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**ASX Announcement**

**4<sup>th</sup> October 2017**

## **ELANOR ANNOUNCES UNSECURED FIXED RATE NOTE OFFERING**

Further to the communication to security holders in the FY17 results announcement dated 21 August 2017, Elanor Investors Group ("ENN" or "Group") is pleased to announce that it will undertake an unsecured note offering, with the expectation of raising a minimum of \$35 million and a maximum of \$40 million ("Notes"). The Notes will provide medium term non-equity funding to assist with the growth of the Group.

The Group continues to focus on its core strategy of growing earnings from its funds management business and actively managing its investment portfolio. In that regard, ENN has recently announced two new funds management initiatives:

- Elanor Metro and Prime Regional Hotel Fund ("EMPR"). On 21 August 2017 ENN announced the establishment of a new \$80.6 million multi-asset managed fund, EMPR. EMPR will comprise a portfolio of 3 Australian Hotels with strong, diversified cash flows and significant and high quality medium term development and redevelopment potential. EMPR will be seeded by an Elanor owned property, the Ibis Styles Eaglehawk Canberra.
- Bluewater Square Syndicate. On 18 September 2017 ENN announced the establishment of a new \$60.35 million managed fund, Bluewater Square Syndicate. Bluewater Square shopping centre, constructed in 2008, is a modern 10,004m<sup>2</sup> neighbourhood shopping centre located in an increasingly densifying mixed-use precinct within the Brisbane metropolitan area, 20 km from the Brisbane International Airport and 30km from the Brisbane CBD.

These new funds management initiatives take ENN's funds under management and balance sheet investments to over \$1.0 billion. Consistent with the Group's approach of co-investing with its capital partners in funds managed by ENN, the Group will utilise a proportion of the proceeds from the Notes to co-invest in the new funds described above. Proceeds from the Notes will also be used to execute on further funds management and balance sheet pipeline opportunities in due course.

Commenting on the Note offering Glenn Willis, ENN's Managing Director and Chief Executive Officer, said: "We are pleased to announce this Note offering. This Note issue provides medium term, permanent, non-dilutive capital that will be used in conjunction with available bank facilities, to fund our short to medium term growth. The issue of the Notes improves the capital structure efficiency of the Group while enabling us to maintain a conservatively geared balance sheet."

The Lead Arranger for the transaction is FIIG Securities Limited. The Note offering is only open to eligible sophisticated investors. No prospectus or other disclosure document in relation to the Notes will be lodged with the Australian Securities and Investment Commission (ASIC) or any other regulatory authority.

Full terms and conditions will be available in the Information Memorandum which is available from the Lead Arranger upon request. This Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act 2001 (Cth), as noted above, the offering is only open to eligible sophisticated investors.



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A summary of the key terms of the proposed Note offering is set out below:

Issuer	Elanor Investors Limited
Issue Size	\$35 million to a maximum of \$40 million
Eligible Investors	The offering will only be available to investors who qualify as sophisticated investors as prescribed in and in accordance with Part 6D.2 of the Corporations Act 2001 (Cth)
Type	Fixed Rate Medium Term Notes
Status and Ranking	The Notes will be direct, unsecured obligations of the Issuer, guaranteed by certain of its subsidiaries
Maturity	5 years from the date of issue
Interest Rate	7.10% p.a. paid semi-annually in arrears
Unlisted	The Notes will be unlisted securities
Rating	The Notes will not be rated by any rating agency
Covenants	There will be certain incurrence based covenants imposed on ENN, including limits on total debt incurrence

ENDS.

For further information regarding this announcement please contact:

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