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AUSTRALAND

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AUSTRALAND ESTABLISHES $1.3 BILLION UNSECURED DEBT FACILITY

Australand has achieved a significant milestone in its capital management strategy with the successful establishment of a $1.3 billion unsecured syndicated bank debt facility, replacing existing secured facilities totalling $1.15 billion.

The new facility comprises three tranches: $325 million expiring in June 2012, $650 million expiring in June 2013 and $325 million expiring in June 2014. The new facility both reduces the concentration of debt expiring in any one year and extends the Group's debt maturity profile to 2.6 years.

The syndicate consists of existing lenders to Australand with the addition of one new lender to the Group.

The $1.3 billion unsecured facility replaces the secured $750 million Multi Option Facility which was due to expire in August 2011 and three secured bank bilateral facilities of $248 million, $100 million and $48 million expiring in April 2012, June 2012 and November 2012 respectively.

Pricing of the new facility is in line with current market rates and is an improvement on margins of the replaced facilities.

Australand has also established a Euro Medium Term Note Programme to enable access to offshore debt capital markets. This will assist the Group in further diversifying its sources of debt capital and improve access to longer dated funding.

Australand's Chief Financial Officer, Kieran Pryke said "we are pleased to have achieved this first step in moving to a totally unsecured borrowing platform. The new facility represents further progress against the Group's capital management objectives, unencumbering approximately $2.4 billion of the Group's assets, improving the Group's liquidity position, extending the debt maturity profile, providing a lower average cost of debt and driving a reduction in administration costs across the Group".

"This transaction demonstrates the support of Australand's relationship banks and positions the Group well by improving its financial flexibility and further diversifying its funding sources" Mr Pryke added.

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