

NSX Announcement

APN Property Group Limited
ABN 30 109 846 068

Responsible Entity:
APN Funds Management Limited
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The Manager
Company Announcements Office
National Stock Exchange of Australia Limited
Level 2, 117 Scott Street
Newcastle, NSW 2300

Dear Sir/Madam

APN Regional Property Fund (NSX code: APR)
ARSN: 110 488 821

1H FY15 Financial Results

APN Funds Management Limited as responsible entity for the APN Regional Property Fund (the Fund) is pleased to announce the Fund's half-year financial results for the 6 months to 31 December 2014.

Key Highlights

- Net Profit was \$2.2m for the period vs. \$4.4m for the prior corresponding period;
- A contract for the sale of Parkes Shopping Centre was executed in December 2014 for \$10.2 million;
- Distributions for FY15 increased to 7.5 cents per unit (annualised), an increase from 7.2774 cents per unit in FY14;
- The Fund's loan to valuation ratio (LVR) decreased to 41.7% from 41.87% at the start of the period;
- The Fund's weighted average lease term to expiry (WALE) as at 31 December 2014 was 3.07 years (by income); and
- The Fund's portfolio was independently valued as at 31 December 2014, outlined below are the valuations for each of the Fund's assets:

Property	Value as at 30 June 2014	Value as at 31 December 2014	Percentage movement	Cap rate as 30 June 2014	Cap rate as 31 December 2014
Sparke Helmore Bldg, Newcastle, NSW	\$21,500,000	\$22,250,000	3.50%	9.25%	9.25%
PricewaterhouseCoopers Centre, Newcastle, NSW	\$16,250,000	\$15,750,000	(3.08)%	10.00%	9.75%
Parkes Shopping Centre, Parkes, NSW	\$10,210,000	\$10,200,000*	(0.10)%	9.98%	9.99%
Total / Weighted average	\$47,960,000	\$48,200,000	0.5%	9.66%	9.57%

* Based on contracted sale price

Fund Update

In February 2015, the Responsible Entity successfully disposed of Parkes Shopping Centre. The asset was sold for \$10.2m, \$10,000 below the June 2014 book value. Proceeds from the sale were used to reduce the funds debt to below 40% LVR. This resulted in a 5 basis point reduction in the debt facility's margin. NTA as at 31 December 2014 increase to \$0.8864 from \$0.8562 at 30 June 2014.

Yours sincerely



John Freemantle
Company Secretary

About APN Property Group

APN Property Group (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 institutions, superannuation funds, high net worth and individual investors.

As a boutique asset manager, the Group'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.

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