



FULL YEAR RESULTS PRESENTATION

30 June 2013

APN | Property Group

CONTENTS

- FY13 highlights
- Financial results summary
- Funds under management
- Business highlights and new initiatives
- Strategy, priorities and outlook
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FY13 HIGHLIGHTS

- \$1.7 billion FUM
- \$2.1 million FY13 statutory profit after tax – in line with FY12 (\$2.2 million)
- 1.25 cents per share dividend
- Property for Income funds liquidity solution and Europe exit implemented
- 6.7% increase in FUM since December 2012¹
- Successfully transitioning to growth mode: 3 new products launched to market, all receiving ‘superior’, ‘recommended’ or higher research ratings
- \$2.0 million performance fees up from FY12 \$0.1 million
- Continued strong investment performance



¹ FUM increased 8.8% Ex Europe since December 2012; decreased 18.2% (including Europe) and 8.3% (Ex Europe) respectively since June 2012.

Financial results summary

Profit and loss

- Statutory profit after tax & MI of \$2.1 million
- Decrease in EBITDA reflects FY12 pre PFIFs liquidity solution and Europe exit
- Dividend stable at 1.25 cents per share
- Funds under Management \$1.7 billion
- 79% of revenue “annuity style”

Balance sheet

- No debt
- Cash reserves of \$7.4 million (\$2.5 million currently required for AFSL licence)
- Asset backing: NTA (ex DTA) 13.3 cents per share

Cash flow

- \$1.8 million cash flow from operating activities

Financial highlights (\$000)	30 June 13	30 June 12
Revenue total	18,537	19,612
EBITDA ²	2,120	3,746
Statutory profit after tax	2,063	2,183
Statutory EPS (cents per share)	1.28	1.36
Dividends (cents per share)	1.25	1.25
Balance Sheet highlights (\$000)	30 June 13	30 June 12
Cash	7,409	10,552
Deferred tax assets (DTA)	6,385	6,752
Tangible assets (ex DTA)	21,492	19,186
Intangible assets	2,441	2,548
Total assets	37,727	39,038
Trade and other payables, tax & provisions	6,608	6,881
Minority interests	748	465
Net Tangible Assets (ex DTA)	21,545	22,392
NTA (ex DTA) per share	13.3 cents	13.8 cents

2

Refer Appendices for reconciliation of movement

APN is set for growth

Funds under management (ex-Europe) (A\$m)¹



FUM across the group increased 6.7%¹ over the half – with good growth across all three divisions

¹ FUM increased 8.8% Ex Europe since December 2012; decreased 18.2% (including Europe) and 9.3% (Ex Europe) since June 2012.

BUSINESS HIGHLIGHTS AND NEW INITIATIVES



Generation Healthcare REIT¹

- Underlying¹ net operating income was \$6.79 million up 33%
- FY13 distribution was 7.34 cpu (up 10% on FY12 and a 93% payout ratio to underlying net operating income)
- Strong like-for-like rental growth of 8.4%
- Completion of the \$8.6 million Leading Healthcare Bendigo project
- Early refinance on market terms of the last of the Fund's debt facilities (\$41.2 million term debt facility due to expire in October 2013 now extended to July 2016)
- GHC FY13 total return of 37.2% significantly outperformed the S&P/ASX300 Property Trust Accumulation Index which delivered 24.0%
- Acquisition of a 12,200sqm strategic development site in Casey, Victoria
- Acquisition of a quality rehabilitation hospital in Sydney, NSW for \$20 million
- Completion of a successful \$23.1 million equity raising at \$0.97 per unit to fund the acquisition of Westmead Rehabilitation Hospital
- Acquisition of a strategic land parcel adjacent to Frankston Private
- Attractive healthcare real estate sector prospects

¹ Excludes any performance fee paid or payable to the Manager during the year



Key highlights

AREIT listed on ASX under code 'GHC'

FUM of \$236 million with property assets in Victoria, NSW and Queensland

Occupancy (by income) 99.1%

WALE 11.9 years

Distribution yield of 7.5% pa²

Attractive tax deferred component

2. Calculated by dividing the FY14 DPU guidance of 7.86cpu over the closing unit price of \$1.05 on 19 August 2013



Westmead Rehabilitation Hospital

APN 541 St Kilda Road Fund

- New unlisted syndicate fund launched in February 2013
- 9.00% initial forecast distribution yield
- Monthly distributions
- \$28m commercial office building leased to SEEK Ltd until November 2017
- 8,229 sqm NLA
- Acquired on \$3,400 per sqm NLA (below APN estimated replacement cost)
- 45% gearing
- Settled 10 May 2013
- 'Superior' research rating
- Strong support showed by investors, including cornerstone investors



APN 541 St Kilda Road Fund
APN 180 546 529

Initial forecast distribution yield of 9.00% pa

An opportunity to invest in a well leased, high quality office building in one of Australia's leading non-CBD office markets

- Single asset, closed-end unlisted property fund
- Initial forecast distribution yield of 9.00% pa
- Aims to deliver stable income and capital growth
- 6 year fixed investment term
- 70% leased to SEEK Limited

4
SOM
RATING

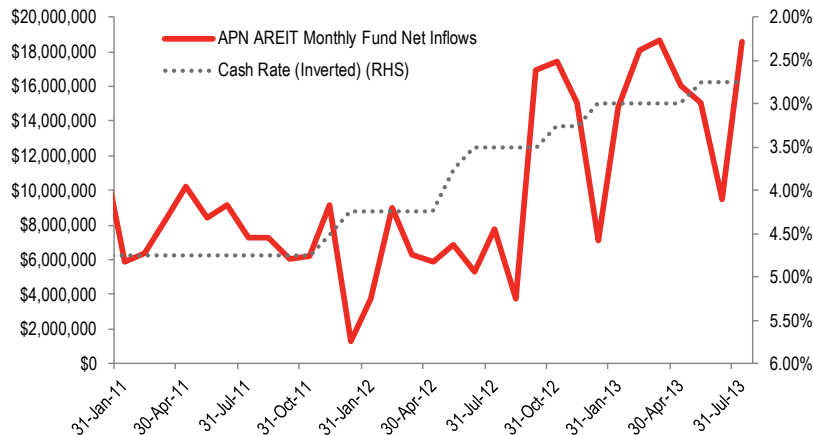
Fund overview **APN | Property Group**

1. The forecast yield is subject to market assumptions and property, financing and other general risks as set out in the PDS. Any forecast distributions are not guaranteed. Please refer to the Product Disclosure Statement for further details. The Product Disclosure Statement can be downloaded from www.apngroup.com.au or a hard copy can be obtained free of charge by contacting us on 1800 546 529.

APN AREIT Fund

- Rated as one of Australia's leading property securities funds
- Focussed on generating consistent income returns by actively managing a portfolio of high yielding AREITs with lower risk than the market
- Consistently ranks in the top two positions for inflows on Australia's leading platforms, averaging in excess of \$13 million per month
- FUM in excess of \$450 million as at 15 August 2013
- Over \$160 million in net inflows in FY13

Inflows linked to cash rates...



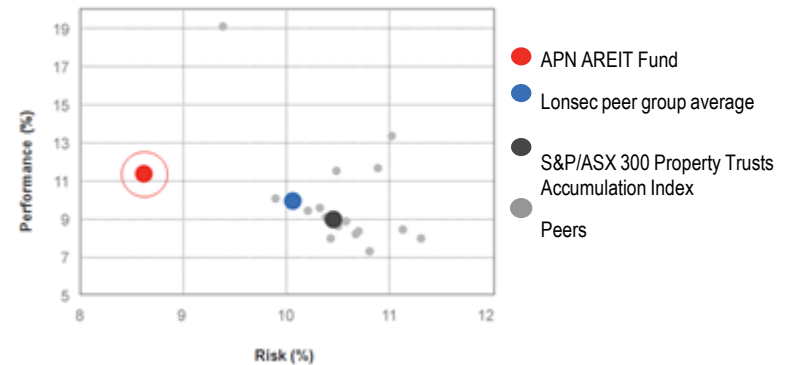
Source: APN, IRESS

With strong support from the market ...



As a result of excellent risk-adjusted performance ...

APN vs AREIT Index and Lonsec peers 3 yrs as at May 2013



Source: Lonsec

APN Asian REIT Fund

- New fund, launched March 2013 investing in Asian listed Real Estate Investment Trusts (REITs)
- 'Recommended' ratings achieved from Lonsec and Zenith
- Inclusion on two major wraps to date
- Modelled on successful APN AREIT Fund
- Income focused with capital growth
- Provides access to Asian REITs
- Leverages APN's:
 - Asian platform and Singapore-based REIT analyst team
 - proven investment process
 - distribution platform

The graphic features a dark background with the text 'APN ASIAN REIT FUND' in large, bold letters. The word 'ASIAN' is stylized with colorful, abstract patterns. Below the title, the text 'Experience the growth story' is written in a smaller font. A descriptive paragraph follows, and a list of key features is presented with red arrowheads. The APN logo and 'Asian REIT Fund' are at the bottom, with the ARSN number 162 658 200 below it.

APN | Property Group

APN ASIAN REIT FUND

Experience
the growth story

A property securities fund that invests in a quality portfolio of Asian Real Estate Investment Trusts (REITs) that aims to deliver a competitive yield, capital growth over the long term and lower risk than the market.

- > Income focussed
- > Diversified portfolio of underlying Asian commercial real estate
- > Actively managed fund
- > On the ground investment team
- > Highly disciplined, proven investment process
- > Low risk investment philosophy
- > 100% liquid

APN | Asian REIT Fund
ARSN 162 658 200

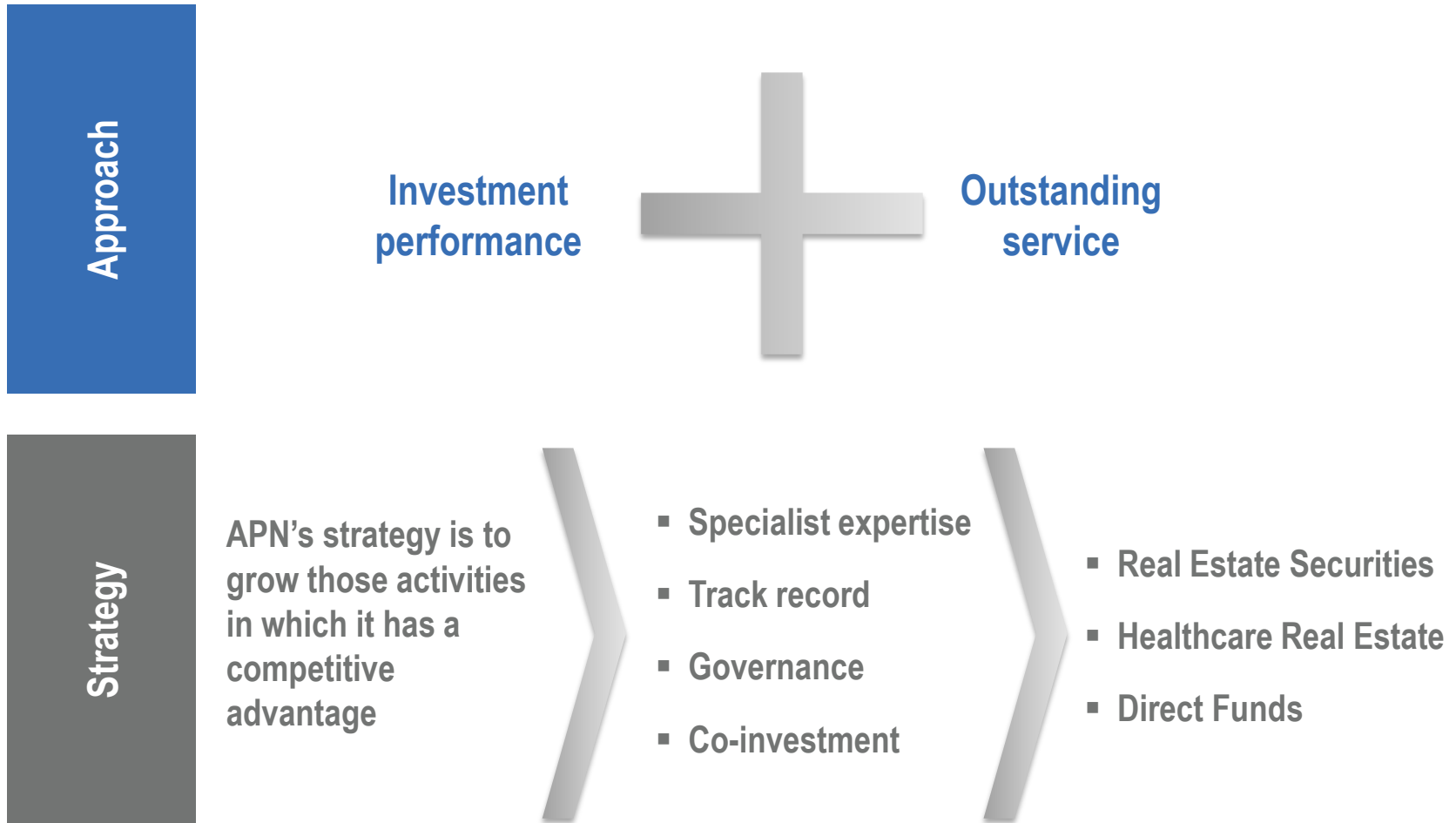
New REIT opportunity

- As announced to the ASX on 21 August 2013, APN is in exclusive discussions and negotiations with Australand Funds Management Limited (**AFML**), the Responsible Entity of the Australand Wholesale Property Fund No. 6 (**AWPF6**)
- APN is considering an Initial Public Offering (**IPO** or **Offer**) of a new listed REIT in connection with the acquisition of AWPF6
- Expected REIT metrics:
 - market capitalisation of approximately \$260 million
 - total assets of approximately \$400 million
 - an initial yield of approximately 8.2%
 - gearing of approximately 35%
- Negotiations are at an early stage, incomplete and subject to conditions including due diligence and a number of board and unitholder approvals
- Materials expected to be provided in October 2013
- **Note:** If the transaction proceeds, it is contemplated that the issuer of the securities will be the responsible entity of the REIT. The responsible entity will issue a PDS in respect of the Offer when the Offer is made. The PDS will be made available on the APN website at www.apngroup.com.au and the ASX website at www.asx.com.au and will also be provided to relevant securityholders along with the other materials provided to them in connection with the approval of the transaction. Persons should consider the PDS in making any decisions in connection with the Offer, including in deciding whether to acquire or continue to hold any of the securities offered.

STRATEGY, PRIORITIES & OUTLOOK



Approach and strategy



Investment case

1

Established funds management business with strong track record

2

Well developed, deep, retail distribution channel demonstrating significant capital raising capability

3

Specialist co-investing real estate investment manager

4

No debt

5

Successfully transitioning to real growth opportunities across Healthcare, Real Estate Securities and Direct Funds

6

Leveraged to improving real estate investment management market

Priorities for FY14

Our approach, focusing on investment performance and outstanding service, remains unchanged

Business	Healthcare	Securities Australia Asia	Direct Funds
Priorities	<ul style="list-style-type: none"> Continue to grow GHC through active management and appropriate value-adding transactions 	<ul style="list-style-type: none"> Develop and implement marketing plans for AAAIF and Asia and Asia Pacific REIT Funds Develop wholesale investment strategy for Asian Real Estate Securities 	<ul style="list-style-type: none"> 541 St Kilda Road New syndicate opportunities New REIT
Area	Corporate	Distribution, Marketing & Investor Services	Accounting, Compliance, IT
Priorities	<ul style="list-style-type: none"> Support the above priorities M&A and new projects Institutional equity raising Complete remaining European funds exit 	<ul style="list-style-type: none"> Build SMSF / direct distribution channel Maintain and develop existing channels With Corporate, build institutional relationships / distribution capacity 	<ul style="list-style-type: none"> Maintain our high standards, identify any efficiencies Support growth of the business

Outlook

- Successfully transitioning into growth mode with new management structure
- Three quality established businesses
- Attractive investment opportunities available – the need to differentiate between markets and assets remains unchanged
- Continued ability to deliver value through active management continues to exist
- Quality property investments proving attractive for income-focused investors
- Multiple attractive, value-creating, opportunities are currently being progressed
- Set for growth

A specialist real estate investment manager

APPENDIX 1

FINANCIAL INFORMATION



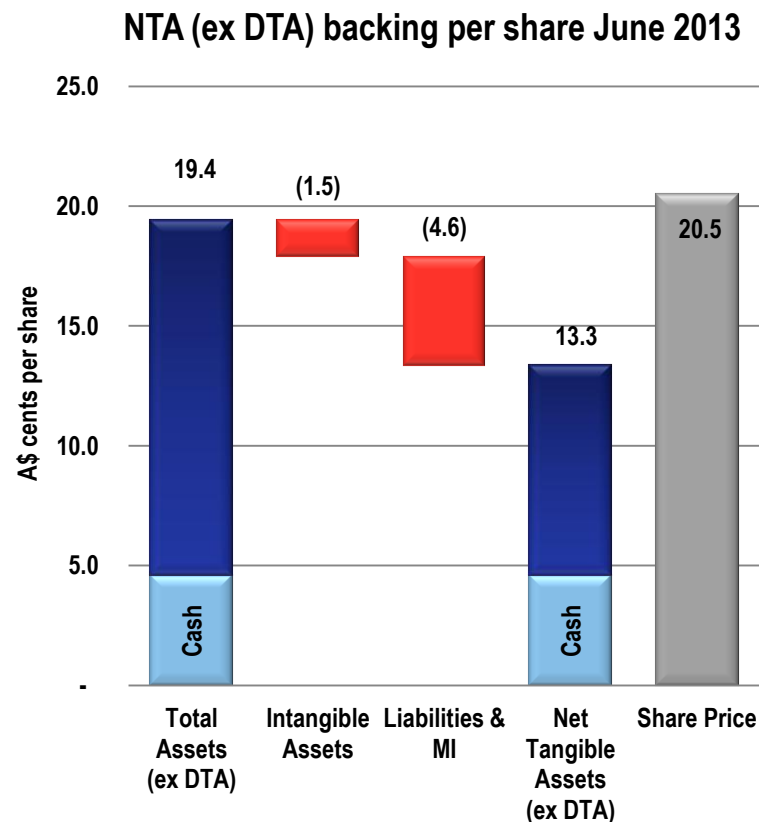
Financial performance

	30 June 2013 \$000s	30 Jun 2012 \$000s
Management and recurring fees	14,563 ¹	17,225
Transaction and performance fees	3,275	1,980
Other revenue	699	407
Revenue Total	18,537	19,612
Direct costs	(2,480)	(2,021)
Administrative expenses	(13,660)	(13,886)
FX gains – realised/unrealised	(277)	41
EBITDA	2,120	3,746
Finance income (net)	533	645
Depreciation and amortisation	(220)	(240)
Income tax expense	(647)	(984)
Minority Interest	(415)	(117)
Operating profit after tax and minority interest	1,371	3,050
Profit / (Loss) from non-operating activities after tax and minority interest	692	(867)
Statutory profit after tax and minority interest	2,063	2,183

1 Reflects PFIFs liquidity solution and European funds wind down

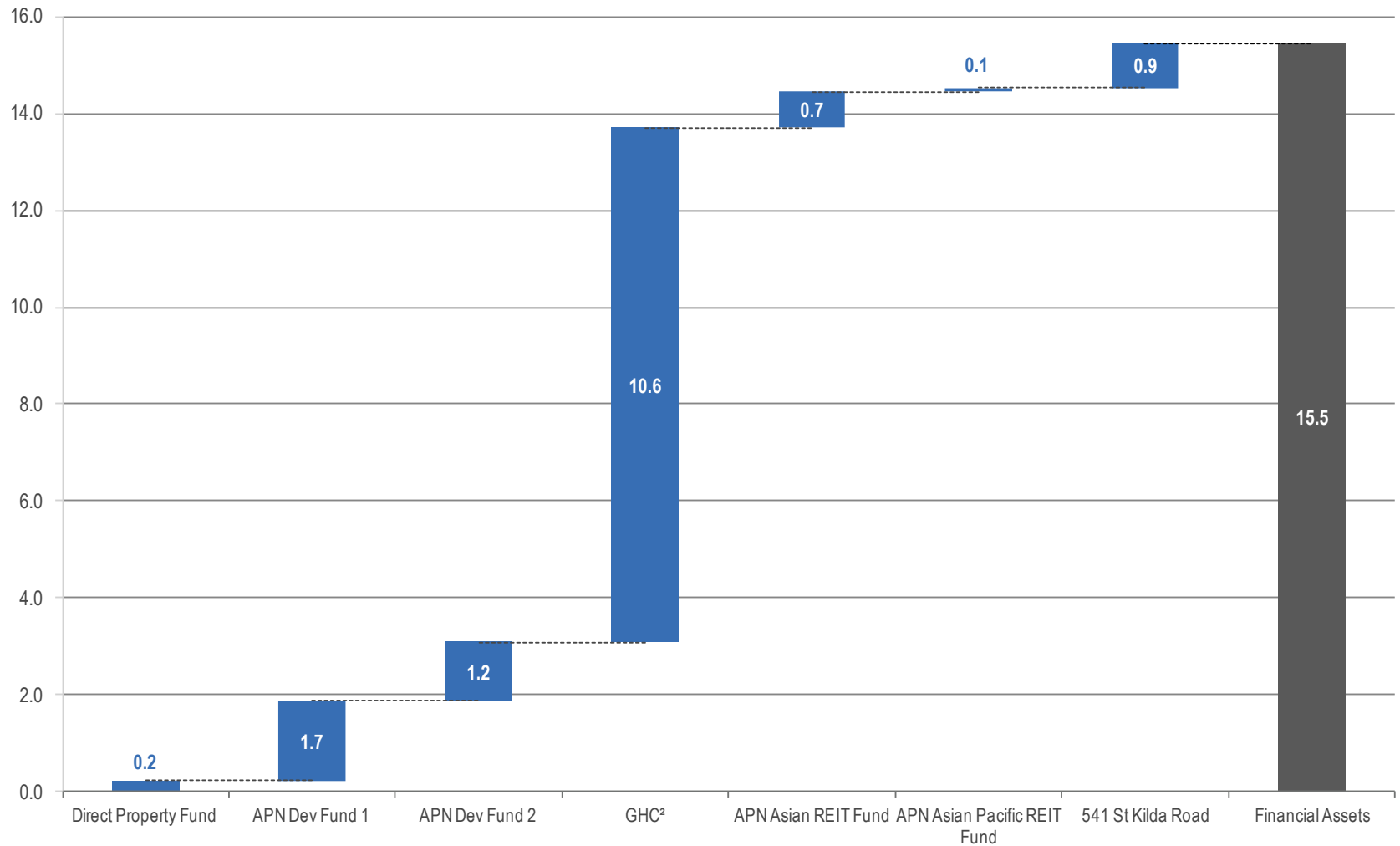
Balance sheet

	30 June 13 \$'000	30 June 12 \$'000
Cash and cash equivalents	7,409	10,552
Trade and other receivables	5,245	6,185
Other financial assets	15,456	11,625
Other assets	440	913
Total current assets	28,550	29,275
Intangible assets	2,441	2,548
Deferred tax assets	6,385	6,752
Other assets	351	463
Total non-current assets	9,177	9,763
Total assets	37,727	39,038
Trade and other payables	3,204	4,117
Current tax liabilities	470	129
Provisions	1,920	1,833
Total current liabilities	5,594	6,079
Total non-current liabilities	1,014	802
Total liabilities	6,608	6,881
Net assets	31,119	32,157
Minority Interests (MI)	748	465
Net Assets less MI	30,371	31,692
NTA (ex DTA) (cps)	13.3	13.8



APN share price information at market close 30 June 2013

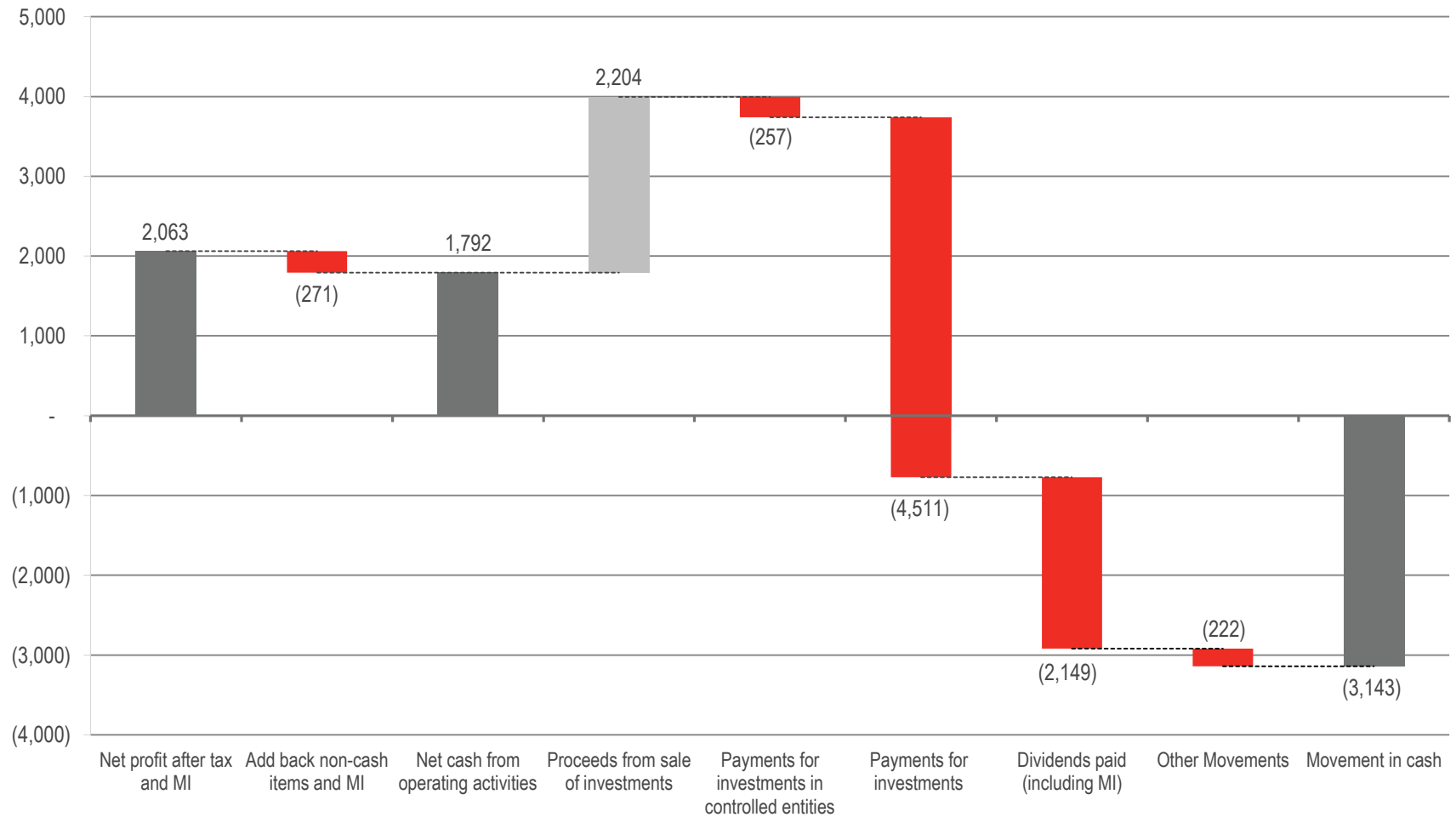
Financial assets (\$m)¹



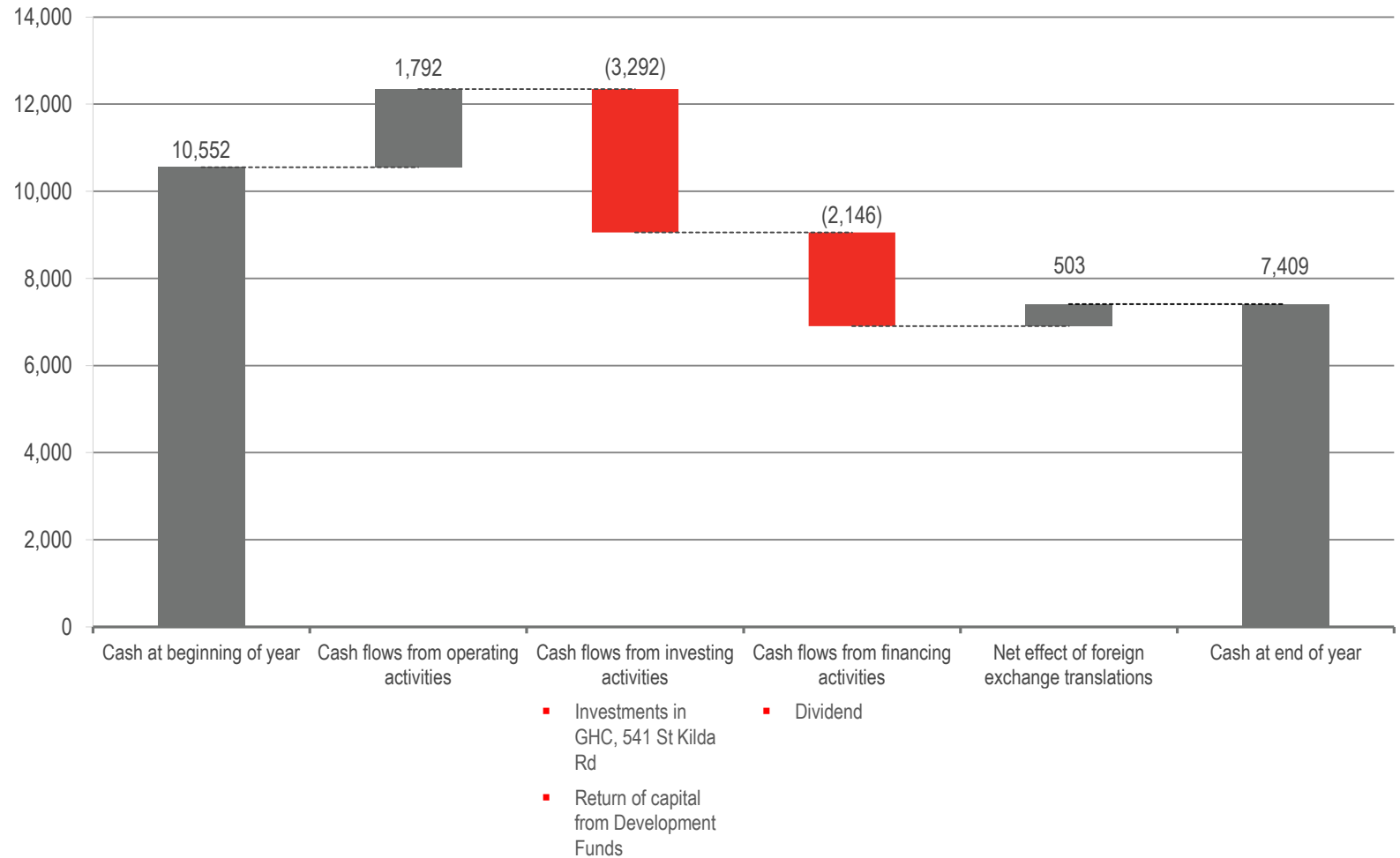
¹ Numbers may not add due to rounding.

² \$3.9m of this \$10.6m is subject to a 32.5% minority JV interest

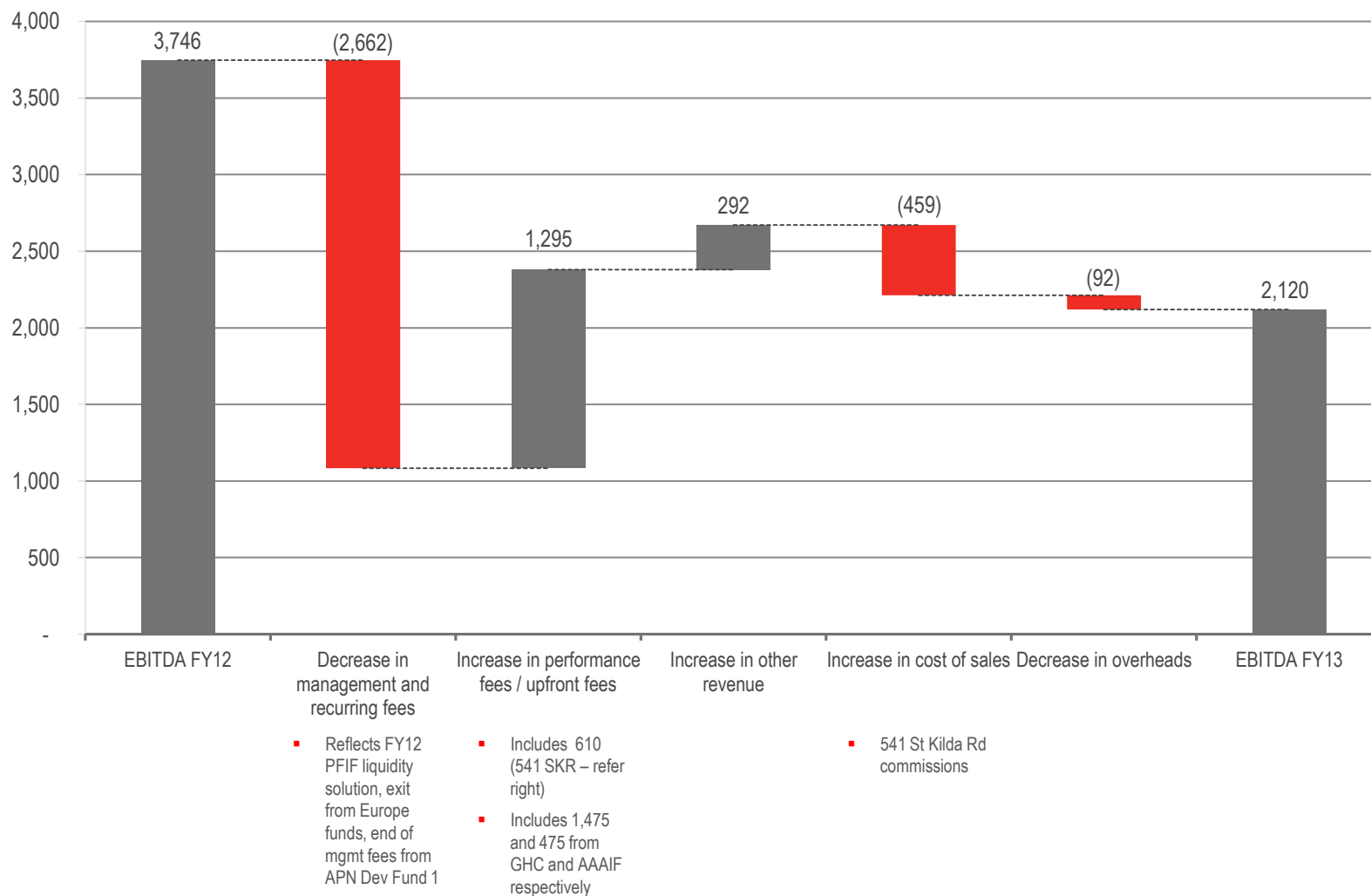
Reconciliation of profit after tax to movement in cash (\$000s)



Reconciliation of cash movements (\$000s)



Reconciliation of EBITDA (\$000s)

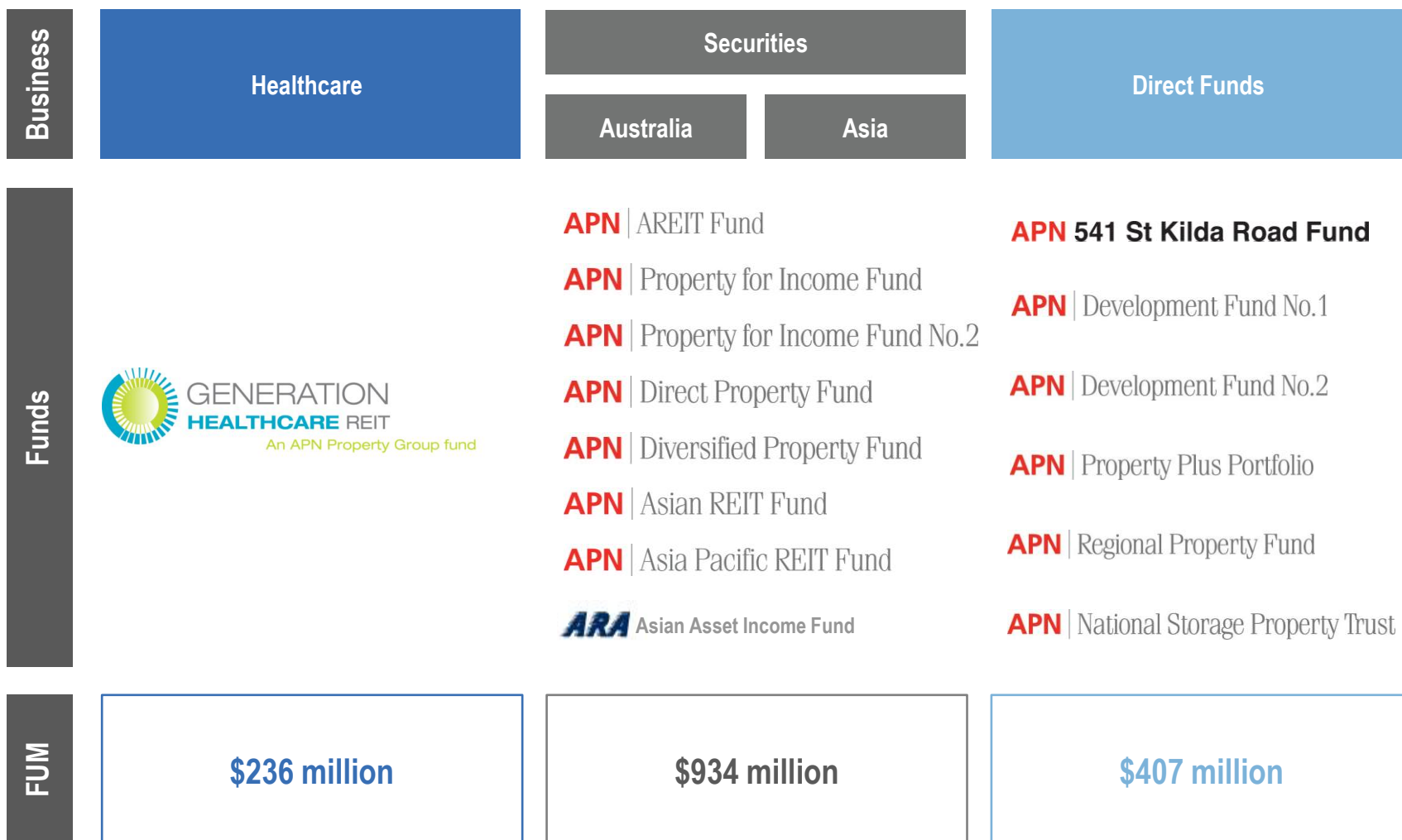


APPENDIX 2

ADDITIONAL INFORMATION

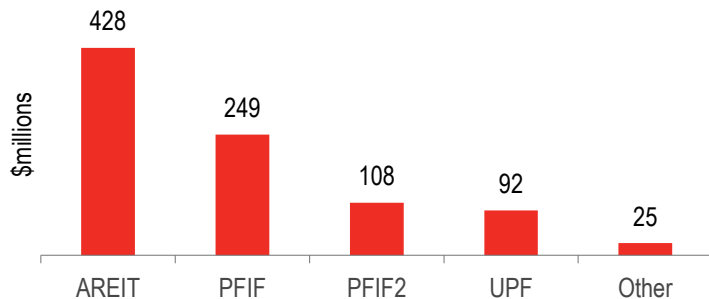
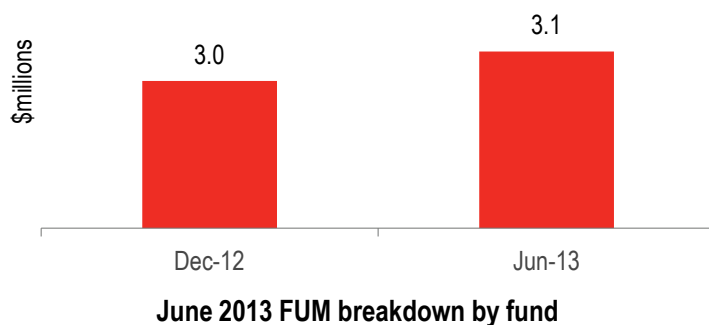
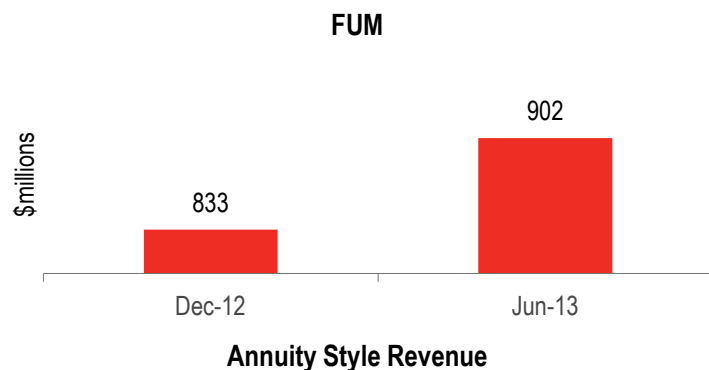


Funds and organisation



1 Excludes Europe

Real Estate Securities – Australia



APN AREIT Fund

- Net inflows averaging >\$13 million per month
- Net inflows since inception (January 2009) in excess of \$415 million
- Performance since inception 17.10% pa (versus index of 12.20% pa)¹
- Low volatility of returns relative to index
- 100% liquid
- Currently yielding 7.7% pa²
- Highly rated by researchers

APN Property for Income funds

- Permanent liquidity facility now made available each quarter
- Funds continue to deliver strong returns, consistently matching or outperforming PDS benchmarks

New Asian funds

- Establishment of new Asian and Asian Pacific real estate securities funds in second half of FY2013

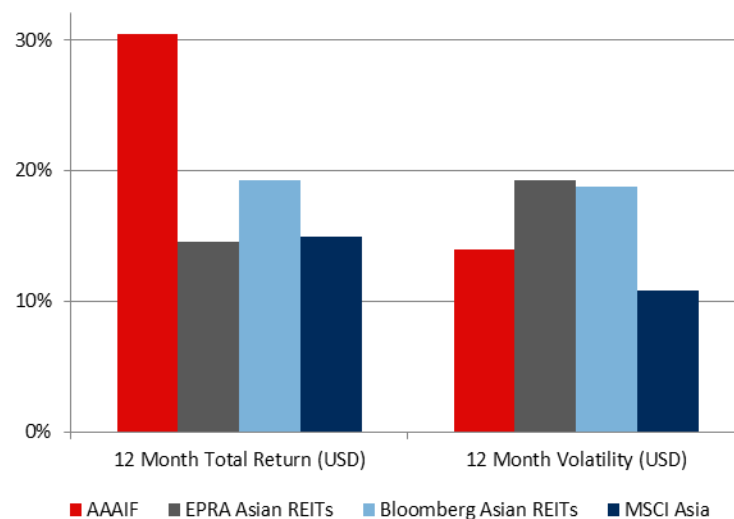
1. To 30 June 2013. Wholesale returns

2. Based on 30 June 2013 unit price of \$1.3525 (application price) versus distribution rate on an annualised basis

Real Estate Securities – Asia

- ARA Asian Asset Income Fund
 - Institutional / High Net Worth product
 - Total return of 18% pa over last 3 years to June 2013
 - 100% liquid
 - Fund being re-domiciled in Luxembourg – broader investor universe available
 - Singapore office fully integrated with Australian investment team
- APN Asian REIT Fund
 - New Fund launched in FY2013 (see above)

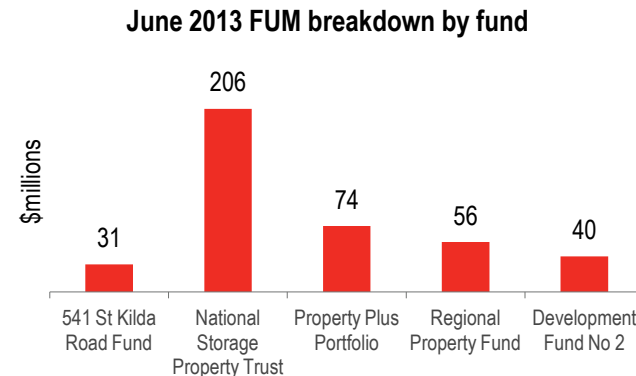
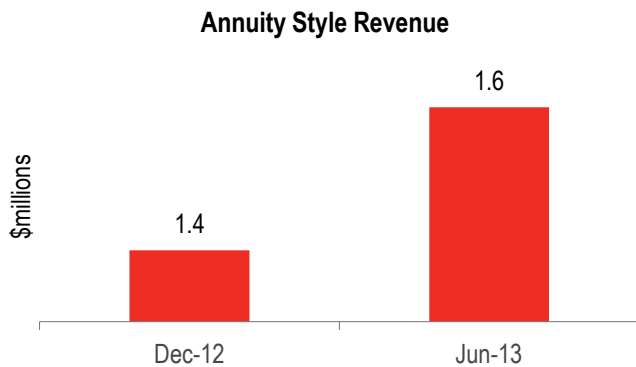
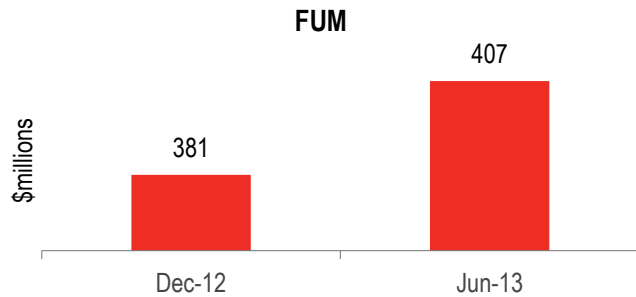
AAAIF performance and volatility comparison relative to selected indexes (June 2013)



ARA Asian Asset Income Fund (AAAIF)
EPRA Asia REITs Index (TERASU)
Bloomberg Asia REIT Index (BBAREIT)
MSCI Asia Pacific Index (MXAP).



Direct Funds



APN 541 St Kilda Road Fund

- New fund launched in February 2013
- Unlisted, 6 year, fixed term fund
- Strong support from researcher SQM and investors
- 8 storey commercial property – home to SEEK Ltd
- 9.00% forecast initial distribution yield

APN National Storage Property Trust

- Exit strategy update communicated to unitholders
- FY13 distribution increased to 7.22 cpu

APN Property Plus Portfolio

- Fund debt extended to June 2015
- Asset sale to further reduce debt
- FY13 distribution increased to 10.95 cpu

APN Regional Property Fund

- Fund debt extended for further three years
- Major tenant Sparke Helmore lease extended to 2019
- FY13 distribution increased to 3.63 cpu

Direct Funds (cont'd)

APN Development Fund No 1

- Fully invested
- Australian institutional investors
- Brisbane Technology Park: completed income producing buildings and pipeline in business technology park development in Queensland

APN Development Fund No 2

- Fully invested
- Australian institutional investors
- 150 Collins Street, Melbourne: a prime commercial development site in Melbourne CBD with approval for a 20,000m² office development. Construction has commenced with Westpac as anchor tenant
- Industry Village, Port Melbourne: a 3.3ha site located less than 2km from the Melbourne CBD, being subdivided and redeveloped as light industrial and office



Industry awards

APN's depth of experience together with proven investment performance has been acknowledged by the following industry awards:

- Money magazine's 2013 Best of the Best award for Best Property Securities Fund - APN AREIT Fund
- Professional Planner/ Zenith Fund Awards 2012 – AREIT Fund Manager of the Year
- Money magazine's 2012 Best of the Best award for Best Property Securities Fund - APN AREIT Fund
- Australian Fund Manager Awards 2011 - Australian Listed Property Securities
- APN AREIT Fund a finalist for the Money Management/Lonsec Fund Manager of the Year Award – Property Securities, Australia 2011
- AFR Smart Investor Blue Ribbon Award 2008 - Australian Listed Property
- Morningstar Fund Manager of the Year 2007 - Listed Property
- PIR - Property Securities Fund Manager of the Year Award - 2008, 2006, 2005
- Macquarie Skilled Manager of the Year - 2004, 2003
- Monitor Money Skilled Manager of the Year - Property Securities 2002
- Investor Web Research Six Star Award (Property) - 2004, 2003, 2002



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The financial information included in this presentation is based on APN Property Group's financial results that have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law including International Financial Reporting Standards (IFRS).

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