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MEDIA RELEASE

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RUN PROPERTY: NEW CEO & NEW BUSINESS MODEL

RUN Corp Limited today announced changes to the company's management team and further details of its revised business model.

Changes to Management Team

Chairman Mr Frank Cicutto said that Mr Paul Villanti had stepped down as Chief Executive Officer and Managing Director of RUN and that Mr Nathan Cher had been appointed to that role.

Mr Cher is one of the original two co-founders of RUN and its second largest shareholder with over 10 million shares. He is a former co-founder and director Dimension Data Australia, formerly known as Com Tech Communications and has substantial property holdings in Melbourne and Sydney.

"I am confident that Mr Cher has the intellect, commercial expertise and leadership skills to steer the company through this important phase of consolidation," said Mr Cicutto.

Mr John McGrath, Non Executive Director, is to take a more hands on role within the company in relation to organic growth and integration of the New South Wales business. Mr McGrath is the founder of McGrath Estate Agents and founder and Chairman of realestate.com.au Ltd.

Mr Cicutto said that the Board would institute a search for a long term successor to Mr Cher over the coming months.

He said the Board would like to thank Mr Villanti for his contribution in helping to build the company from inception in 2004 to its public listing last December.

"In that time, RUN has acquired over 23,000 properties in Victoria, New South Wales and Queensland, making it by far the largest property management business in Australia," he said. "This is a major achievement and testament to Mr Villanti's considerable business development skills.

Mr Villanti will continue to consult to RUN on the development of new business channels.

New CEO Statement

"I make no bones about the fact that having a significant shareholding in RUN, I want to see it steered towards a profitable future," said Mr Cher.

"I am the first to admit that we have encountered some teething problems with service delivery and rent roll integration in the last three months.

"But let's not forget that RUN is an innovator and in this respect, we are streets ahead of any of our competitors.

"First, RUN owns or controls the management rights to more strategically placed rental properties than any other property management company in Australia. Second, we own a unique workflow management and shared services technology platform which simply cannot be matched on this scale anywhere in Australia or, as far as I know, anywhere in the world. And last but not least, we have taken first mover advantage.

"In the last two months, we have gained valuable operational experience and insights. We have listened and we have learnt. Now it's time to raise the bar on delivery," he said.

Revised Business Model

Mr Cher said that the decentralisation of RUN's client service delivery operations was progressing as planned. This would result in the business being closer to its customers and would also achieve a number of operational improvements.

"Re-locating our property managers and leasing consultants closer to their owner and property base will enable them to deliver even more personalised, efficient service with a strong local touch," he said. "At the same time, we retain all the cost benefits of scale and centralised shared services including trust accounting, electronic property record imaging and administration.

"We expect the decentralisation program will also reduce expenses in a number of areas including staff travel time and costs; office rental expenses; and staff time in managing owner and tenant queries.

"In addition, we are continuing our systems innovation to achieve more cost effective customer service delivery," he said.

Mr Cher said that over the next three months, he hoped to complete the move of all Melbourne based RUN client service staff and services into four regional hubs covering the north west, inner city, north and south eastern areas. RUN expects offices to be established initially in the six suburbs of Essendon, Richmond, South Yarra, Clifton Hill, Carlton and Malvern.

"We are looking at good quality premises without a fashionable price tag," he said.

He said that in Sydney, RUN already operated in suburban areas in Edgecliff, Bondi Beach, the CBD, Artarmon, St Leonards, Hurstville, Gordon and North Ryde. Likewise in Brisbane, client services were located in suburban areas in Toowong, Nundah, Coorparoo, Beenleigh and Springwood.

Shared services operations such as finance, trust accounting, mail processing and imaging and administration will remain at head office in Port Melbourne but will move to premises in an inner city suburb in the next six months. The Port Melbourne premises will be sub-let.

In this period of stabilisation, Mr Cher also confirmed the decision taken by the Board last month to slow down the acquisition of further rent rolls unless they were highly value accretive. The company was, however, continuing to progress planned acquisitions of 2,000 properties over the next six months.

Financial Outlook

Mr Cher said that he will be reviewing the company's financial position in detail and will report forecasts for the financial year ended 2006 and preliminary 2007 on completion of that review.

He added that from ongoing discussions with RUN's bankers he was more than confident that they were supportive of the company.

Management Background

Before establishing RUN, Mr Cher was a co-founder and director Dimension Data Australia, formerly known as Com Tech Communications. He is currently a Director of Holly Australia, a speech recognition platform vendor and Global Reviews, a customer experience measurement business. He is a Fellow of the Australian Institute of Company Directors and has substantial residential and commercial property holdings in Melbourne and Sydney.

Mr McGrath is the founder of McGrath Estate Agents, Australia's largest privately owned real estate group with sales in excess of \$2.0 billion; Director of the McGrath Group of Companies and the Rawson Group; and Chairman and founder of realestate.com.au Ltd, Australia's largest real estate website.

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.

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

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

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