



news release
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ARIA expands direct property portfolio in Brisbane with Eaglegate industrial acquisition

ARIA, the \$18 billion super fund for Australian Government employees, announced today that one of its real estate investment managers, Arcadia Funds Management Limited, has successfully finalised the purchase of the Eaglegate Industrial Estate, Curtin Avenue, Pinkenba for \$ 26.575 million.

Eaglegate comprises a modern multi-tenanted industrial facility of 16,083 sqm (11% office content) together with on-grade car parking and hardstand areas. The property is presently sub-divided into six individual tenancies benefiting from a range of lease expiries and a weighted average lease expiry (WALE) period of over six years. Key tenants include Boom Logistics Limited and BASF. The acquisition reflects an initial yield of 7.1%. Existing improvements represent approximately 36% of total site area.

The Estate occupies a site of 4.5 hectares in the suburb of Pinkenba, adjoining Eagle Farm with close proximity to nearby Brisbane Airport (5 km), Brisbane CBD (10 km) and Gateway Motorway in the heart of the Australia Tradecoast precinct.

Following the Eaglegate acquisition Arcadia has now invested over \$300 million equity under their investment mandate with ARIA.

"We operate in a market in which quality real estate assets like Eaglegate are highly sought after and this purchase represents a great deal for our members," Steve Gibbs, ARIA's chief executive officer said.

"We approach property investments very differently to most investors of our large scale by using employee-owned boutique managers which offer a highly-skilled and dedicated focus aligned to the long-term interests of our members.

"Boutique managers like Arcadia provide a focus on absolute return investing, as opposed to building funds under management. They also have a small number of clients which translates to a clear focus, an alignment of interests and trust, and a good governance framework."

Arcadia was established in 2002 by the former CEO of Lend Lease Real Estate Investments, Stephen Newton, and the former head of wholesale funds management at Lend Lease Real Estate Investments, Hamish Flett.

Arcadia's joint managing director, Stephen Newton, said: "The acquisition of Eaglegate will provide ARIA with a quality modern core industrial investment in one of Queensland's most established and sought-after industrial areas. Its location coupled with diminishing supply of inner city Industrial land creates very favourable long-term investment fundamentals for ARIA."

Eaglegate joins ARIA's stable of direct property investments which includes:

- Indooroopilly Shopping Centre, Brisbane and 101 Collins Street, Melbourne managed by Eureka Funds Management; and
- 1 Chifley Square, Sydney; Grosvenor Place, Sydney; and City Close Industrial Estate, Sydney managed by Arcadia.

ARIA's total property portfolio had a value of \$2.3 billion as at May 2007. The Fund has a strategic asset allocation to property of 15%.

ARIA's intention is to continue to seek core and core plus commercial, retail and industrial investment opportunities in a number of key Australian real estate markets.