

APN | Funds Management

25 February 2009

The Manager
BSX Announcements Office
Bendigo Stock Exchange Ltd
PO Box 323
Bendigo VIC 3552

By email: announcements@bsx.com.au

Dear Sir

APN Regional Property Fund (BSX code: APR) – ARSN: 110 488 821

APN Funds Management Limited (APN FM) as Responsible Entity for the APN Regional Property Fund advises that as a result of independent valuations undertaken as at 31 December 2008, the value of the portfolio has decreased from \$78,150,000 to \$70,500,000.

The independent valuations were undertaken by Savills (NSW) Pty Ltd and are summarised in the table below.

Property	Previous Value as at 30 Jun 2008	Value as at 31 Dec 2008	Percentage Movement	Previous Cap Rate as at 30 Jun 2008	Cap Rate as at 31 Dec 2008
Sparke Helmore Bldg, Newcastle, NSW	\$21,200,000	\$19,000,000	-10.4%	7.75%	8.75%
PricewaterhouseCoopers Centre, Newcastle, NSW	\$19,000,000	\$17,300,000	-8.9%	7.50%	8.50%
Greenpoint Shopping Village, Gosford, NSW	\$10,000,000	\$8,800,000	-12.0%	7.50%	8.50%
Grafton Mall, Grafton, NSW	\$12,300,000	\$11,100,000	-9.8%	7.50%	8.50%
Parkes Shopping Centre, Parkes, NSW	\$15,650,000	\$14,300,000	-8.6%	8.25%	9.00%
Total / Wtd. Average	\$78,150,000	\$70,500,000	-9.8%	7.70%	8.65%

As a result of the revaluation, the net asset value per unit has decreased by 22.55% to \$0.8285 per unit.

Yours faithfully
APN FUNDS MANAGEMENT LIMITED



John Freemantle
Company Secretary