

ASX Announcement
ASX Code: ALZ

26 March 2010

Australand Secures Major Collins Street Project

The Australand Property Group today announced that it had exchanged contracts to purchase 351 – 357 Collins Street in Melbourne for \$45 million with settlement expected to take place in early June of this year.

The building (formerly known as Stock Exchange House), comprises approximately 22,000m² of vacant office space, which is intended to be refurbished into A-grade office accommodation, leased up and retained by the Group. Completion of the proposed refurbishment is scheduled for the second half of 2011, when there is forecast to be limited competing quality office supply in the Melbourne CBD. The estimated value of the project on completion is expected to be approximately \$145 million.

Australand's Managing Director, Bob Johnston, said "This acquisition is in line with our strategy and is forecast to provide strong investment returns. The asset will be repositioned, leveraging the Group's strong development skills, and will complement the existing high quality portfolio already held by the Group. Retaining the completed asset is consistent with the Group's strategy to maintain recurrent earnings at 60 – 70% of total earnings."

Sean McMahon, head of Australand's Commercial and Industrial division, said "The building is well positioned in the heart of the Melbourne CBD. It is already partly refurbished enabling an expedient turnaround of the space. This will allow us to capitalise on expected favourable leasing conditions. A-grade vacancies in late 2011 are forecast to drop as low as 2 – 4%, with very limited supply on the horizon."

"The project will benefit from our strong operating platform in Melbourne, having developed over \$500 million of commercial projects since 2000, including our two office projects at Freshwater Place", Mr. McMahon said.

"Australand's integrated platform, which allows us to develop and own, remains a key strategic advantage in converting opportunities in the sectors in which we operate", Mr. Johnston said.

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