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## **ASX ANNOUNCEMENT 22 November 2017**

### **CHAIRMAN'S ADDRESS TO THE ANNUAL GENERAL MEETING**

Good morning ladies and gentlemen. My name is Clive Appleton - I am Chairman of Aspen Group Limited and it is my pleasure to welcome you to the 2017 Annual General Meeting. It is now 8:30am, the time appointed for the meeting, and as we have a quorum, I declare the meeting open.

I would now like to introduce my fellow Directors: John Carter and Guy Farrands together with our CEO Joel Cann and CFO Emmanuel Zammit. Our Company Secretary Belinda Cleminson is also present.

The Company's auditor PricewaterhouseCoopers is represented here by James Dunning whom I also have pleasure of welcoming today. The auditors will be available to answer questions on the conduct of the audit and the Audit Report for the year ended 30 June 2017.

Aspen Group recorded a small statutory loss of \$0.2 million in 2017. Operating profit of the business was \$4.5m representing earnings of approximately 4.4 cents per security. The group remained debt free at the end of the year with cash on hand of approximately \$20 million.

This time last year, we advised that Aspen had begun re-positioning itself as an affordable accommodation provider and was ready to execute on its strategy having substantial cash funds and new management in place. I am pleased to report on that transformation today.

In line with strategy, the group has made three acquisitions over the past 12 months. Tween Waters Holiday Park and Barlings Beach Holiday Park on the New South Wales South Coast were acquired together with Big4 Koala Shores located at Port Stephens, two hours north of Sydney. We also recently announced the acquisition of Darwin FreeSpirit Resort, which we expect to settle before Christmas. As a result, Aspen Group will hold approximately 60% of its portfolio in Tourism assets complementing the Retirement and Corporate assets held by the Group.

As part of the transition process, Aspen has also sold its industrial property at Spearwood South in Perth and a development site held by AWSS in Queensland. The other non-core property of the group remains subject to a sale contract which once completed will complete the transition of the group into a focused affordable accommodation provider.

During the 2017 financial year, the business has positioned itself for further growth. The sale of non-core properties generates approximately \$32 million of cash and together with the \$80 million debt facility established late in the year, provides substantial acquisition capacity. Assuming the latest acquisition settles on timetable, the group will have a further \$60 million of funds available to deploy on acquisitions and development activities. We continue to seek high quality acquisitions that fit the Group's strategy and operational capabilities of the Group.

The Board remains committed to improving the level of financial returns to securityholders. As approved at last years' AGM, we have undertaken the buy-back of securities given appropriate opportunities during the year. The Board also approved a special capital return to securityholders following the sale of Spearwood South of 5 cents per security.

Given the stage of rebuilding that the business is in, Aspen's earnings continue to remain subject to the scale and timing of the acquisitions it secures.

That concludes the introductory remarks and with that we will now turn to the formalities of today's meeting.

**END**

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