



ASX AND MEDIA RELEASE

30 September 2008

FKP Market Update

In its release to the market on August 28, 2008, FKP Property Group (FKP) stated that it was cautiously optimistic of achieving 10% growth in operating profits in 2008/2009, subject to there being no further deterioration in market conditions, and no undue delays in regulatory approvals.

With the unprecedented turmoil in global capital and credit markets in the past two weeks, it is reasonable to assume there will be some effect on the property markets, and this makes it hard to read the year ahead with certainty. However, FKP believes it prudent to advise that, at this time, an operating profit after tax in line with last year's result (\$150m) is a more realistic outlook, still subject to there being no undue delays in regulatory approvals.

This takes into account expectations that the institutional markets will find liquidity harder to obtain, making the trading of quality commercial property even more difficult than it has been.

At this time, FKP does not see any significant impact on its Retirement, Land or Funds Management businesses, but will continue to watch trading conditions carefully and keep security holders informed.

For further information:

Katherine O'Regan, GM, Corporate Communications
Mobile no 0419 411 801

Shalome Mielewska, Investor Relationships Manager
Mobile no. 0404 811 847

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.

Issued by FKP Limited ABN 28010729950 www.fkp.com.au