

3 September 2012

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

Dear Sir/Madam

**Redemption facility - APN Property for Income Fund and APN Property for Income Fund No 2**

Redemption requests have now closed for the first quarterly withdrawal period of the liquidity facility for APN Property for Income Fund and APN Property for Income Fund No.2 (the "Funds"). These Funds were frozen in 2008 as a result of becoming illiquid under the Corporations Act due to the Global Financial Crisis. Under the new liquidity facility, investors can withdraw up to approximately 75% of their holdings in cash. The balance is expected to be made available over three to five years (via the realisation of assets held in the APN Unlisted Property Fund).

Withdrawal payments of approximately \$300 million will be made on 21 September 2012 in response to requests received. In addition, a further \$100 million (approximately) will be transferred from the Funds to the APN Unlisted Property Fund.

The volume of requests reflects the pent up demand accumulated since the freezing of the Funds in 2008. The level of redemptions is within the Group's expectations.

As a result, net fee income to APN Property Group (APN) will reduce by approximately \$1.5 million after tax in a full year. As fees are calculated quarterly in arrears, this reduction will apply for the full FY13 year.

This announcement should be read in conjunction with the advice contained in the Directors Report accompanying the financial report for the year ended 30 June 2012. APN advised in its financial report for the year ended 30 June 2012, released to the market on 27 August 2012, that it was unable to provide meaningful earnings guidance for FY13 due to the uncertain outcome of a number of matters.

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



John Freemantle  
Company Secretary  
APN Property Group Limited