



Appendix 4D
Half-year report 31 December 2011

Entity Details:

REDCAPE PROPERTY FUND
(FORMERLY HEDLEY LEISURE & GAMING PROPERTY FUND)

Comprising:

REDCAPE PROPERTY FUND LIMITED (ABN 44 124 753 733)
REDCAPE PROPERTY TRUST (ARSN 125 526 016)

Details of reporting period:

Current period: 1 July 2011 — 31 December 2011
Previous corresponding period: 1 July 2010 — 31 December 2010

Results for announcement to the market:

Redcape Property Fund ("RPF") comprises Redcape Property Trust (the "Trust"), Redcape Property Fund Limited (the "Company") and their controlled entities. The units in the Trust and the shares in the Company are stapled and cannot be traded or dealt with separately. The stapled securities were first listed on the Australian Securities Exchange ("ASX") on 2 August 2007, under the code HLG, and are now traded under the code RPF.

	6 months to 31-December-2011	6 months to 31-December-2010	% of change from corresponding half year
	A\$'000	A\$'000	
Revenue from ordinary activities			
Rent from investment properties	31,730	34,243	down 7.3%
Straight - line lease adjustment	5,854	8,218	down 28.8%
Outgoings recovered	3,913	2,647	up 47.8%
Revenue from operations	1,501	-	
Interest from cash deposits	254	350	down 27.4%
Total	43,252	45,458	down 4.9%
(Loss)/ profit from operations before fair value adjustments and other non-operating income and expense	(11,863)	(5,091)	loss up 133%
(Loss) / Profit attributable to stapled security holders	(45,941)	13,192	down 448.2%

Distributions	Record Date	Payment Date	Amount per stapled security
December 2011 total interim distribution	N/A	N/A	Nil
December 2010 total interim distribution	N/A	N/A	Nil



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Brief Explanation of results

- During the six months ended 31 December 2011, RPF posted a total comprehensive loss of \$45.9m. This result included the following significant items:
 - a decline in the value of investment properties by \$12.4m;
 - a decline in the value of interest rate swaps of \$15.8m from a liability of \$53.7 at 30 June 2011 to a liability of \$69.6m at 31 October 2011, when the swap was closed out;
 - rent revenue and outgoings recovered of \$41.5m
 - financing costs of \$44.8m including \$13m of deferred interest

- The decline in investment properties was the result of a softening market.

- The decline in the value of RPF's interest rate swaps reflects a change in the mark-to-market valuation of the swaps due to an upward movement in the forward interest rate curve.

- Following completion of the receivership of Hedz Pty Ltd, a major tenant of the fund, RPF resumed the leasehold interest in 3 pubs previously leased to Hedz Pty Ltd, and the performance and financial position of these businesses is included within the condensed consolidated interim statement of comprehensive income and condensed consolidated statement of financial position respectively.

Net assets per security:

	Current period	Previous corresponding period (December 2010)	% of change from corresponding half year
Net assets per security	A\$0.04	A\$0.33	down 87.9%



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Details of any individual and total dividends or distribution payments:

Refer to Note 5: Distributions in the attached financial statements.

No distributions have been proposed by the directors for the period ended 31 December 2011. The Distribution Reinvestment Plan (DRP) has also been suspended until further notice.

Audit status:

Independent auditor KPMG has completed a review of the half-year financial statements on which this Appendix is based. There is no review dispute or review qualification.

A copy of the RPF half-year report with KPMG's review conclusion is attached.