

Aspen Group

\$82.4M Equity Raising

Via Fully Underwritten
Accelerated Pro Rata Entitlement Offer

May 2009

“Creating wealth through intelligent property investment”

Important Notices

This Presentation has been prepared by Aspen Group Limited and Aspen Funds Management Limited as responsible entity for the Aspen Property Trust (together, Aspen Group) in connection with a non-renounceable entitlement offer (Offer) of stapled securities in Aspen Group (comprising one share in Aspen Group Limited and one unit in Aspen Property Trust) (Stapled Securities). The Offer is being made without the release of a prospectus or PDS, in accordance with sections 708AA and 1012DAA of the Corporations Act. Prospective investors should have regard to Aspen Group's periodic and continuous disclosure announcements to ASX in addition to this and any other announcement made in connection with the Offer.

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Defined terms and financial information

All financial and operational information contained in this Presentation is stated as at the date of this Presentation, unless otherwise specified. Currency amounts are in Australian dollars.

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This Presentation, the Offer and any contracts made in connection with the acceptance of the Offer are governed by the laws of Western Australia, Australia. Each person who applies for New Stapled Securities submits to the jurisdiction of the courts of Western Australia.

Forward looking statements

This Presentation and the associated offer documentation contain forward looking statements which are subject to known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Aspen Group to vary materially from those expressed or implied in such forward looking statements. Some of the risk factors that impact on forward looking statements are set out in the Risks section of this presentation.

Past performance

Past performance is not a reliable indicator of future performance.

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Offer Overview

Key Details

Aspen to raise \$82.4 million of new equity as part of its capital management strategy to:

- Reduce bank borrowing and create additional headroom
- Strengthen balance sheet and reduce gearing
- Improve working capital flexibility and reduce risk
- Enhance senior debt finance facility

Offer Overview

Key Details cont..

- The Offer is via an accelerated non-renounceable pro rata 1 for 1.1 entitlement offer
 - Accelerated institution component to raise at least \$40.0 million
 - Retail entitlement offer to raise no more than \$42.4 million
 - Fully underwritten by Euroz Securities Limited
 - Founding executive directors to fully participate in the retail entitlement offer via a \$7.2 million loan from Aspen. The full recourse loan is on arms length terms and is fully secured
 - Offer priced at \$0.30 per security
 - 21% discount to the 5-Day VWAP of \$0.382 (to 15/05/09)
 - 60% discount to the post-Offer pro forma NTA of \$0.74 (or \$0.78 excluding ESSP¹)
 - Projected maintainable EPS¹ yield of 22.6% - 25.3% for FY10
 - Annualised distribution yield (FY10) of 15.8% - 17.7% (at 70% payout), payable quarterly
 - New securities will be entitled to June 2009 quarter distribution (circa 1.04 cps for quarter²)
1. Based on underlying earnings which excludes revaluations and fair value adjustments. It also excludes 23.2m securities under the Employee Stapled Securities Plans which are out of the money
2. Equivalent to the previously announced 2.04 cps on a post-Offer basis

Offer Overview

Key Benefits

The capital raising strengthens Aspen's balance sheet while creating the flexibility to pursue growth opportunities expected to arise out of the current market conditions

Specific key benefits include:

- Enhanced bank facility terms agreed; loan to value (LVR) covenant increased from 55% to 65%¹
- Capital raising and enhanced debt facility provides significant covenant headroom
 - Independent valuations on 100% of security asset portfolio completed 31-Dec-08
- No senior debt repayment obligations until maturity in February 2012²
- Reduces gearing to 27%³ which is below Aspen's target gearing range of 30% - 40%
- Maintains strong interest cover at 4+ times

Notes:

1. The previously required step down in LVR to 55% in January 2011 has been removed and the LVR increased to 65% through to maturity in February 2012 . The Group LVR is based on security pool of investment properties, currently independently valued (at 31 December 2008) at \$374.5 million
2. Excludes \$0.25m per month amortisation on \$24 million project facility
3. Gearing ratio "total debt less cash / total assets less cash"

Offer Overview

Value Proposition

Discount to 5-Day VWAP



Offer price reflects a discount of 21% to 5-Day VWAP (15/5/09) representing an attractive issue price for existing security holders.

Discount to Pro-forma NTA



The issue price reflects a 60% discount to the pro-forma net tangible asset (NTA) value

NTA is substantially supported by independent valuations on or after 31 December 2008

Offer Overview

Indicative Timetable

ASX announcement	Tuesday, 19 May
Institutional Offer and Institutional Bookbuild opens	
Institutional Offer and Institutional Bookbuild closes	(12PM WST) Wednesday, 20 May
Trading recommences	Thursday, 21 May
Record Date	(5PM WST) Friday 22 May 2009
Retail Offer opens	Wednesday 27 May 2009
Closing date for early acceptances of Retail Offer	Monday, 1 June 2009
Settlement of Institutional Offer, Institutional Bookbuild and early acceptances of Retail Offer	Tuesday, 2 June 2009
Allotment and normal trading of new securities issued under Institutional Offer, Institutional Bookbuild and early acceptances of Retail Offer	Wednesday, 3 June 2009
Retail Offer closes	Friday, 12 June 2009
Allotment of new securities issued under Retail Offer	Wednesday, 24 June 2009
Normal trading of new securities issued under Retail Offer	Thursday, 25 June 2009

Note: times and dates are indicative only, and subject to change without notice

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Impact of the Offer

Change in Issued Capital

	No. Securities ('000)	% Total
No. Securities on issue	302,221	52.4%
No. Securities issued pursuant this Entitlement Offer	274,746	47.6%
No. Securities post-Offer	576,967	100.0%

Impact of the Offer

Attractive pro-forma earnings & distributions yield

FY10 Guidance Range		High	Low
EPS post-Offer (annualised)*	<i>(cents/Security)</i>	7.58	6.77
EPS Yield on Offer price		25.3%	22.6%
Post-Offer DPS Guidance (70% payout)	<i>(cents/Security)</i>	5.31	4.74
Distribution yield on Offer price		17.7%	15.8%

For FY09, EPS* guidance remains as previously provided to the market:

- 12.5 cps to 14.2 cps on a pre-Offer basis
- 11.6 cps to 13.2 cps on a post-Offer basis

* Based on underlying earnings which excludes revaluations and fair value adjustments. It also excludes 23.2m securities under the Employee Stapled Securities Plans which are out of the money

Impact of the Offer

Significant debt reduction and improved interest coverage

Debt Profile	Pre Offer	Post Offer
Debt as at 31 March 2009	\$ 253.4 m	\$181.2 m
LVR (% bank security pool ¹)	66.9%	47.6%
LVR Covenant	Note 2	65%
Gearing ³	38.7%	27.1%
Interest Cover on total earnings	3.1 times	4.3 times
Interest Cover (rental income only) (covenant: 1.5 times)	2.2 times	2.9 times

1. Measured against 11 direct property assets independently valued at \$374.5 million as at 31 December 2008

2. Enhanced senior debt facility terms incorporate LVR covenant of 65% through to maturity in February 2012 and remove the previous LVR step down to 55% in January 2011

3. Bank debt less cash/total assets less cash ("Gearing")

Impact of the Offer

Strong pro forma financial position

(\$m)		Pre Offer ¹	Post Offer	+/- Change
Gross Assets		647.0	654.2	7.2
Less Liabilities:				
Bank debt		253.4	181.2	- 72.2
Other Liabilities		37.2	37.2	-
Net Assets		356.4	435.8	79.4
Net Tangible Assets		349.8	429.2	79.4
NTA	(\$/Security)	\$ 1.16	\$ 0.74	- \$ 0.42
NTA - excl ESSP ²	(\$/Security)	\$ 1.25	\$ 0.78	- \$ 0.47
Gearing	(% Assets)	38.7%	27.1%	- 11.6%
Look-through Gearing ³	(% Share of Assets)	44.4%	35.7%	- 8.7%
Liabilities/ Assets	(% Assets)	44.9%	33.4%	- 11.5%
LVR	(% Secured Assets)	66.9%	47.6%	- 19.3%

1. Balance sheet as at 31 March 2009 (unaudited)

2. Excludes 23.2m securities under the Employee Staped Security Plans which are out of the money

3. Represents Aspen's Gearing taking into account Aspen's share of each of its managed entities' debt less cash/ total assets less cash

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Investment Rationale

Strong potential for value upside

Potential for significant security value increase as oversold listed property market recovers

- 60% discount on NTA at Offer price of \$0.30
- Discount to NTA implies nominal value attributed to funds management fee stream (FY09 income: circa \$20 million)
- Current Independent Valuations
 - Aspen has been proactive and ahead of its peer group by independently revaluing 97% of its direct and indirect property assets on or after 31 December 2008
 - Provides increased rigour to Aspen's NTA value
- Stable and recurring income stream from diversified property investments
 - Current distributions are underpinned by strong recurring income from both direct property, equity investments and funds management divisions, and cost reduction initiatives implemented in Nov-08

Investment Rationale

Recent Asset Valuations Reduce Revaluation Risk

Reduced valuation downside risk through:

- All direct property assets independently revalued at 31 December 2008
- Current valuations reflect market softening
- Conservative market rental and growth assumptions

	New Valuation (\$m)	% Change to Book Value	New Cap Rate (%)	Prior Cap Rate (%)
<i>Investment Property Portfolio Value</i>	374.5	-3.13%		
<i>W.Ave Cap Rate</i>			11.32%	9.85%
<i>W.Ave Cap Rate (ex Karratha Village)</i>			9.82%	7.80%

Investment Rationale

Summary - Robust and Disciplined Business Model

Aspen has responded strongly to the challenges presented by the difficult and uncertain operating environment facing the Australian property sector

- **Strong Management**
 - Management team with strong track record in earnings and distribution growth
- **Attractive Investment Value**
 - Review of Group assets and bank facilities recently completed to provide investors with greater transparency on NTA
 - NTA substantially supported by current independent valuations (on or after Dec-08)
 - Offer is attractively priced
 - 21% discount to 5-Day VWAP (to 15/05/09)
 - 60% discount to post-Offer pro forma net tangible asset value
 - Projected maintainable earnings yield of 22.6%-25.3% for FY10
 - Annualised distribution yield (FY10) of 15.8%-17.7% paid quarterly
 - Participation in June 2009 quarter distribution
- **Strengthening Financial Position**
 - Enhanced senior debt facility terms
 - Gearing reduced below target level to 27%
- **Growth Outlook**
 - Headroom created to pursue select high value investment opportunities expected to arise from the current market difficulties

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Aspen Group Overview

Aspen is a major Australian property owner and funds manager:

- Aspen owns a diversified portfolio of commercial properties
- Aspen manages funds of property investments in specific asset classes for external investors
- Aspen co-invests in its funds management vehicles

Location of Properties owned by Aspen & its Funds



Aspen Group Overview

Stable Direct Property & Management Fee Income Streams

	Assets Owned	Assets Managed	
	Property Portfolio	Funds Management	Co-Investments
Description	<ul style="list-style-type: none"> • 11 commercial properties (\$375M*) • Diversified portfolio of property assets 	<ul style="list-style-type: none"> • 7 Divisions (assets of \$970M) • Manages property investment funds for external investors 	<ul style="list-style-type: none"> • 8 investments (\$63M) • Co-investment in managed funds
Benefits	<ul style="list-style-type: none"> • Diversified exposure to office, industrial & retail sectors across Australia • Strong income security through high quality tenants and long term leases • Underpins funds management growth through finance facilities 	<ul style="list-style-type: none"> • Efficient use of capital • Broadens Aspen revenue streams and sector exposure • Drives earnings growth • Leverages Aspen's core property expertise • Long term and growth sectors 	<ul style="list-style-type: none"> • Strategic stakes • Enhance investor confidence • Accretive returns to APZ • Ongoing funding activities to support growth

* Excludes properties held for sale/ syndication (\$27M)

Aspen Group Overview

Aspen's Revenue is largely recurring...

Revenue and Other Income - by source



Aspen Group Overview

Strong Tenants, Medium Term Lease Maturities

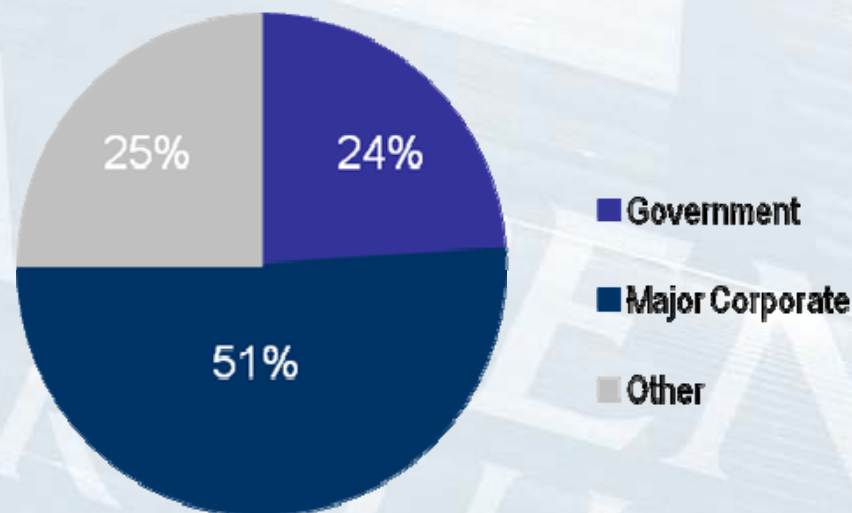
Highlights

- Government and blue chip companies account for 75% of the portfolio's income
- Growth in rental income locked in for FY09 and FY10 (completion of Karratha Village in Dec-08)
- Independent valuation review (Dec-08) across the Group's portfolio provides greater confidence in carrying values

Key Indicators

	Dec 2008	June 2008
➤ Weighted Average Lease Expiry	4.1 years	4.0 years
➤ Weighted Average Occupancy	97%	97%
➤ Weighted Average Cap rate	9.8%	7.8%

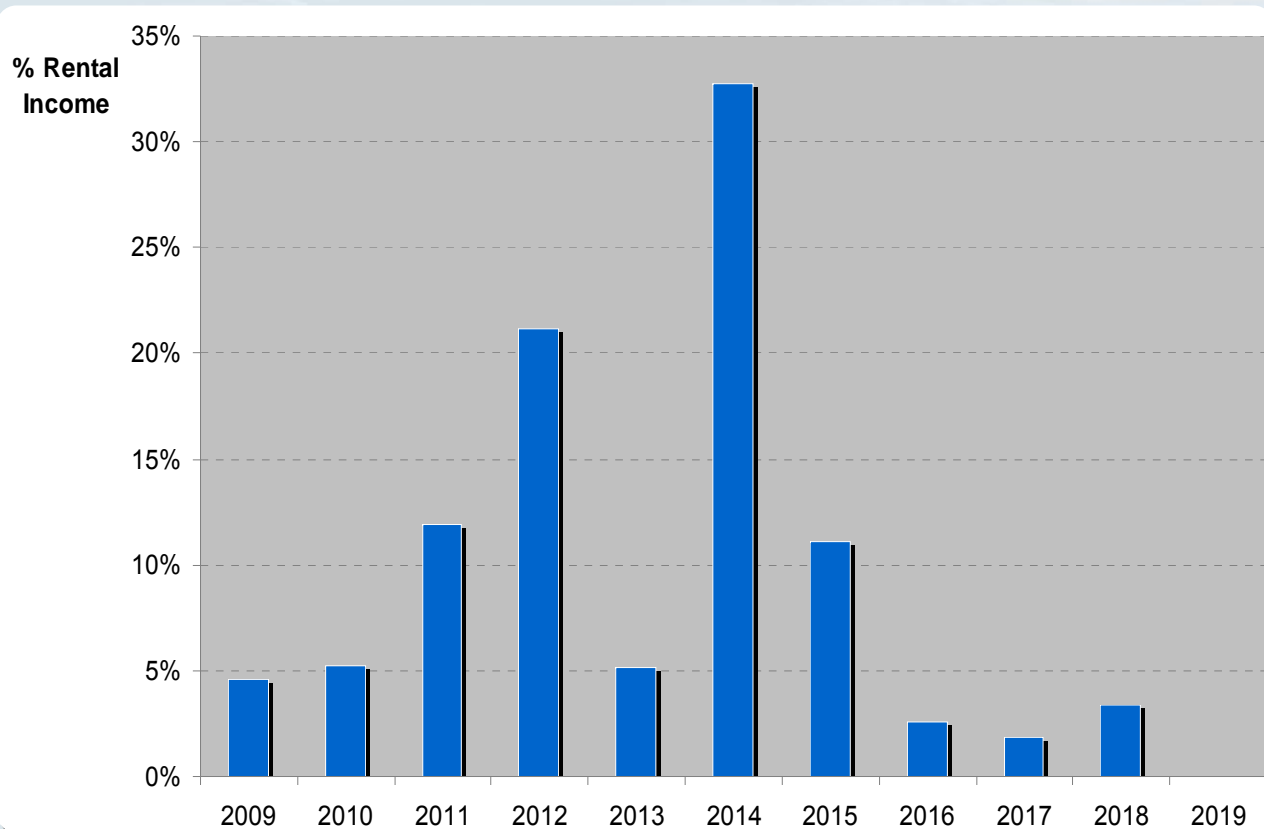
Income by Type of Tenant



Aspen Group Overview

Lease Expiry Profile

Lease Expiry Profile by Financial Year



Key Tenant Expiry

Tenant	Financial Year	% of Income
Centrelink	2011	7%
Elders*	2012	13%
Minister for Works	2014	3%
Woodside**	2014	21%
Alcoa	2014	3%
DIMIA	2015	6%
L'Oreal	2018	4%
Total		57%

* Key lease expiry mitigated by redevelopment potential of site, being 29 ha's of industrial land 5km from the Fremantle Port

** 2 x Five (5) year options

Aspen Group Overview

Funds Management Division

- Leverages Aspen's core asset management expertise
- Gross assets under management \$970M
- Growing and maturing fee income base across multiple sectors and asset types
- In-house skill sets across all property sectors

Branding	Aspen Parks	Aspen Diversified	Aspen Living	Aspen Developments	Aspen Villages	Aspen Communities
Sector	Tourism and Accommodation	Core Income	Residential Estates	Development Fund Series	Modular Product Affordable Accommodation	Retirement Aged Care
Asset value (Dec 08)	\$265 million	\$165 million	\$222 million	\$274 million	\$20 million	\$25 million
GRV	n/a	n/a	\$1,262 million	\$1,486 million	\$290 million	\$401 million
No of assets	25	12	4	16	6	3
Investors	Retail	Retail	Wholesale Sophisticated	Wholesale Sophisticated	Wholesale Sophisticated	Wholesale Sophisticated

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Key Investment Risks

Investment Considerations and Risks

Business activities undertaken by Aspen are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls, however, many are outside the control of Aspen. There are also general risks associated with any investment in listed securities. Hence, investors should be aware that the performance of Aspen may be affected and the value of its Stapled Securities may rise or fall over any given period.

Some of the factors that investors should consider before they make a decision whether or not to take up New Stapled Securities in Aspen include, but are not limited to, the factors noted below.

Risks Specific to Investing in Aspen

Tenant Defaults

Rental income can be adversely affected by tenants not making rental payments in a timely fashion and defaulting under their lease agreement. While Aspen uses its best endeavours to satisfy itself as to the financial strength of tenants at the time of commencing a lease, the financial situation of tenants is subject to change at any time.

Vacancy Levels

Vacant space exists in certain properties from time to time.

Where vacancies occur due to tenants not renewing their lease, or defaulting on their lease, it will be necessary to re-let such vacant areas. This may well result in a time lag between the change over to a new tenant or tenants, and therefore create a period during which no rent is received. The period of time taken to re-let vacant space will depend on a variety of factors at that time, including but not limited to, competing property supply and rental values, general economic circumstances, and overall demand requirements from potential tenants.

Commissions will be payable to agents who introduce tenants and incentives may be required to be paid to attract tenants. These costs may vary, depending upon the level of letting activity required for a property. Such costs are charged against rental income.

Vacancy levels can have a direct impact on the value of each of the properties at any point in time, most notably at the point that any one of the properties might be sold. Should vacancy levels have increased from current levels to the point of any such sale, the value of any of the properties being sold is likely to be adversely affected.

Key Investment Risks

Risks Specific to Investing in Aspen (continued)

Physical Works

In the event that any property requires structural repairs or major works which are not of a capital nature, additional charges may have to be made against the rental income from the respective properties. While allowances are made for repairs it is impossible to predict the exact repair costs ahead of time.

Aspen conducts due diligence on each of the properties it purchases and has engaged experts to report on specific aspects of each of the properties. In some cases it may not be possible to obtain an unqualified report from these experts. It is therefore not possible for Aspen to guarantee that potential monetary risks do not exist in respect of its properties. In addition, potential liability claims against experts may be contractually limited.

Property Performance

Investment in property should be viewed as a longer-term investment. The impact of property performance (both in terms of those properties that may be acquired by Aspen or the general property market) on the value of Aspen's Stapled Securities cannot be clearly assessed at this or any future stage.

Changing local or global economic conditions may affect the potential resale value of the properties, as well as Aspen's ability to actually achieve such a sale of the properties. Adverse market and economic conditions could lead to any such potential future sale resulting in a capital loss of the properties' values.

Performance of Entities Managed by Aspen Group

Return on Equity Interest

Aspen has equity interests in entities that undertake development of the real property. Development projects carry a variety of risks which can reduce the overall return of the project. Such risks include timing delays due to re-zoning issues, construction delays, increased costs that may result from timing delays, lower than expected lot yields as a result of planning approvals, lower and slower than expected sales prices and rates. It is not realistic to forecast the impact or severity of all these variables on the performance of any of the development projects of which Aspen has an equity interest. However should the performance of any development project of which Aspen has an equity interest be reduced, the return on Aspen's equity investment would also be reduced.

Management Fees

Aspen enters into management agreements with entities that undertake the development, sales and marketing of the real property. Payment of these fees is usually calculated as a percentage of development works in the underlying fund, and therefore Aspen's management fee income varies according to the volume of that work. The extent of such work will in turn vary according to market conditions at the time.

Going Concern

The carrying value of Aspen's equity investment in entities managed by Aspen Group, together with the management fee income stream that is generated, is largely dependent on those entities continuing to operate as a going concern. These entities are also subject to many of the risks that apply to Aspen Group. From time to time, these entities may be required to raise additional capital in order to meet funding requirements for respective projects, developments or borrowing repayments, which can not be guaranteed.

Key Investment Risks

Risks Specific to Investing in Aspen (continued)

Contractual Risk

Aspen has provided debt funding to the Aspen Diversified Property Fund, the Aspen Parks Property Fund, Aspen Communities Property Fund, Aspen Villages Property Fund, other associated entities, and to property development companies which constitute the Aspen Living Division and Aspen Development Fund No 1 Ltd. The recovery of such debt depends upon the success of each of the borrowing entities.

Interest Rates

Aspen has in place debt facilities at various interest rates. Should interest rates move upward this may increase the overall interest cost to Aspen. Similarly, where interest rates move down interest costs may reduce. A significant portion of the Group's borrowings are subject to a hedging facility which reduces the impact of rising rates. Such hedging also reduces the ability to benefit from lower interest rates should interest rates fall.

The cost of borrowing is also set by the lenders, which currently have a strong market position, and are able to significantly mark up rates for non-residential borrowers.

Loan Finance

Should there be insufficient funds to meet the interest payments on Aspen's debt facilities, the financiers may wish to enforce their security over Aspen's properties, and sell those properties.

Aspen's debt facilities are initially approved for a term less than the relevant project life. The financiers are not generally obliged to rollover or extend the loans upon expiry. Further, there is no certainty that the loans will be able to be refinanced at their expiry. In this situation, a financier may enforce its security and, amongst other actions, require the sale of any of the properties over which it may have security.

Gearing and Financial Covenants

By using debt to part finance the purchase of properties, the potential for capital gains and capital losses increases. As a condition to entering loan arrangements, Aspen must not breach certain covenants negotiated with the loan providers. Key details of these covenants are detailed in the ASX announcement included in this booklet. As at the date of this announcement Aspen was not in breach of these covenants.

The covenants relate to Aspen earnings, cash flow and asset values. A material movement in any of these may result in the breach of a covenant. Such breaches would be detrimental to Aspen, and could result in the early enforced repayment of debt. Property assets are by nature illiquid, and such repayment could incur capital losses if assets prove difficult to sell at prices at which they are valued in the accounts of Aspen.

Key Investment Risks

Risks Specific to Investing in Aspen (continued)

Distributions

Securityholders in Aspen are entitled to participate in distributions of Aspen from time to time but the amount of future distributions or whether a distribution will be made in any given quarter is not guaranteed by Aspen.

Key Staff

Aspen has several specialist staff that have been instrumental in the group's strong growth over the last seven years. Aspen seeks to ensure that sufficient expertise is available throughout the Group in order to minimise the impact of staff leaving.

Breaches of Law, and Legal Disputes

Aspen is very conscious of its legal responsibilities, but a risk exists that it may breach the law, particularly the Corporations Law. Disputes may arise with parties engaged in its funds management and development activities, or in the leasing of its properties. Such disputes can be costly, and also distract management from its primary purpose of producing investor returns.

Key Investment Risks

Risks Specific to Investing in the Stock Market Generally

Market Conditions

A number of factors outside Aspen's control may significantly impact on the Group, its performance and the price of its Stapled Securities. These factors include economic conditions in Australia and internationally, investor sentiment and stock market conditions, changes in fiscal, monetary and regulatory policies such as inflation and interest rates, and attitudes to property as an investment class. Investors should recognise that the financial performance of Aspen could be negatively affected by any of the above factors, or any other factors not so noted, which in turn may affect the price of the Stapled Securities.

Stamp Duty and Other Taxes

Changes to federal and state taxation laws, in particular stamp duty can impact on the general supply and demand for properties and purchase and sale prices of properties to be acquired and/or sold by Aspen.

Government Incentives

The first home buyers and other incentives can have a strong impact on residential lot sales. The future variation of these could have an impact on land subdivision activities of entities managed by Aspen.

Capital Market Conditions

Recent conditions have demonstrated a large degree of volatility for the property sector. Aspen has made allowances for reasonable future movements, but any future increase exceeding these could result in limited access to equity and debt. Such reductions in funding could see further reductions in asset values, and lenders could revise lending ratios and other covenants to the detriment of Aspen and other sector members.