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## **ASX ANNOUNCEMENT 5 June 2009**

### **Market Update**

As disclosed to the ASX (Investor Presentation of Entitlement Offer) on 19 May 2009, Aspen Group is providing a full recourse \$7.2 million loan to the Executive Directors to enable them to fully participate in the Entitlement Offer.

Aspen Group (Aspen) provides this market update in relation to the finalisation of the key terms of the loan which are as follows:

- 5 year term with allowance for early repayment
- Interest to accrue at 50 basis points above Aspen's senior cost of debt, which currently equates to 8.3% p/a
- Loan fully secured against property backed assets
- Personal guarantees have been provided
- Mandatory early repayment triggers by resignation or dismissal
- Distributions earned in excess of interest charged (net of tax), are required to be applied against the loan balance
- All transaction costs including stamp duty, legal fees, valuations etc to be at the Executive Director's account
- Entitlement securities are placed in a trading lock for the term of the loan.

The loan amount is recorded as a receivable in Aspen's accounts and is fully repayable at the end of the loan term.

Aspen Group Chairman Reg Gillard said, "The decision taken by the Independent Directors, in consultation with our legal advisors, ensured all relevant Corporate Governance principles were addressed in the provision of this loan."

"The fact that these loans are fully secured against personal assets and guarantees is evidence of the Executive Director's ongoing commitment to the business and desire to increase the security price from its current levels."

Following the Executive Director's agreement in October 2008 to reduce their base salary component by 10%, further initiatives have been agreed to as follows:

- a freeze on the Executive Director's salaries until 2011
- Executive Director's will forego potential bonuses under their short term incentive package for the financial years ending 2009 and 2010.

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 in excess of \$1.3 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.