these at the appropriate time. Centuria recognises that, amongst other things, PLG securityholders and the court will need to approve the schemes.

The Centuria Proposal is incomplete, indicative and non-binding and is not capable of acceptance or otherwise giving rise to binding obligations. This letter is not, and cannot be considered as notification or an announcement of an intention to make a takeover offer.

Advisors

Centuria has engaged HWL Ebsworth as legal advisor, Moelis Australia as financial advisor and Ernst & Young as tax advisor.

Conclusion

Centuria continues to believe that the best approach to progress a mutually optimal proposal is to meet to discuss the merits of the proposed transaction and what PLG, CNI and CIP can build together. Centuria remains positive about the opportunity and believes that the information disclosed in this letter and the rationale outlined in its initial letter dated 15 September 2017 should provide the PLG board with sufficient information to hold a meeting to collaboratively discuss the merits of a transaction.

We seek confirmation of PLG's Board's willingness to engage in further discussions, or otherwise, by 5:00pm (Sydney time) on Tuesday, 26 September 2017.

If you have any questions, please do not hesitate to contact either of us or John McBain, CEO – Centuria Capital Group, on (02) 8923 8923.

Yours sincerely

For and on behalf of
Centuria Capital Group

A handwritten signature in black ink, appearing to be "G. Charny", with a long horizontal stroke extending to the right and a loop at the end.

Garry Charny
Chairman CNI

For and on behalf of
Centuria Property Funds No. 2 Limited

A handwritten signature in black ink, appearing to be "Peter Done", with a large, stylized initial "P" and a long horizontal stroke.

Peter Done
Chairman CPF2L



Appendix A

15 September 2017

Mr Peter Lancken
Chairman
Propertylink Group
Level 29, 20 Bond Street
Sydney NSW 2000

Dear Mr Lancken

INDICATIVE AND NON-BINDING \$0.95 PROPOSAL TO ACQUIRE ALL OF THE UNITS OF PROPERTYLINK

Centuria Capital Group (**CNI**) and Centuria Property Funds No. 2 Limited (**CPF2L**) as Responsible Entity of Centuria Industrial REIT (**CIP**) (collectively **Centuria**) submit to Propertylink Group (**PLG**) this indicative non-binding proposal to merge:

- PLG's property funds management platform and unlisted co-investments with CNI; and
- Propertylink's balance sheet industrial property portfolio with CIP,

via a scheme of arrangement (the **Centuria Proposal**).

The Centuria Proposal would result in the merger of complementary real estate businesses and provide PLG securityholders with exposure to a larger, and more diversified, pool of industrial properties and to a funds management business with broader growth opportunities (across the listed REITs, unlisted retail funds and unlisted wholesale funds sectors). We believe that the Centuria Proposal will provide a materially superior investment opportunity over the long term for PLG securityholders.

Both CNI and PLG have established platforms, internalised property services team and a hands-on approach to creating value from real estate, which we believe should bode well for bringing together the cultures of the two businesses and further strengthening the relationships across the investor base.

We appreciate that the long term value of the PLG real estate platform is directly related to the knowledge and expertise of its people. We look forward to working closely with the PLG board and management team with the aim of minimising disruption to the PLG business.

Proposed merger

We believe that a merger via a scheme of arrangement is a compelling proposition and wish to work collaboratively with the PLG Board and management to develop a proposal that is in the best interests of all PLG securityholders.

Under the Centuria Proposal:

- Propertylink Australian Industrial Partnership Trust (**PAIP**) will be merged with CIP; and
- CNI will acquire PLG's funds management platform through Propertylink (Holdings) Limited (**PHL**) and PLG's co-investments through Propertylink Trust (**PT**), (collectively the **Merged Platform**).

As a demonstration of its commitment to the Centuria Proposal, CNI acquired a 9.3% interest in PLG and CPF2L acquired a 7.7% interest in PLG. On a combined basis, CNI and CIP have a 17.0% strategic interest in PLG.

Centuria Capital Group

Consisting of:
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Level 39
100 Miller Street
North Sydney NSW 2060

PO Box 6274
North Sydney
NSW 2060

T: 02 8923 8923
F: 02 9460 2960
E: sydney@centuria.com.au
www.centuria.com.au



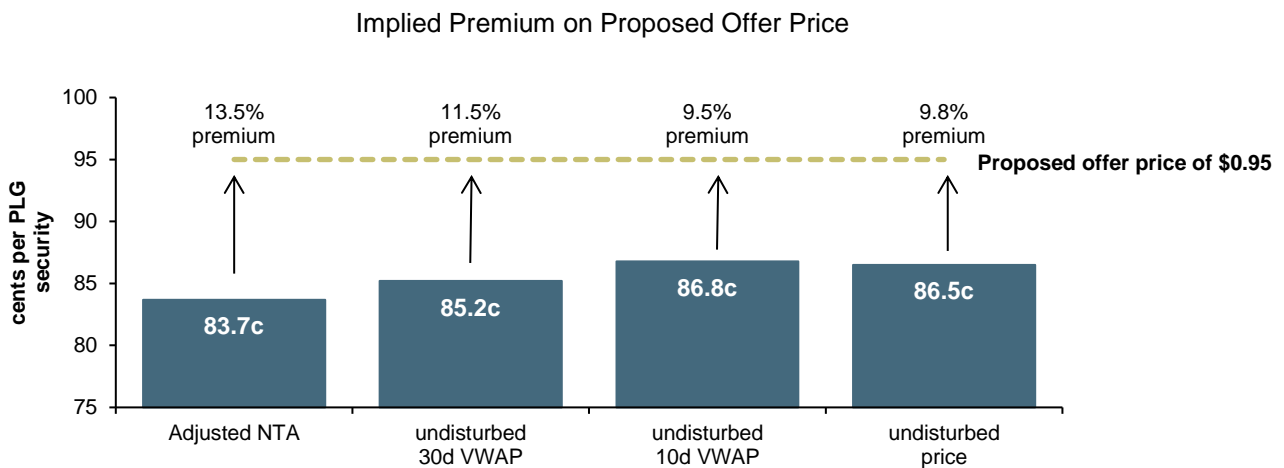
Offer consideration

The offer consideration is expected to include a combination of CNI stapled securities, CIP units and cash. The composition of the consideration is subject to due diligence to confirm the value allocated between PAIP, PHL and PT and the respective composition of the offer consideration.

Based on public information only the Centuria Proposal would equate to \$0.95 per PLG security.

Compelling premium for PLG securityholders

The proposed offer price of \$0.95 per PLG security represents a premium to PLG's undisturbed security price (+9.8%)¹ and adjusted NTA (+13.5%)².



Compelling financial outcome for PLG securityholders

Based on our preliminary merger analysis and public information only, we expect the Centuria Proposal to deliver to PLG securityholders positive accretion on forecast:

- FY18 distributable earnings per PLG security including performance fees for both PLG and CNI;
- FY18 distributable earnings per PLG security excluding performances fees for both PLG and CNI; and
- FY18 distributions per PLG security.

¹ As at 7 September 2017, being the day prior to Centuria's acquisition of a 17.0% strategic interest.

² PLG 30 June 2017 NTA of 87.3 cents adjusted for FY17 final distribution of 3.6 cents which was resolved by the directors after the balance date and was not provided for in PLG's FY17 accounts.



Merging the complementary PAIP and CIP portfolios

PAIP and CIP are highly complementary portfolios and merging them will create the largest ASX listed REIT focused solely on Australian industrial properties. The merger of PAIP and CIP is expected to provide the following benefits to PLG securityholders:

- *Material increase in scale improves portfolio diversity which should decrease risk*
 - Portfolio increases from approximately \$0.66 billion³ to \$1.6 billion improving geographic diversity including exposure to five Australian states and the ACT;
 - Diversifies tenant exposure with the addition of a number of high quality Australian companies including Woolworths Ltd as the merged group's largest tenant; and
 - Number of assets increases from 28 to 66 with PLG securityholder single asset exposure reducing from 15% to 6% of the total portfolio
- *Management platform enhanced*
 - Merger of PLG and CNI internalised property services platforms is expected to enhance asset level performance
 - An enlarged acquisition team is expected to provide an expanded pipeline of value accretive acquisition opportunities for PLG securityholders
- *Enhanced customer solutions*
 - The enlarged portfolio will contain a greater number of assets and common tenants which will provide the opportunity to maximise tenant retention and relocation solutions
- *Enlarged balance sheet to provide greater flexibility*
 - The increased scale will improve access to debt via either traditional banks or debt capital markets, including the potential to access offshore debt markets and potentially lower interest rates and longer term debt
- *Investor relevance and potential S&P/ASX 200 index inclusion*
 - The merged PAIP and CIP entity will have a market capitalisation of approximately \$1.0 billion, which would make it the largest ASX listed REIT focused purely on the Australian industrial market
 - The merged entity would create a REIT of sufficient market capitalisation to be eligible to be included in the S&P/ASX 200 index

Creation of a leading real estate funds management platform

Our aim is to create a leading real estate funds management platform with broad growth opportunities and a focus on delivering strong investment returns for all investors. Exposure to the Merged Platform will provide the following benefits to PLG securityholders:

- *Access to a leading funds management platform*
 - Creation of a specialised real estate funds management business with \$4.9 billion in FUM and specialising in industrial and commercial real estate
 - Full service property specialist with broad in-house capabilities including property management, leasing, development, acquisitions and disposals
 - Retain PLG's specialist management expertise in wholesale funds management

³ PLG 30 June 2017 investment property valuations have been adjusted for the divestment of 150-156 McCredie Road (settled in July 2017 for \$23m) and Smithfield and 8 Sylvania Way, Lisarow (contracted for sale in November 2017 for \$9.6m).



- *Combining management teams with a demonstrated track record.*
 - CNI has continually delivered strong performance for its investors:
 - 24% per annum FUM growth since FY14
 - Delivered an average annual total return of 28.3% to investors in unlisted property funds in FY17
 - Delivered an average annual return of 13.1% to investors across 36 completed unlisted property funds since 1998
- *Diversification of capital sources*
 - Further diversification of capital sources for future growth with real estate funds management platform having a successful retail, high net worth, listed REIT and wholesale platform
- *Further earnings upside from future performance fees*
 - CNI currently has 16 fixed term unlisted funds under management with substantial performance fees embedded in the underlying funds that will potentially be realised as the individual funds expire
- *Investor Relevance and potential S&P/ASX index inclusion*
 - The merger of CNI, PHL and PT is expected to increase the current market capitalisation of CNI which should result in the Merged Platform being of sufficient scale to be eligible to be included in the S&P/ASX 300 index. This potential should benefit PLG securityholders who will receive CNI stapled securities as part of the offer consideration

Preliminary due diligence

We are seeking an opportunity to meet with the PLG board and management to discuss the Centuria Proposal.

In addition to discussing the compelling qualitative and commercial rationale for the Centuria Proposal for PLG securityholders, Centuria is also seeking some preliminary due diligence information in order to progress a formal proposal for the PLG Board. This preliminary due diligence will be focused on better understanding the respective business segments and allocating value between PAIP, PHL and PT.

We expect to be able to complete our preliminary due diligence investigations within 5 days upon being granted access to the due diligence material. Centuria will update PLG Board on the components of the offer consideration on completion of the preliminary investigations.

Centuria Proposal transaction structure

We intend that the Centuria Proposal will be implemented via a scheme of arrangement, unanimously recommended by the Independent Directors of PLG. This structure is consistent with Centuria's desire for a co-operative transaction that aims to minimise the impact of the merger on PLG's management team and the operation of PLG's business.

The scheme of arrangement will be subject to customary conditions and we look forward to discussing these at the appropriate time.

Status of the Centuria Proposal

The Centuria Proposal is intended as an expression of interest and is not intended to constitute, and does not constitute, a legally binding offer. It represents an indicative, conditional, incomplete and non-binding proposal. Any legally binding obligations would be subject to, among other things, the execution of definitive transaction documentation.



Conclusion

Centuria's acquisition of a 17% strategic holding in PLG demonstrates its serious commitment to PLG and its belief that a merger based on the Centuria Proposal is in the best interest of all PLG securityholders.

Centuria, along with its advisors, have undertaken a detailed analysis of the publicly available information in developing the Centuria Proposal and we believe that it is strategically and financially compelling for all PLG securityholders. We hope that the respective Boards and management teams will be able to expedite consideration of the Centuria Proposal with the intent of seeking respective securityholder approval.

We look forward to holding collaborative discussions with PLG and its advisors.

If you have any questions, please do not hesitate to contact us or Mr John McBain, CEO – Centuria Capital Group, on (02) 8923 8923.

Yours sincerely

For and on behalf of
Centuria Capital Group

A handwritten signature in black ink, appearing to be "Garry Charny".

Garry Charny
Chairman CNI

For and on behalf of
Centuria Property Funds No. 2 Limited

A handwritten signature in black ink, appearing to be "Peter Done".

Peter Done
Chairman CPF2L



Appendix B - Preliminary Due Diligence Materials

| PLG FINANCIAL FORECASTS | |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Forecast financial model/budgets <ul style="list-style-type: none"> • 30 June 2017 Balance Sheet (PLG Consolidated; PAIP; PHL; PT) with adjustments for material transactions post 30 June 2017 (ie. distribution/dividend, acquisitions/sales, performance fees etc) • FY2018F & FY2019F Profit & Loss (PLG consolidated; PAIP; PHL; PT) |
| 2 | Details FY2017 and FY2018F corporate expenses |
| 3 | Summary of financing facility and hedging arrangements |
| PAIP TRUST INFORMATION | |
| 1 | FY2018 forecast net property income per property |
| 2 | Tenancy Schedule for each asset |
| 3 | FY17 historical outgoings and FY18 outgoings budget |
| 4 | Portfolio capex forecasts for PAIP assets |
| 5 | Incentive schedule for PAIP assets |
| 6 | Update on major lease expiries in FY18, FY19, FY20 |
| 7 | Status of discussions on new leases or major lease renewals |
| FUNDS MANAGEMENT BUSINESS | |
| 1 | Investment Information Memorandums for existing funds including fee schedules |
| 2 | Key financial assumptions on funds under management growth |
| 3 | Details on property valuations for each fund |
| 4 | Embedded performance fees in the unlisted funds at 30 June 2017 |

Appendix C – Key financial assumptions

CNI standalone

- CNI FY18 Core EPS of 9.1 cents has been adjusted to remove any performance fees assumed in the FY18 EPS forecasts.
- CNI FY18 Pro-forma EPS of 13.7 cents has been adjusted for the estimated performance fee (\$10.5m post tax) to be earned from 10 Spring Street.
- CNI FY18 EPS Guidance of 10.8 cents per security. CNI's FY18 EPS Guidance includes \$3.9m (post tax) in stabilised performance fees based on a conservative average performance fee contribution in its forecast EPS guidance rather than to FY18 actual/forecast.

CIP standalone

- CIP FY18 EPU Guidance of 19.5 cents adopted being the low point of CIP guidance of 19.5 cents to 20.0 cents.

PLG standalone

- PLG FY18 EPS Guidance and Comparative EPS of 8.5 cents adopted being the low point of PLG guidance of 8.5 cents to 8.7 cents.
- PLG FY18 Core EPS of 6.5 cents has been adjusted to remove performance fees (on a post-tax basis) associated with the sale of 320 Pitt Street, Sydney (\$12.5m) and Mill street, Braeside fund assets (\$0.7m).

Other material assumptions

- 1 July 2017 implementation date.
- \$2.5m per annum synergies.
- Specific intercompany arrangements.