



ASX / Media Release

21 September 2012

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FKP Property Group Successfully Completes Retail Component of Entitlement Offer

FKP Property Group (ASX: FKP) today announced the successful completion of the retail component of its underwritten accelerated non-renounceable pro-rata entitlement offer ("Entitlement Offer") which opened on Tuesday, 28 August 2012.

The retail component of the Entitlement Offer ("Retail Entitlement Offer") allowed eligible retail stapled securityholders in FKP the opportunity to acquire 6 new stapled securities in FKP ("New Stapled Securities") for every 7 existing stapled securities in FKP held as at 7.00pm (AEST) on Friday, 31 August 2012 ("Record Date") at a price of \$0.20 per New Stapled Security.

FKP received valid applications from eligible retail securityholders for approximately 165 million New Stapled Securities in respect of their pro-rata entitlements, representing a take-up rate of approximately 76%.

Eligible retail stapled securityholders also had the opportunity to subscribe for New Stapled Securities in excess of their pro-rata entitlements ("Additional New Stapled Securities"). FKP will apply a scale back so that each of these securityholders will receive, in addition to their entitlement, an allocation of Additional New Stapled Securities up to a cap of 50% of the number of New Stapled Securities taken up by the securityholder in respect of their pro-rata entitlement (as previously announced there is also a cap of \$100,000 per application). The allocation of Additional New Stapled Securities is at FKP's absolute discretion and FKP's decision on the number of New Stapled Securities allocated will be final.

The resulting shortfall after the allocation of Additional New Stapled Securities is approximately 35 million New Stapled Securities, which will be issued to (or as directed by) the Underwriter, Goldman Sachs Australia Pty Ltd, under the terms of the Underwriting Agreement.

As announced on 30 August 2012, the institutional component of the Entitlement Offer ("Institutional Entitlement Offer") raised approximately \$163 million. The proceeds from the Institutional Entitlement Offer combined with approximately \$45 million raised from the Retail Entitlement Offer, brings total proceeds from the Entitlement Offer to approximately \$208 million.

Final allocations are subject to reconciliation and audit processes currently being conducted by FKP's share registry.

Allotment and issue of New Stapled Securities issued under the Retail Entitlement Offer is scheduled to occur on Thursday, 27 September 2012. These New Stapled Securities are expected to commence trading on the Australian Securities Exchange on Friday, 28 September 2012 with holding statements dispatched on Tuesday, 2 October 2012. Refunds for unfilled applications for Additional New Stapled Securities will be dispatched to securityholders as soon as practicable after this date.

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About FKP

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 Property Group (ASX: FKP) comprising FKP Limited ABN 28 010 729 950 and FKP Funds Management Limited ABN 17 089 800 082, AFSL No. 222273 as Responsible Entity for the FKP Property Trust ARSN 099 648 754.

Disclosures regarding forward-looking statements

This announcement contains certain 'forward-looking statements'. Forward-looking statements include those containing words such as: 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and other similar expressions. Any forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of FKP, including the risks and uncertainties described in the 'Key risk factors' section in the investor presentation given to ASX by FKP on the date of this announcement ("Investor Presentation"). This includes any statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements may include indications, projections, forecasts and guidance on sales, earnings, dividends, distributions and other estimates. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which those statements are based. These statements may assume the success of FKP Property Group's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond FKP Property Group's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, FKP assumes no obligation to update these forward-looking statements. To the maximum extent permitted by law, FKP, its directors, the underwriter and any of its related bodies corporate and affiliates, and their officers, partners, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information in this announcement to reflect any change in expectations or assumptions, do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement, and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

Not an offer

This announcement is not and should not be considered as an offer or an invitation to acquire New Stapled Securities or any other financial product and does not and will not form any part of any contract for the acquisition of New Stapled Securities.

The Entitlement Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the entitlements, the New Stapled Securities, or the Additional New Stapled Securities or otherwise permit a public offering of the New Stapled Securities or Additional New Stapled Securities, in any jurisdiction outside of Australia, New Zealand and the jurisdictions referred to in Appendix B ('Selling Restrictions') of the Investor Presentation lodged with the ASX on 28 August 2012.

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. None of the entitlements, the New Stapled Securities and the Additional New Stapled Securities have been, and none of them will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. The entitlements may not be taken up by persons in the United States and the New Stapled Securities and the Additional New Stapled Securities may not be offered or sold to persons in the United States, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The New Stapled Securities and the Additional New Stapled Securities to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act.

Disclosure

The underwriter (whether in that capacity, as Nominee or otherwise), together with its affiliates, is a full service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, investment research, principal investment, hedging, market making, margin lending, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses. The underwriter, in conjunction with its affiliates, is acting as sole lead manager, bookrunner and underwriter to the offer for which it has received or expects to receive fees and expenses. The underwriter (whether in that capacity, as Nominee or otherwise) and/ or its affiliates have performed, and may perform, other financial or advisory services for FKP, and/ or may have other interests in or relationships with FKP, and its related bodies corporate for which they have received or may receive customary fees and expenses.

In the ordinary course of its various business activities, the underwriter (whether in that capacity, as Nominee or otherwise) and its affiliates may purchase, sell or hold a broad array of investments and actively trade or effect transactions in equity, debt and other securities, derivatives, loans, commodities, currencies, credit default swaps and/ or other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/ or instruments of FKP, its related entities and/ or persons and entities with relationships with FKP and/ or its related entities. The

underwriter (whether in that capacity, as Nominee or otherwise) and/ or its affiliates, or their respective officers, employees, consultants or agents may, from time to time, have long or short positions in, buy or sell (on a principal basis or otherwise), and may act as market makers in, the securities or derivatives, or serve as a director of any entities mentioned herein. The underwriter (whether in that capacity, as Nominee or otherwise) and/ or its affiliates currently hold, and may continue to hold, equity, debt and/ or related derivative securities of FKP and/ or its related entities.

None of the underwriter (whether in that capacity, as Nominee or otherwise) nor any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you (or other statements upon which you may rely) concerning this Entitlement Offer or any such information. The engagement of the underwriter (or the Nominee) by FKP is not intended to and does not create any agency, custodial, fiduciary or other legal relationship between the underwriter (or the Nominee) and any stapled securityholder or other investor.