

Geared Property Income Fund

Announcement – 7 May 2010

Underlying Fund property revaluations

As part of our annual revaluation process four of the Underlying Fund's (Australian Unity Property Income Fund) properties were independently valued from January to April 2010, with a change from their previous book value of -0.97m or -4.77%.

The fall in the value of the properties is mainly due to the valuer adopting higher capitalisation rates, and increases in letting up allowances.

We have entered into a heads of agreement for a new two year lease at 65 Beverage Drive Tullamarine to commence from 1 July 2010.

Valuation details:

Property	Pre-valuation book value	New independent valuation	Previous capitalisation rate	New capitalisation rate	Variance to book value	Variance to book value %
65 Beverage Drive Tullamarine VIC ⁽¹⁾	\$4,900,000	\$4,900,000	8.50%	9.00%	\$0	0%
7-9 Siddons Way Hallam VIC ⁽²⁾	\$3,300,000	\$3,280,000	8.00%	9.00%	-\$20,000	-0.61%
11 Dansu Court Hallam VIC ⁽²⁾	\$5,250,000	\$4,800,000	8.00%	9.00%	-\$450,000	-8.57%
15 Telford Place Arundel QLD ⁽²⁾	\$6,900,000	\$6,400,000	9.50%	10.00%	-\$500,000	-7.25%
Total	\$20,350,000	\$19,380,000			-\$970,000	-4.77%

⁽¹⁾ Revalued in January 2010

⁽²⁾ Revalued in April 2010

The Fund's gearing ratio is 44.30% as at 29 April 2010. The Fund's gross assets stand at \$90.29m with total borrowings of \$40m as at 29 April 2010.

Please refer to other pages of this website or contact Investor Services on 13 29 39 for up to date information about the Fund.