

## ASX Release

24 February 2017

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### BWF

### WOTSO Sales Growth Continues – Up 93%

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For the half year to 31 December 2016, BlackWall Limited continued its revenue growth in each business unit generating an overall **increase of 33%** to just under **\$7 million**.

**An interim fully franked dividend of 1.8 cents per share** has been declared to be paid **on 7 April 2017**.

The group has achieved a lot since December 2015. The WOTSO network has grown from six sites to 12, including a joint venture in Singapore. BlackWall also completed an over-subscribed placement of its shares, acquired two assets on balance sheet and raised over \$30 million of capital in its funds. BWR (the BlackWall-managed REIT) grew gross assets by 30% and the group took full control of the \$80 million, 55 Pyrmont Bridge Road, buying out NAB's equity interest.

"In 2016 WOTSO has taken some big steps forward with top line growth exceeding expectations," said BlackWall CFO, Tim Brown. "As the new sites gain momentum and improve their operating margins, WOTSO will start to have a growing effect on our profit."

WOTSO generated sales of \$2.7 million for the six months to December 2016 (\$1.4 million for 2015). The business's momentum, however, is better shown by the fact that current annualised sales are at just over \$6 million.

BlackWall's property and funds business is also well positioned for growth. The successful capital raisings in both BWR and the private syndicate which controls 55 Pyrmont Bridge Road, are endorsements of BlackWall's property development and management activities.

"With interest rates where they are, passive property yields are being pushed to levels at which we, and some investors, are struggling to see any capital growth," said BlackWall CEO, Stuart Brown. "As a consequence our niche, value-add approach and turnaround projects are attracting a lot of interest."

In the lead up to Christmas the group announced that it had received a highly conditional offer to purchase its marquee project, the Bakehouse Quarter at North Strathfield. As recently reported, this proposal is not proceeding and the Board has since resolved not to pursue selling the site in one line. As such, BlackWall's management involvement will continue. BlackWall is working on a number of development ideas for the site with the potential to raise a development fund on suitable elements of the project. It is also expected that BWR will grow its existing \$20 million position in the site.

**For further information please contact BlackWall:**

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