



**Commonwealth** Bank

## Media Release

### **COMMONWEALTH PROPERTY FUND SIGNS MERCER FOR 11 EXHIBITION STREET DEVELOPMENT**

**Sydney, 6 February 2002:** Commonwealth Property Fund (CPF) has announced the \$100 million + development of 11 Exhibition Street in Melbourne's CBD will be anchored by William M Mercer Pty Ltd.

Mercer has committed to a 10 year lease of 10,000 square metres of space commencing December 2003 with an option for Mercer's sister company Marsh to also move into the building.

If the option is exercised, the total leasing pre-commitment by Mercer and Marsh will represent 66% per cent of the total net lettable floor area of 11 Exhibition Street.

11 Exhibition Street is adjacent to 101 Collins Street which is also owned by CPF.

According to CPF, the combination of leading architectural and building services specifications and a proven service culture will create an environment equal to 101 Collins Street.

CPF acquired the site at 11 Exhibition Street in 1998 to protect the views of 101 Collins Street and enhance the amenity of the "101 environment".

Fund Manager, Mr Rod Cowdroy believes the development of 11 Exhibition Street provides significant benefits to all stakeholders in 101 Collins Street.

"Over 500,000 Australian superannuation policy holders will receive enhanced returns through the project," Mr Cowdroy said.

"Furthermore, the longer term performance of 101 will be protected through the provision of additional space for tenants to grow into as business expands," he said.

During 2001, Mercer examined a number of alternative buildings with a view to move from their existing space at 101 Collins Street.

Mercer's Chief Executive, Mr Simon O'Regan said

"11 Exhibition Street will be an excellent home for Mercer in Melbourne, combining an exciting location with excellent access and facilities for our clients and staff. We have had a good working relationship with 101 and CPF and we look forward to continuing our association".

Mr Cowdroy added that Mercer had been one of 101's best tenants throughout their 9 year tenancy in the building and he was delighted to extend the relationship and continue to provide the best quality of service in the market.

11 Exhibition Street comprises more than 21,000 square metres of office space and 1,600 square metres of retail space.

The tower was designed by Bates Smart. Grocon has been appointed to construct the building over a 22 month period commencing 8 February 2002.

CPF is fully financing the total construction cost of more than \$65 million.

The development of 11 Exhibition Street reinforces the strength of the Paris end of Collins Street as it follows the recent announcement of the Ernst & Young move to the Herald & Weekly Times site directly opposite 11 Exhibition Street.

CPF is the largest wholesale property fund managed by Colonial First State Property, the property funds management arm of Commonwealth Bank of Australia.

The fund is a fixed life unlisted property fund comprising \$2.4 billion in retail and office assets, with unitholders including major superannuation funds.

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