

HY2019 RESULTS PRESENTATION

21 FEBRUARY 2019

www.apngroup.com.au
ASX Code: APD

APN | Property Group

APN Property Group Profile

Specialist real estate investment manager – ‘Property for income’ focus

As at 31 December 2018

APN PROPERTY GROUP LIMITED

FUNDS UNDER MANAGEMENT

\$2,806 MILLION

CO-INVESTMENTS & CASH

\$121 MILLION NET TANGIBLE ASSETS

REAL ESTATE
SECURITIES
\$1,594 MILLION

APN INDUSTRIA REIT
\$698 MILLION
(ASX: ADI)

APN CONVENIENCE
RETAIL REIT
\$357 MILLION
(ASX: AQR)

DIRECT PROPERTY
\$157 MILLION

CASH
\$29 MILLION

CO-INVESTMENTS
\$107 MILLION



HY2019 Results Overview

Earnings guidance reaffirmed and cash position materially increased

OPERATING EARNINGS¹	\$4.8 million (\$5.1 million pcp) 1.55 cents per share (cps) Statutory profit: \$6.0 million FY2019 guidance reaffirmed: 2.40 – 2.90 cps
FUM	\$2.8 billion (\$2.8 billion at June 2018)
DIVIDENDS	Forecast FY2019: 2.25 cps fully franked Interim: 1.25 cps Forecast Final: 1.00 cps
BALANCE SHEET	Cash: \$29.3 million ² (increase 96% on June 2018) NTA: 38.6 cps (increase 3% on June 2018)
TOTAL SHAREHOLDER RETURN³	21.8% pa (three years to Dec 2018)

1. Operating Earnings is an unaudited performance metric used by the Group as the key measurement of its underlying performance. It adjusts statutory profit for certain non-operating items recorded in the income statement including discontinued operations (Europe and Healthcare), business development expenses and realised / unrealised fair value movements on the Group's co-investments and investment properties.
2. Includes cash held in trust for underlying funds managed by the Group of \$0.3 million and \$5.0 million for AFS Licence.
3. Per annum as at 31 December 2018. Includes reinvestment of dividends at market price on dividend payment date and divisor adjustment for standardised calculation where required.

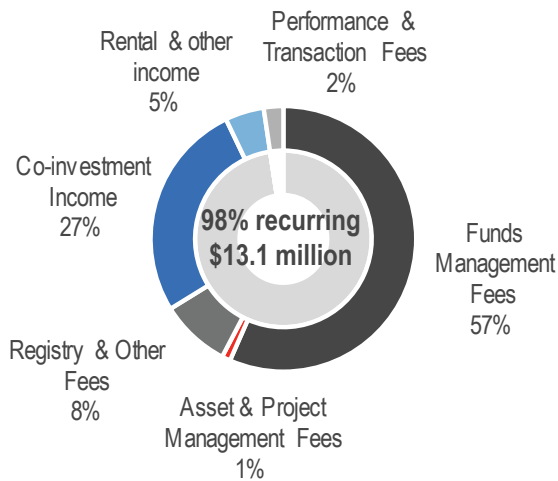
HY2019 Results Overview

Delivering growth and well positioned

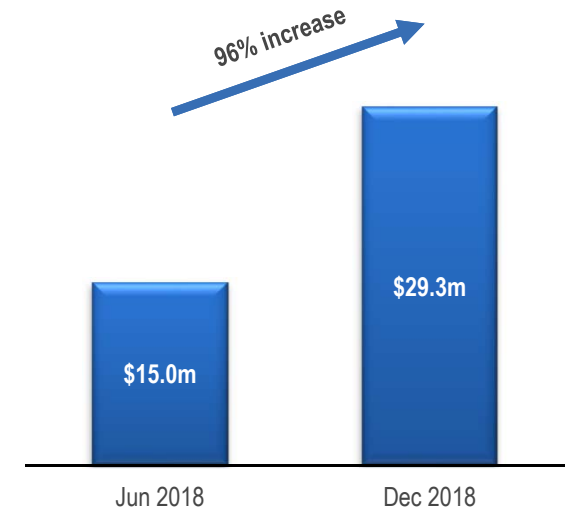
Strong funds management fee growth



98% income from recurring sources



Strong cash and balance sheet position



HY2019 Results Overview

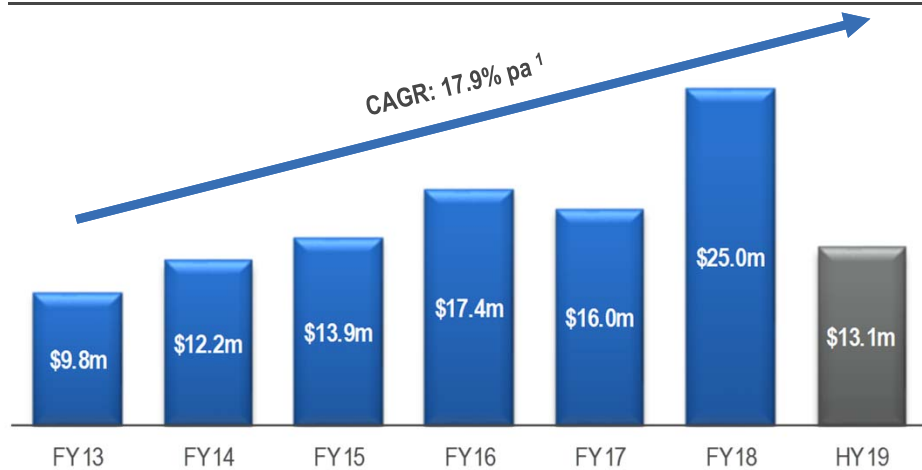
Strong operational performance across the business

- ✓ Securities funds continue to generate strong income based investment performance – true to ‘property for income’ label
- ✓ APN Asian REIT FUM increased 63% over the past 12 months to \$31 million
- ✓ Strong performance by APN Industria REIT
 - Continued client engagement generated 6,600 sqm of leasing
 - FY2019 forecast FFO growth: 3-4%
 - Strong balance sheet and revaluation gains
 - 12 month TSR: 15.5%
- ✓ APN Convenience Retail REIT exceeding PDS forecasts
 - FY2019 FFO growth of 3.7%
 - FUM \$357 million, up 16% since IPO
- ✓ APN Nowra Property Fund (\$25 million) launched
- ✓ Major leasing deals completed and asset enhancement underway for APN Regional Property Fund (FUM \$54 million) – well positioned for future growth (Fund recapitalisation and extension transaction launched Feb 2019)

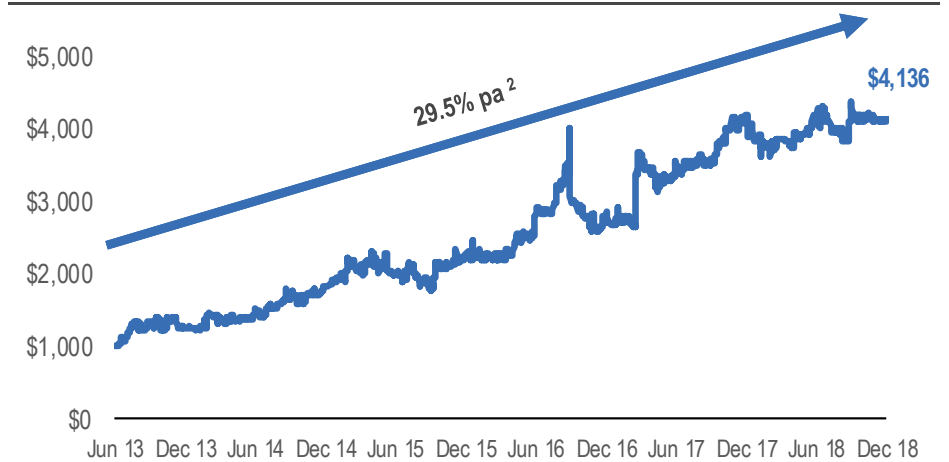


Strong ongoing performance

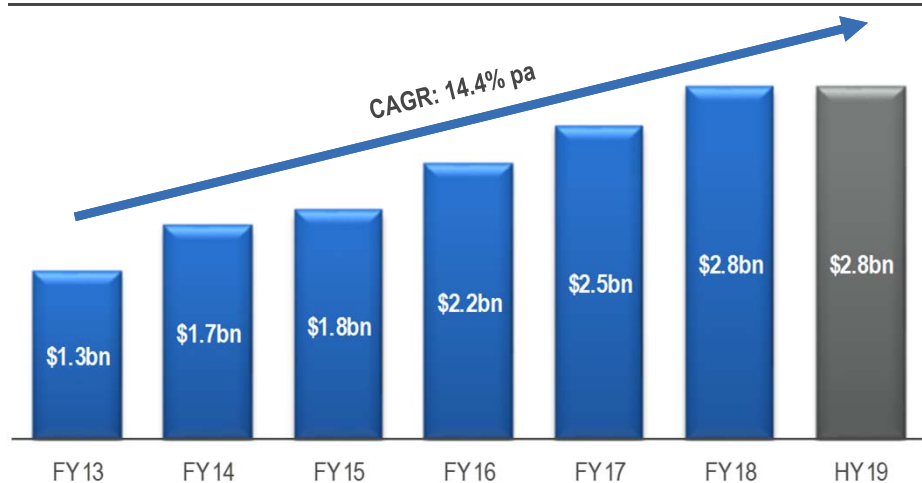
Recurring Income Growth



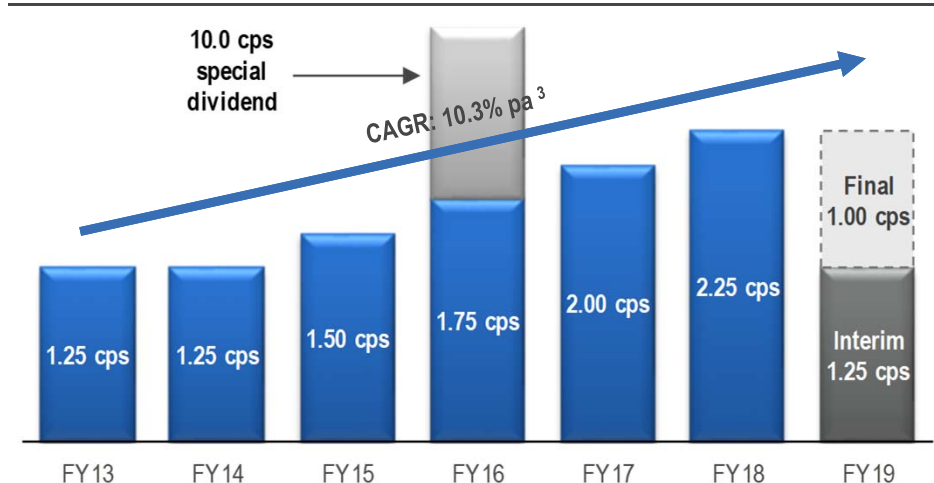
Total Shareholder Return



Funds Under Management Growth



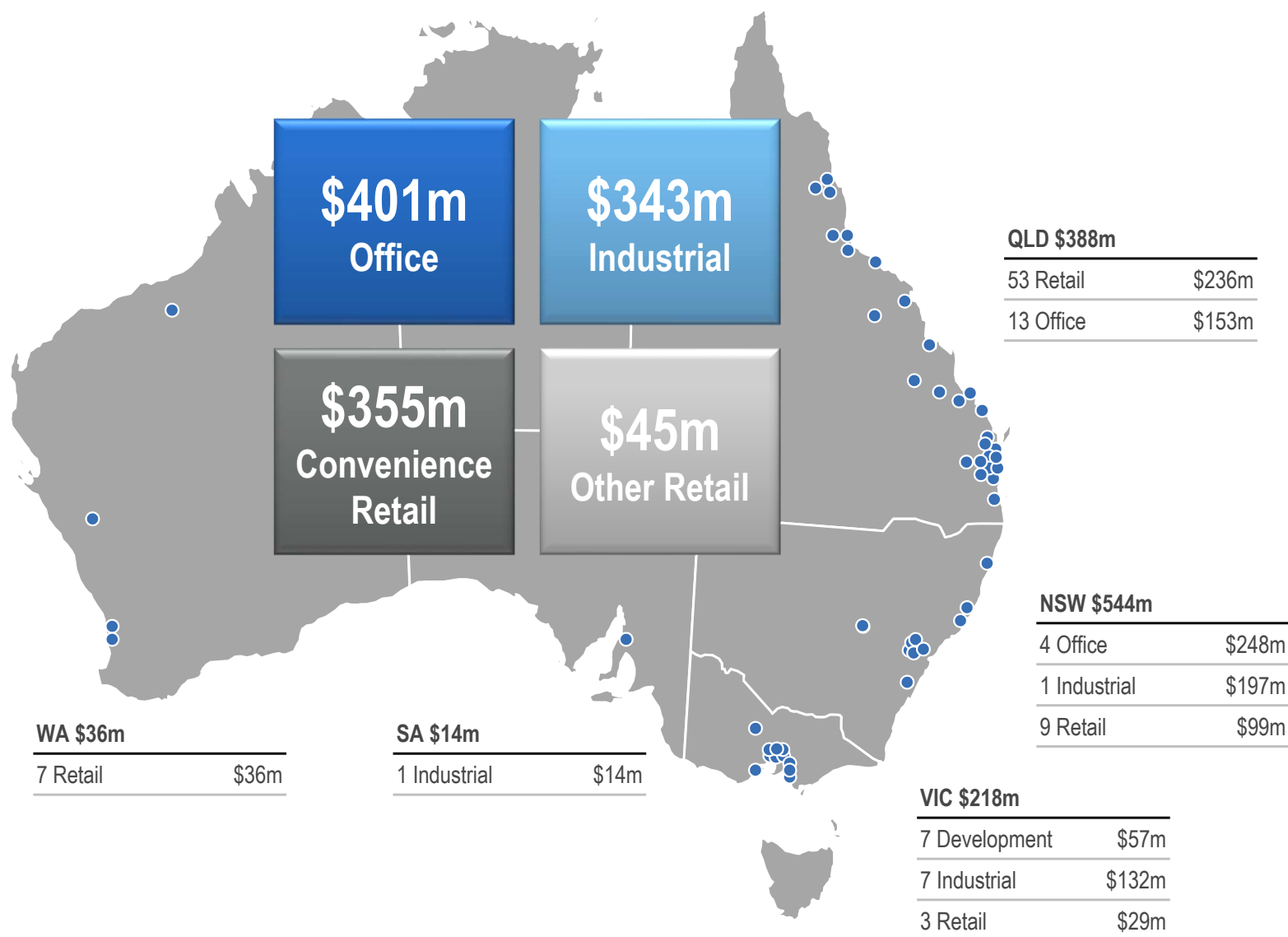
Dividends



1. Assumes HY19 recurring income is annualised
2. Per annum as at 31 December 2018. Includes reinvestment of dividends at market price on dividend payment date and divisor adjustment for standardised calculation where required assuming \$1,000 invested
3. Excludes special dividend of 10 cps and includes forecast final dividend

Direct property platform with scale and multiple capabilities

\$1.2 billion of property across platform, WALE of 8.3 years and 98% occupancy



Income statement – continuing recurring income growth

\$000s	HY2019	HY2018	Change	
Funds management fees	7,616	7,098	▲ 7%	Additional assets acquired and valuation increases in APN Industria REIT and APN Convenience Retail REIT
Performance & transaction fees	322	866	▼ 63%	Transaction costs in prior period higher for APN Convenience Retail REIT establishment
Asset & project management fees	139	60	▲ 132%	
Registry & other fees	1,151	1,109	▲ 4%	
Total Net Funds Management Income	9,228	9,133	▲ 1%	
Co-investment income	3,593	3,550	▲ 1%	
Rental and other property related income	637	832	▼ 23%	Rental income decreased due to sale of property to establish APN Nowra Property Fund
Total Net Income	13,458	13,515		
Employment costs	(4,932)	(5,270)	▼ 6%	
Occupancy costs	(345)	(288)	▲ 20%	Prior period lower due to release of make good and straight lining provision
Sales and marketing costs	(229)	(336)	▼ 32%	Reprioritised in selected marketing channels
Other costs	(1,030)	(971)	▲ 6%	
Depreciation & amortisation	(69)	(113)	▼ 39%	
Finance income/(expense)	(129)	(209)	▼ 38%	
Operating earnings before tax	6,724	6,328	▲ 6%	
Income tax expense	(1,899)	(1,193)	▲ 59%	Prior period lower due to benefits of historical capital loss deductions
Operating earnings (after tax)¹	4,825	5,135	▼ 6%	
Other non-operating activities ² after tax	1,199	4,401	▼	
Loss from discont. operations after tax	(14)	20	▼	
Statutory profit after tax	6,010	9,556	▼	
Key performance metrics (cents per share)				
EPS – Operating Earnings	1.55	1.67	▼ 7%	

1. Operating Earnings is an unaudited performance metric used by the Group as the key measurement of its underlying performance. It adjusts statutory profit for certain non-operating items recorded in the income statement including discontinued operations (Europe and Healthcare), business development expenses and realised / unrealised fair value movements on the Group's co-investments and investment properties.
2. Non-operating activities include business development expenses and realised / unrealised fair value movements on the Group's co-investments and investment properties.

Balance sheet strongly positioned for growth opportunities

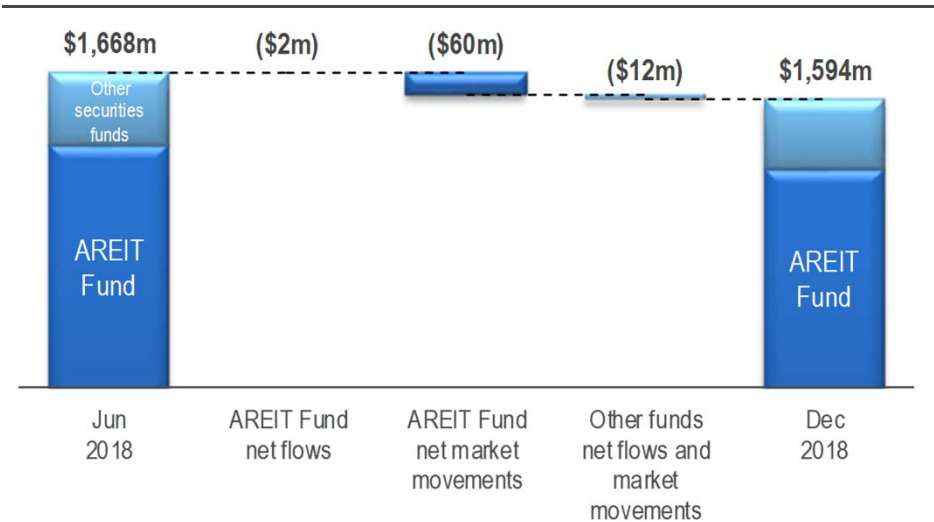
\$000s	Dec 2018	Jun 2018	Change	
Cash¹	29,316	14,986	▲ 96%	Cash received following divestment of property to establish APN Nowra Property Fund
Co-investments	106,833	102,201	▲ 5%	<ul style="list-style-type: none"> Includes \$73.7m in APN Industria REIT at \$2.73 per security – NTA now \$2.71 (weighted average cap rate of 6.5%) Includes co-investment in APN Convenience Retail REIT valued at \$27.4 million (\$2.84 per security with NTA at \$2.95, weighted average cap rate 7.0%)
Investment properties (inc held for sale)	-	24,200		
Other assets	5,615	6,667	▼ 16%	Sale of property to establish the APN Nowra Property Fund
Intangible assets & deferred tax asset	1,732	1,742	▼ 1%	
Total assets	143,496	149,796	▼ 4%	\$10.5 million Nowra property debt now with Fund. Remaining \$6m facility LVR is <10% and distribution cover ratio is 11.0 times
Trade payables, tax, provisions	14,527	13,429	▲ 8%	
Borrowings	6,004	16,495	▼ 64%	
Net Assets	122,965	119,872	▲ 3%	
Net Tangible Assets	121,233	118,130	▲ 3%	
NTA per share (cents)	38.6 cents	37.7 cents	▲ 3%	

¹ Includes cash of \$5.0 million for AFS licence (June 2018: \$5.0 million) and cash held in trust for underlying funds managed by the Group of \$0.3 million (June 2018: \$0.3 million)

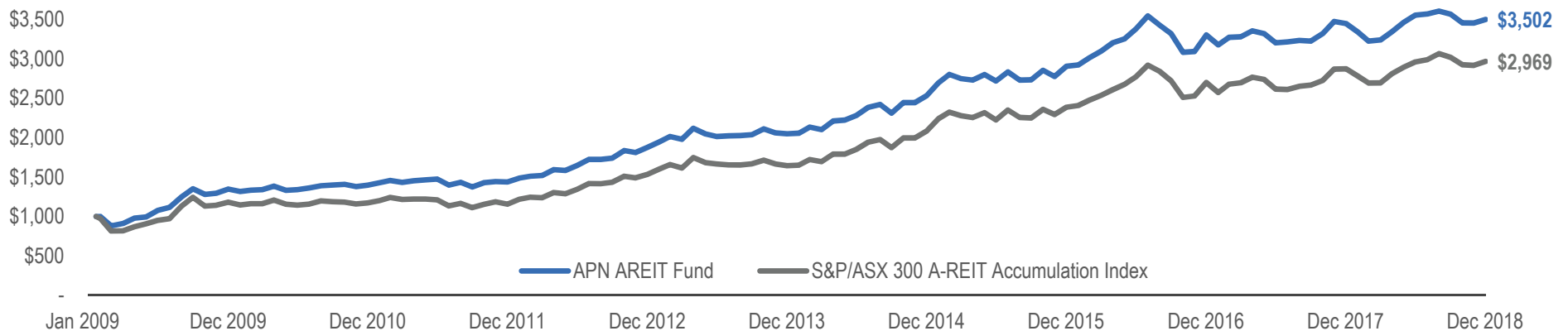
Real Estate Securities

- AREIT Fund net inflows remained steady over the half (down \$2 million) – reflecting investor sentiment (increasing allocations to cash, higher interest rate expectations)
- Strong income-based investment performance: AREIT Fund distribution yield of 6.41%¹ pa paid monthly
- AREIT has maintained strong independent research ratings
- AREIT Fund continues to be positioned conservatively (underweight development, funds management, offshore exposures in favour of 'passive' rental income streams)
- New funds under active review
- Successful management transition: Pete Morrissey appointed APN AREIT Fund Portfolio Manager on 1 January 2019

FUM Movement



Strong focus on income-based investment performance



Source: APN

1. As at 31 December 2018 assuming entry price of \$1.6286 and monthly distributions of 0.8694 cents (annualised)

APN Asian REIT Fund – strong performance and FUM growth

- Institutional investment grade Asian commercial property
- All listed on major Asian stock markets – Singapore, Hong Kong, Tokyo
- Achieved Lonsec Research ‘Investment Grade’ rating and SQM Research 4 star rating
- Recently added to BT platforms
- Fully liquid
- No fund level debt
- Distribution yield 5.91% pa (December 2018) paid monthly

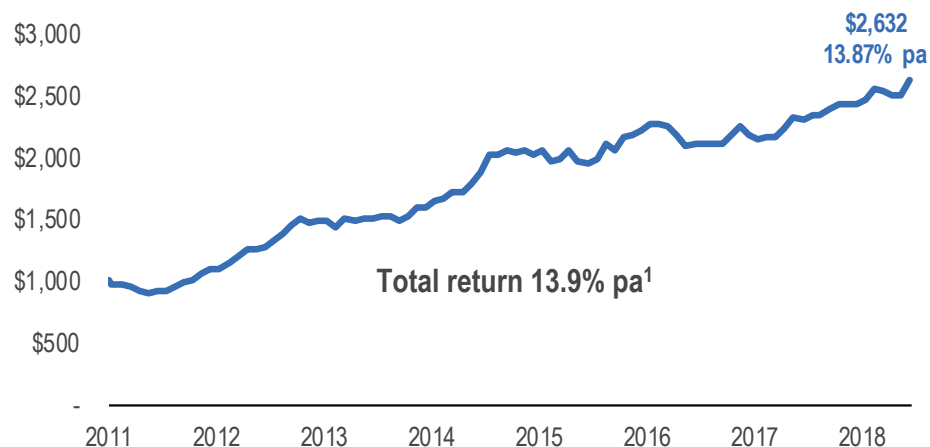
World Class Commercial Property Assets in Asia



	VivoCity Singapore	Westfield Sydney
Owner	Mapletree Commercial Trust	Scentre Group
Size (sqm)	97,286	165,965
Shopper Traffic (pa)	55.8 Million	45.5 Million
Sales (pa)	A\$951 Million	A\$1,184 Million
Sales (\$ per sqm pa)	\$9,775	\$7,134
Cap rate	4.75%	4.12%
Latest valuation (AUD psm)	30,881	30,292
Occupancy	99.8%	99.5%

Source: Company Filings, 2017/18

Performance - \$1,000 invested since inception¹



1. APN Asian REIT Fund performance. Net of fees. Assumes reinvestment of distributions since inception. Inception 19 July 2011 to 31 December 2018.

FUM



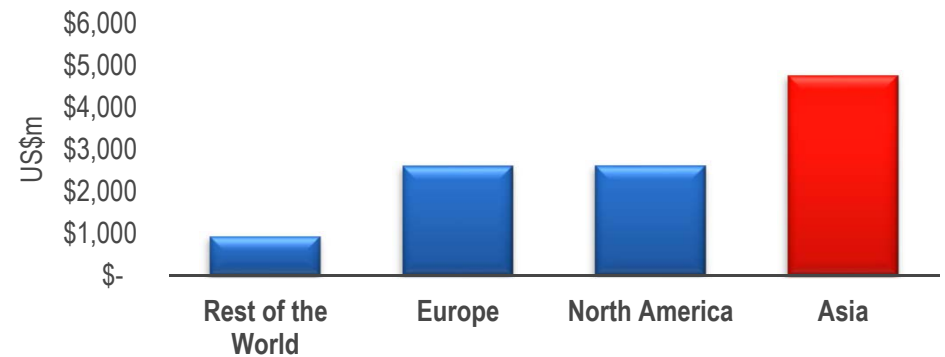
APN Asian REIT Fund – Opportunity Overview

Middle class consumer spending growth outlook



Source: OECD 2013

Daily growth in investable real estate value



Source: Asia Pacific Real Estate Association 2017

Broader opportunity set vs Australia

	Australia	Asia
Listed REITs	29	187
Market capitalisation (A\$ billions)	110	326
Number of properties (approx.)	2500	6000
Market concentration (market cap outside top 10)	14%	68%

Source: ASX300 AREIT Index and Bloomberg Asian REIT Index as at December 2018

Favourable long term demographics – property value driver



Source: Valerie Pieris, 2013

APN Industria REIT

- HY2019 FFO increased 3.3% vs pcp to 9.4 cps
- NTA of \$2.71; gearing 33.3%
- Particularly strong period of leasing with ~6,600 sqm leased, including ~3,000 sqm at Brisbane Technology Park
- \$26 million of acquisitions completed at an average yield of 7.1% and WALE of 5.7 years
- Strong income visibility
- Less than 10% of income expiring over next 18 months
- FFO guidance of 3.0 - 4.0% earnings growth forecast in FY2019 - distribution guidance of 17.0 cps (3.0% increase)
- 15.5% total return over last 12 months
- Branding aligned to APN (Feb 2019)



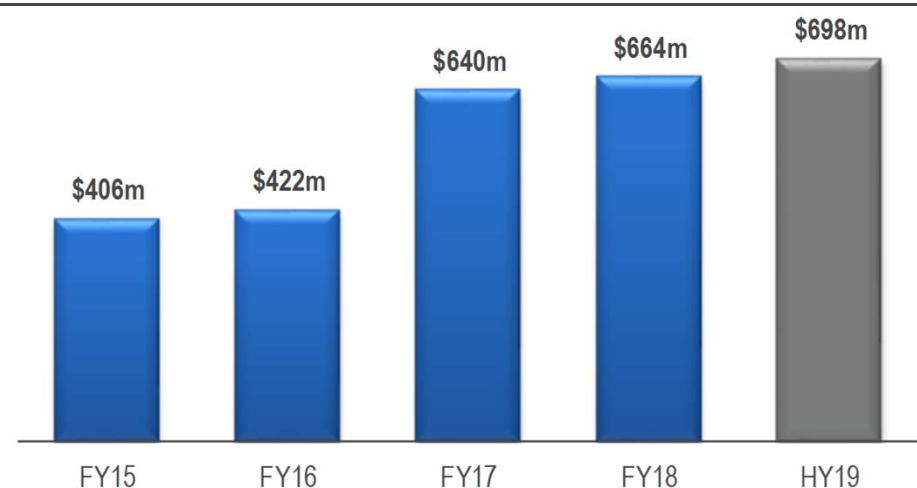
Key metrics (ASX Code: ADI, previously IDR)

Market Capitalisation ¹	\$475m
Funds under Management ²	\$698m
Forecast FY19 Distribution Yield ¹	5.8%
Distribution frequency	Quarterly
Occupancy	96%
WALE (by area)	6.4 years
Gearing	33.3%
Index inclusion	S&P/ASX 300

1. Based on 18 February 2019 security price

2. As at 31 December 2018

FUM



APN Convenience Retail REIT

- HY2019 Funds From Operations (FFO) 10.7 cps – 3.7% above PDS forecast
- NTA per security increased 2.8% to \$2.95 (8.1% since IPO)
- Four properties acquired totalling \$27.4 million post listing
- Branding aligned to APN (Feb 2019)
- Well positioned – sustainable and growing income, long term leases and contracted annual rent increases
- Flexible balance sheet with capacity with gearing at 32.5%
- Weighted average cap rate 7.0%
- FY2019 FFO guidance of 5 - 7% growth forecast vs FY2018 (annualised)
- FY2019 distribution guidance 3.0% ahead of IPO forecast



FUM



Key metrics (ASX Code: AQR, previously CRR)

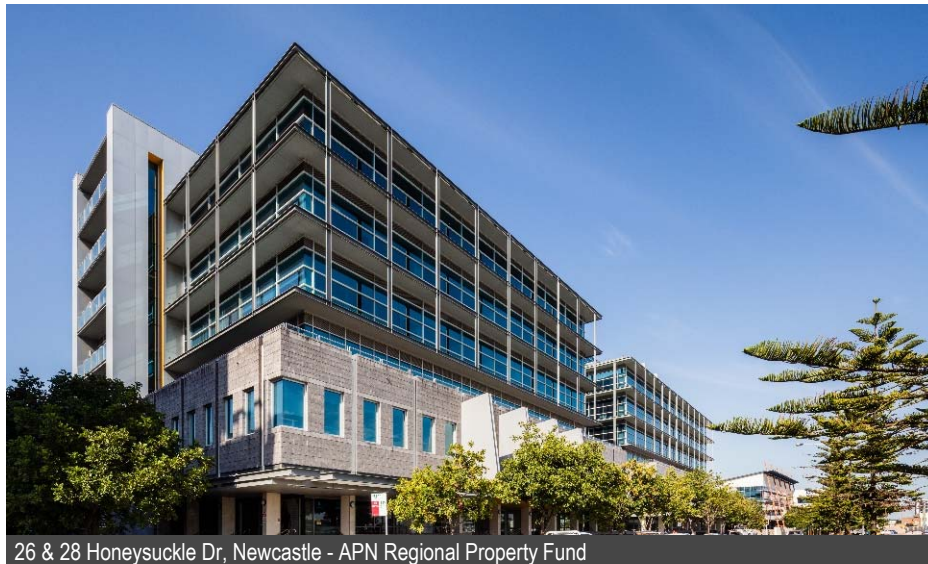
Market Capitalisation ¹	\$230m
Funds under Management ¹	\$357m
Forecast FY19 Distribution Yield ¹	7.4%
Distribution frequency	Quarterly
Occupancy	100%
WALE (by income)	12.1 years
Gearing	32.5%

1. As at 31 December 2018

Direct Property

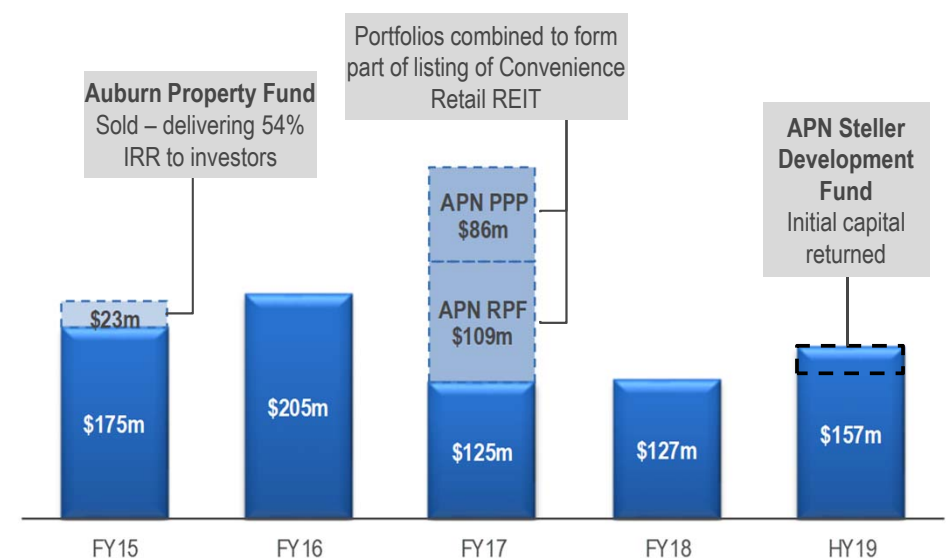
Achievements

- Successfully launched APN Nowra Property Fund - a new single asset, large format retail opportunity in South Nowra NSW
 - Forecast distribution yield of 7.80% (FY2019)
 - WALE: 12.6 years
- Launched capital raising and liquidity offer following completion of major leasing deals for the APN Regional Property Fund
- APN Steller Development Fund – progressing well with 5 out of 6 projects complete and settled. To date the Fund has returned 108% of the initial capital to investors
- APN DF2 – Port Melbourne and 150 Collins St projects progressing towards finalisation



\$ million	FUM
APN Regional Property Fund	\$54
APN Coburg North Retail Fund	\$21
APN Nowra Property Fund	\$25
APN Development Fund No. 2	\$44
APN Steller Development Fund	\$13
Total	\$157

FUM



APN Nowra Property Fund – new wholesale syndicate

- New Large Format Retail property investment – long term lease to Home Consortium Group guaranteed by Woolworths Group Limited (ASX: WOW)
- Located in South Nowra, in an area of continuing population growth and within an established retail precinct, 2 hours drive south of Sydney on the NSW coast
- Affordable net rents at approximately \$135 per square metre
- Fund launched successfully during HY2019

Investment type	Single asset 5 year close ended unlisted property fund
Distributions	7.80% pa initial forecast yield (8.00% FY20)
Gearing	43.5%
WALE	12.6 years
Tenant	Home Consortium Group with rental income guaranteed by Woolworths Group Limited (ASX:WOW)
Property value	\$24.2 million

** Forecast only, distributions and returns and performance are not guaranteed – The forecast remains subject to a number of uncertainties and assumptions.*



APN Nowra Property Fund



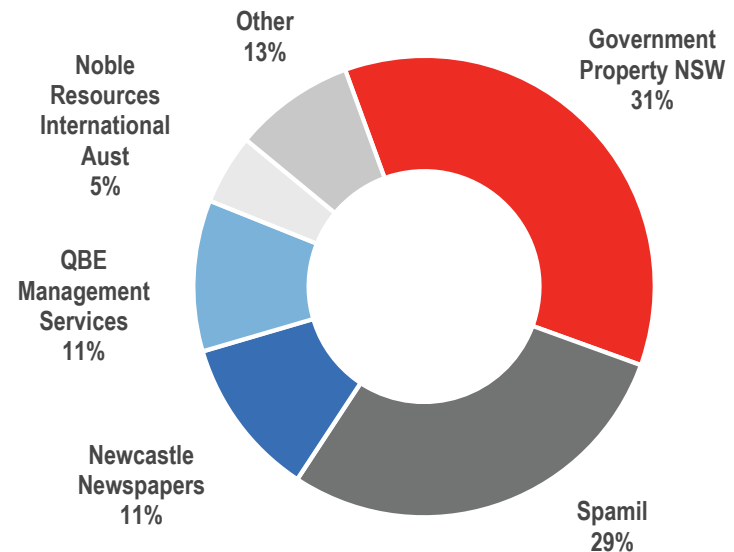
Home Consortium – Lismore Centre, NSW (illustrative only)

APN Regional Property Fund – Newcastle A-Grade Office

- Asset enhancement program nearing completion, which includes state of the art end of trip facilities and foyer upgrades to improve asset appeal and tenant amenities
- 96% of portfolio lease income is generated from Government and national corporate tenants
- Portfolio has achieved 99% occupancy over last 10 years
- Newcastle remains an attractive region as Australia’s strongest non-metropolitan office market and seventh largest city by population
- Fund recapitalisation and extension transaction launched Feb 2019

Investment type	Commercial office property fund, listed on the National Stock Exchange (NSX)
Fund Overview	The Fund comprises two A-grade office buildings located in the Newcastle CBD
Portfolio Value	\$51.75 million (31 December 2018)
Distributions	Paid quarterly. 9.50 cents per unit (annualised), increasing to 10.04 cents per unit (annualised, from 1 April 2019 to 30 June 2019).
Key Tenants	Government Property NSW, Spamil, Newcastle Newspapers, and QBE Management Services

Tenant profile



As at 31 December 2018



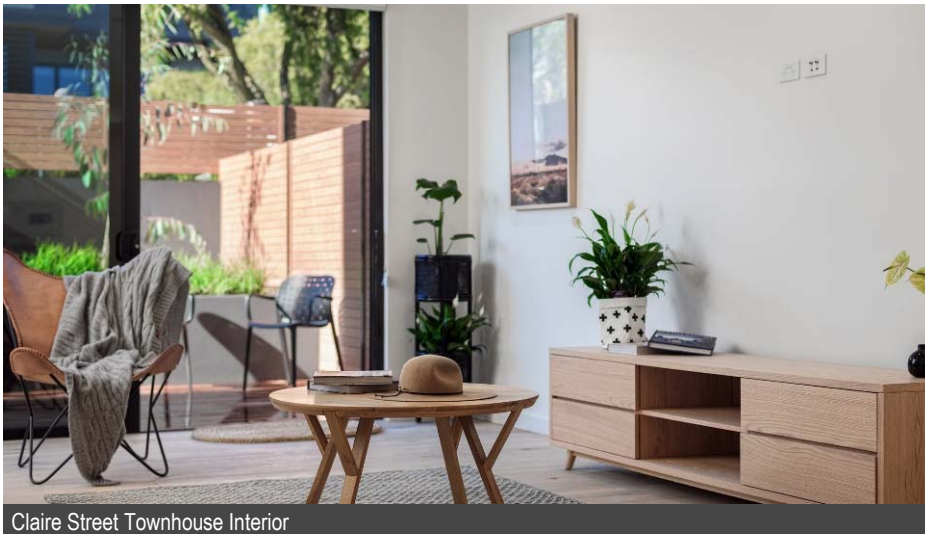
APN Regional Property Fund

APN Steller Development Fund

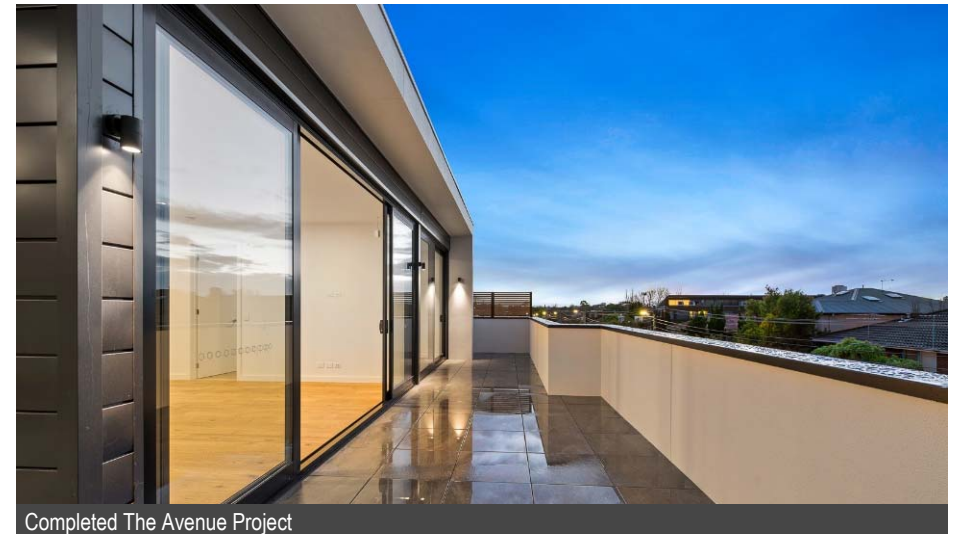
- Established September 2015
- All six projects are located within sought after locations in Melbourne's south east
- To date the Fund has returned 108% of the initial capital to investors
- Five projects complete and settled. One project nearing the end of construction with practical completion forecast to occur during FY19
- The Fund has achieved apartment presales in excess of total development cost for all six projects

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	\$2.6 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)

Project Status Summary	Highett	Station	The Avenue	Wattletree	Maude Barker	Claire
	Completed & Settled	Completed & Settled	Completed & Settled	Completed & Settled	Under Construction	Completed & Settled



Claire Street Townhouse Interior



Completed The Avenue Project

Stapling proposal – update

Background

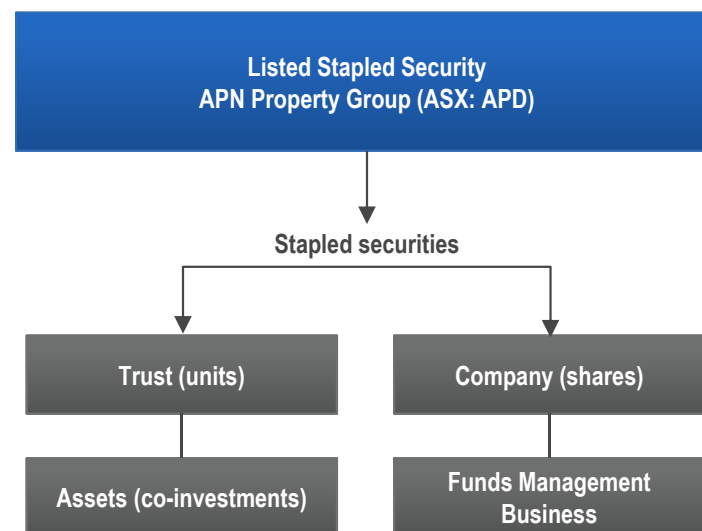
- A stapled structure is essentially a trust contractually linked with a company – with each unit in the trust stapled to a share in the company and traded on ASX as a single stapled security
- Board has reviewed APN’s capital structure and in regard to converting the company to a stapled structure

Potential Benefits and Rationale

- Allows selected co-investment distributions to pass directly through to investors
- May improve APN’s cost of capital, enhancing the growth potential of the Group
- May increase cash distributions to APD shareholders (and changes tax treatment of those distributions)
- Brings APN in line with majority of listed property fund managers

Process and timing update

- Shareholders approved proposed stapling at AGM in November 2018
- Implementation subject to Board approval and satisfaction of conditions
- All approvals other than ATO ruling have been obtained
- Pro-forma stapled entity financial information previously presented (Aug 2018) remains dependent on final outcome
- Expect completion by 30 June 2019



Earnings and dividend guidance reaffirmed

Assumes like for like basis (ie no stapling assumption for the relevant periods)

	Comment	Original Guidance (Full Year)	Reaffirmed Guidance (subject to continuation of current market conditions)		
			1HFY2019 (Actual)	2HFY2019 (Guidance)	Full Year FY2019
Operating Earnings (after tax, diluted basis)	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	2.40 to 2.90 cps	1.55 cps	0.85 to 1.35 cps	2.40 to 2.90 cps
Dividend	Determined with reference to the amount and composition of operating profit after tax	2.25 cps (fully franked)	1.25 cps (fully franked)	1.00 cps (fully franked)	2.25 cps (fully franked)

Key industry issues

APN believes it is well positioned in light of key industry developments

Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry

- Clearly highlighted importance of putting fiduciary obligations (client investors) first
- Illustrated importance of strong culture as well as systems and processes – this is easier for non-integrated financial services business (eg those offering investment products not advice)
- May result in increase in regulatory and compliance costs and also increase in capital flows to industry funds
- Opportunities may emerge for independent managers

Potential changes to taxation of franking credits (Australian Labor Party policy for forthcoming federal election)

- Changes will remove cash refunds for excess franking credits
- May increase attractiveness of property trusts – higher after tax distribution yields for low income tax bracket taxpayers



Market commentary

APN's 'Property for income' value proposition is alive and well

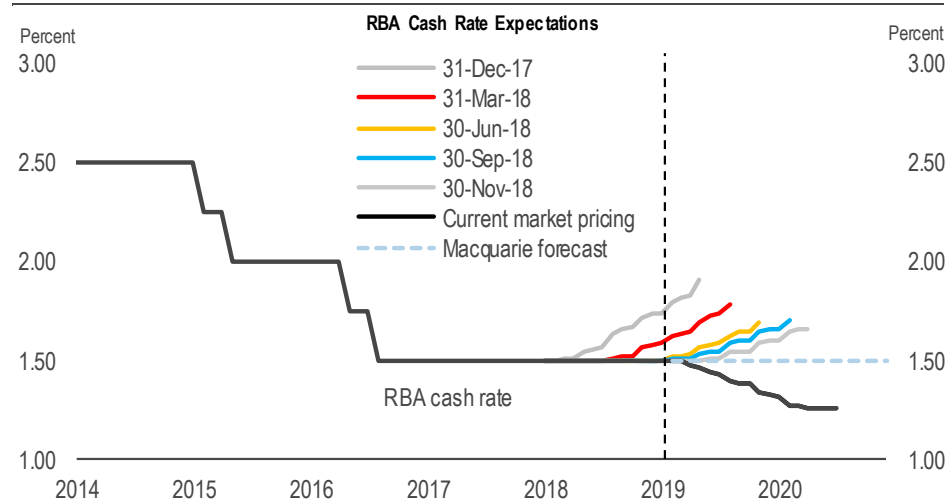
- Strong investor demand for high quality commercial property investments with reliable income
- Despite potential future economic challenges Australian remains an attractive destination for global investors (particularly on a long term view) – strength of institutions, transparency, population growth
- Key challenges are now evident in pockets of the market – lesser quality shopping centres, residential development, land subdivision
- Melbourne and Sydney office and industrial markets continue to see strong rental growth and cap rate compression – key question is how much additional growth is now priced in
- Australian economy is performing reasonably strongly – we are reviewing how the residential slowdown affects consumer sentiment and the broader economy (retail, business confidence)
- Access to debt finance for higher risk loans is decreasing
- Opportunities are emerging though there is a large volume of capital looking for acquisition opportunities
- Well capitalised investors we believe are in a strong position to acquire emerging opportunities

AREIT sector yield remains at discount to bond yields...



Source: Bloomberg

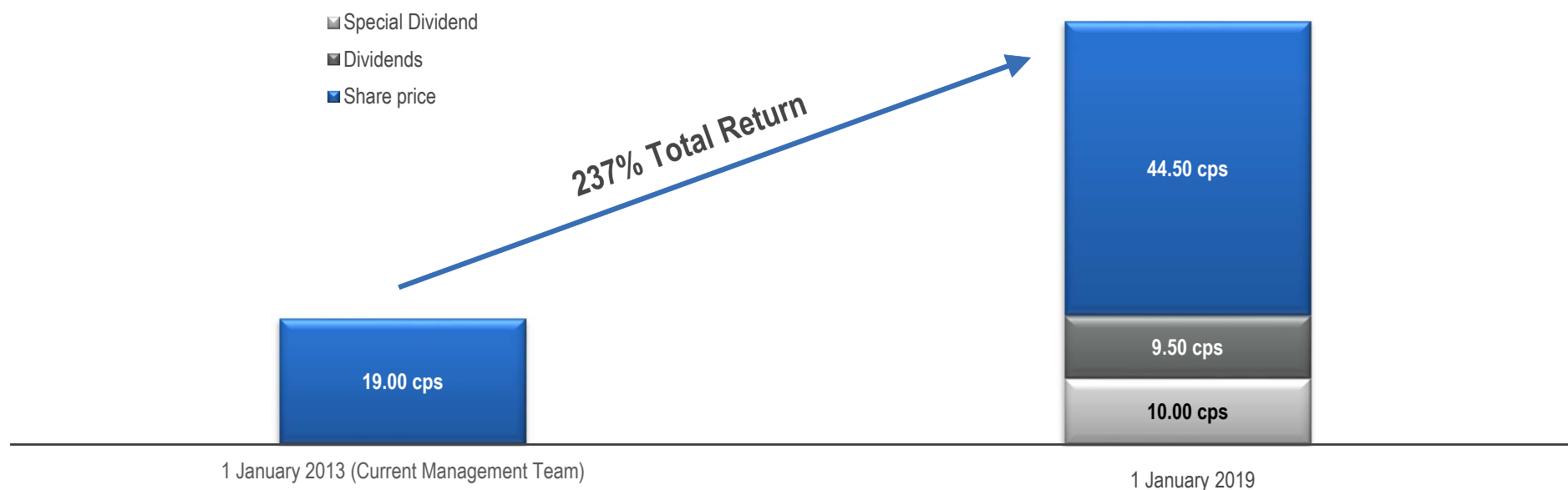
... with interest rate rise expectations receding...



Source: Bloomberg, Macquarie Macro Strategy January 2019

Outlook – APN remains well positioned for future growth

- Established \$2.8 billion commercial real estate investment management platform
- Solid earnings base with four divisions across listed and unlisted commercial property funds
- Funds (including Industria REIT and Convenience Retail REIT) in strong financial position (lower end of gearing ranges, solid occupancy and lease expiry profiles)
- APN has \$29.3 million cash on balance to capitalise on growth opportunities
- APN is owned approximately 40% by its Management Team and Directors – strong alignment exists between shareholders (as well as investors in APN's Funds through \$100 million+ co-investments)
- Well placed to deliver future sustainable growth





APPENDICES

APN | Property Group

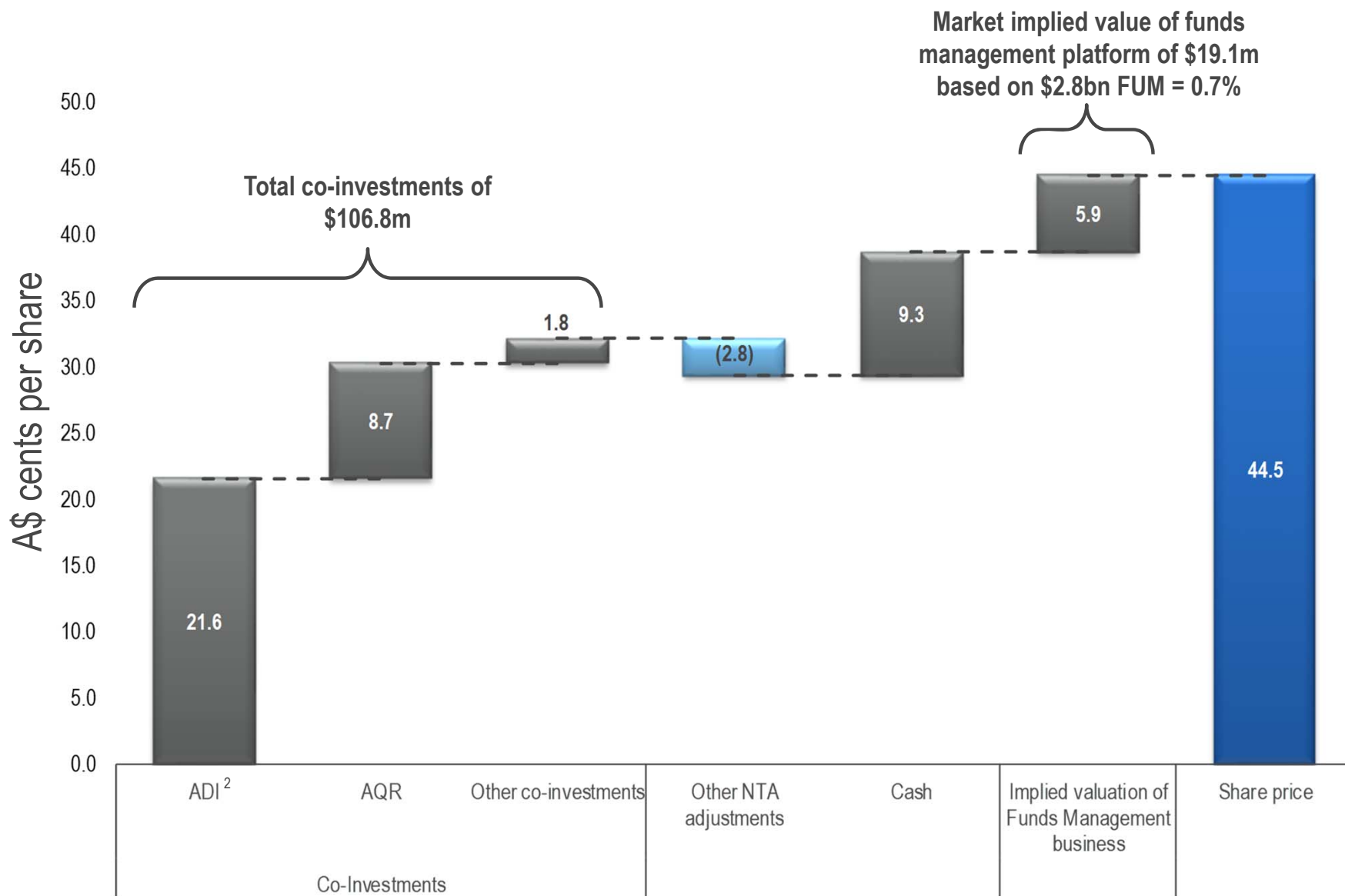
Funds under Management Summary

Funds	Sector	Investors	FUM \$m	Fee Basis			APN Co-investment	
				Management	Performance	Other	\$m	%
APN AREIT Fund	Property Securities	Retail & Institutional	1,216	✓			-	-
APN AREIT Mandates	Property Securities	Institutional	187	✓			-	-
APN Property for Income Fund	Property Securities	Retail & Institutional	120	✓			-	-
APN Property for Income Fund No. 2	Property Securities	Retail & Institutional	40	✓			-	-
APN Asian REIT Fund	Property Securities	Retail & Institutional	31	✓			1.4	4.6%
APN Industria REIT	Industrial & Business Park	Retail & Institutional	698	✓		✓	73.7	16.6% ¹
APN Convenience Retail REIT ²	Retail	Retail & Institutional	357	✓		✓	27.4	12.2% ²
APN Regional Property Fund	Office	Retail	54	✓		✓	-	-
APN Coburg North Retail Fund	Retail	Retail	21	✓	✓	✓	-	-
APN Nowra Property Fund	Retail	Institutional	25	✓	✓	✓	2.3	17.9%
APN Development Fund No. 2	Development	Institutional	44	✓	✓	✓	1.3	4.8%
APN Steller Development Fund	Residential Development	Institutional	13	✓	✓	✓	0.7	15.2%
Total			2,806				106.8	

1. Funds managed by APN hold an additional 5.1% interest in Industria REIT

2. Funds managed by APN hold an additional 3.5% interest in Convenience Retail REIT

Implied Funds Management platform valuation¹



1. Analysis and APN share price as at market close 31 December 2018
2. NTA of 21.6 cents per share is net of debt – refer to financial statements for further information

Overview

Summary

- Listed on ASX (Code: APD)
- Melbourne-based specialist real estate investment manager
- Established 1996, listed 2005
- \$2.8 billion in Funds Under Management (FUM)
- Actively manage 12 funds and 105 properties
- Responsible entity: APN Funds Management Limited, a wholly owned subsidiary of APN (Independent board)

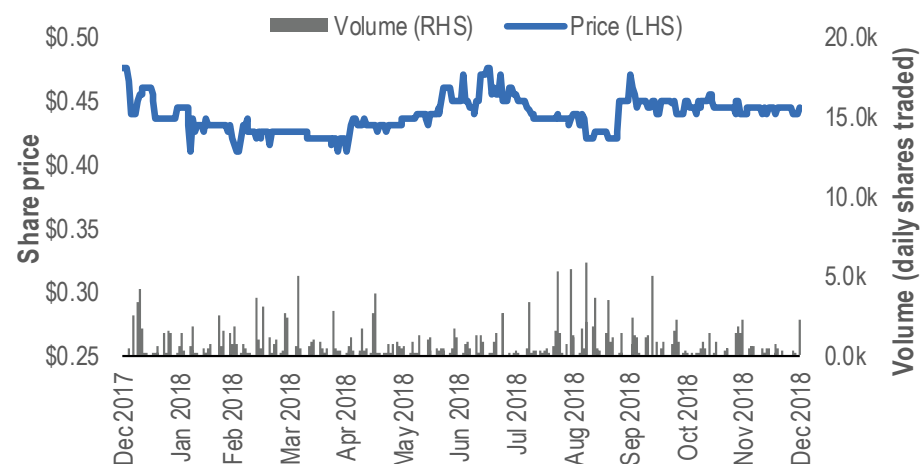
Major Shareholders¹

Shareholder	
C. Aylward (Director)	25.3%
Phoenix Portfolios	9.7%
Grollo Family	9.2%
T. Young (Director)	3.4%
H. Brenchley (Director)	3.0%
T. Slattery (CEO)	2.6%
TOTAL	53.2%

¹ Based on substantial shareholder and director interest notices lodged on the ASX as at 20 February 2019

² IRESS, ASX Trading data as at 31 December 2018. Total shareholder return includes reinvestment of dividends at market price on dividend payment date and divisor adjustment for standardised calculation where required

Share Price and Volume



Key Information

Metric	
Closing share price ²	\$0.445
Shares outstanding ²	313,742,812
Market capitalisation ²	\$140 million
FUM	\$2.8 billion
Total shareholder return ²	21.8% (3 year)

Boards and Management team

Experienced real estate team, Independent Boards

Board of Directors – APN Property Group Limited

Independent / Non-Executive Majority



Chris Aylward
Non-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 Brenchley
Independent
Director

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



Clive Appleton
Independent
Director

- Over 30 years' experience in property and funds management
- Former MD of the Gandel Group and Centro Properties Ltd
- Deputy Chairman of the Gandel Group, Chairman of Aspen Group, Director of Perth Airports Pty Ltd, Perth Airport Development Group Pty Ltd and Vicinity Centres RE Ltd



Tony Young
Independent
Director

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



Tim Slattery
Chief Executive
Officer

- Over 14 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

Independent Responsible Entity – APN Funds Management Limited

Independent Majority



Geoff Brunson
Independent
Chairman

- Chairman since April 2012 and a Director since 2009
- Over 30 years experience in investment banking
- Until June 2009 he was Managing Director and Head of Investment Banking of Merrill Lynch Australia



Jennifer Horigan
Independent
Director

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



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 Charter Hall Education Trust and a number of unlisted companies



Howard Brenchley
Independent
Director

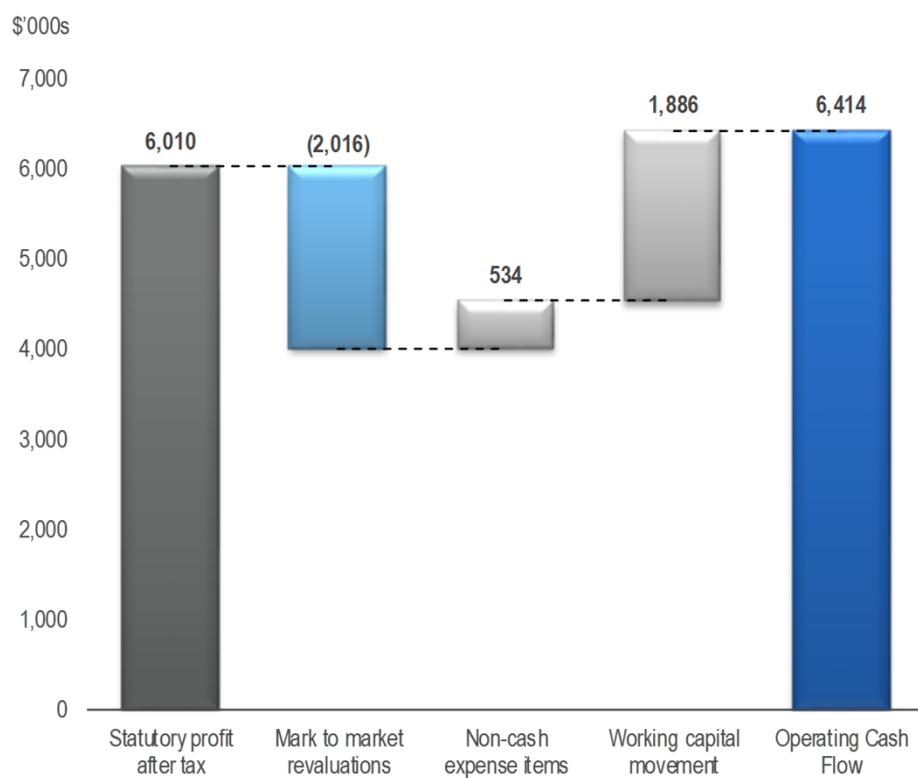
- Over 30 years' experience analysing and investing in the sector
- Founded property research firm PIR
- Established APN's Funds Management business
- Independent Non-Executive Director of National Storage REIT



Michael Groth
CFO & Alternate
for Howard
Brenchley

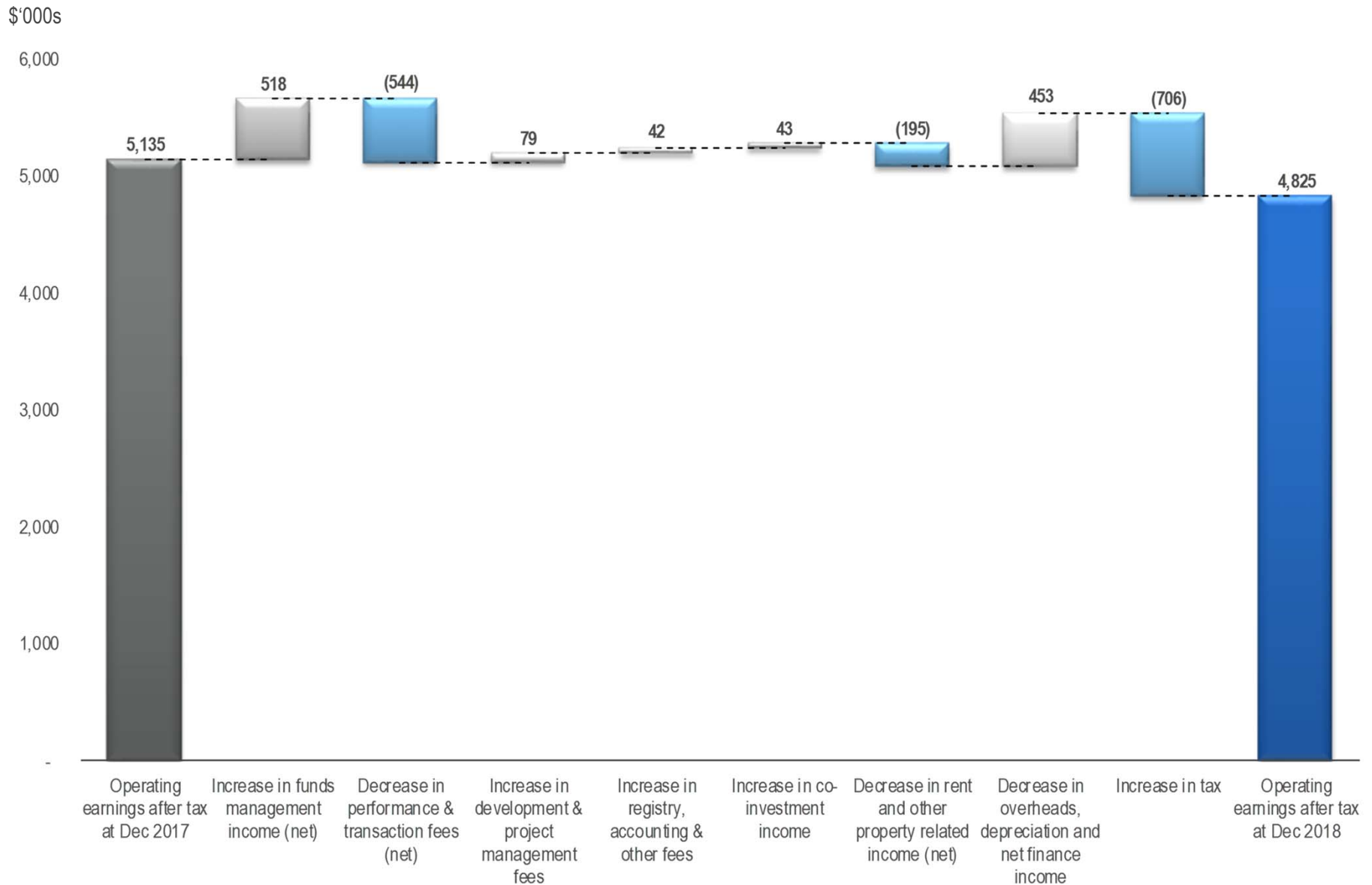
- Chief Financial Officer, APN Property Group
- Previously, over 7 years with KPMG Melbourne
- Over 3 years in London with various organisations including Abbey plc (Santander Group) and Ofgem

Profit to operating cash flow reconciliation



Cashflow Reconciliation (\$'000s)	Dec 2018	Dec 2017
Statutory profit after tax	6,010	9,556
Add/(deduct):		
Mark to market revaluations	(2,016)	(6,595)
Non-cash expense items	534	462
Working capital movement	1,886	2,556
Operating Cash Flow	6,414	5,979

Operating Profit After Tax Reconciliation



Debt facility summary

Corporate debt facility

Facility Limit	\$8.0 million
Drawn at 31 December 2018	\$6.0 million
Loan to Value Ratio (LVR)	9.4%
LVR Covenant	< 35.0%
Distribution Cover Ratio (DCR)	11.0 x
DCR Covenant	> 2.0 x
Cost of debt (p.a.)	6.8%
Expiry	March 2020
Security	Mortgage over specified assets

Disclaimer

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 21 February 2019.

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