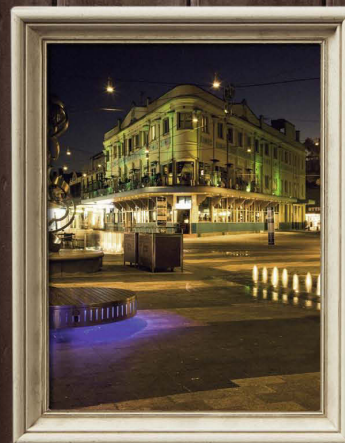
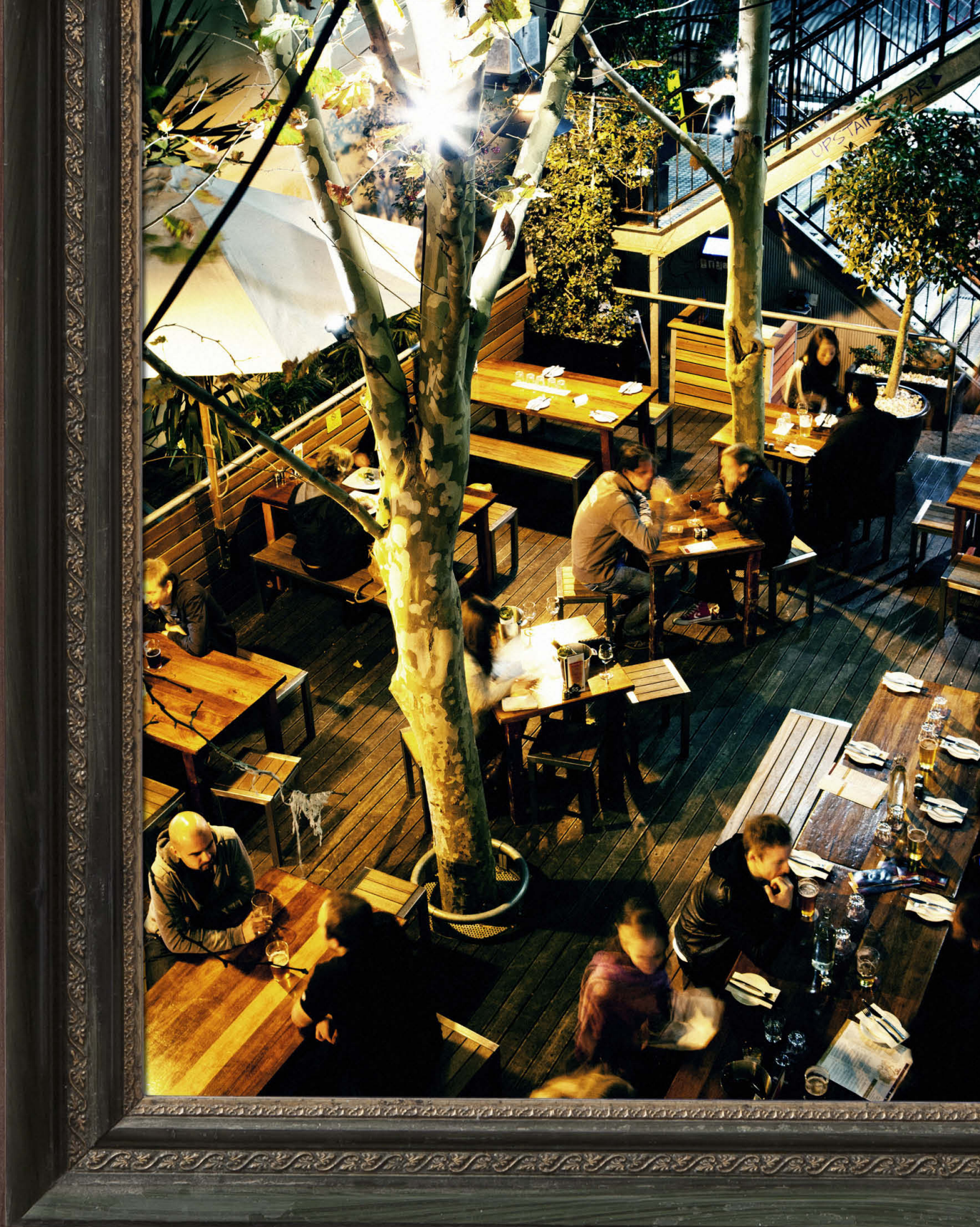


• ANNUAL REVIEW •

2011





FRONT COVER: Main heritage image of Young and Jackson c1967 © Newspix /Herald Sun.
Small oval framed image of Young and Jackson c1864–1875 © State Library of Victoria.
BACK COVER: Main heritage image of Exeter Hotel – Port Adelaide: the gateway of
South Australia by Australian Tourist Publication Limited c1950.
Small framed image of Breakfast Creek c1983.



— 02 —

A REVIEW WITH PETER WARNE

ALE has successfully completed a comprehensive reconstruction of its capital profile over the past two years. The new foundations are now in place for ALE to move forward.

— 04 —

HIGHLIGHTS

Increasing property values, reduced gearing, a strong distribution record and long term debt profile all provide evidence of sound investment and capital management.



— 06 —

**A CONVERSATION WITH
ANDREW WILKINSON**

"While the income and capital value of the properties continue to grow, I am particularly pleased to report the completion of a large capital management plan. In strong support of ALE, this plan has seen around \$500 million raised over the past two years across the property, debt and equity capital markets."

— 11 —

MANAGEMENT TEAM

ALE's small and stable management team has remained focused on a range of key deliverables for the Group. Innovation and professionalism are key traits that will continue to be pursued.



— 12 —

PROPERTY PORTFOLIO

ALE's 87 properties increased in value by 6.23% to \$758.28 million. CPI increases in rent, lower QLD land tax and lower capitalisation rates all combined to confirm a continuing strength in the higher quality and lower value end of the commercial property market.

— 22 —

BOARD OF DIRECTORS

Another significant year of meetings and committee activity to oversee the Group's achievements.

— 24 —

CORPORATE GOVERNANCE

ALE remains committed to maintaining the high standards of corporate governance. A range of policies have been further developed and implemented during the year.

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**SECURITYHOLDER
INFORMATION**

Top 20 securityholders, substantial holders and other equity insights.

— ibc —

INVESTOR INFORMATION

ALE's key ASX announcements during the year and useful investor information.

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• ANNUAL REVIEW •
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This Annual Review is specifically tailored to provide our equity and debt capital investors with a clear insight to the financial performance and capital management accomplishments of 2011. Both the past results and priorities for the future are presented in a way that we trust you will find helpful to your understanding of ALE Property Group.

WWW.ALEGROUP.COM.AU

ALE PROPERTY GROUP (ASX:LEP)

ALE Property Group (ASX:LEP) is Australia's largest listed freehold owner of pubs. Established in November 2003, ALE owns a property portfolio of 87 pubs across the five mainland states of Australia. All of the pubs in the portfolio are leased to members of Australian Leisure and Hospitality Group Limited (ALH) for a remaining initial term averaging 17 years.

• A REVIEW •

WITH PETER WARNE, CHAIRMAN

\$758m

TOTAL CURRENT VALUE OF THE PORTFOLIO

ALE has successfully completed a comprehensive reconstruction of its capital structure over the past two years. With these stronger foundations we are now positioned to move forward.



Dear Fellow Investor,

On behalf of the Board I am pleased to report to you on the strong financial results achieved by the ALE Property Group for the year ended 30 June 2011.

The market

Since my last annual message, quality Australian commercial property assets have continued to hold their value, and in some cases values have begun to increase. This improvement has been reflected in higher valuations across ALE's property portfolio. We have also seen some improvements in the Australian credit market, but note that, while credit

margins have reduced, they remain higher than the long-term average, even for high quality borrowers.

In the current market environment, ALE has performed well, when compared to other listed property trusts.

Many lower quality properties, under-performing property managers or unlisted entities with limited access to capital markets are continuing to experience some financial distress, with limited funding options available to them. Also Australian banks have reduced their commercial property loan exposures and may continue to do so.

On the global front, we have recently witnessed renewed volatility in northern hemisphere financial markets arising from sovereign instability. This has impacted on both the supply and pricing of Australian capital and credit markets.

Working within this global and domestic environment, ALE has continued to focus on its key priorities, with several positive outcomes.

ALE's continuing priorities

ALE's approach to growing and protecting securityholder value continues to focus on the following priorities:

- delivering distributions in line with guidance;
- maintaining our costs below those of our peers;
- ensuring a sustainable capital management position;
- tightly managing risk to preserve value for all stapled securityholders;
- undertaking acquisitions or divestitures where value accretive to do so; and
- adopting and executing best practice in all regulatory and compliance matters.

**AT 19.75 CENTS PER SECURITY, THE FINAL FULL YEAR 2011
DISTRIBUTION TO ALE'S STAPLED SECURITYHOLDERS IS ABOVE
THE GUIDANCE OF AT LEAST 18.50 CENTS.**

ALE's strategy in the current market

During the year we saw the completion of the capital management plan on a basis that was consistent with that described to the market at its commencement in June 2009. ALE has responded consistently and successfully to the difficult capital and property market conditions experienced over the past few years. Specifically, we have completed our capital management plan in an equitable and measured way. The current sources of capital utilised remained diversified beyond those offered by the traditional bank debt markets. At the same time we have continued to enjoy the benefits from solid and long standing relationships with the Australian banks.

I am pleased to report that ALE continues to enjoy a long duration and relatively cost effective funding profile. This outcome follows a number of fund raising initiatives in the debt and equity markets that all closed oversubscribed during and since the depths of the global financial crisis. The capital structure that ALE enjoys today is significantly stronger as a result.

The key outcome for ALE of its capital management plan is a completely new capital profile. While the long term and cost effective Capital Indexed Bonds remain in place, lower gearing levels and higher credit margins for debt funding are but two features of ALE's reconstructed capital position. With the completion of the capital management plan, the new foundations are now in place for ALE to move forward.

As always ALE will continue to exercise restraint and discipline. We note that it is currently challenging to secure accretive acquisitions in a market where the total returns from higher quality opportunities are not sufficient to cover the higher costs currently required from the markets for additional debt and equity capital.

Financial results

At 19.75 cents per security, the final full year 2011 distribution to ALE's stapled securityholders is above the guidance of at least 18.50 cents provided by the Board in February 2011. This positive outcome arises from the refinancing of ALE's secured debt during the year, as well as a number of other steps we took to enhance profitability.

ALE has consistently and repeatedly advised the market that its anticipated higher credit margins would impact the amount available for distribution. The extent of this was somewhat reduced because of the timing and cost of the refinancing outcome achieved during the year.

Distribution Reinvestment Plan (DRP)

The Board decided to continue to provide a DRP for the August 2011 distribution payment at a discount of 2.25% to the applicable trading price. Around 11.73% of the securities on issue are currently electing to participate. The Board will give ongoing consideration to the need to balance the convenience it provides securityholders with the capital needs of ALE.

General commentary

With some continuing distress evident in the commercial property markets, accretive acquisitions may arise. ALE will review these opportunities against the consistently applied criteria that have served us well over many years. As previously advised, ALE continues to evaluate the merits of different approaches to hedging its long term interest and inflation risks. Any changes in these arrangements will be advised to the market as has been our consistent practice.

ALE's property values continue to exhibit their higher quality by increasing in value, and they remain positively exposed to higher rates of CPI.

Thanks to management

The management team has completed more than 20 transactions in the property and capital markets across the past two years to raise around \$500 million to ensure that ALE remains on a solid financial footing. The recent completion of an oversubscribed CMBS refinancing, at a relatively favourable time in the credit markets, was another demonstration of that focus.

On behalf of the Board, I extend my thanks to Andrew Wilkinson and the management team for their dedication and extra efforts to complete each of the key capital management steps successfully. ALE's strengthened capital position is expected to provide it with a number of opportunities going forward.

Corporate governance

During the year a large number of Board, and Audit, Compliance and Risk Management Committee (ACRMC) meetings were required, as Directors remained actively involved in all steps of the secured debt refinancing. I again thank my Board colleagues for their dedication to the task.

As previously announced, as part of the progressive plan for the renewal of Board membership, we expect to nominate a further Director to the Board in the near term. As required, securityholders will be given the opportunity to vote on all proposed additions to the Board.

This year's Annual General Meeting will be held at the Westin Hotel in Sydney on Tuesday, 8 November 2011. The Notice of Meeting and Explanatory Memorandum will be sent to stapled securityholders in advance of the Meeting.

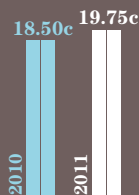
I would like to thank all of ALE's stapled securityholders for your continuing support this year. I express my gratitude particularly to those debt investors who extended their involvement in the CMBS refinancing. Your long standing relationship and support is very valuable to ALE.



PETER WARNE
CHAIRMAN

· HIGHLIGHTS ·

ALE has successfully completed a capital management plan over the past two years. The plan has raised around \$500 million from a range of property and capital management transactions to repay maturing debt facilities. The average debt term is now 7.3 years.



ALE'S DISTRIBUTIONS WERE 6.8% ABOVE GUIDANCE FOR THE YEAR AS A RESULT OF THE SUCCESSFUL COMPLETION OF THE CMBS REFINANCING

▲ 6.8%

100%

DISTRIBUTION IS 100% TAX DEFERRED FOR THE YEAR.
THIS COMPARES VERY FAVOURABLY TO PREVIOUS YEARS

\$194m invested

NET EQUITY INVESTMENT INCLUDES ALL
EQUITY RAISINGS, DRP REINVESTMENTS AND BUYBACKS
FROM IPO TO AUGUST 2011

\$200m distributed

GROSS DISTRIBUTIONS PAID BEFORE ADDING BACK
REINVESTMENTS UNDER DRP FROM IPO TO AUGUST 2011
– EQUIVALENT TO \$2.17 PER SECURITY

\$500m

\$500M OF FUNDING RAISED IN LAST TWO YEARS
FROM A RANGE OF PROPERTY AND CAPITAL MARKETS
TRANSACTIONS

\$50.9m

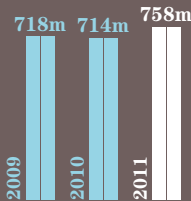
ACCOUNTING PROFIT AFTER TAX
FOR THE CURRENT YEAR

MAY 2016 IS THE NEXT SCHEDULED DEBT REPAYMENT DATE.
ALE IS ENTITLED TO ELECT TO EXTEND THE ALE NOTES 2
MATURITY DATE FOR UP TO TWO YEARS TO AUGUST 2016

May 2016

7.3 years

AVERAGE DEBT TERM ACROSS ALL
OF ALE'S FUNDING FACILITIES

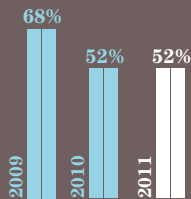


VALUATIONS OF 87 CONTINUING PROPERTIES
– STRONG AND STABLE WITH A CURRENT
CAPITALISATION RATE OF 6.44%

\$758m

CPI RENTAL INCREASE FOR THE YEAR ENDING
SEPTEMBER 2010 WITH APPLICATION FOR
MOST OF THE 87 PROPERTIES FROM NOVEMBER 2010

2.95%



GEARING LEVELS HAVE REDUCED SIGNIFICANTLY
OVER THE PAST THREE YEARS AND CONTINUE TO PROVIDE
SIGNIFICANT HEADROOM TO ALL DEBT COVENANTS

52%

\$200m

IN EXCESS OF \$200M OF CAPITAL EXPENDITURE HAS BEEN MADE
BY ALH ON ALE PROPERTIES OVER THE LAST FOUR YEARS TO INCREASE
THE TENANT'S OPERATING PROFITABILITY OF THE VENUES

· A CONVERSATION ·

WITH ANDREW WILKINSON, MANAGING DIRECTOR

\$500m

PROPERTY AND CAPITAL MARKETS FUNDING
RAISED OVER THE LAST TWO YEARS

While the income and capital value of the properties continue to grow, I am particularly pleased to report the completion of a large capital management plan.



ALE owns a portfolio of unique and high quality property assets that have performed well. Over the past year ALE has demonstrated the importance of that quality by successfully completing a capital management plan that positions it well for the future.

What do you regard as the highlights for ALE over the past year?

There were several. First, our property portfolio continues to perform solidly, notwithstanding the current economic environment, with valuations up \$44.4 million

and CPI based rental income growing at 2.95% for the continuing properties. Secondly, this year's distributions exceeded Board guidance by 6.8%. Thirdly, the refinancing of Commercial Mortgage Backed Securities (CMBS) debt was completed successfully at a favourable point in the recent credit market cycle.

Importantly, with the finalisation of CMBS financing, FY11 also saw the completion in April 2011 of ALE's capital management plan, which commenced in June 2009. The average debt term has now extended to 7.3 years. Over the past two years

ALE has raised around \$500 million across more than 20 property and capital transactions to meet its maturing debt obligations.

Investor returns are another highlight. Between our ASX listing in 2003 and August 2011, distributions to investors have totalled around \$200 million or \$2.1675 per security. This now exceeds the total net invested equity of around \$194 million. At the same time, securities with a current market capitalisation of around \$300 million remain in the hands of ALE's investors. Page 8 provides further analysis of this performance.

What distributions were made during the year?

In February 2011, the Board provided FY11 guidance of at least 18.50 cents per security. Actual distributions totalled 19.75 cents, 6.8% above guidance.

Distributions for FY11 are expected to be 100% tax-deferred. This compares favourably to the prior year where distributions contained a taxable element.

**THE \$160 MILLION SENIOR DEBT REFINANCING, COMPRISED ENTIRELY OF
AN ISSUE OF CMBS, WAS COMPLETED IN APRIL 2011.**

What influenced the distributable profit outcome?

The distributable profit for the year totalled \$31.3 million. The result was principally driven by higher income, as well as the expected higher interest expenses.

The distributable revenue reduced due mainly to:

- lower rental income from the reduced number of properties; and
- lower levels of debt buyback discounts.

Distributable expenses increased due to:

- indexation on ALE's CPI indexed interest expenses. ALE's intention of matching income and expense growth continued to work effectively; and
- Queensland land tax expenses reduced as some large increases in land value assessments from previous years were successfully reversed.

The Board and management were again pleased to exceed distributable profit guidance by a material margin.

How have ALE's property valuations moved over this past year?

The valuations of ALE's 87 properties have increased by 6.23% (or \$44.43 million) to \$758.28 million. The June 2011 average book capitalisation rate was 6.44%. This is a relatively strong and stable outcome, given the ongoing volatility in the wider markets.

The average capitalisation rate still represents a generous premium of more than 4% to the Australian Government's long-term real bond rate benchmarks, which fell by around 0.15% p.a. during the year.

The appointed independent valuer, Urbis, assessed the volume of comparable sales evidence during FY11, plus the 17 sales by ALE in the previous years. They also noted evidence of continuing levels of demand from individual private investors for smaller value, high quality properties (such as ALE's). Our 87 properties have an average value of \$8.72 million. Urbis noted that most of the comparable properties were of a lesser quality than ALE's in terms of location, lease structure and tenant strength.

Another measure of comfort is the quantum of contractually committed rental income over the remaining average 17-year term of the property leases. Before adjustments for inflation increases, lease extensions, market reviews, land tax or management costs, our tenant ALH is committed to rent payments of at least \$775 million over the remaining 22 years of their leases. Before proper adjustments for the time value of money, this compares favourably to current net debt of around \$400 million.

Finally, we note that Australia's CPI increased by 3.6% p.a. for the year to June 2011 and we also look forward to the result for the September 2011 quarter to determine the forthcoming annual rent review.

Highlights over the past year

\$758.28m

PROPERTY PORTFOLIO
CONTINUES TO PERFORM SOLIDLY,
NOTWITHSTANDING THE CURRENT
ECONOMIC ENVIRONMENT, WITH
VALUATIONS UP \$44.4 MILLION.

▲2.95%

CPI BASED RENTAL
INCOME GROWING AT
2.95% FOR THE YEAR.

THE REFINANCING OF
COMMERCIAL MORTGAGE BACKED
SECURITIES (CMBS) DEBT WAS
COMPLETED SUCCESSFULLY
AT A FAVOURABLE POINT IN
THE RECENT MARKET CYCLE.

\$500m

OVER THE PAST TWO YEARS ALE
HAS RAISED AROUND \$500 MILLION
ACROSS A RANGE OF PROPERTY AND
CAPITAL TRANSACTIONS TO MEET
ITS MATURING DEBT OBLIGATIONS.

Could you comment on ALH as the tenant of ALE's properties?

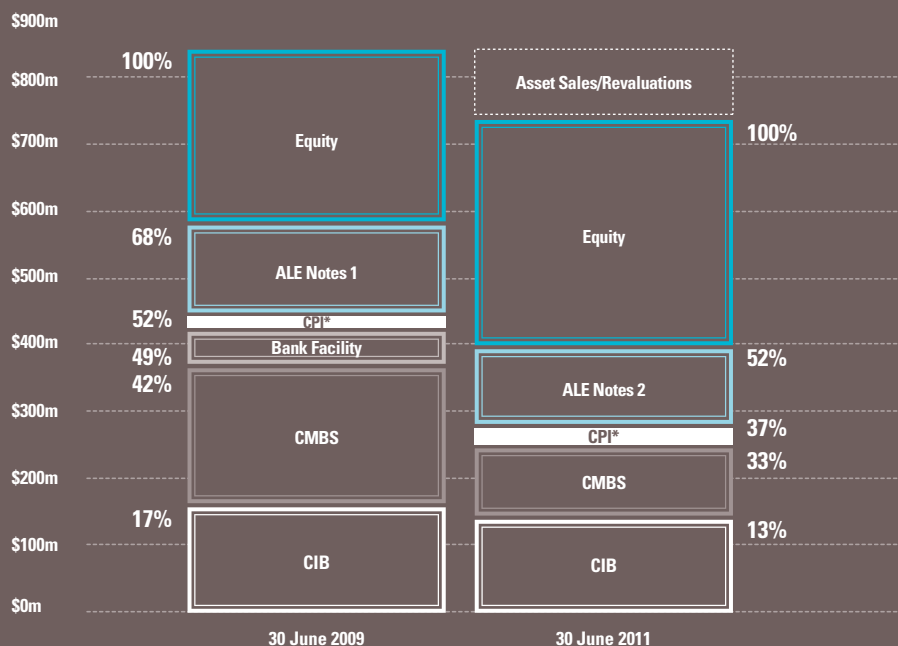
ALH is doing an outstanding job. It is pleasing that ALH has consistently increased its profitability above CPI since its acquisition by the joint venture of Woolworths Limited and members of the Bruce Mathieson Group. For the year ending 30 June 2010, ALH Group reported revenue for its more than 280 pub businesses of around \$2.9 billion and EBITDAR of \$483 million.

Additionally, ALH has completed refurbishments involving significant capital expenditure at a large number of ALE properties and added 18 Dan Murphy's developments on ALE's land. These expenditures are expected to further enhance the properties' profitability.

Of particular note is the redevelopment of the New Brighton Hotel at Manly Beach in Sydney. By October 2011 a reconstruction of all but the outside walls of the NBH is expected to be completed at a cost to ALH of around \$10 million. These improvements revert entirely to ALE on expiry of the lease and all future market rent reviews assume that all the improvements are ALE's.

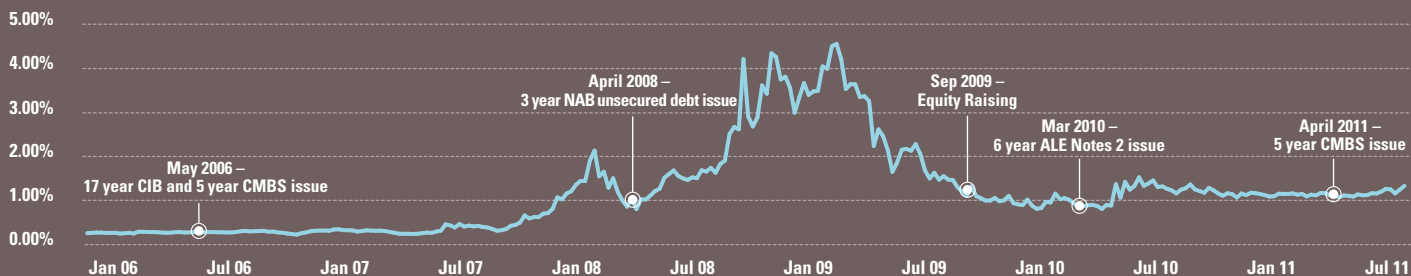
Over the past four years it is estimated that ALH have expended around \$200 million. Together, these factors augur well in terms of the prospects for the properties' future valuations.

LOWER NET GEARING

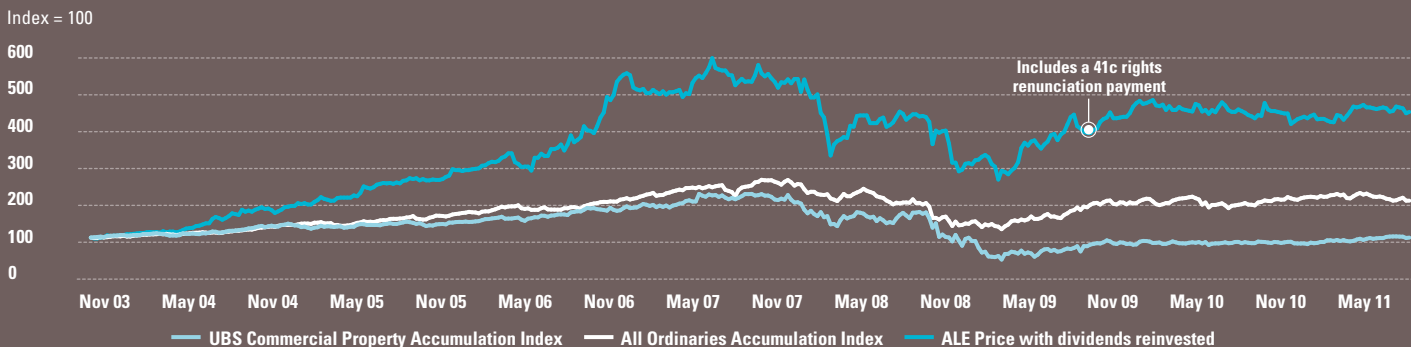


* CPI Hedging accumulated indexation

TIMELY CAPITAL MANAGEMENT PLAN



STRONG RELATIVE VALUE PERFORMANCE



Sources: ASX, IRESS, ALE

ALH HAS COMPLETED REFURBISHMENTS INVOLVING SIGNIFICANT CAPITAL EXPENDITURE AT A LARGE NUMBER OF ALE PROPERTIES AND ADDED 18 DAN MURPHY'S DEVELOPMENTS ON ALE'S LAND.

A MEASURED AND ORDERLY CAPITAL MANAGEMENT PLAN OVER TWO YEARS



CIB and CMBS bought back at \$6.6m discount to face value

What were the terms of the secured debt refinancing completed during the year?

The \$160 million senior debt refinancing, comprised entirely of an issue of CMBS, was completed in April 2011. Highlights include:

- first five year issue of CMBS in the Australian market since the GFC;
- Moody's granted the highest rating of Aaa for 90% of the issue;
- with existing CMBS investors rolling over as well as a number of new investors taking up the issue, the issue closed oversubscribed;
- including the existing capital indexed bonds (CIB) the weighted average secured debt margin is now 1.38% p.a.;
- tapped the refinancing markets at a favourable time. Margins achieved were lower than earlier guidance; and
- extended the total weighted average debt term to 7.3 years.

Importantly, the outcome preserved the existing capital indexed bonds (CIB) issued in 2006 which pay a cost effective fixed real rate of 3.4% p.a. (inclusive of a credit margin of 0.2%)

and have a scheduled maturity of November 2023. The refinancing process also saw the 2006 issue of CMBS run for substantially all of its term at competitive credit margins averaging 0.25% p.a.

Although the refinancing has seen credit margins increase, material discounts were achieved on early buybacks of the maturing 2006 issue of CMBS. By including those discounts, the effective secured new issue margin is even lower than 1.38% p.a.

What steps did ALE take to complete the capital management plan?

Over the last two years, around \$497 million has been sourced from a range of property and capital transactions. See the diagram above for the details.

By September 2011, funds raised will have been applied to buy back or redeem the debt facilities on or before their respective maturity dates. Again, see the diagram above for the details.

ALE currently has around \$110 million of cash on deposit which

more than meets the remaining \$72 million of ALE Notes 1 that are repayable in full in September 2011.

Have all the objectives of the 2009 capital management plan been met?

Yes. The objectives included the reduction in gearing from around 68% to less than 55%, a level that enabled cost-effective refinancing in the current capital markets. The issues of both the ALE Notes 2 and CMBS demonstrated that properties of ALE's quality could be refinanced at the desired gearing level.

A second objective was for debt maturities to be extended while maintaining a diversified and relatively cost-efficient funding profile. The average debt term extended to 7.3 years and the debt securities are spread across three different types of debt at margins that are lower than the guidance provided.

The final objective was to maintain appropriate headroom to debt covenants. Today, the properties' average capitalisation rate would have to increase from 6.44% to

8.46% before any debt covenant is met. This would represent a 24% fall in property values.

What movements in net assets have occurred over the past year?

The movements in the net assets valuation relate mainly to the \$44.43 million of property value increases and \$5.01 million of derivative (or hedge) value increases. The increase in the value of derivatives currently represents an unrealised value position. If the hedges run their full term, the value will necessarily revert to zero. If the hedges are terminated, there may be opportunity for improved hedged rates going forward.

ALE constantly seeks to protect its investors from both inflation and interest rate risk and currently has substantially hedged all of its debt for around 12 years. The existing CPI hedging continues to be subject to five-yearly rights to break, with the next being December 2012. ALE is continuing to review its hedging arrangement and will advise the market of any changes.

WE CAN NOW LOOK BACK AND ACKNOWLEDGE THAT THE CAPITAL MANAGEMENT PLAN IS COMPLETE. AT THE SAME TIME, WE CONTINUE TO SEARCH FOR FURTHER VALUE THROUGH CAPITAL MANAGEMENT AND, IN THE MEDIUM TERM, ANY STRATEGICALLY SENSIBLE ACQUISITIONS.

How has ALE's performance compared to that of other Australian real estate investment trusts?

Since listing in 2003, ALE has outperformed all other A-REITs in the ASX/S&P 300, delivering a compound annual total return of 28.1% p.a.*

From an initial \$1.00 investment at listing to August 2011, distributions to investors have totalled around \$200 million or \$2.1675 per security. This exceeds the total net invested equity of \$194 million.

* Assumes current market price and reinvestment of distributions.

What is the background and next steps for the Vale Hotel court matter?

In early 2008, ALH commenced proceedings in the Supreme Court of Victoria in relation to the lease over the Vale Hotel in Mulgrave, Victoria. On 16 December 2009, Justice Judd delivered judgment in the proceedings which endorsed ALE's interpretation of the relevant provisions of the lease.

On 23 April 2010, Justice Judd made orders reflecting the findings set out in the judgment of 16 December 2009, including an order that ALH pay ALE's costs. ALH is now appealing the 23 April 2010 judgment and orders to the Victorian Court of Appeal. ALE is confident that it will succeed in having ALH's appeal dismissed. The appeal was due to be heard on 1 August 2011. The market will be advised following the judgement.

What measures are you considering to further increase securityholder value going forward?

ALE has a track record of exercising patience and discipline with respect to acquisitions. Further acquisitions are currently considered less likely to achieve value accretion due to the unfavourable cost of new capital available to the listed commercial property sector.

Accordingly, management will continue to focus its efforts on optimising the existing portfolio and, over the medium term, taking further capital management steps that either add to flexibility or reduce the cost of future capital requirements. Should the markets change, then opportunistic portfolio acquisitions will be considered on their merits.

What is the outlook for distributions for the coming financial year?

Guidance has been consistently provided on the likely impact on distributable income arising from the higher credit margins following completion of the refinancing.

Following refinancing of both the secured and unsecured debt, the average credit margin has increased from 0.55% p.a. to 2.17% p.a. today. The full year impact of the additional interest expense is expected to result in distributable profit of at least 16 cents per security for FY12. Based on the security price at 30 June 2011 of \$1.92, this represents a forward looking yield of at least 8.3% p.a.

Increase in securityholder value

SINCE LISTING IN 2003, ALE HAS OUTPERFORMED ALL OTHER A-REITS IN THE ASX/S&P 300 DELIVERING A COMPOUND ANNUAL TOTAL RETURN OF 28.1% P.A.

FOR EACH \$1.00 INVESTMENT ... DISTRIBUTIONS TO INVESTORS HAVE TOTALLED AROUND \$2.1675 PER SECURITY

ALE HAS A TRACK RECORD OF EXERCISING PATIENCE AND DISCIPLINE WITH RESPECT TO ACQUISITIONS

BASED ON A SECURITY PRICE OF \$1.92 AT 30 JUNE 2011, THE GUIDANCE REPRESENTS A FORWARD LOOKING YIELD OF AT LEAST 8.3% P.A.

Any remarks in closing?

I believe we can now look back and acknowledge that the capital management plan is complete. At the same time, we continue to search for further value through capital management and in the medium term any strategically sensible acquisitions that fully satisfy ALE's criteria and are meaningfully accretive to ALE's investors.

Finally, I would like to take this opportunity to thank my management colleagues for their support and hard work and the Board for their wisdom and guidance through what have been at times a challenging set of property and capital markets conditions.



ANDREW WILKINSON
MANAGING DIRECTOR

• MANAGEMENT TEAM •

THE TEAM HAS DELIVERED ON THE CAPITAL MANAGEMENT PLAN

ALE's small and stable management team has remained focused on a range of key deliverables for the Group. Innovation and professionalism are key traits that will continue to be pursued.



ANDREW WILKINSON

BBus, CFTP, MAICD
MANAGING DIRECTOR

Andrew was appointed Managing Director of the Company in November 2004. He joined ALE as Chief Executive Officer at the time of its listing in November 2003. Andrew has over 30 years' experience in banking, corporate finance and funds management. He was previously a corporate finance partner with PricewaterhouseCoopers, and spent 15 years in finance and investment banking with organisations including ANZ Capel Court and Schroders.

MICHAEL CLARKE

BCom, MMan, CA
FINANCE MANAGER AND ASSISTANT
COMPANY SECRETARY

Michael joined ALE in October 2006. Michael has over 26 years' experience in accounting, taxation and financial management. Michael previously held senior financial positions with subsidiaries of listed public companies and spent 12 years working for Grant Thornton.

He has also owned and managed his own accounting practice. Michael has a Bachelor of Commerce degree from the University of New South Wales and a Master of Management from Macquarie Graduate School of Management.

BRENDAN HOWELL

BEc, GDipAppFin
COMPANY SECRETARY
AND COMPLIANCE OFFICER

Brendan was appointed to the position of company secretary in April 2007, having previously held the position from September 2003 to September 2006. Brendan has a Bachelor of Economics from the University of Sydney and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia, and over 21 years' experience in the funds management industry.

He was formerly an associate member of both the Securities Institute of Australia and the Institute of Chartered Accountants in Australia.

Brendan has a property and accounting background and has previously held senior positions with a leading Australian trustee company administering listed and unlisted property trusts. For over 12 years Brendan has been directly involved with MIA Services Pty Limited, a company which specialises in funds management compliance, and acts as an independent consultant and external compliance committee member for a number of property, equity and infrastructure fund managers. Brendan also acts as an independent director for several unlisted public companies, some of which act as responsible entities.

DON SHIPWAY

BCom (Prop Econ), MCom (Prop Dev), GAPI
ASSET MANAGER

Don joined ALE in September 2010 as Asset Manager. Don has a Bachelor of Commerce (Property Economics) from the University of Western Sydney and a Master of Commerce (Property Development) from Sydney Graduate School of Management.

Don has over 11 years' experience in the corporate real estate sector, holding national management roles with Retail Adventures and Metcash Limited, specializing in property, lease and asset management. Don is a Graduate member of the Australian Property Institute.

ANDREW SLADE

BEc (Actuarial Studies)
CAPITAL MANAGER

Andrew joined ALE in July 2005. He has more than 20 years' experience in investment banking and structured finance. Andrew spent 10 years with Oxley Corporate Finance, where he was involved with a range of structured, project and property finance transactions, the latter involving major Australian companies and listed property trusts.

Andrew has also acted as principal of Slade Financial Consulting, where he has provided advice on structured property and asset-based financing arrangements for public and private sector projects. Andrew has a Bachelor of Economics degree, majoring in Actuarial Studies, from Macquarie University.



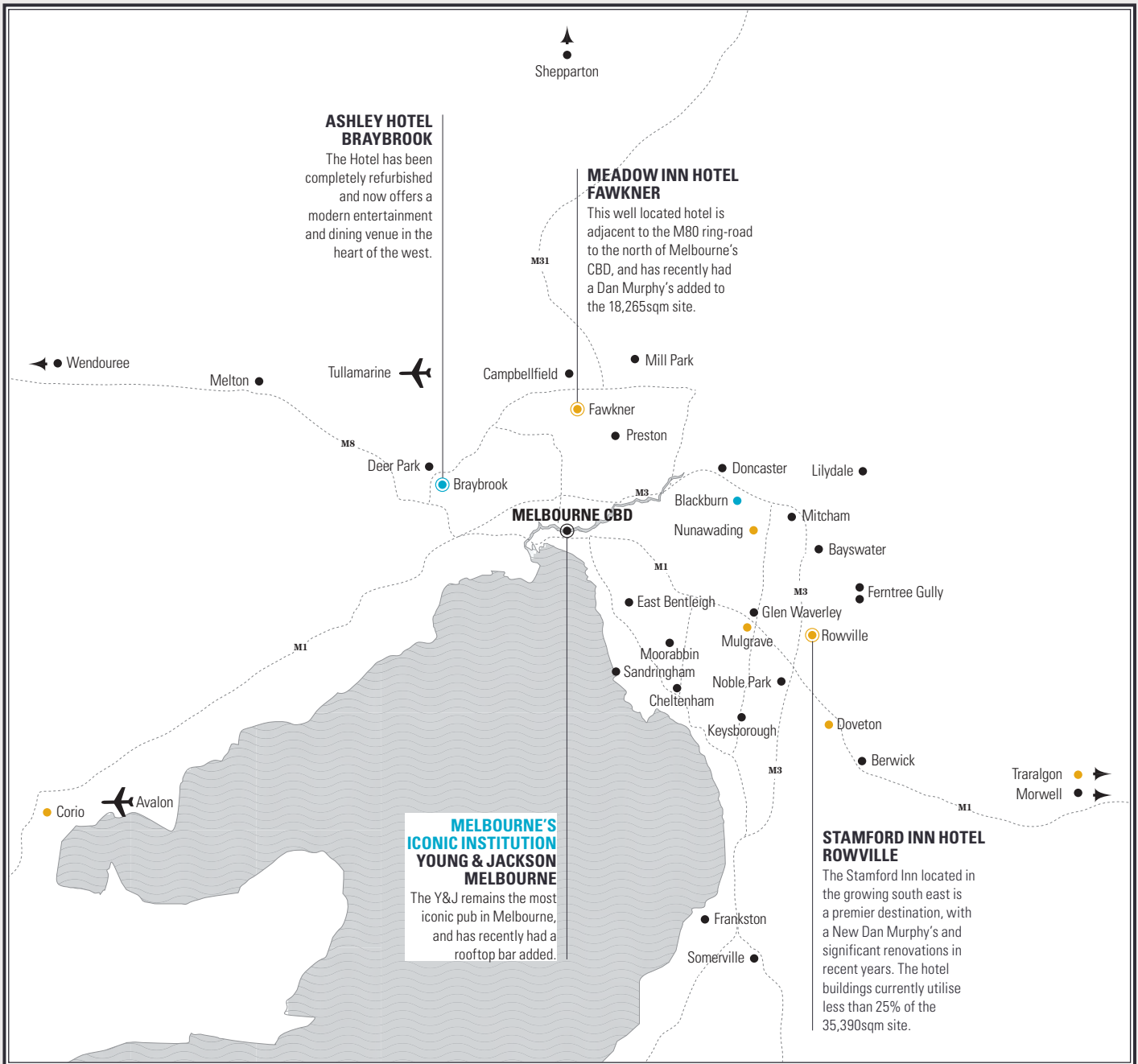
• VICTORIA •

\$382.0m

TOTAL VALUE OF PROPERTY PORTFOLIO

The Victorian portfolio is well located on major transport routes with considerable land holdings. Opposite Flinders Street Station and Federation Square is the famous Y&J.





● RECENT REFURBISHMENT ● Dan Murphy's ADDITION ● HOTEL LOCATIONS

\$11.2m

AVERAGE VALUE OF THE 34 PROPERTIES IN VICTORIA

Ashley Hotel, Braybrook • Bayswater Hotel, Bayswater • Berwick Inn, Berwick • Blackburn Hotel, Blackburn • Blue Bell Hotel, Wendouree • Boundary Hotel, East Bentleigh • Burvale Hotel, Nunawading • Club Hotel, Ferntree Gully • Cramers Hotel, Preston • Deer Park Hotel, Deer Park • Doncaster Inn Hotel, Doncaster • Ferntree Gully Hotel & Motel, Ferntree Gully • Gateway Hotel, Corio • Keysborough Hotel, Keysborough • Mac's Hotel, Melton • Meadow Inn Hotel, Fawkner • Mitcham Hotel, Mitcham • Morwell Hotel, Morwell • Olinda Creek Hotel, Lilydale • Pier Hotel, Frankston • Plough Hotel, Mill Park • Prince Mark Hotel, Doveton • Royal Exchange Hotel, Traralgon • Sandbelt Hotel, Moorabbin • Sandown Park Hotel, Noble Park • Sandringham Hotel, Sandringham • Somerville Hotel, Somerville • Stamford Inn Hotel, Rowville • Sylvania Hotel, Campbellfield • Tudor Inn Hotel, Cheltenham • The Vale Hotel, Mulgrave • Victoria Hotel, Shepparton • Village Green Hotel, Glen Waverley • Young & Jackson Hotel, Melbourne



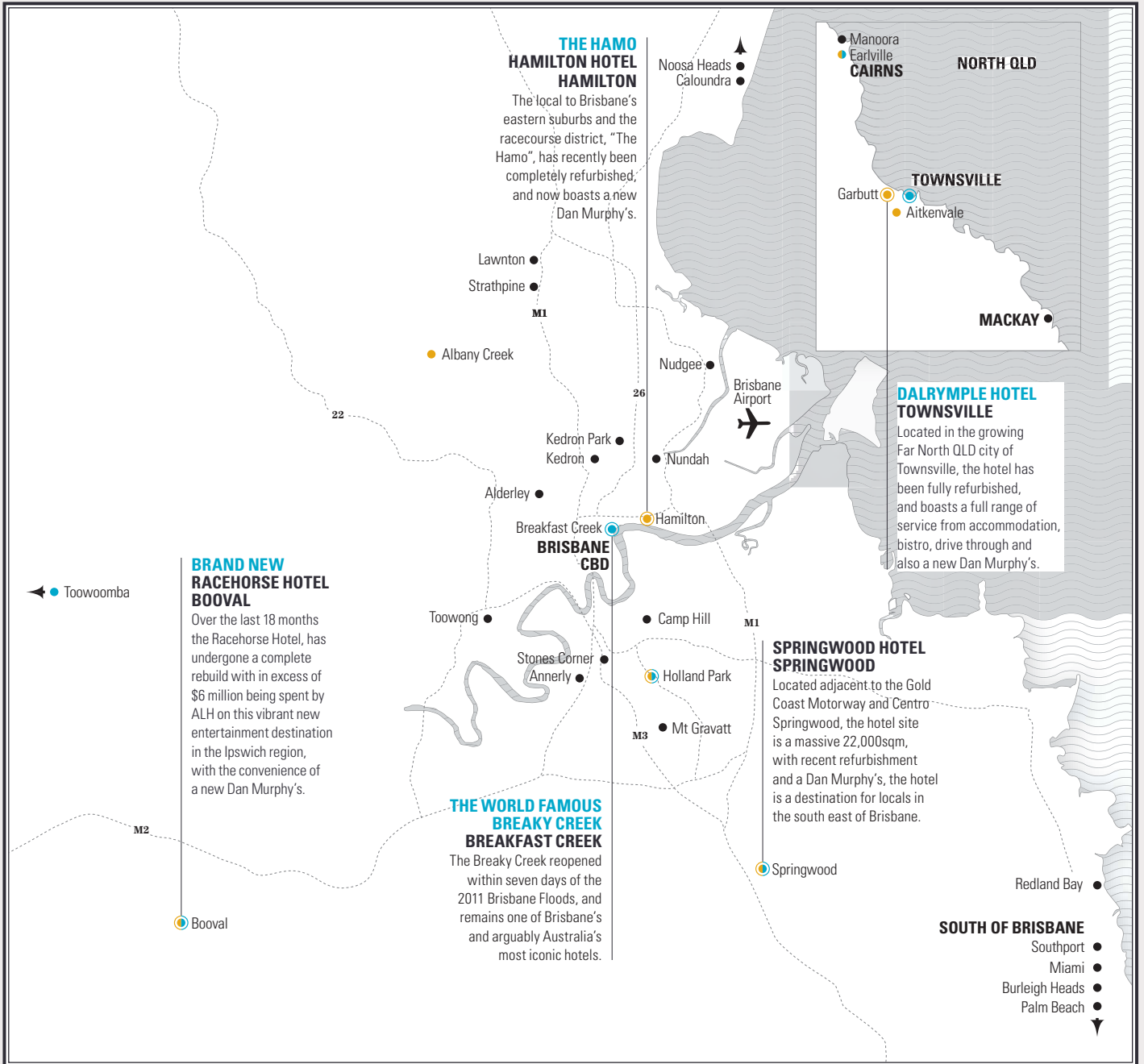
• QUEENSLAND •

\$219.0m

TOTAL VALUE OF PROPERTY PORTFOLIO

The RE, The Hamo, and The Creek are just a few of the properties that ALE owns in the heart of Brisbane, with a significant portfolio throughout Brisbane's suburbs and QLD coast.





\$6.8m

AVERAGE VALUE OF THE 32 PROPERTIES IN QUEENSLAND

Albany Creek Tavern, Albany Creek • **Alderley Arms Hotel**, Alderley • **Nudgee Beach Hotel**, Nudgee • **Breakfast Creek Hotel**, Breakfast Creek • **Camp Hill Hotel**, Camp Hill • **Chardons Corner Hotel**, Annerly • **Four Mile Creek Hotel**, Strathpine • **Edinburgh Castle Hotel**, Kedron • **Hamilton Hotel**, Hamilton • **Holland Park Hotel**, Holland Park • **Kedron Park Hotel**, Kedron Park • **Lawnton Tavern**, Lawnton • **Mt Gravatt Hotel**, Mt Gravatt • **Prince of Wales Hotel**, Nundah • **Racehorse Hotel**, Booval • **Redland Bay Hotel**, Redland Bay • **Royal Exchange Hotel**, Toowong • **Springwood Hotel**, Springwood • **Stones Corner Hotel**, Stones Corner • **Wilsonton Hotel**, Toowoomba • **Anglers Arms Hotel**, Southport • **Balaclava Hotel**, Cairns • **Burleigh Heads Hotel**, Burleigh Heads • **Dalrymple Hotel**, Townsville • **Edge Hill Tavern**, Cairns • **Kirwan Tavern**, Townsville • **Miami Hotel**, Miami • **Mount Pleasant Tavern**, Mackay • **Noosa Reef Hotel**, Noosa Heads • **Palm Beach Hotel**, Palm Beach • **Pelican Waters**, Caloundra • **The Vale Hotel and Aikenvale Motel**, Townsville

Reopening

Oct 2011

UNDER FULL INTERNAL
RECONSTRUCTION, THE NEW
BRIGHTON HOTEL WILL REOPEN
OCTOBER 2011

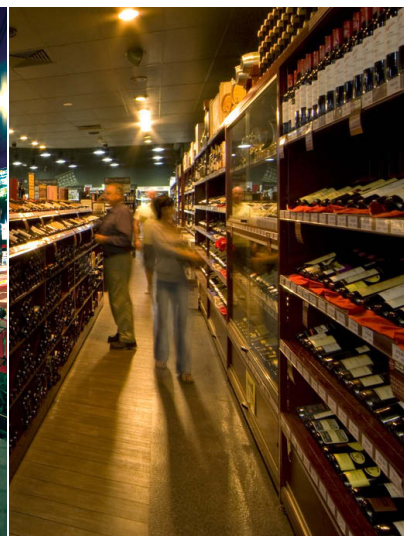


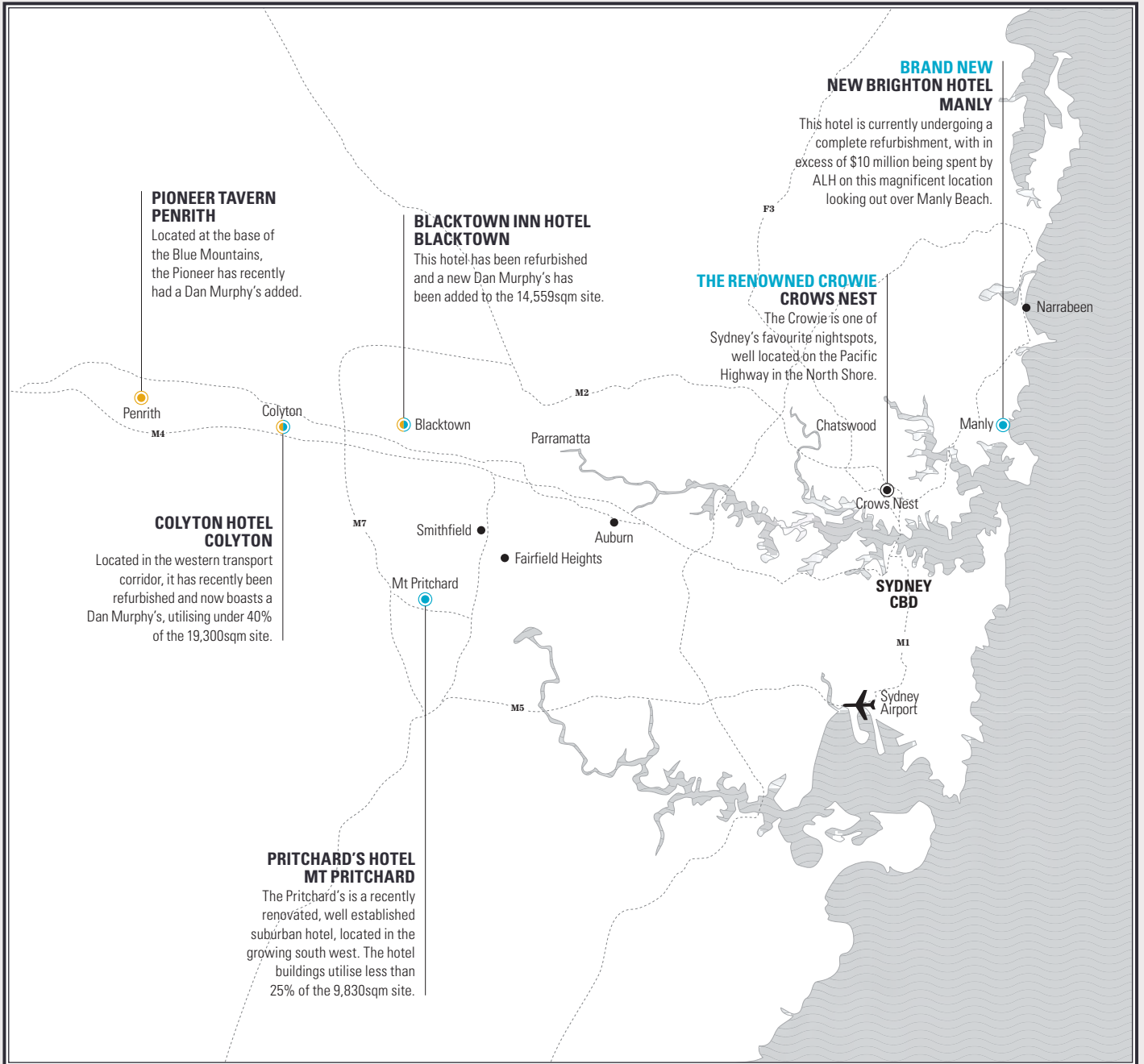
· NEW SOUTH WALES ·

\$101.8m

TOTAL VALUE OF PROPERTY PORTFOLIO

ALE's quality New South Wales portfolio has benefited from significant tenant funded additions and renovation.





● RECENT REFURBISHMENT ● Dan Murphy's ADDITION ● HOTEL LOCATIONS

\$10.2m

AVERAGE VALUE OF THE 10 PROPERTIES IN NEW SOUTH WALES

Blacktown Inn Hotel, Blacktown • **Brown Jug Hotel**, Fairfield Heights • **Colyton Hotel**, Colyton • **Crows Nest Hotel**, Crows Nest
Melton Hotel, Auburn • **Narrabeen Sands Hotel**, Narrabeen • **New Brighton Hotel**, Manly • **Pioneer Tavern**, Penrith
Pritchard's Hotel, Mt Pritchard • **Smithfield Hotel**, Smithfield



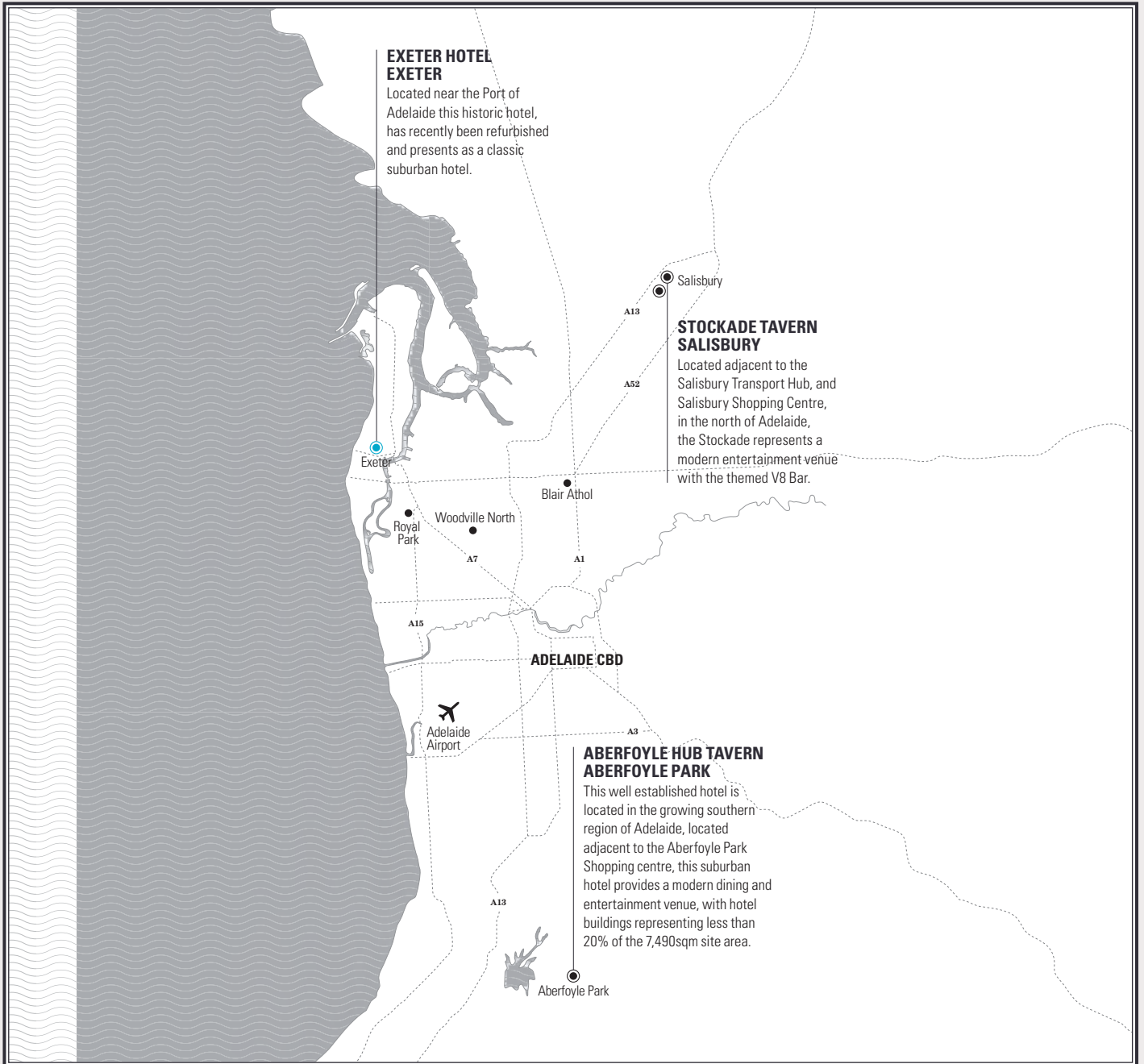
• SOUTH AUSTRALIA •

\$30.5m

TOTAL VALUE OF PROPERTY PORTFOLIO

With seven hotels located throughout the well established Adelaide suburbs, ALE's South Australian portfolio is well situated for future development and growth.





\$4.4m

AVERAGE VALUE OF THE 7 PROPERTIES IN SOUTH AUSTRALIA

Aberfoyle Hub Tavern, Aberfoyle Park • Eureka Hotel, Salisbury • Exeter Hotel, Exeter • Finsbury Hotel, Woodville North • Gepps Cross Hotel, Blair Athol • Hendon Hotel, Royal Park • Stockade Tavern, Salisbury



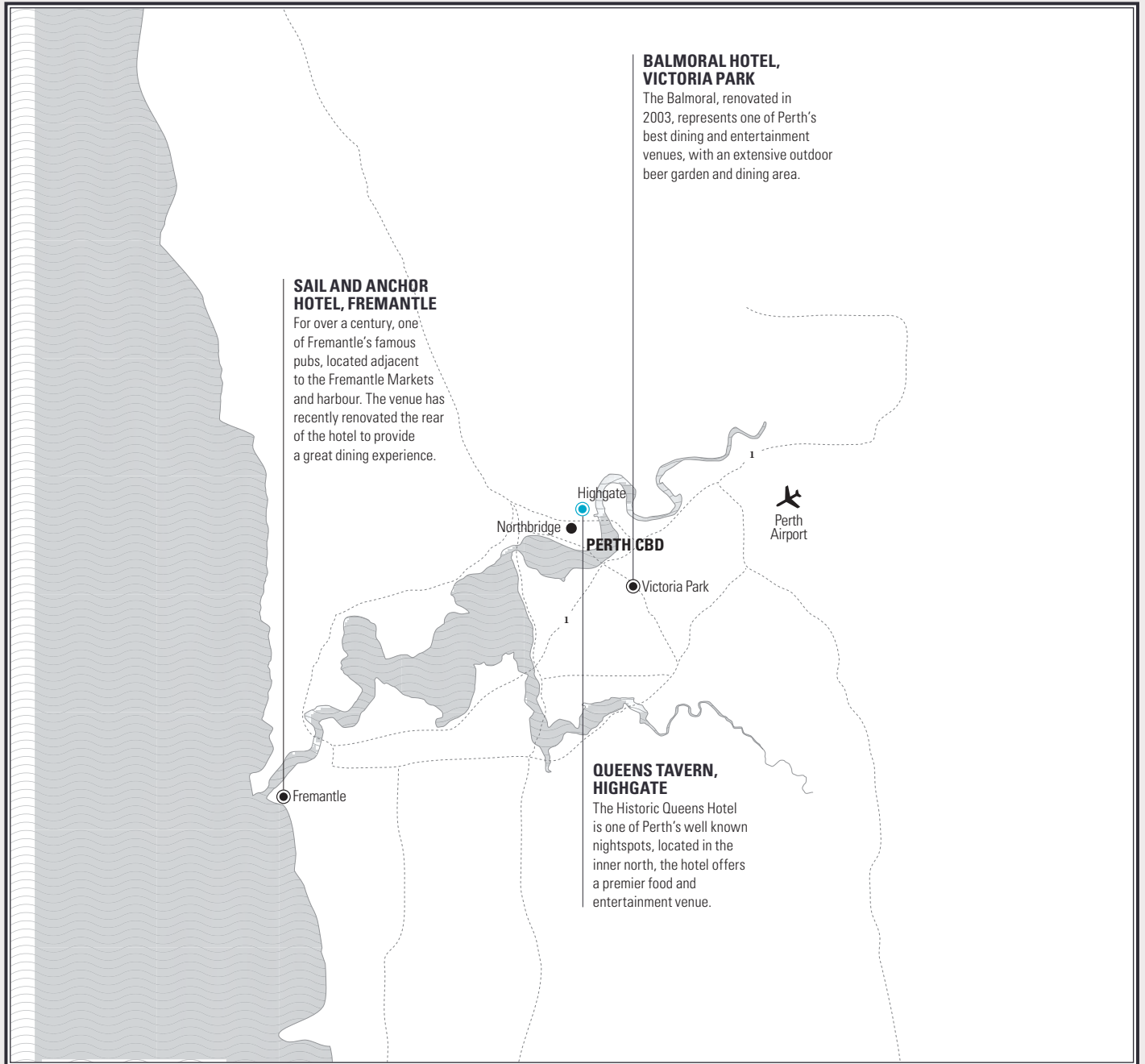
• WESTERN AUSTRALIA •

\$24.9m

TOTAL VALUE OF PROPERTY PORTFOLIO

ALE's assets in Western Australia are located within minutes of the Perth and Fremantle CBDs, and include historic hotels such as the Queens and the Sail & Anchor.





● RECENT REFURBISHMENT ● Dan Murphy's ADDITION ● HOTEL LOCATIONS

\$6.2m

AVERAGE VALUE OF THE 4 PROPERTIES IN WESTERN AUSTRALIA

Balmoral Hotel, Victoria Park • Queens Tavern, Highgate
Sail and Anchor Hotel, Fremantle • The Brass Monkey, Northbridge

· BOARD OF DIRECTORS ·

**COMMITTED TO ATTAINING HIGH
STANDARDS OF CORPORATE GOVERNANCE TO
ENSURE DELIVERY OF SHAREHOLDER VALUE
OVER THE LONG TERM.**

The ALE Board has a depth of experience highly relevant to the Group's requirements including property, capital management, legal and compliance skills.



PETER H WARNE

BA
**CHAIRMAN AND NON-EXECUTIVE
DIRECTOR**

Peter was appointed as Chairman and a non-executive director of the Company in September 2003.

Peter began his career with the NSW Government Actuary's Office and the NSW Superannuation Board before joining Bankers Trust Australia Limited (BTAL) in 1981. Peter held senior positions in the Fixed Income Department, the Capital Markets Division and the Financial Markets Group of BTAL and acted as a consultant to assist with integration issues when the investment banking business of BTAL was acquired by Macquarie Bank Limited in 1999. Peter is also a board member of three other listed entities, being ASX Limited, Macquarie Group Limited and WHK Group Limited. Peter graduated from Macquarie University with a Bachelor of Arts, majoring in Actuarial Studies. He qualified as an associate of, and received a Certificate of Finance and Investment from, the Institute of Actuaries, London.

ANDREW WILKINSON

BBus, CFTP, MAICD
MANAGING DIRECTOR

Andrew was appointed Managing Director of the Company in November 2004. He joined ALE as Chief Executive Officer at the time of its listing in November 2003.

Andrew has over 30 years' experience in banking, corporate finance and funds management. He was previously a corporate finance partner with PricewaterhouseCoopers and spent 15 years in finance and investment banking with organisations including ANZ Capel Court and Schroders.

JOHN HENDERSON

BBldg, MRICS, AAPI
NON-EXECUTIVE DIRECTOR

John was appointed as a non-executive director of the Company in August 2003.

John has been a director of Marks Henderson Pty Ltd since 2001 and is actively involved in the acquisition of investment property. Previously an International Director at Jones Lang LaSalle and Managing Director of the Sales and Investment Division, he was responsible for overseeing the larger property sales across Australasia, liaising with institutional and private investors, and coordinating international investment activities. John graduated from the University of Melbourne and is a member of the Royal Institution of Chartered Surveyors, is an associate of the Australian Property Institute and is a licensed real estate agent.

HELEN WRIGHT

LL.B, MAICD
NON-EXECUTIVE DIRECTOR

Helen was appointed as a non-executive director of the Company in September 2003.

Helen was a partner of Freehills, a leading Australian firm of lawyers, from 1986 to 2003. She practised as a commercial lawyer specialising in real estate projects, including development and financing and related taxation and stamp duties.

Helen is the Chair of Screen NSW (formerly Film & Television Office), the Local Government Remuneration Tribunal for NSW and recently was reappointed as the Statutory and Other Offices Remuneration Tribunal of NSW. Prior appointments include the Boards of Sydney Harbour Foreshore Authority and subsidiaries, Australia Day Council of NSW, Darling Harbour Authority, UNSW Press Limited and MLC Homepack Limited. Helen has a Bachelor of Laws from the University of NSW, and in 1994 completed the Advanced Management Program at the Harvard Graduate School of Business.



JAMES McNALLY

BBus (Land Economy), DipLaw
EXECUTIVE DIRECTOR

James was appointed as an executive director of the Company in June 2003.

James has over 16 years' experience in the funds management industry, having worked in both property trust administration and compliance roles for Perpetual Trustees Australia Limited and MIA Services Pty Limited, a company that specialises in compliance services to the funds management industry.

James' qualifications include a Bachelor of Business in Land Economy (Hawkesbury Agricultural College) and a Diploma of Law (Legal Practitioners Admission Board). He is a registered valuer and licensed real estate agent.

DAVID LAWLER

BBus, CPA
INDEPENDENT MEMBER OF THE AUDIT, COMPLIANCE AND RISK MANAGEMENT COMMITTEE (ACRMC)

David was appointed to ALE's ACRMC on 9 December 2005 and has 25 years' experience in internal auditing in the banking and finance industry. He was the Chief Audit Executive for Citibank in the Philippines, Italy, Switzerland, Mexico, Brazil, Australia and Hong Kong. He was Group Auditor for the Commonwealth Bank of Australia. David is an audit committee member of the Australian Office of Financial Management, the Defence Materiel Organisation, the Australian Trade Commission, the Australian Sports Anti-Doping Authority, AusAID (the Australian Agency for International Development) and National ICT Australia.

David is a director of Australian Settlements Limited and chairman of its audit and risk committee. David has a Bachelor of Business Studies from Manchester Metropolitan University in the UK. He is a Fellow of CPA Australia and a past President of the Institute of Internal Auditors – Australia.

BRENDAN HOWELL

BEC, GDipAppFin (Sec Inst)
COMPANY SECRETARY

Brendan was appointed to the position of company secretary in April 2007, having previously held the position from September 2003 to September 2006.

Brendan has a Bachelor of Economics from the University of Sydney and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia, and over 21 years' experience in the funds management industry.

He was formerly an associate member of both the Securities Institute of Australia and the Institute of Chartered Accountants in Australia. Brendan has a property and accounting background and has previously held senior positions with a leading Australian trustee company administering listed and unlisted property trusts.

For over 12 years Brendan has been directly involved with MIA Services Pty Limited, a company which specialises in funds management compliance, and acts as an independent consultant and external compliance committee member for a number of property, equity and infrastructure funds managers. Brendan also acts as an independent director for several unlisted public companies, some of which act as responsible entities.

· CORPORATE GOVERNANCE ·

THE BOARD OF DIRECTORS OF AUSTRALIAN LEISURE AND ENTERTAINMENT PROPERTY MANAGEMENT LIMITED (ALE) IS ACCOUNTABLE TO STAPLED SECURITYHOLDERS FOR THE PERFORMANCE OF ALE.

ALE remains committed to maintaining the high standards of corporate governance.

A range of policies have been further developed and implemented during the year. The policies may be viewed on our website.

Roles of the Board and management

The Board's responsibilities encompass the following:

1. Input to and final approval of management's development of corporate strategy and performance objectives;
2. Appointing and, where appropriate, removing the Managing Director (MD);
3. Ratifying the appointment of and, where appropriate, the removal of the Capital Manager, Asset Manager, Finance Manager and Company Secretary;
4. Oversight of ALE, including its controls and accountability systems;
5. Identification, assessment and ratification of plans to control and manage risks facing ALE, including interest rate risk, liquidity risk and financial covenant compliance, as well as the overview of all systems of risk management, including risk reporting;
6. Annual review and approval of annual budgets and financial plans;
7. Overseeing and monitoring organisational performance and the achievement of ALE's strategic goals and objectives;
8. Monitoring financial performance and liaising with ALE's external auditor;
9. Reviewing and ratifying systems of internal compliance and control, codes of conduct and legal compliance;

10. Reviewing capital management strategy formulation including equity raisings, hedging, buybacks and refinancing arrangements;
11. Approval of all new policies and procedures relating to the proper functioning of ALE, including all financial and operational matters;
12. Monitoring of senior management performance and implementation of strategy, and ensuring appropriate resources are available and succession plans are in place;
13. Approving and monitoring the progress of major strategic initiatives, including capital expenditure, capital management, acquisitions and divestitures;
14. Enhancing and protecting the reputation of ALE;
15. Reporting to, and communicating with, ALE's securityholders;
16. Approving and monitoring financial and other reporting; and
17. Establishing and maintaining ethical standards.

The Board delegates to the MD responsibility for implementing strategic direction, and for managing the day-to-day operations of ALE. The MD consults with the Chairman, in the first place, on matters which are sensitive, extraordinary or of a strategic nature.

In carrying out its responsibilities, the Board undertakes to serve the interests of stapled securityholders, employees, customers and the broader community honestly, fairly, diligently and in accordance with applicable laws.

Board composition

The full Board determines the Board size and composition, subject to limits imposed by the Company's Constitution.

The Board has determined that it is currently appropriate to have five directors, three of whom, including the Chairman, are non-executive.

The three non-executive directors, Peter Warne, John Henderson and Helen Wright, are independent directors as defined under section 601JA of the Corporations Act, and satisfy the principles of independence as outlined in the ASX Corporate Governance Council Recommendations. A review of each director's independence is undertaken by tabling any changes in director interests at each and every ALE Board meeting and more formal assessments of independence are undertaken from time to time.

The Chairman is selected by the full Board annually at the first meeting following the annual general meeting (AGM), and is to be an independent director in accordance with the Board Charter and ASX Corporate Governance guidelines.

The Board has implemented an annual performance evaluation process for management, directors, the Board and its committees. Part of this process is to also ensure that the Board and its committees maintain an appropriate balance of skills, experience and expertise.

Details of the performance evaluation process for management are set out in the Directors' Report in the Annual Report.

The Board appoints a specialist governance adviser every three years to review the performance of the Board and that of directors. The appointment of an adviser to review the Board's performance for the past 12 months is currently being progressed.

Under the Company's Constitution, a director may not hold office for a continuous period in excess of three years or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election. If no director would otherwise be required to submit for re-election, but the ASX Listing Rules require that an election of directors be held, the director to retire at the AGM is the director who has been longest in office since their last election.

John Henderson will be retiring and standing for re-election as a director of the Company at its next AGM.

Independent professional advice

After prior approval of the Chairman, directors may obtain independent professional advice at the expense of the Company on matters arising in the course of their Board duties.



Ethics and conduct

In accordance with ALE's Code of Conduct, all directors and employees are expected to perform their duties professionally and act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of ALE.

Audit, Compliance and Risk Management Committee (ACRMC)

To assist it in carrying out its responsibilities, the Board has established an ACRMC. This is a standing committee that is composed of four members, being three non-executive independent directors and an independent consultant.

Helen Wright, an independent director, has been appointed as Chair of the Committee. The other members of the Committee are Peter Warne and John Henderson, also independent directors, and independent consultant David Lawler.

The ACRMC meets at least four times a year.

As the Board comprises 50% or more independent directors, an independent compliance committee has not been appointed. The Board has, however, determined that the ACRMC fulfil this role.

Details of the members of the ACRMC and their attendance at meetings are set out in the Directors' Report in the Annual Report.

Given the small number of staff within the Company, the Company does not have an internal audit function.

To ensure appropriate levels of internal control, ALE commissions an annual controls review. Following the completion of that review, BDO reported to the Committee in July 2011 that the standard of controls was assessed as satisfactory.

Board and executive remuneration

Details of Board and executive remuneration are set out in the Directors' Report in the Annual Report.

Independence and materiality thresholds

The Board considers that a director is independent if the director is a non-executive director and:

1. Is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
2. Within the last three years has not been employed in an executive capacity by the Company or another Group member; or been a director after ceasing to hold any such employment;
3. Within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;
4. Is not a material supplier or customer of the Company or other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;

5. Has no material contractual relationship with the Company or another Group member other than as a director of the Company;
6. Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
7. Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Peter Warne is also a director of Next Financial Limited (Next Financial) which acts as an Investment Manager. Next Financial holds on behalf of its clients 3,722,389 stapled securities in the ALE Property Group. With the exception of his own holding, Peter Warne is not involved in any of the decision making processes regarding those securities held by Next Financial in the ALE Property Group. Procedures have been put into place to ensure Peter Warne's independence and confidentiality of information are maintained.

Peter Warne is a non-executive director of Macquarie Group Limited (Macquarie). Macquarie has provided banking services and corporate advice to ALE in the past and may continue to do so in the future. Mr Warne does not take part in any decisions to appoint Macquarie in relation to banking services and corporate advice provided by Macquarie to ALE.

Remuneration Committee

The Board has established a Remuneration Committee composed of three non-executive independent directors. Peter Warne has been appointed as chairman of the Committee. The other members of the Committee are Helen Wright and John Henderson.

Details of members and meetings held are set out in the Directors' Report in the Annual Report.

Nominations Committee

The Board has also established a Nominations Committee composed of three non-executive independent directors. Peter Warne has been appointed as Chairman of the Committee. The other members of the Committee are Helen Wright and John Henderson.

Included as part of the Committee's responsibilities is to monitor ALE's policies in respect of Board Renewal and Appointment of Directors, and Diversity for the ALE Property Group.

Details of members and meetings held are set out in the Directors' Report in the Annual Report.

Diversity

During the financial year, the Board of ALE adopted a Diversity Policy for the ALE Property Group, which includes details on how the Board and Nominations Committee take into account the diversity criteria when identifying and assessing potential Director candidates and members of the senior management team.

· CORPORATE GOVERNANCE ·

Continued

ALE notes the ASX Corporate Governance Council's diversity recommendations under the Corporate Governance Principles and Recommendations with 2010 Amendments. ALE notes that, for companies having a financial year beginning on 1 July, disclosure will be required in relation to the financial year ending 30 June 2012 and will be made in the ALE Annual Review to be published in August 2012.

As at 30 June, ALE's organisation comprised:

1. Two female staff members;
2. No women in senior executive positions; and
3. One female independent director on the Board.

Trading in securities

ALE has a Trading Policy with which all directors and employees must comply. Directors, employees and their associates may not utilise information obtained by their position for personal gain or for gain of another person. Each director and employee must ensure that any information in their possession that is not publicly available and which may have a material effect on the price or value of ALE's stapled securities, ALE Notes, ALE Notes 2 or any derivatives based on either of these (collectively, ALE Securities) is not provided to anyone who may be influenced to subscribe for, buy or sell ALE Securities.

Directors, employees and their associates may buy or sell ALE Securities only during the four-week periods following:

- the release of the half-year results;
- the release of the full-year results; and
- close of the AGM.

Outside these four-week periods are closed periods for trading in ALE Securities, unless exceptional circumstances apply.

All directors and employees are precluded from buying or selling ALE Securities at any time if they are aware of price sensitive information that has not been made public, or at any time while ALE is undertaking a general on-market buyback of that particular type of ALE Securities.

All directors or employees are entitled to participate in the distribution reinvestment plan on the same terms as other securityholders, except where the Distribution Reinvestment Plan is partly or wholly satisfied by an on-market buyback of ALE Securities, in which case directors and employees are precluded from participating.

In accordance with provisions of the Corporations Act 2001 and the Listing Rules of the ASX, ALE advises the ASX of any transaction conducted by directors in ALE Securities.

All directors, officers and employees must disclose their financing arrangements relating to their ALE Securities to the Chairman and

must advise if the following circumstances apply:

- the director, officer or employee holds ALE Securities that have been lent, mortgaged or charged to a financier;
- circumstances have arisen in which the financier is entitled or is likely to become entitled to exercise a right under the finance arrangement to demand payment; and
- the director, officer or employee expects that the demand will not be able to be satisfied without the disposal of securities representing 2.5% or more of the total number of issued securities in ALE.

Directors, officers and employees who enter into margin loans or other financing arrangements over ALE Securities are directed to ensure that they have sufficient available cash or other acceptable collateral to meet margin calls, including during a period of extreme sudden market downturn. Directors, officers or employees may not be provided with a clearance by ALE to dispose of ALE Securities that are subject to a margin call.

Details of directors' and employees' holdings (and those of their associates) in ALE Securities are set out in the Directors' Report in the Annual Report.

Investor relations

ALE is committed to the provision of timely, full and accurate disclosure of material information concerning ALE.

ALE has a policy that securityholders have equal access to ALE's

information and has procedures to ensure that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the Listing Rules of the ASX.

The Board encourages full participation of securityholders at the AGM. The external auditor will attend the AGM to answer any questions concerning the audit and content of the auditor's report.

ALE website

All information provided to the ASX is also posted on the ALE website, www.alegroup.com.au. The ALE website includes various corporate governance documents and policies, such as the Board's Charter, ALE's Code of Conduct and the Audit, Compliance and Risk Management Committee's Charter.

Distributions and interest payments

Distributions are paid to stapled securityholders every six months.

Interest payments are paid to ALE Notes holders every six months until they are fully repaid.

Interest payments are paid to ALE Notes 2 holders every three months until they are fully repaid.

ASX Corporate Governance Council Principles

ALE has adopted best practice corporate governance principles consistent with the ASX Corporate Governance Council Principles and Recommendations.

• SECURITYHOLDER INFORMATION •

22 JULY 2011

The equity holder information set out below was applicable as at 22 July 2011.

A. Distribution of equity securities

Analysis of number of equity securityholders by size of holding:

Range	Total holders	Units	% of Issued Capital
1 – 1,000	321	128,272	0.08
1,001 – 5,000	869	2,796,478	1.77
5,001 – 10,000	748	5,806,974	3.68
10,001 – 100,000	1,481	41,803,371	26.46
100,001 and over	110	107,455,881	68.01
Total	3,529	157,990,976	100.00

The stapled securities are listed on the ASX and each stapled security is comprised of one share in Australian Leisure and Entertainment Property Management Limited (Company) and one unit in Australian Leisure and Entertainment Property Trust (Trust). The NIVUS have been issued by the Trust to the Company. There were nil holders of less than a marketable parcel of stapled securities.

B. Top 20 Equity securityholders

The names of the 20 largest holders of stapled securities are as listed below:

Rank	Name	Units	% of Units
1.	Woolworths Limited	17,076,936	10.81
2.	National Nominees Limited	14,048,476	8.89
3.	J P Morgan Nominees Australia Limited	11,902,127	7.53
4.	HSBC Custody Nominees (Australia) Limited	11,700,695	7.41
5.	Citicorp Nominees Pty Limited	9,630,253	6.10
6.	UBS Nominees Pty Limited – PB Seg Account	7,692,936	4.87
7.	ABN AMRO Clearing Sydney Nominees Pty Ltd – Custodian Account	3,344,854	2.12
8.	Lady Jean Falconer Griffin	2,788,709	1.77
9.	UBS Wealth Management Australia Nominees Pty Ltd	1,942,099	1.23
10.	Citicorp Nominees Pty Limited – CFS WSLE Property Securities Account	1,840,636	1.17
11.	RBC Dexia Investor Services Australia Nominees Pty Limited – APN Account	1,584,319	1.00
12.	Melic Pty Limited – The Melic Unit Account	1,458,496	0.92
13.	Argo Investments Limited	1,287,900	0.82
14.	Neasham Holdings Pty Ltd – Neasham Account	1,275,000	0.81
15.	Mr John George Whiting and Mrs Diana Patricia Whiting – The Whiting Investment Account	750,000	0.47
16.	BT Portfolio Services Limited – Caergwrl Invest P/L Account	745,787	0.47
17.	ABN AMRO Clearing Sydney Nominees Pty Ltd – Next Custodian Account	585,000	0.37
18.	JP Morgan Nominees Australia Limited – Cash Income Account	534,953	0.34
19.	BT Portfolio Services Limited – The AC Maxwell Family Account	500,000	0.32
20.	BT Portfolio Services Limited – The James Family Account	500,000	0.32
Totals: Top 20 holders of STAPLED SECURITIES (TOTAL)		91,189,176	57.72
Total Remaining Holders Balance		66,801,800	42.28

· SECURITYHOLDER INFORMATION ·

Continued

C. Substantial holders

Substantial holders of ALE (as per notices received as at 22 July 2011) are set out below:

Stapled securityholder	Number held	Percentage of voting rights %
Orbis MIS – Orbis/SM Australian Equity Fund	30,046,611	19.02
Woolworths Limited	17,076,936	10.81
Caledonia (Private) Investments Pty Ltd	9,211,287	5.83

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Stapled securities

On a show of hands every stapled securityholder present at a meeting in person or by proxy shall be entitled to have one vote and upon a poll each stapled security will have one vote.

(b) NIVUS

Each NIVUS entitles the Company one vote at a meeting of the Trust. 9,080,000 NIVUS have been issued by the Trust to the Company and 157,990,976 units have been issued by the Trust to stapled securityholders.

The NIVUS therefore represent 5.4% of the voting rights of the Trust.

STOCK EXCHANGE LISTING

The ALE Property Group (ALE) is listed on the Australian Securities Exchange (ASX). Its stapled securities are listed under ASX code: LEP; its ALE Notes are listed under ASX code: LEPHB; and its ALE Notes 2 are listed under ASX code: LEPHC.

DISTRIBUTION REINVESTMENT PLAN

ALE has established a distribution reinvestment plan. Details are available on ALE's website.

ELECTRONIC PAYMENT OF DISTRIBUTIONS

Securityholders may nominate a bank, building society or credit union account for payment of distributions by direct credit. Payments are electronically credited on the payment dates and confirmed by mailed advice.

Securityholders wishing to take advantage of payment by direct credit should contact the registry for more details and to obtain an application form.

WEBSITE

The ALE website, www.alegroup.com.au, is a useful source of information for stapled securityholders. It includes details of ALE's property portfolio, current activities and future prospects. ASX announcements are also included on the site on a regular basis.

ANNUAL TAX STATEMENT

Accompanying the final stapled security distribution payment, normally in August each year, will be an annual tax statement which details the taxable, tax concessional and deferred tax components of the year's distribution.

DISTRIBUTIONS

Stapled security distributions are paid twice yearly, normally in February and August.

SECURITYHOLDER ENQUIRIES

Please contact the registry if you have any questions about your holding or payments.

INVESTOR INFORMATION MAJOR AUSTRALIAN SECURITIES EXCHANGE (ASX) ANNOUNCEMENTS

2011

- 2 AUGUST** FULL YEAR RESULTS RELEASED
- 1 JULY** PROPERTY VALUATIONS INCREASED
- 22 JUNE** FULL YEAR DISTRIBUTION OF 19.75 CENTS DECLARED
- 21 APRIL** COMPLETION OF SECURED REFINANCING
- 28 FEBRUARY** HALF YEAR DISTRIBUTION PAYMENT DATE
- 16 FEBRUARY** HALF YEAR RESULTS RELEASED
- 15 FEBRUARY** ORBIS INCREASES SUBSTANTIAL HOLDING
- 11 JANUARY** CALEDONIA REDUCES SUBSTANTIAL HOLDING

2010

- 3 DECEMBER** COLONIAL CEASES SUBSTANTIAL HOLDING
- 10 NOVEMBER** AGM
- 3 NOVEMBER** CPI BASED RENTAL INCREASE
- 23 SEPTEMBER** CHANGE OF REGISTERED OFFICE ADDRESS
- 22 SEPTEMBER** APPOINTMENT OF ASSET MANAGER
- 17 AUGUST** FULL YEAR RESULTS RELEASED

For emailed updates, visit the ALE website and join 'Email Alerts' at www.alegroup.com.au

PUBLICATIONS

The Annual Review and Annual Report are the main sources of information for stapled securityholders. In August each year, the Annual Review, Annual Report and Full Year Financial Report, and in February each year, the Half-Year Financial Report, are released to the ASX and posted on the ALE website. The Annual Review is mailed to stapled securityholders unless we are requested not to do so. The Annual Report is only mailed on request. Periodically, ALE may also send releases to the ASX covering matters of relevance to investors. These releases are also posted on the ALE website and may be distributed by email to stapled securityholders if they register on ALE's website. The election by holders to receive communications electronically is encouraged by ALE.

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