



APGF Investors' Presentation December 2011 Half Year Results and Outlook

March 2012



PRESENTATION OVERVIEW



- Economic Conditions
- December 2011 Half Year Results
- Update on Current Projects
- Outlook and Future Strategy



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GLOBAL ECONOMY



- The GFC has now morphed into a global debt crises
- Increasing concerns about Euro sovereign debt and banking problems
- USA and Japan also face major medium term fiscal challenges
- Debt overhang in many advanced economies will be a major constraint for years to come
- Downside risks to global growth
- Significant divergent performance between advanced economies and emerging economies

AUSTRALIAN ECONOMY



- Economy has slowed significantly
- “Multi-speed” economy with conditions in non-mining sectors subdued
- Medium term outlook continues to reflect strong mining investment and high commodity prices
- Uncertainty of global economic volatility

AUSTRALIAN PROPERTY MARKETS



- “Multi-speed” theme is also evident in the property markets
- Quality commercial performing relatively well
- Secondary property valuations still under some pressure
- Uncertainty from global debt crisis and impact on availability and cost of equity and debt

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DECEMBER 2011 HALF YEAR RESULTS



- Statutory accounting after tax loss of \$9.9 million*
- Underlying profit after tax of \$4.1 million**
- Net asset value 59 cents per stapled security
- Net assets \$134 million
- Assets under management \$1.4 billion

* Includes non-operating and non-cash items such as property valuations, impairment of goodwill and write-down of tax losses totalling \$14 million.

** Underlying profit is calculated in accordance with ASIC RG230. Refer Directors' Report for reconciliation.



DECEMBER 2011 HALF YEAR RESULTS KEY FEATURES



- Return to underlying profitability
- Increase in the valuation of 12 Creek Street (“Blue Tower”) and Westpac Concord Campus Sydney
- 102 of 104 apartments in Stage 1 of Pavilions Palm Beach settled and 95% of Stage 1 retail leased.

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PROPERTY TRUST ASSETS



Blue Tower, Brisbane CBD



- Iconic Brisbane CBD commercial office building
- Net lettable area 32,000 square metres
- Current valuation \$252 million
- \$8 million capital expenditure completed
- Blue chip tenants including Macquarie Bank, Optus, Reserve Bank of Australia, BHP Coal
- Occupancy 95%
- WALE in excess of 5 years
- Currently being marketed for sale



PROPERTY TRUST ASSETS



Westpac Concord Campus, Concord Sydney



- 16,900 square metre office campus
- Current valuation \$52 million
- 10 year lease extension signed
- Leased to Westpac until October 2022
- Currently being marketed for sale

PROPERTY TRUST ASSETS



Royal Bank Chambers, Collins Street Melbourne



- Current valuation \$31.5 million
- Prime Collins Street location
- Banking chamber 10 year ANZ lease
- Refurbishment and re-leasing of nine upper office floors is proceeding in line with expectations
- Currently being marketed for sale

PROPERTY DEVELOPMENT



Pavilions Palm Beach Gold Coast



- 9,800 square metre prime site
- Mixed retail (5,200 square metres) and residential (194 apartments)
- End value approximately \$125 million

PROPERTY DEVELOPMENT



- Stage One:
 - Construction completed June 2009
 - 102 apartments settled (total 104)
 - 95% of retail leased (includes Coles Supermarket)
- Stage Two:
 - Construction to commence once sufficient pre-sales are secured
 - Approximately 28 apartments with sales contracts or expressions of interest (total 98)

PROPERTY FUNDS MANAGEMENT BUSINESS



- Recurring funds management income
- Approximately 10,000 investors
- \$1 billion assets under management
- Approximately 45 properties
- Properties in funds with fixed maturity dates are being sold if in investors' interests
- 2 residential land subdivisions on the NSW South Coast



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OUTLOOK AND FUTURE STRATEGY



- Headstock properties being marketed for sale
- Partial capital return to be made in CY 2012
- Timing and amount will depend on outcome of the headstock asset sale process
- Unlikely quarterly distributions will continue after assets are sold
- Focus on securing sufficient pre-sales to commence Palm Beach Stage 2
- Property funds management business to be scaled down as properties in funds with fixed maturity dates are sold
- Properties will only be sold if in investors' best interests
- Focus on pro-active asset management
- Maximise each property's net operating income





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