

8 June 2005



ABN 88 010 916 935

**LEYSHON PROPERTY FUND NO. 3 – ANNOUNCEMENT TO BSX**

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Leyshon is pleased to announce that it has acquired a redevelopment site at Palm Beach on Queensland's Gold Coast for approximately \$11 million.

The 9,800 square metre site is bounded by the Gold Coast Highway and Fourth and Fifth Avenues and is currently occupied by a neighbourhood shopping centre.

The site is located in the heart of the existing Palm Beach retail and commercial hub and is just one block from the beach.

The site provides considerable scope for a consolidated mixed-use development that comprises retail, commercial and residential components.

Leyshon is currently considering redevelopment options for the site, which are expected to include the rejuvenation of the existing retail centre.

Anchor tenant of the existing centre, Bi-Lo, has flagged its interest in remaining at the centre following any redevelopment.

Attached is the media release in relation to this announcement.

Yours faithfully  
LEYSHON



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Geoff McMahon  
Managing Director

Attached

8 June 2005

**MEDIA RELEASE**

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**Palm Beach development site  
acquired for Leyshon Property Fund No. 3**

Leyshon Property Fund No. 3, which was established by Leyshon in December 2004 for the purpose of investing in a range of high quality, performance-based properties, has been further boosted following the acquisition of a prime redevelopment site at Palm Beach.

The 9,800 square metre site is bounded by the Gold Coast Highway and Fourth and Fifth Avenues and is currently occupied by a neighbourhood shopping centre anchored by Bi-Lo and supported by a number of smaller retailers.

The Palm Beach site has been purchased from Palm Beach Developments Pty Ltd for approximately \$11 million.

Managing Director of Leyshon, Mr Geoff McMahon, said because of its location just one block from the beach and within the existing Palm Beach retail and commercial hub, the site was ideal for a consolidated mixed-use development that comprised retail, commercial and residential components.

"We are currently considering redevelopment options for the site which will integrate these complementary uses," Mr McMahon said.

Mr McMahon said Bi-Lo had indicated its enthusiasm for a rejuvenation of the centre and had flagged an intention to remain as the anchor tenant for the redeveloped centre.

"Other retail and commercial space within the redeveloped centre is expected to be leased to a combination of existing and new tenants."

Mr McMahon said even though it has been some time since the centre had been rejuvenated it held a commanding position on the Highway and within a precinct that included Queensland Government offices, a range of professional and health-related services and a number of restaurants and cafes.

"We are confident that once the centre is redeveloped it will become a popular local shopping centre, with passing trade supported by the on-site population within the residential component of the development," Mr McMahon said.

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He said while plans were being finalised, the residential apartments were likely to comprise a mix of one, two and three bedroom units suitable for both owner-occupier and investor markets.

"From a design perspective we will focus on maximising the spectacular ocean views through the provision of generous balconies and the provision of a range of community amenities such as swimming pool, bar-b-que facilities and landscaped gardens," Mr McMahon said.

Leyshon Property Fund No. 3 currently comprises a portfolio of property including the London Woolstore residential apartment building at Teneriffe in Brisbane and 99 Melbourne Street, a recently completed commercial office building at South Brisbane.

ENDS

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