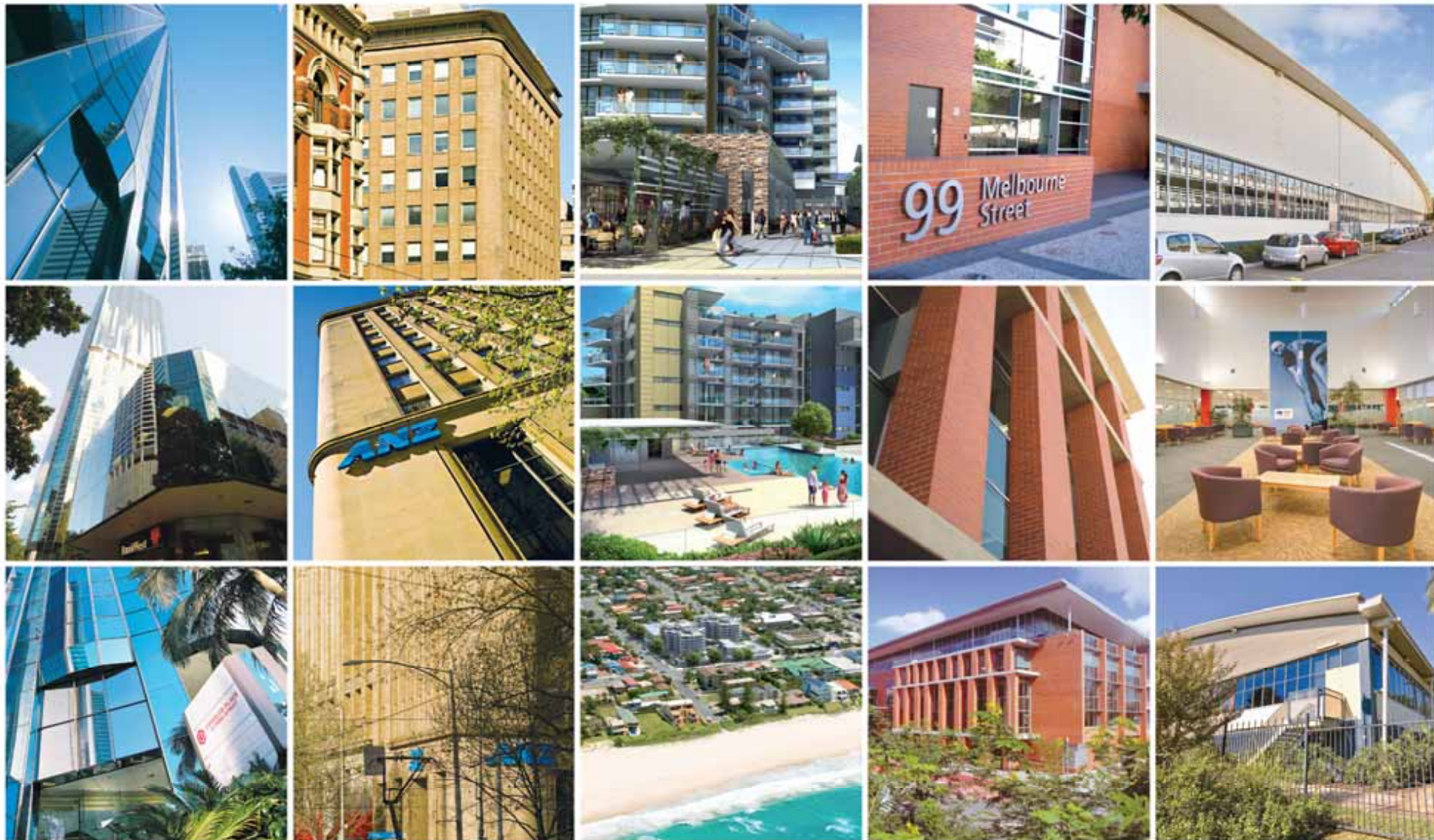




AUSTRALIAN PROPERTY GROWTH FUND  
EXTRAORDINARY GENERAL MEETING  
DECEMBER 2007







# Overview



- EGM
  - Fund Structure
  - Reasons for Internalisation
  - Consideration
- Independent Expert's Report
  - EGM Resolutions
  - Non-Executive Directors' Fees
  - Capital Raising



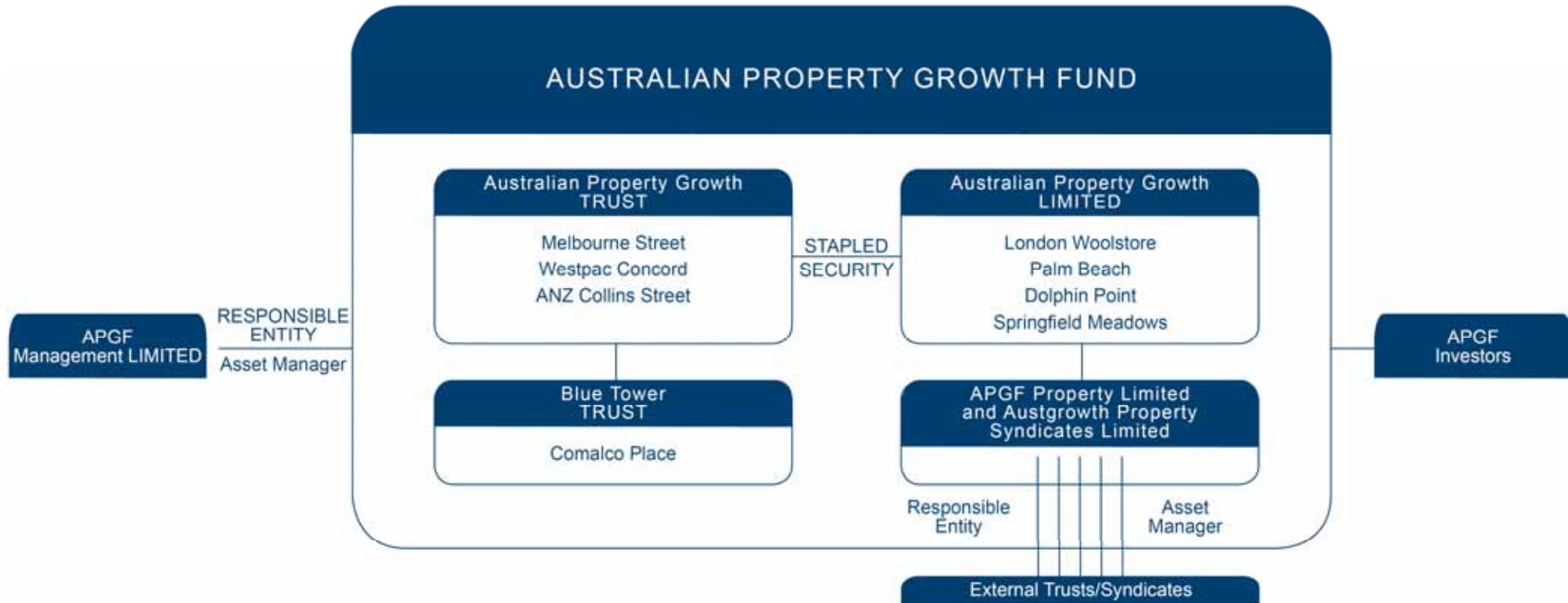
# EGM



- Internalise (acquire) the Fund's management company, APGF Management Limited (APGFM)
- Purchase price \$50 million
  - \$40 million of APGF stapled securities
  - \$10 million cash (to pay CGT)
- Independent Expert concluded acquisition is fair and reasonable

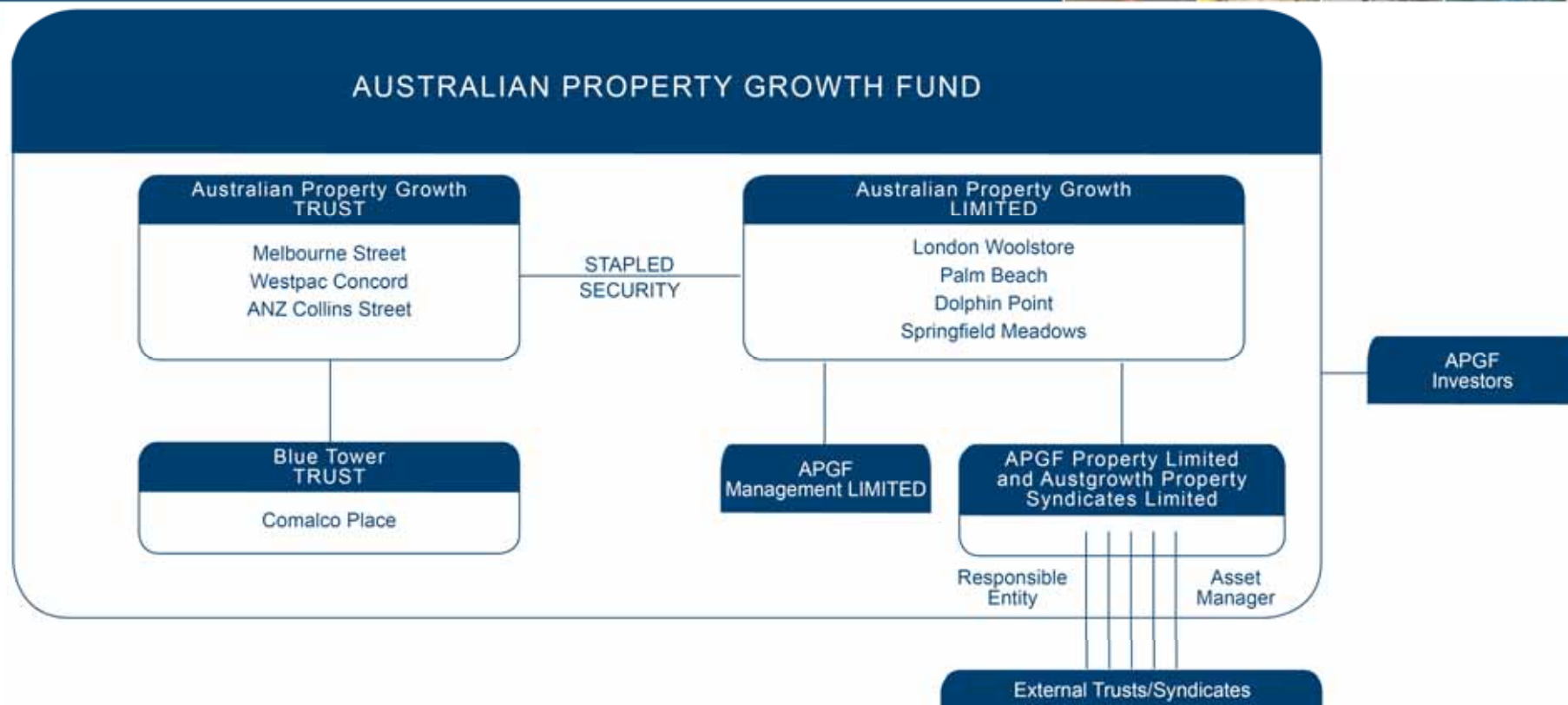


# Current Structure



# Structure After Internalisation

(assuming all EGM resolutions are approved)



# Reasons for Internalisation



- Internalised management structure commonly used by ASX-listed property funds managers
- APGF investors will receive the full benefit of any increase in the value of the Fund's properties as no further performance fees will be paid to external parties
- Management employed directly by the Fund
- Complete alignment of interests of management and investors





# Consideration



- \$50 million:
  - \$40 million of APGF stapled securities (issued at \$1.20)
  - \$10 million cash (to pay CGT)
- Scrip consideration demonstrates APGFM shareholders' long term commitment to the Fund





# Independent Expert's Report



- PricewaterhouseCoopers Securities Limited (PwC)
- Fair and reasonable
- Assessed value of APGFM exceeds consideration by range of \$4 million to \$5.9 million
- Fund is receiving a premium of 8.8% to 14.9%



# EGM Resolutions



## Resolution Number

## Approval of:

1	Consideration for the acquisition
2	APGFM acquisition
3, 4, 5	Issue of stapled securities to APGFM shareholders
6	Non-executive directors' fees



# Non-Executive Directors' Fees



- No non-executive directors' fees paid to date
- Maximum pool of \$350,000 p.a.
- Fund does not intend to pay the full amount immediately
- Allow new non-executive directors to be appointed





# Capital Raising



- \$1.20 per stapled security
- Placement of up to 15% of the Fund's existing equity
- Maximum to be raised \$30 million
- Priority to existing investors
- Distribution for December 2007 quarter 9.60 cents per stapled security (8% yield)
- Used for existing and future projects
- Not required for the APGFM acquisition

