

# Australian Property Growth Fund

## ANNUAL GENERAL MEETING 2006



### Managing Director's Presentation



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### AGENDA



- Overview
- Investment Philosophy
- Current Assets
- Financial Summary
- Outlook



# OVERVIEW



- 3 major events:
  - Takeover of Blue Tower Trust, owner of Comalco Place (Blue Tower)
  - Major capital raising, with \$50 million raised already
  - Name change to Australian Property Growth Fund, reflecting vision in which Directors seek to grow and position the Fund
- Assets grown to over \$300 million from \$84 million at 30 June 2005
- Fund ideally placed to undertake significant expansion





# INVESTMENT PHILOSOPHY



- Performance and research-based investment decisions
- Quality assets with moderate risk profiles generating sustainable returns to investors
- Focus on Australia's eastern seaboard
- Key principles:
  - maximising long-term investor returns
  - business is all about people
  - quality and excellence in all projects
  - integrity and professionalism









# COMALCO PLACE (Blue Tower, Brisbane CBD)



- Acquired through Blue Tower Trust takeover
- Flagship asset in Brisbane CBD “golden triangle”
- 32,000 square metre, 37-level commercial office building and separate 2-level annexe building
- Landmark building expected to continue producing excellent results







# 99 MELBOURNE STREET (South Brisbane)



- 5-level, award-winning office building at Brisbane's South Bank
- Net lettable area 6,200 square metres
- Property valuation has risen to \$30 million as of June 2006 from \$24.5 million in December 2004
- Weighted average remaining lease term 6.5 years









# LONDON WOOLSTORE (Teneriffe, Brisbane)



- Heritage-listed, 2-storey AML&F Woolstore and 2 adjoining buildings
- Development involved conversion into 89 residential apartments, car parking and 9 ground-level retail shops; 2 smaller buildings for commercial offices
- Construction began in December 2004, completed January 2006
- Expected to be fully sold in 2007
- Total development cost approximately \$48 million









# PAVILIONS ON 5TH (Palm Beach, Gold Coast)



- Former Palm Beach Shopping Centre, acquired for \$11.1 million in May 2005
- Plan to demolish the shopping centre and redevelop into 4,850 square metre retail and commercial complex, plus 198 residential apartments
- Development approval secured in August 2006, design development phase completed
- Construction planned in 2 stages over 2007 and 2008
- Completed value around \$115 million, underpinned by 15-year lease to Coles Myer
- Retail precinct to be retained by the Fund's Trust





# FINANCIAL SUMMARY



- Net profit to security holders for FY06 of \$2 million
- Property investment operations net profit of \$4 million
- Property development operations net loss of \$2 million (resulting from adoption of International Financial Reporting Standards)
- Forecast distributions for FY07 of 8.48 cents per stapled security (8% yield based on \$1.06 share price, fully tax-deferred)
- Total investors equity \$170 million, total assets about \$300 million
- \$50 million raised to date from non-renounceable two for one entitlement issue



# OUTLOOK



- Residential market softening, commercial market booming
- Name change to APGF reflects focus on Australia-wide property investments
- Successful capital raising provides funds for acquisitions
- Merger with Blue Tower Trust increases stable rental income streams
- Low interest rates, strong employment and stable world economic growth to benefit property industry
- APGF's strong board, cash reserves and favourable outlook set up Fund for future growth and success

