

APN | Funds Management

14 February 2007

BSX Announcement Office
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By email: announcements@bsx.com.au

ANNOUNCEMENT

APN Regional Property Fund (BSX code: APR) – ARSN: 110 488 821

Revaluation of Portfolio results in a 28% increase in NAV

APN Funds Management Limited (APN FM) as Responsible Entity for the APN Regional Property Fund is pleased to announce an increase in the value of the Fund's portfolio from \$71,530,000 to \$80,850,000 as at 31 December 2006. This represents an increase of 13% over the previous valuation undertaken in September 2004.

The revaluations, undertaken by m3property are summarized in the table below.

As a result of the growth in value, Net Asset Value per unit has increased to \$1.19, a 28% increase over the previous NAV.

Paul Noonan, Manager Direct Property for APN FM, commented that "this result reflects the firming of yields for well leased retail and office properties, in regional areas"

The revaluation of the portfolio follows the completion of construction of the Fund's PriceWaterhouseCoopers Centre property at the end of 2005. This property was fully leased prior to completion.

The Parkes revaluation includes a decline in value of the vacant land acquired for Stage 3 development reflecting a weaker leasing market in the Parkes region at this stage in the cycle. APNFM continues to analyze development options for this site.

The portfolio is currently 98% leased.

Property	Previous Value	Value at 31 Dec 2006	Percentage Increase	Previous Cap Rate	Cap Rate at Dec 2006
Sparke Helmore Bldg, Newcastle, NSW	\$19,000,000	\$21,800,000	14.7%	8.0%	7.5%
PriceWaterhouseCoopers Centre, Newcastle, NSW	\$15,100,000	\$18,400,000	21.9%	8.0%	7.5%
Greenpoint Shopping Village, Grafton, NSW	\$9,100,000	\$10,500,000	15.4%	8.0%	7.0%
Parkes Shopping Centre, Parkes, NSW	\$17,330,000	\$17,850,000	3.0%	8.0%	7.25-7.5%
Grafton Mall, Grafton, NSW	\$11,000,000	\$12,300,000	11.8%	8.25%	7.25%
	\$71,530,000	\$80,850,000	13.0%		

Yours faithfully
APN FUNDS MANAGEMENT LIMITED



Peter Nicholson
Company Secretary