



Video Transcript



Geoff McMahon
Managing Director

Australian Property Growth Fund tripled its profit forecast and posted a 30 per cent return on investors' funds in 2006/07. Assets under management have reached \$1 billion as the Fund continues to expand nationwide.

VIDEO - paste this link into your web browser to view streaming video:

http://www.investortv.com/company/APF_14-09-2007-1437.html

APGF hits \$1bn assets in record profit year

2006/07 was an outstanding year for Australian Property Growth Fund. We recorded a profit after tax of \$40.3 million, which easily exceeded our prospectus forecast of \$9.3 million.

That profit represented a return of investors' funds of approximately 30 per cent; our net asset value at 30 June 2007 was \$1.20 per stapled security.

This result was underpinned by the increase in the valuation of Comalco Place (Blue Tower) in the Brisbane CBD, and also for our second commercial office building in Brisbane, 99 Melbourne Street.

The result was also assisted by the selling out, 100 per cent, of the London Woolstore development at Teneriffe. At our other development project, Pavilions on 5th, pre-sales are progressing solidly and we have just started the civil works of stage one.

Our assets under management now exceed \$1 billion and this was underpinned by the two recent acquisitions that we have just announced.

The first one is in Sydney: the Westpac Concord Campus. This is a quality property with 16,500 square metres of commercial office space which is leased to Westpac until 2012.

We also recently announced the acquisition of the ANZ Royal Bank Chambers building in Collins Street in the Melbourne CBD. This is also a prime property on a classic corner in the Melbourne CBD.

The building is occupied by ANZ and has been occupied by ANZ since it was constructed in 1940. So Australian Property Growth Fund will be only the second owner in the building's history.



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In December 2009, we intend to refurbish and re-lease the building, which will give us the opportunity to reposition and increase the passing yield and valuations of the property.

One of our other big achievements in 2006/07 was the acquisition of the former Elderslie property funds management business. This has given us diversification, both across property sectors and also right throughout Australia.

Australian Property Growth Fund is continually on the lookout for new acquisitions, particularly for cash flow producing properties in the commercial and industrial sectors.

We are also looking to increase our property funds management business, thereby increasing our stable recurring income streams from funds management fees.

Over the last 12 months we've obviously had a great return on investment for our investors. We are now extremely well positioned to continue building on that success with the portfolio we have in place, with our experienced and dynamic management team, and the strong fundamentals of the Australian economy.

We've got some very exciting plans for the 12 months ahead.

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