
ASX Announcement**21 August 2017****Elanor Retail Property Fund delivers on strategy and performance**

Elanor Retail Property Fund (ERF or Fund) is pleased to announce its inaugural annual financial results, being for the period from listing on 9 November 2016 to 30 June 2017 (Period).

Highlights

- Fund strategy and performance delivered
- Core Earnings for the Period of \$8.7 million, or 6.7 cents per security, in line with the PDS forecast
- Distributions for the Period were \$8.2 million, or 6.40 cents per security, reflecting a payout ratio of 95% of Core Earnings, in line with the PDS forecast
- \$17.6 million (7.2%) increase in portfolio valuation to \$260.8 million at 30 June 2017 representing a weighted average capitalisation rate of 7.2%
- NTA per security increased by 13.8% since listing from \$1.25 to \$1.42
- Gearing at 30 June 2017 is 29.3%, below target gearing range of 30% to 40%
- Portfolio occupancy strengthened to 99.0% from 96.7% at IPO
- Portfolio supermarket comparable sales growth of 2.6% since IPO
- Exchanged contracts to acquire Gladstone Square, which will increase the Fund's annualised Distribution Yield by 3.0% to 7.8% ¹per annum from settlement on 31 July 2017

Commenting on the result, ENN CEO, Glenn Willis, said: "We are very pleased with ERF's results to date and delivering on the Fund's strategy and performance as outlined in the PDS. We are firmly of the view that ERF is a low risk retail REIT that represents strong value, particularly given its significant discount to NTA and sector leading yield."

Fund Manager, Michael Baliva, said: "Having achieved FY17 PDS forecast, we are positive about the Fund's growth prospects to add value for ERF security holders. We will continue to implement the numerous operational and strategic initiatives across the Fund to unlock embedded value in the portfolio. We remain focused on securing additional, accretive growth opportunities for ERF as we have done with our recent acquisition of Gladstone Square."

¹ Based on closing security price of \$1.33 on 15 August 2017

Summary of Financial Results

The consolidated profit of the Fund from IPO to 30 June 2017 was \$13.8 million after transaction and establishment costs.

Core Earnings for the Period were \$8.7 million or 6.7 cents per stapled security. This is in line with the Fund's PDS forecast.

A Final Distribution of 5.00 cents per stapled security has been declared for the six month period ended 30 June 2017 (reflecting a 95% pay-out ratio on Core Earnings). This is in line with the Fund's PDS forecast.

NTA per security as at 30 June 2017 was \$1.42.

A summary of the Fund's results for the Period is as follows:

Key financial results	30 June 2017
Net profit (\$'000)	13,818
Core Earnings (\$'000)	8,668
Distributions payable to security holders (\$'000)	8,235
Core Earnings per stapled security (cents)	6.73
Core Earnings per weighted average stapled security (cents)	6.73
Distributions (cents per stapled security)	6.40
Net tangible assets (\$ per stapled security)	1.42
Gearing (net debt / total assets less cash) (%)	29%

Reconciliation to Core Earnings	\$'000
Statutory net profit	11,732
Adjustment to remove pre IPO financial results	2,086
Adjusted net profit	13,818
<i>Adjustments for items included in statutory profit / (loss):</i>	
Transaction and establishment costs	10,294
Fair value adjustments on investment property	(15,854)
Straight lining of rental income	(228)
Amortisation expense	638
Core Earnings	8,668

Balance Sheet Summary	30 June 2017
Total Assets (\$'000)	267,905
Borrowings (\$'000)	81,740
Net Assets (\$'000)	182,855
Gearing (Net Debt / Total Assets less cash)	29%
Number of securities on issue (million)	128.7
Net asset value per security (\$)	1.42
Net tangible assets per security (\$)	1.42

Outlook

ERF is strongly positioned to deliver value for security holders. Active asset management of the portfolio is expected to generate continued operational performance and returns. Furthermore the implementation of the numerous strategic initiatives across the portfolio is expected to increase its capital value.

ERF is also well positioned to recycle proceeds from the sale of non-core assets into additional accretive high investment quality shopping centres.

ERF confirms forecast Core Earnings as disclosed in the PDS for the period ending 31 December 2017. Further, the Fund's annualised Distribution Yield is forecast to increase by 3% to 7.8% ²p.a. following the settlement of the acquisition of Gladstone Square on 31 July 2017.

Please refer to the presentation and financial statements lodged with ASX today for further details regarding ERF's FY17 result.

For further information regarding this announcement please contact:

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² Based on closing security price of \$1.33 on 15 August 2017