

APN Property Group Limited
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28 October 2013

The Manager
Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

CLEANSING NOTICE UNDER SECTION 708AA(2)(F) OF THE CORPORATIONS ACT 2001 (CTH)

This notice is given by APN Property Group Limited ACN 109 846 068 (ASX code: APD) (**APN**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by the Australian Securities and Investments Commission (**ASIC**).

APN today announced a pro rata non-renounceable entitlement offer of 1 fully paid ordinary share (**Share**) for every 5 Shares held as at 7.00pm on Wednesday 6 November 2013 by eligible shareholders with a registered address in Australia and New Zealand (**Entitlement Offer**).

Further details regarding the Entitlement Offer are set out in the ASX announcement and investor presentation accompanying this notice.

APN confirms that:

- (a) the Shares to be issued pursuant to the Entitlement Offer will be offered for issue without disclosure under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act as modified by ASIC;
- (c) as a disclosing entity, APN is subject to regular reporting and disclosure obligations;
- (d) as at the date of this notice, APN has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to APN; and
 - (ii) section 674 of the Corporations Act as it applies to APN;
- (e) as at the date of this notice, there is no 'excluded information' of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act as modified by ASIC that is required to be set out in this notice; and
- (f) the issue of the Shares under the Entitlement Offer is not expected to have any material effect or consequence on the control of APN.

In addition to the \$8.1 million sought to be raised under the Entitlement Offer, APN will separately conduct a conditional placement (at the same offer price) to institutional and sophisticated investors to raise an additional \$8.0 million (**Placement**).

The Entitlement Offer is structured as a non-renounceable pro-rata entitlement offer, which is fully underwritten by Macquarie Capital (Australia) Limited (**Underwriter**). The Underwriter will have an active dispersion strategy. The Underwriter intends to appoint a number of sub-underwriters to place any shortfall or take up the shortfall itself.

The Underwriter has agreed to give Holus Nominees Pty Ltd (being an entity associated with the Chairman of APN) (**Holus**) the opportunity to maintain its pro-rata holding by sub-underwriting up to 29.07% of the Entitlement Offer. In the unlikely event that the Placement does not proceed and Holus both takes up its full entitlement and is allocated its entire sub-underwriting commitment from the Entitlement Offer shortfall, Holus' proportionate interest in APN may increase from 29.36% to 34.20%. This has been approved by ASIC in a letter dated 21 October 2013. In the event that the Placement does proceed, and Holus both takes up its full entitlement and is allocated the entire sub-underwriting commitment from the Entitlement Offer shortfall, Holus' proportionate interest in APN will remain unchanged.

In the event that Holus' shareholding in APN increases above its proportion of shares in APN immediately before the Placement and Entitlement Offer, it is not expected that any such increase will have any material consequences on the control of APN.

Having regard to the number of Shares to be issued under the Entitlement Offer, even if a substantial shortfall eventuated, the Underwriter or the other sub-underwriters would not be in a position to exercise any material control over APN.

Yours sincerely



John Freemantle
Company Secretary

About APN Property Group

APN Property Group Limited (ASX code: APD) is a specialist real estate investment manager.

Since 1996, APN has been actively investing in, developing and managing real estate and real estate securities on behalf of institutional and retail investors.

APN's focus is on delivering superior investment performance and outstanding service. Performance is underpinned by a highly disciplined investment approach and a deep understanding of commercial real estate.

apngroup.com.au