



LINK GROUP TO ACQUIRE CAPITA ASSET SERVICES SUPPORTED BY CAPITAL RAISING

26 June 2017 - Link Group (ASX: LNK) is pleased to announce it has entered into a binding agreement to acquire UK-based Capita Asset Services (CAS) for £888 million (~A\$1,493 million¹). The acquisition is subject to mandatory regulatory approvals and is expected to complete by 31 December 2017.

Link Group Managing Director, John McMurtrie, said: "CAS is a business with strong market positions across its operating units, underpinned by longstanding customer relationships and an experienced management team. The business is highly complementary to Link Group and represents an attractive platform for our company's further expansion into the UK and European markets."

CAS provides products and services and operates in end-markets which are well understood by Link Group. The acquisition of CAS is strongly aligned with Link Group's strategy to grow through further penetration of attractive markets and expand its product and regional capabilities. CAS operates in four major business segments:

- **Fund Solutions:** third-party administration and transfer agency services to asset managers and a variety of investment funds - leading independent Authorised Fund Manager ("AFM") in the UK;
- **Shareholder Solutions:** share registration, share plans services and treasury solutions to corporate clients – top three registrar to UK listed companies;
- **Corporate & Private Client Solutions:** trustee, administration, domiciliation and governance services to corporates and investors - established player in highly regulated jurisdictions; and
- **Banking & Debt Solutions:** loan processing, administration and work-out services to lenders and investors - leading independent debt servicer in UK and Ireland.

Link Group Chairman, Michael Carapiet, said: "We are confident that this transaction will have a strong positive impact on Link Group. Our management team has spent a significant amount of time assessing growth opportunities for Link Group in offshore markets and this acquisition materially expands Link Group's footprint in the UK and Europe in business lines we understand well."

Mr McMurtrie added: "Whilst Link Group has been a market leader in Australia for a number of years and has had a presence in Europe, with the acquisition of CAS, we can say that Link Group is now a truly international company with expanded opportunities for further growth. We are genuinely excited by the opportunities for the expanded Link Group and the employees of CAS."

The acquisition of CAS will be partially funded via a fully underwritten A\$883 million, 4 for 11 pro rata accelerated renounceable entitlement offer with retail rights trading. The acquisition is expected to be highly EPS accretive on a pro forma FY17 basis before the impact of efficiency benefits of at least £15 million per annum estimated to be delivered over the medium-term².

CAS provides Link Group with established market positions in multiple sectors in the UK and an established footprint in Europe for further growth. CAS administers and safeguards approximately £600 billion of assets and in 2016 managed approximately £45 billion in annual payments for its customers. Link Group will leverage CAS' strong market positions and client relationships to drive further growth in existing markets and ultimately further expansion across Europe.

¹ FX rate of 1 AUD = 0.5948 GBP used to convert all GBP metrics in this Announcement

² One-off costs to achieve efficiencies are estimated to be approximately £23 million.

“Link Group’s management team has undertaken a significant amount of due diligence on CAS, built a strong business case and established a robust integration plan. Under Link Group’s stewardship, and alongside the CAS management team, we believe that CAS can go from strength to strength and further capitalise on its already strong market positions.

Whilst we welcome CAS clients to Link Group, we remain fully committed to our existing businesses and client base,” Mr McMurtrie said.

Further information

Further details of the acquisition and the equity raise are set out in the [ASX Announcement](#) and [Investor Presentation](#) provided to the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the equity raise.

J.P. Morgan Australia Limited is acting as financial adviser to Link Group and Sole Global Co-Ordinator, Joint Lead Manager, Joint Bookrunner and Joint Underwriter to the equity raise. Citigroup Global Markets Australia Pty Limited is acting as Joint Lead Manager, Joint Bookrunner and Joint Underwriter. DLA Piper and Allen & Overy are serving as legal advisers to Link Group.

If you have any questions in relation to the equity raise, please contact the Link Group Offer Information Line on 1300 934 599 (within Australia) or +61 1300 934 599 (outside of Australia) between 8:30am and 5:30pm (AEST) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

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