

ASX ANNOUNCEMENT - VPG

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**VALAD PROPERTY GROUP AND KENNARDS
SELF STORAGE ACQUIRE MILLERS
PORTFOLIO TO BECOME AUSTRALIA'S
LEADING OWNERS OF SELF STORAGE
CENTRES**

Valad and Kennards today announced a 50:50 joint venture acquisition of the Millers Self Storage portfolio for \$215.1 million.

Miller's is the largest provider of self-storage centres in Australia with 24 freehold centres, representing approx. 195,000 square metres of self-storage space.

Kennards will utilise its significant experience and knowledge in the operational and management aspects of a self-storage portfolio while Valad will provide its expertise in active property development and re-positioning of real estate assets.

"The Australian self storage industry represents one of the fastest growing segments within the property sector," said Mr Peter Hurley, Managing Director, Valad Property Group.

"We are delighted to make this acquisition, and are particularly pleased to be partnering with Kennards, whom we regard as market leaders. Kennards co-investment in this venture is consistent with Valad's philosophy of alignment of interests, with each partner investing in equal proportions.

I look forward to utilising our complementary strengths in real estate and self-storage to achieve the best possible returns from the portfolio.

Sam Kennard, Managing Director of Kennards Self-Storage said: 'The Millers acquisition provides a significant opportunity to benefit from the synergies arising from consolidation in this highly fragmented industry'.

"We are very excited to have acquired this portfolio. When considered in a global context, the Millers business and portfolio is a world-class asset in our industry." Kennard says.

Kennards Self Storage currently operates 29 locations in most of Australia's metropolitan centres. The combined group will now consist of 60 locations, and over 30 000 storage spaces, making it one of the 40 largest storage operators in the world.



Valad Property Group



The Kennards and Millers businesses both enjoy reputations as leaders in the self storage industry, reflecting employees who share a strong commitment to quality and service. We expect the combined Kennards and Millers operations to fit together well to create the leading self storage business in Australia.

Sam Kennard, and Valad's Head of Transactions, Mr Martyn McCarthy together negotiated the acquisition.

Martyn McCarthy said "The Millers Portfolio adds substantial diversification, growth opportunity and point of difference benefits to Valad Property Group. The Group's revenues will now be derived from income from a total of 24 owned properties in NSW, Queensland and Victoria."

The purchase of portfolio is expected to be completed by 18 October 2004.

For further information:

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