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MEDIA RELEASE

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RUN ANNOUNCES RE-STRUCTURE

RUN Corp Limited today provided an interim report on its strategic and operational review which was announced earlier this month.

Mr Frank Cicutto said that Ms Jane Tongs has been appointed Executive Director responsible for implementing a restructure of the operations of the company and the 2007 plan as a result of the operational review. She will also develop and carry out a new plan for service delivery to improve service and efficiency levels across the company; and will plan and monitor the integration of the NSW rent rolls.

Chief Executive Officer Mr Paul Villanti said that while experience over the last four months had shown that parts of the RUN model were working well, the restructure is effective immediately in order to address some areas that are not cost effective.

Ms Tongs said that it was appropriate at this stage in the company's growth to have a strategic pause in order to ensure that its operations were rock solid. She said that the restructuring plan comprised two key components.

Firstly, the company will decentralise its client service delivery operations and set up offices in suburban areas in order to move staff and services closer to its property and customer base.

Secondly, as announced earlier this month, the company will delay the further acquisition of rent rolls unless they are considered highly value accretive. However, RUN expects its current 23,000 properties under management to increase to 25,000 through planned acquisitions in the next six months.

Ms Tongs said that the financial impact of the restructuring plans on the company's 2006 results is not possible to quantify at this stage as detailed implementation plans were still being worked through in many areas.

She said that some restructuring expenses will be incurred in the short term due to expenses associated with business relocation and downsizing the expense base.

Revised forecasts for operating results for the year ending June 2006 were announced on 4 April 2006. These set out 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).

Ms Tongs said that the company will undertake a review of the carrying value of its assets consistent with impairment testing requirements of the Australian equivalents of the new international accounting standards. This would take into account the market value of rent roll assets and the projected cashflow generation from these assets in future years. These cashflows would take into account the detailed financial impacts arising from the restructuring program. No allowance for asset impairment, if it were to occur, has been included in the 4 April forecasts for the year ended June 2006. If an adjustment should occur, it would be a non cash item.

In relation to results for the year ending June 2007, Ms Tongs said that it was too early to determine the range of possible financial outcomes given the detailed work that would be undertaken in coming weeks. However, she said that at this stage, having regard to a number of factors including the decision of directors in relation to further acquisitions and restructuring activities, forecasts contained in the prospectus issued by the company in October 2005 would not be met.

“The restructure will enable RUN to make improvements in revenue streams and reductions in costs while at the same time achieving economies of scale in shared service operations such as trust accounting and administration,” said Ms Tongs.

“We will be issuing further market updates on a continuous basis as the restructure progresses,” she said.

Mr Villanti said: “As Australia’s largest specialist property management company, the Board and management are committed to developing the significant assets the company has and to leveraging the investment it has already made in its people, processes and technology.

“By moving our people and services closer to our client base, we are also committed to providing high quality customer service to all our owners and tenants.

“RUN has already succeeded in significantly lowering the vacancy rates and levels of arrears of the portfolios we have acquired and we believe that following the restructure, the business will be well positioned to move forward.

“We are in this business for the long haul and our priority is on refining the business model as we grow to achieve that,” 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 (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 interviews with Mr Villanti and Ms Tongs, please contact:

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