



PARTIAL OFF-MARKET BUYBACK BOOKLET

AUSTRALIAN PROPERTY GROWTH LIMITED ACN 111 628 589 (COMPANY)

APGF MANAGEMENT LIMITED ACN 090 257 480 AFSL 229 287 (RESPONSIBLE ENTITY)

AUSTRALIAN PROPERTY GROWTH TRUST ARSN 109 093 816 (TRUST)

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION
Read the whole of this document carefully before deciding whether to participate
in the Partial Off-market Buyback.

If you are in any doubt about how to deal with this document, you should contact your
broker, financial adviser, taxation adviser or other professional adviser immediately.

LEGAL NOTICES AND DISCLAIMER

Issuer

This document (**Booklet**) is dated 22 May 2013. This Booklet is issued by Australian Property Growth Limited ACN 111 628 589 (**Company**) and APGF Management Limited ACN 090 257 480 AFSL 229287 (**Responsible Entity**) as responsible entity of the Australian Property Growth Trust ARSN 109 093 816 (**Trust**). APGF comprises the Company and Trust and, where applicable, their controlled entities (collectively APGF) and is listed on the NSX (NSX code: APF).

Not financial product advice

The information in this Booklet is not financial product advice.

This Booklet has been prepared without taking into account your particular objectives, financial situation or needs. You should consider the appropriateness of participation in the Partial Off-market Buyback having regard to your individual objectives, financial situation and needs. If you are in any doubt as to the action you should take, you should contact your financial, taxation or other professional adviser immediately.

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- suffered or incurred by any person relying or acting on any information provided in, or omitted from, the Booklet or any other written or oral opinions, advice or information provided by any of them; or
- arising as a result of, or in connection, with the information in the Booklet being inaccurate or incomplete in any way or by reason of any reliance by any person, including by reason of any negligence, default or lack of care.

None of APGF, its officers, employees or advisers make any representation or warranty as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statements.

If you have any questions about the Partial Off-market Buyback or the content of this Booklet, please call Makala Ffrench (APGF Investor Relations Manager) on 1300 668 698 between 9.00am and 5.00pm, AEST (Brisbane time), Monday to Friday. You can also contact APGF by email at info@apgf.com.au.

Participation in the Partial Off-market Buyback

All Members are able to participate in the Partial Off-market Buyback.

Definitions

Some of the words capitalised in this Booklet have the defined meanings set out in Section 13.

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1. IMPORTANT INFORMATION

1.1 What is this Booklet about?

APGF is offering Members the opportunity to participate in a partial off-market buyback to purchase approximately \$8.5 million worth of Stapled Securities (**Partial Off-market Buyback**). The Partial Off-market Buyback was approved by Members at the APGF Members' meetings held on 21 May 2013.

This Booklet contains important information about the Partial Off-market Buyback and is provided to assist you in making an informed decision about whether to participate. It also explains why APGF is undertaking the Partial Off-market Buyback.

1.2 Important dates

Event	Date
Record Date for determination of Members' entitlement to participate in the Partial Off-market Buyback	31 May 2013
Off-market Buyback Booklet sent to Members who have not already received a copy	3 June 2013
Offer Period opens	3 June 2013
Offer Period closes (acceptances due by 5.00pm AEST)	24 June 2013
Buyback Date and anticipated announcement of a scale-back	26 June 2013
Payment of Buyback Proceeds to Participating Members complete	26 June 2013

Whilst APGF does not currently anticipate changing any of the dates and times set out above, it reserves the right to do so. Any changes to this timetable will be announced to the NSX.

1.3 Eligibility to participate

You are eligible to participate in the Partial Off-market Buyback if you are a Member, as recorded on APGF's register of Members, on the Record Date.

1.4 Other important reference material

In reviewing the Booklet you should also have regard to other information previously made available to Members about APGF and the Partial Off-market Buyback, such as:

- the Notices of Meetings and IER sent to Members (**Notices of Meetings**);
- APGF's 2012 annual report;
- APGF's 31 December 2012 half yearly report; and
- NSX announcements relating to APGF.

These documents can be viewed on APGF's website at www.apgf.com.au

2. KEY FEATURES OF THE PARTIAL OFF-MARKET BUYBACK

APGF is buying back Stapled Securities by way of a Partial Off-market Buyback, which provides Members with an opportunity have some or all of their Stapled Securities bought back. Key features of the Partial Off-market Buyback are set out below.

Buyback Price	The Buyback Price is 9.36 cents per Stapled Security (Buyback Price).
Buyback size	APGF may buy back a maximum of 91,032,009 Stapled Securities at the Buyback Price for a total cost to APGF of approximately \$8.5 million. The Partial Off-market Buyback represents approximately 40% of APGF's issued capital.
Who is eligible to participate?	The Buyback is open to persons who are a Member on the register of Members on the Record Date.
Participation	Participation is voluntary. If you wish to participate you must complete and return the Offer Form. Eligible Members who wish to participate must lodge their application with APGF before 5.00pm AEST on 24 June 2013.
Offer Period	The Offer Period will be open from 3 June 2013 until 5.00pm AEST, on 24 June 2013.
Minimum number of Stapled Securities that can be offered	There is no minimum number of Stapled Securities that Members can apply to have bought back. The Directors recommend Members who wish to participate to the maximum, offer all of their Stapled Securities under the Partial Off-market Buyback.
Scale back	The two largest Members, Leyshon Group and Stirling Investments have indicated they intend to fully participate in the Partial Off-market Buyback. Therefore APGF expects the Partial Off-market Buyback will be scaled back. In order for the Member to maximise their participation in the Partial Off-market Buyback through the scale back, a Member should submit an offer for all their Stapled Securities to be bought back. Refer to Section 9.5 for details on how the scale back will operate.

IMPORTANT INFORMATION

By making the Partial Off-market Buyback offer and setting the Buyback Price, neither APGF nor the Board are making any recommendation or giving any advice to any individual Member on the value of their Stapled Securities or whether they should sell their Stapled Securities under the Partial Off-market Buyback.

3. ACTION REQUIRED BY MEMBERS

A summary of the actions required by Members in relation to this Booklet and the Partial Off-market Buyback follows. Please refer to Section 8.3 for further details.

Step 1: Participation	Read this Booklet in full and decide whether you wish to participate in the Partial Off-market Buyback. If you do not wish to participate, you do not need to take any action.											
Step 2: Number of Stapled Securities	If you wish to participate, you need to decide the number of Stapled Securities that you wish to offer to be bought back. The maximum number of Stapled Securities that you may offer is the total number of Stapled Securities for a registered holding as shown on your Offer Form. There is no minimum number of Stapled Securities that you may offer. If you want to maximise the number of Stapled Securities that may be bought back you should offer all your Stapled Securities. All offers are likely to be subject to a scale back on a pro rata basis (based on the number of Stapled Securities you offer) as the Partial Off-market Buyback is likely to be over-subscribed.											
Step 3: Offer Form	If you do wish to participate, you will need to complete and sign your Offer Form that accompanies this Booklet. The Offer Form should then be returned as follows: <table><tr><td>Mailing address</td><td>Delivery address</td><td>Facsimile number</td><td>Email</td></tr><tr><td>APGF GPO Box 3119 Brisbane Qld 4001</td><td>APGF Level 5 12 Creek Street Brisbane Qld 4000</td><td>07 3003 0122</td><td>info@apgf.com.au</td></tr></table>				Mailing address	Delivery address	Facsimile number	Email	APGF GPO Box 3119 Brisbane Qld 4001	APGF Level 5 12 Creek Street Brisbane Qld 4000	07 3003 0122	info@apgf.com.au
Mailing address	Delivery address	Facsimile number	Email									
APGF GPO Box 3119 Brisbane Qld 4001	APGF Level 5 12 Creek Street Brisbane Qld 4000	07 3003 0122	info@apgf.com.au									
Step 4: Lodgement	You must ensure that your completed and signed Offer Form is received by APGF by no later than 5.00pm AEST, on the Closing Date, 24 June 2013.											

4. DETAILED INFORMATION ABOUT THE PARTIAL OFF-MARKET BUYBACK

4.1 What is a Partial Off-market Buyback?

A partial off-market buyback is a process where an entity invites security holders to offer to have some or all of their securities in that entity bought back. Securities bought back by the entity are cancelled, thereby reducing the number of securities the entity has on issue.

APGF's Partial Off-market Buyback is an off-market buyback and was approved by Members at the APGF Members' meetings held on 21 May 2013. Under the Partial Off-market Buyback, APGF is offering Members the opportunity to sell some or all of their Stapled Securities to APGF. Those Stapled Securities will be bought back and subsequently cancelled which will reduce the total number of Stapled Securities APGF has on issue.

4.2 Why is APGF implementing the Partial Off-market Buyback?

In 2012 the Directors announced they had undertaken a detailed review of the operations of APGF particularly in the current and likely near future economic and property market outlook.

The Directors have determined the optimal way of maximising value and achieving liquidity for Members is for an orderly wind down of the operations of APGF. This wind down includes a sale of the assets of the Trust and the gradual sale/ wind down of the remaining assets of the Company.

Details of the Partial Off-Market Buyback were provided in the Notices of Meetings and the Partial Off-market Buyback was approved by Members at the APGF Members' meetings held on 21 May 2013.

4.3 Why is the Partial Off-market Buyback considered the best process for returning capital?

As APGF is winding down and realising assets the objective of the Board is to facilitate the cash payout to Members who participate in the Partial Off-market Buyback during the 2013 financial year. The monetisation of APGF's assets has already been achieved to an extent, however there is currently some deferred consideration from the sale of assets that is still to be received. These should be released into cash form over the next twelve months starting in October 2013. However, the Board wish to provide a further liquidity event for Members in the short term, hence the Partial Off-market Buyback.

Further, the Partial Off-market Buyback, as an equal access buyback, is the preferred capital management initiative because:

- the Buyback Price is at a discount to the Pro-forma NAV per Stapled Security for the benefit of Members who do not participate; and
- the Partial Off-market Buyback provides Members an equal opportunity to sell their Stapled Securities at the Buyback Price without incurring brokerage and transaction costs. In particular, this would be beneficial for Members who cannot otherwise dispose of their Stapled Securities.

4.4 When will the Partial Off-market Buyback take place?

The Partial Off-market Buyback opens on 3 June 2013 and will close at 5.00pm AEST, on 24 June 2013 (**Offer Period**) in accordance with the timetable in Section 1.2 of this Booklet. While APGF does not currently anticipate changing any of the dates and times in that timetable, it reserves the right to do so. Any changes to the indicative timetable will be announced to the NSX.

4.5 How will the Partial Off-market Buyback be funded?

APGF will fund the Partial Off-market Buyback from an unsecured loan from Leyshon Pty Ltd and the Directors of approximately \$8.5 million.

The total cost of buying back Stapled Securities under the Partial Off-market Buyback will be approximately \$8.5 million, assuming the Partial Off-market Buyback is fully subscribed.

5. PRICING CONSIDERATIONS

5.1 What is the Buyback Price?

APGF is offering to buy back Stapled Securities at 9.36 cents per Stapled Security (**Buyback Price**).

5.2 How was the Buyback Price determined?

The Buyback Price was determined by the Directors having considered the value per Stapled Security as assessed by the Independent Expert, PricewaterhouseCoopers Securities Limited, and a range of other factors. The Independent Expert assessed the value per Stapled Security to be in the range of 7.79 cents to 8.31 cents on a non-controlling value.

5.3 What are some relevant factors that Members should consider in forming a view on the Buyback Price?

As shown in the IER which accompanied the Notices of Meetings and which is available on the APGF website (www.apgf.com.au), the Buyback Price:

- is higher than the per Stapled Security range of 7.79 cents to 8.31 cents on a non-controlling value (refer Section 5.4 of the IER);
- is between the Independent Expert's assessment of the orderly realisation value of APGF Stapled Securities of 8.81 cents to 9.49 cents if the remaining properties were sold without a discount to market value (see Section 5.2 of the IER); and
- of 9.36 cents is a 10% discount to the Pro-forma net asset value (**NAV**) per Stapled Security of 10.4 cents as per Section 5.3 of the IER (**Pro-forma NAV per Stapled Security**).

6. ADVANTAGES AND DISADVANTAGES

6.1 Advantages and disadvantages of the Partial Off-market Buyback

The Directors consider that the Partial Off-market Buyback offers the advantages outlined below and poses no significant disadvantages for Members.

In making their decision to participate, Members should consider the following factors, as well as the information provided in the Notices of Meetings.

6.2 What are the advantages and disadvantages applicable to all Members?

Advantages

- The Partial Off-market Buyback is subject to Member approval.
- Participation is discretionary and enables Members to tailor their participation, including the number of Stapled Securities they wish to sell (if any).
- The Buyback Price is above the Value per Stapled Security range which has been assessed by the Independent Expert to be 7.79 cents to 8.31 cents on a non-controlling basis.
- All Members have an equal opportunity to participate in the Partial Off-market Buyback.
- Members, including those with a material number of Stapled Securities, will be able to sell a significant volume of Stapled Securities.
- Combined with the preference share issue, the Partial Off-market Buyback will maximise after tax return to Members.

Disadvantages

- APGF will incur transaction costs of approximately \$250,000 when implementing the Partial Off-market Buyback (such as the Independent Expert's fees, valuation fees and legal and professional fees).
- The Partial Off-market Buyback will result in a small reduction of APGF's cash holdings. However, upon completion of the Partial Off-market Buyback, APGF will ensure it continues to hold sufficient cash for operational purposes during the wind down phase.
- The level of gearing as compared to tangible assets will increase due to borrowings being used to complete the Partial Off-market Buyback. Assuming the full amount of funds available are used to fund the Partial Off-market Buyback the gearing level for the Trust will increase from 33% to 57%.
- The loans from Leyshon Pty Ltd and the Directors rank ahead (for repayment) before Members entitlements.
- The Buyback Price is at a discount to the pro forma NAV per Stapled Security. Therefore the Buyback will increase the NAV per Stapled Security for the remaining Stapled Securities.
- In relation to the Stapled Securities bought back, participating Members will not benefit from any possible future increase in the market price of APGF Stapled Securities or distributions (if any payable), or participate in any future value enhancement (if it should occur) for the Stapled Securities that are bought back.

6.3 What are the advantages and disadvantages specifically applicable to Participating Members?

Advantages

- Participation is discretionary and enables Members to tailor their participation, including the number of Stapled Securities they wish to sell (if any).
- The Partial Off-market Buyback provides Members the opportunity to sell all or some of their Stapled Securities without incurring transaction costs.
- The Buyback Price is between the Independent Expert's assessment of the orderly realisation value of Stapled Securities following an orderly realisation value if properties were sold at their market value without a discount (8.81 cents to 9.49 cents per Stapled Security) (refer section 5.2 of the IER).
- The Buyback Price represents value that can be realised upon completion of the Partial Off-market Buyback rather than over an extended period of time in an orderly realisation.
- No brokerage fee is payable and there is no need to appoint a stockbroker in order to participate in the Partial Off-market Buyback.
- The Partial Off-market Buyback provides liquidity to Members through an ability to sell some of their Stapled Securities other than on NSX.
- Members will receive funds for all their Stapled Securities bought back with potentially more funds available than in the case of a capital return which would be paid to all Members.

Disadvantages

- Participating Members are likely to have their offer scaled back as the Partial Off-market Buyback is expected to be over-subscribed and so Members may continue to hold a lesser number of Stapled Securities.
- The Buyback Price is at a discount to the pro forma NAV per Stapled Security. Therefore the Buyback will increase the NAV per Stapled Security for the remaining Stapled Securities. Based on the pro forma NAV per Stapled Security of 10.4 cents at 31 December 2012 this amount would potentially increase to 11.06 cents after the Partial Off-market Buyback assuming the maximum number of Stapled Securities participate in the Partial Off-market Buyback.
- Participating Members will not benefit from any possible future increase in the market price of Stapled Securities or distributions (if any payable), or participate in any future value enhancement (if it should occur), in relation to the Stapled Securities bought back. Participating Members should note the only remaining property asset in the Trust is Collins Street. Any future distributions from the Company will be paid to the holders of preference shares. All Members will (following the issue of the preference shares) hold an equivalent number of preference shares to the number of ordinary shares in the Company they hold at the Record Date. Participating in the Partial Off-market Buyback will have no effect on a Member's eligibility to receive distributions from the Company.
- The level of gearing as compared to assets will increase due to borrowings being used to complete the Partial Off-market Buyback. Assuming the full amount of funds available are used to fund the Partial Off-market Buyback, the gearing level for the Trust will increase from approximately 33% to 57%.

6.4 What are the advantages and disadvantages specifically applicable to Members who do not participate?

Advantages

- Potential increase in market price of Stapled Securities. This will only occur if Collins Street is sold at a price higher than its current value.
- The Buyback Price is at a discount to the pro forma NAV per Stapled Security. Therefore the Buyback will increase the NAV per Stapled Security for the remaining Stapled Securities. Based on the pro forma NAV per Stapled Security of 10.40 cents at 31 December 2012 this amount would potentially increase to 11.06 cents after the Partial Off-market Buyback assuming the maximum number of Stapled Securities participate in the Partial Off-market Buyback.
- Participation is discretionary and enables Members to tailor their participation, including the number of Stapled Securities they wish to sell (if any).

Disadvantages

- The Partial Off-market Buyback will result in a small reduction of APGF's cash holdings. However, upon completion of the Partial Off-market Buyback, APGF will ensure it continues to hold sufficient cash for operational purposes during the wind down phase.
- There is unlikely to be any further liquidity events or distributions in the immediate future.
- There is a risk the value of Collins Street will decrease in value resulting in a decrease in the value of the Stapled Securities.
- The level of gearing as compared to assets will increase due to borrowings being used to complete the Partial Off-market Buyback. Assuming the full amount of funds available are used to fund the Partial Off-market Buyback the gearing level for the Trust will increase from approximately 33% to 57%.
- The Partial Off-market Buyback may have an impact on the earnings per Unit in the Trust. The Directors are unable to quantify this impact (if any) however this issue is discussed in section 6.4.2 of the Independent Expert Report.

7. DIRECTORS' INTERESTS AND PARTICIPATION

Entities associated with all the Directors who are Members intend to participate to the maximum extent possible in the Partial Off-market Buyback.

The Partial Off-market Buyback will result in APGF buying back approximately 40% of its issued Stapled Securities.

The two largest holders of Stapled Securities, Leyshon Group and associates and Stirling Investments Pty Ltd have advised they will be participating to the maximum extent possible in the Partial Off-market Buyback. On this basis there will be no material impact on the control of AGPF.

8. OFFER PROCESS

8.1 Am I eligible to participate in the Partial Off-market Buyback?

The Record Date for determining entitlements to participate in the Partial Off-market Buyback was 31 May 2013. You can participate in the Partial Off-market Buyback if you were a Member on the register of Members on the Record Date.

8.2 Do I have to offer my Stapled Securities?

No. Participation in the Partial Off-market Buyback is voluntary. If you do not wish to participate, you do not have to take any action.

8.3 How do I participate in the Partial Off-market Buyback?

If you are an eligible Member you should follow the steps set out in Section 3 in deciding whether to participate and, if you wish to participate, how to offer your Stapled Securities.

See your Offer Form for further instructions on how to submit your offer.

8.4 How will I know that my offer has been received?

You can check if your offer has been received by contacting Makala Ffrench, (APGF Investor Relations Manager) on 1300 668 698 during business hours Monday to Friday. Please note that receipt of your offer does not mean that your offer has been accepted by APGF.

8.5 Can I trade my Stapled Securities after submitting an offer?

No. Once you have submitted an offer, you will not be able to sell or otherwise transfer the Stapled Securities that you have offered prior to completion of the Partial Off-market Buyback. Therefore, once you have offered Stapled Securities in the Partial Off-market Buyback you must not sell, offer to sell or encumber those Stapled Securities.

APGF is required to ensure that any Stapled Securities offered which are not bought back (e.g. as a result of the scale-back) will be able to be sold or transferred from 26 June 2013.

8.6 Can I withdraw or amend my offer?

No. Once you have submitted an offer, it cannot be withdrawn or amended.

8.7 How can I obtain additional Offer Form?

If you require a replacement Offer Form, please call Makala Ffrench, (APGF Investor Relations Manager) on 1300 668 698 during business hours or email info@apgf.com.au

8.8 What if I have more than one holding of Stapled Securities?

You will receive an Offer Form for each separate registered holding of Stapled Securities (for example, if you hold some Stapled Securities in a trust and other Stapled Securities jointly with your spouse you will receive two Offer Forms). You may offer Stapled Securities in the Partial Off-market Buyback from any or all of your separate registered holdings provided that you follow the instructions and complete each Offer Form for each holding from which you wish to offer. Each registered holding will be treated separately under the Partial Off-market Buyback.

Any scale-back that applies to Stapled Securities offered from more than one of your registered holdings of Stapled Securities will be applied to each of your registered holdings as if they were held by different persons.

8.9 What if I have a joint Stapled Security holding?

If you hold your Stapled Securities jointly with another person (for example, your spouse) you must complete and return the Offer Form in accordance with the instructions for joint holdings on the Offer Form.

8.10 Can I transfer my rights to participate in the Partial Off-market Buyback?

You cannot transfer your rights to participate in the Partial Off-market Buyback. Those rights are personal to you.

8.11 Will participation in the Partial Off-market Buyback affect voting rights?

The voting rights attaching to units in the Trust and shares in the Company remain unchanged, however those Members whose Stapled Securities are bought back under the Partial Off-market Buyback will have less Stapled Securities than they previously held and therefore will be able to cast less votes than they previously held.

8.12 Will participation in the Partial Off-market Buyback affect distribution rights?

The distribution rights attaching to units in the Trust remain unchanged, however those Members whose units are bought back under the Partial Off-market Buyback will have less units in the Trust and therefore will be entitled to a smaller level of any distributions paid from the Trust because they will have less units than they previously held.

The issue of the preference shares will result in the ordinary shares (no matter how many are held by a Member) having no future commercial value.

APGF does not expect to pay any distribution prior to completion of the Partial Off-market Buyback and APGF considers any future distributions in the immediate future are unlikely. It is anticipated a distribution will be made to Members of the Trust following the sale of Collins Street which is likely to be in 2014 and a further distribution is likely on the completion of Stage 2 of Pavilions Palm Beach which is expected in the next few years.

The Directors are satisfied there will be no change to the level of dividends pre and post the preference share issue or Partial Off-market Buyback other than any dividends payable by the Company will only be paid to the holders of preference shares.

9. OFFER OUTCOMES

9.1 What is the maximum number of Stapled Securities that APGF can buy back?

APGF is seeking to buy back a maximum of 91,032,009 Stapled Securities under the Partial Off-market Buyback which represents approximately 40% of APGF's issued capital.

9.2 Will all the Stapled Securities that I offer be bought back?

The success of your offer will be affected by the total number of Stapled Securities offered by other Members. If APGF receives offers for Stapled Securities equal to or less than the maximum number of Stapled Securities which may be bought back, all the Stapled Securities you offer will be bought back.

APGF expects to receive offers for more than the maximum number of Stapled Securities which may be bought back, and therefore a scale-back is likely to occur (see Section 9.5 for further details).

9.3 How will I know how many of my Stapled Securities have been bought back?

Immediately after the Buyback Date, APGF will send all Members who have offered Stapled Securities a statement notifying them of the number of Stapled Securities that have been bought back. The statement will confirm the Buyback Proceeds have been paid to the Members nominated bank account and the remaining Stapled Securities held by the Member.

9.4 What happens to Stapled Securities that are bought back?

Stapled Securities that are bought back will be cancelled.

9.5 How will APGF determine successful offers and the scale-back?

If Stapled Securities validly offered by Members are equal to or less than the maximum 91,032,009 Stapled Securities which may be bought back, all Stapled Securities offered will be bought back.

APGF expects to receive valid offers for Stapled Securities representing more than the maximum 91,032,009 Stapled Securities which may be bought back under the Partial Off-market Buyback. Therefore offers are expected to be scaled-back on a pro rata basis – based on the number of Stapled Securities offered by each Member.

APGF expects to announce the details of the scale-back on 26 June 2013.

Example

If APGF received valid offers for 227,580,022 Stapled Securities, then 91,032,009 offered Stapled Securities would be bought back on a pro rata basis.

Therefore, if you as a Participating Member offered 30,000 Stapled Securities to be bought back, approximately 40% of the number of 30,000 Stapled Securities offered (being 12,000 Stapled Securities) would be bought back and the Participating Member would continue to own those Stapled Securities which are not bought back.

This scenario is an example only and should not be relied upon as a representation or statement of the actual outcome of the Partial Off-market Buyback.

9.6 How will I receive payment for Stapled Securities bought back?

APGF will pay you by direct debit to your nominated account the Buyback Price for each of your Stapled Securities that are bought back.

Payments to Member's bank accounts are expected to be completed by 26 June 2013.

Payments to these accounts will satisfy APGF's obligation to pay the Buyback Proceeds.

10. TAX IMPLICATIONS FOR MEMBERS

Partial Off-market Buyback

While the taxation consequences will vary depending on the personal taxation and financial circumstances of each Member, Members who are Australian tax residents (**Resident Members**) and who hold their Stapled Securities on capital account may make a capital gain or capital loss on the completion of the Partial Off-market Buyback if they participate. Members who are non-residents of Australia for tax purposes should seek independent taxation advice.

If the Buyback Price exceeds the tax cost base of the Stapled Securities, Resident Members will make a capital gain which may crystallise a tax liability. However, if the Buyback Price is less than the tax reduced cost base of their Stapled Securities, Resident Members will make a capital loss.

Resident Members will need to separately calculate the capital gain or capital loss on the disposal of their shares in the Company and their units in the Trust, as they are treated as two separate assets for tax purposes. It is noted the Independent Expert's Report has stated that the value of the Stapled Securities is only reflected in the assets of the Trust. On this basis the allocation of the Partial Off-market Buy-back proceeds between the shares in the Company and the units in the Trust would be allocated entirely to the units.

No component of the Buyback Price will give rise to an assessable dividend for income tax purposes.

The Australian tax consequences of the Partial Off-market Buyback for Members will depend on the personal taxation and financial circumstances of each Member, and Members should consult their own taxation advisers about the Australian taxation consequences for them before making any decision on whether to participate in the Partial Off-market Buyback.

This general information is not tax advice, does not take into account individual circumstances of Members and may not identify all potential tax consequences for Members in relation to the Partial Off-market Buyback. It does not replace the need for Members to obtain their own tax advice having regard to their own circumstances.

11. IMPACT OF THE OFF-MARKET BUYBACK ON APGF

The impact of the Partial Off-market Buyback on APGF will be as follows, assuming a total of 91,032,009 Stapled Securities are bought back at the Buyback Price of 9.36 cents per Stapled Security at a total cost to APGF of approximately \$8.5 million:

NAV per Stapled Security	The Partial Off-market Buyback will increase the Pro-forma NAV per Stapled Security from 10.40 cents to 11.06 cents, assuming 91,032,009 Stapled Securities are bought back.
Cash reserves	The Partial Off-market Buyback will have no material impact on APGF's forecast total cash holdings.
Number of Stapled Securities on issue	As at the date of this Booklet APGF has 227,580,022 Stapled Securities on issue. Following completion of the Partial Off-market Buyback, APGF will have 136,548,013 Stapled Securities on issue, assuming the maximum 91,032,009 Stapled Securities are bought back. There will, in addition, be 227,580,022 preference shares on issue.
Finance Facility	APGF's financier, has not objected to the Partial Off-market Buyback. Further, APGF's banking facilities do not expire until December 2015. APGF will ensure that, upon completion of the preference share issue and Partial Off-market Buyback, it continues to comply with its banking covenants.
Business operations	The preference share issue and Partial Off-market Buyback will not have any material impact on APGF's operations or assets.
Franking credits	The preference share issue and Partial Off-market Buyback will not result in any reduction of the Company's franking account.
Loans from Leyshon Pty Ltd and the Directors	<p>In order to facilitate the Partial Off-market Buyback, Leyshon Pty Ltd and the Directors have agreed to provide an unsecured loan up to \$8.5 million to the Trust. The terms of the loan are:</p> <ul style="list-style-type: none">• an interest rate of 10% per annum;• interest may be capitalised at the option of the Responsible Entity;• the loan is initially for a period of 12 months unless otherwise agreed by both parties; and• the loan is unsecured. <p>The above terms have been assessed by the Directors as on commercial arms-length terms. The Trust could not obtain an \$8.5 million unsecured loan on more favourable terms. The Trust's current secured financier would not provide additional funding to the Trust and is currently being paid an interest rate of 5.6% per annum for its loan secured by registered first mortgages. The interest rate differential reflects the different security and ranking of the loans. There is also no upfront establishment fee payable on the loan from Leyshon Pty Ltd and the Directors.</p>

12. ADDITIONAL INFORMATION ABOUT THE PARTIAL OFF-MARKET BUYBACK

12.1 Stapled Securities held by trustees and nominees

Trustees and nominees who hold Stapled Securities should inform the beneficial owner of the Stapled Securities about the Partial Off-market Buyback and then lodge offers received from beneficial owners.

It is the responsibility of trustees and nominees to complete one aggregated Offer Form on behalf of all relevant beneficial owners or make arrangements to lodge a series of individual Offer Forms on behalf of all beneficial owners.

Similarly, the scale-back that applies to Stapled Securities offered by trustees and nominees will be performed on a registered Member basis.

12.2 Lending arrangements

If you hold Stapled Securities under lending arrangements or if the Stapled Securities are held as security for a loan, you should ensure that your participation in the Partial Off-market Buyback is permitted by those lending arrangements.

12.3 Payment of Buyback Proceeds

APGF will pay Members the Buyback Price for each of their Stapled Securities that are bought back.

12.4 The terms, conditions and effect of submitting an offer

An offer constitutes an offer to sell the offered Stapled Securities to APGF on the terms and conditions set out in this Booklet. An offer does not of itself constitute a binding contract for the sale of the Stapled Securities that are offered and cannot be enforced against APGF. APGF retains discretion to accept or reject any offers and may choose to reject all offers.

If APGF accepts your offer, a binding buyback contract is formed between you and APGF and you must sell to APGF the number of Stapled Securities that APGF is to buy back from you on the terms and conditions set out in this Booklet, including the terms and conditions below.

By submitting an offer you:

- agree to the terms and conditions set out in this Booklet;
- offer to sell to APGF, on the Buyback Date, the number of Stapled Securities nominated for sale on your Offer Form (adjusted in accordance with the terms and conditions set out in this Booklet);
- agree that APGF's announcement to the NSX on the Buyback Date is effective notice to you of APGF's acceptance of offers submitted by you (subject to the anticipated scale back to be announced by APGF) at the Buyback Price;
- agree that it is only upon such communication by announcement to the NSX that a buyback contract is formed for the purchase of Stapled Securities;
- waive any requirement to receive further communication from APGF of its acceptance or rejection of any offer submitted by you;
- warrant to APGF that at all times after you offer your Stapled Securities for sale in the Partial Off-market Buyback and on the Buyback Date, you are the registered holder of the Stapled Securities that you have offered, and that they are free from any mortgage, security interest, lien or other encumbrance, whether legal or equitable, and from any third party rights;
- warrant to APGF that you are a person to whom the Partial Off-market Buyback invitation may be lawfully made and whose participation in the Partial Off-market Buyback is permitted under the laws of the jurisdiction in which you are a resident;

- authorise APGF and its officers, agents or contractors to correct any error in or omission from your Offer Form and to insert any missing details;
- acknowledge that neither APGF nor any other party involved in the Partial Off-market Buyback has provided you with financial product advice or any recommendation relating to Stapled Securities or has any obligation to provide this advice in relation to your decision to participate in the Partial Off-market Buyback or the manner of any such participation; and
- undertake not to sell or offer to sell Stapled Securities to any other person if, as a result, you will at any time after submission of your offer until the Buyback Date hold fewer Stapled Securities than the number of Stapled Securities you have offered.

You will be taken to have submitted an offer when APGF receives your signed Offer Form.

12.5 APGF's right to accept or reject offers and Offer Forms

At any time, APGF may (at its discretion):

- accept or reject an offer or Offer Form; and
- accept or reject an offer not made on the terms and conditions set out in this Booklet or an Offer Form not submitted in accordance with the procedures set out in this Booklet.

APGF may do each of these things in relation to all or some of the offers or the Offer Forms it receives in its absolute discretion.

12.6 APGF's right to vary dates and times

APGF may in its discretion vary the dates and times of, or terminate, the Partial Off-market Buyback at any time on or before the Buyback Date by making an announcement to that effect on the NSX (without otherwise specifically notifying any Member). Such an announcement will be taken to vary this Booklet accordingly.

12.7 APGF's right to adjust offers

If you are a Member, you are entitled to offer in the Partial Off-market Buyback the number of Stapled Securities registered in your name on the Record Date.

You may not sell or otherwise dispose of Stapled Securities which you have offered. However, if at the Buyback Date you do not hold at least the number of Stapled Securities you have successfully offered (for example, if you sold or otherwise transferred Stapled Securities after you have submitted an offer), APGF may in its absolute discretion reject your offers (in whole or in part) or treat your offers as if you had offered the number of Stapled Securities held by you as at the Closing Date.

If you submit an offer and it is more than the number of Stapled Securities registered for that holding and APGF accepts your offer, APGF will buy back the number of Stapled Securities registered for that holding (subject to any scale-back).

If you submit one or more offers and in aggregate you have offered more than the Stapled Securities registered for that holding, APGF will buy back only the number of Stapled Securities registered for that holding (subject to any scale-back).

12.8 Privacy

APGF is carrying out the Partial Off-market Buyback in accordance with the Corporations Act. This involves the collection of personal information contained in Offer Forms to enable APGF to process your offer. If you do not provide this information, APGF may be hindered in or prevented from processing your offer. The personal information collected by APGF will only be disclosed to a print and mail service provider, to APGF's advisers in relation to the Partial Off-market Buyback and to financial institutions in respect of payments to be made to you in connection with the Partial Off-market Buyback or as required or authorised by law.

If you wish to access the individual information collected by APGF in relation to your Stapled Security holding, please contact APGF.

13. GLOSSARY

In this Booklet, unless the context requires otherwise, the terms listed below have the adjacent meanings ascribed to them:

Term	Definition
AEST	Australian Eastern Standard Time.
APGF	the Company and Trust, and, where applicable, their controlled entities.
ASIC	Australian Securities and Investments Commission.
Board	the board of directors of the Company and the Responsible Entity.
Booklet	this document.
Buyback Date	26 June 2013 or such other date as APGF determines in accordance with the Corporations Act.
Buyback Price	9.36 cents per Stapled Security.
Buyback Proceeds	the amount to be paid to a Member who successfully participates in the Partial Off-market Buyback, calculated as the number of Stapled Securities bought back multiplied by the Buyback Price.
Company	Australian Property Growth Limited ACN 111 628 589.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Closing Date	5.00pm AEST on 24 June 2013 or such other date as APGF determines in accordance with the Corporations Act.
Directors	the directors of the Company and the Responsible Entity.
IER	the Independent Expert's Report prepared by the Independent Expert and contained in Annexure C of the Notices of Meetings.
Independent Expert	PricewaterhouseCoopers Securities Limited ABN 54 003 311 617.
Member	a person who holds a Stapled Security.
Notices of Meetings	the notices of meetings, explanatory memorandum and associated material (including the IER) sent to Members relating to the Partial Off-market Buyback.
NAV	net asset value.
NSX	the securities exchange operated by NSX Limited.
Offer Form	the form accompanying this Booklet upon which Members may submit offers.
Offer Period	the period for which the Partial Off-market Buyback is open and offers may be lodged, which is expected to be from 3 June 2013 until 5.00pm AEST 24 June 2013.
Partial Off-market Buyback	the invitation to offer made by the Company and Responsible Entity to buy back a maximum of 91,032,009 Stapled Securities from Members at the Buyback Price, subject to the terms set out in this Booklet.
Participating Member	a Member who participates in the Partial Off-market Buyback by offering all or some of their Stapled Securities.

Term	Definition
Pro-forma NAV per Stapled Security	the NAV per Stapled Security of 10.40 cents.
Record Date	31 May 2013.
Resident Member	a Member who is an Australian tax resident.
Responsible Entity	APGF Management Limited ACN 090 257 480.
Stapled Security	a stapled security in APGF consisting of a fully paid ordinary share in the Company stapled to a unit in the Trust.
Trust	Australian Property Growth Trust ARSN 109 093 816.

OFFER FORM

PARTIAL OFF-MARKET BUYBACK

Australian Property Growth Limited ACN 111 628 589
APGF Management Limited ACN 090 257 480 AFSL 229287
Australian Property Growth Trust ARSN 109 093 816

Stapled Security holder/s name/s and address/es:

Name/s: _____

Address/es: _____

Number of Stapled Securities you hold as at the Record Date:

I/we wish to participate in the Partial Off-Market Buyback of 40% of APGF's issued capital at 9.36 cents per Stapled Security and offer the following Stapled Securities to be bought back by Australian Property Growth Limited and Australian Property Growth Trust on the terms and conditions (particularly those detailed in Section 12.4) set out in the Buyback Booklet:

Please mark the appropriate box to indicate the number of Stapled Securities you wish to offer.

I/we wish to participate to the maximum extent possible

☐

If you wish to participate in the Partial Off-market Buyback it is recommended you mark this box to maximise your participation.

OR

I/we offer the following number of Stapled Securities to be bought back:

Notes:

- (a) it is likely that approximately 40% of the Stapled Securities you offer will be bought back; and
(b) if neither box is completed, it will be assumed you wish to offer all of your Stapled Securities.

Individuals to sign

Execution by attorney

Executed by: _____

(insert name of attorney)

(attorney to sign here)

as attorney for

(insert name of individual or company)

in accordance with the company's Constitution and the Corporations Act 2001. The authority or a certified copy of the authority under which the appointment is signed must be attached.

Dated...../...../.....

Contact Telephone Number:

Email Address:

Companies to sign

Executed in accordance with the company's Constitution:

Director

Director/Secretary OR

Sole Director and Sole Company Secretary

Affix seal if required

You must ensure your completed and signed Offer Form is received by APGF by no later than 5.00pm AEST, on the Closing Date, 24 June 2013.

Mailing Address
GPO Box 3119
Brisbane Qld 4001

Delivery Address
Level 5
12 Creek Street
Brisbane Qld 4000

Facsimile Number
07 3003 0122

Email
info@apgf.com.au