

EUMUNDI GROUP LIMITED

2016 Annual General Meeting

Agenda

- Chairman's Welcome
- CEO's Presentation
- Formal Business

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EUMUNDI GROUP LIMITED

**Chairman's Welcome
2016 Annual General Meeting**

EUMUNDI GROUP LIMITED

**CEO's Presentation
2016 Annual General Meeting**

FY16 achievements

- ✓ Underlying profitability and operating cash flows remained strong
- ✓ Completion of Aspley Central Tavern renovations in August 2015
- ✓ Completion of Ashmore Liquor Barn upgrade in February 2016
- ✓ Reduction in borrowings to \$8.7 million at 30 June 2016 from \$9.7 million as at 30 June 2015
- ✓ Improved gearing ratio (net debt to total equity) from 28.8% at 30 June 2015 to 22.6% at 30 June 2016
- ✓ Increase in NTA per share from 8.5 cents at 30 June 2015 to 8.9 cents at 30 June 2016
- ✓ Fully franked ordinary dividends (interim and final FY16 payments) up 10% to 0.55 cents per share

Strong underlying profit

Year ended 30 June (\$'000)	2015	2016	Change
Total revenue	22,444	23,139	+3%
Reported profit after tax	2,298	1,976	-14%
Net gain on fair value adjustment of investment property	925	593	
Profit after tax excluding fair value adjustment	1,373	1,383	+1%

- The Board is pleased with the strong underlying performance given the significant developments that occurred during the period
- The result was achieved despite the disruption from the major refurbishment of the Aspley Central Tavern and the Ashmore Tavern Liquor Barn and the loss of revenues from the sale of Bribie Harbour Shopping Village in the previous year
- FY16 reported profit after tax equates to EPS of 0.58 cents per share
- Cash flow from operations during the year was \$2.54 million (FY15: \$2.67 million)

Continued focus on core businesses

‘Our stated objective for the 2016 year was to remain firmly focussed on the further development of the Group’s quality property and hotel operations’



Aspley Central Tavern redevelopment

- Modern renovations completed in August 2015 delivered changes to entry, bistro, bar, TAB and gaming lounge at a total cost of \$1.1 million (inclusive of P&E)
- Impact on FY15 and 1HFY16 financial results due to closure of kitchen facilities and disruption to general operations
- Substantial upgrade of gaming fleet during 2HFY16 included implementation of loyalty system at a cost of \$0.17 million, delivering strong revenue growth



Ashmore Tavern upgrade

Liquor barn renovation in February 2016

- Total cost of \$0.26 million (inclusive of P&E)
- Impact on FY16 financial results due to closure during works
- Increased marketing costs to be incurred in FY17 as post renovation turnover has failed to reach projections



Upgrade of Ashmore Tavern gaming equipment and room upgrade during FY16

- Total cost of \$0.25 million
- Extended trading hours
- Delivering strong venue performance

Operational review

Increased contributions from Ashmore and Aspley Central Taverns

Ashmore Tavern turnover up 24.2%

- Gaming up 26.7%
- Bar and bistro up 14.8%
- Retail and wholesale liquor down 6.4%



Aspley Central Tavern turnover up 24.7%

- Gaming up 27.5%
- Bar & bistro up 34.4%
- Retail up 19.2%



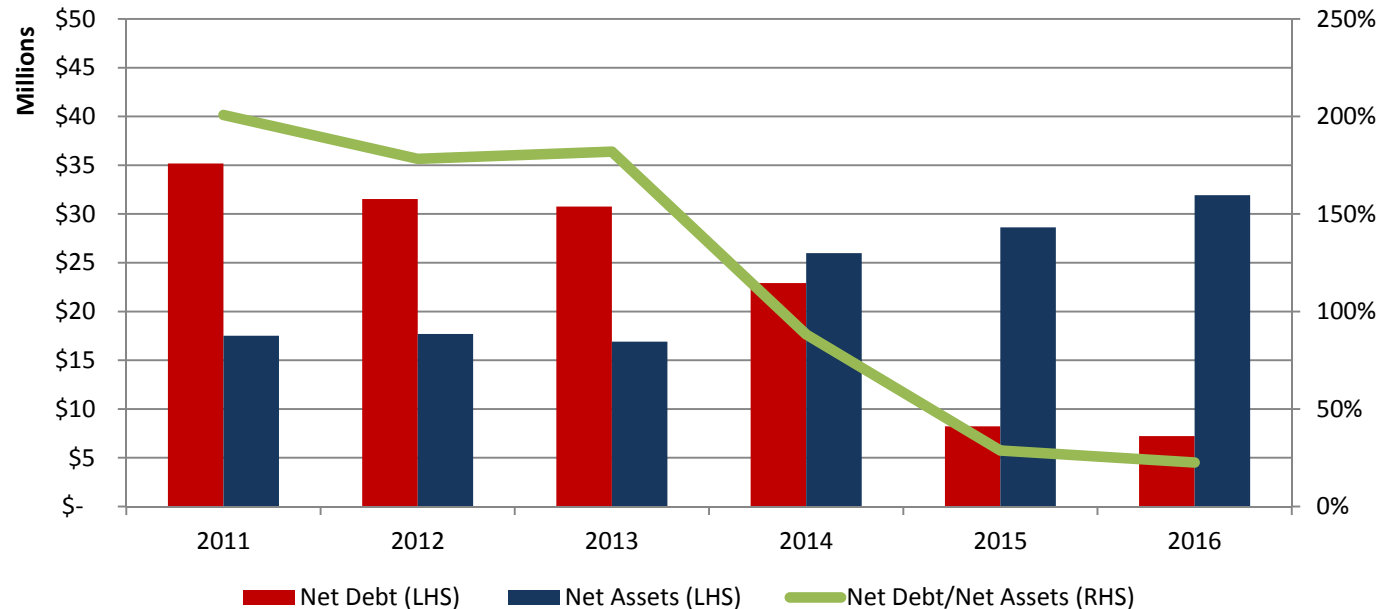
Solid performances given trading impact during upgrade works

Aspley & Aspley Arcade Shopping Centres

- FY16 contribution in line with prior year
- Overall vacancy rate increased slightly from 6% to 7.5% at year end
- WALE of 2.73 years
- Proposed reconfiguration to create separate dining and services precincts
- Proposed capital works to deliver improved leasing outcomes

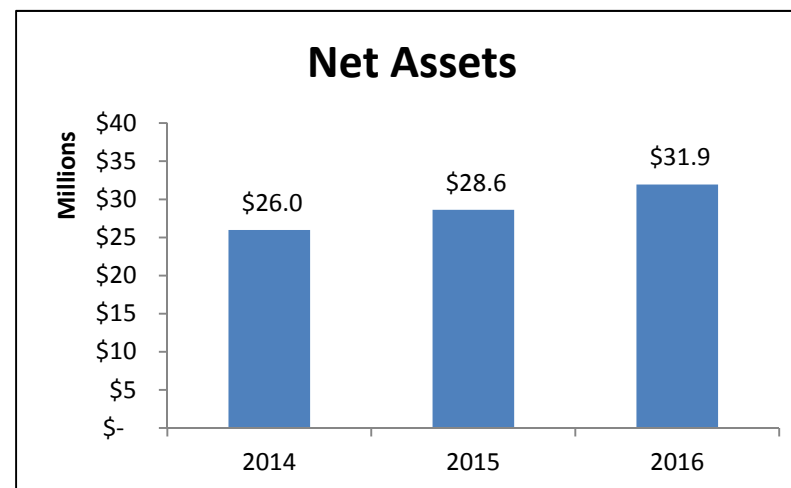
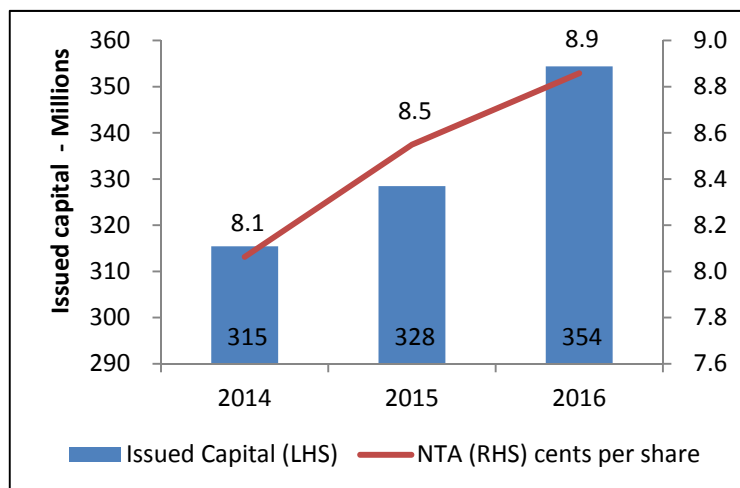


Strong balance sheet



- Since June 2011, the Group has exhibited strong growth in net assets and a significant decline in net debt
- Eumundi has never been in a stronger financial position, with a net debt to net assets ratio of 22.6% at 30 June 2016
- The Group has the capacity to sustain dividends, develop its core assets and consider expansion opportunities

Growth in NTA



- Net tangible asset backing per share increased from 8.5 cents at 30 June 2015 to 8.9 cents at 30 June 2016
- Net assets at 30 June 2016 were \$31.9 million, an increase of 11.6% from \$28.6 million at 30 June 2015

Increased dividends

- Total fully franked FY16 ordinary dividends (interim of 0.22 cents and final dividend of 0.33 cents per share) up 10% to 0.55 cents per share
- Shareholders have received regular fully franked ordinary dividends since initial special dividend in June 2014
- A total of 1.55 cents in fully franked dividends paid since June 2014

Dividend	Amount	Payment Date
FY16 Final	0.33 cps	14 October 2016
FY16 Interim	0.22 cps	15 March 2016
FY15 Final	0.3 cps	19 October 2015
FY15 Interim	0.2 cps	27 March 2015
FY14 Special	0.5 cps	27 June 2014

- The Group's Dividend Reinvestment Plan provides shareholders with the ability to reinvest cash dividends in additional shares
 - Take up rate for FY16 final dividend was 88%
- Capacity to fully frank future dividends: franking account balance at 30 June 2016 of \$0.52 million

Share register

- Successful completion of Unmarketable Parcel Sale Facility, Top-up Facility and Share Sale Facility in May 2016
- Unmarketable shareholdings were reduced significantly from over 50% of holdings to only 11% of holdings (representing only 0.03% of issued capital) through these initiatives, thereby reducing administrative costs
- Share consolidation of 10 to 1, subject to shareholder approval
- Share register legacy issues now addressed

Outlook

- Ongoing focus on hotel and leasing revenue streams
- Enhance performance of existing operations
 - Ashmore Tavern interior upgrade design/planning mid 2017
 - Aspley Central Tavern retail liquor store relocation and upgrade and proposed gaming expansion early - mid 2017
 - Aspley Shopping Centre reconfiguration design/planning early 2017
- Investigate opportunities for expansion of hotel operations
- The Board is pleased to advise that profit growth in 1QFY17 is in line with expectations