

## Trafalgar Corporate Group (TGP) Quarterly Update (Sept 2005)

### **Introduction**

Following its listing on the Australian Stock Exchange on July 26, 2005, Trafalgar Corporate Group reports that it is trading in line with its prospectus forecasts.

Trafalgar Corporate Group was formed as a result of the merger of Trafalgar Corporate Limited (established October 1997) with two of its unlisted property syndicates, Trafalgar Opportunity Fund No. 4 (established December 2003) and Trafalgar Platinum Fund No. 12 (established May 2003).

The following update outlines the highlights of the Group's activities in its 1<sup>st</sup> quarter of operation as a listed entity.

### **DEVELOPMENT PROJECTS**

#### **Frances Park Darwin, Northern Territory (TGP share 50%)**

##### Type of project:

Residential development comprising 550 apartments and townhouses creating a new residential precinct in Darwin.

##### Update:

Sales are ahead of Prospectus forecast.

Of the 52 units in stage 2, 11 remain unsold.

Stage 3 will now be developed in two separate stages. Stage 3A will comprise of 42 units over 4 buildings while Stage 3B will comprise of 57 units over 5 buildings. Design & construction costs are being finalised together with the pricing structure. Pre-sales agent has been selected and marketing is underway. Construction of Stage 3A is expected to commence in early 2006.

#### **Tallwoods Village Hallidays Point, North Coast NSW (TGP share 100%)**

##### Type of project:

Residential lot subdivision comprising 450 lots.

Update:

Sales levels are in line with Prospectus forecasts.

We are seeing an improvement in enquiry levels as well as an improvement in the rate of conversion from enquiry to contract. We believe the improvement in the level of activity is due to the repositioning of the project in the market since acquisition in July 2005, removal of vendor duty and overall firming of the residential sector.

**Thomas St  
Chatswood NSW (TGP share 50%)**

Type of project:

7-level refurbishment of commercial office building.

Update:

Sales are in line with Prospectus forecasts. 32% of the building is either under unconditional contract or has settled while a further 14% is under conditional contract.

**Peninsula Keys at Rhodes  
Homebush Bay NSW (TGP share 50%)**

Type of Project:

10ha Residential Development comprising apartments and townhouses.

Update:

Remediation is progressing well and Thiess Environmental Services are on track to hand over Stages 1A and 1B in October 2006. Subject to market conditions, the first stage of the project is scheduled to commence soon afterwards.

**Cannon Park  
Cairns, Qld (TGP share 100%)**

Type of Project:

Residential development comprising land lots, apartments, townhouses and retirement housing. 1300 dwellings in total over 42ha of land.

Update:

Rezoning application has been lodged and we are working through requests for information with relevant authorities to progress the application.

**Southbank Towers**  
**South Melbourne, Vic (TGP share 100%)**

Type of Project:

Redevelopment of commercial/warehouse building to 210 residential home units.

Update:

Building acquired from Channel Seven Melbourne Ltd as a sale and leaseback. Lease back is operating in accordance with the Prospectus forecasts.

## INVESTMENT PORTFOLIO

Highlights of the investment portfolio over the past quarter:

**Fujitsu Centre**

The vacant tenancy in the office building has now been leased, securing a 5 year lease with a 5 year option. This tenancy was subject to rental guarantee expiring in June 2006. The building is now fully leased.

**37 Epping Road, North Ryde**

Capital works undertaken to reposition the property have now been completed and lease enquiry levels have begun to improve. We are in discussions with a number of prospective tenants and expect to lease the vacant space in accordance with the Prospectus forecasts.

## FUNDS MANAGEMENT

Highlights of the Funds Management aspect of the Group over the past quarter:

**Trafalgar Opportunity Fund No. 5 (TOF 5) (TGP share 15%)**

The fund has made its first acquisition, a \$16m commercial property in Strathfield, Sydney. The acquisition via a put and call contract has settlement scheduled for June 2006. The property is an ideal value-add opportunity.

In addition to the above transactions we are also reviewing other potential transactions across various markets and we expect to meet our Prospectus forecast for this Fund.

**Trafalgar Enhanced Income Fund (TEIF)**

Our TEIF marketing team is targeting key dealer groups to accelerate equity inflow into the fund.

The Fund has been issued a 4 star rating from S&P ASSIRT

Returns to September 2005 are presented in the graph below.

