



24 May 2017

New REIT IPO progress update and acquisition

APN Property Group Limited is pleased to advise that the preparation for the potential ASX listing of its new Convenience Retail REIT is progressing well, with documentation expected to be sent to investors in the APN Property Plus Portfolio with a proposal to contribute that Fund's assets to the new REIT before the end of May 2017.

APN also announced that it has entered a put and call option deed to acquire a service station and convenience retail property with Caltex as the major tenant for \$15.73 million which represents a 6.75% initial yield. It is intended that this property would be acquired by the new REIT subject the satisfaction of a number of conditions including the elapse of a first right to acquire the property in favour of Caltex.

The property is located in Taree, NSW, 160km North of Newcastle on the Pacific Highway which is the major road between Sydney and Brisbane. The property is anchored by Caltex with tenancies to McDonalds, Subway, KFC and Coolabah Tree Café. Current fuel volumes place the property in the top 5% of service stations by volume in the country.

In the event the property is not acquired by the new REIT the purchase would be completed by APN using existing cash and, to the extent necessary, bank debt for which it has received credit approved terms.

APN is in active discussions with respect to a number of other potential service station and convenience retail acquisitions as it finalises preparations for the potential listing including three properties which are currently under exclusive due diligence.

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About APN Property Group

APN Property Group Limited (ASX code: APD) is a specialist real estate investment manager. Since 1996, APN has been actively investing in, developing and managing real estate and real estate securities on behalf of institutional and retail investors. APN's focus is on delivering superior investment performance and outstanding service. Performance is underpinned by a highly disciplined investment approach and a deep understanding of commercial real estate.

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