

APN | Property Group

ASX ANNOUNCEMENT



15 May 2020

Market update and FY20 distribution guidance

APN Property Group (ASX: APD) (**APN** or the **Group**) today provided the following update to the market.

At the end of April 2020 the Group's Funds Under Management (**FUM**) stood at \$2,561 million, versus \$3,067 million at 31 December 2019. The majority of the difference is represented by mark to market movements in the value of APN's real estate securities funds.

APN's direct property funds held \$1.4 billion of property assets at 31 December 2019. This portfolio had average occupancy of 98%, a lease expiry of 7.4 years, average cap rate of 6.6%. For APN's two largest direct property funds APN Industria REIT (ASX:ADI) and APN Convenience Retail REIT (ASX:AQR) gearing stood at 29% and 25% respectively. Further information on these funds is available at www.apngroup.com.au/listed-funds/.

APN has implemented a range of expense reduction measures (including personnel costs). On an annualised basis, these equate to approximately 30% of FY2019 operating costs of \$14 million. The duration of these expense reductions will depend on a range of factors including how market and underlying economic and trading conditions change.

APN continues to be in a strong balance sheet position with over \$15 million in cash at 30 April 2020 (per unaudited management accounts).

APN paid a FY20 interim distribution of 1.60 cents per stapled security. Subject to a continuation of current market conditions and no unforeseen circumstances APN expects to pay a final distribution for FY20 of approximately 1.55 cents per stapled security, for a full year distribution of approximately 3.15 cents per stapled security.

APN's CEO Tim Slattery commented, 'APN and its funds entered the current period of uncertainty with strong balance sheets and well positioned portfolios. While our funds have been impacted most significantly by market pricing movements, at an underlying level they continue to be well placed to deliver strong cash income yields for investors, including APN as a material co-investor. We continue to remain focused on delivering value for our fund investors and securityholders through this period.'

This announcement was authorised to be given to the ASX by the Board of APN Property Group Limited and the Board of APN RE Limited.

ENDS

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Forward looking statements

This release contains forward-looking statements, estimates and projections, which are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond APN Property Group's control and which may cause actual results to differ materially from those expressed in the statements contained in this announcement.

About APN Property Group

APN Property Group (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.

www.apngroup.com.au