14 December 2018

ASX ANNOUNCEMENT

PRELIMINARY VALUATIONS FOR 31 DECEMBER 2018 RESULT IN INCREASED PORTFOLIO VALUE

Aventus Group (ASX:AVN) announced that the revaluation of the portfolio as at 31 December 2018 has resulted in an increase of $47 million ($25 million net of capital expenditure). The $25 million net valuation gain will increase the Net Tangible Assets (NTA) of the portfolio by approximately five cents per security [i].

The value of the AVN portfolio increased to $1.94 billion during the period, as set out below:

Investment Property Portfolio Valuation	($Am)
30 June 2018 Portfolio Valuation	**1,892**
Capital Expenditure [1]	22
Net Valuation Increase [1,2]	25
31 December 2018 Portfolio Valuation	**1,939**
Valuation Weighted Average Capitalisation Rates	
30 June 2018 Weighted Average Capitalisation Rate	6.7%
31 December 2018 Weighted Average Capitalisation Rate	6.7%

Notes

1. Numbers are subject to change upon finalisation of AVN's financial statements for the half year ending 31 December 2018.

2. Valuation increases exclude straight-lining adjustements and amortisation of rental guarantees.

Of the valuations undertaken, five were independent and fifteen were completed internally and adopted as Directors' valuations.

The weighted average capitalisation rate for the portfolio remains unchanged at 6.7% from 30 June 2018.

Aventus Group CEO Darren Holland commented, "The portfolio value increase is as a result of our focus on development and asset management initiatives to improve the portfolio and drive increases in rental income. In the last six months we have successfully completed the expansion and redevelopment of Tuggerah Super Centre located on the NSW Central Coast, increasing the centre GLA by over 10,000sqm. The centre is fully leased and since we acquired it in 2015, its value has more than doubled and delivered a healthy cash development return of over 9.0%.

"The portfolio also benefits from 85% of leases having annual rent increases and the work of our team in achieving positive leasing spreads with low incentives. Importantly, 100% of the valuation increase for the half was driven by income growth and development initiatives as the weighted average capitalisation rate for the portfolio remained unchanged at 6.7%. Furthermore, like-for-like net operating income growth for FY18 was 3.3%", said Mr Holland.

In relation to transaction activity in the large format sector, Mr Holland said, "Over the last six months, we have seen four metropolitan large format retail centres exchanged for approximately $500 million, reflecting a weighted average yield of approximately 6.5%. This shows that investor demand for well-located large format retail centres remains strong and supportive of valuation growth."

For more information

Mary Weaver
Company Secretary

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[i] Does not take into account mark to market of financial derivatives and is subject to final audit.