



ANGAS SECURITIES LIMITED ABN 50 091 942 728
AUSTRALIAN FINANCIAL SERVICES LICENCE NO. 232 479

10 May 2013

ANGAS SECURITIES LIMITED: UPDATE ON REINVESTMENT RATES & OTHER MATERIAL INFORMATION

Angas Securities Limited ("ASL") is pleased to confirm that it is now engaged in a meaningful and detailed dialogue with its trustee, The Trust Company, and is confident of resolving any outstanding issues to the satisfaction of all parties. Whilst The Trust Company is subject to corporate acquisition, as disclosed in the public domain, ASL has been assured that this will not impact on ASL and its discussions with The Trust Company. Resolution of outstanding matters will enable ASL to recommence its desired "business as usual" policy. Whilst it is currently impossible to accurately determine a timeframe, it is to be hoped that resolution will be achieved by financial year end 2013.

The reinvestment rate in term of overall investors, being the number of actual investors that reinvest monthly has averaged 80% since November 2012. Reinvestment rates in actual dollar terms has declined since November, 2012 and is at an average of 77% for that time period. Investors withdraw monies for a number of reasons such as security concerns arising from recent negative media coverage of the sector, a desire to invest, develop or buy property or simply to meet changing personal circumstances, such as weddings, funerals etc. In total dollar quantum, the total number of Debentures on issue was \$260,563,391 as at October 31, 2012 and was \$252,763,789 as at 30th April, 2013 representing a decline of 3%. As at 1st November, 2012 the ASL total loan book was \$209,561,528 and as of 30th April, 2013 this had increased to \$213,878,714 representing an increase of 2%.

Market conditions appear to be improving with increased liquidity, largely arising from private investors. With the increasing differential between capitalisation rates and yields compared to bank deposit rates, it would be expected that more investors will start to investigate the merits of property as an investment class. ASL welcomes the 0.25% cut in official rates announced by the Reserve Bank of Australia on 7th May, 2013, especially as the major banks have announced record profits, and have largely passed on the full benefit of this rate cut to mortgage borrowers. This should serve to enhance property values. Finally, whilst it is still commercial-in-confidence, ASL has received material positive news with respect to the underlying value of the largest loan in its portfolio and will provide greater information to the market in due course.

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