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MEDIA RELEASE

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RUN ISSUES REVISED 2006 FORECAST

RUN Corp Limited, Australia's largest specialist property management company, today issued a revised forecast for the financial year ending June 2006.

Mr Paul Villanti, Chief Executive Officer, said RUN was now expecting an EBITDA loss of \$6.85 million (prospectus forecast loss \$2.2 million); and an NPAT loss pre amortisation of \$6.5 million (prospectus forecast loss \$4.3 million).

Mr Villanti said there were three main reasons for the revised forecast.

The first was increased costs due to higher than anticipated staffing levels which had been necessary due to an unprecedented and unexpected number of tenant enquiries, the complexity and time required to integrate rent rolls and the need to maintain customer service levels. The second was the result of a decision by the company to slow down the further acquisition of rent rolls which in turn has impacted forecast revenue streams. The third reason, as previously announced, was lower revenues due to the removal of inactive properties from agency portfolios before RUN had assumed ownership of the property management rights.

Mr Villanti said the company's decision to slow down the acquisition process of rent rolls had been made in order to place a greater focus on optimising integration benefits for the company.

He said that RUN had approximately 23,000 properties under management as at 31 March 2006.

Integration of rent rolls on to RUN's proprietary property management system has proceeded with no disruption to normal service delivery. As at 31 March 2006, customer and transaction data for approximately 14,000 properties had been successfully transitioned to RUN's system including all Melbourne acquisitions (14 rent rolls) and the largest Sydney acquisition (McGrath). The remaining Sydney 2005 acquisitions are scheduled to be transitioned within the next three months.

Mr Villanti said as a result of the revised 2006 forecast, the company was currently undertaking a review to update its outlook for the year ending June 2007. A further market update would be provided later this month.

“The company remains committed to further growth. There has been significant progress in building the business and the company is pleased with the acquisition opportunities that are under discussion. However, it is important that we don't push ahead with additional acquisitions at a pace which sacrifices achieving integration benefits and providing excellent customer service,” he said.

About RUN Property

RUN Property is a national, single-focus property management company established in 2004. The company listed on the ASX in December 2005.

The company's business model, a unique mix of service skills, processes and technology, is the only one of its kind in the property management industry, enabling RUN to offer superior customer service to owners and tenants alike.

The Board comprises Mr Frank Cicutto (Chairman), Ms Jane Tongs (Non Executive Director), Mr John McGrath (Non Executive Director); Mr Sam Herszberg (Director), Mr Nathan Cher (Director) and Mr Paul Villanti (Chief Executive Officer).

Mr Rob Farmer (Chief Operating Officer) and Mr David Holden (Chief Financial Officer & Company Secretary) are non board members of the senior management team.

For further information or interviews with Mr Villanti, please contact:

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