

## **ESR formally launches its business in Australia - Acquires best-in-class local property development group CIP as its foundation asset**

- ESR Australia to focus on developing and managing logistics real estate in Australia
- Expansion into Australia aligns with and further accelerates ESR's pan-Asian growth strategy
- Philip Pearce has been appointed CEO of ESR Australia
- CIP provides a proven development capability and an established land bank to seed a new funds management platform in Australia
- CIP co-founder and industry pioneer, Paul McKenna, to lead ESR Australia's development business

**SYDNEY** – ESR, a leading pan-Asian logistics real estate developer, owner, and operator, announced its expansion in the Australian market with the launch of ESR Australia and the acquisition of Australian property development group, Commercial & Industrial Property Pty Ltd (CIP).

ESR Australia's long-term goal is to be a leader in Australian logistics property, backed by the strength and capabilities of ESR's US\$12 billion AUM pan-Asian logistics platform. ESR has built a substantial business on the back of its industry-leading development capability, localised country management approach and its third-party capital partner program with leading institutional investors. ESR has valuable strategic relationships with customers across a number of industries including leading e-commerce, third-party logistics (3PL), retail, auto and manufacturing to provide a strong tenant base to drive growth in Australia.

ESR's existing strategic holdings in Australia include equity stakes in ASX-listed industrial and logistics investment managers Centuria Capital Group and Propertylink Group.

Philip Pearce has been appointed as Chief Executive Officer of ESR Australia. Mr Pearce brings with him extensive real estate experience in the Asia Pacific region. He has been on the Board of ESR Funds Management (S) Limited since April 2017. Previously, Mr Pearce was an Executive Director of Goodman Group and held the position of Managing Director, Greater China, where he was responsible for US\$5 billion of assets across Hong Kong and China and the establishment of the Goodman Group's business in China.

Jeffrey Shen and Stuart Gibson, Co-CEOs of ESR, said: *"Australia is an important market in ESR's regional growth strategy. By leveraging our extensive network of customers and capital partners from our key Asian markets, our clear ambition is to establish ESR Australia as a new leader in Australian industrial and logistics property. We are delighted to have Phil Pearce join us to spearhead our growth plans for Australia. He has a proven track record in logistics real estate across multiple jurisdictions in the Asia Pacific region and we feel he will create substantial value for our shareholders, capital partners and customers."*

### **Acquisition of CIP**

ESR Australia also announces the acquisition of CIP for an enterprise value of A\$102.5 million, as the seed platform for the launch of the Australian business. CIP was previously owned by Charter Hall Group and the founding members of its senior executive team, led by co-founders Paul McKenna and Therese Lynch.

The acquisition of CIP fast tracks ESR's strategy to create a long term, scalable industrial and logistics platform in Australia with proven development capabilities. In addition to its leading development and construction businesses, the CIP acquisition provides ESR Australia with an established land bank and a best-in-class management team to seed a development funds management platform with immediate scale.

Established in 2003, CIP has developed more than 1,500,000 sqm of commercial and industrial projects, with a combined value of over A\$2.5 billion of high quality product. The company has an A\$80 million portfolio of contractually pre-committed development projects across Australia's eastern seaboard with a fully developed end value exceeding A\$1.25 billion over the next five years and gross floor area at completion of over 600,000 sqm. CIP has 11 current projects and, with ESR's proven ability to access third party capital, can significantly increase its annual volume and take advantage of its growing pipeline of additional opportunities and strong market fundamentals.

CIP co-founders Paul McKenna and Therese Lynch, current CEO and Deputy CEO of CIP respectively, will lead ESR Australia's development platform. All CIP employees will remain with the business and existing client arrangements will be unaffected by the change.

The transaction has been reviewed and approved by the Foreign Investment Review Board.

ESR Australia Chief Executive Officer, Philip Pearce, commented: *"The launch of ESR Australia underlines ESR's commitment to a long-term presence in Australia. I am very optimistic about the market's growth potential and believe that favourable market conditions make now a great time to be formally establishing ourselves in Australia. Further, the acquisition of CIP creates a strong foundation for our local business. CIP has a highly experienced management team with a track record of delivering results, all of whom will remain in the business."*

CIP Chief Executive Officer, Paul McKenna, said: *"We are very excited to be joining ESR as the CIP business will benefit from ESR's regional relationships, capabilities, and funds management expertise. ESR's support will also be important in developing an Australian funds management platform that complements our combined development and construction business. We have a robust pipeline of projects over the next five years and will leverage ESR's high quality pan-Asian customer base, capital strength and strategic relationships to further enhance our pipeline."*

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## **NOTES TO EDITORS**

### **About ESR**

ESR is a leading “pure-play” pan-Asia logistics real estate developer, owner, and operator focused on the key metropolitan areas most closely tied with consumption and global trade. Co-founded by senior management and Warburg Pincus, ESR is backed by some of the world’s preeminent investors including APG, CPPIB, Goldman Sachs, PGGM, Ping An and SK Holdings. The ESR platform represents one of the largest in the Asia-Pacific region with assets under management (AUM) of US\$12 billion, and over 10 million sqm of projects owned and under development across China, Japan, Singapore, South Korea and India. The company also runs capital and fund management offices in Hong Kong and Singapore.

### **About Commercial & Industrial Property**

CIP is an integrated development group with a national presence, providing sourcing, acquisition, master planning, remediation and rezoning, leasing, design and construction services for our partners and clients. CIP has facilitated or delivered over \$2.5 billion of development since 2006 (1.5 million sqm GFA).

### **About Paul McKenna**

Paul McKenna has over 30 years’ experience across all aspects of construction and property development. Mr McKenna co-founded CIP in 2003 and serves as its Chief Executive Officer and Director. In his role as CEO, Mr McKenna is responsible for the company’s operations with a focus on strategic direction. He has utilised his extensive experience in the development and construction industry to oversee and manage the significant growth of the business to position CIP as a leading developer and builder of industrial and business park facilities in Australia.