



ASX Announcement

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

Dear Sir/Madam

Sale of AEZ assets – Roller portfolio, Germany and investment in VRF

APN Funds Management Limited (APN), the responsible entity of the APN European Retail Property Group (AEZ or Group), advises it has exchanged contracts for the sale of AEZ's Roller portfolio in Germany and completed the sale of its 15% interest in the Vienna Retail Fund (VRF).

This continues the programme of asset sales envisaged by the debt restructure and asset sale programme agreed with AEZ's principal lender, The Royal Bank of Scotland Plc (RBS), in March 2011 and approved by AEZ unit-holders on 21 December 2011.

Following a period of extensive marketing, the portfolio of six assets in Germany (operating under the Roller brand) will be sold for €39.0 million (A\$48.2million). Proceeds will be applied to the full repayment of debt attributable to the properties. Proceeds of €1.2 million (A\$1.5 million) from the sale of the units in VRF will be used to finance the wind up of the Group.

Upon settlement of the Roller sale agreement and the recently announced sale agreement for the Leipzig, Germany asset, AEZ will have completed sales of 77% (based on asset values at 30 June 2011) of its original portfolio.

The remaining AEZ portfolio now comprises a shopping centre (Halle Neustadt) in Germany, together with the City Gate shopping centre and units held in the Champion Retail Fund, Greece.

Yours sincerely

John Freemantle
Company Secretary