



Viva Energy REIT
HY2017 Results
30 June 2017

VIVA
Energy | REIT

17 August 2017

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A wide-angle photograph of a Shell Coles Express gas station in West Ryde, NSW. The station features a large canopy with yellow and red stripes and the Shell logo. Several fuel pumps are visible, with signs for V-Power and Quality Fuels. A Coles Express convenience store is attached to the station. A silver pickup truck is parked at one of the pumps. A large blue circle with the word 'Highlights' is overlaid on the left side of the image.

Highlights

Margaret Kennedy
Managing Director
VER Manager Pty Ltd

Shell Coles Express West Ryde, NSW

Highlights

**Upgraded
FY2017
Distributable
Earnings
Guidance to
13.2 CPS**

**Continued Growth
Through
Acquisitions**

**Proactive Capital
Management Plan
Implemented**

Shell Coles Express Balmoral, QLD



Financial Highlights

Half year ended 30 June 2017

Statutory Net Profit	\$43.1m		
Distributable Earnings	\$47.0m	6.80 CPS ¹	+5.8% PDS forecast ²
Net Tangible Assets (NTA)	\$2.07 ³ per stapled security		



Shell Coles Express Laverton North, VIC

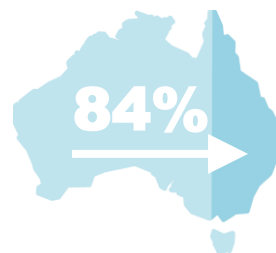
1. Distributable Earnings divided by the weighted average number of securities outstanding during the financial period
2. Forecast 1HY2017 Distributable Earnings will not equal 2HY2017 Distributable Earnings, refer to PDS for FY2017 Forecasts
3. \$2.01 after payment of 6.60 CPS distribution on 11 August 2017

Portfolio Overview

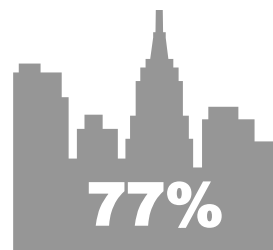
As at 30 June 2017



\$2.22 billion portfolio of 437¹ high quality service station properties



Geographically diversified across all Australian states and territories, 84% located in eastern seaboard states



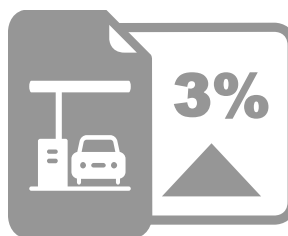
77% of properties situated in metropolitan locations



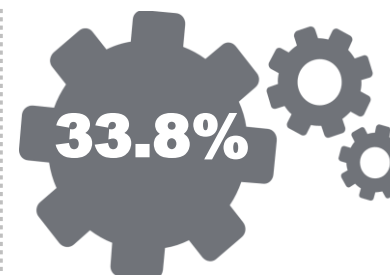
Predominantly long term Triple Net leases² to Viva Energy Australia³, a high quality investment grade rated tenant



FY2017 Distributable Earnings guidance of 13.2 CPS, reflecting a yield of 6.1% at ASX close price 16 August 2017



WACR 5.9%, WALE of 14.2 years, 100% occupancy and 3% p.a. fixed rent increases^{4,5}

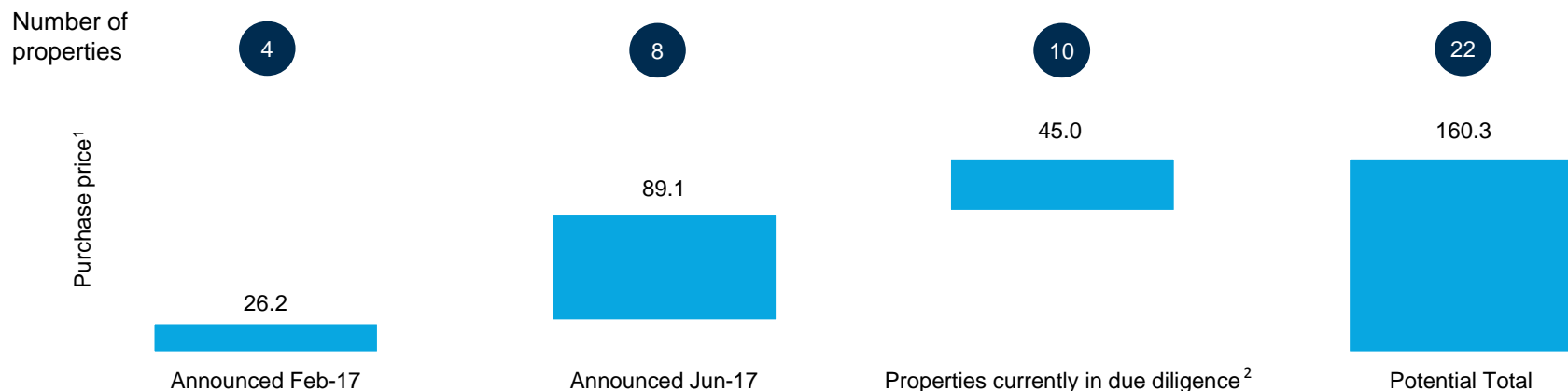


Gearing of 33.8% provides balance sheet capacity for further acquisitions

1. Six properties contracted to be acquired by Viva Energy REIT were not settled as at 30 June 2017
2. 11 out of 437 properties in the portfolio currently have Double Net leases in place
3. One out of 437 properties is leased to Liberty Oil, Viva Energy Australia is a 50% shareholder in Liberty Oil
4. 3% annual rent increases on Initial Portfolio commence August 2017
5. 11 out of 437 properties in the portfolio are subject to annual rent increases other than fixed 3% per annum

Demonstrated Acquisition Track Record

Since inception to 30 June 2017



Demonstrated ability to source and secure assets

88% of acquisitions to date located in metropolitan areas

\$135 million of undrawn debt capacity

All properties secured off-market

1. Excluding transaction costs

2. Some or all properties currently under due diligence may not be acquired

Acquisition Highlights

Total contracted acquisitions since inception to 30 June 2017

<p>Total contracted acquisitions \$115.3¹ million</p>	<p>12 properties, 88% situated in metropolitan areas</p>	<p>\$9.6m average purchase price¹</p>	<p>WACR² 5.9%</p>	<p>WALE 9.9 years</p>
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1. Total purchase price excluding transaction costs
2. Weighted by contract price excluding transaction costs
3. Some or all properties currently under due diligence may not be acquired

Strategy

Market Leading National Retail Fuel & Convenience Distribution Platform

Irreplicable high quality strategically located retail fuel & convenience properties

Strong growth in Coles convenience store sales¹

100% occupancy, predominantly long term Triple Net Leases² to investment grade rated and other high quality tenants

Organic earnings growth through unlevered 3% annual rent increases³

Inorganic earnings growth through ongoing acquisitions

Portfolio underpinned by quality real estate assets

1. Refer slide 31 and WES ASX Announcements 2016 Full Year Results, 2015 Full Year Results & 2014 Full Year Results

2. 11 out of 437 properties in the portfolio have Double Net Leases

3. 11 out of 437 properties in the portfolio are subject to annual rent increases other than fixed 3% per annum



Financial Results

Guy Farrands
Chief Financial Officer
VER Manager Pty Ltd

Shell Coles Express Coorparoo, QLD

Statutory Financial Performance

Statutory Profit and Loss \$m	HY2017 Actual	HY2017 PDS Forecast ¹
REVENUE		
Gross property income	63.2	61.8
Straight lining of rental income	15.2	15.2
Interest income	0.3	0.5
Total revenue	78.7	77.5
EXPENSES		
Interest expense	(14.9)	(15.3)
Board and Management expenses	(2.4)	(3.4)
Total operating expenses	(17.3)	(18.7)
Net operating profit	61.4	58.8
Fair value adjustments on investment properties	(3.1)	-
Straight lining adjustment on fair value of investment properties ²	(15.2)	(15.2)
Net profit	43.1	43.6

1. Forecast 1HY2017 Distributable Earnings will not equal 2HY2017 Distributable Earnings, refer to PDS for FY2017 Forecasts

2. Straight lining of rental income adjustment on fair value of investments properties included in PDS forecast to enable like for like comparison

Distributable Earnings

Distributable Earnings \$m	HY2017 Actual	HY2017 PDS Forecast ¹
Gross property income	63.2	61.8
Straight lining of rental income	15.2	15.2
Interest income	0.3	0.5
Total revenue	78.7	77.5
Interest expense	(14.9)	(15.3)
Board and Management expenses	(2.4)	(3.4)
Total operating expenses	(17.3)	(18.7)
Net operating profit – statutory	61.4	58.8
Add back:		
Amortisation of debt establishment costs	0.8	0.8
Deduct:		
Straight lining of rental income	(15.2)	(15.2)
Distributable Earnings	47.0	44.4
Distributable Earnings Per Security	6.8 CPS	
Distribution - paid 11 August 2017	6.6 CPS	

1. Forecast 1HY2017 Distributable Earnings will not equal 2HY2017 Distributable Earnings, refer to PDS for FY2017 Forecasts

Financial Position

Balance Sheet \$m	30 June 2017
Cash	119 ¹
Investment properties	2,145 ²
Fair value of interest rate swaps	6
Prepayments and deposits	5
Total Assets	2,275
Accounts payable and accruals	24
Borrowings	742
Total Liabilities	766
Net Assets	1,509
Net Tangible Assets Per Security	\$2.07³

- Directors valuations of investment properties undertaken as at 30 June 2017
- Properties must be independently valued at least every three years on a rolling annual basis commencing as at 31 December 2017

1. Prior to payment of HY2017 distribution of \$48 million paid 11 August 2017

2. Does not include six properties contracted to be acquired by Viva Energy REIT which were not settled as at 30 June 2017

3. \$2.01 after payment of 6.60 CPS distribution on 11 August 2017

Capital Management

As at 30 June 2017

Gearing at 33.8% and FY17 ICR expected to be greater than 4.1X

Target gearing range between 35% to 45%

Drawn debt has been 98.7% hedged for a weighted average 3.1 years at an average interest rate of 3.72%

Unsecured borrowings with no priority security

Additional \$90 million 3 years revolving credit facility and \$60 million acquisition loan facility implemented; these facilities are expected to be used primarily to fund growth opportunities

Successful institutional equity placement raised approximately \$80 million (before costs) at \$2.31 per security in late June 2017

A photograph of a Shell Coles Express gas station in Ultimo, NSW. The station features a prominent yellow and red canopy with the Shell logo. Several gas pumps are visible, each with a sign that reads "DEFEND AGAINST GUNK". A Coles Express convenience store is attached to the station. A blue car is parked at one of the pumps. The background shows a brick building and a cloudy sky.

Portfolio & Acquisition Update

Margaret Kennedy

Shell Coles Express Ultimo, NSW

Portfolio Overview

	Properties	Book Value (\$m)	Average Property (\$m)	WACR ²	WALE (years)
Metropolitan	313	1,709	5.5	5.6%	14.4
Regional	124	511	4.1	6.8%	13.6
Total	437 ¹	2,220 ¹	5.1	5.9%	14.2



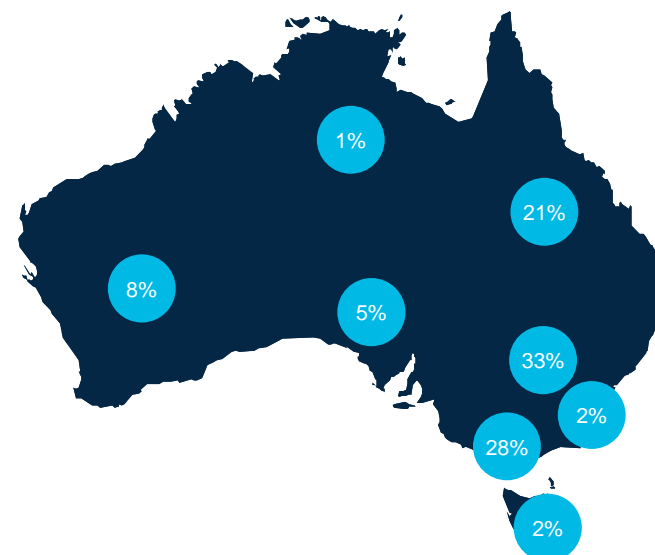
1. Includes six properties contracted to be acquired by Viva Energy REIT which were not settled as at 30 June 2017

2. Weighted by contract price excluding transaction costs

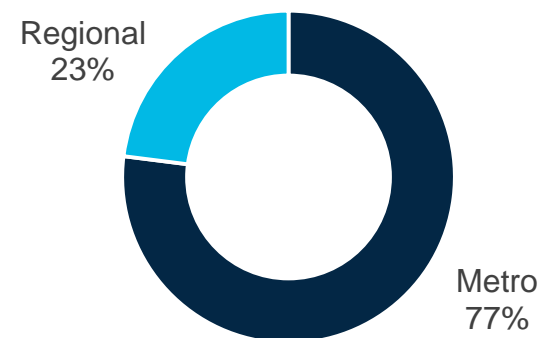
Portfolio Profile

- 84% weighted towards Australia’s more populous Eastern seaboard states
- 77% weighted to metropolitan properties
 - typically higher value and higher volume properties that attract tighter cap rates
 - located on major roads with high traffic volumes and in higher population density areas
 - ease of entry and exit
 - multiple lanes with premium and/or diesel fuel
 - average property area approximately 3,500m²
- 23% weighted to regional properties
 - highway or main road locations in major regional centres with significant traffic flow
 - ease of access, particularly for heavy vehicles
 - average property area approximately 6,000m²

Portfolio geographic diversification



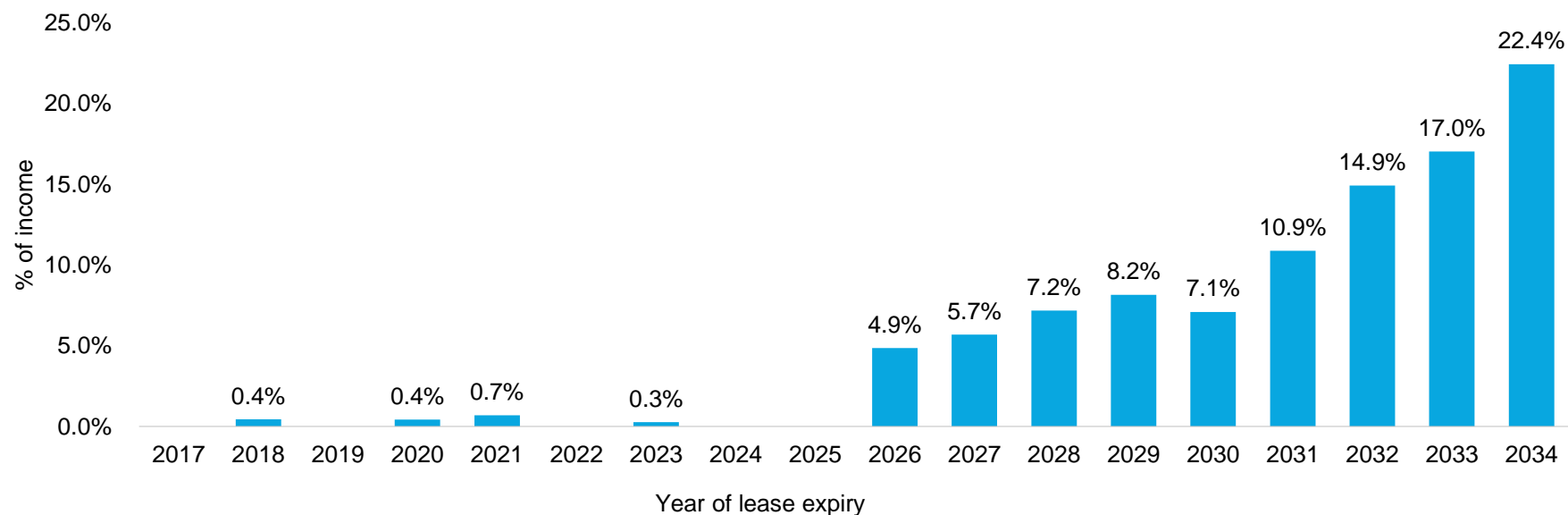
Portfolio metropolitan and regional split



Portfolio Lease Profile

- 100% occupancy
- 3% per annum fixed rental growth commencing August 2017¹

Portfolio WALE – by income



1. 11 out of 437 properties in the portfolio are subject to annual rent increases other than fixed 3% per annum

Acquisition Summary

As at 30 June 2017

Contracted to acquire 12 additional properties for total purchase price of \$115.3¹ million

\$9.6¹ million average purchase price reflecting higher sales volume per property

WACR² of 5.9%

WALE of 9.9 years

88% of acquired properties situated in metropolitan areas

Potential to leverage accretion through additional debt funded acquisitions

Undrawn debt capacity of \$135 million as at 30 June 2017

\$45 million acquisition pipeline subject to due diligence³

1. Total purchase price of acquisitions since August 2016 excluding transaction costs
2. Weighted by contract price excluding transaction costs
3. Some or all properties currently under due diligence may not be acquired

Portfolio Impact of Acquisitions

Portfolio metrics	Initial Portfolio	Total Acquisitions	Total Portfolio
Portfolio (\$m)	2,105 ¹	115 ²	2,220 ³
Number of properties	425	12	437 ³
Occupancy	100%	100%	100%
WALE	14.4	9.9	14.2
WACR	5.9%	5.9%	5.9%



1. Independent valuation as at 1 July 2016 on Initial Portfolio outlined in PDS
2. Total contracted purchase price excluding transaction costs
3. Includes six properties contracted to be acquired by Viva Energy REIT which were not settled as at 30 June 2017



Industry Update

Margaret Kennedy

Shell Coles Express Rouse Hill, NSW

Industry Participants

ACCC flags preliminary concerns regarding BP's proposed acquisition of Woolworths fuel business

Convenience Retail REIT (ASX: CRR) admitted to Official List of ASX

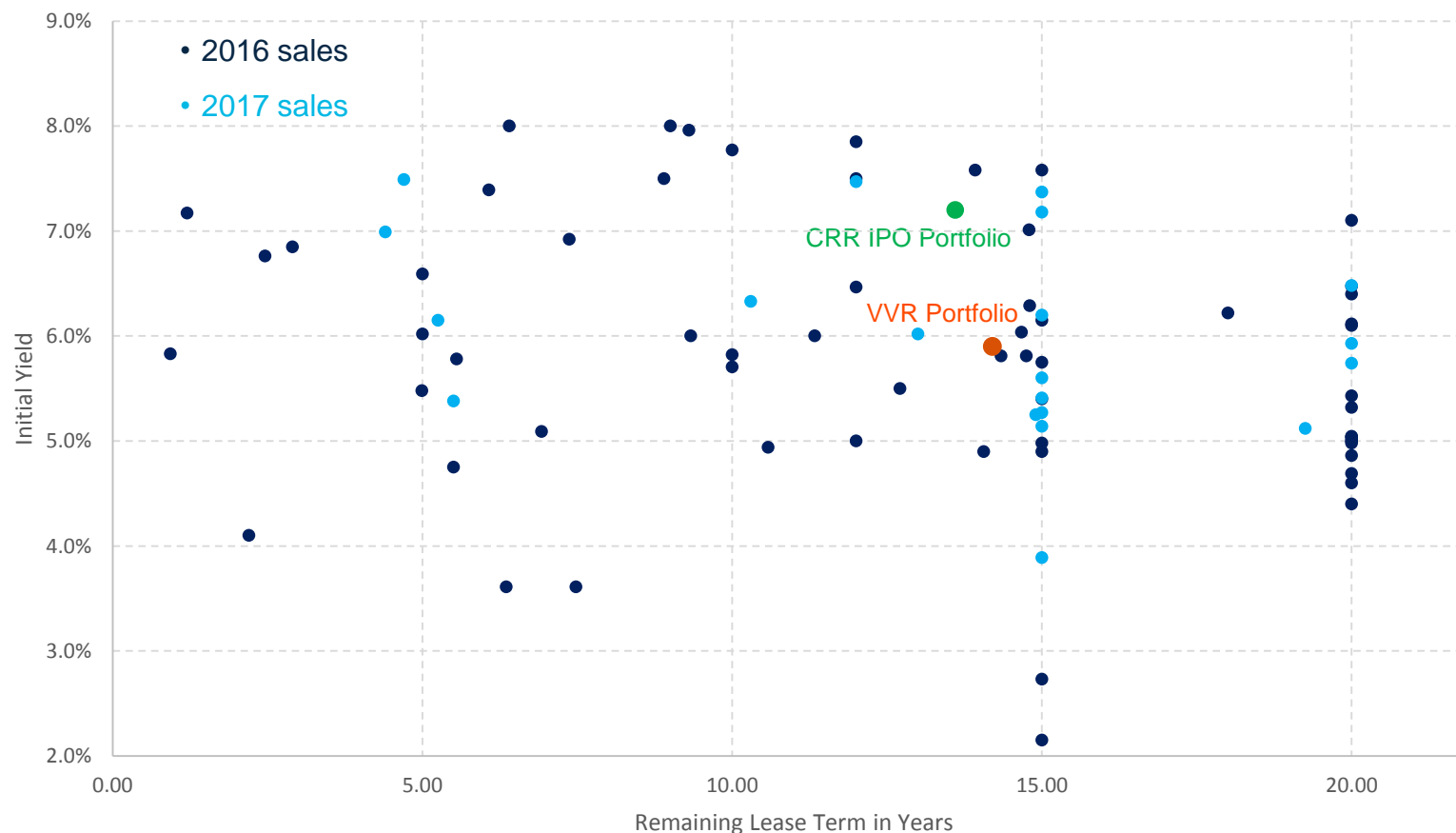
Caltex Australia Ltd (ASX:CTX) completes acquisition of Milemaker

Shell Coles Express Balmoral, QLD



Retail Fuel & Convenience Property Sales

2016 & 2017 year to date



Liquid market

Yields reflective of quality

Source: Jones Lang LaSalle Advisory Services Pty Limited (JLL) Market Report 30 June 2017 for VER Manager Pty Ltd as Manager of Viva Energy REIT. Yields are net initial yields based upon net passing income at the time of sale and are based on a sample of service station sales through metropolitan and regional Australia during 2016 and 2017. This sales data is intended to provide an indication only, JLL are not representing that every sale within the Sector has been captured within the sample. JLL accepts no liability for any inaccuracies contained in the information that has been sourced from a variety of industry sources, or for conclusions which are drawn either wholly or partially from that information. No responsibility is accepted to any third parties.

Electric Vehicles in Australia

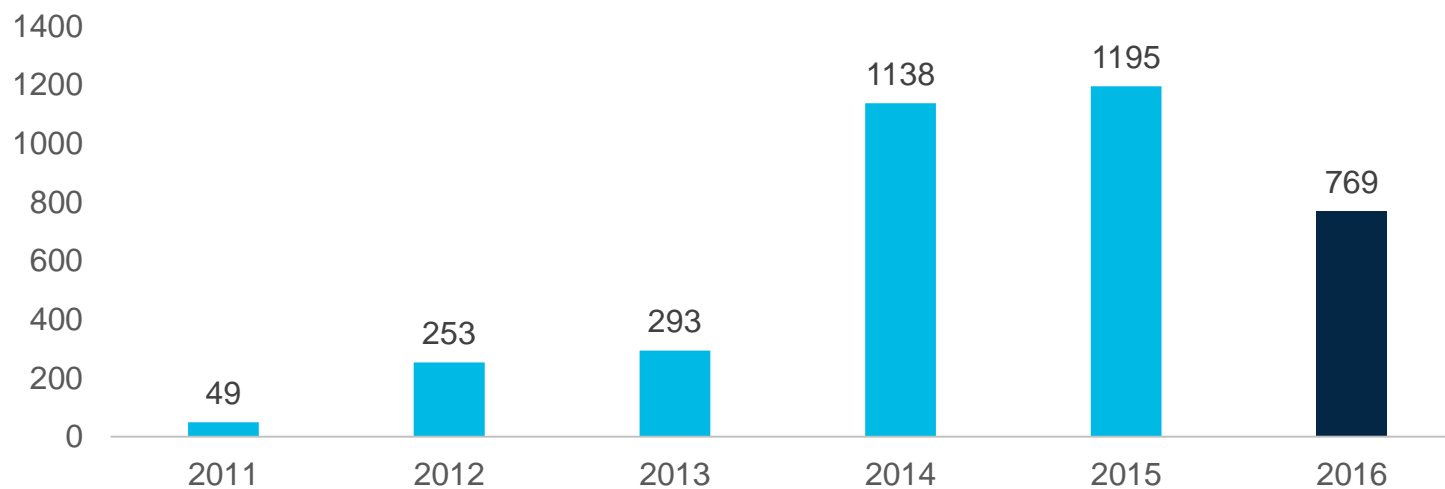
There is considerable variance in forecast uptake of electric vehicles (EV) in Australia

Purchase price of EVs are not currently subsidised in Australia

Over 1.18 million sales of new motor vehicles in Australia to year ended 31 December 2016¹

- 68 full EV and 701 plug-in hybrid EV sales during the period²
- EV sales in Australia fell 35% from 2015 to 2016²

Electric Vehicle Sales in Australia: 2011 - 2016²



EV sales represented less than 0.1% of total new vehicle sales in Australia in 2016

1. ABS New Motor Vehicle Sales data

2. Federal Chamber of Automotive Industries New Vehicles Sales data (VFACTS); excludes Tesla sales - Tesla does not publicly release new vehicle sales data



Viva Energy Australia Update

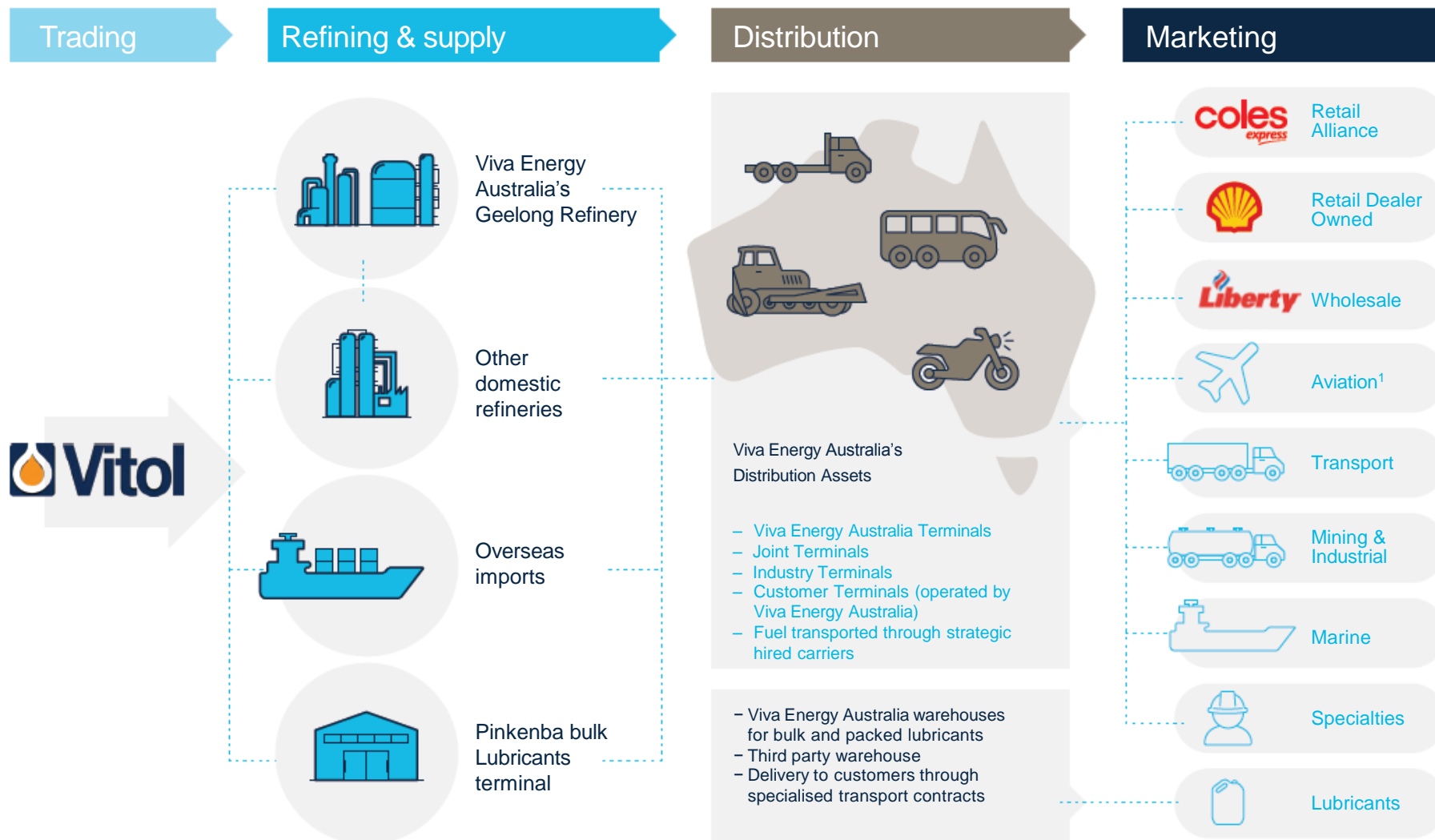
Margaret Kennedy

Shell Coles Express Bunker Hill, VIC

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Snapshot of Viva Energy Australia

Fully integrated player with key positions in all major market segments



1. Viva Energy Australia acquired Shell Aviation business in June 2017

Viva Energy Australia

Viva Energy Australia is the exclusive supplier of fuel and other oil products in Australia under the Shell brand¹

Viva Energy Australia manufactures, supplies and markets fuel in Australia through a market leading retail fuel and convenience platform comprised of 962 primarily Shell branded service stations²

- 662 Alliance properties
- 300 non Alliance properties (dealer operated, commission agent, truck stops and development)

Viva Energy REIT owns 431 Alliance, 5 non Alliance and 1 Liberty Oil leased Shell branded properties³

Assigned S&P BBB- rating; outlook stable

Productive working relationship between Viva Energy Australia and Viva Energy REIT management

Continues to view its investment in Viva Energy REIT as strategically significant and currently intend to maintain a significant security holding

1. Shell branding is used in the marketing of fuels in Australia by Viva Energy under a Brand Licence Agreement
2. Viva Energy Australia network figures as at 30 June 2017
3. Includes six properties contracted to be acquired by Viva Energy REIT which were not settled as at 30 June 2017

Shell Retail Brand Refresh Program

Viva Energy Australia is committed to maintaining the highest standard of property facilities and are currently implementing the Shell Retail Brand Refresh program

The program brings each property into compliance with Shell's global retail visual guidelines which are:

- thoroughly and deeply cleaned
- freshly painted
- refreshed decals, signs and fascia's installed as required

Refresh program has been completed for over 200 retail properties (27% of total planned works) with the balance expected to be completed by 30 April 2018



Before and after pictures of Shell Retail Brand Refresh Program undertaken at Shell Coles Express Hope Valley, SA

Coles Express

Alliance properties are operated by Coles Express¹ under the terms of the Alliance Agreement between Viva Energy Australia and Coles Express¹ which is due to expire in 2024, either party may unilaterally extend the term by five years to 2029

Coles Express¹ is the retail convenience offering of the Coles group, part of ASX listed Wesfarmers Limited

Coles reported total convenience store sales CAGR of 8.9% over 3 years to 30 June 2016²

Shell Coles Express Woolloomooloo, NSW



1. References to Coles Express refer to Eureka Operations Pty Ltd trading as Coles Express, Eureka Operations Pty Ltd is a subsidiary of Wesfarmers Limited
 2. WES ASX Announcements 2016 Full Year Results, 2015 Full Year Results & 2014 Full Year Results



**FY2017
Outlook**

Margaret Kennedy

Coles Express Milton, QLD

Outlook and Forecast

Optimise Core Business

Viva Energy REITs investment objective is to own a portfolio of high quality and strategically located Australian fuel and convenience properties subject to long term leases to Viva Energy Australia and other high quality tenants

Growth Opportunities

Viva Energy REIT will continue to consider acquisition and property development opportunities which:

- Focus on sustainable risk adjusted returns
- Add value for security holders

Capital Management

Review of debt capital structure is ongoing, maintain target gearing range of 35-45%

**FY2017
Distributable
Earnings
13.2 CPS**

Viva Energy REIT's FY2017 Forecast Distributable Earnings guidance has been increased from 13.07 to 13.2 CPS

Glossary

Alliance	The contractual alliance between Viva Energy Australia and Coles Express (and their associated entities) including the Alliance Agreement and Site Agreements as outlined in the PDS
CAGR	Compound average growth rate
Cap rate	Capitalisation rate
CPS	Cents per security
Distributable Earnings	This is a non-IFRS measure being net statutory profit adjusted to remove transaction costs and non-cash items, including straight lining of rental income, amortisation of debt and establishment fees and any fair value adjustments to investment properties or derivatives
Distributable Earnings Per Security	Calculated as Distributable Earnings divided by the weighted average number of ordinary securities outstanding during the financial period
Double Net lease	Agreement where the tenant is responsible for all outgoings except fair wear and tear, capital expenditure, the difference between single and multiple holding land tax and, in some cases, the landlord's property management fees (if any)
Forecast	The financial forecasts contained in Viva Energy REITs PDS or other public materials
FY	Viva Energy REIT financial year, being year end 31 December
Gearing	Total liabilities to total tangible assets measured in accordance with Accounting Standards, but excluding any mark-to-market valuations of derivative assets/liabilities

Glossary

HY	Viva Energy REIT half year, being half year end 30 June
Initial Portfolio	Portfolio of 425 properties as detailed in the PDS
Interest Coverage Ratio or ICR	Earnings before interest, tax, depreciation and amortisation (excluding any asset revaluations, mark-to-market movements and transaction costs) divided by Net Interest Expense
Liberty Oil	Liberty Oil Holdings Pty Limited (ABN 67 068 080 124)
PDS	Viva Energy REIT's Replacement Prospectus and Product Disclosure Statement dated 22 July 2016
Triple Net lease	Agreement where the tenant is responsible for all outgoings. In the case of Viva Energy REIT's leases to Viva Energy Australia, the landlord's property management fees (if any) are not paid by the tenant
Viva Energy Australia	Viva Energy Australia Pty Ltd (ABN 46 004 610 459)
Viva Energy REIT or VVR	Viva Energy REIT is a stapled entity comprising one share in Viva Energy REIT Limited (ABN 35 612 986 517) and one unit in the Viva Energy REIT Trust (ARSN 613 146 464)
WACR	Weighted average capitalisation rate, weighted by contract price excluding transaction costs
WALE	Weighted average lease expiry, weighted by rental income

Questions

Power
what you love



Margaret Kennedy

Shell Coles Express St Kilda, VIC

Appendix 1: Summary of acquisitions¹

Suburb	State	Region	Price (\$m) ²	Settled
Alderley	QLD	Metro	9.7	No
Alice Springs	NT	Regional	2.9	Yes
Annerley	QLD	Metro	10.8	Yes
Blaxland	NSW	Metro	5.5	Yes
Coomera	QLD	Metro	19.3	No
Fawkner	VIC	Metro	9.3	No
Halfway Creek	NSW	Regional	7.0	Yes
Katherine	NT	Regional	4.0	Yes
Langwarrin	VIC	Metro	5.7	No
Laverton North	VIC	Metro	21.6	No
Rouse Hill	NSW	Metro	10.5	Yes
Truganina	VIC	Metro	9.0	No

1. Refer to VVR ASX Announcements 21 Feb 2017 and 22 June 2017 for further details of property acquisitions

2. Contracted acquisition price excluding transaction costs

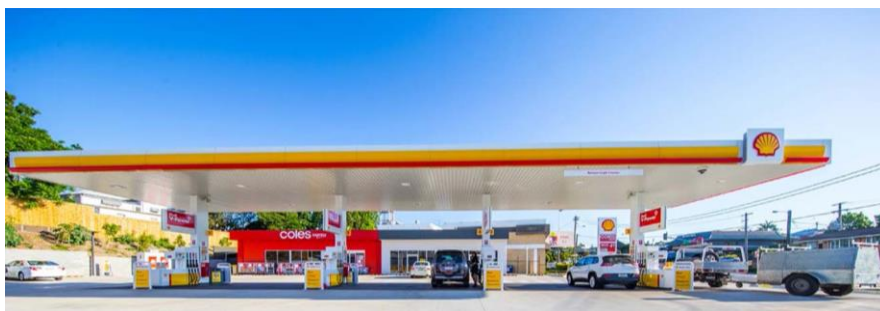
Appendix 1: Summary of acquisitions



Shell Truganina, VIC



Shell Coles Express Fawkner, VIC



Shell Coles Express Annerley, QLD



Shell Coles Express Laverton North, VIC