

ANNOUNCEMENT



24 August 2006

ASX Announcement – VPG

VALAD RAISES \$98.2 MILLION THROUGH INSTITUTIONAL PLACEMENT

Valad Property Group (ASX: VPG) is pleased to announce the successful completion of an institutional placement of 67.7 million securities, which was underwritten by UBS AG, Australia Branch.

The placement closed oversubscribed at \$1.45, the top of the indicative bookbuild range, raising a total of \$98.2 million. The issue price of \$1.45 represents a 1.5% discount to the 5-day VWAP.

'We are delighted with the strong demand for the placement and the demonstration of investor support for the future direction of our business,' says Guy Farrands, Chief Executive Officer of Valad. 'The funds raised from the placement will enable us to continue to take an opportunistic, lateral approach to real estate transactions, and deliver added value to VPG investors.'

The proceeds of the offer will provide VPG with enhanced balance sheet capacity as it pursues its significant transaction pipeline.

'Valad's reputation as an investor and our ability to execute efficiently and confidently saw over \$1.2 billion in transactions undertaken during the 2005/2006 financial year,' says Farrands. '90% of all acquisitions were made off-market which attests to Valad's ability to secure real estate investment transactions ahead of competitors.'

Allotment and quotation of new units issued in the placement is expected to occur on 30 August 2006. The new units will rank equally for distributions with existing units.

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About Valad

Valad Property Group (ASX Code: VPG) is a stapled security combining a listed property trust and a funds management company, with total assets under management in excess of \$2.1bn, and market capitalisation of more than \$800 million. The listed property trust, Valad Property Trust, invests in stable income generating property assets. The funds management company, Valad Funds

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Management, offers property investments across a range of risk/return profiles from investment property portfolios to specialist and value-adding investment opportunities, and is Australia's leading manager of value-adding property funds.

www.valad.com.au