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## **ASX ANNOUNCEMENT**

**2 December 2009**

### **New Finance Facility – Retirement Asset Portfolio**

Aspen Group is pleased to announce it has secured a new banking facility which will provide development funding for its retirement asset portfolio. The portfolio consists of three properties valued at \$28 million and is recorded as inventory on Aspen Group's balance sheet.

Approval of the facility marks the start of a new banking relationship for Aspen Group and expands Aspen's key banking relationships across four Australian lenders.

Aspen Group Managing Director Angelo Del Borrello said this new facility was a very positive outcome for the Group.

"In light of a still constrained credit market, we believe this new facility, at competitive rates, is a great achievement for the Group and now allows us to advance development of our retirement portfolio," he said.

The new facility will allow the Group to refinance short-term debt of \$6.7 million (maturing December 2009) with the new lender, thus removing the Group's only short-term debt maturity. In addition the new facility will allow the Group to recoup a portion of the equity it has already invested in the projects, creating more headroom under its NAB senior facility.

The new facility, which is subject to formal documentation, has the following key terms:

- Facility limit of \$20.5 million comprising:
  - Tranche A \$12 million - to refinance the existing short term debt and to re-commence development activities and
  - Tranche B \$8.5 million - to be applied to reduce the Group's senior debt facility
- Three year maturity term

Funds drawn under the new facility will have a minimal impact on the Group's current gearing levels.

The new facility allows for the immediate re-commencement of the Ballina Retirement Village in NSW. This asset covers 43 hectares and will eventually comprise 335 villas including various free-standing and semi-detached two and three bedroom villas. Stage 1 of the development has been completed and sold (15 villas) and further development had been deferred pending new development finance. This has now been achieved and Stage 2 construction will commence in December 2009 to meet existing demand from potential buyers.

The remaining two retirement land assets in the portfolio are both located in Western Australia. The West Swan retirement asset covers 10.6 hectares and is located only 20 minutes from the Perth CBD in the North Eastern growth corridor. Planning and development approvals are expected in 2010 for a 228 villa retirement village.

The Byford Community asset covers 10.1 hectares and is located 30km from the Perth CBD in the South Eastern growth corridor. A Local Structure Plan application is before council for formal consideration for a 205 villa retirement village, with planning and development approvals expected in 2010.

“We are delighted to now be re-commencing work on our retirement asset portfolio, with the new facility representing a key element in that process. Ultimately we would seek to syndicate the portfolio as part of our Funds Management business,” Mr Del Borrello said.

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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 to now be a member of the S&P/ASX 300 index with assets under management 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.