

## APN | Property Group

18 September 2009

Ms Julia Kagan  
Senior Adviser, Issuers  
Australian Stock Exchange Limited  
Level 45, South Tower  
525 Collins Street  
Melbourne, Vic 3000

Dear Julia,

### APD – Price Query

I refer to your letter dated 17 September 2009. You noted that there has been a significant increase in the price of APD securities since 24 August 2009 and requested a response to a series of questions.

We respond to your specific queries, as follows:

- 1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company**

The Company is not aware of any information which, if known, could explain the recent trading in APD securities.

We note that the Company issued its preliminary final report of FY09 results on 24 August 2009.

- 2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?**

Not applicable

- 3. Is there a reason to think that there may be a change in the operating profit before abnormal items and income tax so that the figure for the half year ending 31 December 2009 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.**

The Company's **financial results for the year ended 30 June 2009** (announced on 24 August 2009) included the following information.

	First Half \$'000	Second Half \$'000	Full Year \$'000
• Profit from operations after tax (ie underlying profit)	4,812	694	5,506
• Impairment and fair value adjustments after tax	(3,512)	(24,031)	(27,543)
• Profit (Loss) after tax	1,300	(23,337)	(22,037)
• Add back tax expense			1,006
• Profit (Loss) before tax			(23,043)

The Company has not provided any further earnings guidance for FY2010, for the following reasons:

- Revenue for the Company is directly related to the value of Funds under Management (FuM), which in turn is a function of the value of the investments by the funds in listed property securities, unlisted property securities and direct property investments. Profit from operations for the two halves of FY2009 reflect the value of FuM during these periods. We do not believe we can provide any better insight into the prospects for the property market in FY2010 and therefore the value of FuM, than is evident from our results for FY2009.
- We have made no comment on the prospects for further impairment write downs or fair value adjustments. We have reported that following these adjustments, we have \$13.2 million of intangible assets remaining on our balance sheet. We believe there is no guidance we can give that would provide a more informed view of the prospects of further adjustments of this nature.

**4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the half year ending 31 December 2009? If so, please provide details**

No. Refer also comment above

**5. Is there any other explanation that the Company may have for the price change in the securities of the Company?**

None that we are aware of.

**6. Please confirm that the Company is in compliance with the listing rules and in particular, listing rule 3.1**

We believe the Company is in compliance with all listing rules

Yours sincerely  
APN Property Group Limited



John Freemantle  
Company Secretary



ASX Markets Supervision Pty  
Ltd  
ABN 26 087 780 489  
Level 45  
South Tower  
525 Collins Street  
Melbourne VIC 3000  
GPO Box 1784  
Melbourne VIC 3001  
Telephone 61 3 9617 8648  
Facsimile 61 3 9614 0303  
[www.asx.com.au](http://www.asx.com.au)

17 September 2009

John Freemantle  
APN Property Group Limited  
101 Collins Street  
Melbourne Vic 3000

By e-mail only

Dear John

**APN Property Group Limited (the "Company")**

**RE: PRICE QUERY**

We have noted a change in the price of the Company's securities from \$0.18 at the close of trade on 24 August 2009 to \$0.40 as at the time of writing today.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating profit before abnormal items and income tax so that the figure for the half year ending 31 December 2009 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the half year ending 31 December 2009? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change in the securities of the Company?

6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by return e-mail or by facsimile on facsimile number (03) 9614 0303. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. Melbourne time) on Friday, 18 September 2009.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

*Sent by electronic means without signature*

Julia Kagan

**Senior Adviser, Issuers (Melbourne)**