



MELCOR 9 2012 Annual General Meeting

# Forward Looking Statements

This presentation contains statements that are forward-looking.

Forward-looking statements are disclosures regarding possible events, conditions, or results of operations that are based on assumptions about future economic conditions, courses of action and include future-oriented financial information.

These statements represent Melcor's intentions, plans, expectations, and beliefs and are based on our experience and our assessment of historical and future trends, and the application of key assumptions relating to future events and circumstances. Future-looking statements may involve, but are not limited to, comments with respect to our strategic initiatives for 2013 and beyond, future development plans and objectives, targets, expectations of the real estate, financing and economic environments, our financial condition or the results of or outlook of our operations.

By their nature, forward-looking statements require assumptions and involve risks and uncertainties related to the business and general economic environment, many beyond our control. There is significant risk that the predictions, forecasts, valuations, conclusions or projections we make will not prove to be accurate and that our actual results will be materially different from targets, expectations, estimates or intentions expressed in forward-looking statements. We caution readers of this document not to place undue reliance on forward-looking statements. Assumptions about the performance of the Canadian and US economies and how this performance will affect Melcor's business are material factors we consider in determining our forward-looking statements. For additional information regarding material risks and assumptions, please see the discussion under Business Environment and Risks, pages 25-26 of our annual MD&A.

Investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Except as may be required by law, we do not undertake to update any forward-looking statement, whether written or oral, made by Melcor or on its behalf.



# **AGENDA**

## **Formal Business**

- ☐ Call to Order
- ☐ Presentation of Financial Statements
- ☐ Election of Directors
- ☐ Appointment of Auditors

**Management Presentations** 

Q&A



# MANAGEMENT PRESENTATIONS

Message from the Executive Chairman

Message from the CEO

**Message from the President** 

Q&A



# BRIAN BAKER



Message from the President

# Why Melcor

Why have you invested your hard-earned

dollars in this company?

Why do you stay invested?

Why **should** you stay invested?





# Our History

years in business

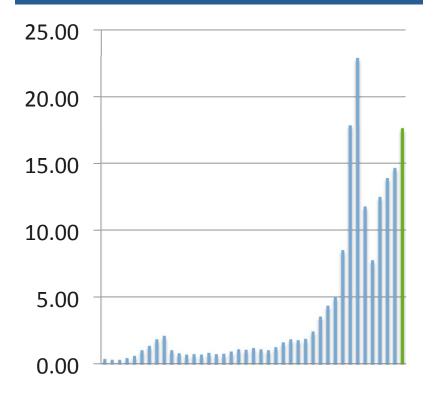
years as a public company

years of dividends

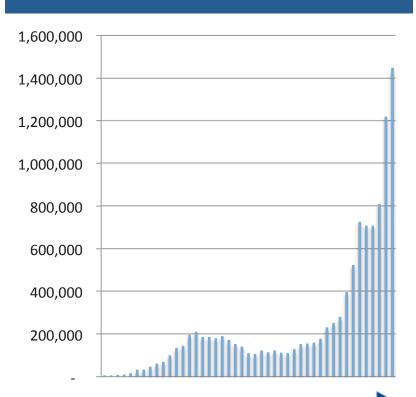


# 45 Years of Results

# **Share Price** (Annual Average)



### **Assets**

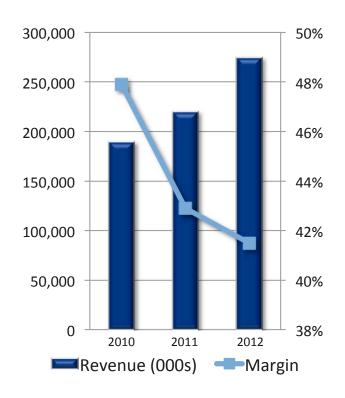




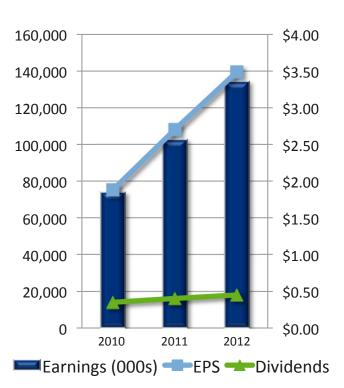
# **Our Present**

# **2012:** our most

### Revenue & Margin



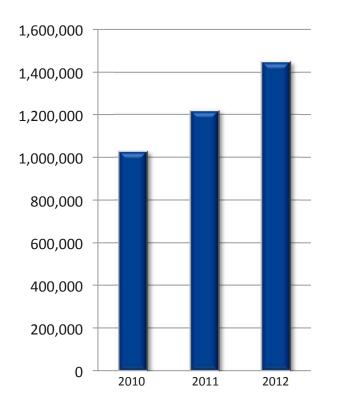
### Earnings, EPS & Dividend



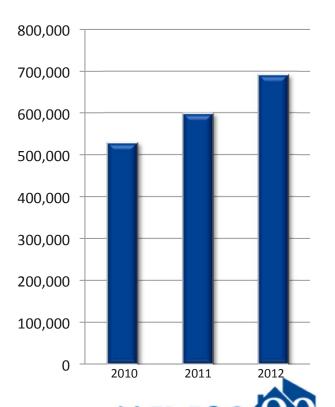


# Our Present

### Assets



# Shareholders Equity



# Our People

16
Team
Members
in Quarter
Century Club





# Our Future



78% of Revenue

**51%** of Pre-tax Earnings

acres land inventory

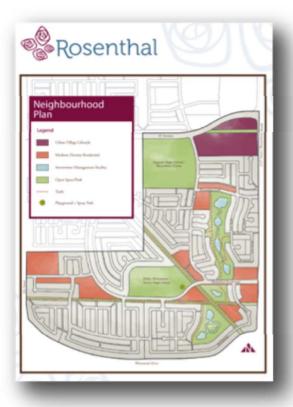


**Community Development** 



560 acre Masterplanned community

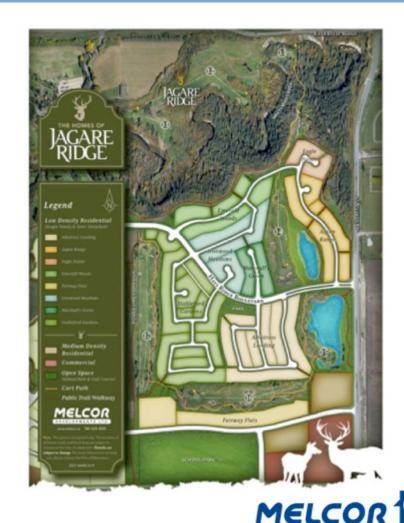








160 acre Estate community





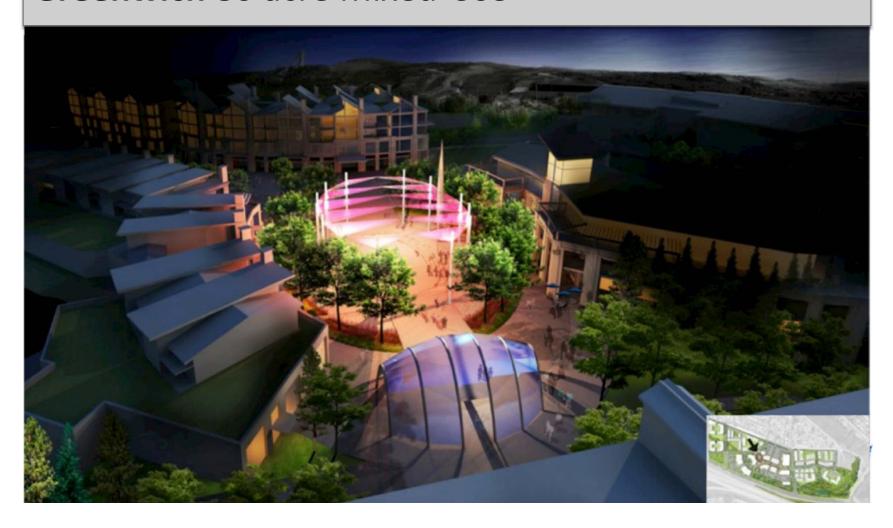
Far from ordinary.

160 acre
Master-planned
community





# **Greenwich** 80 acre Mixed-Use



# 12-15

year pipeline

square feet



**Property Development** 



725,000 sf Business Campus









400,000 sf Mixed-Use

# TELFORD INDUSTRIAL PARK





600,000 sf Industrial Park









2,250,000 sf Business Campus/Industrial Park







200,000 sf Mixed-Use



# **Recreational Properties**

Remaining Profitable in a Highly Competitive Market □ 4 Championship Golf Courses





# Melcor USA



8% of total assets

384% growth over 2 years

- Continued focus on building our US business
- □ Primarily residential







# Introducing







**Attractive Yield** 

6.25-6.75% – 93% AFFO payout, reliable, sustainable yield

Established & Diversified Portfolio

1.57M sf gross leasable area27 assets across office, retailand industrial classes

Direct Alignment of Interests with Melcor Developments

Melcor to retain significant ownership of 51%





Assured and Consistent Growth via Melcor's Development Pipeline

636,000 sf active development 3.8+ million sf in future development on 565 acres

**Experienced Management** 

Extensive knowledge & history Average ownership of 12 years

Exposure to High Growth Western Canadian Markets

Alberta and Saskatchewan to lead nation in GDP growth



# The Melcor REIT Advantage

# **Enables Continued Growth**

Melcor REIT will provide capital to fund growth

# **Provides Continued Ownership**

 We retain significant ownership of assets & participate in receive REIT distributions

# **Buyer for Properties**

Provides additional working capital, revenue and profit



# **Key Metrics**

**Debt to Equity Ratio** 

Minimum Availability on Credit Facility

**Gross Margin** 

Return on Equity Ratio

Admin Expense to Revenue Ratio

**Debt Coverage** 



# Why Melcor?

- Dividend paying growth company
- Highly talented, motivated & ethical team
- Integrated operations
- Hedging against industry cycles
- Responsible growth
- Relentless innovation & improvement



# Q&A

