



Aspen Group Limited
ABN 50 004 160 927

Aspen Property Trust
ARSN 104 807 767

Level 3, 37 Pitt Street
Sydney NSW 2000

Telephone: 02 9151 7500
Facsimile: 02 9151 7599

Email: homemail@aspengroup.com.au

MARKET RELEASE

**ASX ANNOUNCEMENT
28 November 2016**

**Aspen Group
Annual General Meeting 2016**

Please see attached copies of the Chairman's address and the Chief Executive Officer presentation to be presented at the Annual General Meeting of Aspen Group today in the Fraser Room, Chartered Accountants Conference Centre, 33 Erskine Street, Sydney, NSW at 10:30am.

END

<p><i>For further information, please contact:</i> Joel Cann Chief Executive Officer Phone: (+61) 2 9151 7500 Email: joelc@aspengroup.com.au</p>	<p>Emmanuel Zammit Chief Financial Officer Phone: (+61) 2 9151 7500 Email: emmanuelz@aspengroup.com.au</p>
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ABN 50 004 160 927

Suite 307, Level 3
37 Pitt Street
Sydney NSW 2000

GPO Box 7058
Sydney NSW 2001

T +61 2 9151 7500

F +61 2 9151 7599

w www.aspengroup.com.au

28 November 2016

CHAIRMAN'S ADDRESS

Good morning everyone and thank you for joining us here today for Aspen Group's 2016 Annual General Meeting. As we have a quorum present I shall open the Meeting. My name is Clive Appleton and I am Chairman of Aspen Group.

I would like to start by introducing our Board present here today, Non Executive Directors Guy Farrands and John Carter. I am also joined by Chief Executive Officer Joel Cann, Chief Financial Officer Emmanuel Zammit and Company Secretary Mark Licciardo.

Aspen Group is a very different group to the one presented to you 12 months ago. Following a transitional period that saw the Group divest its holdings in APPF earlier this year, it has emerged with a strong financial position underpinned by its debt free status and a clear focus on building its' position as a leading Australian affordable accommodation business.

Our divestment of APPF on very attractive financial terms helped clear the way for this new direction. We can now concentrate on broadening our focus; steering our investment to strong population and growth regions and where possible clusters to enhance productivity and reduce operating expenses.

The Group has appointed new management who are identifying and executing upon attractive investment opportunities. We now have a simplified organisation structure with an emphasis on achieving operating leverage. Aspen is now a company capable of delivering increasing returns to its securityholders through growing earnings and distributions together with increasing Net Asset Values. This is the focus of the board and management over the next 12 months. The refreshed management team are indeed seeing and executing on these new opportunities as will be demonstrated in the CEO's report today.

Our current share price lags well behind where we and you would like it, nor does it reflect the underlying value of the business. We will, with your approval, refresh or share buy back capacity at this meeting. Whilst we are reluctant to exercise this we must be capable of doing so where it is clearly the best economic decision for shareholders.

Aspen Group's focus remains on building a strong affordable accommodations business, and re-establishing scale. In line with this focus the Group undertook changes at Board and senior management level to best facilitate this renewed focus and strategy.

Frank Zipfinger resigned as Chairman and Director during the year, and on 8 June I was appointed as the new Chairman of Aspen Group. Frank joined the Board in January 2011 and became Chairman in November 2011. He provided leadership to the Group and guided it through a period of considerable tumult. I would like to acknowledge and thank him for his valued contribution to the Group during his tenure at the company.

In August, Adam Marrs Ekamper, previous Chief Financial Officer, left the company followed in September by Clem Salwin, previous Chief Executive Officer. On behalf of the Board I would like to sincerely thank both Clem and Adam also for their tireless efforts and dedication over the past few years.

Concurrently in September, the Board was delighted to announce the appointment of Emmanuel Zammit to the role of Chief Financial Officer and Joel Cann as the new Chief Executive Officer of the Group. Joel has a career in senior executive positions in global financial services spanning 20 years and has gained significant experience in investing in public and private markets in real asset classes across Australia and offshore, through single assets, funds and operating companies. Emmanuel is an experienced senior business executive who over a 20 year period has an extensive background with listed companies both here in Australia and internationally. We welcome the experience that they both bring to the Group.

Lastly, I would like to thank our Board for their hard work and support, especially since I was appointed Chairman in June. I would also like to thank you, our shareholders, for your ongoing support and look forward to an exciting year ahead for the Aspen Group.

With that, I will now ask CEO Joel Cann to take you through our strategy, recent acquisition of the BIG4 Koala Shores Holiday Park, and provide an overview of the company's growth outlook.

CEO ADDRESS

Thank you Clive, and good morning everyone. As Clive mentioned I joined the company quite recently on 29 September. For me, the attractiveness of leading Aspen Group came from identifying some distinct growth opportunities that the company has that are aligned to my past experience and current professional interests. I also recognised the quality and depth of the existing management team.

The 2016 financial year was a year of substantial change for Aspen Group. Most pleasingly, the company returned to profitability for the first time since the 2011 financial year. The Group recorded a statutory profit of \$9.9 million, after careful consideration was taken to materially

reduce overheads, which were down 10% on FY15, as well as other initiatives to achieve this return to profit.

Reflecting the company's performance, we declared a total distribution for the year of 9.2 cents per security, which was in line with market guidance.

As the company evolved its strategy, we divested the Group's interest in the Aspen Parks Property Fund. This disposal was executed at an attractive premium to its Net Asset Value and resulted in a simplified business structure.

At the end of the financial year the balance sheet had no debt and \$49 million cash at hand. The balance sheet enabled the Group to activate an on-market buyback that resulted in Aspen acquiring around 10% of its securities during FY16 at an average price of \$1.20 per share.

Allowing for announced acquisitions, cash reserves exceed \$30 million and with potential debt capacity, we are in an advantageous position to pursue additional investments that fit our strict criteria. We acquired two accommodation assets during FY16, which are complimented by our recently announced acquisition of the BIG4 Koala Shores Holiday Park which I will detail shortly.

The Group will continue to build an attractive portfolio. Tomago, and Four Lanterns assets both have development potential with 84 additional sites pending approval. We continue to drive on operational performance and pleasingly, FY17 performance of the total portfolio is in line with expectations. Adelaide Caravan Park is a good example of Aspen bringing its capabilities to improve the quality of the asset. Since our acquisition in November, our marketing and distribution capability has seen a twenty fold increase in online sales. This increase in activity has been further leveraged though a DA approval for 9 additional sites. I believe there is an opportunity to add further value to our portfolio and with the announcement of Koala Shores the portfolio value now exceeds \$90 million.

With the capacity for a further \$90 million of acquisitions supported by finance facilities which management is currently negotiating, Aspen Group is well positioned to become a leading provider in the affordable accommodation sector.

We have a simple and focused strategy to ensure we can grow securityholder value. To this end, we have a 3-step approach:

- 1) Focus on the affordable accommodation market to become an industry leader
- 2) Re-establish the scale of our portfolio through sustainable growth
- 3) Make acquisitions, enhance the assets and operations, and leverage off our existing marketing resources and distribution platform to achieve higher returns.

The business has a 3-sector approach to accommodation, all supported by differing Australian market trends;

1. Retirement – including an ageing population and changing affordability of retirement in this country
2. Tourism - domestic tourism trends are increasingly positive. Customers are demanding higher frequency, shorter duration holidays closer to home and seek authentic and memorable experiences
3. Corporate – the executive and worker accommodation market as the mining cycle turns from exploration and construction to operation and maintenance

We may seek to add other sectors to our approach based upon opportunity, organisational capability or operating partnerships.

Overall, our investment approach is to capitalise upon operating inefficiencies from undermanaged assets, take advantage of asset mis-pricing within our target sectors and opportunistically acquire value-added assets. In other words, Aspen Group adopts a buy, enhance and operate ownership model.

The first example of this strategy being implemented can be seen by our very recent acquisition of the BIG4 Koala Shore Holiday Park earlier this month. Koala Shores is a tourist park, consisting of 142 sites, including 34 tourist cabins.

The total purchase price of \$10.2 million reflects an initial yield of 9.5%, excluding acquisition costs and will be immediately accretive to earnings. Upon completion, the acquisition will be funded by existing cash holdings with settlement scheduled to occur in early 2017.

Koala Shores is an excellent addition to Aspen Group's tourism portfolio, it extends the Group's footprint on the NSW Central Coast, adding to Tomago Van Village that is 35 kilometres away. We believe under our ownership, this cluster can deliver improved returns, through the groups' marketing and distribution platform and improved operating efficiency.

The group continues to actively originate additional acquisitions in the affordable accommodation sector with \$30 million of assets under exclusive due diligence, \$20 million of which is at an advanced stage.

We will continue to pursue further attractive acquisition opportunities in affordable accommodation while also looking at other parallel sectors for ways to enhance and expand our market presence, and ultimately deliver the best value to shareholders.

Aspen Group has the capacity to borrow as we rescale the business and is working to establish banking facilities that are appropriate to the groups' needs.

Looking forward to the business outlook for the Group for 2017, we maintain our previous guidance given at the FY16 financial results, of a first half 2017 distribution of 2.1 cents per security. The FY17 full year earnings outlook, remains subject to the timing and magnitude of acquisitions by the Group. We would expect full year distributable earnings to exceed 4.5 cents per security and will provide a further update with the release of the half year results as our acquisitions pipeline crystalises.

I am encouraged by the quality and volume of opportunities available to us and the ability to refocus and grow Aspen Group. I am looking forward to the path ahead and growing shareholder value.

END



Aspen Group Annual General Meeting

28 November 2016



BIG4 Koala Shores Holiday Park

Agenda



Aspen Karratha Village

1 Chairman's Report

2 CEO Presentation

1

Chairman's Report

Clive Appleton



Adelaide Caravan Park



1 Refreshed Senior Management Team



Joel Cann

BCom, Grad Dip App Fin, F Fin, MAICD, MSCI

Chief Executive Officer

Mr Cann has a twenty-year career in senior executive positions within Global financial services businesses including ING Group, the US Prudential, JPMorgan and Aberdeen Asset Management, investing in public and private markets in real asset classes in Australia and offshore, through single assets, funds and operating companies.



Emmanuel Zammit

BEC, CPA, MAICD

Chief Financial Officer

Mr Zammit is an experienced CFO having held senior financial roles over a 20 year period within domestic and international businesses. Previous roles include CFO of Australian listed entities Watty Limited, and Alesco Limited and previous international experience with NYSE listed MeadWestvaco Corporation (now WestRock) in Europe, Asia Pacific and Australasia.

2

CEO Presentation

Joel Cann



BIG4 Koala Shores Holiday Park



2 FY16 Financial Highlights – Key Financials

- ❖ Significant improvement in statutory profit – reflecting crystallisation of value on APPF divestment
- ❖ Operating profit lower due to sale of APPF and sale of non-core assets
- ❖ Distribution for FY16 in line with guidance at 9.2 cps

Key financial metrics (\$m)	FY16	FY15	Change %
Revenue	41.4	65.5	(37%)
Statutory profit / (loss)	9.9	(31.7)	131.3%
Operating profit ¹	4.8	4.7	1%
Operating profit EPS	4.2c	4.2c	1%
Operating cash flow	4.7	3.4	39%
Gearing %	nil	35.1	-
NAV ² (\$ per security)	1.26	1.26	-
Distribution per security ³	9.2c	9.0c	2%

¹ Operating profit attributable to securityholders of Aspen

² NAV is an unaudited non-IFRS measure, in the opinion of the Directors, is useful in understanding and appraising the Company'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 FY16 statutory accounts

³ Represents 4.6 cps distributed 25 February 2016 and 4.6 cps announced 24 June 2016 and distributed 25 August 2016

2 FY16: Setting a New Path

Aspen is repositioning itself in the affordable accommodation sector following its divestment of its APPF holding

APPF sale

- Sale of 42% interest at 38% premium (\$16.2 million) to APPF NAV
- Equivalent to 20% premium at asset level
- Termination of management rights for an additional \$5.0 million in value
- Total final premium from APPF sale of \$22.5 million or \$0.19 / share NAV
- Simplified business structure

Strong financial position

- FY16 statutory profit of \$9.9 million
- Distribution of 9.2 cents per security
- No debt; over \$30 million cash on hand ¹
- Capacity to acquire a further >\$90 million of assets ²
- DA's pending for value enhancing development for three assets

Capital management

- On-market securities buyback completed at an average price of \$1.20
- Currently in detailed negotiations for a new debt facility to continue growth of business
- NAV per security of \$1.26, 20% premium to current share price

¹ Current cash on hand takes into account the settlement of BIG4 Koala Shores Holiday Park

² There is no certainty that this level or any acquisitions will be completed

2 Aspen Portfolio Snapshot

After the announcement of the recent acquisition of BIG4 Koala Shores Holiday Park, Aspen has a ~\$93m portfolio, with a further ~\$30m of assets under exclusive due diligence

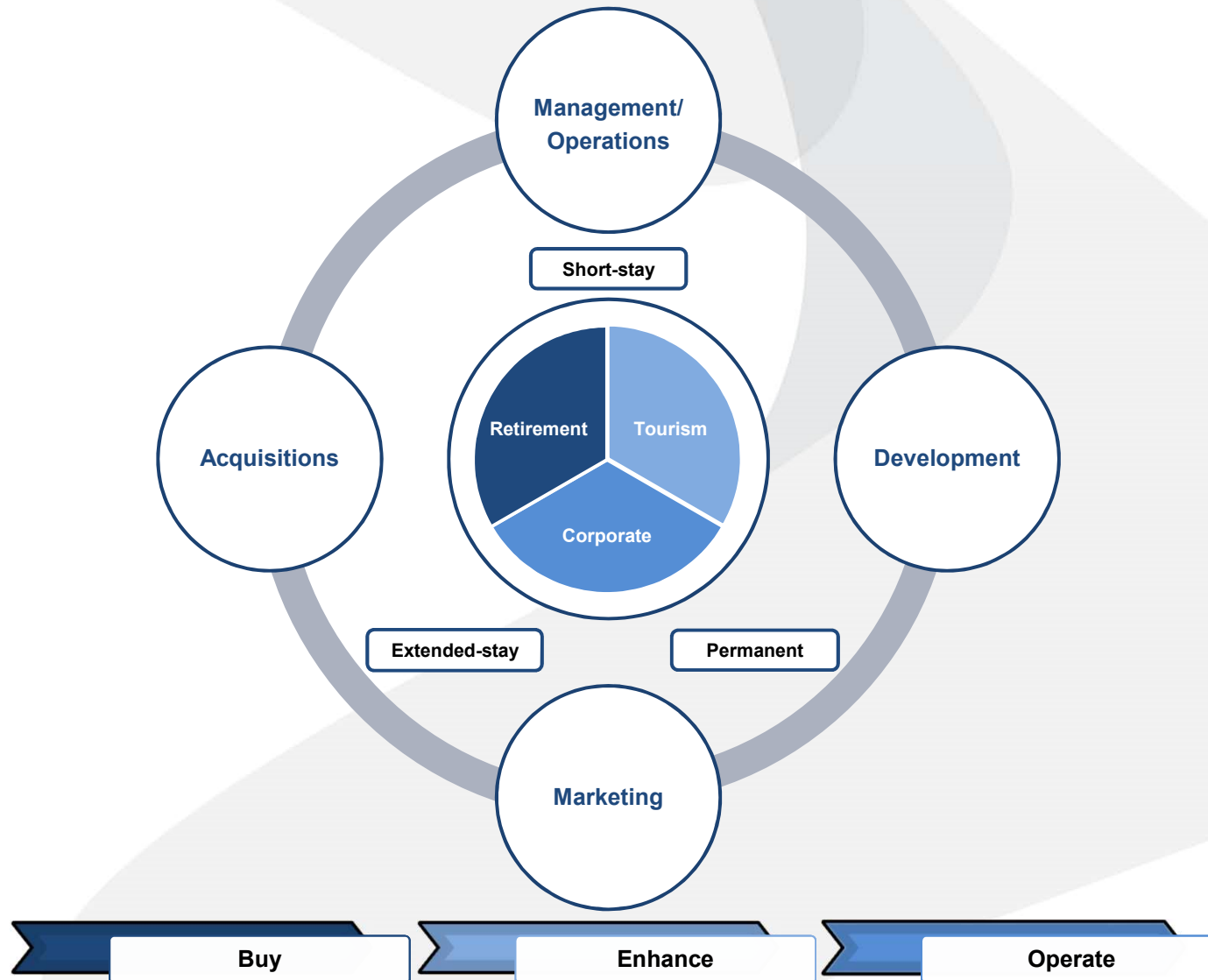
Portfolio Summary ¹

Sector	Property Name	Accommodation type	Valuation (\$m)	State	Number of sites	
					Existing	Potential
Retirement	Mandurah Gardens Estate	Permanent	10	WA	158	-
	Four Lanterns Estate	Permanent	7	NSW	102	28
Tourism	Tomago Van Village	Mixed	11	NSW	156	56
	Koala Shores Holiday Park	Short-stay	10	NSW	142	-
	Adelaide Caravan Park	Short-stay	9	SA	76	9
Corporate	Aspen Karratha Village	Short-stay	11	WA	180	-
Non-core (Development)	AWSS / Midland	-	6	-	-	-
Non-core (Industrial)	Spearwood	-	29	WA	-	-
Total			93		814	93

¹ Latest independent valuations

2 Strategic Focus

Aspen has a clear strategy to become an industry leader in the affordable accommodation sector



2 Acquisition – BIG4 Koala Shores Holiday Park

- ❖ **Location** - 45km from Newcastle, 25km from Tomago Van Village – building NSW Central Coast cluster
- ❖ **Type** - Full tourist park, direct water access, newly renovated cabins and high park presentation
- ❖ **Scale** - 142 sites including 34 cabins

Acquisition price	Ingoing yield (excl. acq. costs)	Long-term sites	Short-term sites	Total area	Tenure
\$10.2m	9.5%	-	142 ¹	6.5 ha	Freehold / Leasehold



Enhance - Immediate potential revenue upside. Higher returns expected to be generated through Aspen's marketing and distribution platform.

¹ Does not include the separately titled house

2 Acquisition – BIG4 Koala Shores Holiday Park – Cont.



2 FY17 Outlook

- ❖ Aspen remains well positioned going into FY17
 - No debt; ~\$30m in cash available to grow business with a clear growth mandate^{1,2}
 - Simplified corporate structure

- ❖ Committed to securityholder value maximisation
 - The Board believes current strategy will deliver a value and security price above the current NAV in a reasonable timeframe

- ❖ Guidance for FY17
 - First half distribution is reaffirmed at 2.1cps
 - Aspen's full year earnings remain dependant on a number of variables including the performance of current operations, as well as the size, timing and magnitude of earnings of acquisitions executed during FY17
 - Full year FY17 distributable earnings is expected to exceed 4.5cps

¹ Current cash on hand takes into account the settlement of BIG4 Koala Shores Holiday Park

² There is no certainty that this level or any acquisitions will be completed

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