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MARKET RELEASE

ASX ANNOUNCEMENT
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JUNE 2013 CARRYING VALUES AND IMPACT ON STATUTORY PROFIT

Aspen Group announces that as part of its usual valuation cycle for statutory reporting purposes, valuations of the investment properties have been completed. In addition there are asset disposals and other liabilities that are considered sufficiently certain for provisions to be raised against them.

Investment Property Revaluations

Whilst the value of part of the portfolio has increased, there is a net $6.2 million or 1.7% decline overall from the aggregate carrying value as at 31 December 2012.

The adjustments are:

- 215 Browns Road, Noble Park, Victoria, where the value has increased because of an extended lease term and stronger market conditions; and
- Aspen Karratha Village, where the value has declined reflecting reduced demand for workforce accommodation in northern Western Australia and the reducing lease term.

Details of the investment property valuations are as follows:

	Valuation 31 Dec 2012		**Valuation 30 June 2013**	
	Value ($m)	Cap rate (%)	**Value ($m)**	**Cap rate (%)**
Septimus Roe, WA	105.5	8.75	**105.5**	8.75
Spearwood Industrial, WA	82.0	10.00	**82.0**	10.00
Karratha Village, WA (1)	57.6	22.00	**50.0**	26.00
Noble Park, VIC (1)	22.1	10.00	**23.5**	10.00
ATO Building, SA (50% interest)	99.5	7.52	**99.5**	7.52
	366.7		**360.5**	

1. *Independent valuations at 30 June 2013*

Non-core Assets

In addition, a review of non-core assets has resulted in a provision of $6.1 million in relation to the Aspen Development Fund No.1 Limited.

Of this amount:

- $1.4 million relates to the payments made to extinguish all exposure to the Mariners Apartments project in Geraldton. There is no continuing exposure to this project; and
- $4.7 million relates predominantly to potential costs of the Adelaide City Central precinct project, which is ongoing.

Aspen Group has previously announced that the disposal of the property portfolio of Aspen Diversified Property Fund will result in a $2.7 million reduction in net assets attributable to the Group.

Summary

In summary, these reductions in carrying values, subject to finalisation of the audit, are:

	$m
Investment Properties - revaluation	6.2
Aspen Development Fund - provisions	6.1
Aspen Diversified Property Fund - disposal [2]	2.7
Total	**15.0**

The above adjustments would result in a pro-forma reduction in net tangible assets of 1.3 cents per security.

Impact On Statutory Profit And Distributions

The adjustments will reduce statutory reported earnings. However the Group confirms the previous distribution announcement for the six months ended June 2013 of 0.75 cents per security, which is payable on 23 August 2013.

Newly appointed chief executive Clem Salwin has commenced with the business and while some valuations and assessments are complete, a review of asset carrying values is continuing as part of the statutory reporting cycle.

Aspen Group will provide further detail in its full year financial results in August 2013.

End

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2. Previously announced