



APGF

Investors' Presentation

- First Half 2012/13 Results and Update
- Proposed Preference Share Issue and Partial Off-Market Buyback of Stapled Securities

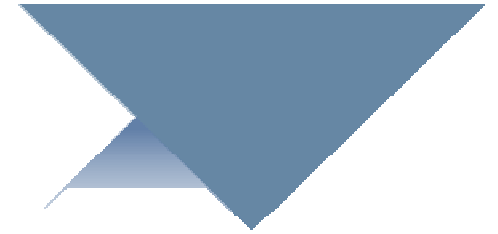
April 2013





PRESENTATION OVERVIEW

- **December 2012 Half Year Results**
- Update on Current Projects
- Proposed Preference Share Issue and Partial Off-Market Buyback of Stapled Securities



DECEMBER 2012 HALF YEAR RESULTS

- Loss after tax of \$5 million
- Net asset value per stapled security of 29.5 cents (after payment of 18.5 cents to investors on 2 November 2012)
- Sale of Blue Tower for \$241.6 million on 31 October 2012
- Major items that contributed to accounting loss were costs on disposal of Blue Tower of approximately \$3 million and the write down of tax losses of \$1.3 million



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PROPERTY TRUST ASSETS

Blue Tower, Brisbane CBD



- Sold to Dexs for \$241.6 million settled on 31 October 2012
- Sale price was maximised in the current property market
- Property was well positioned for sale after \$8 million refurbishment and with a 5 year weighted average lease expiry (WALE)
- Brisbane CBD commercial property sale record for 2012

PROPERTY TRUST ASSETS

Blue Tower, Brisbane CBD (continued)



- \$5 million of the sale proceeds were retained at settlement for contract warranties with \$4.8 million due to be released on 31 October 2013 and the remaining \$0.18 million due in the subsequent year
- Rent guarantee provided to the purchaser for levels 18 and 19 of Blue Tower for one year. Level 19 is currently leased, however, level 18 as well as APGF's former tenancy on level 15 remain vacant and are both being marketed for sub-lease

PROPERTY TRUST ASSETS

Royal Bank Chambers, Collins Street Melbourne



- Current valuation \$30.7 million
- Banking chamber and three of nine upper office floors are leased
- Heads of Agreement to lease two of the remaining six vacant floors have recently been finalised
- Final refurbishment of the four remaining office floors has recently been completed
- Focus remains on leasing the remaining vacant floors in 2013
- To be marketed for sale when leasing is substantially completed (likely to be in 2014)



PROPERTY DEVELOPMENT ASSETS

Pavilions, Palm Beach Gold Coast



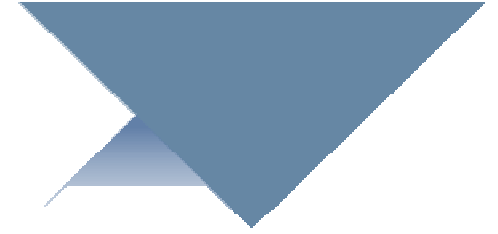
- 9,800 square metre prime site
- Mixed retail (approximately 5,200 square metres) and residential (approximately 204 apartments)
- End value approximately \$125 million

PROPERTY DEVELOPMENT ASSETS

Pavilions, Palm Beach Gold Coast (continued)



- Stage One:
 - Construction completed June 2009
 - 103 apartments settled (total 104)
 - 100% of retail leased (includes Coles supermarket)
- Stage Two:
 - Comprises approximately 100 additional apartments and retail and café precinct
 - Amended Development Approval is to be submitted in 2013 to reposition Stage 2
 - Marketing to commence once more favourable conditions return to the Gold Coast apartment market
 - All of the existing Stage 2 pre-sale apartment contracts are likely to be rescinded during 2013 because of their sunset expiry dates



PROPERTY DEVELOPMENT ASSETS

Ulladulla, New South Wales

- Two land subdivisions at Ulladulla (approximately 3 hours drive south of Sydney)
- 16 of the 63 Stage 1 developed lots at Springfield Meadows have been sold and settled
- It is intended to commence developing the first stage (12 lots) of Dolphin Point in late 2013

PROPERTY FUNDS MANAGEMENT BUSINESS

- Business gradually being wound down in an orderly fashion
- Properties in the individual funds are being sold progressively when sale is in the best interests of investors
- In August 2012, the management of PFA was sold to Charter Hall for \$10 million
 - \$5.2 million received on settlement
 - \$4.8 million to be received from share of PFA's asset disposal and performance fees



PRESENTATION OVERVIEW

- December 2012 Half Year Results
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- **Proposed Preference Share Issue and Partial Off-Market Buyback of Stapled Securities**



CORPORATE STRATEGY

- Board determined the optimal way to maximise value and achieve liquidity for investors is by:
 - Orderly sale of headstock property assets
 - Gradual wind down of property funds management business
 - 18.5 cents per stapled security was paid to investors in November 2012
 - Since July 2006 investors have been paid distributions/returns totalling approximately 55 cents per stapled security
 - Further payments will be made on the sale of Collins Street (likely to be in 2014) and on finalisation of Palm Beach Stage 2 (which is expected in the next few years)
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REASONS FOR THE PROPOSED PREFERENCE SHARE ISSUE AND PARTIAL OFF-MARKET BUYBACK OF STAPLED SECURITIES

- Accelerate the return of some further funds to investors
- More closely align investors' interests in stapled securities to the value of the underlying assets
- Satisfy investors' entitlements from the Blue Tower sale
- Directed at delivering the highest after tax return to investors
- Facilitate the wind-down process (after Collins Street is sold, APGT/Trust will be able to be wound up and destapled from APGL/Company)

RATIONALE FOR PROPOSED PREFERENCE SHARE ISSUE

- Majority of capital raised by APGF was represented by the issue of units in APGT (Trust)
- Over time, the Trust advanced money to APGL (Company)
- With orderly realisation of the Trust now underway, it is appropriate time to unwind this loan arrangement
- Loan balance from the Trust to the Company at 31 December 2012 was approximately \$88 million
- The Trust will forgive approximately \$47 million of this loan



RATIONALE FOR PROPOSED PREFERENCE SHARE ISSUE (CONTINUED)

- The remaining loan balance of approximately \$41 million will be effectively converted to Preference Shares and issued directly to the investors of the Trust at an issue price of 18 cents
- The Preference Share issue will also represent a non-cash distribution entitlement from the Trust to investors from the Blue Tower sale



PRINCIPAL TERMS OF THE PROPOSED PREFERENCE SHARE ISSUE

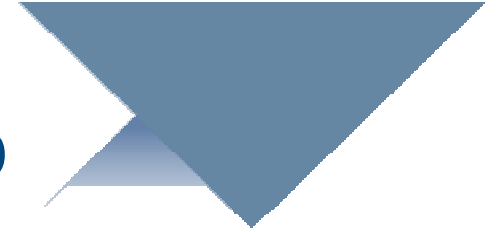
- Investors will receive one Preference Share for each ordinary share they currently hold
 - Issue price is 18 cents per Preference Share
 - No cash consideration is required to be paid by investors
 - The Preference Shares will be entitled to all future dividends and capital returns from the Company (as a result the ordinary shares are unlikely to have any future commercial value)
 - There is no fixed dividend rate payable on the Preference Shares
 - Preference Shareholders are entitled to vote at future meetings on the basis of one vote for each Preference Share held
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PRINCIPAL TERMS OF THE PROPOSED PARTIAL OFF-MARKET BUYBACK OF STAPLED SECURITIES



- To be implemented if the proposed issue of Preference Shares is approved and completed
- Up to 40% of issued Stapled Securities will be bought back
- Proposed Buyback price of 9.36 cents per Stapled Security (after the issue of the Preference Shares at 18 cents)
- Buyback price was determined after considering the Independent Expert's Report (PricewaterhouseCoopers) which estimated the non-controlling value of a Stapled Security in the range of 7.79 cents to 8.31 cents

PRINCIPAL TERMS OF THE PROPOSED PARTIAL OFF-MARKET BUYBACK OF STAPLED SECURITIES (CONTINUED)



- \$8.5 million is the maximum total buyback commitment
- To be funded by unsecured loans from APGF Directors and Leyshon Pty Ltd at an interest rate of 10% p.a.

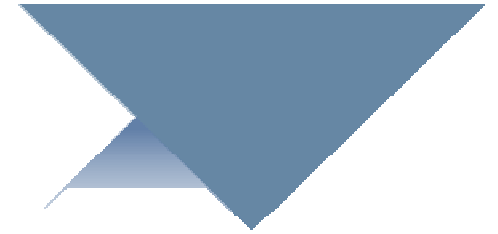
WHAT DOES THIS MEAN FOR INVESTORS?

- The table below details how the proposals will impact on an investor who currently owns 200,000 stapled securities

Current Number of Stapled Securities Held (a)	Number of Preference Shares to be issued (b)	Minimum Number of Stapled Securities to be Bought Back* (c)	Buyback Amount to be received (9.36 cents per Stapled Security)* (d)	Future Holdings in APGF	
				Number of Stapled Securities* (e)	Number of Preference Shares (f)
200,000	200,000	80,000	\$7,488	120,000	200,000

*Assumes 40% of the investor's current holding of APGF Stapled Securities are bought back on the basis all Members participate in the Partial Off-market Buyback

- The value of the investor's current holding in APGF (a) will approximately equal the total of: the cash received from the Partial Off-market Buyback (d); the future holdings of APGF Stapled Securities (e); and Preference Shares (f)



NEXT STEPS FOR INVESTORS

- Investors will have the opportunity to vote on a number of resolutions in relation to the proposals on 21 May 2013
- The Directors unanimously recommend the resolutions and encourage investors to vote “FOR” the resolutions
- Proxy forms must be returned no later than 19 May 2013
- If the proposed resolutions are approved, a buyback booklet will be distributed to all investors soon after the 21 May 2013 meeting and the issue of the Preference Shares to enable investors to individually accept or reject the proposed Partial Off-Market Buyback
- The Buyback is scheduled to be completed in June 2013



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