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## **ASX / MEDIA RELEASE**

### **9 August 2012**

#### **New working capital facility and refinancing update**

Aspen Group (ASX: APZ) is pleased to advise that it has secured up to \$35 million of new funding via a redemption of Aspen Groups units in the Franklin Street Property Trust ("FSPT" or "Trust"), the asset holding vehicle for the ATO building in Adelaide.

The funding has been made available through FSPT entering into a convertible note facility provided by the Trust's joint venture partner Telstra Super.

Key terms of the Convertible Notes, in respect of Aspen's unitholding, are as follows:

- |                      |                                    |
|----------------------|------------------------------------|
| • Redemption Amount  | \$35 million (refer details below) |
| • All in coupon cost | 10.5% pa                           |
| • Redemption Period  | No later than 3 years from issue   |

Aspen has provided its 50% interest in FSPT as security to Telstra Super in connection with repayment. The ability to subscribe for units in FSPT to fund an early repayment throughout the three year term of the Convertible notes is available to Aspen at its discretion.

Aspen Group Managing Director, Gavin Hawkins, said: "The new funding provides Aspen with access to increased working capital, while creating additional balance sheet strength on the back of a long term facility.

"A key benefit of the convertible note facility, is that it provides Aspen with flexibility to progress its other capital management initiatives and importantly, undertake the realisation of value of our interest in the ATO Building."

The convertible note facility allows Aspen Group to:

- Redeem an initial tranche of \$15 million upon execution of security documents;
- Redeem a further tranche of up to \$15 million, conditional on Aspen procuring security to counterparties in respect of post practical completion risks. This security amortises over a two year period post practical completion; and
- A final tranche of \$5m available upon reaching practical completion of the ATO building.

The ATO building represents a landmark new office tower in the Adelaide CBD and has progressed on budget and is on target for reaching practical completion by the end of October 2012.

#### **Syndicate refinancing update**

Aspen is pleased to advise that it has secured new bank facilities for the St Leonards Private Estate residential syndicate.

A new 3 year \$30 million debt facility has been secured for the St Leonards Estate with ANZ. The facility refinances the existing bank facility on improved terms and provides for an initial LVR of 55%, tailored to meet the ongoing development requirements of the St Leonards Estate.

End

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## **About Aspen Group**

Aspen Group is an ASX listed (ASX: APZ) property investment and funds management group, focused on acquiring quality property assets and creating and managing innovative property funds and syndicates.

Formed in 2001, Aspen has progressed to now be a member of the S&P/ASX 300 index with assets under management in excess of A\$1.2 billion.

Aspen's core strength lies within the Group's broad expertise across property acquisition, development and management enabling the Group to provide leading edge property solutions.

Aspen directly owns and manages a well diversified portfolio of commercial property assets Australia-wide. The portfolio is spread across the office, industrial and retail sectors and has grown through acquisitions and portfolio revaluations of existing properties driven by a strong property management focus.

Aspen also has developed a reputation for creating a range of funds management products and related services. These managed funds have provided investment opportunities across a broad spectrum of property sectors including tourist parks, residential land subdivisions, CBD office developments, private hospital developments and retirement and accommodation villages.

Aspen continues to source acquisition opportunities for both balance sheet and syndication purposes in order to achieve further growth in both assets and earnings for security holders.

Website: [www.aspengroup.com.au](http://www.aspengroup.com.au)