

APN Property Group Limited and its controlled entities (“APD”) Appendix 4D – Half-year report for the period ended 31 December 2009

Results for announcement to the market

	Half-year ended 31 December 2009 \$'000	Half-year ended 31 December 2008 \$'000	Movement \$'000	Movement %
Revenue from ordinary activities	10,066	15,734	(5,668)	(36.0)
Profit from ordinary activities after tax attributable to members	1,805	1,300	(505)	(38.8)
Net profit attributable to members	1,805	1,300	(505)	(38.8)
Basic earnings per share (cents per share)	1.27	1.07		
Diluted earnings per share (cents per share)	1.27	1.05		
Net tangible assets backing (cents per share)	20.89	23.61		

Dividend

	Amount per security	Franked amount
Ordinary Shares		
Interim dividend – 31 December 2009	1.25 cents	100%
Previous corresponding period	–	–
Record date for determining entitlement	25 March 2010	
Payment date	12 April 2010	

Commentary on results

Refer to the Directors' Report for an explanation of the operational and financial results of the Group.

APN Property Group Limited
ABN 30 109 846 068

Financial report for the six months ended 31 December 2009

Directors' report

The directors of APN Property Group Limited ("APD") submit herewith the financial report for the six months ended 31 December 2009.

The names of the directors of the company during or since the end of the half-year are:

Executives

Clive Appleton

Christopher Aylward (Appointed as Chairman on 20 November 2009)

David Blight

Howard Brenchley

Non executive

Michael Butler (*Independent*) (Resigned on 20 November 2009)

Andrew Cruickshank (Resigned on 20 November 2009)

John Harvey (*Independent Chairman*) (Resigned on 20 November 2009)

Review of operations

APN Property Group (APD or Group) recorded a profit after tax of \$1.8 million for the six months ended 31 December 2009, an increase of 39% compared with the same period last year. Funds under management at 31 December 2009 were \$2.7 billion.

The result includes profit from operations after tax of \$1.3 million for the period, a significant reduction from the previous corresponding period of \$4.8 million. Earnings continue to be affected by the decline in market values of real estate securities and direct property that occurred during the global financial crisis (GFC).

In Europe, where a significant portion of APD's fees are earned, the market downturn has affected asset values and the performance of APD's managed property funds. This in turn, has negatively affected revenues which are linked to the value of the funds managed.

In Australia, though revenues are below those of the comparative period, there has been some recovery in the value of APD's real estate securities funds and there are indications of a strengthening market.

Although results have been impacted by global events, the Group remains well placed to manage through these difficult conditions and actively participate in the recovery. The management team in both Australia and Europe is strong. The Group has no debt and considerable cash reserves.

Directors have declared an interim dividend of 1.25 cents per share. The dividend will be fully franked and paid on 12 April 2010 to shareholders registered on 25 March 2010.

	Six Months to Dec 2009	Six Months to Dec 2008	Change
	\$ million	\$ million	
Underlying Profit Before Tax (from Operations)	2.0	7.4	
Tax	(0.7)	(2.6)	
Underlying Profit After Tax (from Operations)	1.3	4.8	(73%)
(Loss)/Profit from Impairment & Fair Value Adjustments before tax	0.7	(5.0)	
Tax	(0.2)	1.5	
(Loss)/Profit from Impairment & Fair Value Adjustments After Tax	0.5	(3.5)	
Statutory Profit / (Loss) Before Tax	2.7	2.4	
Tax	(0.9)	(1.1)	
Statutory Profit / (Loss) After Tax	1.8	1.3	39%

Significant factors in this result include:

- Funds under management (FuM) - \$2.7 billion at December 2009

FuM has been relatively stable in recent months. APD's real estate securities funds recorded a modest increase in value during the period as a result of improving market values in the AREIT sector and inflows to the APN AREIT Fund. This has been offset by a decline in the value of APN's funds investing in Europe. Although recent valuations indicate a stabilization of retail property values in Europe, the strengthening value of the Australian dollar against the Euro has contributed to a reduction in the reported value of FuM from European based assets.

- Fund management fees - down 25% to \$8.3 million

Management fees are derived from the value of APD's FuM and as such reflects the lower values in this period.

- Transaction fee income – nil in this period (\$1.1 million in corresponding period)

The Group is entitled to fees, in connection with property acquisitions and sales, and debt arrangement services within the Funds it manages. In the current reporting period, there have been no transactions for which a fee can be charged.

- Project management fee income – down 70% to \$0.7 million

Project management fees from APD's two development funds have significantly reduced as some projects were delayed as a result of market conditions.

- Overheads – down 11% to \$7.7 million

Overheads continued to be trimmed during the period. However, this has not been at the expense of compromising the performance of the management platform. The Group will keep the management platform strong to ensure APD is well positioned to take advantage of opportunities during the market recovery and maintain focus on the investment performance of the underlying funds.

- Fair value adjustments to APD investments – increase of \$0.7 million

The carrying value of APD's investments in its managed funds was written up during the period to reflect fair market value at balance date. This is a partial reversal of the write downs recorded in earlier periods.

As noted above, these results reflect the impact of the GFC and its effect on the values of property and property related securities. There are clear indications of a market recovery in Australia and signs of stabilization in Europe. The recovery in Europe is likely to lag particularly with recent sovereign risk issues emerging.

APD has focused on the management of its funds, some of which have faced considerable challenges through the period as a result of declining property values and earnings pressure. Several funds in Europe, including the listed **European Retail Property Group (AEZ)** have breached loan covenants (principally loan to valuation ratio) and have required intensive management commitment to stabilize lenders.

In Australia, the real estate securities funds have been closed to redemptions since October 2008. The major funds, **Property for Income Fund** and **Property for Income Fund No. 2** recently commenced limited withdrawal offers to all investors and subsequently re-opened for new applications. Management has been intensely focused on developing a strategy to improve fund liquidity, whilst preserving the interests of all fund investors.

The **International Property for Income Fund** is to be wound up. This is a small fund in which investment management was undertaken by external fund managers. Sustained underperformance and poor liquidity led to the decision that the interest of investors was best served by winding up the fund.

The **APN AREIT Fund** was launched in January 2009. It is a real estate securities fund investing predominantly in Australian Real Estate Investment Trusts (AREITs) and has attracted inflows in excess of \$36 million to date. Fund performance has been strong with investors benefitting from the continued improvement in the AREIT sector during this time.

APD's direct property funds in Australia have recorded good results in a difficult environment. The **National Storage Property Trust** is well progressed with its refinancing package whilst the **Regional Property Fund** successfully refinanced its debt and is likely to recommence distributions in March 2010. The **APN Retirement Fund** has reached its termination date and will be wound up with an orderly sale of the assets.

Activity in the **APN Development Fund No. 1** and **APN Development Fund No. 2** has been curtailed by the market downturn and the contraction of the credit markets through 2009. With the markets now returning to reasonable levels of activity and the underlying real estate fundamentals favourable, we are investing significant resources in the planning and design of new developments on sites held by these funds.

Outlook

The Group remains in good financial health. It has retained its management platform and is well positioned to emerge from the market downturn in a strong position. Whilst management is intensely focused on organic growth from the underlying investment performance of existing funds, it is also now actively seeking new opportunities. The establishment of new funds to meet changes in market demand (such as the APN AREIT Fund, launched in January 2009) and the acquisition of existing fund management businesses that complement existing activities are a strong focus. Geographic expansion into Asia is also a real and significant opportunity for the Group with a number of possibilities being considered.

Summary

Whilst the financial results for the period are modest, APD has emerged from an extremely difficult period largely unscathed and with its management platform intact. The Group is well positioned to capitalize on future growth opportunities.

Significant Events During the Period

Board Restructure

In November 2009, Mr John Harvey, Mr Michael Butler and Mr Andrew Cruickshank, retired from the Board. These retirements result from an objective to establish independence between this Board and the Board of subsidiary company, APN Funds Management Limited (APN FM), the Responsible Entity for APD's managed funds.

The Board of APN FM now comprises three independent directors and two executive directors. It is independent in its own right and independent of APN Property Group Limited. As all directors of APN FM have a legal obligation to put the interests of investors in the respective managed funds, ahead of their own, and those of APD, the separation of the Boards enhances the capacity of the Group to identify and manage any conflicts of interest and related party transactions that may occur.

As a result of this restructure, the Board of APN Property Group Limited now comprises four executive directors. Directors intend to appoint an independent director shortly.

Dividends

On 26 February 2010, the directors have declared a fully franked interim dividend of 1.25 cents per share for the period ended 31 December 2009, to be paid on 12 April 2010 to all shareholders registered on 25 March 2010.

Subsequent events

Since the balance date, the directors have declared a fully franked interim dividend of 1.25 cents per share for the period ended 31 December 2009, to be paid on 12 April 2010 to all shareholders registered on 25 March 2010.

Other than the matter advised above, the directors have not become aware of any other significant matter or circumstances that has arisen since 31 December 2009, that has affected or may affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent years, which has not been covered in this report.

Auditor's independence declaration

The auditor's independence declaration is included on page 6 of the half-year report.

Rounding off of amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



David Blight
Group Managing Director
Melbourne, 26 February 2010

The Board of Directors
APN Property Group Limited
101 Collins St
MELBOURNE VIC 3000

Dear Sirs

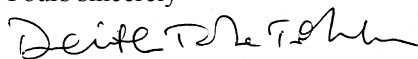
INDEPENDENCE DECLARATION – APN PROPERTY GROUP LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of APN Property Group Limited regarding the half-year financial reports.

As lead audit partner for the review of the financial statements of APN Property Group Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Peter A. Caldwell
Partner
Chartered Accountants
Melbourne, 26 February 2010

Independent Auditor's Review Report to the members of APN Property Group Limited

We have reviewed the accompanying half-year financial report of APN Property Group Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2009 and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 9 to 19.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the APN Property Group Limited's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of APN Property Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance

that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

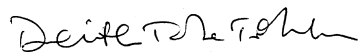
Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of APN Property Group Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Peter A. Caldwell
Partner
Chartered Accountants
Melbourne, 26 February 2010

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



David Blight
Group Managing Director

Melbourne. 26 February 2010

**Condensed consolidated statement of comprehensive income
for the half-year ended 31 December 2009**

		Consolidated	
		Half-year Ended 31 Dec 2009	Half-year Ended 31 Dec 2008
		\$'000	\$'000
	Note		
Revenue	3	10,066	15,734
Cost of sales		(976)	(1,375)
Gross profit		9,090	14,359
Finance income		409	429
Administration expenses		(7,847)	(8,889)
Fair value adjustments		738	(5,017)
Foreign currency exchange gains		349	1,539
Finance costs		(33)	(52)
Profit before tax		2,706	2,369
Income tax expense		(901)	(1,069)
Profit for the period		1,805	1,300
Other comprehensive income			
Exchange differences arising on translation of foreign operations		(575)	175
Gain on available-for-sale investments taken to equity		87	-
Income tax relating to gain on available-for-sale investments taken to equity		(26)	-
Other comprehensive income for the period (net of tax)		(514)	175
Total comprehensive income for the period		1,291	1,475
Profit attributable to:			
Equity holders of the parent		1,805	1,300
Total comprehensive income for the period:			
Equity holders of the parent		1,291	1,475
Earnings per share			
Basic (cents per share)		1.27	1.07
Diluted (cents per share)		1.27	1.05

Notes to the financial statements are included on pages 14 to 19.

**Condensed consolidated statement of financial position
as at 31 December 2009**

		Consolidated	
		31 December 2009	30 June 2009
<u>Note</u>		\$'000	\$'000
Current assets			
	Cash and cash equivalents	10,888	13,325
	Trade and other receivables	7,289	7,606
	Other financial assets	9,690	8,150
	Other assets	359	622
	Total current assets	28,226	29,703
Non-current assets			
	Property, plant and equipment	414	311
	Goodwill	2,531	2,531
	Intangible assets	10,642	10,688
5	Deferred tax assets	5,766	6,133
	Total non-current assets	19,353	19,663
	Total assets	47,579	49,366
Current liabilities			
	Trade and other payables	3,150	4,264
	Current tax payables	291	2,605
	Provisions	550	585
	Total current liabilities	3,991	7,454
Non-current liabilities			
	Provisions	260	197
	Other liabilities	479	435
	Total non-current liabilities	739	632
	Total liabilities	4,730	8,086
	Net assets	42,849	41,280
Equity			
	Issued capital	52,207	52,207
	Reserves	1,687	1,923
	Retained earnings	(11,045)	(12,850)
	Total equity	42,849	41,280
		42,849	41,280

Notes to the financial statements are included on pages 14 to 19.

**Condensed consolidated statement of changes in equity
for the half-year ended 31 December 2009**

	Share capital \$'000	Retained earnings \$'000	Equity- settled employee benefits reserve \$'000	Investment revaluation reserve \$'000	Foreign currency translation reserve \$'000	Attributable to equity holders of the parent \$'000
Balance at 1 Jul 2008	52,190	13,197	1,497	-	(978)	65,906
Profit for the period	-	1,300	-	-	-	1,300
Translation of foreign subsidiary company	-	-	-	-	175	175
Total comprehensive income for the period	-	1,300	-	-	175	1,475
Payment of dividends	-	(4,010)	-	-	-	(4,010)
Issue of shares under share option plan	17	-	-	-	-	17
Recognition of share-based payments	-	-	1,054	-	-	1,054
Balance at 31 Dec 2008	52,207	10,487	2,551	-	(803)	64,442
Balance at 1 Jul 2009	52,207	(12,850)	2,835	-	(912)	41,280
Profit for the period	-	1,805	-	-	-	1,805
Translation of foreign subsidiary company	-	-	-	-	(575)	(575)
Gain on available-for-sale instruments	-	-	-	87	-	87
Income tax relating to gain on available-for-sale investments taken to equity	-	-	-	(26)	-	(26)
Total comprehensive income for the period	-	1,805	-	61	(575)	1,291
Payment of dividends	-	-	-	-	-	-
Issue of shares under share option plan	-	-	-	-	-	-
Recognition of share-based payments	-	-	278	-	-	278
Balance at 31 Dec 2009	52,207	(11,045)	3,113	61	(1,487)	42,849

Notes to the financial statements are included on pages 14 to 19.

**Condensed consolidated statement of cash flows
for the half-year ended 31 December 2009**

	Consolidated	
	Half-year Ended 31 Dec 2009 \$'000	Half-year Ended 31 Dec 2008 \$'000
Note		
Cash flows from operating activities		
Receipts from customers	10,979	19,341
Payments to suppliers and employees	(8,547)	(14,995)
Income tax paid	(2,875)	(330)
Interest and other costs of finance paid	(33)	(52)
Interest received	398	292
Distribution received	31	69
Net cash (used in) / provided by operating activities	(47)	4,325
Cash flows from investing activities		
Payment for investment	(728)	(659)
Proceeds on sale of investment	3	151
Amount advanced to a related party	(526)	-
Payment for property, plant and equipment	(225)	(80)
Payment for intangible asset	-	(770)
Net cash used in investing activities	(1,476)	(1,358)
Cash flows from financing activities		
Proceeds from issue of shares	-	17
Dividends paid	-	(4,010)
Net cash used in financing activities	-	(3,993)
Net decrease in cash and cash equivalents	(1,523)	(1,026)
Net effect of foreign exchange translations	(914)	276
Cash and cash equivalents at the beginning of the period	13,325	12,558
Cash and cash equivalents at the end of the period	10,888	11,808

Notes to the financial statements are included on pages 14 to 19.

Notes to the condensed consolidated financial statements

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2009 annual financial report for the financial year ended 30 June 2009, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

The Group has adopted the following Standards and Interpretations as listed below which only impacted on the Group's financial statements with respect to disclosure.

Standard

- AASB 8 'Operating Segments'
- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process as it relates to AASB 8 'Operating Segments' (which has been early adopted in the current reporting period)
- AASB 101 'Presentation of Financial Statements' (revised September 2007)

2. Segment information

The Group has adopted AASB 8 Operating Segments with effect from 1 January 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance for which discrete information is available.

Previously, the accounting standards (specifically, AASB 114 Segment Reporting) required an entity to report by business and geographical segments. As a result of adopting of AASB 8, the identification of the Group's reportable segments has changed.

Business segment information previously reported, identified revenue earned, by type (i.e. on-going management fees and transaction fees). However, information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance is more specifically focused on the categories of product being provided to the different market segments. The principal categories of product type are Real Estate Securities funds, Retail funds, Real Estate Private Equity funds and European Real Estate funds. Other operating segments that are being reported to the Group's chief operating decision maker are the Registry and Investment revenue.

The Group's reportable segments under AASB 8 are therefore as follows:

Reportable segments	Product type	Fund
<ul style="list-style-type: none"> Real Estate Securities funds 	Open ended properties securities funds	<ul style="list-style-type: none"> APN AREIT Fund APN Property for Income Fund APN Property for Income Fund No. 2 APN International Property for Income Fund APN Direct Property Fund APN Diversified Property Fund
<ul style="list-style-type: none"> Retail funds 	Fixed term Australian funds	<ul style="list-style-type: none"> APN National Storage Property Trust APN Property Plus Portfolio APN Regional Property Fund APN Retirement Properties Fund
<ul style="list-style-type: none"> Real Estate Private Equity funds 	Wholesale funds	<ul style="list-style-type: none"> APN Development Fund No.1 APN Development Fund No.2
<ul style="list-style-type: none"> European Real Estate funds 	Listed property trust fund and fixed term European funds	<ul style="list-style-type: none"> APN European Retail Property Group (AEZ) APN Poland Retail Fund APN Vienna Retail Fund APN Champion Retail Fund APN Euro Property Fund
<ul style="list-style-type: none"> Registry 	Providing registry services to funds	
<ul style="list-style-type: none"> Investment revenue 	Investment income received or receivables from co-investment in funds	

Information regarding these reportable segments is presented below. For the first time adoption of AASB 8, the amounts reported for the prior period have been restated to conform to the requirements of AASB 8. The accounting policies of the new reportable segments are the same as the Group's accounting policies.

2. Segment information (cont'd)

The following is an analysis of the Group's revenue and results for the period by reportable operating segment for the periods under review:

	Segment revenue		Segment profit	
	Half-year ended		Half-year ended	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
	\$'000	\$'000	\$'000	\$'000
Continuing operations				
Real estate securities funds	3,790	5,200	1,044	2,084
Retail funds	758	1,300	429	864
Real estate private equity funds	1,536	3,006	301	1,831
European real estate funds	2,854	4,922	1,382	3,652
Registry	1,091	1,234	732	776
Investment revenue	37	72	37	72
	10,066	15,734	3,925	9,279
Finance income			409	429
Central administration			(2,172)	(2,027)
Depreciation and amortisation			(161)	(243)
Finance costs			(33)	(52)
Profit before income tax expense			1,968	7,386
Income tax expense			(680)	(2,574)
Underlying profit after tax			1,288	4,812
Gain / (loss) from fair value adjustments before tax			738	(5,017)
Income tax expense			(221)	1,505
Gain/(loss from fair value adjustments after tax			517	(3,512)
Statutory profit / (loss) before tax			2,706	2,369
Income tax expense			(901)	(1,069)
Profit for the period			1,805	1,300

The revenue reported above includes revenue generated from related parties. There were no intersegment sales during the period.

Segment profit represents the profit earned by each reportable segment without allocation of corporate costs, finance income and costs, impairment and fair value adjustments, depreciation and amortisation and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

Information on assets and liabilities for each reportable segment is not required to be disclosed as such information is not regularly provided to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

3. Revenue

Half-year ended	Consolidated	
	31 Dec 2009 \$'000	31 Dec 2008 \$'000
On-going management fee - Funds Management	10,026	14,470
Transaction fee – Funds Management	–	1,118
Sundry income	3	74
Distribution income	37	72
	10,066	15,734

4. Dividends

Half-year ended	31 Dec 2009		31 Dec 2008	
	Cents per share	Total \$'000	Cents per share	Total \$'000
<u>Recognised amounts</u>				
Fully paid ordinary shares				
Final dividend	–	–	3.0	4,010
<u>Unrecognised amounts</u>				
Fully paid ordinary shares				
Interim dividend	1.25	1,776	–	–

On 26 February 2010, the directors have declared a fully franked interim dividend of 1.25 cents per share for the period ended 31 December 2009, to be paid on 12 April 2010 to all shareholders registered on 25 March 2010.

5. Intangible assets

Half-year ended	Consolidated	
	31 Dec 2009 \$'000	30 June 2009 \$'000
Management rights acquired	6,684	6,684
I T software – Construction in progress at cost	3,869	3,869
I T software – Amortised cost	89	135
	10,642	10,688

6. Issuances, repurchases and repayments of equity securities

	Consolidated	
	No. of shares '000	\$'000
Balance at 1 Jul 2009	142,087	52,207
Share options exercised by employees	-	-
Share options repurchased by the company	-	-
Share options issued under the APN Property Group Employee Share Purchase Plan	-	-
Balance at 31 Dec 2009	142,087	52,207

	Consolidated	
	No. of shares '000	\$'000
Balance at 1 Jul 2008	133,664	52,190
Share options exercised by employees	-	17
Share options repurchased by the company	(1,577)	-
Share options issued under the APN Property Group Employee Share Purchase Plan	10,000	-
Balance at 31 Dec 2008	142,087	52,207

During the half-year reporting period, \$Nil (2008: \$17,000) of share options issued under the Plan have been exercised as a result of dividend payments.

At 31 December 2009, included in fully paid ordinary shares of 142,087,287 (2008: 142,087,287) are 17,852,999 (2008: 20,223,001) treasury shares relating to the employee share option plan.

In prior period, on 21 November 2008, 10,000,000 share options were issued to David Blight under the APN Property Group Employee Share Purchase Plan. These share options had a fair value at grant date of \$0.0625 per share option. In addition to these share options, up to 6,000,000 performance share options were granted but not issued at 21 August 2008. These share options had a fair value of \$0.3155 per share option.

7. Significant event during the period

Board Restructure

In November 2009, Mr John Harvey, Mr Michael Butler and Mr Andrew Cruickshank, retired from the Board. These retirements result from an objective to establish independence between this Board and the Board of subsidiary company, APN Funds Management Limited (APN FM), the Responsible Entity for APD's managed funds.

The Board of APN FM now comprises three independent directors and two executive directors. It is independent in its own right and independent of APN Property Group Limited. As all directors of APN FM have a legal obligation to put the interests of investors in the respective managed funds, ahead of their own, and those of APD, the separation of the Boards enhances the capacity of the Group to identify and manage any conflicts of interest and related party transactions that may occur.

As a result of this restructure, the Board of APN Property Group Limited now comprises four executive directors. Directors intend to appoint an independent director shortly.

8. Subsequent events

Since the balance date, the directors have declared a fully franked interim dividend of 1.25 cents per share for the period ended 31 December 2009, to be paid on 12 April 2010 to all shareholders registered on 25 March 2010.

Other than the matter advised above, the directors have not become aware of any other significant matter or circumstances that has arisen since 31 December 2009, that has affected or may affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent years, which has not been covered in this report.