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MARKET RELEASE

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Financial results for the half year ended 31 December 2017

KEY POINTS

- Aspen Group 1H FY18 financial results
 - Statutory loss after tax of \$0.9 million (profit of \$0.5 million in 1H FY17)
 - EBITDA \$2.6 million (\$2.5 million in 1H FY17)
 - Net Asset Value (NAV)¹ excluding special capital distribution, increased by \$0.01 to \$1.18 per security
 - Revaluation gains of \$4.6 million (\$0.1 million in 1H FY17)
 - Total operating profit after tax attributable to Aspen Group of \$1.8 million (profit of \$ 2.5 million in 1H FY17)
 - Core assets revenue \$9.3 million, up 32% (\$7.0 million in 1H FY17)
 - Core assets operating profit before interest and tax \$3.7 million, up 23% (\$3.0 million in 1H FY17)
 - 1H FY18 distribution of 2.1 cents per security (2.1 cents per security in 1H FY17)
 - Special capital distribution of 5.0 cents per security during the period
 - No debt, with \$16.8 million in cash
- Aspen Group continues to build its accommodation portfolio
 - 2 tourism assets settled for \$29.7 million
 - Partly funded by proceeds of \$31.1 million received from the divestment of non-core assets
 - Undrawn debt facility in place

Aspen Group (ASX: APZ) today announced its financial results for the half year ended 31 December 2017 recording a statutory loss of \$0.9 million, the significant components of which include:

- Operating profit after tax of \$1.8 million

Offset by

- Investment driven acquisition costs incurred of \$2.1 million
- Losses related to legacy assets and liabilities totalling \$0.5 million

¹ NAV is an unaudited non-IFRS measure that, in the opinion of the Directors, is useful in understanding and appraising the Group's performance. NAV is an asset measure that includes the recognition of property assets on the basis of their current valuation. Further detail is included within the FY17 statutory accounts.

In commenting on the result, Aspen Group CEO Joel Cann said, "The 1H FY18 period continued the group focus on affordable accommodation and transition through its acquisition program. Core accommodation assets earnings growth of 23% was achieved, underpinned by the successful integration of four quality acquisitions since December 2016.

Net asset value excluding special capital distribution, increased by \$0.01 to \$1.18 per security. Operating cash flows were stable and consistent with the prior period. The balance sheet remains debt free and \$16.8 million in cash.

Aspen settled two tourism parks, BIG4 Koala Shores Holiday Park (NSW) and Darwin FreeSpirit Resort (NT), totalling \$29.7 million during the period. Acquisition activity continues as we seek growth opportunities in the affordable accommodation sector.

Aspen progressed the divestment of legacy and non-core assets of the business during 1H FY18 totalling \$31.1 million. These proceeds were used to fund acquisitions and special capital distribution.

Asset intensification continues with the commencement of the development at Four Lanterns. Works are expected to commence on the development of 28 new residences. First homes are expected to arrive on site during 2H FY18.

FY18 Outlook

Aspen expects to maintain a high payout ratio on operating cash earnings currently at 88%. 2H FY18 distribution is expected in a range of 2.1 - 2.3 cents per security excluding income generated by further acquisitions and development activity.

End

<i>For further information, please contact:</i>	
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