



BSX RELEASE (BSX CODE – APF)

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## **APGF 2007/08 Full Year Result**

Australian Property Growth Fund announced today an underlying net profit after tax of \$6.5 million for the year to 30 June, 2008, with non-cash property revaluations and asset impairments resulting in an accounting net loss after tax of \$6.1 million. Net asset value per stapled security as at 30 June was \$1.08, with total assets under management of \$947 million.

Managing Director Geoff McMahon said, "APGF has delivered a solid result amid an unprecedented global credit crisis, which has weakened property values and affected sentiment towards the property sector as a whole, regardless of asset quality.

"Despite the challenging conditions, the Fund is in a strong position to take advantage of opportunities arising from the current volatile climate due to our significant cash reserves."

Mr McMahon said APGF had no exposure to international debt markets and no bank loan maturities before late 2009.

Recognising changed financial and property market conditions, all of the Fund's properties and assets were revalued as at 30 June, 2008.

"Similar to other property groups, APGF has been affected by changes in the sales capitalisation rates adopted by independent valuers and the current negative sentiment towards the property funds management sector," Mr McMahon said.

"This resulted in net non-cash property revaluation adjustments and asset impairment losses totalling \$12.6 million, representing approximately 2.5 per cent of total assets."

Mr McMahon said the Fund's assets, which span the sectors of commercial office, residential, retail and industrial property and are located Australia-wide, offered both geographic and sector diversification for investors.

"APGF's property investments are long-term assets that are not intended to be sold in the short term. Having grown our business from the credit crunch of the early 1990s, we have a long track record of counter-cyclically acquiring assets in difficult market conditions and adding value to those assets.

"Looking through the short-term volatility, the fundamentals of the Australian economy and its major property markets remain sound, with consistent economic and population growth forecast for the medium to longer term," he said.

"APGF's value-driven approach and proven risk management controls have generated strong returns to investors, and we continue to focus on growing our business as one of Australia's leading quality property funds."

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## **About Australian Property Growth Fund**

Australian Property Growth Fund (BSX code: APF) is a stapled property fund comprising a property trust, Australian Property Growth Trust, which invests in long term passive property investments, and a property funds management and development company, Australian Property Growth Limited.

The Fund has approximately \$947 million worth of assets under management across the commercial office, residential, retail and industrial property sectors, located Australia-wide. APGF's flagship property is the \$291 million Blue Tower commercial office building in the Brisbane CBD, with other key assets comprising the \$55.4 million Westpac Concord Campus in Concord West, Sydney; the \$31 million 99 Melbourne Street, South Brisbane commercial office building; the \$30.75 million Royal Bank Chambers commercial office building in Collins Street, Melbourne; and the \$120 million Pavilions on 5th retail and residential development at Palm Beach on the Gold Coast.

For more information, see [www.apgf.com.au](http://www.apgf.com.au)

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