

## APN | Property Group

27 November 2008

The Manager  
Company Announcements Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

### **APN Property Group Limited (APD) - Revised Earnings and Dividend Guidance for the year ending 30 June 2009**

#### **Earnings**

In light of the continuing deterioration in market conditions, Directors have revised APD's earnings estimates for the year ended 30 June 2009. Profit after Tax for the year ending 30 June 2009 is forecast to be approximately \$4.3 million (3.0 cents per share). This compares with previous guidance of \$5.7 million (4.0 cents per share) foreshadowed in the previous announcement of 22 August 2008.

Assumptions reflected in this forecast include:

- No material change in the current business activities for FY09;
- Management fees for the remainder of the year are determined each quarter, based on the value of Funds under Management (FuM) on the last day of each respective quarter.
- Forecast management fees from APD's securities funds, for the final three quarters are based on estimated FuM values at 25th November 2008.
- Forecast management fees from APD's direct property funds, for the final three quarters assumes a 5% reduction in the market value of fund properties as at 31 December 2008;
- No further inflows or redemptions in existing funds during the remainder of the year.
- The sale by APD's National Storage Property Fund of six properties which will result in a disposal fee of 1% of the sale price offset by a reduction in future management fees.
- No property acquisitions or disposals by any fund, except as noted above.

- Total FuM to remain constant at today's amount of approximately \$3.4 billion
- Overhead expenses maintained at current levels, but with the additional cost of salary and share issue for the incoming Managing Director. Note that the accounting cost of the shares granted to the Managing Director has been reduced by approximately \$1.2 million compared with the assumptions made in the previous earnings guidance.
- Reduction in the carrying value of APD's investment in its listed managed fund, APN European Retail Property Group (AEZ) to its current market price.

The market climate continues to be uncertain and volatile. A considerable component of APD's revenue is determined by market prices prevailing in the AREIT sector. The current estimates are therefore subject to further change in accordance with future market movements

### Reconciliation to Previous Forecast

	<b>Profit after Tax \$ million</b>
Forecast Profit after Tax previously announced - August 2008	5.7
– Effect on management fee revenues from lower FuM values of APD's securities funds	(2.2)
– Lower cost of the shares granted to the Managing Director	1.2
– Write down value of investment in APN European Retail Property Group (AEZ)	(0.5)
– Other items	0.1
<b>Forecast Profit after Tax</b>	<b>4.3</b>

### Dividend

Based on the current earnings forecast, Directors anticipate the payment of a fully franked dividend of 3.0 cents per share for the year.

For further information, please contact David Blight, Managing Director or John Freemantle, CFO on (03) 8656 1000.



John Freemantle  
Company Secretary