

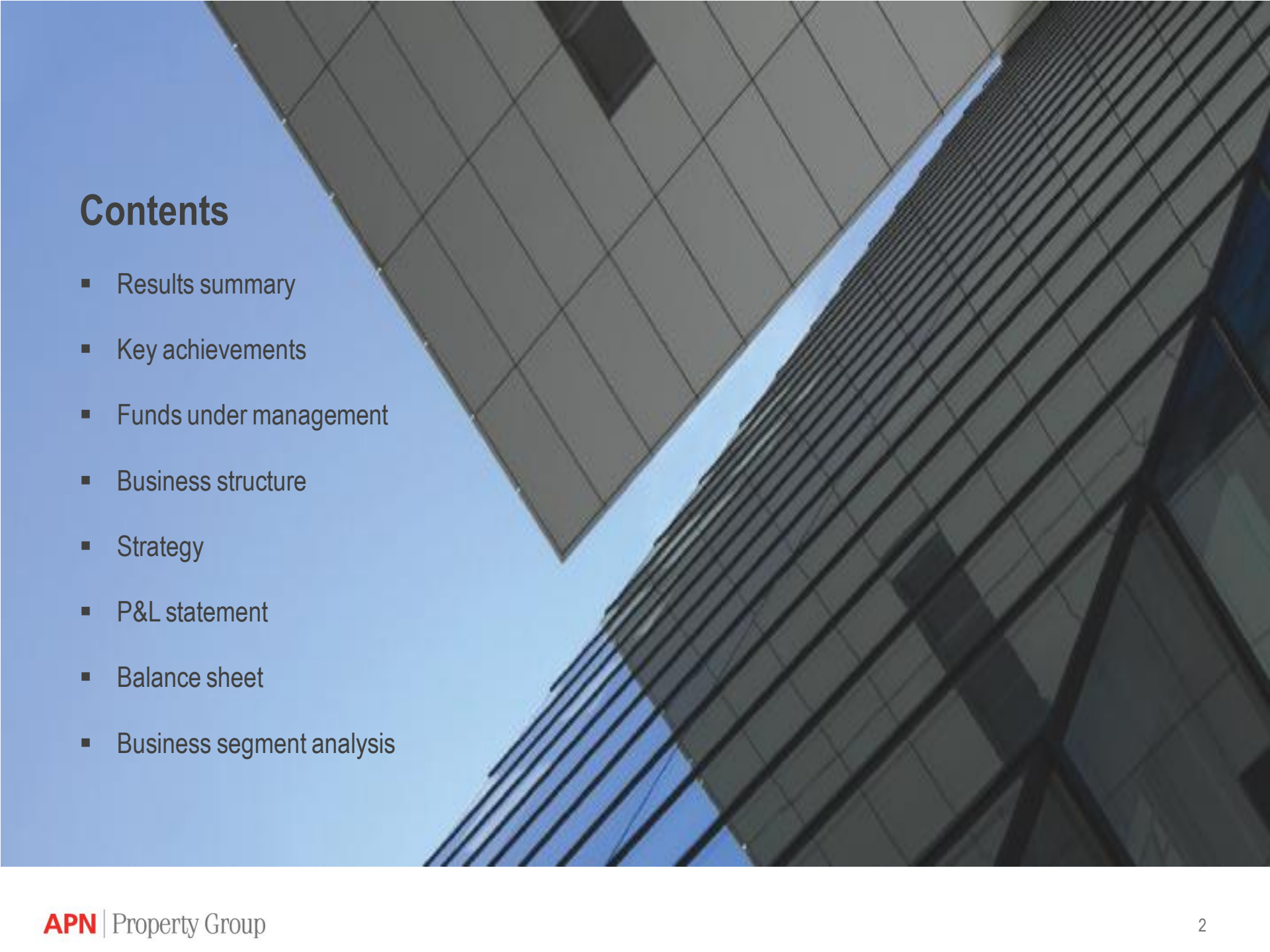
Financial Results

Six months to 31 December 2012

26 February 2013



APN | Property Group



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- Key achievements
- Funds under management
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- Strategy
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- Balance sheet
- Business segment analysis

Results summary – six months to 31 December 2012

Profit and loss

- Operating profit after tax & MI of \$1.2 million
- Statutory profit after tax & MI of \$1.6 million
- Dividend per share of 1.25 cents, in line with FY2012
- Funds under Management \$1.6 billion
- 80% of revenue “annuity style”

Balance sheet

- Strong balance sheet, with no debt
- Cash reserves of \$12.0 million
- NTA 19.1 cents per share

**APN Group is well positioned
to benefit from improving
markets and sentiment**

Financial highlights	31 Dec 12	30 Jun 12	31 Dec 11
Revenue total (\$'000)	9,582	8,514	11,098
Operating profit after tax (\$'000)	1,211	1,072	1,978
Statutory profit (loss) after tax (\$'000)	1,556	1,063	1,120
Operating EPS (cents per share)	0.83	0.59	1.37
Statutory EPS (cents per share)	1.07	0.59	0.77
Dividends (cents per share)	1.25	–	1.25
Funds under Management (FuM)	1.6 billion	2.1 billion	2.1 billion

Balance Sheet highlights	31 Dec 12 \$'000	30 Jun 12 \$'000
Tangible assets	39,384	36,490
Intangible assets	2,460	2,548
Total assets	41,844	39,038
Liabilities*	7,202	6,881
Minority interests (MI)	1,247	465
Net Tangible Assets (NTA)	33,395	29,144
NTA per share	19.1 cents	18.0 cents

* Trade and other payables, tax liability and provisions

Key achievements

■ **Generation Healthcare REIT (GHC)**

- Acquired management rights to \$200 million (now \$209 million) ING Real Estate Healthcare Fund in August 2011
- Rebranded to Generation Healthcare REIT
- Strong half year to Dec '12 financial results – underlying Net Operating Income up 31% to \$3.2 million
- Total return of 21.3% for the six months v S&P/ASX 300 Property Trust Accumulation Index of 12.6%

■ **Accelerated growth of APN AREIT Fund**

- Now rated as one of Australia's leading property securities funds
- Consistently ranks in the top two positions for inflows on Australia's leading platforms, averaging in excess of \$11 million per month
- FuM in excess of \$350 million as at 31 January 2013

■ **PFIFs liquidity facility**

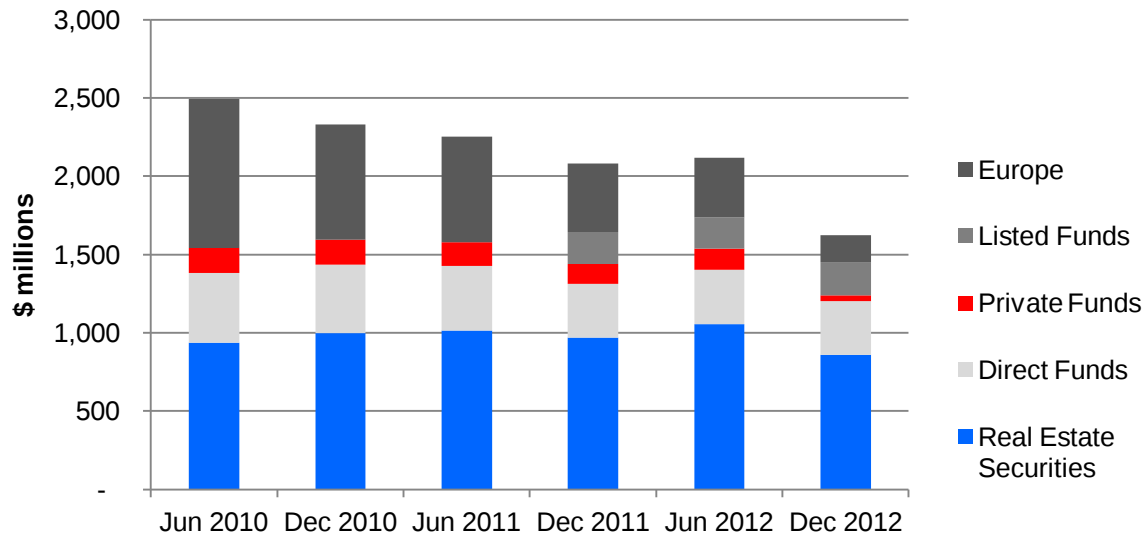
- Permanent liquidity facility announced in May 2012
- Fund outflows Q1 = \$300 million, Q2 = \$25 million. Pent up demand satisfied
- Favourable reaction from the market

■ **AEZ asset sale programme complete**

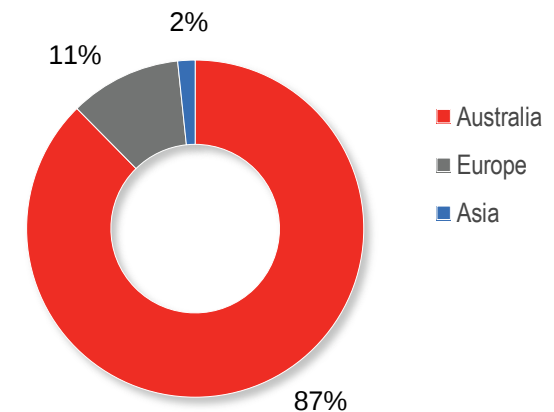
- Asset sales complete in accordance with 12 months undertaking

Funds under management

- FuM as at 31 December 2012 of \$1.6 billion
- FuM reduction reflects PFIFs clearing of pent up redemption demand and completion of AEZ asset sales
- AREIT FuM growth of \$91 million
- APN's core funds/businesses continue to perform well
- APN has \$13.1 million co-invested in its managed funds

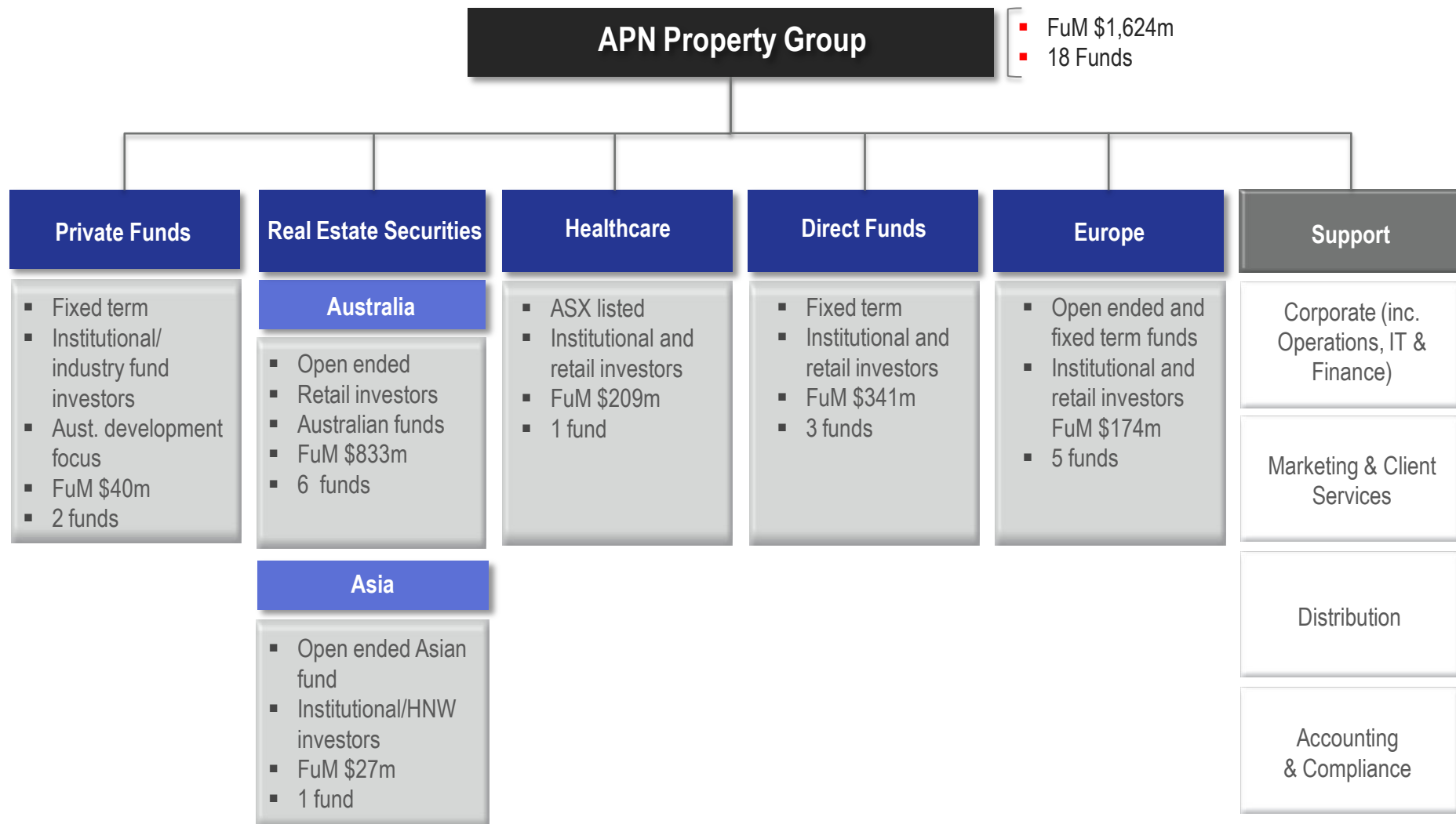


**FUM breakdown by geographic region
31 December 2012**



Reducing FuM pressures now largely resolved

Business structure



Corporate strategy

- Investment management landscape remains challenging – but also provides significant opportunity for growth
- APN is well positioned – legacy issues addressed, sound balance sheet and reputation, access to capital
- Our approach to real estate investment management remains **highly disciplined** and **deep value** driven
- Ongoing focus on **investment performance** and **service** underpins everything we do

APN strategy is clear and focussed – to grow those activities in which it has a competitive advantage



- Real Estate Securities
- Healthcare real estate
- Private Funds

Group strategy

Actively grow

Real Estate Securities - Australia

- Continue/accelerate AREIT Fund growth
- Expand distribution channels
- Fully relieve redemption pressure in PFIFs

Real Estate Securities - Asia

- Launch Asian REIT Fund
- Grow AAAIF
- Leverage ARA partnership
- Institutional separate account mandates

Healthcare (GHC)

- Increase EPU and DPU through acquisition and development
- Optimise portfolio income and capital growth

Private Funds

- Realisation program for DF1 and DF2
- Expand distribution and obtain direct wholesale mandates
- Raise APN profile with Australian and global institutions
- Leverage ARA relationship
- Introduce syndication opportunities to retail, wholesale and HNW investors

Manage

Direct retail funds

Convert terminating funds to longer term opportunities where possible

Europe

Finalise asset sale program and manage syndicates intensely

Platform

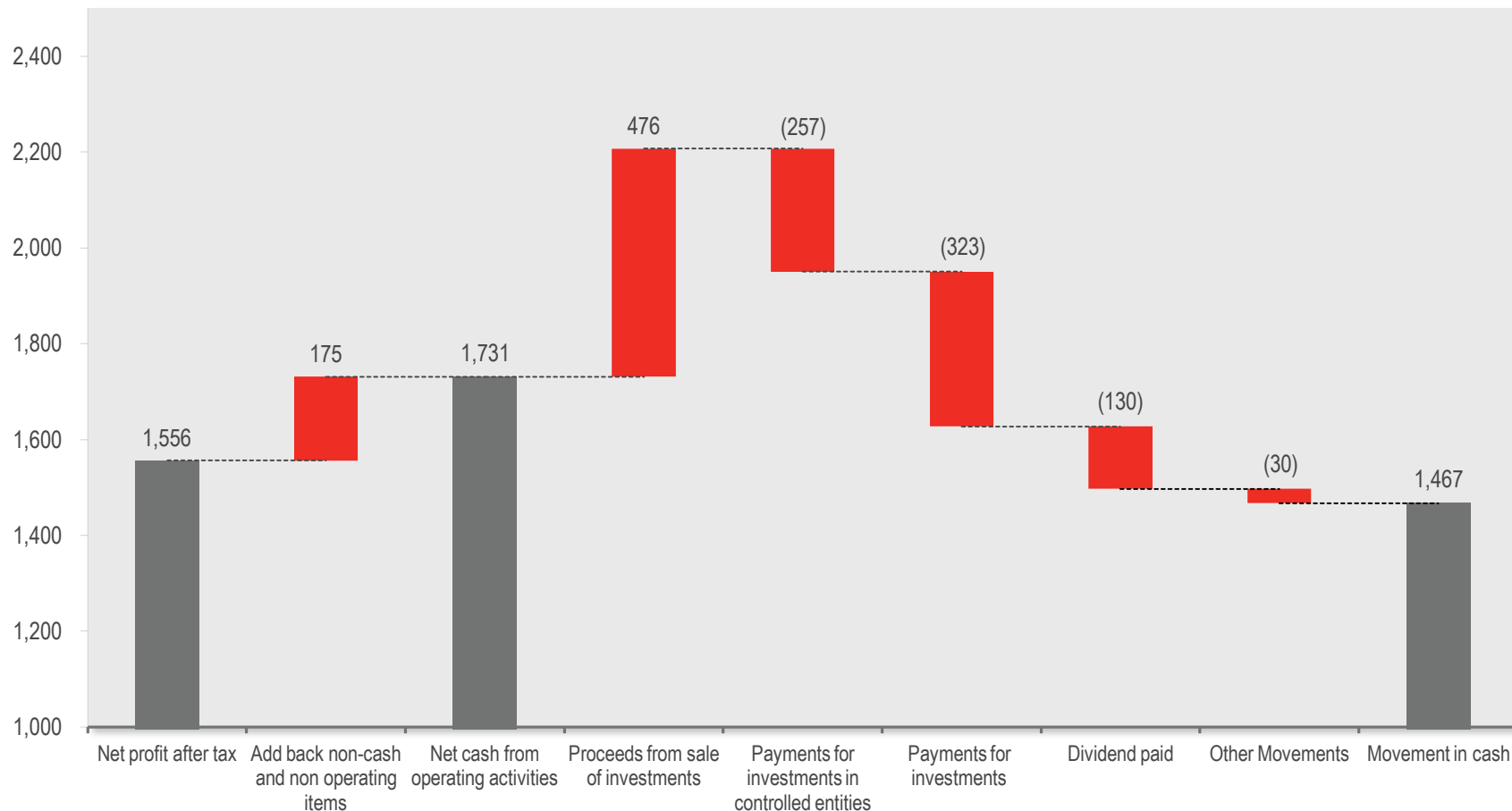
Maintain well resourced platform ready for new business

Profit and loss statement for 6-months to 31 December 2012

	31 Dec 12 \$000s	30 Jun 12 \$000s	31 Dec 11 \$000s
Revenue			
Management and recurring fees	7,394	8,100	9,125
Transaction and performance fees	1,939	138	1,842
Other revenue	249	276	131
Revenue Total	9,582	8,514	11,098
Direct costs	(933)	(1,077)	(944)
Administrative expenses	(6,584)	(6,196)	(7,690)
FX gains – realised/unrealised	(20)	44	(3)
EBITDA	2,045	1,285	2,461
Finance income (net)	245	290	355
Depreciation and amortisation	(138)	(118)	(122)
Income tax expense	(642)	(290)	(694)
Minority Interest	(299)	(95)	(22)
Operating profit after tax and minority interest	1,211	1,072	1,978
Profit / (Loss) from non-operating activities after tax and minority interest	345	(9)	(858)
Statutory profit after tax and minority interest	1,556	1,063	1,120

Reconciliation of operating profit to cash flow

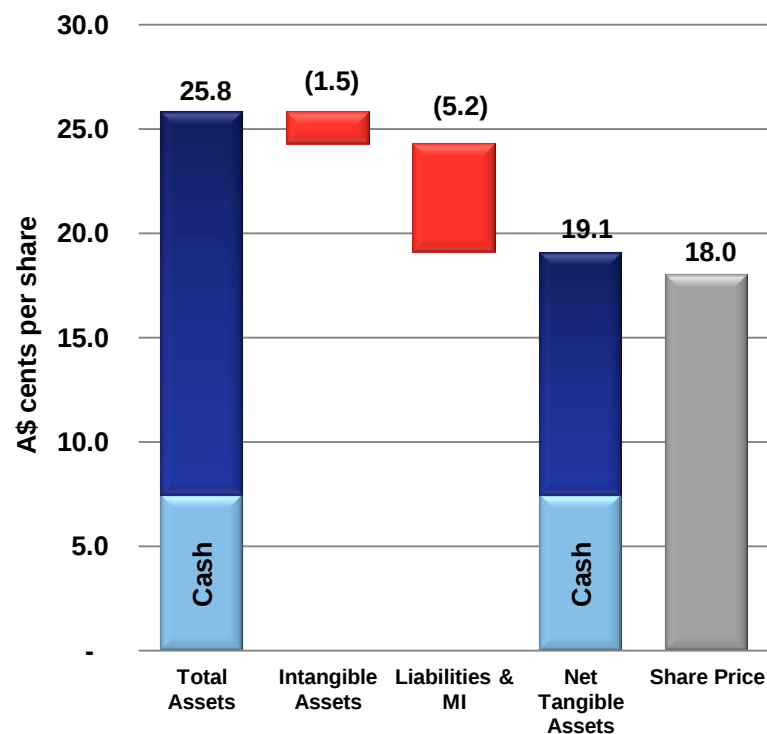
Movement in net cash



Balance sheet as at 31 December 2012

	31 Dec 12	30 Jun 12
	\$'000	\$'000
Cash and cash equivalents	12,019	10,552
Trade and other receivables	6,717	6,185
Other financial assets	13,065	11,625
Other assets	778	913
Total current assets	32,579	29,275
Intangible assets	2,460	2,548
Deferred tax assets	6,413	6,752
Other assets	392	463
Total non-current assets	9,265	9,763
Total assets	41,844	39,038
Trade and other payables	3,745	4,117
Current tax liabilities	527	129
Provisions	1,996	1,833
Total current liabilities	6,268	6,079
Total non-current liabilities	934	802
Total liabilities	7,202	6,881
Net assets	34,642	32,157
Minority Interests (MI)	1,247	465
Net Assets less MI	33,395	31,692
Net Asset Value (cps)	20.6	19.6
Net Tangible Assets (cps)	19.1	18.0

NTA backing per share December 2012

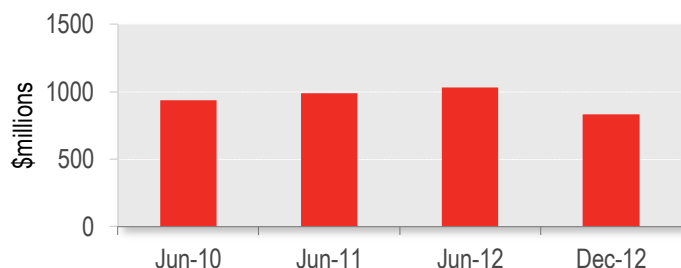


APN share price information at market close 31 December 2012

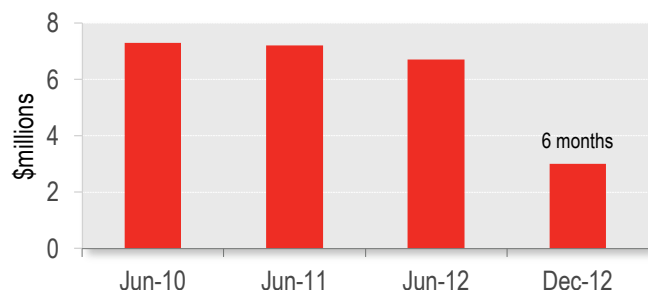
Business segment analysis

Real Estate Securities – Australia

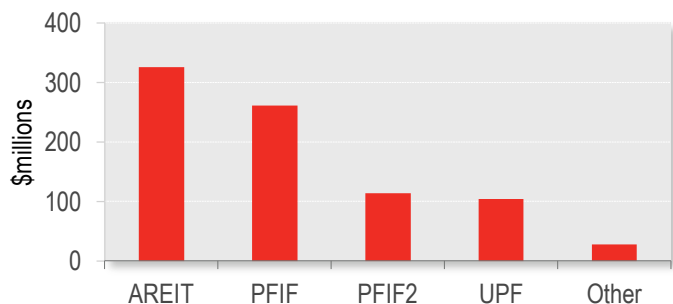
FUM



Annuity Style Revenue



December 2012 FUM breakdown by fund



APN AREIT Fund

- Net inflows averaging >\$11 million per month
- Net inflows since inception (January 2009) in excess of \$310 million
- Performance since inception 17.30% pa (versus index of 11.46% pa)¹
- Low volatility of returns relative to index
- 100% liquid
- Currently yielding 7.9% 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

Other funds

- Funds terminated
- Returning capital to investors

1. To 31 December 2012. Wholesale returns

2. Based on 31 December 2012 unit price of \$1.3177 (application price) versus distribution rate on an annualised basis

Generation Healthcare REIT

- Only listed Australian healthcare property entity
- \$209 million in funds under management
- Occupancy (by income) 98.8%
- WALE 10.8 years
- Management team has significant co-investment in the management vehicle
- Attractive sector prospects:
 - Ageing and growing population
 - Technology driving more health solutions
 - Healthcare industry continuing to experience significant growth
 - Direct and indirect Government support
 - High quality tenant universe
 - Long leases with attractive review mechanisms
- 31% increase in underlying net operating income for the 6 months ended 31 December 2012
- Half year distribution of 3.67 cpu up 10% on pcip
- GHC total return for the 6 months was 21.3% materially outperforming the S&P/ASX 300 Property Accumulation Index of 12.6%



Key stats

AREIT listed on ASX under code 'GHC'

FuM of \$209 million with property assets in Victoria & Queensland

Occupancy (by income) 98.8%

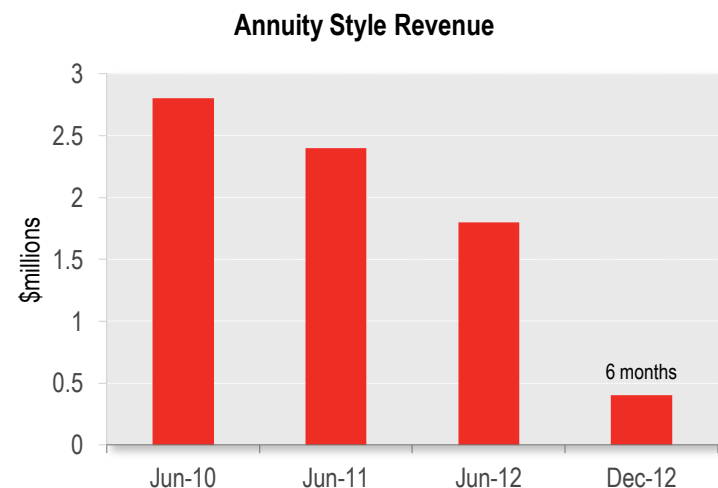
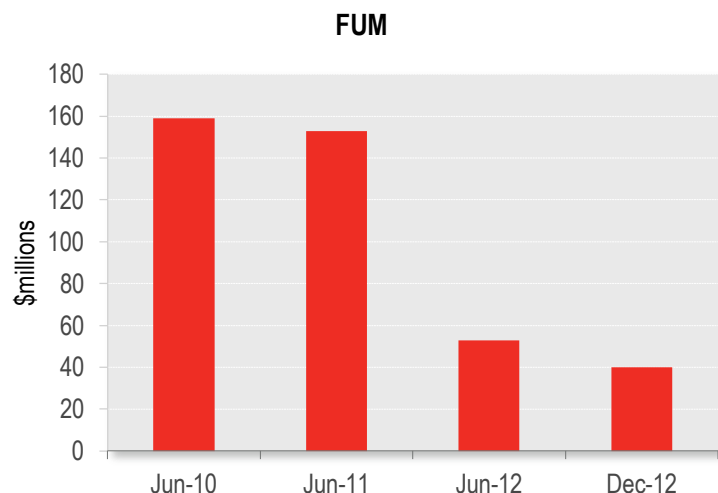
WALE 10.8 years

Distribution yield of 7.4% pa¹

100% tax deferred

1. Calculated using FY13 DPU guidance of 7.34 cents divided by the GHC security price of \$0.995 at close of trading on 31 January 2013

Private Funds



APN Development Fund No 1

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

APN Development Fund No 2

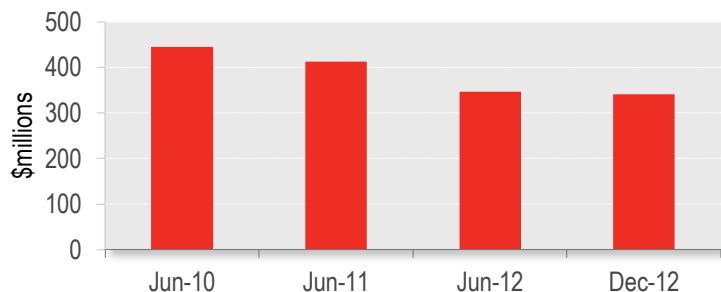
- Fully invested
- Australian institutional investors
- 150 Collins Street, Melbourne: a prime commercial development site in Melbourne CBD with approval for a 20,000m² office development. Construction has commenced with Westpac as anchor tenant
- Industry Village, Port Melbourne: a 3.3ha site located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

APN 541 St Kilda Rd Fund

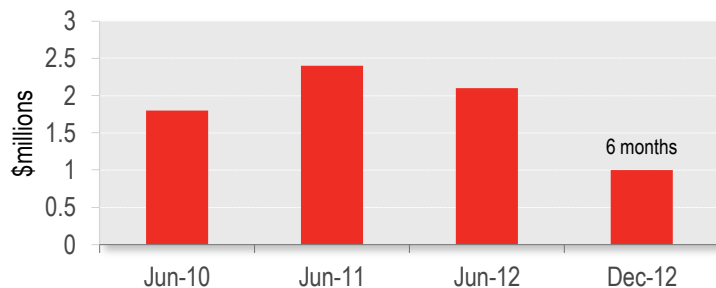
- New fund launched in February 2013
- Subject to raising \$19.1 million
- Unlisted, 6 year, fixed term fund
- 8 storey commercial property – home to seek.com

Direct Real Estate Funds

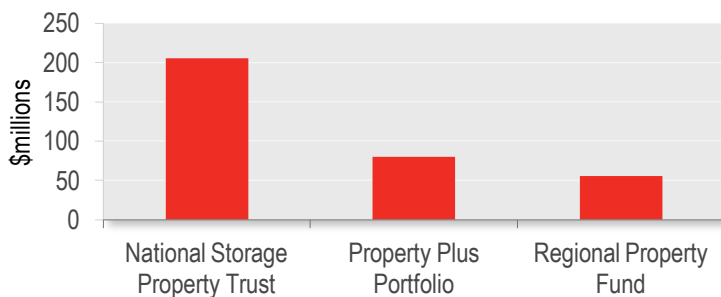
FUM



Annuity Style Revenue



December 2012 FUM breakdown by fund



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
- Distribution increased to 10 cpu

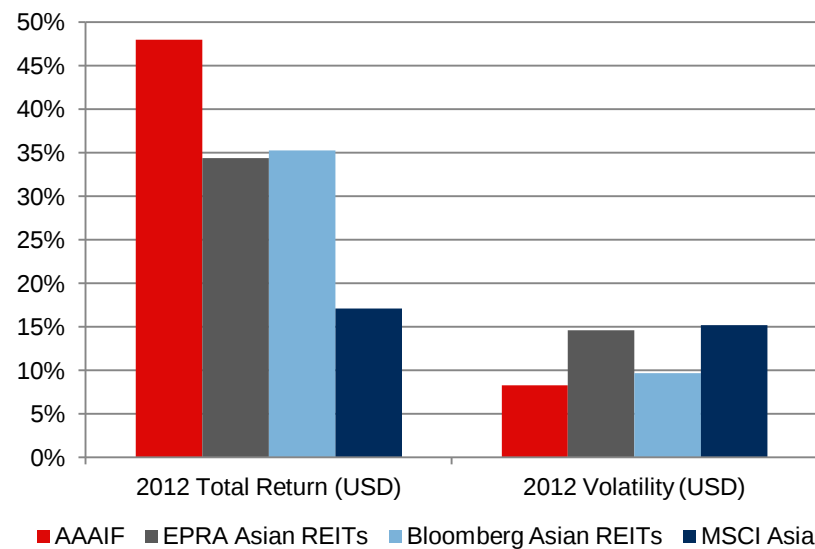
APN Regional Property Fund

- Fund debt extended for further three years
- Major tenant Sparke Helmore lease extended to 2019
- Distribution increased to 3.62 cpu

Real Estate Securities – Asia

- ARA Asian Asset Income Fund
- Institutional / High Net Worth product
- Total return of 16% pa over last 3 years to December 2012
- 100% liquid
- FuM steady since acquisition
- Targeting new investors in FY2013
- Singapore office fully integrated with Australian investment team

AAAIF performance and volatility comparison relative to selected indexes (December 2012)

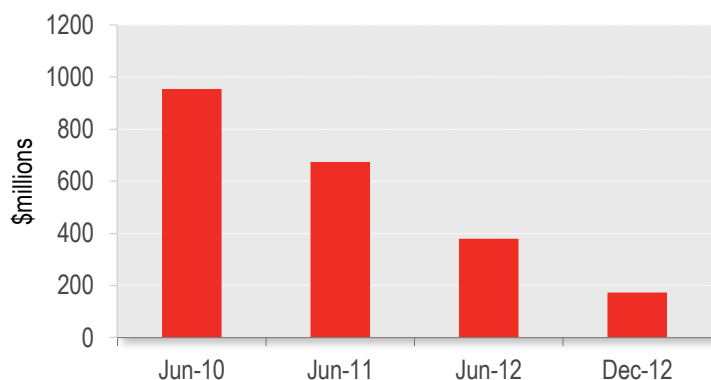


ARA Asian Asset Income Fund (AAAIF), EPRA Asia REITs Index (TERASU), Bloomberg Asia REIT Index (BBAREIT) and MSCI Asia Pacific Index (MXAP).

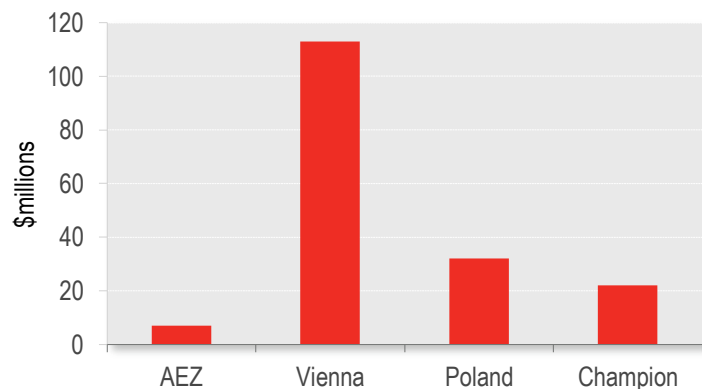


European Real Estate Funds

FUM



December 2012 FUM breakdown by fund



APN European Retail Property Group (AEZ)

- Asset sale program complete
- Focus on winding up the structure
- De-listed 3 September 2012

APN Vienna Retail Fund

- Shopping Centre Nord continuing to perform relatively well
- Asset being prepared for sale
- Fund expiry October 2013

APN Poland Retail Fund

- Manhattan Shopping Centre trading performance continues to improve
- Fund expiry extended to December 2013
- Terms received for loan facility extension to October 2014

APN Champion Retail Fund

- Greek market continues to deteriorate
- Negotiations with lender to extend loan term
- Fund expiry October 2013

1. Euro Property Fund not shown in FUM breakdown (excluded as cross-investment into European syndicates)

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