



ASX Announcement

24 June 2019

Elanor Investors Group 2HFY19 Forecast Distribution

Forecast Distribution

Elanor Investors Group ("ENN" or "Elanor") is pleased to announce its forecast distribution range for the six months ending 30 June 2019 of 8.75 cents to 9.25 cents per stapled security, with a point estimate of 8.9 cents. This reflects forecast Core Earnings for the year ending 30 June 2019 of approximately \$16.6 million.

The forecast distribution per security for the six months ending 30 June 2019 of 8.9 cents brings the total distribution in respect of the year ending 30 June 2019 to 15.22 cents per stapled security based on a distribution pay-out ratio of 90%.

Key Transactions

ENN continues to achieve growth in its managed funds and investment portfolio. Key increases in ENN's managed funds since 31 December 2018 comprise the acquisition of:

- Neeta City, a Sydney sub-regional shopping centre in Fairfield, for a purchase price of \$85.3 million. The acquisition of Neeta City reflected a passing yield of 7.8% per annum;
- Mayfair Hotel Adelaide and Adabco Boutique Hotel in Adelaide, for a combined purchase price of \$99 million. These assets, in conjunction with the acquisition of the Cradle Mountain Lodge ("CML") from the Elanor Metro and Prime Regional Hotel Fund ("EMPR"), comprise the initial portfolio of high quality luxury hotels for the newly established Elanor Luxury Hotel Fund ("ELHF"), expected to be completed in August 2019; and
- Clare Country Club and Barossa Weintal Hotels for a combined purchase price of \$14.45 million into the Elanor Metro and Prime Regional Hotel Fund ("EMPR"), reflecting a blended acquisition yield of 10.8% p.a.

On 10 April 2019, ENN announced the acquisition of the Mayfair and Adabco Hotels by the newly established ELHF with a strategy of acquiring further luxury accommodation hotel assets. As noted above, ELHF will acquire CML at the recent independent valuation of \$55 million. The realisation of CML by EMPR will provide EMPR investors with a material \$9.8 million profit on sale. ENN's share of this profit on sale is included in the forecast Core Earnings for the six months ending 30 June 2019.

In August 2018, ENN completed the sale of the Merrylands Property, generating a total net profit after tax of \$10.4 million. An amount of \$4.5 million of this total net profit after tax was included in Core Earnings for the six months ended 30 June 2018. The remaining net profit after tax of \$5.9 million has not been included in Core Earnings for the six months ending 30 June 2019. ENN will continue to keep the market updated on timing for the inclusion of this profit in Core Earnings. ENN is due to receive the repayment of the vendor financing arrangement in respect of the Merrylands Property on or before 30 September 2019.



Outlook

ENN continues to be well positioned to grow value for security holders. ENN currently has an active pipeline of funds management and potential asset realisation opportunities.

A further trading update will be provided with Elanor's 2019 full year result, to be announced in the second half of August 2019.

ENDS.

For further information regarding this announcement please contact:

Glenn Willis
Managing Director and Chief Executive Officer
Elanor Investors Group
Phone: (02) 9239 8400

About Elanor Investors Group

Listed on the Australian Securities Exchange in 2014, Elanor Investors Group (ASX:ENN) is an investment and funds management business with over \$1.35 billion in assets under management across Australia and New Zealand.

Elanor's key sectors of focus are hotels, tourism and leisure, commercial office and retail real estate. Elanor's investment management objective is to acquire and unlock value in real estate assets that provide strong income and capital growth potential.

www.elanorinvestors.com