



# **APN** | Property Group Limited

**Annual General Meeting**  
**November 2007**

**Clive Appleton**  
**Managing Director**

# APD – Key Results

- **FY07 NPAT of \$17.41m, up 45% from FY06**
- **Full year FF dividend 10.00(DPS), up 25% from FY06**
- **Strong balance Sheet**
- **FUM up by \$1.5b (43%) to \$4.8b in 12 months**
- **Further increase in FUM to \$4.9b as at 9/07**
- **Significant achievements made in each market**

# Full Year Results FY 07

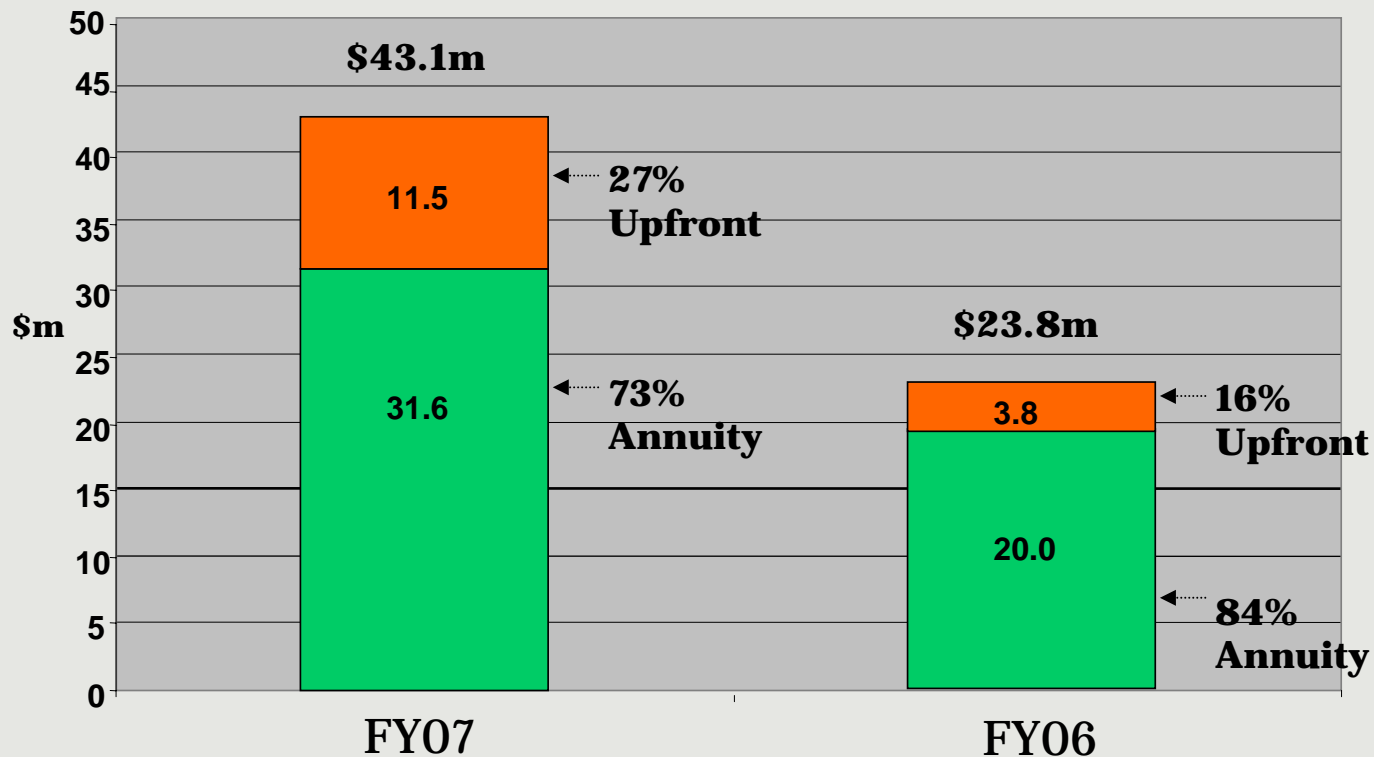
- Net profit continued to grow due to growth in FUM and upfront fees

|   | 1 <sup>st</sup> Half Year<br>FY 07 | 2 <sup>nd</sup> Half Year<br>FY 07 | Full Year<br>FY 07 | Full Year<br>FY 06* |
|---|------------------------------------|------------------------------------|--------------------|---------------------|
| Net Profit before tax<br>(NPBT) \$'000  | 10,355                             | 14,395                             | <b>24,750</b>      | 17,214              |
| Net Profit after tax<br>(NPAT) \$'000   | 7,224                              | 10,181                             | <b>17,405</b>      | 12,020              |
| Basic Earnings per<br>share (EPS) cents | 6.05 EPS                           | 7.96 EPS                           | <b>14.20 EPS</b>   | 10.81 EPS           |
| Dividend per share<br>(DPS) cents       | 4.50 DPS                           | 5.50 DPS                           | <b>10.00 DPS</b>   | 8.00 DPS            |

*\* Including discontinued operations of \$1.7m NPAT*

# Revenue analysis – Full Year Results FY 07

- The majority of revenue (73%) continued to come from annuity style earnings



# Balance Sheet Review

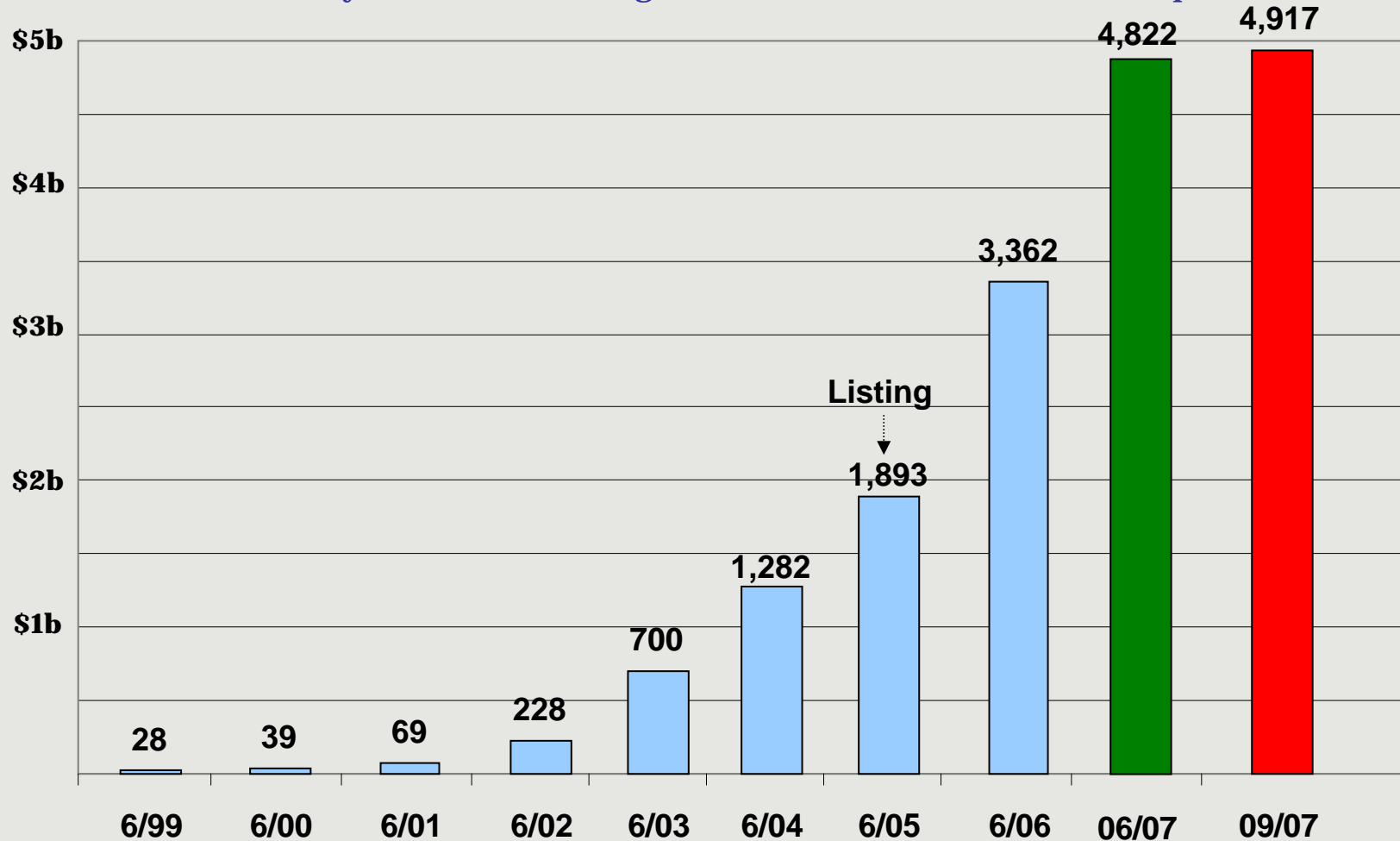
- Balance sheet has been strengthened providing greater opportunities to expand

|                     | <b>FY07</b> | <b>FY06</b> |
|---------------------|-------------|-------------|
| <b>Total Assets</b> | \$76m       | \$44m       |
| <b>Liabilities</b>  | \$9m        | \$14m       |
| <b>Net Assets</b>   | \$67m       | \$30m       |

# Growth in Funds Under Management

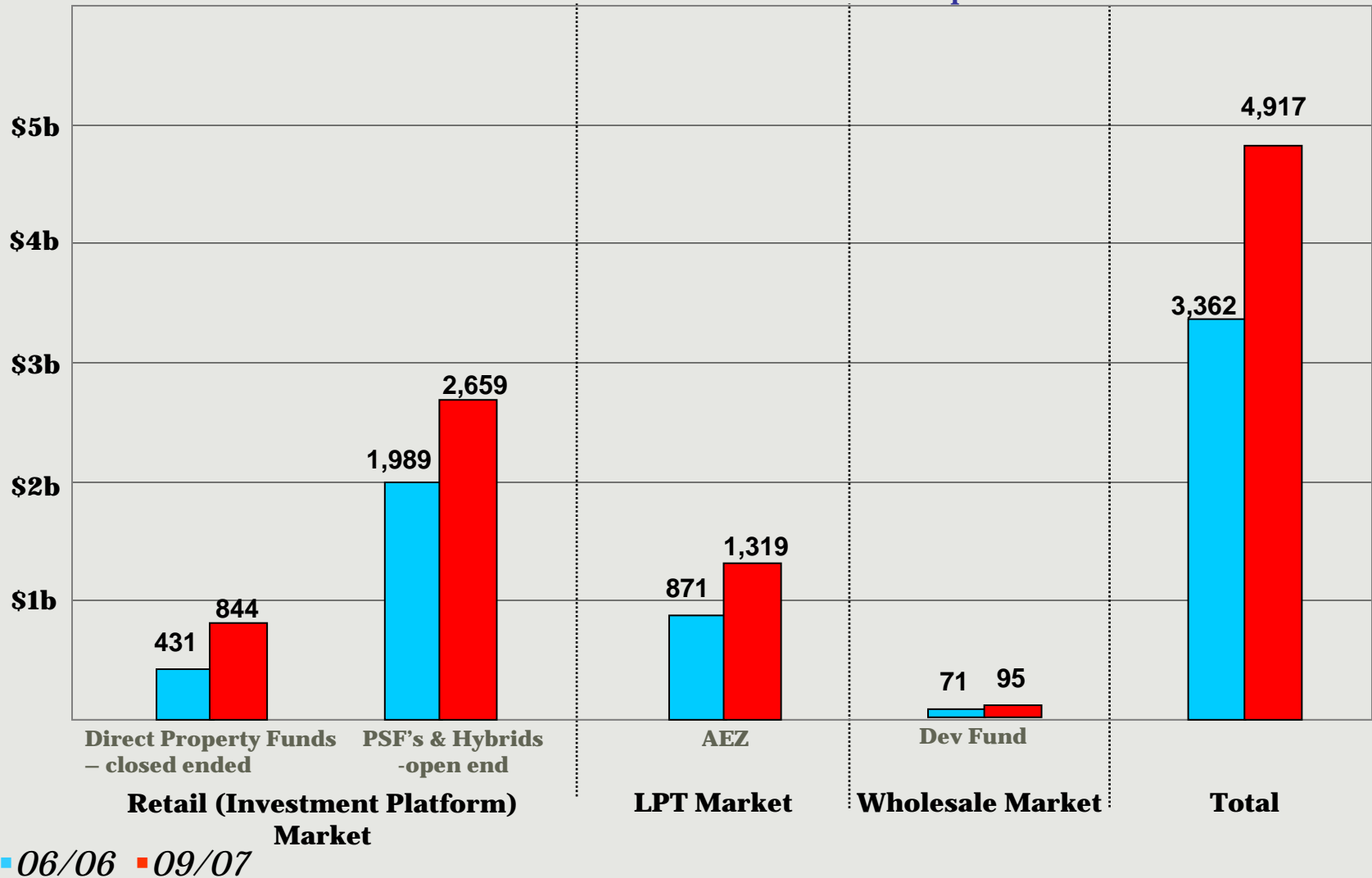
- Funds Under Management increased by 43% in FY 07
- Post year end, further growth of \$100m achieved in 1<sup>st</sup> quarter FY08

\$Billions

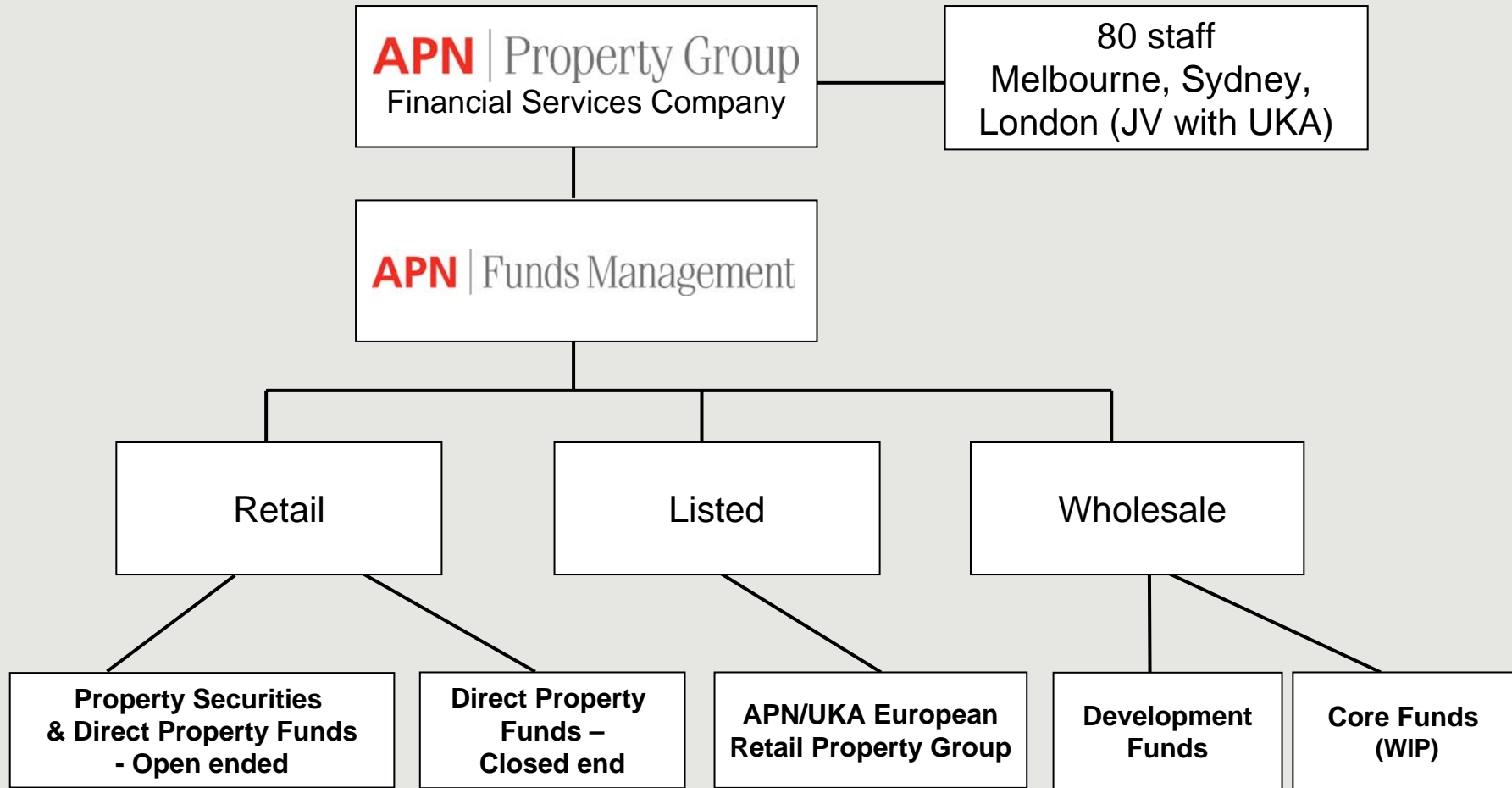


# FUM Breakdown by markets

■ FUM increased within each market in which APN operates



# APN Property Group





# Retail Market

- Direct Property Funds – Closed End
- Property Securities & Direct Property Funds – Open ended

# Retail – Australian direct Property Funds (Closed end)\*

- Growth in FUM of \$141m (33%) since 6/06
- Good upfront fees achieved
- Successful rollover of APN Property Plus Portfolio

Total FUM

\$572m\*

- APN National Storage Property Trust - \$352m
- APN Property Plus Portfolio - \$96m
- APN Regional Property Fund - \$87m
- APN Retirement Properties Fund - \$37m

# Retail – European Direct Property Funds (Closed end)\*

- New market for APN
- Two new funds created
- Focus is to create new specialist funds in Retail, Office, Industrial
- New distribution channels being sourced to expand market demand

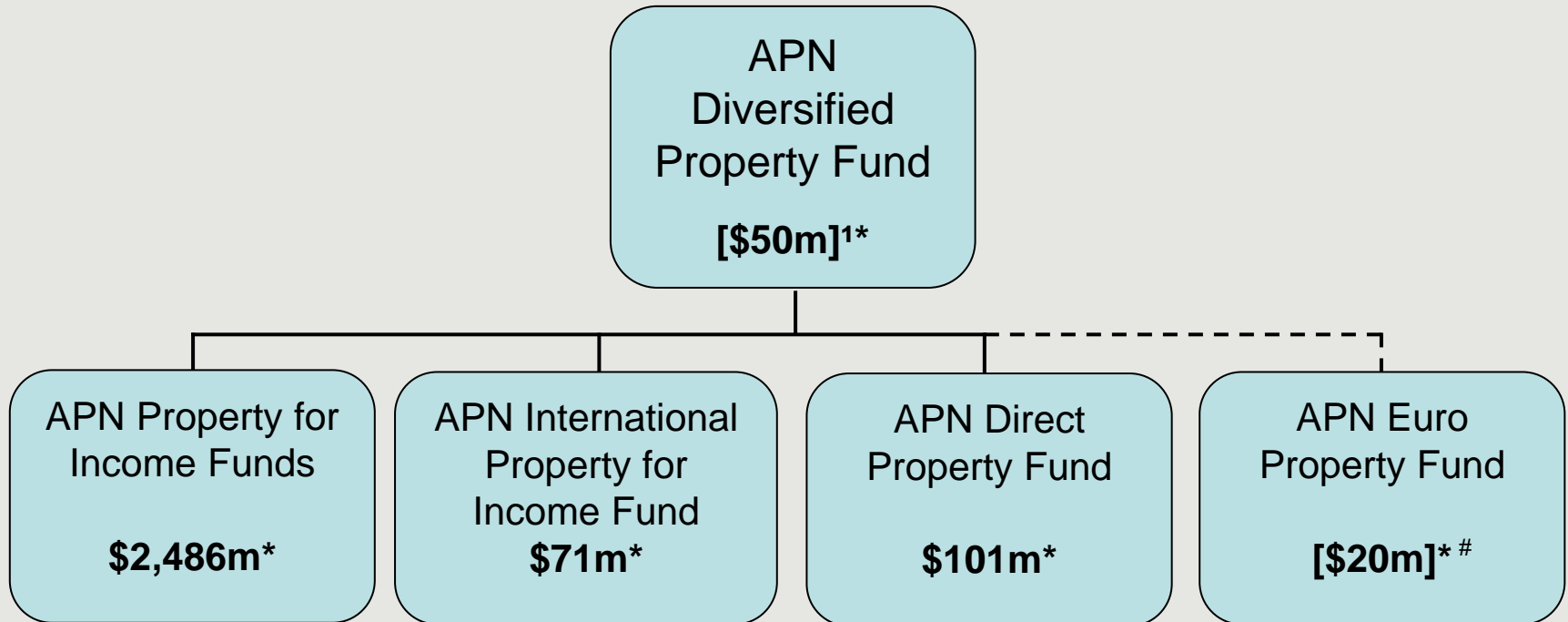
Total FUM

\$272m\*

- APN/UKA Vienna Retail Fund - \$164m
- APN/UKA Poland Retail Fund - \$109m

# Retail Platform – Property Securities & Direct Property Funds (Open ended)\*

- FUM up \$634m for FY07 to \$2.6b (64% or \$406m attributable to market growth)
- Fund performance strong, particularly during volatility
- Further net increases of \$36m in first quarter FY08 with Superannuation incentives a contributor
- New APN Euro Property Fund created



<sup>1</sup> FUM included in underlying funds

# FUM included in Poland Fund

# Listed Market

- APN/UKA European Retail Property Group (AEZ)

# ASX Listed Property Trusts - AEZ

- APN/UKA European Retail Property Group (AEZ)
- Total assets increased by \$448m to \$1.3 billion\* since June 06
- Transitioned to semi stapled security to increase earnings & drive re-rating and lower cost of capital
  - Property Management
  - Refurbishment & development
  - Commercialisation
  - Syndication
- Open up significant opportunity to expand FUM
- Establishment of full property & asset management team across Europe
- Acquisition of UKA's interest in Asset Manager by APD
- Cost €7.65m (A\$12.4m), 2.2% of FUM
- Increase EBIT for APD by A\$3m on full 12 month basis



# Wholesale Market

- Development Funds
- Core Funds (WIP)

# Wholesale Market

## APN Development Fund No 1

- Mandate to undertake developments across Australia
- No significant development risk to APN Property Group
- Initial success and commitment of equity for Development Fund No 1, providing catalyst to launch new funds.

## Post Year End

### APN Development Fund No 2

- New development fund launched with \$80m in investment commitments in Aug 07

### APN Core Plus Property Fund

- New fund being created to tap into a larger component of the wholesale market (Development and Core Property)





# Summary

- Company has significantly grown net profit compared to previous year & exceeded market forecasts
- New opportunities in Australia and Europe being pursued particularly in relation to:
  - Funds with European Property
  - Growth in wholesale

# Summary of Proxy Instructions Received

| Resolution |   | For        | Open             | Against   | Abstain   |
|------------|---|------------|------------------|-----------|-----------|
| <b>1</b>   | <b>Receive Accounts</b>                                     |            | No Vote Required |           |           |
| <b>2</b>   | <b>Consider Remuneration Report</b>                         | 19,910,016 | 11,918,412       | 2,639,690 | 6,657     |
| <b>3.1</b> | <b>Elect John Harvey</b>                                    | 22,542,206 | 11,908,412       | 2,500     | 21,657    |
| <b>3.2</b> | <b>Re-elect Andrew Cruickshank</b>                          | 22,564,706 | 11,908,412       | 0         | 1,657     |
| <b>4</b>   | <b>Non-exec Directors Remuneration</b>                      | 22,467,637 | 698,202          | 202,144   | 8,477     |
| <b>5</b>   | <b>Approve Employee Share Plans</b>                         | 19,967,795 | 698,202          | 2,697,986 | 12,477    |
| <b>6</b>   | <b>Exec Directors Participation in Employee Share Plans</b> | 19,265,917 | 698,202          | 1,535,427 | 1,876,914 |

# Resolution 1 – Receive Accounts

## **Resolution**

“To receive and consider the Financial Report, the Directors’ Report and the Auditor’s Report, each for the financial year ended 30 June 2007.”

## **Summary of Proxy Instructions**

No Vote Required

# Resolution 2 – Consider Remuneration Report

## Resolution

“That the Remuneration Report for the financial year ended 30 June 2007 be adopted.”

## Summary of Proxy Instructions

| For        | Open       | Against   | Abstain |
|------------|------------|-----------|---------|
| 19,910,016 | 11,918,412 | 2,639,690 | 6,657   |

# Resolution 3.1 – Elect John Harvey as Director

## Resolution

“That John Frederick Harvey, being an independent non-executive Director appointed by the other Directors since the Company’s last annual general meeting in accordance with clause 4.2(a)(i)(A) of the Constitution, having retired in accordance with clause 4.2(ii) of the Constitution, and being eligible, be elected as a Director.”

## Summary of Proxy Instructions

| For        | Open       | Against | Abstain |
|------------|------------|---------|---------|
| 22,542,206 | 11,908,412 | 2,500   | 21,657  |

# Resolution 3.2 – Re-elect Andrew Cruickshank as Director

## Resolution

“That Andrew Nicholas Cruickshank, being a Director who retires by rotation, in accordance with clause 4.3(c) of the Constitution, and being eligible, be re-elected as a Director.”

## Summary of Proxy Instructions

| For        | Open       | Against | Abstain |
|------------|------------|---------|---------|
| 22,564,706 | 11,908,412 | 0       | 1,657   |

# Resolution 4 – Non-executive Directors Remuneration

## Resolution

“That the maximum aggregate amount of remuneration available to be paid to Non-executive Directors be increased by \$250,000 per annum from \$500,000 per annum to \$750,000 per annum.”

## Summary of Proxy Instructions

| For        | Open    | Against | Abstain |
|------------|---------|---------|---------|
| 22,467,637 | 698,202 | 202,144 | 8,477   |

# Resolution 5 – Approve Employee Share Plans

## Resolution

*“That the Directors be and are hereby authorised to:*

- i. continue to operate the APN Property Group Employee Share Purchase Plan described in the Explanatory Notes to this notice of meeting;*
- ii. continue to operate the APN Property Group Employee Share Gift Plan described in the Explanatory Notes to this notice of meeting; and*
- iii. continue to operate the APN Property Group Director/Executive Option Plan described in the Explanatory Notes to this notice of meeting,*

*and that issues of shares or options (as the context requires) under each of the above are approved as an exception to Listing Rule 7.1”*

## Summary of Proxy Instructions

| For               | Open           | Against          | Abstain       |
|-------------------|----------------|------------------|---------------|
| <b>19,967,795</b> | <b>698,202</b> | <b>2,697,986</b> | <b>12,477</b> |



# Resolution 6 – Exec Directors Participation in Employee Share Plans

## Resolution

“That the participation by Mr Clive Appleton and Mr Howard Brenchley, both executive directors of the Company, in the APN Property Group Employee Share Purchase Plan in the manner contemplated in the Explanatory Notes included to this notice of meeting is approved for the purpose of Listing Rule 10.14.”

## Summary of Proxy Instructions

| For        | Open    | Against   | Abstain   |
|------------|---------|-----------|-----------|
| 19,265,917 | 698,202 | 1,535,427 | 1,876,914 |