



ASPEN GROUP

**2014 FULL YEAR RESULTS PRESENTATION
AND ASPEN PARKS PROPERTY FUND
UPDATE**

Agenda



1. Overview
2. FY14 progress on business transition
3. APPF recapitalisation
4. APPF investment case
5. Conclusion

Appendix

- A. FY14 financial results and debt update

1. Overview

Summary



- ❖ Accelerating progress of business transition over the last year
 - Commercial asset sales significantly advanced: Spearwood remaining major asset
 - Development assets now substantially sold
 - Business is net cash, with \$44.7m cash and \$26.8m debt (June 14)
 - Overhead expense rate has halved
- ❖ Recapitalisation of Aspen Parks Property Fund (APPF) is part of this transition
 - APPF is core to Aspen Group's affordable accommodation strategy
 - LVR of APPF is too high; requires an equity recapitalisation
 - APPF owns one of leading portfolios in the industry
- ❖ Aspen Group strategic position improved
 - Strong affordable accommodation industry fundamentals
 - Cashflow generation provides for sustainable distribution and growth opportunities
 - Strong balance sheet
 - Capital management initiatives remain under consideration
- ❖ Aspen Group investment proposition enhanced and simplified
 - Clarity on visibility of value
 - Open to all opportunities that create value

Strategic vision for Aspen



Transition Aspen to an A-REIT focussed on 'value for money' accommodation

- ❖ Attractive industry dynamics with significant growth opportunities
 - Strong demographic trends, underpinned by ageing population
 - Fragmented industry provides opportunities for growth through acquisition
 - Accommodation is a necessity; residential affordability remains a key issue
 - Long term supply/demand dynamics are positive
- ❖ Positive financial characteristics of the asset class
 - Attractive spread between cost of capital and asset yields
 - Cash generative assets
- ❖ Substantial operating management platform: 400+ staff
 - Established management track record of 10+ years
 - Strong development expertise: 83 new units in last 2 years
 - Industry leading position through one of the largest accommodation park portfolios in Australia

Key financial metrics



❖ APPF recapitalisation

- \$39.9m entitlement offer; reduces gearing to 31.7% (headroom for future acquisitions)
- APPF distribution yield of 8.2% on offer price (on current APPF distribution rate)
 - Distribution is after retaining earnings for stay-in-business capex
 - No DMFs in business, no development profits distributed
- Aspen Group, as a 12.5% holder, intends to take up its entitlement (\$5.0m) and underwrite the offer

❖ Aspen Group financials post the APPF recapitalisation

- Strong balance sheet with gearing 4% (look through gearing 17%)¹
- No equity raise required in Aspen Group
- Retain capacity to undertake share buyback or further acquisitions, depending on relative value

❖ Strengthened financial position delivers capacity to be a major player in industry consolidation

¹ Assumes total exposure under the APPF underwriting and settlement of the currently negotiated sale of the Noble Park property proceeds. There is no certainty that the Noble Park Sale will complete. There is no certainty as to the level of take-up of the APPF Offer;

Impact on Aspen

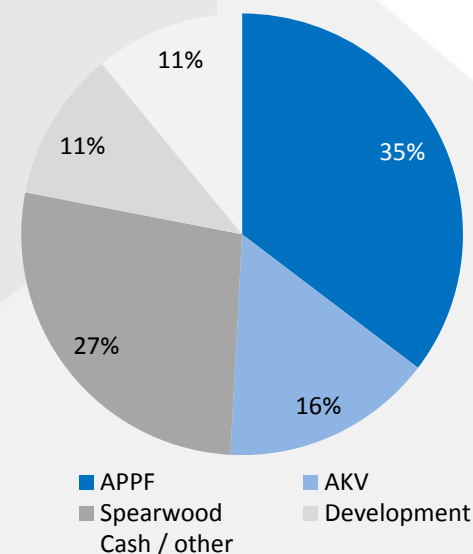


Aspen Group asset exposure predominantly in accommodation

Look through assets¹

Asset exposure – look through basis

	\$m	%
APPF	87.7	35.3%
AKV	38.5	15.5%
Spearwood	67.5	27.2%
Development ²	27.3	11.0%
Cash / other	27.2	11.0%
Total	248.2	100.0%



¹ Pro-forma audited 30 June 2014, adjusted for the maximum total exposure on the APPF underwriting, and assuming sale of Noble Park property currently at advanced negotiation proceeds

² \$17.2m of development exposure was under contract as at 30 June

Distribution guidance



- ❖ Distribution guidance range 8.0 to 10.7 cents per share for FY15 (FY14:11.5 cps)
 - Lower end of range assumes Spearwood is not leased during 2H15
 - Based on balance sheet gearing of 4.2% (look through gearing 16.5%) ¹
 - Distribution guidance may vary depending on the level of take-up of the APPF Offer and Aspen Group's resulting underwriting commitment. This guidance is based on no third party take-up of the APPF Offer
- ❖ Major positive movements:
 - Eliminating operating losses on development projects, as sale programme finalises
 - Reduced interest expense – lower debt overall, repaid all the expensive syndicate debt/convertible notes and reduced margin on the senior facility
 - Reduced overhead expenses
 - Increased investment in APPF
- ❖ Major negative movements:
 - Commercial property portfolio sales
 - Aspen Karratha Village re-leased, but at lower rental rates

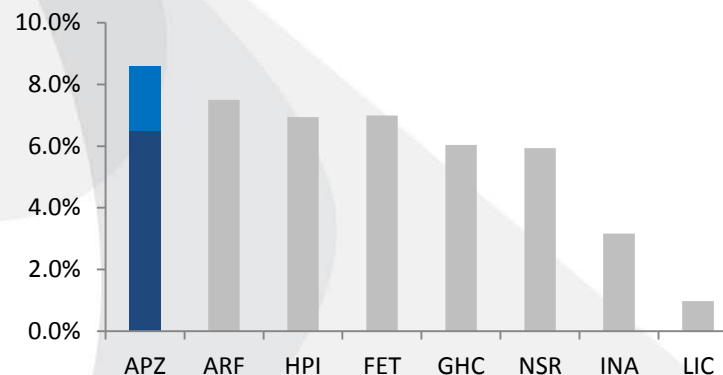
¹ Assumes settlement of the currently negotiated sale of the Noble Park property proceeds. There is no certainty that the Noble Park Sale will complete. There is no certainty as to the level of take-up of the APPF Offer; guidance will be updated if it materially varies post the APPF Offer

Aspen Group market position



- ❖ As at 22 August 2014 closing price of \$1.24, Aspen is trading on
 - A distribution yield of 6.5% to 8.6%, based on the FY15 distribution guidance range
 - A significant 17% discount to NTA

Peer comparison - FY15 distribution yield



Shares price as of 22 August 2014. FY15 DPS for Aspen (8.0 to 10.7cps) and FY15 DPS for Ingenia and LIC per Bloomberg estimates.

Peer comparison - price to NTA



Shares price as of 22 August 2014. NTA as of latest reporting period, other than GHC which is pro-forma from its recent entitlement offer.

Committed to delivery of value to Aspen Group shareowners



- ❖ Board has considered a number of alternative approaches on various assets
- ❖ There have been approaches to acquire Aspen Group's management rights and co-investment in APPF as well as individual assets of APPF
 - No approach has provided compelling value for the platform
 - Value prospects for Aspen Group and APPF are improved through the recapitalisation
- ❖ Use of Aspen Group capital has also been compared to undertaking a substantial share buyback
 - Utilising capital in the recapitalisation is a better use to improve Aspen Group value
 - Balance sheet capacity remains to undertake share buyback post the recapitalisation of APPF
- ❖ Absolute commitment to deliver improved returns to Aspen Group shareowners

2. FY14 progress on business transition

Rapid progress over FY14



Key priorities

Progress

Commercial properties

- ✓ Sale and settlement of 2 out of 4 commercial assets
 - Noble Park in advanced negotiations for sale
 - Spearwood sole key asset remaining

Development assets

- ✓ Development asset exposure reduced from \$204.9m (June 13) to \$23.9m (June 14). Only \$6.8m uncontracted at June 14

Overhead reduction

- ✓ Overheads reduced by 33% year over year
- ✓ Current annualised rate is half that of FY13
- ✓ Continued focus into FY15, as business continues to simplify

Debt management

- ✓ Debt¹ at \$26.8m, a reduction of \$202.7m since FY13
- ✓ Cash holdings of \$44.7m; business is net cash
- ✓ All syndicate/subsidiary debt facilities repaid

Accommodation portfolio

- ✓ Aspen Karatha Village re-leased
- ✓ Transaction to recapitalise Aspen Parks Property Fund announced today to strengthen its balance sheet and provide opportunity to grow

1. Prior to any sale of the Noble Park property currently at advanced negotiation

Commercial portfolio sale



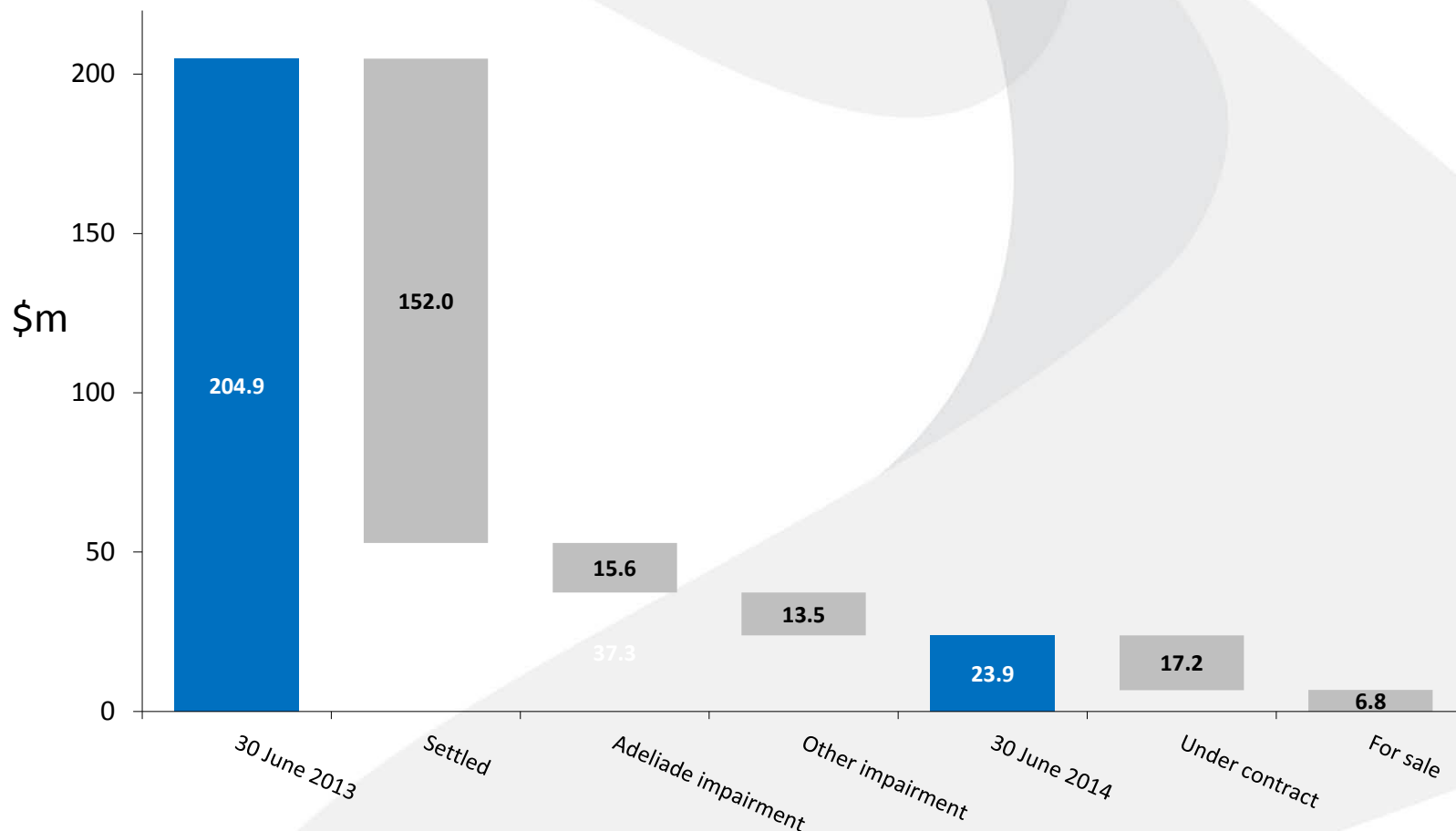
Substantial progress on commercial portfolio disposal

- ❖ Completed sale of the two largest properties in the portfolio Septimus Roe, Perth and ATO Adelaide office buildings – no exposure to the office market
- ❖ Remaining two properties subject to asset management focus
- ❖ Following successful re-leasing to improve lease duration, the Noble Park property is now at an advanced stage of negotiations for sale¹
- ❖ Remaining commercial asset is the Spearwood industrial estate
 - Management focus is on the environmental classification and leasing
 - Committed to sale but only at a price that will realise the appropriate value for the asset

1. There is no certainty that the currently envisaged transaction will complete

Non-core divestments

Development asset exposure materially reduced



Aspen Karratha Village

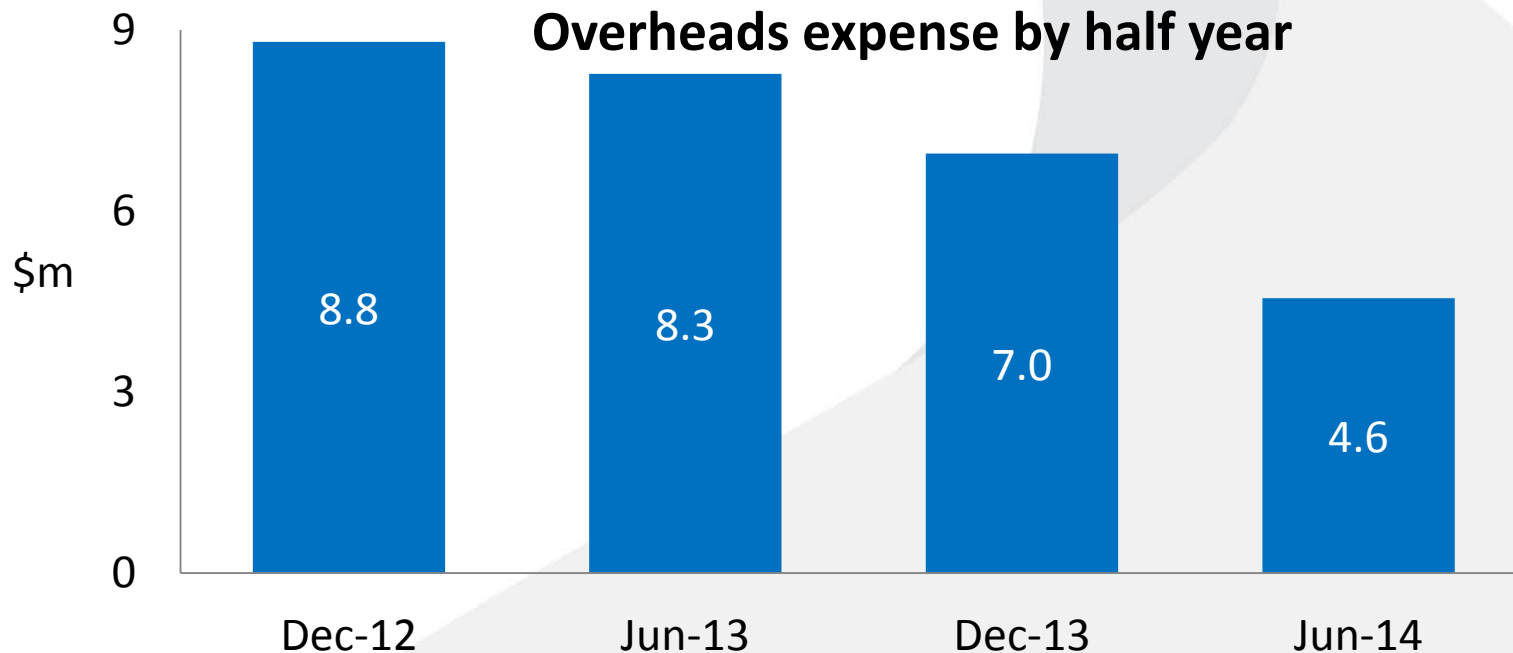


- ❖ Successfully re-leased most of the property to Woodside in January
 - Re-leased at a lower rental rate, a strong outcome given difficult market conditions
 - Associated capital works of \$0.6m completed
- ❖ Strong focus on reducing the operating cost base, down 7% in FY14, with the current cost rate down a further 15% for FY15
 - Food & beverage services outsourced from April 2014
 - Improved operational efficiencies generally
- ❖ Current annualised net income rate \$5.4m
- ❖ Asset management focus on
 - Leasing the remaining 18 rooms (10%)
 - Enhancing the relationship with Woodside

	FY13	FY14	
	\$m	\$m	%
Revenue	19.3	16.1	(17%)
Operating Expenses	(5.9)	(5.5)	7%
Net profit	13.4	10.6	(21%)

Aggressive reduction in overheads

- ❖ Reduced by 33% relative to the prior year
- ❖ Current annualised overhead cost rate of \$8m is half the level of FY13
- ❖ Remains a continued focus in FY15 as the business continues to simplify



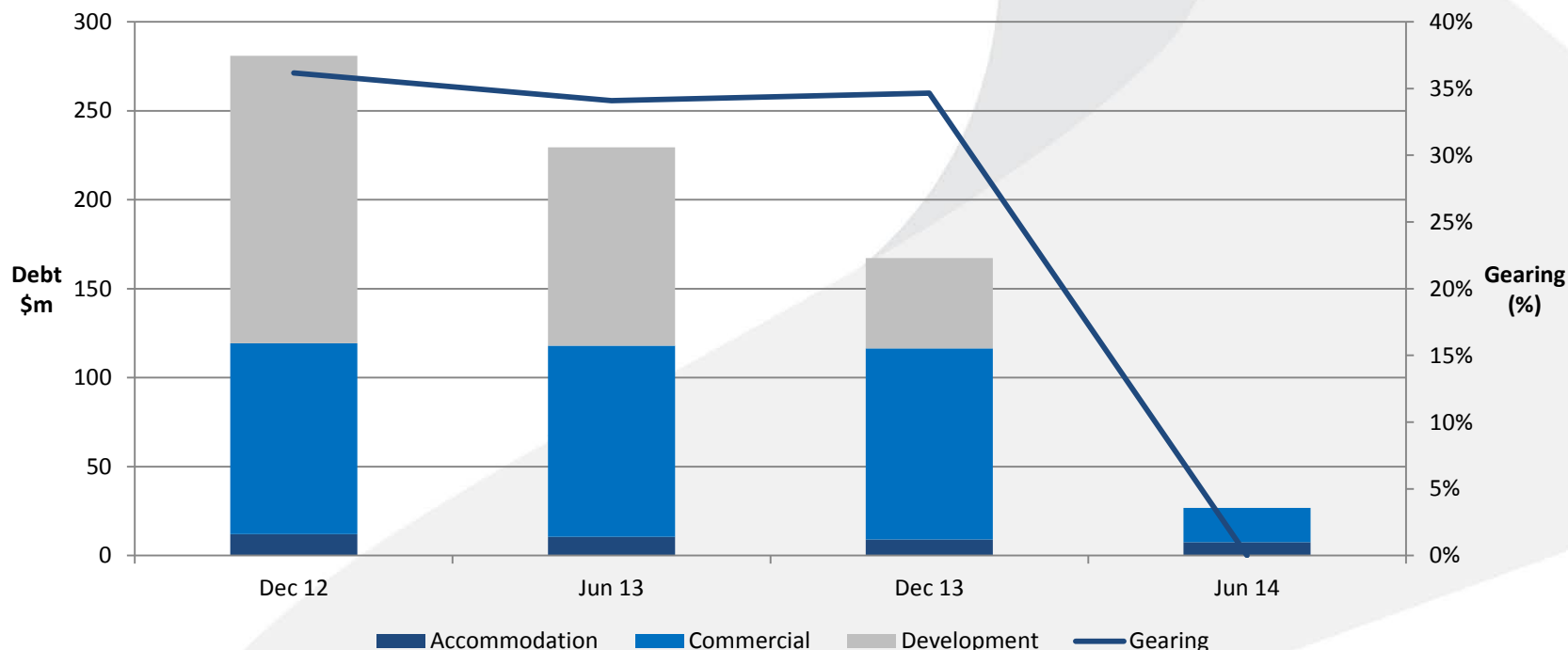
Business is now net cash



Simplified structure with only one senior facility remaining

- ❖ Debt substantially reduced by \$202.7m since June 13, to \$26.8m
- ❖ Cash holdings of \$44.7m

Aspen Group's total on balance sheet debt exposure



NTA per share composition



- ❖ Much greater clarity of value as business simplification has continued
- ❖ Of the 23 cents per share in assets held for sale, 17 cents has been contracted



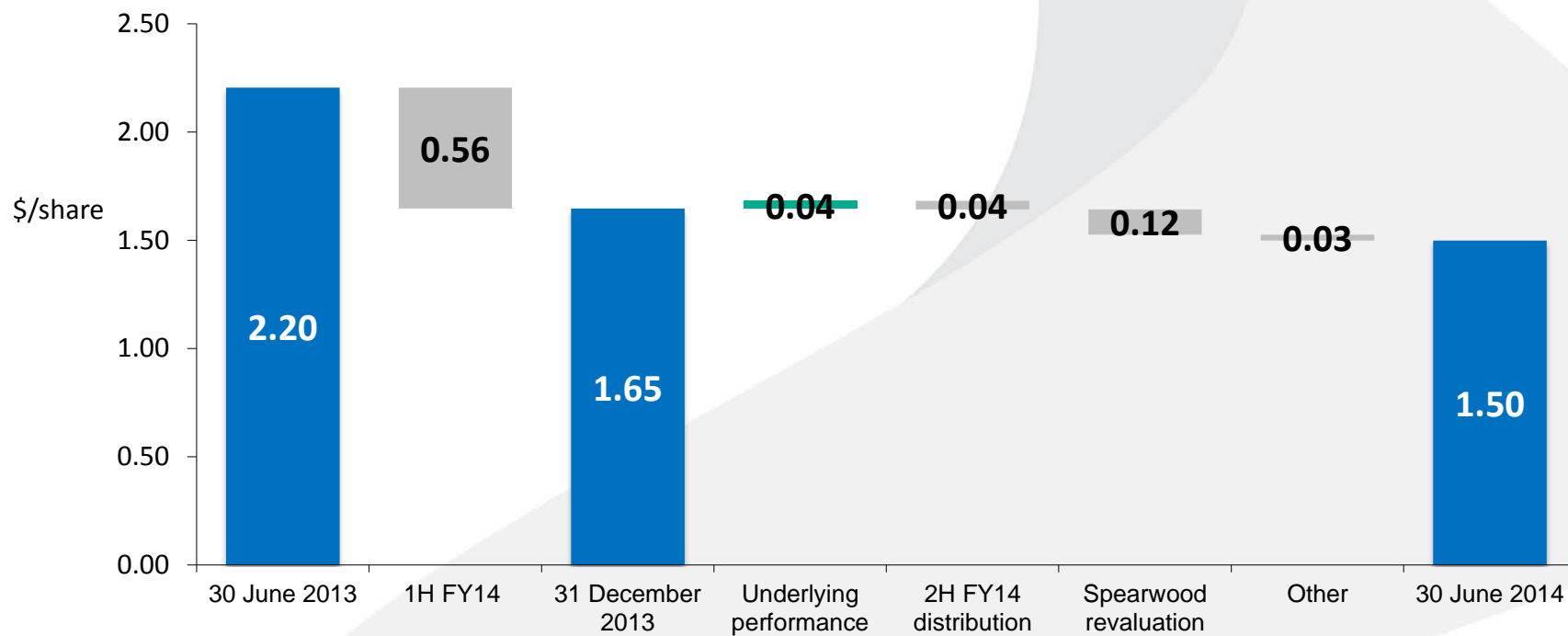
¹ Held for sale

² Assessed NTA adjusts for negative minority interests

NTA per share movement



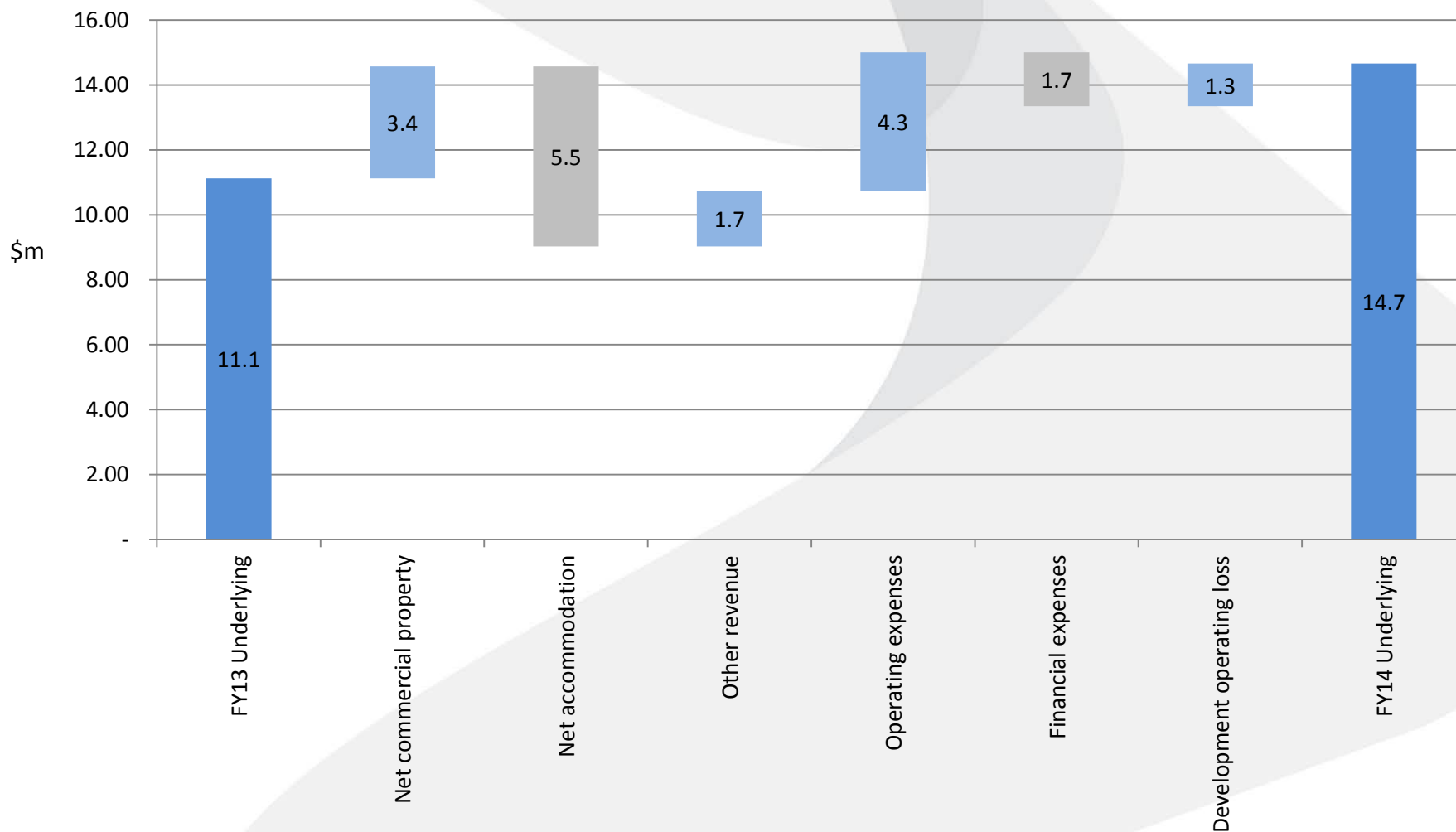
- ❖ Major decline in NTA over the half year to June 14 was due to the revaluation of Spearwood, about 12 cents per share
- ❖ There was also a smaller negative impact (approximately 3 cents per share) reflecting provisions on exit of remaining assets and reductions in value in other assets



Earnings



Change in underlying performance between FY13 and FY14



3. APPF recapitalisation

Recapitalisation of APPF



Immediate requirement to reduce leverage in APPF

- ❖ APPF has experienced reduced operating income primarily driven by the downturn in resource sector capital expenditure
- ❖ Fall in operating income has flowed through to a reduction in the value of the APPF portfolio
 - APPF loan to value ratio (LVR) of 54.8% as of 30 June 2014, even though overall debt level had reduced
 - Proximity to bank covenant of 55.0% creates a requirement to recapitalise
- ❖ APPF has announced a \$39.9m pro-rata entitlement offer
 - Aspen Group intends to take up its full entitlement (\$5.0m) and has underwritten the offer
- ❖ APPF LVR will reduce to 35.4% immediately following the offer

APPF entitlement offer summary



Offer details

- ❖ **Offer price** - \$0.49, a discount of 7.5% to the NAV per security of APPF
- ❖ **Entitlement** – 1 new security for every 2 existing APPF securities
- ❖ **Amount to be raised** – Minimum of \$39.9m
- ❖ **Underwriter** – Aspen Group
- ❖ **Underwritten price** - \$0.51, a discount of 3.8% to the NAV
- ❖ **Initial proceeds to reduce debt**
 - Drawn down to fund acquisition opportunities as they arise
 - Withdrawal offer intended for later in the year
- ❖ **Closing** - 3 October 2014

APPF application of funds

	\$m
Debt repayment	33.5
Withdrawal offer	6.0
Offer costs	0.4
Total	39.9

APPF key financial metrics



LVR – pre recapitalisation	54.8%
LVR – post capitalisation	35.4%
Annualised distribution rate ¹	4 cents per security
Offer price	\$0.49 per security
Distribution yield on offer price	8.2%

New APPF debt facility²

Limit	\$125.0m
Term	3 years to August 2017

¹ Distributions are paid at the discretion of the Board of APPF and the distribution rate is subject to change at any time, and is currently reviewed at least quarterly. Distributions do not include DMFs nor do they include development profit, and are after retaining earnings to fund stay in business capex

² Proposed facility, currently being documented

Underwriting arrangements



Aspen Group intends to participate to its full entitlement and has agreed to underwrite the APPF entitlement offer

Underwriting arrangements

- ❖ Underwritten price of \$0.51 per security
- ❖ APPF reserved the right to cancel the Entitlement Offer if a compelling and certain proposal is forthcoming prior to the end of the Entitlement Offer period
- ❖ No underwriting fee

Funding

- ❖ Aspen Group intends to subscribe for full entitlement and has underwritten the offer with existing cash on hand and a new senior debt facility
- ❖ At the full underwriting exposure, Aspen Group's pro-forma gearing would be 4.2% (look through 16.5%)
- ❖ No Aspen Group equity to be issued

APPF ownership

- ❖ Aspen Group interest in APPF will increase to the extent to which other APPF securityholders do not subscribe
- ❖ Aspen Group's ownership in APPF immediately after the offer will range from 12.5%¹ to 41.7%²

¹ Assuming 100% take up by APPF security holders

² Assuming 0% take up by other APPF security holders

Note see slide 47 for further details

APPF management arrangements



- ❖ Aspen Funds Management (AFM), a wholly owned subsidiary of Aspen Group, is the responsible entity of the Aspen Parks Property Trust (APPT)
- ❖ Separately, AFM is also the Fund Manager of APPF, under a contract to April 2019
 - Asset management fee of 1.5% pa of gross asset value of APPF
 - Other transaction, development and debt arrangement fees
- ❖ The asset management fee has been reduced to 1.0%, but only while AFM, or a related body corporate, remains as responsible entity of APPT
- ❖ Based on the gross asset value of APPF as at 30 June, the asset management fee at 1.0% would be \$ 2.1m per annum (at 1.5% would be \$3.2m per annum)

Approaches in relation to APPF



- ❖ On 20 June 2014 Aspen Group was approached by Ingenia Communities Group (ASX:INA) with a non-binding indicative proposal to acquire both
 - Aspen Group's 12.5% co-investment in APPF, at NAV; and
 - Aspen Group's management rights in APPF, at \$5m
- ❖ This proposal was assessed by the Board and not considered to be a compelling value proposition for Aspen Group shareowners
- ❖ APPF has announced that it has been approached with a non-binding indicative proposal from Ingenia to acquire 100% of APPF securities for INA scrip
- ❖ At the same time, INA reapproached Aspen Group
 - seeking to progress discussions in relation to the 20 June proposal; and
 - stating that this was their "preferred position"
- ❖ The Board remains of the view that the 20 June proposal does not represent a compelling value proposition for Aspen Group shareowners
- ❖ Should INA decide to submit to Aspen Group a revised proposal with materially improved terms, it would be considered on its merits

4. APPF investment case

Aspen Parks overview



- ❖ Established presence in the accommodation market
 - A leading player in the accommodation park industry
 - Portfolio of 21 properties
 - Management track record extending over 10+ years
- ❖ Simple business model with solid underlying fundamentals
 - No DMFs
 - No cabin manufacturing
- ❖ Strategic focus on increasing permanent resident accommodation
 - Residential opportunity a key development focus
 - Down-weighting resort exposure – one property currently on the market

Aspen Parks portfolio – as at 30 June 2014

		No	Value \$m	%
Mixed use	●	15	141.6	70%
Resource	●	4	33.2	16%
Resorts	●	2	26.8	13%
Total		21	201.6	



APPF investment proposition



1. Positive industry dynamics
2. Focus on operating margins
3. Development opportunities
4. Expansion opportunity as an industry consolidator

1. Positive industry dynamics



- ❖ Strong demographic trends, underpinned by ageing population
- ❖ Fragmented industry facilitates growth through acquisition
- ❖ Accommodation is a necessity; residential affordability remains a key issue
- ❖ Long term supply/demand dynamics are positive
- ❖ Attractive spread between cost of capital and asset yields

Property pricing metrics on APPF recapitalisation offer price¹

Cash income portfolio yield	12.7%
Portfolio yield post capex	10.7%

¹ Based on FY14 financial results. Capex being 'stay-in-business' capital expenditure

2. Focus on operating margins



- ❖ Unlike commercial real estate, there is significant margin sensitivity
 - Labour is the bulk of costs at ~72%
- ❖ Operating margin in FY14 was 36.5%
 - ❖ Changes in margin have magnified impact after overhead costs and gearing
- ❖ Revenue opportunities
 - More dynamic rate setting
 - Shift to digital marketing
- ❖ Cost opportunities
 - Employment rostering
 - Operating structure

APPF FY14 income statement		
	\$m	Margin (%) ¹
Property revenue	67.7	
Property costs	43.0	
Net property income	24.7	36.5%

¹ Margin as a percentage of property revenue

3. Development opportunity



- ❖ In-house development management capability
 - Over the past 2 years, APPF has delivered an additional 83 cabins
- ❖ Capital constraints associated with APPF's LVR have prevented APF realising several development opportunities
- ❖ Currently investigating a number of potential development areas
 - Identified 190 to 650 sites at various stages
 - Continue to review existing portfolio for additional opportunities
- ❖ Focus on residential/permanent opportunities

4. Expansion potential

- ❖ Industry is characterised by highly fragmented ownership
 - Large number of individual owners
 - Generational change is a driver of transactions
- ❖ Forces for industry consolidation are evident – including increased capital requirements and marketing/technology trends
- ❖ Expansion allows the relatively fixed overhead cost to be spread across a larger portfolio, as well as to allow individual properties to benefit from being integrated into the existing APPF platform
- ❖ Currently investigating a number of acquisition opportunities
 - Focus on mixed tourism/permanent properties
 - Enhancing existing property clustering
 - Measured development opportunity

FY14 APPF management changes



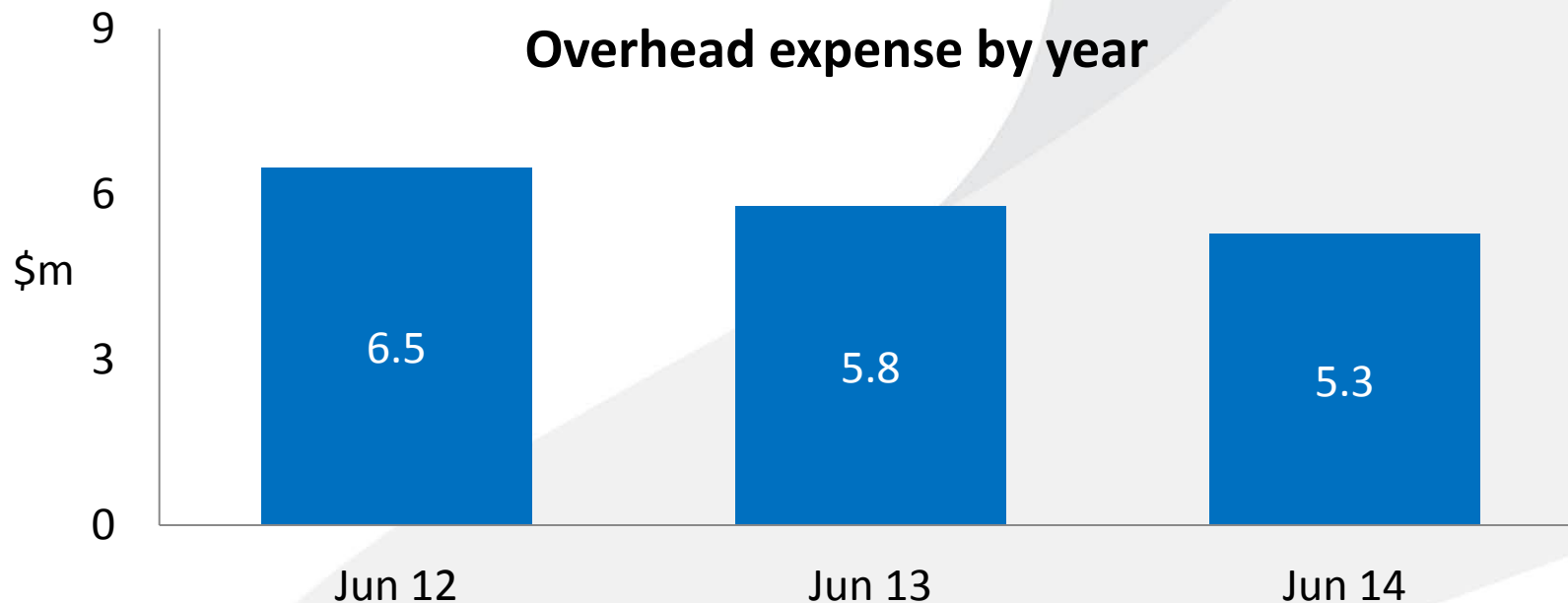
- ❖ Operating management platform strengthened
 - Appointment of new Chief Operating Officer – external appointment (April 2014)
 - Appointment of new Human Resources Manager – external appointment (Nov 2013)
 - Business review – focus on operational efficiency, revised marketing team and improved customer service
 - Increased focus on human resource management and people development
- ❖ Development/asset management capacity enhanced
 - New head of development/asset management – internal appointment
 - Track record of successful delivery of developments
 - Key focus on acquisition pipeline, leasehold extensions and unlocking value from surplus landholdings – expansion of permanent residential base a key initiative
 - Removal of capital constraints increases future flexibility
- ❖ Capital allocation and discipline remain a key focus
 - Financial function integrated into Aspen Group, also providing cost efficiencies
 - Portfolio growth provides capacity to spread management overhead
 - New debt facilities on improved terms

APPF central function costs down



Management strengthened within overall cost discipline

- ❖ APPF central function cost reduced by 9% over FY14, with improved efficiencies
- ❖ Central function costs included COO/Regional Operational Management, IT, marketing, technology, accounting, etc.
- ❖ Optimising resources remains key focus into FY15

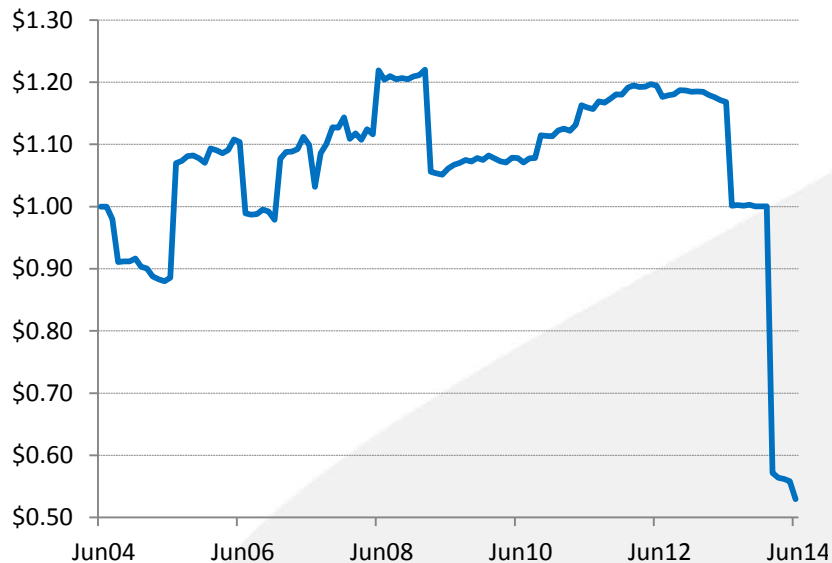


Significant re-basing of APPF

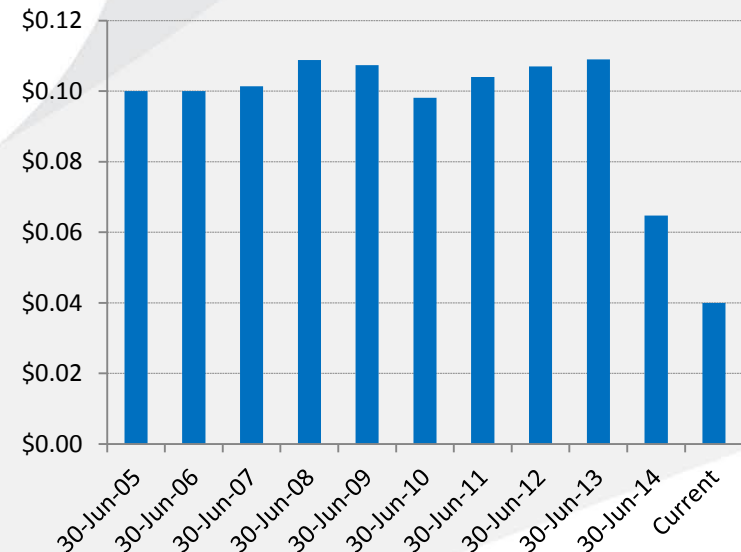


- ❖ Excessive leverage amplified the impact of resources slowdown
 - Portfolio value down ~29% over 12 months to June 2014
 - Equity value down ~46% over 12 months to June 2014
- ❖ Distributions rebased
 - Strongly cash generative at this level
 - Earnings retained to fund stay-in-business capex

Aspen Parks NAV/security



Aspen Parks annual distribution per security



Note: Currently annualised monthly distribution rate of 4.0 cents is subject to change at any time, and is currently reviewed at least quarterly

Valuation update June 2014



- ❖ Valuation update
 - Five independent valuations undertaken as part of FY14 full year accounts
 - Decline in carrying value of \$2.3m or 1% of the total portfolio value
 - Follows full independent portfolio revaluation for December 2013
- ❖ Mixed outcome on resources related properties
 - Increase in carrying value at Cooke Point, Port Hedland
 - Reduction in carrying value at Karratha properties
- ❖ Tourist/permanent properties up slightly

Property	Sector	Prior C/V \$m	New C/V \$m	Change \$m	%
Pilbara, Karratha WA	Resource	14.6	11.1	(3.5)	(24%)
Balmoral, Karratha WA	Resource	5.8	3.9	(1.9)	(33%)
Cooke Point, Port Hedland, WA	Resource	10.3	12.8	2.5	24%
Perth Vineyards, Perth, WA	Tourist/Permanent	13.8	14.1	0.3	2%
Ashley Gardens, Melbourne, Vic	Tourist/Permanent	19.1	19.5	0.4	2%

Financial update - performance



	2013	2014	Change	Change
	\$m	\$m	\$m	%
Resource park earnings	15.7	6.5	(9.2)	(59%)
Resort park earnings	3.7	3.0	(0.7)	(19%)
Mixed use park earnings	12.9	15.1	2.2	17%
Other earnings	1.2	0.5	(0.7)	(58%)
Total revenue	33.5	25.1	(8.4)	(25%)
Operating expenses	(5.8)	(5.3)	0.5	9%
Financial expenses	(6.5)	(6.5)	0.0	0%
Management fees	(4.6)	(3.2)	1.4	30%
Operating profit after tax	16.6	10.1	(6.5)	(39%)
EPS (cents)	10.2	6.2	(4.0)	(39%)

APPF balance sheet – pro-forma



Impact of the recapitalisation

	30-Jun-14	Recapitalisation	Post-Offer Pro-Forma	Post Withdrawal Pro-forma
	\$m	\$m	\$m	\$m
Total assets	210.2	0.0	210.2	210.2
Total liabilities	124.0	(39.5)	84.5	90.5
Net assets	86.2	39.5	125.7	119.7
Securities on Issue (millions)	162.7	81.4	244.1	
NAV	\$0.5299		\$0.5150	
Gearing	51.0%		31.7%	34.6%
LVR	54.8%		35.4%	38.4%

5. Conclusion

Conclusion



- ❖ Aspen Group has made significant progress on its strategic business transition in FY14
 - Business has been simplified, is more focused, with less debt and lower overhead
 - APPF's recapitalisation is part of this strategic transition to restore value in Aspen Group
- ❖ Strategic priorities in FY15
 - Finalise sale of the remaining commercial properties and development assets
 - Completion of APPF recapitalisation
 - Pursuit of growth opportunities in line with core strategic focus around 'value for money' accommodation
 - Cost focus remains, both on overheads and operations
 - Distribution guidance of 8.0 – 10.7 cents per share in FY15
- ❖ Ongoing commitment to achieve value for Aspen Group shareowners

Appendix A

FY14 financial results and debt update

Operating earnings



	2014		2013
	\$m	CPS	\$m
Revenue from operations			
Net commercial property	15.2	12.6	14.0
Net accommodation			
- Aspen Karratha Village	10.7	8.9	13.5
- Aspen Parks Property Fund	5.0	4.2	7.8
Other revenue	4.5	3.7	2.6
Total revenue	35.3	29.4	37.8
Operating expenses	(10.6)	(8.9)	(14.9)
Financial expenses	(1.3)	(1.0)	(1.8)
Development operating loss	(8.7)	(7.3)	(10.1)
Profit before tax	14.7	12.3	11.1
Income tax expense	0.0	0.0	0.0
Operating profit after tax	14.7	12.3	11.1
Distributions	13.8	11.5	17.8

Group Financial Result



	2014		2013
	\$m	CPS	\$m
Accommodation operating profit	15.2	12.6	11.1
Commercial / industrial operating profit	7.7	6.4	14.5
Development operating loss	(8.1)	(6.8)	(14.3)
Total operating profit	14.7	12.3	11.3
Loss - subsidiary assets held for sale	(27.1)	(22.6)	(46.7)
Loss - Commercial properties held for sale	(35.7)	(29.7)	15.3
Revaluation of Aspen Karratha Village	(11.5)	(9.6)	(7.6)
Impairment of equity accounted investees	(7.5)	(6.2)	(2.6)
Write-down of assets held for sale	(1.9)	(1.6)	0.0
Write-off of DTA	(12.1)	(10.1)	0.0
Other statutory adjustments	(0.7)	(0.6)	(7.7)
Statutory Loss After Tax	(81.8)	(68.2)	(38.0)

Balance sheet



	30 June 14	30 June 13	30 June 12
	\$m	\$m	\$m
Cash	44.7	37.6	2.1
Subsidiary assets held for sale	24.5	178.8	285.5
Investment properties	38.5	261.0	296.4
Equity Investments	10.7	39.0	52.3
Inventories / assets held for sale	90.6	26.1	23.3
Other	12.7	26.9	41.8
Total Assets	221.7	569.4	701.4
Borrowings	26.8	123.3	152.9
Subsidiary liabilities held for sale	3.9	124.5	242.6
Other	11.3	34.8	58.9
Total Liabilities	42.0	282.7	454.4
Minority interests	0.0	11.7	15.5
Net Assets	179.7	275.0	231.5
NAV per share	1.50	2.31	4.43
Gearing	Nil	34%	48%
Look through gearing	Nil	43%	49%

Balance sheet - pro-forma, for different levels of APPF take-up

- ❖ No need for Aspen Group to raise equity in underwriting the APPF entitlement offer

	PF	PF for offer with no underwriting	PF for offer with full underwriting
	\$m	\$m	\$m
Cash	44.7	27.9	14.5
Subsidiary assets held for sale	24.5	24.5	24.5
Investment properties	38.5	38.5	38.5
Equity Investments	10.7	16.5	52.8
Inventories / assets held for sale	90.6	70.3	70.3
Other	12.7	12.7	12.7
Total Assets	221.7	190.4	213.3
Borrowings	26.8	0.0	22.9
Subsidiary liabilities held for sale	3.9	3.9	3.9
Other	11.3	6.6	6.6
Total Liabilities	42.0	10.5	33.4
Minority interests	0.0	0.0	0.0
Net Assets	179.7	179.9	179.9
NAV per share	1.50	1.50	1.50
Gearing	0.0%	0.0%	4.2%
Look through gearing	0.0%	0.0%	16.5%
Ownership in APPF	12.5%	12.5%	41.7%

¹ Assuming the Noble Park sale proceeds. There is no certainty that the currently envisaged transaction will close

² Includes debt associated with property held for sale

Debt management



- ❖ Senior debt facility substantially reduced post commercial property sales
- ❖ Aspen Group has entered into a new senior debt facility as part of its funding of the APPF offer, which replaces the current senior facility
 - \$50.0m facility, for 2 years to August 2015, at BBSY +180bp

Senior debt facility	Jun-14	Dec-13	Jun-13
Total drawn debt (\$m)	26.8	116.4	117.9
Senior debt facility (\$m)	26.8	117.3	118.8
LVR	21%	49%	45%
Weighted average debt maturity (years)	1.1	1.7	2.2
Weighted average cost of debt	6.9%	7.0%	8.1%

Debt management



- ❖ Simplified debt-structure, only the senior facility remains in place
- ❖ All other debt facilities now repaid

Group facilities	June 2014 drawn debt (\$m)	June 2013 drawn debt (\$m)	Maturity	Weighted average cost of debt
Accommodation	7.5	10.5	Aug-15	6.9%
Commercial / industrial	19.3	107.4	Aug-15	
Ballina Retirement	-	5.4	-	-
	26.8	123.3		
Consolidated and other entities				
ADF No.1	-	22.5	-	-
Whitsunday	-	5.8	-	-
Fern Bay	-	14.7	-	-
Dunsborough Lakes	-	17.3	-	-
Diversified Fund	-	46.1	-	-
FSPT	-	58.8	-	-
Convertible Notes	-	15.0	-	-

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