

APN | Property Group

22 August 2008

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

APN Property Group profit is in line with its Market Guidance

APN Property Group (APD) has recorded a consolidated net profit after tax of \$10.1 million for the year ended 30 June 2008 a decrease of 42% compared to the \$17.4 million reported last year. The result reflects the substantial decline of the Australian Listed Property Trust (LPT or AREIT) market in the second half of the financial year and is consistent with the earnings guidance provided to the market in April this year.

Significant factors in this result include:

- ↓ Funds Under Management (FUM) declined by \$0.9 billion to \$3.9 billion resulting in lower fees from funds under management;
- ↑ Additional fees resulting from the acquisition during the period of APD's 50% partner in the asset management of the listed APN/UKA European Retail Property Group (ASX code "AEZ");
- ↑ Sale for \$6.5 million of APD's interest in a development site to APN Development Fund No. 2;
- ↓ Write down in the carrying value of APD's investment in the managed fund, AEZ;
- ↓ A reduction in transaction fees earned in this period compared to the prior period; and
- ↓ Increased overheads, reflecting the establishment of APD's London office and higher staff costs including share option expenses.

APD Profit impacted by AREIT market decline

Substantial declines in REIT markets both in Australia and overseas have been a significant factor in APD's 2008 results. APD is exposed to this market through its property securities funds which are significant contributors to its management fee revenues. APD's total FUM declined in value by \$0.9 billion to \$3.9 billion during the course of the year leading to a considerable reduction in management fees earned.

Overall the level of net inflow into APD's Managed Funds increased during the year, though inflows were stronger in the first half. APD remains well placed to benefit strongly when markets recover and the values of property investments return.

Morningstar Award for Fund Manager of the Year

APD continues to be well regarded as a Fund Manager. This was evidenced during the year with award by Morningstar to APN Funds Management (wholly owned by APD) of Fund Manager of the Year for Australian Listed Property.

Three New Funds Established

During the early part of the year, three new Funds were launched.

The APN Development Fund No. 2 (DF2) following the success of the first development fund has raised equity commitments from wholesale investors of \$105 million.

The APN Champion Retail Fund the third of APD's European unlisted direct property syndicates for institutional and retail investors. It has acquired an interest in a portfolio of supermarkets in Greece from the AEZ. Approximately 45% of the fund has been sold to retail investors. The balance will be retained by AEZ, at least until investor interest returns to the marketplace.

The APN Euro Property Fund, which is a fund of funds, offering diversity to retail investors wishing to invest in European retail/diversified property. The Euro Fund holds investments in each of APD's European direct property syndicates (Vienna, Poland and Champion Funds).

Remaining 50% of the Management of AEZ and European Property Syndicates Acquired

On 17 August 2007, APD acquired the rights to the remaining 50% of the Asset Manager of the listed APN/UKA European Retail Property Group (AEZ). Recently, it completed an agreement to acquire the remaining 50% of the asset management of its European property syndicates and agreed a settlement sum to replace all contingent future payments under the earlier transaction.

For a total cost of \$13.5 million, APD has acquired 100% of the asset management rights of AEZ and the APD's European property syndicates.

Sale of Interest in Development Site at 150 Collins Street, Melbourne

In December 2007, the Company sold its interest in a development site at 150 Collins Street in Melbourne for \$6.5 million. This development opportunity will be the first project for the recently established Development Fund No. 2 providing it with prospects for early success, in line with APN Development Fund No. 1 which has reported strong results to date.

Investment in AEZ written down

The financial results include a write down in the value of the Company's investment in APN/UKA European Retail Property Group (AEZ). APD acquired 3,976,605 units in AEZ as consideration for management fees earned in the financial year ended June 2007. The units were acquired at the market price prevailing at the time of \$1.27 per unit. It also owns a further 660,000 units acquired at the time of the listing of AEZ for \$1.00 per unit.

As foreshadowed in the April earnings guidance to the market, these units have now been written down to the market price at balance date of 25.5 cents per unit.

Earnings from Transaction Fees Down for the Year

A casualty of the current market climate is the Company's opportunity to grow its FUM and hence to generate transaction fees from property acquisitions and debt arrangement activities. Although individually these fees are non-recurring, historically they have been consistently replaced as business expanded.

In the current financial year, some fees were earned in the early part of the year. Directors do not expect significant future revenue from transaction fees until there is a recovery in the market.

Investment in IT Platform for APD's European Activities

During the period, the Directors approved capital expenditure of up to \$4.2 million for the acquisition and implementation of the JD Edwards Property Management and Accounting System and the Hyperion Accounting Consolidation System to manage the European activities. At 30 June 2008, the balance sheet includes as an intangible asset, \$2.9 million for software development costs incurred and capitalised to date. Completion of the implementation project will occur in stages during 2008 and early 2009.

Long term Incentives – Issue of Shares to Key Staff

During the year a total of 4.3 million shares were issued to staff in accordance with the terms of the APN Employee Share Plan. A relatively small number of these were issued to a wide range of employees as part of a staff incentive program. Significantly however, the majority of these shares were issued to three executives identified as important to the future growth of the business. A fourth employee was offered a large parcel of shares in an earlier financial year. Vesting of these shares can occur over a period of three years, subject in the case of two employees, to their contributions to company EPS growth targets, and for the other two, in delivering earnings growth targets within the divisions for which they are responsible.

The financial results include a non-cash cost of \$1.2 million in respect of the shares issued under this arrangement.

Increased Overheads Reflect the Full Year Costs of New London Office

Overheads increased during the year by approximately \$4.1 million. This reflects the additional cost of the long term incentive shares issued to staff, as noted above, plus the impact of APD's London office which was opened during the previous financial year and now contributes a full years worth of costs. Overheads for the year also include employee termination costs incurred as part of the cost cutting measures implemented late in the year.

Total Dividend Paid/Payable is Approximately 100% of FY08 Earnings

Directors have declared a final dividend of 3 cents per share which will be paid on 13 October 2008 to shareholders registered at 26 September 2008. Coupled with the interim dividend of 4.5 cents per share, this represents a payout ratio of approximately 100% of current year consolidated earnings. This is considerably higher than the policy of paying around 75% of earnings however, Directors recognised that it is also below the 10 cents per share paid last year.

The current dividend policy reflects a view that APD should pay out its recurring earnings as dividends. The practice of paying approximately 75% reflects an estimate of their contribution to earnings with transaction fees and one time revenues making up the balance. Directors will review the dividend payout policy again at the time of the next dividend period, having regard for the circumstances then prevailing.

Outlook

Directors are uncertain about the timing of the recovery of both the broader market and the property sector. However, APD is well positioned to survive a prolonged downturn and benefit from the recovery.

- The Company has negligible borrowings;
- Directors have no margin loans;
- Core income is earned from retail funds where APN has strong brand loyalty and a long term record of outperformance;
- AEZ generates fees from its fixed capital base;
- Overheads have been reduced in line with current income levels; and
- The Group has cash at balance date of \$12.6 million

APD's property securities funds will remain focused on their traditional income management style and continue to deliver steady, monthly consistent income distributions to investors.

APD's direct funds (both in Australia and Europe) hold properties that continue to deliver regular income streams. Interest costs have increased in some instances, as banks take advantage of the opportunities resulting from the limited capital supply existing today. However, most of these funds have adequate long term finance facilities and expect to continue as usual.

Whilst the AREIT market remains subdued, APD will continue to seek opportunities to establish new, innovative fund structures and to continue to expand its presence in the wholesale funds management sector.

Attachments

Accompanying this advice is ASX Appendix 4E Preliminary Final Report together with a copy of a Financial Analysis of the Results, which provides further details.

Enquiries

For enquiries contact: Chris Aylward, Managing Director on (03) 8656 1000



John Freemantle
Company Secretary

APN Property Group Limited and its controlled entities (“APD”)
Appendix 4E - Preliminary final report for the year ended 30 June 2008

Results for announcement to the market

	Financial year ended 30 June 2008 \$'000	Financial year ended 30 June 2007 \$'000	Movement \$'000	Movement %
Revenue from continuing operations	44,193	43,378	(815)	(1.88%)
Revenue from discontinued operations	-	-	-	-
Revenue from ordinary activities	44,193	43,378	(815)	(1.88%)
Profit from continuing operations after tax attributable to members	10,101	17,559	(7,458)	(42.47%)
Profit from discontinued operations after tax attributable to members	-	(154)	154	100%
Profit from ordinary activities after tax attributable to members	10,101	17,405	(7,304)	(41.96%)
Net profit attributable to members	10,101	17,405	(7,304)	(41.96%)
Basic earnings per share	7.74 cents	14.20 cents		
Diluted earnings per share	7.74 cents	13.80 cents		
Net tangible assets backing	26.80 cents	41.20 cents		
	Amount per security	Franked amount		
Dividend				
Ordinary Shares				
Final Dividend	3.0 cents	100%		
Interim Dividends	4.5 cents	100%		
Previous corresponding period	5.5 cents	100%		

Payment of Final Dividend

Record date for determining entitlement	26 September 2008
Payment date	13 October 2008

The results detailed in this Appendix 4E represent the consolidated financial results for APN Property Group Limited and its controlled entities for the year ended 30 June 2008. The consolidated net profit after income tax for APN Property Group Limited for the year ended 30th June 2008 was \$10,101,000.

Trends in Performance

Please refer to the media release and investor presentation

Commentary on results

Please refer to the media release and investor presentation

APN Property Group Limited and its controlled entities
 Income statement
 for the financial year ended 30 June 2008

	Consolidated	
	2008	2007
	\$'000	\$'000
Continuing operations		
Revenue	44,193	43,378
Cost of sales	(6,310)	(3,726)
Gross profit	37,883	39,652
Finance income	1,244	2,136
Share of profits of associates and jointly controlled entities accounted for using the equity method	(29)	(2,627)
Administration expenses	(23,435)	(13,975)
Finance costs	(145)	(215)
Profit/(Loss) before tax	15,518	24,971
Income tax (expense) / income	(5,417)	(7,412)
Profit/(Loss) for the year from continuing operations	10,101	17,559
Discontinued operations		
Profit for the year from discontinued operations	-	(154)
Profit for the year	10,101	17,405
Attributable to:		
Equity holders of the parent	10,101	17,405
Earnings per share		
From continuing and discontinued operations:		
Basic (cents per share)	7.74	14.20
Diluted (cents per share)	7.74	13.80
From continuing operations:		
Basic (cents per share)	7.74	14.32
Diluted (cents per share)	7.74	13.92

APN Property Group Limited and its controlled entities
 Statements of changes in equity
 As at 30 June 2008

Consolidated

	Fully paid ordinary shares \$'000	Retained earnings \$'000	Equity- settled employee benefits reserve \$'000	Investment revaluation reserve \$'000	Foreign currency translation reserve \$'000	Total Attributabl e to equity holders of the parent \$'000
Balance at 1 July 2007	50,636	16,123	341	-	(67)	67,033
Gain/(loss) on available-for-sale investments	-	-	-	-	-	-
Related income tax	-	-	-	-	-	-
Exchange differences arising on translation of foreign subsidiary company	-	-	-	-	(911)	(911)
Net income recognised directly in equity	-	-	-	-	(911)	(911)
Profit for the period	-	10,101	-	-	-	10,101
Total recognised income and expense	-	10,101	-	-	-	9,190
Payment of dividends	-	(13,027)	-	-	-	(13,027)
Share options exercised by employees	1,503	-	-	-	-	1,503
Employee gift shares issued	51	-	-	-	-	51
Recognition of share based payments	-	-	1,156	-	-	1,156
Balance at 30 June 2008	52,190	13,197	1,497	-	(978)	65,906
Balance at 1 July 2006	20,949	9,218	178	-	(13)	30,332
Share issue costs capitalised directly in equity	(981)	-	-	-	-	(981)
Deferred tax on transaction cost recognised directly in equity	294	-	-	-	-	294
Exchange differences arising on translation of foreign subsidiary company	-	-	-	-	(54)	(54)
Net income recognised directly in equity	(687)	-	-	-	(54)	(741)
Profit for the period	-	17,405	-	-	-	17,405
Total recognised income and expense	(687)	17,405	-	-	(54)	16,664
Payment of dividends	-	(10,500)	-	-	-	(10,500)
Share options exercised by employees	374	-	-	-	-	374
New capital raised through placement	30,000	-	-	-	-	30,000
Recognition of share based payments	-	-	163	-	-	163
Balance at 30 June 2007	50,636	16,123	341	-	(67)	67,033

APN Property Group Limited and its controlled entities
 Balance sheets
 As at 30 June 2008

	Consolidated	
	2008	2007
	\$'000	\$'000
Current assets		
Cash and cash equivalents	12,558	21,676
Trade and other receivables	18,192	22,883
Other financial assets	12,892	13,379
Other asset	588	281
Total current assets	44,230	58,219
Non-current assets		
Investments accounted for using the equity method	-	29
Other financial assets	-	-
Property, plant and equipment	477	618
Intangibles asset	16,587	274
Deferred tax assets	2,110	3,608
Goodwill	13,503	13,503
Total non-current assets	32,677	18,032
Total assets	76,907	76,251
Current liabilities		
Trade and other payables	8,947	5,619
Borrowings	374	-
Current tax liabilities	777	3,004
Provisions	471	381
Total current liabilities	10,569	9,004
Non-current liabilities		
Provisions	114	41
Other liabilities	318	173
Total non-current liabilities	432	214
Total liabilities	11,001	9,218
Net assets	65,906	67,033
Equity		
Issued capital	52,190	50,636
Reserves	519	274
Retained earnings	13,197	16,123
Equity attributable to equity holders of the parent	65,906	67,033
Total equity	65,906	67,033

APN Property Group Limited and its controlled entities
 Statements of cash flows
 For the year ended 30 June 2008

	Consolidated	
	2008	2007
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	41,362	38,316
Payments to suppliers and employees	(21,373)	(21,826)
Interest received	1,244	2,136
Dividends and distribution received	973	251
Interest and other costs of finance paid	(145)	(215)
Income taxes paid	(7,362)	(9,947)
Net cash provided by/(used in) operating activities	<u>14,699</u>	<u>8,715</u>
Cash flows from investing activities		
Payment for investment securities	(2,258)	(11,204)
Proceeds on sale of investment	3,325	-
Payments for property, plant and equipment	(156)	(552)
Payment for intangible asset	(3,024)	-
Payment for investment	-	-
Payment for business combination	(14,181)	-
Net cash (used in)/provided by investing activities	<u>(16,294)</u>	<u>(11,756)</u>
Cash flows from financing activities		
Repayment of borrowings	-	(2,675)
(Payments) / Proceeds from related party borrowings	4,912	(3,528)
Proceeds from issues of equity securities	1,503	30,374
Payment for share issue costs	-	(981)
Dividends paid to equity holders of the parent	(13,027)	(10,500)
Net cash provided by/(used in) financing activities	<u>(6,612)</u>	<u>12,690</u>
Net increase/(decrease) in cash and cash equivalents	(8,207)	9,649
Net effect of foreign exchange translations	(911)	(54)
Cash and cash equivalents at the beginning of the financial year	<u>21,676</u>	<u>12,081</u>
Cash and cash equivalents at the end of the financial year	<u>12,558</u>	<u>21,676</u>

APN Property Group Limited and its controlled entities

Notes to the consolidated financial statements

1. Segment Reporting

Segment revenues

	External sales		Inter-segment (i)		Total	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
On-going management fees – Funds management	33,248	31,640	-	-	33,248	31,640
Transaction fee – Funds management	10,510	11,487	-	-	10,510	11,487
	43,758	43,127			43,758	43,127
Total of all segments					43,758	43,127
Eliminations					(538)	-
Unallocated					973	251
Consolidated revenue					44,193	43,378

- (i) Inter-segment sales are recorded at amounts equal to competitive market prices charged to external customers for similar goods.

Segment result

	2008 \$'000	2007 \$'000
Continuing operations		
On-going management fees – Funds management	16,386	17,687
Transaction fee – Funds management	7,645	8,682
	24,031	26,369
Eliminations	-	-
Unallocated	(8,513)	(1,398)
Profit before tax	15,518	24,971
Income tax expense	(5,417)	(7,412)
Profit for the year from continuing operations	10,101	17,559
Discontinued operations		
Construction and development	-	(221)
Eliminations	-	-
Unallocated	-	-
Profit before tax	-	(221)
Income tax expense	-	67
Profit for the year from discontinued operations	-	(154)
Profit for the year	10,101	17,405

APN Property Group Limited and its controlled entities

Notes to the consolidated financial statements

1. Segment Reporting (cont'd)

Segment assets and liabilities

	Assets		Liabilities	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Funds management	47,025	37,534	4,501	3,972
Construction and development	-	1,124	-	788
Total of all segments	47,025	38,658	4,501	4,760
Eliminations	-	-	-	-
Unallocated	29,882	37,593	6,500	4,458
Consolidated	76,907	76,251	11,001	9,218

Other segment information

	Funds management		Construction and development		Unallocated		Consolidated	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Carrying value of investments accounted for using the equity method	-	29	-	-	-	-	-	29
Share of net profit/(loss) of associates and jointly controlled entities accounted for under the equity method	(29)	(2,627)	-	-	-	-	(29)	(2,627)
Acquisition of segment net assets	16,423	-	-	-	-	-	16,423	-
Impairment losses:								
Recognised in profit or loss	4,081	-	-	-	-	-	4,081	-
Significant other non-cash expenses	1,156	163	-	-	-	-	1,156	163
Capital expenditure	3,180	552	-	-	-	-	3,180	552
Depreciation and amortization of segment assets	413	401	-	-	-	-	413	401

Information on geographical segments

The Consolidated entity operates its funds management business primarily in two principal geographical areas – Australia and Europe.

The Consolidated entity's revenue from external customers and information about its segment assets by geographical location is detailed below:

	Revenue from external customers		Segment assets		Acquisition of segment assets	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Australia	35,606	38,341	67,517	73,621	3,075	485
Europe	8,587	5,037	9,390	2,630	105	67

APN Property Group Limited and its controlled entities

Notes to the consolidated financial statements

2. Revenue

An analysis of the Consolidated entity's revenue for the year, from both continuing and discontinued operations, is as follows:

	Consolidated	
	2008 \$'000	2007 \$'000
On-going management fee – Funds management	33,248	31,640
Transaction fee – Funds management	3,447	11,487
Sundry income	6,525	-
	43,220	43,127
Dividend income – subsidiaries	-	-
Distribution income – related parties	973	251
	44,193	43,378

3. Other expenses

Gains and losses and other expenses

Profit/(loss) for the year has been arrived after crediting/(charging) the following gains and losses and other expenses:

	Continuing		Consolidated Discontinued		Total	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Project and construction activities	-	-	-	621	-	621
Depreciation and amortisation	413	401	-	-	413	401
Employee benefits expenses:						
Salaries and wages	8,381	5,961	-	-	8,381	5,961
Superannuation contributions	413	369	-	-	413	369
Share based payments	1,156	163	-	-	1,156	163
Provision for long service and annual leave	163	105	-	-	163	105
Termination benefits	505	-	-	-	505	-
Change in fair value of financial assets designated as at fair value through profit or loss	609	(629)	-	-	609	(629)
Development loss provision	-	-	-	(400)	-	(400)
Operating lease expense	1,236	1,230	-	-	1,236	1,230
Loss on disposal of property, plant and equipment	1	-	-	-	1	-
(Gain)/loss on disposal of investments	(3)	-	-	-	(3)	-
Net foreign exchange gain/(losses)	(707)	179	-	-	(707)	179
Impairment from investment classified as available for sale	4,036	-	-	-	4,036	-
Impairment from investment carried at amortised cost	45	-	-	-	45	-
Settlement of litigation	(455)	-	-	-	(455)	-

APN Property Group Limited and its controlled entities

Notes to the consolidated financial statements

4. Earnings per share

	Consolidated	
	2008 Cents per share	2007 Cents per share
Basic earnings per share		
From continuing operations	7.74	14.32
From discontinued operations	-	(0.12)
Total basic earnings per share	<u>7.74</u>	<u>14.20</u>
Diluted earnings per share		
From continuing operations	7.74	13.92
From discontinued operations	-	(0.12)
Total diluted earnings per share	<u>7.74</u>	<u>13.80</u>

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2008 \$'000	2007 \$'000
Net profit	10,101	17,405
Adjustments to exclude dividends paid on treasury shares where the dividends are paid in cash and the person can retain the dividends irrespective of whether the option vests	(916)	(1,207)
Earnings used in the calculation of basic EPS	9,185	16,198
Adjustments to exclude (profit)/loss for the period from discontinued operations	-	154
Earnings used in the calculation of basic EPS from continuing operations	<u>9,185</u>	<u>16,352</u>
	2008 No.'000	2007 No.'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>118,622</u>	<u>114,141</u>

Diluted earnings per share

The earnings used in the calculation of diluted earnings per share is as follows:

	2008 \$'000	2007 \$'000
Net profit	10,101	17,405
Adjustments to exclude dividends paid on treasury shares that are dilutive where the dividends are paid in cash and the person can retain the dividends irrespective of whether the option vests	(363)	-
Earnings used in the calculation of diluted EPS	9,738	17,405
Adjustments to exclude (profit)/loss for the period from discontinued operations	-	154
Earnings used in the calculation of diluted EPS from continuing operations	<u>9,738</u>	<u>17,559</u>
	2008 No.'000	2007 No.'000
Weighted average number of ordinary shares used in the calculation of basic EPS	118,622	114,141
Shares deemed to be issued for no consideration in respect of:		
Employee options	7,110	11,951
Weighted average number of ordinary shares used in the calculation of diluted EPS	<u>125,732</u>	<u>126,092</u>

APN Property Group Limited and its controlled entities

Notes to the consolidated financial statements

5. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Consolidated	
	2008 \$'000	2007 \$'000
Cash and cash equivalents	12,558	21,676
Bank overdraft	-	-
	12,558	21,676

6. Investment accounted for using equity method

	Consolidated	
	2008 \$'000	2007 \$'000
Investments in jointly controlled entities	-	29

Name of entity	Principal activity	Country of incorporation	Ownership interest	
			2008 %	2007 %
Jointly controlled entities				
APN UKA Management Limited (APN UKA) (i)	Funds management	The Isle of Man	100	50
APN UKA Management (No. 2) Limited (APN UKA No.2)	Funds management	The Isle of Man	50	50

(i) On 17 August 2007, APN|UKA became wholly-owned subsidiary on acquisition.

	Consolidated	
	2008 \$'000	2007 \$'000
Summarised financial information in respect of the Consolidated entity's jointly controlled entities is set out below:		
Financial position:		
Current assets	797	5,016
Non-current assets	-	344
Current liabilities	(821)	(4,938)
Non-current liabilities	-	(364)
Net assets	(24)	58
Consolidated entity's share of jointly controlled entities' net assets	(12)	29
Financial performance:		
Income	34	7,401
Expenses	(46)	(10,028)
Consolidated entity's share of jointly controlled entities' profit/(loss)	(12)	(2,627)

Contingent liabilities and capital commitments

At 30 June 2008, there are no contingent liabilities, capital commitments and other expenditure commitments of jointly controlled entities.

In August 2008, APN|UKA No.2 became wholly-owned subsidiary on acquisition.

APN Property Group Limited and its controlled entities

Notes to the consolidated financial statements

7. Share capital

	Consolidated	
	2008	2007
	\$'000	\$'000
133,663,974 ordinary shares (2007: 129,268,233)	52,190	50,636

Changes to the then Corporations Law abolished the authorized capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorized capital and issued shares do not have a par value.

Consolidated	2008		2007	
	No.	\$'000	No.	\$'000
	'000	'000	'000	'000
Fully paid ordinary shares				
Balance at beginning of financial year	129,268	50,636	117,063	20,949
New capital raised through placement	-	-	11,765	30,000
Share issue costs	-	-	-	(981)
Deferred tax on transaction cost recognised directly in equity	-	-	-	294
Share options exercised by employees	-	1,503	-	374
Share options issued under the APN Property Group Employee Share Purchase Plan	4,355	-	440	-
Share options buy-back under the APN Property Group Employee Share Purchase Plan	(20)	-	-	-
Employee gift shares issued	61	51	-	-
Balance at end of financial year	133,664	52,190	129,268	50,636

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

During 30 June 2008, 4,355,000 share options were issued to eligible employees under the APN Property Group Employee Share Purchase Plan. These share options had a fair value at grant date ranging from \$0.1554 to \$0.9193 per share option.

At 30 June 2008, the fair value of the share options issued under this arrangement included in equity-settled employee benefits reserve was \$1,156,693 (2007: \$272,000).

On 7 March 2008, the Company cancelled 20,000 shares.

During the reporting period year, \$1,502,659 (2007: \$374,000) of share options issued under the Plan and the Clive Appleton Share Trust have been exercised as a result of the partial repayment of the outstanding loan as well as through dividend payments.

At 30 June 2008, included in the fully paid ordinary shares of 133,663,974 (2007: 129,268,233) are 10,364,958 (2007: 11,987,130) treasury shares relating to the employee share option plan.

APN Property Group Limited and its controlled entities

Notes to the consolidated financial statements

8. Reserves

	Consolidated	
	2008	2007
	\$'000	\$'000
Equity-settled employee benefits	1,497	341
Foreign currency translation	(978)	(67)
Investment revaluation	-	-
	<u>519</u>	<u>274</u>
Equity-settled employee benefits reserve		
Balance at beginning of financial year	341	178
Share-based payment	1,156	163
Balance at end of financial year	<u>1,497</u>	<u>341</u>

The equity-settled employee benefits reserve arises on the grant of share options to executives and senior employees under the employee share option plan. Amounts are transferred out of the reserve and into issued capital when all the options are fully exercised and all loans outstanding are fully repaid. Further information about share-based payments to employees is made in note 33 to the financial statements.

	Consolidated	
	2008	2007
	\$'000	\$'000
Foreign currency translation reserve		
Balance at beginning of financial year	(67)	(13)
Translation of foreign operations	(911)	(54)
Balance at end of financial year	<u>(978)</u>	<u>(67)</u>

Exchange differences relating to the translation from the functional currencies of the Consolidated entity's foreign controlled entities into Australian dollars are brought to account by entries made directly to the foreign currency translation reserve.

	Consolidated	
	2008	2007
	\$'000	\$'000
Investment revaluation reserve		
Balance at beginning of financial year	-	-
Valuation gain/(loss) recognised	-	-
Cumulative (gain)/loss transferred to income statement on impairment of financial assets	-	-
Balance at end of financial year	<u>-</u>	<u>-</u>

The investment revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold that portion of the reserve which relates to that financial asset, and is effectively realized, is recognised in profit or loss. Where a revalued financial asset is impaired that portion of the reserve which relates to that financial asset is recognised in profit or loss.

APN Property Group Limited and its controlled entities

Notes to the consolidated financial statements

9. Retained earnings

	Consolidated	
	2008	2007
	\$'000	\$'000
Balance at beginning of financial year	16,123	9,218
Net profit attributable to members of the parent entity	10,101	17,405
Dividends provided for or paid	(13,027)	(10,500)
Balance at end of financial year	<u>13,197</u>	<u>16,123</u>

10. Dividends

	2008		2007	
	Cents per share	Total \$'000	Cents per share	Total \$'000
Recognised amounts				
<u>Fully paid ordinary shares</u>				
2007 Interim dividend:				
Fully franked at a 30% tax rate	-	-	4.5	5,818
2008 Interim dividend:				
Fully franked at a 30% tax rate	4.5	5,917	-	-
2006 Final dividend:				
Fully franked at a 30% tax rate	-	-	4.0	4,682
2007 Final dividend:				
Fully franked at a 30% tax rate	5.5	7,110	-	-
	<u>10.0</u>	<u>13,027</u>	<u>8.5</u>	<u>10,500</u>
Unrecognised amounts				
<u>Fully paid ordinary shares</u>				
Final dividend:				
Fully franked at a 30% tax rate	3.0	4,010	5.5	7,110

On 21 August 2008, the Company received dividend income from its subsidiaries amounting to a total of \$11.6 million.

On 21 August 2008, the directors declared a fully franked final dividend of 3.0 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2008, to be paid to shareholders on 13 October 2008.

	Company	
	2008	2007
	\$'000	\$'000
Adjusted franking account balance	6,248	7,010
Impact on franking account balance of dividends not recognised	(1,719)	(3,047)
Income tax consequences of unrecognised dividends	-	-

APN Property Group Limited and its controlled entities

Notes to the consolidated financial statements

11. Subsidiaries

Name of entity	Country of incorporation	Ownership interest	
		2008 %	2007 %
Parent entity			
APN Property Group Limited (i)	Australia		
Subsidiaries			
APN Funds Management Limited (APN FM) (ii), (iii)	Australia	100%	100%
APN Funds Management (UK) Limited (APN FM(UK))	United Kingdom	100%	100%
APN Development and Delivery Pty Limited (APN DD) (iii)	Australia	100%	100%
FM Management Services Pty Limited (iii) (vi)	Australia	100%	100%
APN Group Pty Limited (iii) (vi)	Australia	100%	100%
APN Property Group Nominees Pty Limited (iii)	Australia	100%	100%
Australian Property Network (Vic) Pty Limited (iii)	Australia	100%	100%
APN Euro Property Fund (iv)	N.A.	100%	100%
APN No 1 Pty Limited (iii) (vi)	Australia	100%	100%
APN No 3 Pty Limited (iii) (vi)	Australia	100%	100%
APN No 4 Pty Limited (iii) (vi)	Australia	100%	100%
APN No 5 Pty Limited (iii) (vi)	Australia	100%	100%
APN No 6 Pty Limited (iii)	Australia	100%	100%
APN No 7 Pty Limited (iii)	Australia	100%	100%
APN No 8 Pty Limited (iii)	Australia	100%	100%
APN No 9 Pty Limited (iii) (vi)	Australia	100%	100%
APN No 10 Pty Limited (iii)	Australia	100%	100%
APN No 11 Pty Limited (iii)	Australia	100%	100%
APN No 12 Pty Limited (iii)	Australia	100%	100%
APN No 13 Pty Limited (iii) (vi)	Australia	100%	100%
APN No 14 Pty Limited (iii) (vi)	Australia	100%	100%
APN No 15 Pty Limited (iii) (vi)	Australia	100%	100%
APN Funds Management (UK No.2) Limited (APN FM(UKNo.2) (formerly known as UK Australasia Limited) (UKA) (v)	United Kingdom	100%	-
APN UKA Management Limited (APN UKA) (v)	Isle of Man	100%	50%

- (i) APN Property Group Limited is the head entity within the tax-consolidated group.
- (ii) APN Property Group Limited was incorporated on 1 July 2004. On 10 September 2004, APN Property Group Limited acquired APN DD and APN FM. Due to the reverse acquisition accounting treatment, APN FM is deemed to be the accounting parent.
- (iii) These companies are members of the tax-consolidated group.
- (iv) The Fund is an open-ended managed investment scheme registered with ASIC in Australia.
- (v) On 17 August 2007, APN FM(UKNo.2) and APN|UKA became wholly owned subsidiary of the Consolidated entity on acquisition as disclosed in note 29 to the financial statements.
- (vi) On 13 July 2008, these companies were deregistered under section 601AA(4) of the Corporation Act 2001.

APN Property Group Limited and its controlled entities

Notes to the consolidated financial statements

12. Reconciliation of cash flows from operating activities

	Consolidated	
	2008	2007
	\$'000	\$'000
Cash flows from operating activities		
Profit / (loss) for the year	10,101	17,405
<i>Add / (less) non-cash items:</i>		
Depreciation and amortisation	413	401
Property, plant equipment written off	17	141
Loss on disposal of property, plant and equipment	1	-
Provision for employee benefits	163	105
Provision for bonus	350	-
Provision for leases	145	-
Employee share option expense	1,156	163
Development loss provision	-	(400)
(Gain)/Loss on revaluation of fair value of investment	609	(438)
Impairment from investment classified as available for sale	4,036	-
Impairment from investment carried at amortised cost	45	-
Final dividend declared	-	-
Gift shares issued during the year	51	-
Share of profits from jointly controlled entity	29	2,627
Operating profit before changes in working capital and provisions	17,116	20,004
(Increase) / decrease in trade receivables	4,918	(8,294)
(Increase) / decrease in related party debtors	-	-
(Increase) / decrease in other debtors	1,385	(177)
(Increase) / decrease in accrued income and prepayments	(307)	100
(Decrease) / increase in provisions	(1,007)	330
(Decrease) / increase in payables	(5,303)	(621)
(Increase) / decrease in deferred tax assets	1,498	(1,060)
Increase / (decrease) in provision for income tax	(3,601)	(1,567)
Net cash from operating activities	14,699	8,715

APN Property Group Limited and its controlled entities

Notes to the consolidated financial statements

13. Acquisition of business

On 17 August 2007, the Consolidated entity acquired 100% of the issued share capital of UKA for cash consideration of \$16,423,000. The UKA's principal activity is property consultancy and management. The acquisition of UKA will result in the Consolidated entity owning all the shares in APN|UKA, the asset manager of AEZ. This transaction has been accounted for using the acquisition method of accounting.

The net assets acquired in the business combination, are as follows:

Net assets acquired	Acquiree's book value \$'000	Fair value on acquisition \$'000
<u>Current assets</u>		
Cash & cash equivalents	2,242	2,242
Trade and other receivables	12,108	12,108
Allowance for doubtful debts	(691)	(691)
Investment	220	220
<u>Non-Current assets</u>		
Intangibles – Management rights	–	13,423
<u>Current liabilities</u>		
Trade and other payables	(10,492)	(10,492)
<u>Non-Current liabilities</u>		
Unsecured interest bearing loan	(387)	(387)
	<u>3,000</u>	<u>16,423</u>
Total purchase consideration, satisfied by cash		16,423
Less: cash and cash equivalent balances acquired		<u>(2,242)</u>
Net cash flow on acquisitions		<u>14,181</u>

The net book value represents the fair value paid/payable for the management rights for the right to the benefit of expected and future development of management fees of European activities, and accordingly has been separately identified and recognised.

Included in the net profit for the period since acquisition is revenue and net profit of \$3,145,000 attributable to the additional 50% of management fees earned from AEZ.

Had the business combination been effected at 1 July 2007, the revenue of the Consolidated entity would be \$44,624,000 and net profit \$10,402,000. The directors of the Consolidated entity consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined Consolidated entity on an annualized basis and to provide a reference point for comparison in future periods.

APN Property Group Limited and its controlled entities

Notes to the consolidated financial statements

14. Adoption of new and revised Accounting Standards

In the current year, the Consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The Consolidated entity has adopted the following Standards as listed below which only impacted on the Consolidated entity's financial statements with respect to disclosure.

- AASB 101 'Presentation of Financial Statements' (revised October 2006)
- AASB 7 'Financial Instruments: Disclosures'
- 2008-04 'Amendments to Australian Accounting Standard – Key Management Personnel Disclosures by Disclosing Entities'

At the date of authorisation of the financial report, the following Standards and Interpretations were in issue but not yet effective.

Initial application of the following Standard will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Consolidated entity and the Company's financial report:

<u>Standard</u>	<u>Effective for annual reporting periods beginning on or after</u>	<u>Expected to be initially applied in the financial year ending</u>
• AASB 8 'Operating Segments' and consequential amendments to other accounting standards	1 January 2009	30 June 2010
• AASB 101 'Presentation of Financial Statements' (revised September 2007)	1 January 2009	30 June 2010

Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of the Consolidated entity and the Company:

<u>Standard</u>	<u>Effective for annual reporting periods beginning on or after</u>	<u>Expected to be initially applied in the financial year ending</u>
• AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'	1 January 2009	30 June 2010
• AASB 3 'Business Combinations' (2008), AASB 127 'Consolidated and Separate Financial Statements' and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127'	AASB 3 (business combinations occurring after the beginning of annual reporting periods beginning 1 July 2009), AASB 127 and AASB 2008-3 (1 July 2009)	30 June 2010
• AASB 2008-1 'Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations'	1 January 2009	30 June 2010
• AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvement Process'	1 January 2009	30 June 2010
• AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process'	1 July 2009	30 June 2010
• AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009	30 June 2010

Compliance Statement

1. This report has been prepared in accordance with AASB Standards, the Corporations Act 2001 and Corporations Regulations 2001 and other standards acceptable to ASX.
2. This report and the accounts upon which the report is based use the same accounting policies.
3. This report does give a true and fair view of the matters disclosed.
4. The report is based on accounts that are in the process of being audited.



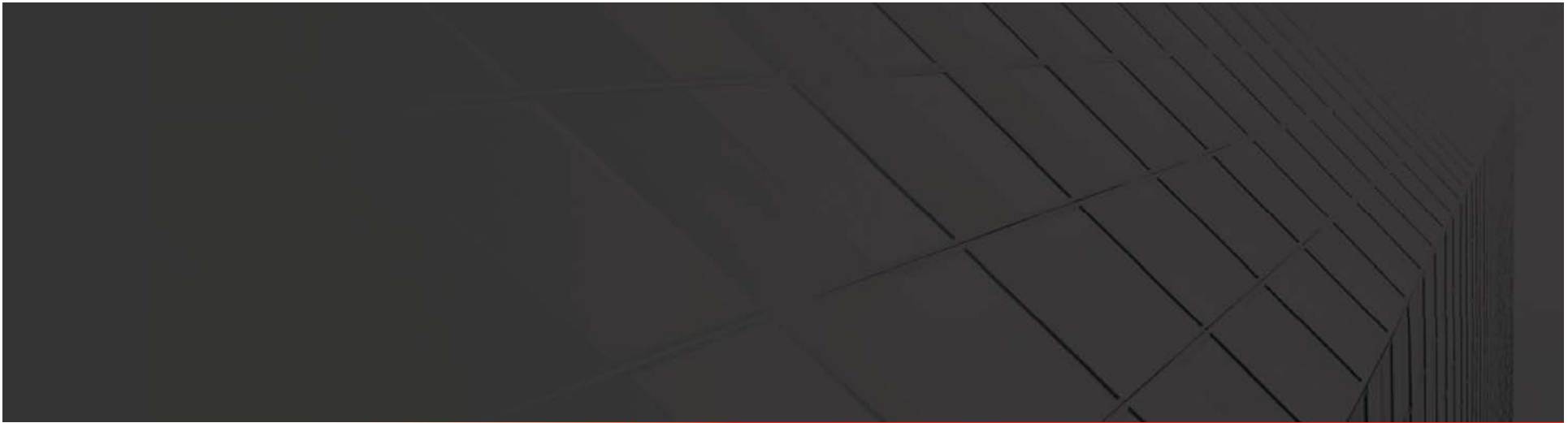
Sign here:

Date: 21 August 2008

Christopher Aylward
Director

Commentary on results for the period and trends in performance

Refer to accompanying documents



APN | Property Group

Full Year Results - 30 June 2008

Chris Aylward | Managing Director

Date 22 August 2008

Contents

- Key points
- Key financial results
 - Segment results
 - Revenue analysis
 - Balance Sheet
- FUM analysis
- APN markets and funds

Key points

- FY08 NPAT of \$10.1m
- EPS 7.74 cps
- Dividend paid/payable 7.50 cents per share
 - *Interim dividend 4.50 cents per share*
 - *Final dividend 3.00 cents per share*
- Negligible debt (\$0.4m)
- Strong balance sheet – available cash at balance date of \$12.6m
- FUM \$3.9b (\$4.8b 6/07) – REIT market movement impacted FUM
- Launch of new European property fund
- Launch of new Wholesale fund
- Positioned for growth

Key financial results FY08

	1 st Half Year FY08	2 nd Half Year FY 08	Full Year FY08
Net profit before tax (NPBT) \$'000	14,941	577	15,518
Net profit after tax (NPAT) \$'000	10,042	59	10,101
Net profit after tax excluding 'one time' items	4,787	3,346	8,132
Basic earnings per share (EPS) cents			7.74 EPS
Diluted EPS (cents)			7.74 EPS
Dividend per share (DPS) cents	4.50 DPS	3.00 DPS	7.50 DPS

Segment results

	Total			
	1 st Half FY 08	2 nd Half FY 08	FY 08	FY 07
Revenue				
Management fees	15,436	13,449	28,885	27,447
Upfront fees*	1,945	1,502	3,447	11,486
Project management fees	828	745	1,573	1,683
Sundry income*	6,525	-	6,525	-
Distribution income	608	365	973	251
Other fees	1,359	1,431	2,790	2,511
Total Revenue	26,701	17,492	44,193	43,378
Direct costs – recurring	2,045	1,790	3,835	3,548
Direct costs – ‘one time’*	1,012	1,463	2,475	399
Administrative expenses	8,009	9,172	17,181	14,040
Other ‘one time’ expenses*	1,104	52	1,156	163
Mark to market adjustments (inc. AEZ investment)*	(50)	4,735	4,685	(629)
EBITDA	14,581	280	14,861	25,857
Subtract ‘one time’ items*	6,404	(4,748)	1,656	11,553
EBITDA recurring	8,177	5,028	13,205	14,304

* ‘One time’ items

Segment results (Retail and Europe)

- Management fees in Europe grow - UKA acquisition

	Retail		Europe	
	FY 08	FY 07	FY 08	FY 07
Revenue				
Management fees	20,084	23,460	7,257	2,979
Upfront fees*	119	4,598	3,328	6,888
Project management fees	-	-	-	-
Sundry income	-	-	-	-
Distribution income	35	45	938	57
Other fees	-	-	-	-
Total Revenue	20,238	28,103	11,523	9,924
Direct costs - recurring	3,835	3,548	-	-
Direct costs – ‘one time’ items*	-	636	2,260	(458)
Administrative expenses	4,396	3,240	5,625	3,406
EBITDA	12,007	20,679	3,638	6,976

* ‘One time’ items

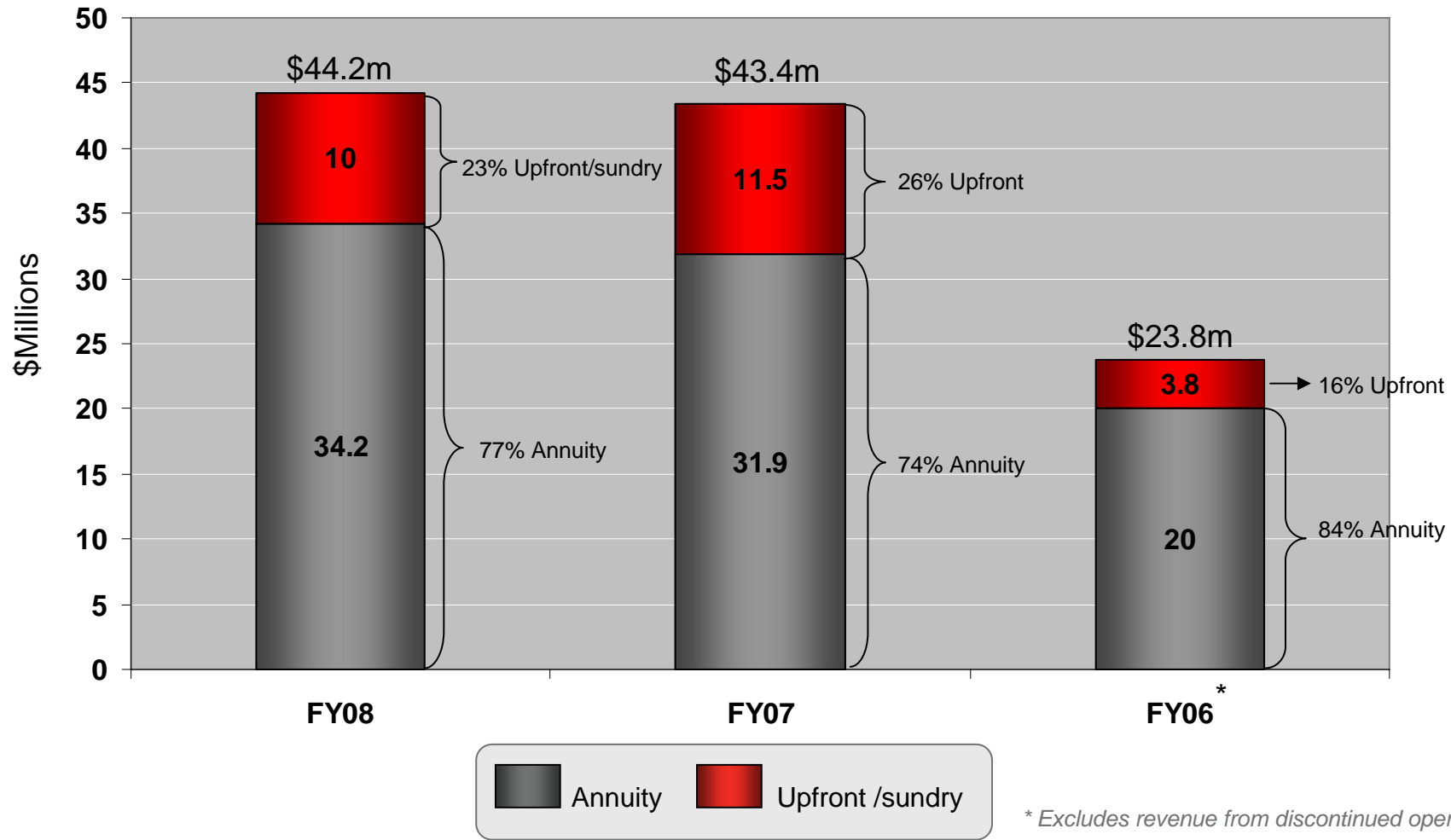
Segment results (Wholesale, Registry and Corporate)

- Significant profit from Wholesale due to sale of option over development site

	Wholesale		Registry and Corporate	
	FY 08	FY 07	FY 08	FY 07
Revenue				
Management fees	1,544	1,008	-	-
Upfront fees*	-	-	-	-
Project management fees	1,573	1,683	-	-
Sundry income*	6,525	-	-	-
Distribution income	-	149	-	-
Other fees	-	-	2,790	2,511
Total Revenue	9,642	2,840	2,790	2,511
Direct costs – ‘one time’ items*	372	-	(157)	221
Administrative expenses	2,296	1,349	4,864	6,045
Other ‘one time’ expenses*	-	-	1,156	163
Mark to market adjustments (inc. AEZ investment)*	-	-	4,685	(629)
EBITDA	6,974	1,491	(7,758)	(3,289)

Revenue analysis – full year results FY08

- 77% of income generated from annuity style earnings for FY08



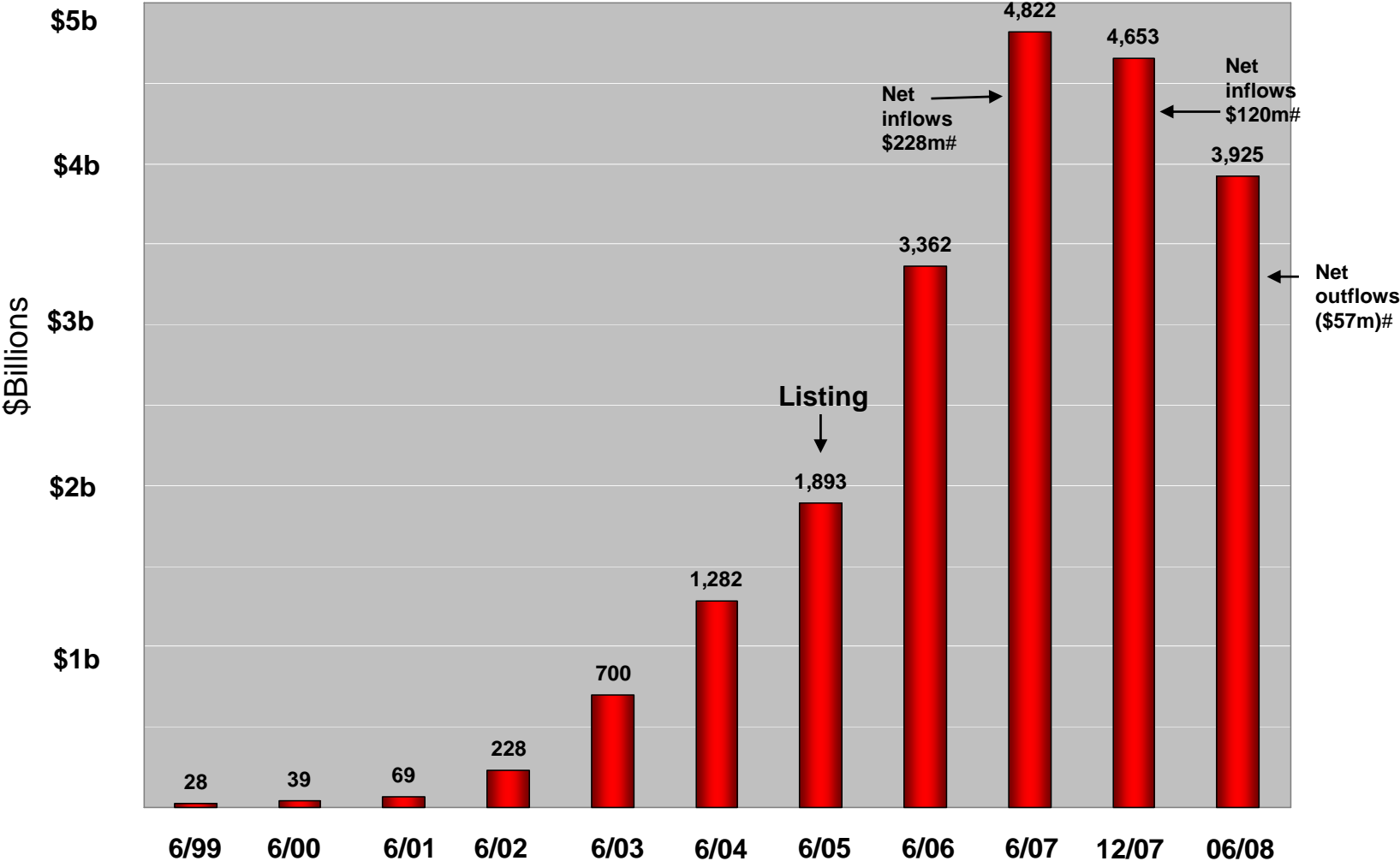
Balance sheet review

- Balance sheet remains strong with negligible debt (\$0.4m)* and \$12.6m cash
- Ability to promote further fund development/expansion

Balance Sheet	June 08	June 07
Total Assets	\$77m	\$76m
Liabilities	\$11m	\$9m
Net Assets	\$66m	\$67m

** Bank guarantees also exist for \$5.2 million*

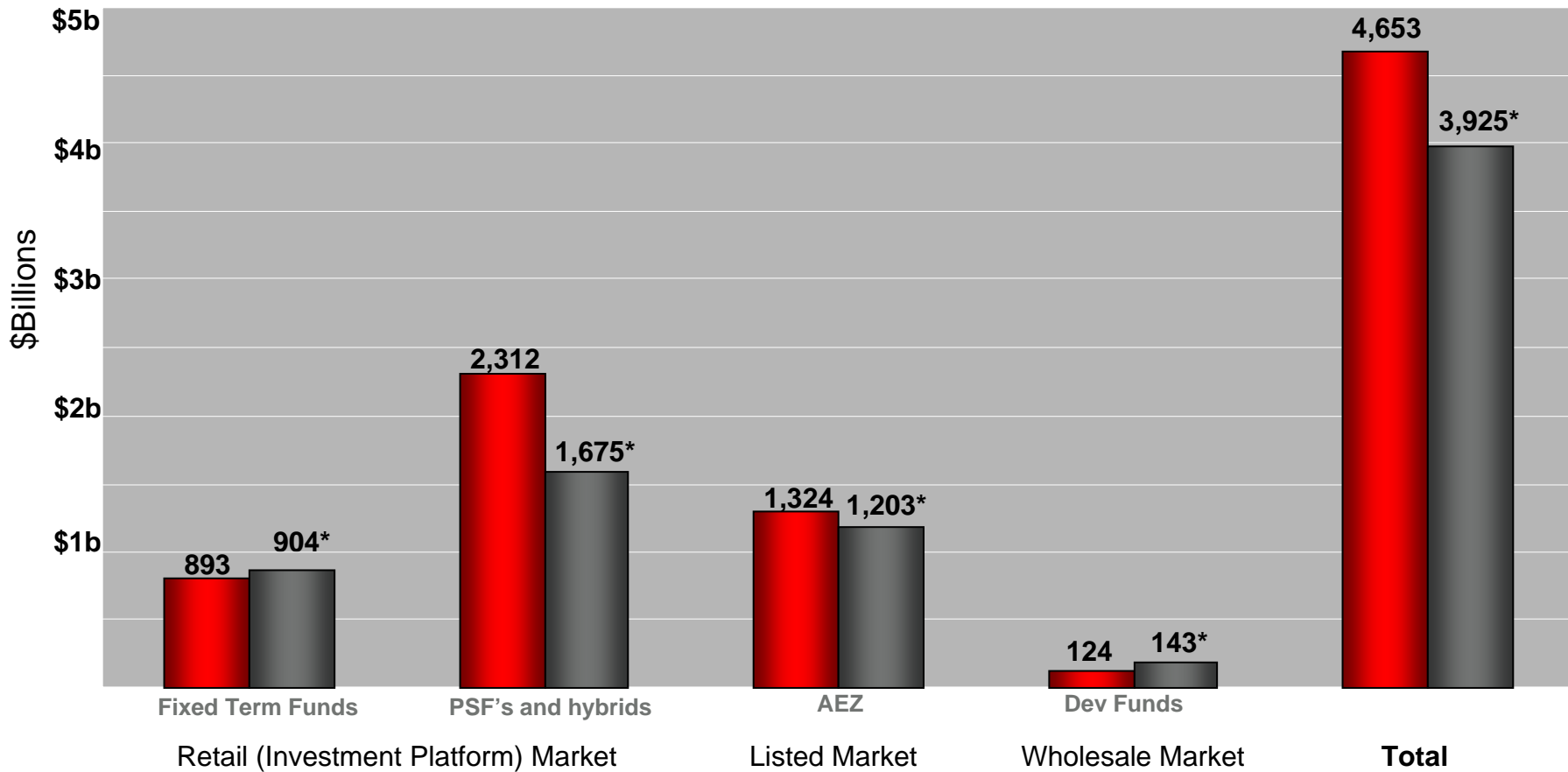
Growth in Funds Under Management



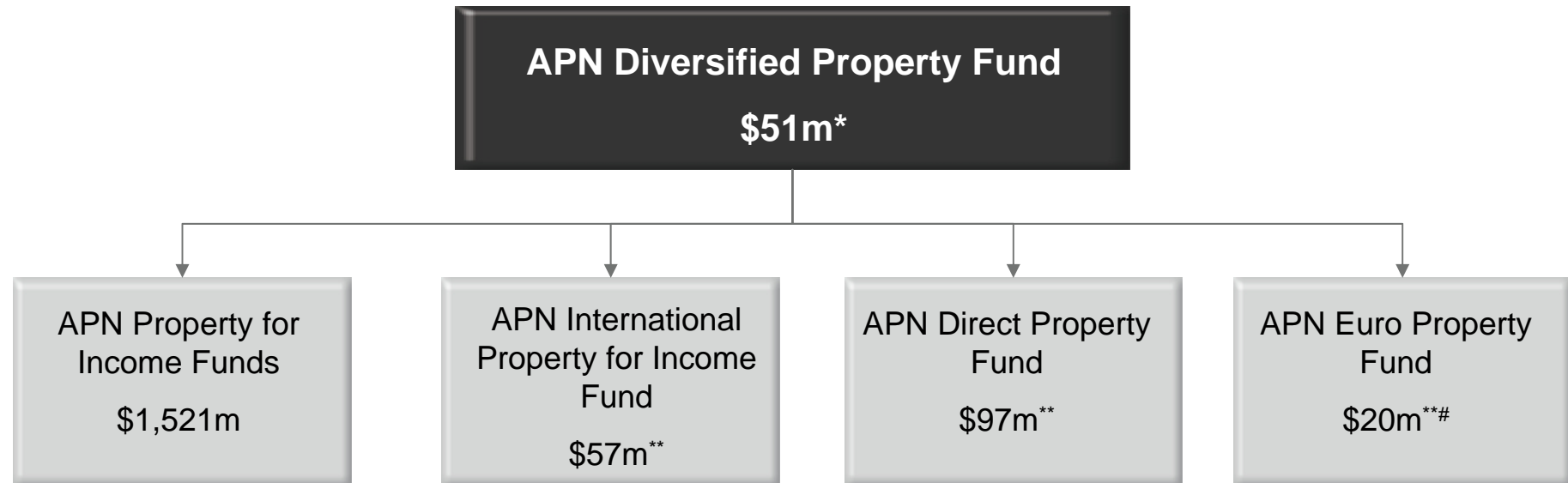
Excludes equity raised from new funds

FUM breakdown by markets

- FUM down 15.6% or \$728m in six months to 30/06/08*
- REIT market movements had the most significant impact on FUM (↓ \$637m) in six months to 30/06/08



Retail platform – open ended



- Net reduction in FUM \$637m
- APN Euro Property Fund has been expanded to platforms
- APN PFIF reopened
- Relative Fund performance very strong (1st or 2nd quartile) compared to traditional major competitors
- Opportunity to reinforce income focus and potentially increase market share
- New dealer groups added and strong goodwill with existing groups
- No material increase in redemptions

* FUM included in underlying funds
FUM included in Poland & Vienna Funds
** Pre-Audit 30/06/08

How APN continuous issuer funds performed to 30 June 2008

- APN funds performed well compared to peers
- Total returns since inception remain strong

APN Fund	One year total return to 30/06/08	Two year annualised total return p.a. to 30/06/08	Three year annualised total return p.a. to 30/06/08	Five year annualised total return p.a. to 30/06/08	Annualised performance since inception p.a. to 30/06/08
APN Property for Income Fund	(28.07%) – AREIT Index (36.35%)	(4.24%)	2.88%	8.65%	11.38% Inception 8/98
APN Property for Income Fund No. 2	(39.38%) – AREIT Index (36.35%)	(12.50%)	(3.76%)	-	(3.62%) Inception 6/05
APN International Property for Income Fund	(16.65%) – Index (21.08%)	(1.18%)	2.60%	-	8.64% Inception 8/04
APN Direct Property Fund	3.38%	10.40%	-	-	10.94% Inception 9/05
APN Diversified Property Fund	(4.62%)	5.61%			7.60% Inception 9/05

Retail – closed ended (Australian funds)*

Australian Fixed Term Funds

\$573m*

- APN National Storage Property Trust - \$354m
- APN Property Plus Portfolio - \$97m
- APN Regional Property Fund - \$83m
- APN Retirement Properties Fund - \$38m

- Australian direct property market continues to perform well underpinned by low office vacancies and strong retail sales
- May see impact over time on valuations based on re-rating of property IRR's

Retail – closed ended (European Funds)*

Existing funds

- APN/UKA Vienna Retail Fund - \$183m*
- APN/UKA Poland Retail Fund - \$118m*

New fund

- APN Champion Retail Fund - \$31.4m
- Unlisted and low risk fund anticipated to be attractive in current market
- Fees for APD/AEZ and opportunity to tap into new markets
- Target Markets:
 - Hybrid PSF's, Super Funds and high net worth clients
 - APN Euro Property Fund: capital sourced from financial adviser market



* Pre-Audit 30/06/08

ASX listed property trust – AEZ

- Acquisition of Traisenpark Shopping Centre in December in Austria, A\$104 million
- Launched APN Champion Retail Fund in January 2008



Pictures of Traisenpark, Austria



Wholesale market

APN Development Fund No. 1

- Fund performing ahead of IRR targets (18% IRR)
- Total end value of developments estimated at \$1.3b

	Base Fee	Development Management Fee	Performance Fee
Fund fees	Minimum \$0.45m pa or 1.25% of invested capital. Called/invested capital at 30/06/08 is \$110m. Fund is fully invested	Capped at 2% of total project costs (ex. land)	1/3 of amount where IRR on equity > 14%



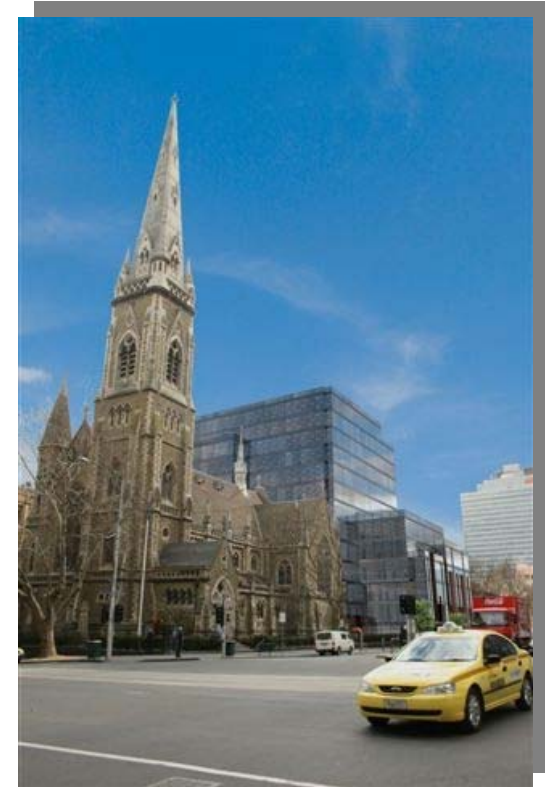
567 Collins Street, Melbourne

Wholesale market

APN Development Fund No. 2

- Successful close December 2007 raising \$105m in equity commitments, gearing capacity 70%
- Fund secured first development opportunity with 150 Collins Street, Melbourne (18,500sqm office tower)
- Well positioned to take advantage of new opportunities and supported by underlying strength of commercial property markets
- Total end value of developments estimated at \$1.25b
- Continue to explore new wholesale opportunities

	Base Fee	Development Management Fee	Performance Fee
Fund Fees	Minimum \$0.45m p.a. or 1.25% of invested capital. Called/committed at 30/06/08 is \$33m. Uncalled: \$72m	Capped at 2.5% of gross sales or leasing revenue	1/3 of amount where IRR on equity > 14%

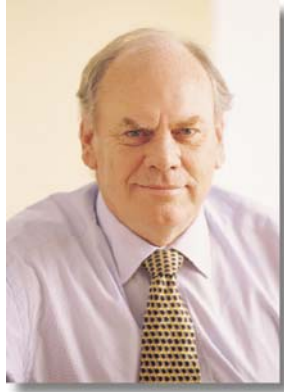


150 Collins Street, Melbourne

Summary

- Opportunities remain to continue to grow the business, particularly in the wholesale space in the short term and ability to increase market share in the retail space
- Risks include:
 - Continued volatility in REIT market
 - Increased redemptions from property to cash
- Mitigating factors:
 - Strong brand and dealer group loyalty
 - Strong performance of retail funds versus peers
 - Presence on dealer group model portfolios
 - Strong balance sheet

For further information



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Appendix 1

Market	Fund & investors	Type of fund	FUM \$m at 06/08	Maximum LVR %	Current LVR %	Debt Maturity	
Financial Advisers/ Retail	Investment Platform/Retail Market (open ended continuous issuer funds)						
	1	APN Diversified Fund	Umbrella Fund investing in Funds 2,4,5,6	51 ¹	Nil	Nil	Nil
	2	APN Property for Income Fund 2	Australian Property Securities	473	Nil	Nil	Nil
	3	APN Property for Income Fund	Australian Property Securities	1,047	Nil	Nil	Nil
	4	APN International Property for Income Fund	International Property Securities	57	Nil	Nil	Nil
	5	APN Direct Property Fund	Direct Property	97	65%	59%	12/2011 & 08/2010
	6	APN Euro Property Fund	Umbrella Fund investing in Funds 10,11,12	20 ¹	Nil	Nil	Nil
	Retail market (Fixed term Australian syndicates)						
	7	APN National Storage Property Trust	Direct Property	354	65%	65% ²	11/2008 ³
	8	APN Property Plus Portfolio (operating to 06/2012)	Direct Property	97	65%	61%	10/2010 & 10/2012
	9	APN Retirement Properties Fund (operating to 12/2008)	Direct Property	38	50%	25%	06/2013
	Retail market (Fixed term European syndicates)						
10	APN/UKA Vienna Retail Fund (operating to 09/2013)	International Direct Property	183	76%	TBA ⁴	09/2013	
11	APN/UKA Poland Retail Fund (operating to 12/2011)	International Direct Property	118	61%	TBA ⁴	12/2011	
12	APN Champion Retail Fund	International Direct Property	31	60%	TBA ⁴	12/2013	

1. Included in underlying funds
2. Unitholders approved property sales
3. Currently in negotiation
4. Pending completion of audited accounts

Appendix 1 (continued)

Market	Fund & investors		Type of fund	FUM \$m at 06/08	Maximum LVR %	Current LVR %	Debt Maturity
Institutions/ Retail	PSF and Equity funds/retail (Listed Property Trusts)						
	12	APN/UKA European Retail Property Group (ASX: AEZ)	International Direct Property	1,203	TBA ⁵	TBA ⁵	TBA ⁵
	13	APN Regional Property Fund (BSX)	Direct Property	83	65%	60%	10/2009
Wholesale	Wholesale super/industry funds						
	14	APN Development Fund No. 1	Development	110 ⁶	70%	46% ⁷	Project finance
	15	APN Development Fund No. 2	Development	33 ⁶	65%	63% ⁷	Project finance
Total				3,925			

5. To be released with AEZ results on 29 August 2008

6. Based on invested rather than committed capital

7. Full compliance with constitution and loan facilities