



ASX / MEDIA RELEASE

17 June 2010

Estimated Final Distribution for 2009/2010 and Revised Policy from 2010/2011

June 2010 Distribution

FKP announces that the estimated final distribution for the six months ended 30 June 2010 is 1.0c per stapled security. This is double the previous guidance of 0.5c per stapled security, and also double the first half distribution.

The earlier guidance was in accordance with the existing policy of limiting distributions to the taxable earnings of the FKP Property Trust. As a bridge to a new policy (see below) and reflecting strong second half residential and retirement sales, the estimated payment is now higher.

Distribution Policy Commencing 2010/2011

Due to the disruption of capital markets in the recent past, the Board believed it was prudent to restrict the level of distributions to ensure that FKP remained in strong financial shape.

As a consequence of that and other measures, FKP now has:

- Much reduced gearing (28% December 2009);
- Significant undrawn capacity (>\$300m at December 2009), and
- An identified growth pipeline.

Accordingly, the Board believes it is appropriate to formulate a new distribution policy to apply from 2010/2011 onwards. The new policy seeks to balance the Group's recurring income and the growth in earnings that will flow from its quality residential development assets.

In future, FKP intends to distribute 40% to 60% of its realised operating profits. For this purpose, the non-cash component of any revaluation of the retirement portfolio will be excluded from the base.

The timing of major development projects means that profit growth may not be uniform in all years, and the flexibility of paying between 40% and 60% is intended to facilitate a sustainable and growing distribution stream to security holders.

Distribution Payment Dates

As part of its deliberations on the revised distribution policy, the Board has also considered the payment dates. Going forward, the policy will be to make the interim and final payments on 31 March and 30 September respectively, or shortly before if those dates fall on weekends.

Details of June 2010 distribution

The record date for determining entitlement to the final distribution is 30 June 2010 with payment of the distribution to be made on 30 September 2010.

The announcement of the full-year financial results and lodgement of the Appendix 4E is expected to occur on 26 August 2010. That announcement will include exact details of the final distribution.

FKP will continue its practice of offering a Dividend Reinvestment Plan at a 2.5% discount. The final price for securities issued under the Plan will be calculated in accordance with the terms of the Plan and will be announced to the ASX on or shortly after 16 July 2010.

A copy of the Dividend Reinvestment Plan is available from the Registrar, Computershare Investor Services Pty Ltd, or from FKP's website at [www.fkp.com.au/investorrelations/distribution reinvestment plan](http://www.fkp.com.au/investorrelations/distribution%20reinvestment%20plan).

The last date for registration to participate in the Plan is the record date of 30 June 2010.

For Further Information:

Brett Zarb, Media and Communications Manager (m) 0417 256 563

Shalome Mielewska, Investor Relations Manager (m) 0404 811 847

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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