



## Hudson Investment Group Limited

### ASX Announcement

30 May 2016

### Managing Director's Presentation

At the Annual General Meeting of Hudson Investment Group Limited (ASX:HGL) (**Hudson** or the **Company**) to be held today, the Managing Director, Alan Beasley, will be giving a presentation to shareholders on the Company's Warnervale Property.

The Company provides this presentation for the benefit of those shareholders who are unable to attend the AGM.

If shareholders have any further queries regarding the presentation, please contact the Managing Director.

### For further information, please contact:

Alan Beasley – Managing Director

Telephone: +61 2 9251 7177

Email: [abeasley@hpgl.com.au](mailto:abeasley@hpgl.com.au)

**HUDSON INVESTMENT GROUP LIMITED**

ACN 004 683 729

Level 2, 131 Macquarie Street Sydney NSW 2000 Australia

T: +61 2 9251 7177 | F: +61 2 9251 7500 | [www.higl.com.au](http://www.higl.com.au) | [corporate@higl.com.au](mailto:corporate@higl.com.au)



- ✓ Stand alone focus Industrial property
- ✓ Positive cash flow business
- ✓ Capital growth potential

Hudson House  
Level 2, 131 Macquarie St  
Sydney, NSW 2000  
Phone: +61 2 9251 7177

Alan Beasley  
Managing Director  
Mobile: + 61 419 996 365  
E: [abeasley@hpgl.com.au](mailto:abeasley@hpgl.com.au)

**MAY 2016 – Operational Update**

# Disclaimer

**HUDSON**  
INVESTMENT GROUP

Warnervale Property

The material in this presentation (material) is not and does not constitute an offer, invitation or recommendation to subscribe for, or purchase any security in Hudson Investment Group Limited (**HGL**) nor does it form the basis of any contract or commitment. HGL makes no representation or warranty, express or implied, as to the accuracy, reliability or completeness of this material. HGL, its directors, employees, agents and consultants shall have no liability, including liability to any person by reason of negligence or negligent misstatement, for any statements, opinions, information or matters, express or implied, arising out of, contained in or derived from, or for any omissions from this material except liability under statute that cannot be excluded. Statements contained in this material, particularly those regarding possible or assumed future performance, costs, dividends, or potential growth of HGL, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties.

Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors. The principal important risk factors that could cause HGL's actual performance and future events and actions to differ materially from such forward-looking statements, include, but are not limited to, continuing volatility in the capital or credit markets and other changes in the securities and capital markets, changes in market prices of HGL's investments, the occurrence of one or more catastrophic events, such as an earthquake, hurricane, or act of terrorism, changes in laws or regulations, changes in income tax laws, and changes in general economic and market factors that affect the prices of securities or the industries in which it does business.

# Hudson Investment Group Ltd

*Listed on the Australian Securities Exchange*

**HUDSON**  
INVESTMENT GROUP

Warnervale Property

ASX Code	HGL
Issued Shares	260,316,865
Share Price	\$0.027
Market Cap.	A\$7 million
Shareholders	448

Board of Directors	
Chairman	John Farey <sup>1</sup>
Managing Director	Alan Beasley <sup>2</sup>
Non Executive Director	John Foley <sup>3</sup>
Joint Company Secretary	Henry Kinstlinger
Joint Company Secretary	Julian Rockett
Chief Financial Officer	Francis Choy

## Experienced Management Team

1. John W Farey has over 45 years experience in financial services including merchant and investment banking, having held directorships/management positions in Australia, UK, South East and Far East Asia with major international banks and companies. Mr Farey was appointed as a Director on 1 February 2002.
2. Alan Beasley has worked in Investment Banking and Investment Management businesses for over 30 years, with Bankers Trust Australia, Goldman Sachs, BNP Paribas. Alan has held directorships in several listed and unlisted public and private companies including two public charities.
3. John Foley has over 40 years' experience in the gold mining industry and was a founding Director of the Australian Gold Council, the industry body. For 20 years Mr Foley was the Chairman of Citigold Corporate Limited, listed on the ASX and the FSE (Frankfurt Stock Exchange), and with a Level One ADR (American Depositary Receipts) program in the USA.

# Strategic Location

## *Close Proximity to Sydney – Newcastle Freeway*

- Situated within the Warnervale Employment Zone, in which the Council is aiming to create 6,000 jobs and \$1.5 billion in investment
- Within range of:
  - Sydney (100km) and Newcastle (60km)
  - A\$500M Chinese Cultural Theme Park development called “Chappypie China Time” on 15ha site (land cost \$10M)
  - Warnervale Airport
  - Woolworths Wyong Distribution Centre



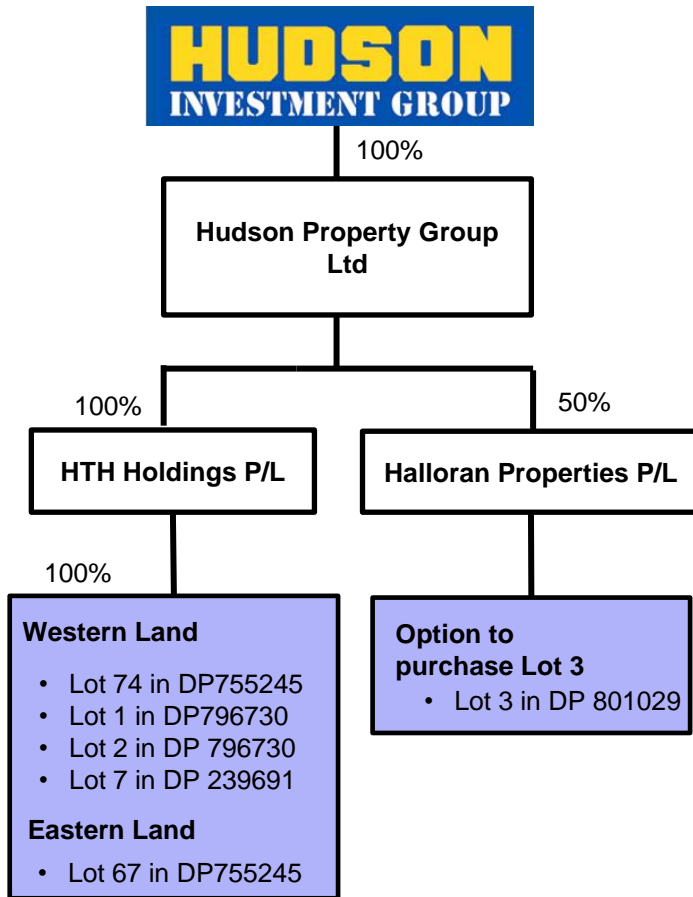


# Warnervale Property Portfolio

## *Industrial development potential*

**HUDSON**  
INVESTMENT GROUP

Warnervale Property



# Western Land

*Lease income supported by Rezoning & Development  
Opportunity for increased revenue and capital value potential*



	Status	Area*
1	Leased Land (IN1)	5.3 ha
2	Development potential (IN1)	6.1 ha
3	Rezoning from E2 to IN1	1.7 ha

\*Estimated

## *IN1 Rezoning of the Triangle (3)*

- Council has approved rezoning from E2 to IN1
- The Department of Planning and Environment (“DOPE”) has approved a delegated DOPE authority to Wyong Council to implement the rezoning
- Council and Hudson are proceeding with the implementation of the rezoning



# Western Land

## *Generating stable Lease income*

**HUDSON**  
INVESTMENT GROUP

Warnervale Property

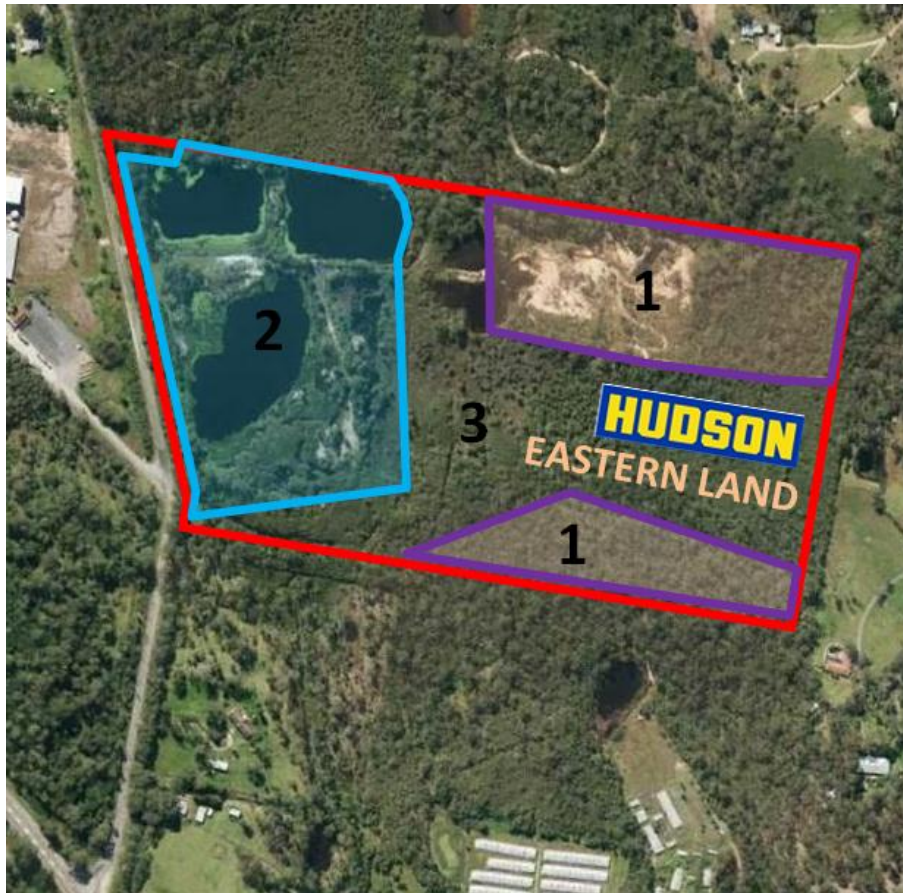
Vast industrial warehouse onsite (10,000 sqm under cover)





# Eastern Land

*21 ha of Land for potential development*



	Status	Area*
1	Development Potential (IN1)	5.1 ha
2	Water Management (SP2)	7.1 ha
3	Environmental (E2)	8.7 ha
TOTAL		20.9 ha

\*Estimated

# Eastern Land

## *Natural water features in the NW area*

- Enhances the amenity of any future development in the Eastern Land area



- The Eastern Land comprises of strategically located land with water features in situ
- Currently in discussions with Council to support suitable development ideas and JV partners to optimise the potential value



# Hudson JV Option to Purchase Lot 3

*Unlocking Value through Partnerships*

**HUDSON**  
INVESTMENT GROUP

Warnervale Property



- **Hudson JV has entered into an option to acquire Lot 3 in DP 801029**
  - Hudson JV (50/50) with Warnervale Holdings Pty Ltd who own the Land north of Hudson's Eastern land
- **Lot 3 is strategic in location:**
  - Likely to become the main access to majority industrial development north of Sparkes Road
  - Council has proposed Link Road North on eastern perimeter of Lot 3
  - Location highly desirable and strategic for future Warnervale development as per Council Smart City Proposals
  - Potential for subdivision options for automotive and other industrial businesses
  - Development of Lot 3 enables access to Hudson's Eastern land to the north of Lot 3
  - Preliminary meetings with Council officers and other development consultants continuing



# Warnervale Property Location

*Strategically positioned near established & proposed Commercial and Industrial Enterprises*

**HUDSON**  
INVESTMENT GROUP

Warnervale Property



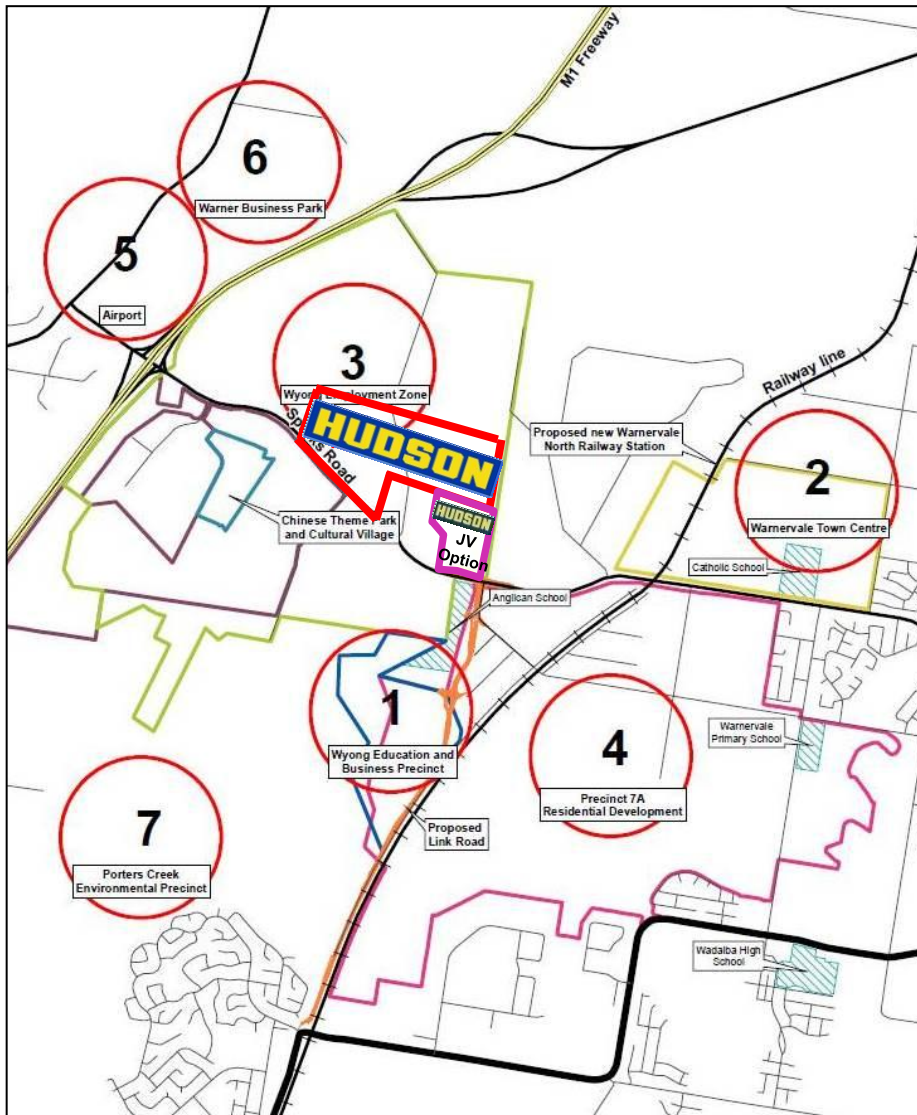


# Warnervale Smart City

*Located in the heart of the Foundation Projects*

**HUDSON**  
INVESTMENT GROUP

Warnervale Property



## Smart City: Foundation Projects

- 1. Wyong Education & Business Precinct**  
Integrated education and business precinct over 65ha which will provide a world-class university campus, with student accommodation for up to 1,500 students and business technology park for 5,000 workers.
- 2. Warnervale Town Centre**  
119ha mixed use commercial / retail / residential urban town centre with a proposed new railway station and bus interchange. Woolworths have approval for \$117m regional shopping centre and various residential developments will soon commence.
- 3. Wyong Employment Zone (WEZ)**  
740ha (340ha General Industrial) employment zone, including 80,000sqm Woolworths Distribution Centre and plans underway to develop the largest Chinese Theme Park in Australia. WEZ has the capacity for \$1.5b of investment and 6,000 jobs.
- 4. Precinct 7A – Residential**  
Residential release area – 500ha site for 2,500 residential properties, neighbourhood shops, open space and significant conservation areas.
- 5. Airport**
- 6. Warner Business Park**
- 7. Porters Creek Environmental Precinct**

PAGE

\* Source: Wyong Shire Council – Smart City Vision 2015.

\*\* Link Road project will cost approximately \$45m

# Financial Overview

Land	Western Area (ha)	Eastern Area (ha)	Total Area (ha)	2015 Net Revenue (Annualised)	2016 Valuation*
Leased Industrial Land	5.3	-	<b>5.3</b>	\$819,604	\$7.50m
Industrial Land for Development	6.1	5.1	<b>11.2</b>		\$4.33m
Water Management (SP2)	-	7.1	<b>7.1</b>		\$0.07m
Environmental (E2)	12.2	8.7	<b>20.9</b>		\$0.84m
<b>Total</b>	<b>23.6</b>	<b>20.9</b>	<b>44.5</b>	<b>\$819,604</b>	<b>\$12.75m</b>

\* 2016 JLL valuation report



# Current Financials

Balance Sheet – As of 31.3.2016		A\$M
<b>TOTAL ASSETS</b>		<b>\$12.75</b>
<b>LIABILITIES</b>		
• Bank borrowings		\$7.5
<b>TOTAL LIABILITIES</b>		<b>\$7.5</b>
<b>NET ASSETS</b>		<b>\$5.25</b>

2016 Forecast Cash Flows		A\$
<b>Total Net Rent</b>		<b>\$837,532</b>
Loan Interest repayments		(\$340,335)
<b>Net Positive cash flow (p.a.)<sup>1</sup></b>		<b>\$497,197</b>
1. Does not include HGL overhead costs		

# Warnervale Property Highlights

## Focus on optimising the Warnervale asset and maximising returns and capital value of the property

- ✓ Current leased industrial land of 5.3ha generates revenue of ~\$840,000 per annum. Potential revenue opportunity for the remaining ~40ha of land
- ✓ Solid cash flows to service modest debt levels of ~59% gearing ratio<sup>1</sup>
- ✓ Strategically positioned to become the main access to all industrial development north of Sparks Road in close proximity to Sydney-Newcastle Freeway
- ✓ Industrial development opportunities in line with Council Smart City Proposed Development
- ✓ Situated within Warnervale Employment Zone - the target of \$1.5 billion of Council development and investment proposals
- ✓ Maintain ongoing communications with Council and other stakeholders, including joint venture partner Warnervale Holdings Pty Ltd, potential developers and prospective tenants
- ✓ Highly qualified and experienced Management team with expert industry experience in commercial and industrial development

1. Gearing ratio calculated based on Bank Borrowings of \$7.5m divided by Total Assets of \$12.75m