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29 October 2009

Australian Stock Exchange
Company Announcements Platform

Press Release 29/10/2009

OVER FIFTY GROUP'S PROPERTY DIVISION BACK ON ACQUISITION TRAIL WITH MAJOR ADELAIDE CBD ACQUISITION

Over Fifty Group's ("OFG") property funds management subsidiary, Century Funds Management, is back on the acquisition trail, exchanging contracts to purchase the office component of a new 19 level mixed use building at 131 Grenfell Street Adelaide for \$16.4 million.

The acquisition for OFG's new unlisted property fund is a 4,052 square metre property leased over a 10 year term to the South Australian Government and will be occupied by the Department of Infrastructure, with annual 4 per cent rent reviews.

The acquisition takes OFG property funds under management to \$895 million and total funds under group management to \$1.9 billion.

CEO of OFG, Mr John McBain said, "Century has been cautious over the past 18 months and while many properties have been reviewed, none were purchased. It is only now that we are seeing good quality investment grade property entering fair value range.

"It is helping the property group that we have fewer competitors for these sorts of properties. We are one of the few direct property players with the ability to purchase in the current market and the prospects for OFG further increasing its funds under management are extremely positive.

"We have isolated the Adelaide market as having particularly strong fundamentals and it has the lowest office vacancy rate of all Australian capital cities (5.2%). Initial interest from Century's client base is very strong and is anticipated that the offer will be subscribed quickly," added Mr McBain.

Century has formed a new single asset unlisted property trust, "Century Property Trust No 13" to hold the asset and the forecast trust return is 8 per cent, increasing each year in line with the annual rent reviews.

Mr Bain said, "OFG has aggressive plans to strengthen our property funds under management and we see the current environment as a once in a lifetime opportunity to secure quality investment grade property on behalf of our established client base."

At the same time OFG Friendly Society bonds are experiencing a resurgence of interest as their tax effective benefits become increasingly attractive in the light of recent changes to regulations which restrict the amount individuals can contribute to superannuation.

OFG is developing a range of new bonds to be released to the market following regulatory approval.

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