



**ASX AND MEDIA RELEASE**

**17 December 2008**

### **Update on Strategic Review**

On 15 October 2008, FKP Property Group (FKP) announced that it had undertaken a range of initiatives to strengthen its capital position. These initiatives included the establishment of a relationship with Stockland involving Stockland taking a placement in FKP in October 2008 and partially sub-underwriting FKP's entitlement offer in November 2008. The establishment of this relationship also involved FKP granting Stockland a two month exclusivity period and a first right of refusal in relation to FKP's retirement assets.

Following the conclusion of that two month timeframe, Stockland has advised FKP that further analysis is needed before it will be in a position to make a formal proposal, but that it wishes to continue its consideration of the opportunity.

While the exclusivity period in relation to the discussions has lapsed, FKP intends to continue discussions with Stockland, to ascertain whether a transaction in the best interests of FKP securityholders can be consummated. In view of the ongoing discussions, the term of the standstill provisions in the Subscription Agreement between the parties will be lifted by one month.

FKP continues to believe that its ongoing capital management may be enhanced by a full or partial realisation of the capital presently employed in its market leading investment in the sector.

FKP emphasises to its securityholders that while such a transaction may be desirable, it is not essential to the financial stability of FKP.

FKP will only conclude a transaction with Stockland or any other party in relation to its retirement assets if such a transaction can be demonstrated to be in the best interests of securityholders.

FKP will advise securityholders further if ongoing discussions in relation to the portfolio result in the development of a possible transaction.

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**FKP Property Group**

With more than 30 years experience in the Australian property industry, FKP Property Group (FKP) is one of Australia's leading diversified property and investment companies. FKP successfully operates an integrated business model which includes retirement, property investment and funds management, land development, property development (incorporating residential, retail, industrial and commercial) and construction across Australia and New Zealand. FKP is an ASX top 200 company.

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