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## **ASX ANNOUNCEMENT 16 FEBRUARY 2011**

### **ASPEN EXTENDS DEBT FACILITIES**

Aspen Group (**ASX:APZ**) is pleased to announce that it has obtained the agreement of the National Australia Bank (NAB) for the extension of its existing senior debt facility. The new facility is subject to formal documentation.

Key changes to the existing facility are described below:

- New 3 year term with a maturity date of February 2014
- Total facility LVR covenant reducing from 70% to 60% from 1 July 2011
- Additional short term \$15 million guarantee facility expiring 1 July 2011 (included in the LVR covenant)

The new debt facility achieves one of Aspen Group's key objectives, as outlined in the 2010 AGM presentation (refer ASX announcement 29/11/10), of securing extended debt facilities well ahead of time. In addition, the Group's weighted average debt maturity profile will increase substantially from 14 months to 36 months.

The Group's total facility drawn LVR is currently 64%. This includes the \$15 million bank guarantee which forms part of the support Aspen Group is providing to the builder for the development of the ATO Office Building (refer to the ASX announcement "*Aspen Group Secures Australian Taxation Office Building*" also dated 16 February 2011).

Aspen Group Managing Director Mr Gavin Hawkins said the agreement with NAB was a very positive outcome for the Group.

"We are delighted to have successfully negotiated this new debt facility, which sees the Group extend its strong relationship with National Australia Bank out to 2014. The new guarantee facility will be utilised to assist with the purchase and development of the ATO Office Building, a landmark investment grade asset."

"The Group is very pleased to be moving to a more industry standard facility arrangement. The new facility is expected to deliver to the Group a reduction in its current debt facility margin if key milestones in the development of the ATO Office Building are achieved as expected over the next 3 to 6 months," said Mr Hawkins.

## **Extension of Aspen Development Fund No.1 (ADF) Facility**

In addition to the new Group debt facility noted above, ADF has also secured, subject to formal documentation, a 12 month extension to its debt facility with National Australia Bank out to September 2012. ADF is a development fund of which Aspen Group is the major shareholder and fund manager.

In support of the extension of the ADF debt facility and the development of the ATO Office Building, Aspen Group has agreed to provide corporate guarantees to a maximum of \$30 million in respect of ADF's debt facilities with NAB. These guarantees are expected to reduce during the term of the facility as development projects within ADF progress and complete.

Mr Hawkins said, "In what is still a challenging environment for multi-asset development funds, both in terms of credit markets and trading conditions in general, it is very pleasing to have secured the extended support of ADF's senior financier out to September 2012."

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 is a member of the S&P/ASX 300 index with assets under management of approximately A\$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 security holders.

Website [www.aspengroup.com.au](http://www.aspengroup.com.au)