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## **ASX ANNOUNCEMENT 22 JULY 2008**

### **CORPORATE UPDATE**

Aspen Group (ASX:APZ) wishes to provide an update to the market in light of recent media commentary on the listed property trust sector on issues relating to changes to distribution policies, the carrying value of assets and continuity of financing facilities.

#### **Distributions**

Since commencing dividend/distribution payments in the March 2003 quarter, Aspen has maintained a policy of meeting such payments entirely from the Group's underlying earnings. This disciplined approach has enabled Aspen to generate sufficient reserves to fund capital expenditure programs and funds management activities without impacting upon distribution levels.

The current distribution level of 15.5 cents is supported by:

- continued strong rental growth from its property portfolio;
- an established and diverse funds management business; and
- rental growth from the Aspen Karratha Village development which comes on line in the first half of the 2009 financial period.

#### **Asset Values**

While the general market has concerns surrounding asset values, Aspen believes the following factors provide resiliency to the carrying value of Aspen's property portfolio:

- no international asset exposure;
- significant exposure to the strong Perth and Adelaide commercial property markets;
- an overall vacancy rate across the portfolio of less than 3%; and
- strong overall underlying rental growth.

#### **Financing Facilities**

Aspen's current gearing position of 33% sits at the lower end of its previously stated range of 30% - 40%.

Aspen continues to meet all covenants under its debt facilities with National Australia Bank which is characterised by the following key features:

- facility expiry date of October 2011;
- approximately 54% of the Group's debt is hedged at an average rate of 6.56% and a weighted average expiry of 2.6 years; and
- no market capitalisation covenant.

A complete financial update of Aspen Group will be provided in the full year financial results which are due for release in the week beginning August 18.

End

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## **About Aspen Group**

Aspen Group is an ASX listed property investment and funds management group, focused on acquiring quality property assets and creating and managing innovative property funds and syndicates.

Formed in 2001, Aspen has progressed rapidly and is now a member of the S&P/ASX 300 index with assets under management now in excess of \$1.4 billion.

Aspen's core strength lies within the Group's broad expertise across property acquisition, development and management enabling the Group to provide leading edge property solutions.

Aspen directly owns and manages a well diversified portfolio of commercial property assets Australia-wide. The portfolio is spread across the office, industrial and retail sectors and has grown through acquisitions and portfolio revaluations of existing properties driven by a strong property management focus.

Aspen also has developed an outstanding reputation for creating unique and successful funds management products and related services. These managed funds have provided investment opportunities across a broad spectrum of property sectors including tourist parks, residential land subdivisions, CBD office developments, private hospital developments and retirement and accommodation villages.

Aspen continues to source acquisition opportunities for both balance sheet and syndication purposes in order to achieve further growth in both assets and earnings for securityholders.

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