



Shareholder Update 14/9/2018

Perth Markets Limited Report for the full year ended 30 June 2018.

The Perth Markets Limited (PML) Board and Auditors have signed off their report and financial statements for the Financial Year ended 30 June 2018.

A copy of this report is attached and is also available on our website www.perthmarket.com.au

This has been the second full year of operations for the PML following the acquisition of the Market City site in March 2016.

Key points as covered in the Annual Report are as follows:

The Consolidated operating profit after finance expense and income tax of the Group for the full year ended 30 June 2018 amounted to \$18.19M. This includes a gain on revaluation of investment property of \$12.996M referred to below.

The Group holds investment property at fair value. The property portfolio was revalued at 31 December 2017 with land and buildings valued at \$163M, (June 2017: \$150M) resulting in a gain to the Statement of Profit or Loss and Other Comprehensive Income for the year of \$13M.

Distributions

A total distribution of \$3,648,088 has been paid to 30 June 2018 as follows:

- \$2,000,564, (being 3.4 cents per security) was paid on 30 September 2017.
- \$1,647,524, (being 2.8 cents per security) was paid on 31 March 2018.

Key Highlights for the period ended 30 June 2018:

- Total Assets \$177.331M
- Net Tangible Assets \$89.252M
- Number of Stapled Units 58,840,131
- NTA per Stapled Security \$1.52
- No dividends were paid during the period ended 30 June 2018.

New Distribution

A discretionary Distribution of \$2,000,564 being 3.4cents per stapled security, has been recommended by the Board of PML to the Trustee of the PMLT to be paid for the year ending 30 June 2018 and for payment to be made by 30 September 2018.

Strategic Share Purchase Investment

PML has taken a strategic share placement of 937,500 shares (currently \$1.60 party paid) in Brisbane Markets Limited (BML) to assist it in funding its development growth. This investment in BML is based on our belief in the strategic opportunities arising in the fresh produce markets industry at a national level. The total investment when fully paid (by April 2019) will be \$3M.

Master Plan for the SE Development Triangle Vacant Land

The master plan for the area has been completed and the Development Application for Stage 1(a) and 1(b) comprising 3 buildings totalling approx. 12,000m² plus infrastructure has been submitted. The prospective tenant expression of interest remains strong.

Other expansion development work for an existing tenant adjoining the development area is also in progress.

Strategic Plan

We have finalised the PML 5 year Strategic Plan and look forward to sharing key aspects of that plan prior to the AGM.

Strategic Corporate Activity of the Group

The PML Board has approved a distribution policy objective of distributing approximately 70% of trading profit with the retention to assist the appropriate funding and capital management options and structure for the group's future.

PML continues to believe that the group would be better suited to a simplified corporate structure that does not include the stapled securities under the current two Trusts and operational framework. Regulatory applications have been made for duty relief to facilitate this outcome prior to reverting to security holders for formal restructuring approval.

Background of Perth Markets Limited

The Market City site, owned by Perth Markets Limited, is a diverse cluster of businesses involved in wholesale trading, food retailing, business service providers and weekend consumer markets. The site, as a whole, not only plays a crucial role in fresh produce supply but also makes a significant contribution to the State's economy and positively impacts local communities and families.

The Market City site is situated on 51 hectares of land in Canning Vale, 16km south of the CBD of Perth, WA and is the only wholesale fresh produce market in WA.

The site was acquired by PML with ownership assumed on 31st March 2016, from the Western Australian Government under its asset sales program.

PML is an industry focused, unlisted public company with stapled securities holders who are predominantly horticulture value chain industry participants.

As an industry based facility owner, manager and developer, PML's primary focus is ensuring the Market City Facility remains a marketing and distribution hub for fresh produce, and other products and services. The Market City facility remains critical in the fruit and vegetable value chain from farmer, transporter, wholesaler, retailer to consumer.



Stephen Ward
Chief Executive Officer

For more information regarding this update, please contact PML on (08) 9456 9200 or pml@perthmarket.com.au