

ASX ANNOUNCEMENT

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The Manager
Australian Stock Exchange**

ALE PRICES INAUGURAL AMTN

Highlights

- ALE prices \$335 million AMTN to refinance existing CMBS and ALE Notes 2
- Refinancing will extend weighted average duration of debt to 6.5 years
- Competitively priced issue further simplifies ALE's capital structure and diversifies its funding sources.

Inaugural Medium Term Note Issue

ALE Property Group (ASX: LEP) is pleased to announce that today its subsidiary ALE Direct Property Trust successfully priced an inaugural Australian Medium Term Note (AMTN) issue of \$335 million in the following tranches:

- \$110 million at a fixed coupon rate of 4.25% and a term of 3.25 years. The rate includes a margin of 1.30%; and
- \$225 million at a fixed coupon rate of 5.00% and a term of 6.25 years. The rate includes a margin of 1.50%.

Proceeds from the AMTN issue will be applied to redemption of the following existing funding facilities:

- \$160 million of CMBS; and
- \$165 million of ALE Notes 2.

The redemption of the CMBS is expected to proceed shortly after settlement of the AMTN issue, with ALE exercising its rights to redeem prior to scheduled maturity. The ALE Notes 2 are expected to be redeemed in accordance with their terms on their maturity date of 20 August 2014.

Following completion of the AMTN issue and refinancing the weighted average duration of ALE's debt facilities will increase from 4.3 to 6.5 years.

Commenting on the note issue, ALE Managing Director Andrew Wilkinson said "We were delighted with the strong response we received from a wide range of domestic and international institutional investors. This refinancing represents a further step by ALE to simplify our capital structure while also diversifying the group into wider capital markets and lowering the cost of funding."

The joint lead managers for the issue were Citigroup Global Markets Australia and UBS AG, Australia Branch.

ALE Direct Property Trust, an entity wholly owned by ALE Property Group, holds a provisional rating of Baa2 / Stable by Moody's Investors Service.

- Ends -

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