



# FY2016 RESULTS PRESENTATION

22 AUGUST 2016

[www.apngroup.com.au](http://www.apngroup.com.au)  
ASX Code: APD

**APN** | Property Group  
20 YEAR ANNIVERSARY 2016

# APN Property Group Overview

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As at 30 June 2016



- ▶ Specialist Australian commercial real estate investment manager
- ▶ Established 1996
- ▶ 13 Funds, 45 properties
- ▶ 42 Staff, Melbourne based
- ▶ Capital light, co-investment model
- ▶ 'Property for income' investment philosophy

# FY2016 Achievements

OPERATING EARNINGS <sup>1</sup>	\$10.5 million ▲ 52% (3.46 cents per share)
FUM <sup>2</sup>	\$2.2 billion ▲ 21%
TOTAL SHAREHOLDER RETURN <sup>3</sup>	40.2%
SPECIAL DIVIDEND	10.00 cents per share fully franked Plus 1.75 cps FY2016 dividends ▲ 17%
FUND PERFORMANCE	Strong risk-adjusted investment performance Outstanding leasing and sale results: Industria

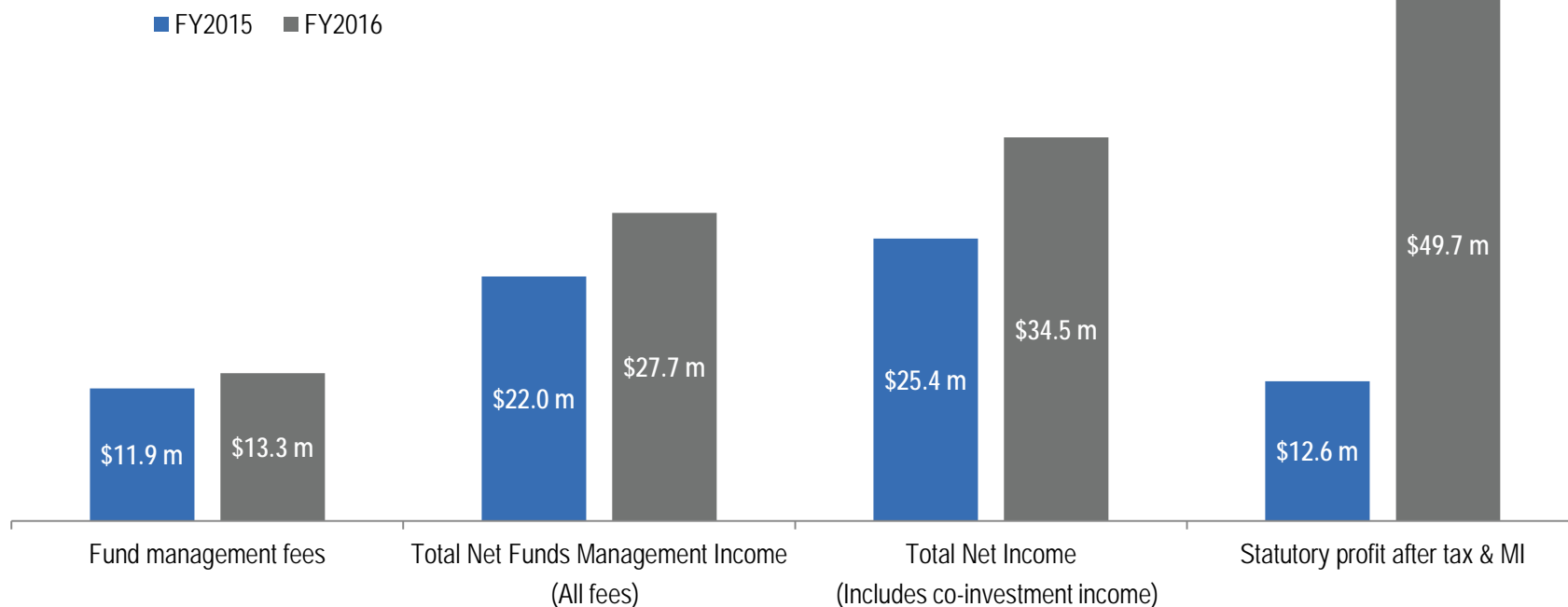


1. Operating Earnings is an unaudited measurement which includes the results from Healthcare operations until divested on 27 June 2016. It is after tax and adjusts for certain items recorded in the income statement including minority interests, discontinued operations (Europe), gains on divestments and the fair value movements on the Group's co-investments.
2. From continuing operations (after adjusting for the divestment of Healthcare operations).
3. Per annum as at 30 June 2016 includes reinvestment of dividends at market price on dividend payment date and divisor adjustment

# FY2016 Results Overview

## Record profit

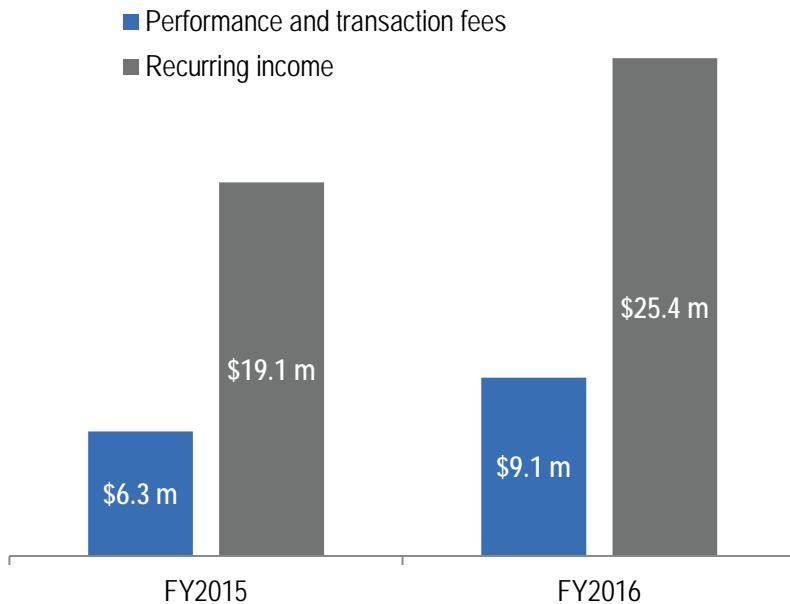
- Statutory profit of \$49.7 million up 295% reflecting sale of healthcare division
- Statutory EPS 16.60 cents
- Strong growth across all key revenue and profit metrics vs FY2015



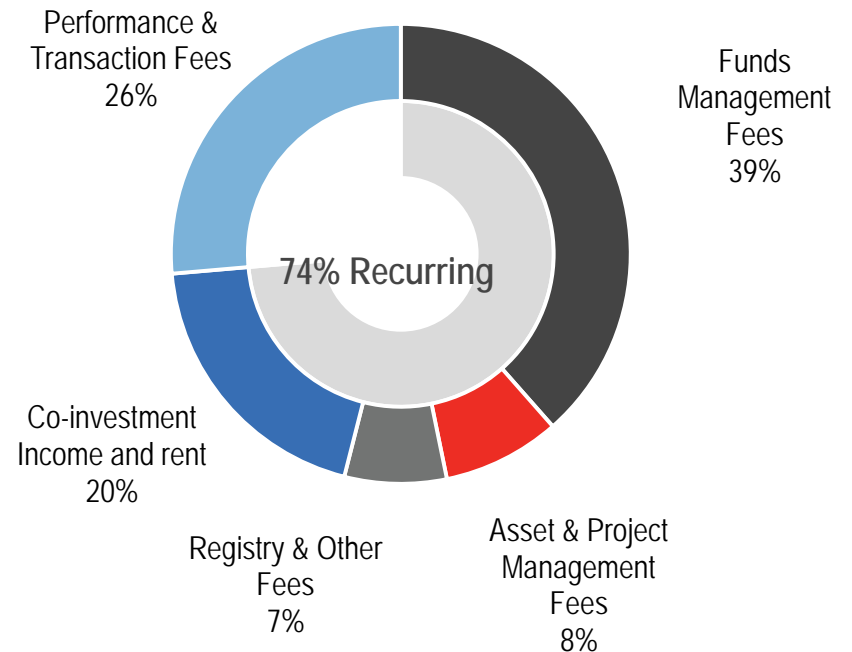
# FY2016 Results Overview

- Recurring income (all income other than performance and transaction fees) up 43%
- \$9.1 million in performance and transaction fees
- \$34.5 million Total Net Income (before tax and minority interests) (below)
- All categories of revenue increased over FY2015

FY2016 Net Income Breakdown

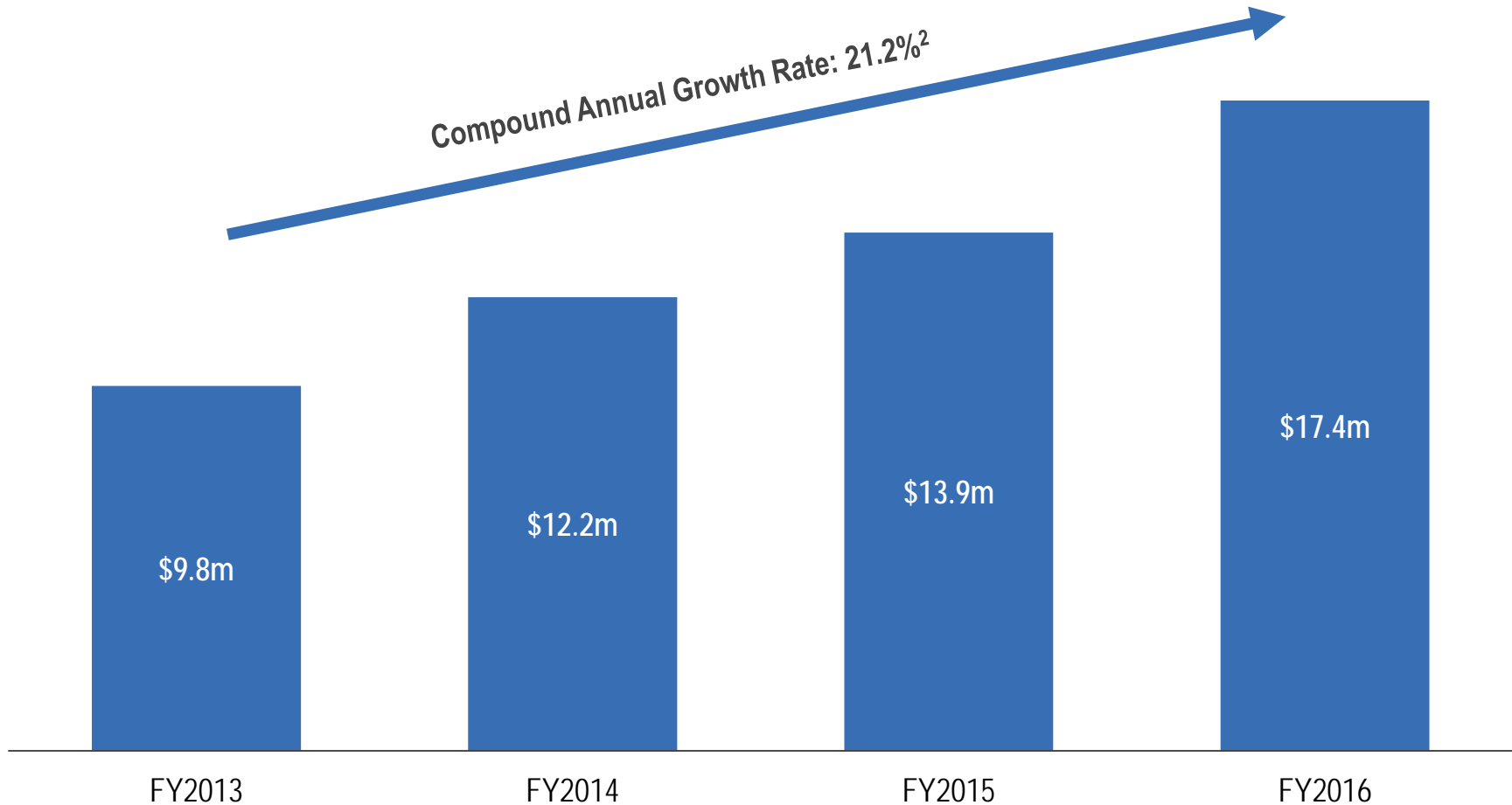


FY2016 Net Income Breakdown



# Growth in underlying recurring income<sup>1</sup>

From continuing operations only; removes Healthcare division for all time periods



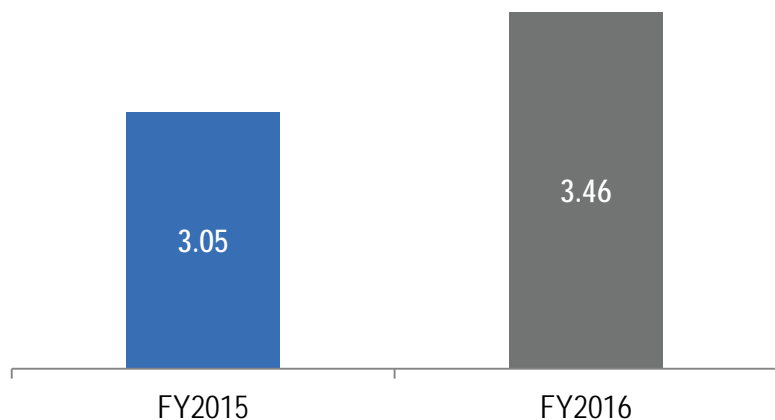
1. Net operating income excluding performance and transaction fees before tax and minority interests

2. Based on annual growth in underlying recurring income

# Income statement

- Co-investment income (not including mark to market gains) up 54% to \$5.2 million
- \$39.3 million profit from non-operating activities (Healthcare sale)
- Variable employment costs increase due to business outperformance

## Operating Earnings Per Share (cents)



Income Statement (\$'000s)	FY2016	FY2015	Change
Funds management fees	13,287	11,930	▲ 11%
Performance & transaction fees	9,102	6,346	▲ 43%
Asset & project management fees	2,858	1,314	▲ 118%
Registry & other fees	2,477	2,411	▲ 3%
<b>Total Net Funds Management Income</b>	<b>27,724</b>	<b>22,001</b>	<b>▲ 26%</b>
Co-investment income	5,235	3,410	▲ 54%
Rent and other property related income	1,552	-	-
<b>Total Net Income</b>	<b>34,511</b>	<b>25,411</b>	<b>▲ 36%</b>
Employment costs	(9,901)	(9,156)	▲ 8%
Occupancy costs	(1,044)	(1,363)	▼ (23%)
Sales & marketing costs	(763)	(524)	▲ 46%
Other costs	(2,525)	(2,560)	▼ (1%)
Depreciation & amortisation	(159)	(112)	▲ 42%
Finance income/(expense)	(966)	155	▼ -
MI share of operating earnings (before tax)	(4,049)	(2,008)	▲ 102%
<b>Operating earnings before tax</b>	<b>15,104</b>	<b>9,843</b>	<b>▲ 53%</b>
Tax (Group and MI)	(4,597)	(2,921)	▲ 57%
<b>Operating earnings (after tax and MI)<sup>1</sup></b>	<b>10,507</b>	<b>6,922</b>	<b>▲ 52%</b>
Profit from non-operating activities <sup>2</sup> after tax & MI	39,308	5,752	▲ 583%
Loss from discontinued operations after tax & MI	(145)	(109)	▲ 33%
<b>Statutory profit after tax &amp; MI</b>	<b>49,670</b>	<b>12,565</b>	<b>▲ 295%</b>
<b>Key performance metrics (cents per share)</b>			
EPS – Statutory <sup>3</sup>	16.60	5.58	▲ 197%
EPS – Operating earnings after tax & MI	3.46	3.05	▲ 13%

1 Operating Earnings is an unaudited after tax measurement used by management as the key performance measure of the underlying performance of the Group and includes the results from Healthcare operations until divested on 27 June 2016. It adjusts for certain items recorded in the income statement including minority interests, discontinued operations (Europe), gains on divestments and fair value movements on co-investments.

2 Non-operating activities include gains on divestments and fair value movements on the Group's co-investments. Refer Appendix for further details.

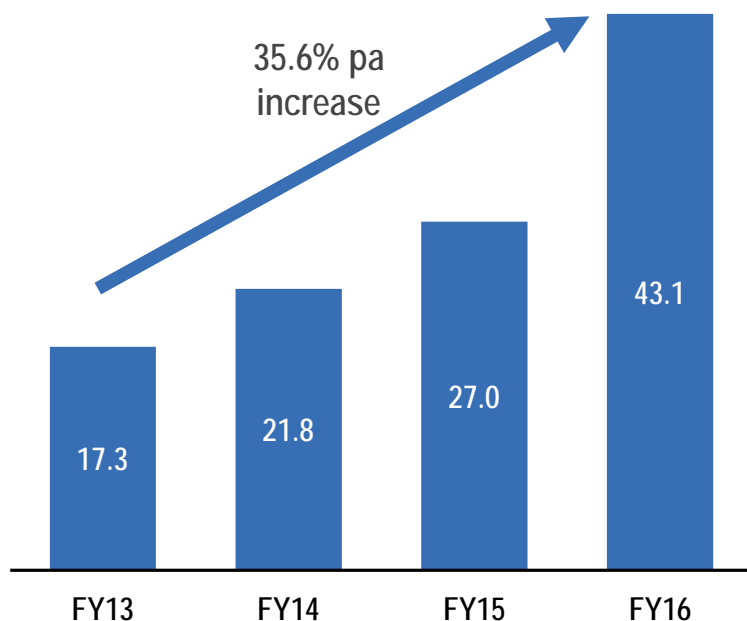
3 On statutory basis diluted including continuing and discontinued operations.

# Balance sheet

At 30 June 2016 (refer Appendix for Detailed Proforma Balance Sheet reflecting post balance date transactions)

- Cash of \$48.8<sup>1</sup> million (\$5.0 million for AFSL)
- Co-investments \$106.9 million (includes GHC units of \$63.0 million)

NTA per share



Balance Sheet (\$'000s)	Jun 2016	Jun 2015	Change
Cash	72,031 <sup>2</sup>	20,343 <sup>2</sup>	▲ 254%
Co-investments	106,914	65,603	▲ 63%
Investment properties	38,050	-	▲ -
Other assets	13,029	11,413	▲ 14%
Intangible assets & DTA	1,760	8,873	▼ (80%)
<b>Total assets</b>	<b>231,784</b>	<b>106,272</b>	<b>▲ 118%</b>
Trade payables, tax & provisions	58,389	9,881	▲ 491%
Borrowings	36,408	-	▲ -
Minority interests	(64)	5,810	▼ (101%)
<b>Net Assets</b>	<b>137,051</b>	<b>90,581</b>	<b>▲ 51%</b>
<b>Net Tangible Assets</b>	<b>135,291</b>	<b>81,708</b>	<b>▲ 66%</b>
<b>NTA per share</b>	<b>43.1 cents</b>	<b>27.0 cents</b>	<b>▲ 59%</b>

<sup>1</sup> Excludes cash held in trust of \$1.2 million and consideration received in cash payable to non-controlling interest of \$22.0m

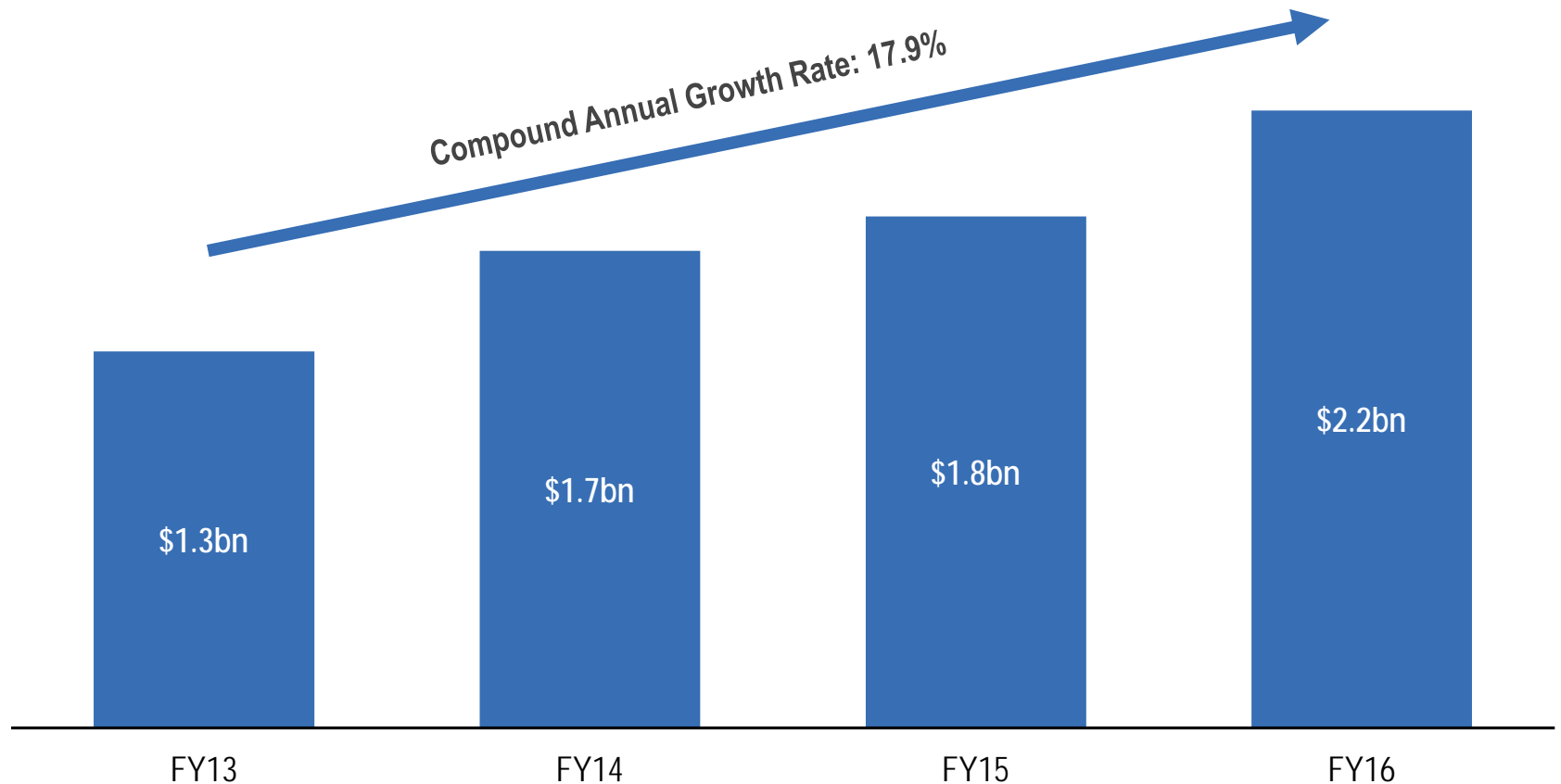
<sup>2</sup> Includes cash held in trust for underlying funds managed by the Group of \$1.2 million and consideration received in cash payable to non-controlling interest of \$22.0 million (June 2015: \$0.2 million)



# Growth in funds under management

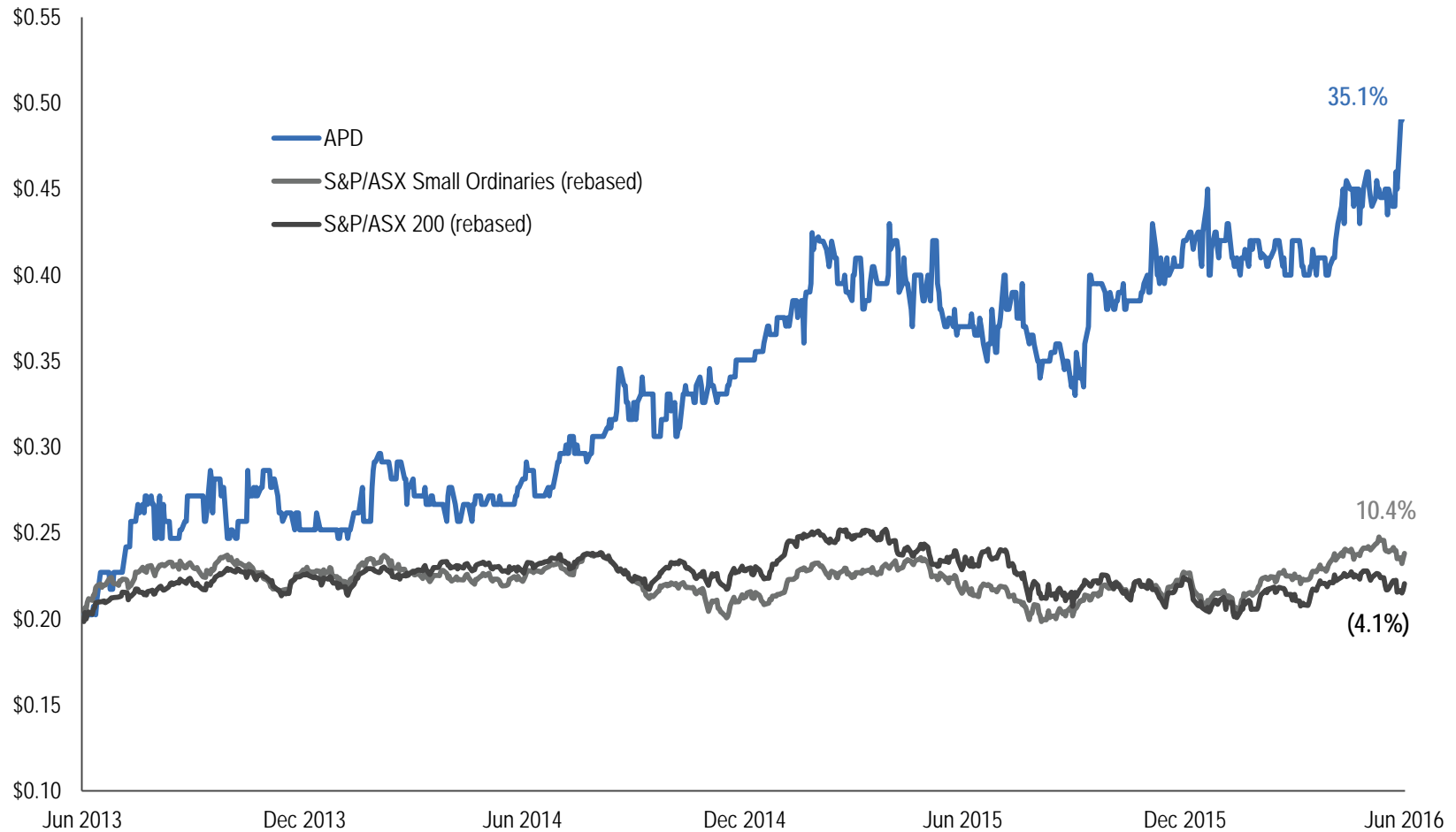
From continuing operations only; removes Healthcare division for all time periods

- From continuing operations only
- 20.7% increase over FY2015



# Share price performance to 30 June 2016

3 year share price performance, figure annualised



Source: IRESS

# Sale of healthcare division

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## INVESTOR OUTCOME

- New sponsor NorthWest is a global real estate healthcare operator
- Acquisition of co-investment stake fosters continuing strong alignment
- Continuity of Responsible Entity and Management Team
- APN providing transitional services for up to two years and two months to ensure smooth transition

## STRATEGY AND RATIONALE

- Healthcare platform under NorthWest sponsorship continues to offer excellent return potential for investors
- APN carefully assessed the opportunity with its JV partners
- Concluded the price and terms were in the best interests of APN shareholders

## TRANSACTION SUMMARY

- Management rights sold for \$58.5 million (total consideration)
- Co-investment stake: put/call option at \$2.20 per security plus June 2016 distribution
- APN original investment \$2.3 million in August 2011 for 67.5% interest
- Refer ASX Announcement dated 27 June 2016 for further details

# Real Estate Securities

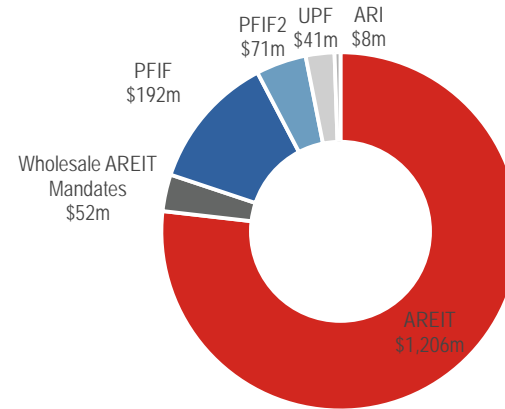
## Achievements

- Strong risk adjusted investment performance across APN's five real estate securities funds
- FuM increased 29% over the year
- Continued tapering of outflows from Property For Income Funds

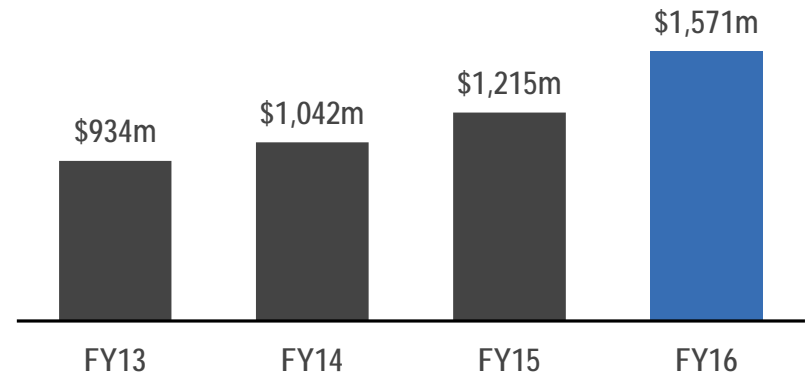
## Outlook

- Attractive economic and interest rate / return environment for APN AREIT Fund and APN Asian REIT fund
- Continued focus on investment performance and outstanding service
- New mandate opportunities being explored
- New products and distribution channels under consideration

## Breakdown by Fund



## FuM Growth



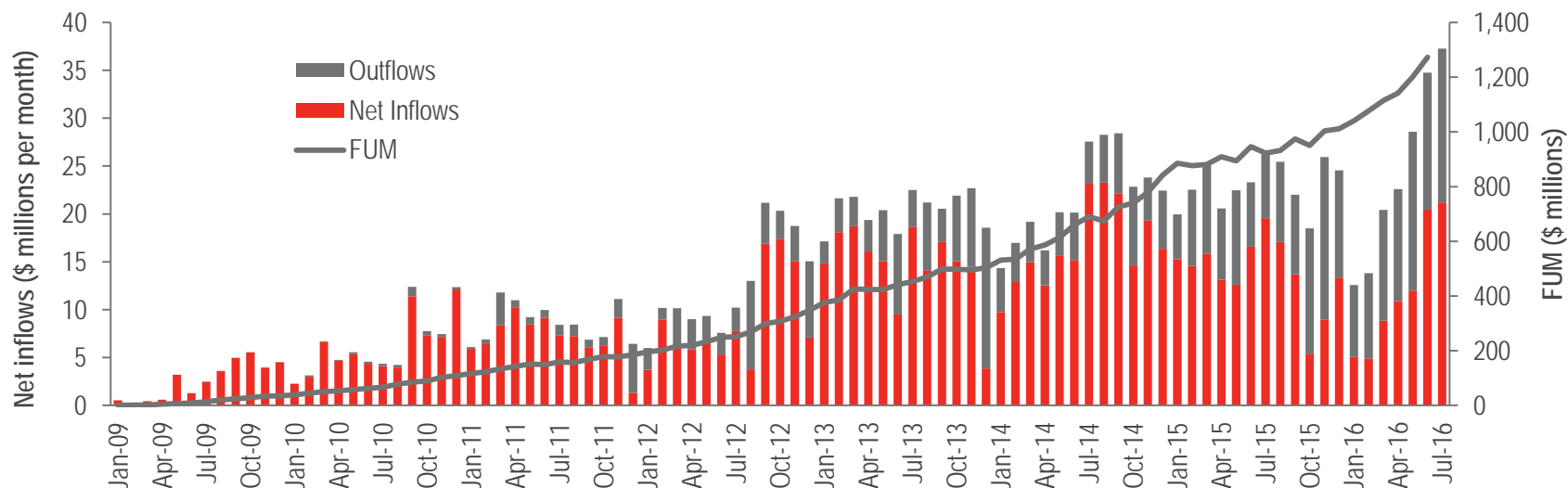
# APN AREIT Fund

- Rated one of Australia's leading property securities funds
- Strong risk adjusted performance over FY2016
- FY2016 FUM up by \$304 million (ex CFS mandate of additional \$52 million) with net inflows averaging \$11.7m per month (\$140 million in total)
- Distribution yield of ~5.68%<sup>1</sup> pa paid monthly
- Achieved \$1bn in FUM
- Won AFR's Blue Ribbon Award for Best Australian listed property fund



- New mandate won in May 2016
- \$47 million starting FUM
- Averaging approximately \$2m per month in net inflows to date

## APN AREIT Fund growth since inception



1. As at 30 June 2016 assuming entry price of \$1.8352 and monthly distributions of 0.8694 cents (annualised)

# Established Equity Raising and Distribution Platform

Over nearly 20 years APN has built a broad market distribution reach – over FY2016 this has been further enhanced with the award of the Colonial First State First Choice AREIT Mandate

## Wraps and Platforms

- All the major vertically integrated brands
- Market leading wraps and private labels for independents and private wealth
- ASX mFund availability through accredited brokers



## Approved Product Lists

Colonial First State, BT, MLC, ANZ, IOOF, AMP, CPAL, Findex and a large number of independent national or state based groups



## Independent Financial Advisors

Recommended by a broad range of independent financial advisors to their investor clients



## Asset Consultants

Used in model portfolios by asset consultants attached to Morningstar, Zenith Mercer, Ibbotson and boutique consultants



## NZ Distribution

- Available on the two major wraps (Aegis, OneAnswer)
- Morningstar NZ model portfolios

Magnitude



## Strong Independent Research Ratings

Morningstar, Lonsec, Zenith, SQM and Mercer



# Industria

## Achievements

- Record leasing success – more than 27,000sqm
- Increased occupancy to 96%
- Retained high WALE of 4.9 years
- FY2017 distribution guidance of 15.6 cps

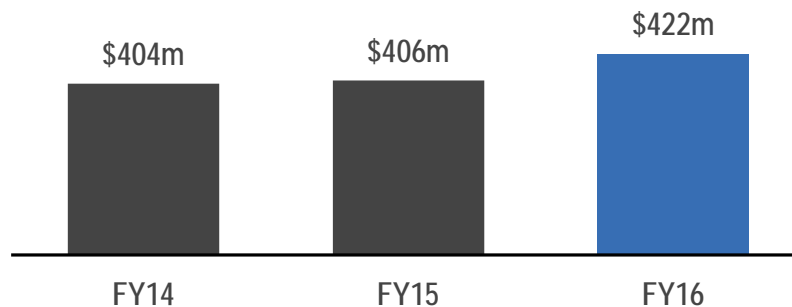
## Outlook

- New fund manager
- Addressing near term lease expiries and remaining vacancy
- Capitalising on opportunities to acquire and recycle assets to enhance portfolio returns



51 McKechnie Drive, Brisbane Technology Park QLD

## FUM Growth



## Key metrics

Market Capitalisation <sup>1</sup>	\$263m
Total Funds Under Management	\$422m
Forecast FY17 Distribution Yield <sup>2</sup>	~7.1%
Occupancy	96%
WALE	5.0 years
Gearing	33.1%

1. As at 30 June 2016 closing price of \$2.14

2. Based on price of \$2.21 per Security as at 19 August 2016

# Direct Funds

## Achievements

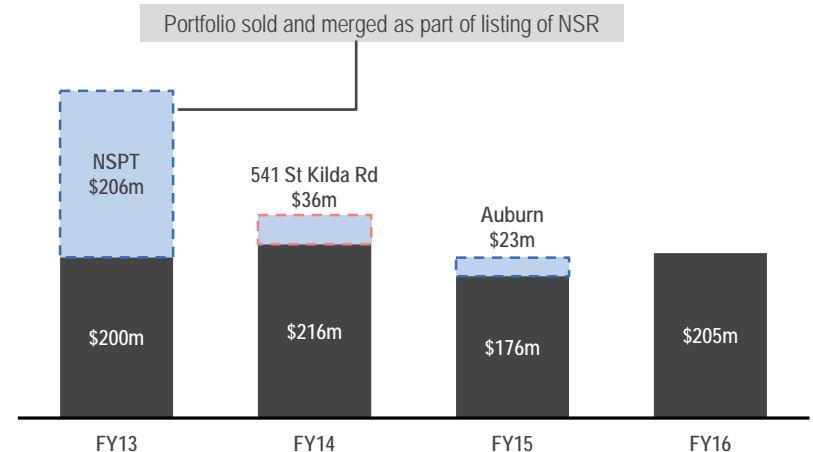
- Funds under management up 3% to \$205 million
- \$18.1 million Steller Development Fund successfully launched in September 2015
- Sold Auburn delivering a total investor return of ~54%
- Active leasing and portfolio management results across the portfolio with Regional Fund at 99% occupancy, PPP at 100% occupancy and Coburg at 97% occupancy



1. Fund assets sold April 2015

Funds	FuM (\$ million)
APN Property Plus Portfolio	\$82
APN Regional Property Fund	\$45
APN Coburg North Retail Fund	\$19
APN Development Fund No. 2	\$40
APN Steller Development Fund	\$18
Newmark APN Auburn Property Fund <sup>1</sup>	\$1
<b>Total</b>	<b>\$205</b>

## FUM Growth





# Convenience retail portfolio update

## Strategy

- Long WALE, high quality convenience retail tenants with assets located in strong population catchment areas
- APN remains of the view that the investment strategy is attractive however based on the strength in transaction markets and potential pricing relative to value of establishing a new fund for APN's shareholders, portfolio is being marketed for sale

## Woolworths/Masters

- 15 year lease
- Guaranteed by ASX listed Woolworths Limited
- Building completed; lease commenced 10 August 2016

## Portfolio overview

Property	Status	Tenant and Guarantor	NLA (sqm)	Lease term (years)	Purchase Price (\$m)	30 June 2016 Independent Valuation (\$m)	Valuation Cap Rate	Comments
7-Eleven Eagleby	Complete and paying rent	7-Eleven (Aust. Parent)	198	15.0	\$4.43	\$4.60	6.50%	Sold \$4.85m
Hungry Jack's Nowra		Hungry Jack's (Aust. Parent)	301	15.0	\$8.30	\$3.00	5.50%	Active marketing
Shell Service Centre Nowra		Viva Energy (sub-tenants Coles Express and Subway)	298	15.0		\$6.25	6.00%	
Masters Nowra		Masters (Guaranteed by Woolworths Limited)	13,000	15.0	\$24.20	\$24.20	7.00%	
<b>Total</b>			<b>13,797</b>	<b>15.0</b>	<b>\$36.93</b>	<b>\$38.05</b>	<b>6.63%</b>	



Shell Service Centre, Nowra NSW

# APN Steller Development Fund

- Successfully launched September 2015
- Attractive risk / return metrics - \$6,400 per sqm (net sellable area) breakeven point
- Leverages development and delivery expertise
- Good progress – 5 out of 6 permits received, finance received for first three projects, pre-sales on targets (price and number)
- Profit forecast on track

Investment type	Multi-site residential development, closed-end wholesale unlisted property fund
Development description	209 apartments over 6 medium density projects in South East Melbourne
Fund size	\$18.1 million in equity committed
APN co-investment	\$2.75 million
Investment Term	7 years, with seed projects to be developed over 4-5 years
Target returns	Target equity IRR 18%+ pa (post fees, pre tax) Target equity multiple of 1.5 times (post fees, post tax)

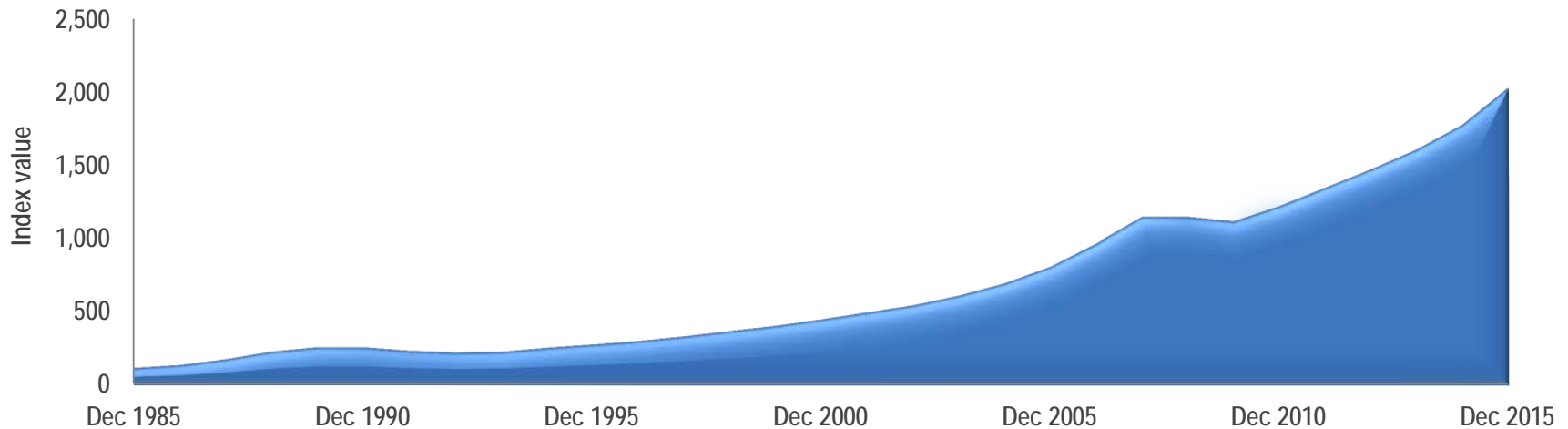


# Market commentary

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- Continuing strength in both direct and listed Australian commercial property markets
- Prices have continued to increase given the significant liquidity (equity and debt) and historically low interest rates (though bond yield spread to cap rates remains reasonable)
- Occupier market conditions mixed but several markets continue to see elevated incentives and little effective rental growth
- Leverage levels do not seem excessive across the sector – key factor for potential size of any market pricing correction
- Commercial property continues to offer an attractive risk / return profile to investors comparing asset classes

**Australian commercial property (excludes residential) has delivered a total return of 11.3 % pa since December 1984 to June 2015 (over 30 years)**



Source: The Property Council Australia / IPD Australia All Property Index

# Capital management

## Special dividend

- 10.0 cents per share special dividend declared
- Approximately \$31.4 million
- Record date: 29 September 2016
- Payment date: 18 October 2016
- Fully franked

## Ongoing capital requirements

- APN is committed to disciplined capital management
- In excess of \$34 million in available cash on completion (by end August) of healthcare transaction
- Further capital to be released from planned sale of Investment Properties
- Debt capacity at corporate level following repayment of facility
- APN remains very well placed to capitalise on growth opportunities over the medium term with existing capital base
- Capital light, co-investment model



Coburg Hill Shopping Centre, Coburg North VIC



140 Sharps Road, Tullamarine VIC

# Outlook

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- Cautious approach to current property market conditions, especially changes to bank lending policies
- While competitive, attractive property acquisition and new fund opportunities can still be found
- Seeking to deliver long term, consistent growth across APN's business
- APN continues to focus on building its scale and therefore enhancing its profitability
- Funds are very well placed for new opportunities and to continue to grow
- APN is also well positioned with a significant capital base to assist pursuing a range of opportunities



**Not shooting the lights out**



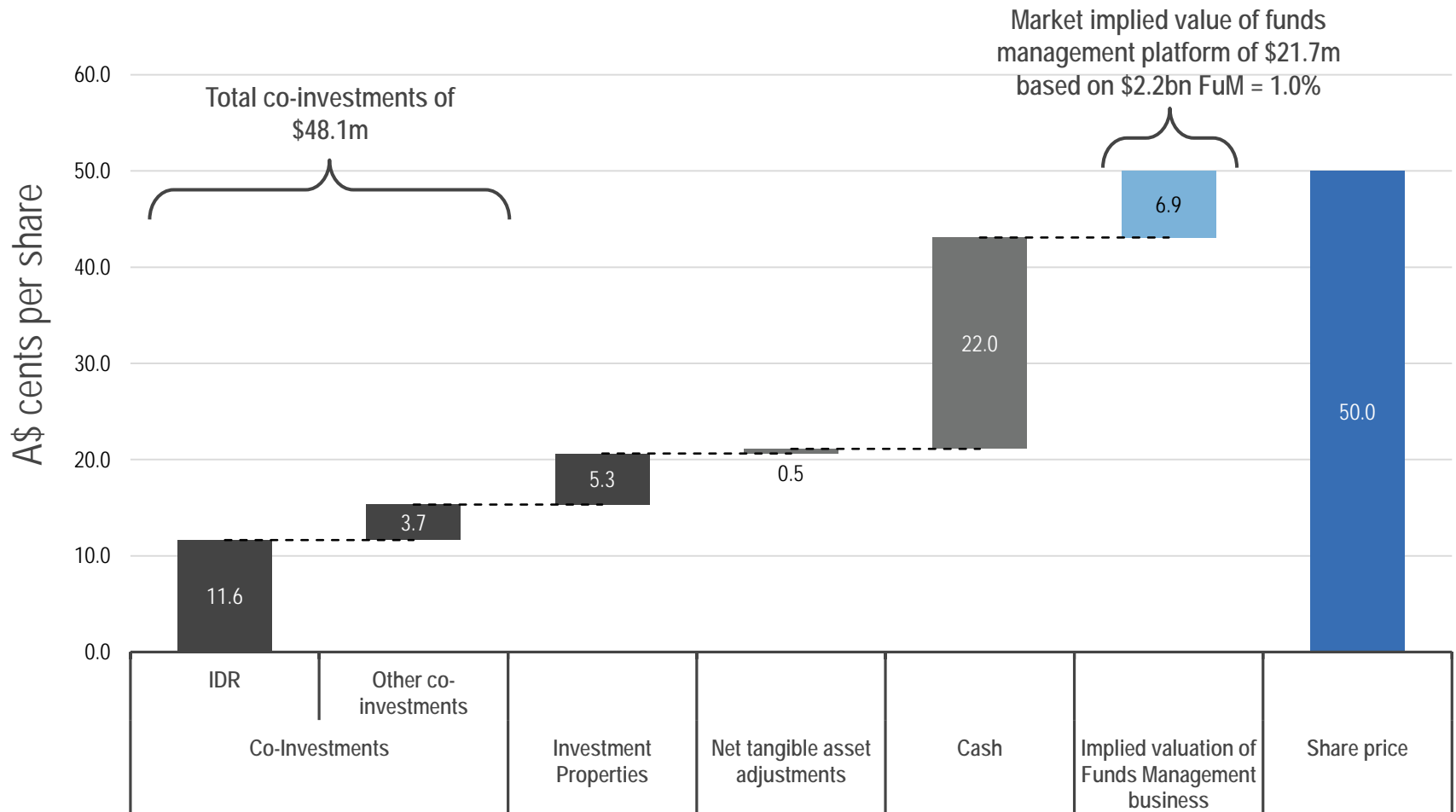
# Earnings guidance

Subject to continuation of current market conditions

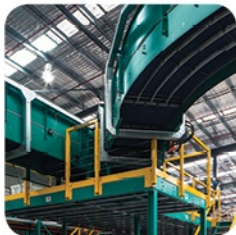
		FY2016		FY2017
		Original guidance	Results	Guidance
		Guidance only includes transaction / performance revenue items which are reasonably certain	Includes recurring as well as transactional and performance based revenues, excludes co-investment mark to market gains and losses	Guidance only includes transaction / performance revenue items which are reasonably certain
<b>Operating earnings after tax</b>		2.00 to 2.30 cps	3.46 cps	1.60 – 2.00 cps
<b>Dividend</b>	Determined with reference to the amount and composition of operating profit after tax	1.50 cps	1.75 cps	1.75 cps

# Implied Funds Management platform valuation<sup>1</sup>

At 30 June 2016 before 10.0 cps Special Dividend



1. Analysis and APN share price as at market close 30 June 2016, net of MI



## APPENDICES

**APN** | Property Group



# Funds under Management<sup>1</sup> Summary

Funds	Sector	Investors	FuM	Fee Basis			APN Co-investment	
				Management	Performance	Other	\$	%
APN AREIT Fund	Property Securities	Retail & Institutional	\$1,207m	✓			\$0.2m	-
APN Wholesale AREIT Mandates	Property Securities	Retail & Institutional	\$52m	✓			-	-
APN Property for Income Fund	Property Securities	Retail & Institutional	\$192m	✓			-	-
APN Property for Income Fund No. 2	Property Securities	Retail & Institutional	\$71m	✓			-	-
APN Unlisted Property Fund	Property Securities	Retail & Institutional	\$41m	✓			-	-
APN Asian REIT Fund	Property Securities	Retail & Institutional	\$8m	✓			\$1.1m	13.1%
Industria REIT	Industrial & Business Park	Retail & Institutional	\$422m	✓		✓	\$36.5m	13.9% <sup>2</sup>
APN Property Plus Portfolio	Retail	Retail & Institutional	\$82m	✓			\$2.2m	5.1%
APN Regional Property Fund	Regional Property	Retail	\$45m	✓			-	-
APN Coburg North Retail Fund	Retail	Retail	\$19m	✓	✓	✓	-	-
APN Development Fund No. 2	Office & Industrial	Wholesale	\$40m	✓	✓	✓	\$1.2m	4.8%
APN Steller Developer Fund	Residential	Wholesale	\$18m	✓	✓	✓	\$2.7m	15.2%
Newmark APN Auburn Property Fund	Retail	Wholesale	\$1m		✓	✓	-	-
<b>Total</b>			<b>\$2,198m</b>				<b>\$43.9m</b>	

1. Funds under management from continuing operations at 30 June 2016

2. Funds managed by APN also hold an additional 4.9% interest in Industria REIT

## Pro-forma Balance sheet

Balance Sheet (\$'000s)	30 June 2016	Loan repayment	Settlement of Healthcare divestment liabilities	GHC unit sale proceeds <sup>2</sup>	30 June 2016 dividends declared	Pro-forma
Cash	72,031 <sup>1</sup>	(15,000)	(48,393)	58,783	(32,969)	34,452
Co-investments	106,914			(58,783)		48,131
Investment properties	38,050					38,050
Other assets	13,029		(5)			13,024
Intangible assets	1,760					1,760
<b>Total assets</b>	<b>231,784</b>	<b>(15,000)</b>	<b>(48,398)</b>	<b>-</b>	<b>(32,969)</b>	<b>135,417</b>
Trade payables, tax and other liabilities	58,389		(48,398)			9,991
Borrowings	36,408	(15,000)				21,408
Minority interests	(64)					(64)
<b>Net Assets</b>	<b>137,051</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32,969)</b>	<b>104,082</b>
<b>Net Tangible Assets</b>	<b>135,291</b>					<b>102,322</b>
<b>NTA per share</b>	<b>43.1 cents</b>				<b>(10.5) cents</b>	<b>32.6 cents</b>

<sup>1</sup> Includes cash held in trust for underlying funds managed by the Group of \$1.2 million and consideration received in cash payable to non-controlling interest of \$22.0 million

<sup>2</sup> On settlement of put/call option with NorthWest Healthcare Properties REIT

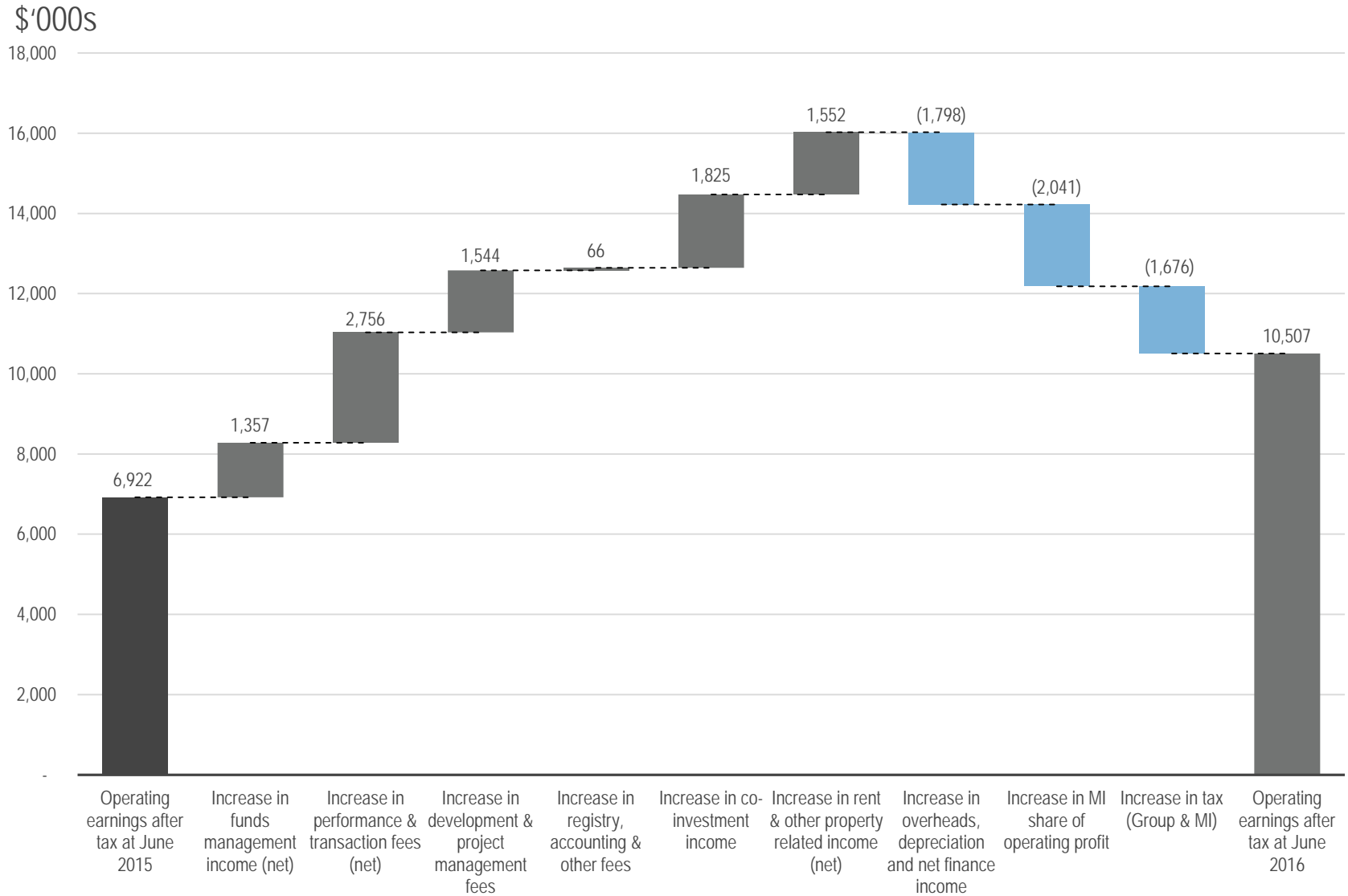
# Detailed Income statement

Income Statement (\$'000s)	Continuing	Healthcare	Jun 2016	Continuing	Healthcare	Jun 2015	Change
Funds management fees	10,797	2,490	13,287	9,956	1,974	11,930	▲ 11%
Performance & transaction fees	931	8,171	9,102	1,997	4,349	6,346	▲ 43%
Asset & project management fees	(171)	3,029	2,858	-	1,314	1,314	▲ 118%
Registry & other fees	2,477	-	2,477	2,410	1	2,411	▲ 3%
<b>Total Net Funds Management Income</b>	<b>14,034</b>	<b>13,690</b>	<b>27,724</b>	<b>14,363</b>	<b>7,638</b>	<b>22,001</b>	<b>▲ 26%</b>
Co-investment income	2,787	2,448	5,235	1,531	1,879	3,410	▲ 54%
Rent and other property related income	1,552	-	1,552	-	-	-	▲ -
<b>Total Net Income</b>	<b>18,373</b>	<b>16,138</b>	<b>34,511</b>	<b>15,894</b>	<b>9,517</b>	<b>25,411</b>	<b>▲ 36%</b>
Employment costs	(7,807)	(2,094)	(9,901)	(7,294)	(1,862)	(9,156)	▲ 8%
Occupancy costs	(1,043)	(1)	(1,044)	(1,362)	(1)	(1,363)	▼ (23%)
Sales & marketing costs	(736)	(27)	(763)	(502)	(22)	(524)	▲ 46%
Other costs	(2,352)	(173)	(2,525)	(2,125)	(435)	(2,560)	▼ (1%)
Depreciation & amortisation	(159)	-	(159)	(112)	-	(112)	▲ 42%
Finance income/(expense)	(966)	-	(966)	155	-	155	▼ -
MI share of operating earnings (before tax)	-	(4,049)	(4,049)	-	(2,008)	(2,008)	▲ 102%
<b>Operating earnings before tax</b>	<b>5,310</b>	<b>9,794</b>	<b>15,104</b>	<b>4,654</b>	<b>5,189</b>	<b>9,843</b>	<b>▲ 53%</b>
Tax (Group and MI)	(1,558)	(3,039)	(4,597)	(1,397)	(1,524)	(2,921)	▲ 57%
<b>Operating earnings (after tax and MI)<sup>1</sup></b>	<b>3,752</b>	<b>6,755</b>	<b>10,507</b>	<b>3,257</b>	<b>3,665</b>	<b>6,922</b>	<b>▲ 52%</b>
Profit/(loss) from non-operating activities <sup>2</sup> after tax & MI	3,534	35,774	39,308	(491)	6,243	5,752	▲ 583%
Loss from discontinued operations after tax & MI	-	(145)	(145)	-	(109)	(109)	▲ 33%
<b>Statutory profit after tax &amp; MI</b>	<b>7,286</b>	<b>42,384</b>	<b>49,670</b>	<b>2,766</b>	<b>9,799</b>	<b>12,565</b>	<b>▲ 295%</b>
<b>Key performance metrics</b>							
EPS – Operating earnings after tax & MI (cents per share)	1.24	2.22	3.46	1.43	1.62	3.05	▲ 13%

1 Operating Earnings is an unaudited after tax measurement used by management as the key performance measure of the underlying performance of the Group and includes the results from Healthcare operations until divested on 27 June 2016. It adjusts for certain items recorded in the income statement including minority interests, discontinued operations (Europe), gains on divestments and the fair value movements on the Group's co-investments.

2 Non-operating activities include gains on divestments and fair value movements on the Group's co-investments.

# Operating Profit After Tax Reconciliation



## Debt facilities

- All facilities non-recourse (security is limited to the direct property assets on a cross collateralised basis only)
- Eagleby: unconditional contract exchanged for the sale of this property announced post balance date
- Masters Nowra: post balance date the final construction instalment was paid and rent has commenced being paid. Following these events under loan agreement (at 22 August 2016) the LVR covenant is 70% and ICR covenant is >2.0 times

\$ million	Eagleby	Nowra	
	7-Eleven (settles Nov 2016)	Shell & Hungry Jacks	Masters
Facility Limit	\$3.08	\$5.81	\$16.94
Drawn at 30 June 2016	\$3.08	\$5.81	\$12.69 <sup>2</sup>
Loan to Value Ratio (LVR)	66.8%	62.8%	N/A <sup>3</sup>
LVR Covenant	70% <sup>1</sup>		
Interest Cover Ratio (ICR)	2.4 x	2.4 x	N/A <sup>3</sup>
ICR Covenant	> 2.0 x		
Cost of debt (p.a.)	3.94%	3.87%	4.50% <sup>4</sup>
Expiry	October 2018	November 2018	
Security	Eagleby	Shell, Hungry Jacks & Masters	
	General Security Agreement		

1 LVR covenant is 65% on facility expiry in October / November 2018 with scheduled quarterly amortisation of principle to achieve compliance required.

2 Final construction instalment paid subsequent to 30 June 2016, fully utilising the available facility limit.

3 Prior to lease commencement this facility is subject to a Facility Limit to Development Cost ratio covenant (DCR) of 70% and no ICR covenant. The Actual DCR as at balance date is 70%.

4 Reduces by 0.65% on the next bank bill roll date following the commencement of the lease with Masters.

# Boards and Management team

## Experienced real estate team, Independent Boards

### Board of Directors (APN Property Group Limited)



**Chris Aylward**  
Executive  
Chairman

- Over 30 years experience in property and construction industry
- Founding director of Grocon Pty Limited
- Responsible for construction of commercial properties over \$2 billion



**Howard Brechley**  
Non-Executive  
Director

- Over 30 years' experience analysing and investing in the sector
- Founded property research firm PIR
- Established APN's Funds Management business
- Non-Executive Director of National Storage REIT



**Clive Appleton**  
Independent  
Director

- Over 30 years experience in property and funds management
- Former CEO of Centro, AV Jennings and Gandel Group
- Non-Executive Director Gandel Group, Aspen Group, Arrow International and Perth Airports Corporation



**Tony Young**  
Independent  
Director

- Over 30 years' experience analysing and investing in the sector
- Director of Morningstar Australia
- Co-founder of Aspect Huntley
- Co-owner of Timebase Pty Ltd



**Tim Slattery**  
Executive  
Director

- Over 12 years of experience across real estate, funds management, investment banking and law
- Previous roles at Herbert Smith Freehills and Goldman Sachs
- Real estate transactions of over \$2 billion

### Management Team



**Chris Aylward**  
Executive Chairman



**Tim Slattery**  
Executive Director



**Michael Groth**  
Chief Financial Officer

### Independent Responsible Entity – APN Funds Management Limited



**Geoff Brunson**  
Independent  
Chairman

- Chairman since April 2012 and a Director since 2009
- Over 25 years experience in investment banking
- Until June 2009 he was Managing Director and Head of Investment Banking of Merrill Lynch Australia



**Michael Johnstone**  
Independent  
Director

- Over 40 years' experience global business experience in chief executive and general management roles
- Currently non-executive director of the Responsible Entity of the listed Folkestone Education Trust and the Folkestone Social Infrastructure Fund



**Jennifer Horrigan**  
Independent  
Director

- Over 25 years' experience across investment banking, financial communications and investor relations
- Most recently Chief Operating Officer in Australia of the independent investment bank Greenhill & Co
- Currently a director of QV Equities



**Howard Brechley**  
Non-Executive  
Director

- Over 30 years' experience analysing and investing in the sector
- Founded property research firm PIR
- Established APN's Funds Management business
- Non-Executive Director of National Storage REIT



**Michael Groth**  
Alternate for  
Howard Brechley

- Chief Financial Officer, APN Property Group
- Previously, over 7 years with KPMG Melbourne
- Over 3 years in London with various organisations including Abbey plc (Santander Group) and Ofgem

Independent / Non-Executive Majority

Independent / Non-Executive Majority

# Disclaimer

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The financial information included in this presentation is based on APN Property Group's financial statements and results that have been prepared in accordance with the Corporations Act 2001 (Cth), applicable Accounting Standards and Interpretations and in compliance with other applicable regulatory requirements, including the applicable International Financial Reporting Standards (IFRS). This presentation is dated 22 August 2016.

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## Contact details

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Tim Slattery  
Executive Director  
+613 8656 1000  
tim.slattery@apngroup.com.au



Michael Groth  
Chief Financial Officer  
+613 8656 1000  
mgroth@apngroup.com.au



APN Property Group Limited Follow @apngroup

ASX Code: APD

APN Property Group Limited  
Level 30, 101 Collins Street,  
Melbourne, Vic 3000  
apngroup.com.au