

**19 AUGUST 2002**

## **OFM INVESTMENT GROUP ACQUIRES ST KILDA ROAD PROPERTY**

Listed financial services and property investment company OFM Investment Group Limited ("OFM") has today acquired 607 St Kilda Road Melbourne from AMP's Abbey Capital Real Estate for \$21 million.

Developed by MEPC and completed in 1990, the building is 98% let and over 50% committed to ABN Amro subsidiary Leaseplan on a new 8 year lease. The "A"-Grade 12 level building comprises two basement car parking levels, ground and nine upper office floors providing a total lettable area of approximately 7,282 m<sup>2</sup> and 129 car parking spaces.

The purchase will deliver an entry yield before acquisition costs of around 8.05% to OFM, which forecasts very good growth from existing "modest average rack rentals".

OFM Chief Executive Mr Michael Rehak said the acquisition was a perfect strategic fit for OFM's growing property portfolio.

"This purchase delivers on our key criteria of premium location, late generation, high specification improvements with low maintenance contingencies, very good growth prospects and importantly very low risk – which is one of our high imperative criteria," Mr Rehak said.

"Coupled with our premium industrial asset, this anchor office sector property positions OFM well moving forward into other markets in pursuit of diversified exposure and sustainable competitive property returns," he said.

Selling agent CB Richard Ellis said that OFM's simple and well-structured bid was accepted over a strong field comprising listed and unlisted funds as well as private interests.

The sale follows recent St Kilda Road acquisitions by Challenger and GE Capital totalling over \$130 million.

Mr Simon Parsons of Parsons Hill Stenhouse acted for OFM. Mr Parsons describes the property as a "trophy" citing "its relatively compact proportions and crisp, high quality finishes" as "providing great appeal, assuring strong exit pricing".

Earlier this year OFM paid \$13.6 million for the CUB distribution centre at 28-46 Salta Drive, Altona North in an off market deal yielding 8.5% entry yield rising to 8.75% in September. 12 years remain on the 23,600 m<sup>2</sup> warehouse lease.

The property has been purchased by OFM (Properties) Pty Ltd, a wholly-owned subsidiary of OFM, as trustee for The OFM Property Investment Unit Trust (the "Trust"). OFM holds the property via its 100% holding of the issued units of the Trust. The Trust also holds the recently-purchased industrial property located in North Altona.

### **About OFM Investment Group**

OFM Investment Group is a financial services and property investments company which was listed on the Australian Stock Exchange on 26 th March 2002.

OFM was formed as part of the demutualisation in July 2001 of the Over 50s Friendly Mutual Society Ltd, Australia's second largest friendly society with \$1.0 billion in assets and funds under management as at 30 th June 2002.

The companies have origins dating back to 1980, some 22 years ago, and have since grown organically and through mergers and acquisitions into a listed entity (OFM) with over 40 million shares on issue and a market capitalisation of over \$80 million.