



**Media Release
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Allco REIT and Perron Group secure 12-year Central Park tenancy agreement

Allco REIT and Perron Group, joint venture owners of Perth's Central Park office tower, today announced that they have signed a 12 year lease agreement with Rio Tinto subsidiary Hamersley Iron.

Central Park is the premier office tower in Perth's CBD and the agreement represents one of the largest commercial property leasing deals in Perth to date.

Tim Rich, Head of Property at Allco Funds Management said that the new tenancy agreement with Hamersley Iron was a good result for Allco, Perron and Allco REIT investors.

"We have been working closely with Hamersley Iron to scope out an agreement that accommodates the needs of their business going forward," said Mr Rich. "We believe that the excellent tenancy levels in Central Park illustrate the success of the partnership Allco and Perron have formed to manage this important asset."

"I am also pleased that the 12-year tenancy agreement with Hamersley Iron will provide increased asset and cash flow stability for Central Park's owners."

Allco REIT listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on March 30 and has a 50% holding in Central Park through its subsidiary Central Park Landholding Trust. Allco REIT acquired its stake in Central Park for A\$190 million in March 2006, becoming a joint owner with Perron Group.

The lease agreement with Hamersley Iron covers 15,280 square metres over 11 levels representing 23% of the total lettable space. An important aspect of the agreement is the flexibility provided to Hamersley Iron, whereby it may, increase or decrease the leased area, depending on its accommodation requirements and certain conditions.

Allco and Perron Group have taken an active management approach to Central Park, focussed on meeting and adapting to the business needs of tenants and negotiating partnerships with tenants that are workable in the long term.

Ian Armstrong, General Manager of the Perron Group said that Central Park provides its tenants with premium office space and that Allco and Perron Group remained committed to maintaining the premium grade of the asset.

“Together, Allco and Perron Group have committed in excess of \$6 million to the redevelopment of the tower’s forecourt. We have also contributed a further \$5 million to the upgrade of services and amenities, including a full refurbishment of the gym. These upgrades and developments are already in progress.”

Perth’s CBD is a competitive marketplace for commercial property leasing with potentially up to 200,000 square metres from development sites. Despite this, Allco and Perron are confident that Central Park will continue to see strong demand from commercial tenants, so long as the owners continue to approach tenants as long term partners.

Tim Rich, said: “When Allco entered the investment in Central Park, the building had a vacancy rate of 19%. Allco and Perron have since reduced the vacancy rate to below 1%. This demonstrates the success of our pro-active approach to asset management.”

Following the Hamersley Iron lease renewal, Central Park now has a weighted average lease expiry of 6.5 years. The average passing rent has also increased by 7%.

Central Park’s other tenants include BHP Billiton, WMC Resources, KPMG, Asgard, Minter Ellison, Mallesons and St George.

Editor’s Notes

Hamersley Iron is one of the world’s leading producers of iron ore. Based in the Pilbara region of Western Australia, Hamersley Iron owns eight mines and two ports.

Since 1966, Hamersley Iron has mined, processed and exported more than a billion tonnes of high-grade iron ore. In 2005, Hamersley Iron shipped a record 90 million tonnes of iron ore to steel mills to its key markets including China, Japan, Korea, Taiwan and Europe.

Hamersley Iron is a wholly owned subsidiary of global resources company Rio Tinto and operates as part of the Rio Tinto Iron Ore group. It’s assets are managed and operated by Pilbara Iron, which operates the Hamersley Iron and Robe River Iron Associates assets as a network.

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