

APN Property Group Limited
ABN 30 109 846 068

Responsible Entity:
APN Funds Management Limited
ABN 60 080 674 479 AFSL No 237500

Level 30, 101 Collins Street
Melbourne, Victoria 3000 Australia

T +61 (0) 3 8656 1000
F +61 (0) 3 8656 1010
Investor Services 1800 996 456
Adviser Services 1300 027 636
W www.apngroup.com.au
E apnpg@apngroup.com.au

Correspondence to:
PO Box 18011
Melbourne Collins Street East
Victoria 8003

26 May 2015

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) Fund Update

Leasing Activity

APN Funds Management Limited (**APN FM**) as responsible entity of APN Regional Property Fund (**Fund**) is pleased to announce that it has entered into a heads of agreement with a tenant to lease 1,038 sqm of office space at 28 Honeysuckle Drive for five years commencing 1 December 2015. If completed, this transaction would increase the weighted average lease expiry (**WALE**) of the property from 3.6 years to 4.5 years, with occupancy increasing to 100%.

In addition, APN FM is also currently negotiating with a tenant occupying 1,949 sqm at 26 Honeysuckle Drive, to exercise their first five year option. If completed, this transaction would increase the WALE for this property from 1.7 years to 3.7 years.

Both leasing transactions are incomplete and subject to conditions, including documentation.

Distributions

APN FM is pleased to confirm that the forecast distribution for the 30 June 2015 financial year is expected to be a minimum of 7.50 cents per unit.

Subject to the number of units that are withdrawn under the current withdrawal offer, distributions for FY16 are forecast to be 7.50 to 8.00 cents per unit, subject to the continuation of current market conditions and no material tenant defaults.

The FY16 distribution forecast is expected to improve further if the above two conditional leasing deals are fully agreed and executed.

Withdrawal Offer

Following the above announcements, APN FM is providing investors who have lodged their withdrawal request under the withdrawal offer announced on 11 May 2015 an opportunity to withdraw their Withdrawal Request Form.

Please contact APN FM before 5pm (Melbourne Time) on 10 June 2015 if you wish to withdraw or amend your Withdrawal Request Form.

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.

www.apngroup.com.au