



ASX / Media Release

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## Strategic Stake Secured In WA Market

FKP Property Group is set to take a strategic stake in the Western Australia property market, with plans to invest approximately \$23 million into Perth based developer Port Bouvard Limited.

FKP signed a Subscription Agreement with Port Bouvard for a placement of 175 million shares at \$0.13 per share. The placement to FKP is to be undertaken as part of a proposed capital raising by Port Bouvard, to raise \$60.2 million of new equity. The FKP placement is conditional on a number of matters including the receipt of approval from Port Bouvard's shareholders and the underwriting of the other components of the raising, an institutional placement and an entitlement offer.

Upon completion of the capital raising FKP will hold 29 per cent of Port Bouvard and be entitled to nominate two individuals to the Port Bouvard board.

Chief Executive Officer, Peter Brown said the investment was in line with the FKP strategy of pursuing further opportunities in the residential sector.

"We also want to extend our footprint into the strong WA property market and replicate the successes that we have had in the other Australian states," Mr Brown said.

"We have more than thirty years experience in the property industry and a solid track record delivering masterplanned communities, such as Peregian Springs on Queensland's Sunshine Coast and Bella Vista Waters in Sydney's North West.

"This is a measured and strategic step forward for us. We have set in place key requirements to stabilise Port Bouvard's financial position. Their recapitalised balance sheet, strong management and quality asset base make this a good investment for FKP."

The issue price of \$0.13 per share represents a 42 per cent discount to Port Bouvard's proforma net tangible assets per share, post completion of the capital raising. Given the modest amount of the investment, the transaction is not expected to have a material impact on FKP earnings per share in 2010 or 2011. FKP reaffirms its guidance given in February of a full year operating NPAT of \$105M to \$110M.

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### FKP

FKP is a leading Australian property and investment group. Our strategy of diversification and integration has enabled us to build a comprehensive property portfolio that capitalises on our proven expertise in development, construction, land subdivision, retirement village ownership and management, property investment and asset management. Over more than thirty years our portfolio has grown to include mixed-use, land, retail, residential, retirement, industrial and commercial assets that define how hundreds of thousands of people live, work, retire and invest.

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