

5 October 2017

## Acquisition of Durack Service Centre and market update

Convenience Retail REIT (**CRR** or the **Fund**) is pleased to announce the acquisition of Durack Service Centre (**Durack**) for \$5.25 million, representing a capitalisation rate of 6.8%.

Durack, which is located approximately 12kms south-west of the Brisbane CBD, is anchored by 7-Eleven Stores Pty Ltd and supported by an established and long standing mechanic, Durack Automotive. The property underwent a significant refurbishment in 2015 which included the installation of entirely new underground tank and line infrastructure. The acquisition is due to settle by the end of November 2017.

The acquisition is accretive to earnings and will be funded using available headroom in the Fund's existing debt facilities. Earnings guidance for FY2018 as contained in the PDS dated 28 June 2017 remains unchanged.

CRR Fund Manager, Chris Brockett said: "We are very pleased to have secured our first acquisition post-listing via an off-market transaction. The property is located in metropolitan Brisbane and is of the highest modern standard, offering an attractive and defensive income stream for investors underpinned by a long WALE of 11.9 years and approximately 86% of the rent derived from a high quality and experienced operator, in the 7-Eleven parent company".

Following settlement of the property, CRR's portfolio will comprise 67 service station sites valued at \$312.9 million, reflecting a weighted average capitalisation rate of 7.2%. The portfolio's WALE will be 13.5 years.

CRR declared its inaugural distribution of 3.25 cents per security on 21 September 2017 in accordance with the PDS dated 28 June 2017. Settlement of the Initial Portfolio outlined in the PDS is completing in line with expectations with the remaining 2 initial properties scheduled to complete by mid-October 2017.

**ENDS**

### For further information, please contact:

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### About Convenience Retail REIT

Convenience Retail REIT ('CRR') is a listed Australian Real Estate Investment Trust (REIT) listed on the ASX (ASX code: CRR) which owns high quality Australian service stations and convenience retail assets. CRR's portfolio of 67 properties valued at approximately \$313 million, is predominantly located on Australia's favoured eastern seaboard and is leased to leading Australian and international convenience retail tenants. The portfolio offers a long weighted average lease expiry and contracted annual rent increases providing the REIT with a strong level of income security. CRR has a target gearing range of 25 – 40% as part of its conservative approach to capital management.

CRR is managed by APN Property Group Limited, an ASX listed company (ASX Code: APD) that has been managing real estate and real estate securities on behalf of institutional and retail investors since 1996. The REIT is governed by a majority independent Board.

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