



EUMUNDI GROUP

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EUMUNDI GROUP – CONTRACT TO ACQUIRE ASPLEY ARCADE SHOPPING CENTRE NOW UNCONDITIONAL

Eumundi Group Limited is very pleased to announce that a contract to acquire two adjoining Shopping Centres, known collectively as the Aspley Arcade shopping centre, is now unconditional with settlement to take place 29th June 2007. Fully leased, the retail shopping centre has a GFA of approximately 2,220 m2.

The acquisition will be totally debt funded by the company's bankers, NAB, with CFO Suzanne Jacobi-Lee confirming *"the total post acquisition debt of the company will be \$32.7m and the company is well geared to service and reduce debt in conformity with the Board's debt reduction objectives, consistent with what occurred following the previous acquisitions"*.

Iain Thomson, the Eumundi CEO is very pleased with the acquisition. *"We have been talking on and off with the vendors and their representatives for over 12 months to achieve this result. It was never on the market. This is an exceptionally important and very strategic valuable acquisition for the Group, in that the centre is, significantly, contiguous to the group's existing Aspley Central shopping centre. The combined land area of these properties is 15,158 m2, a massive site considering we are strategically located on Gympie Road, which is one of the northern suburbs major arterial roads, in an established retail and commercial precinct in Aspley, one of Brisbane's prime northern suburbs. The back of the site (which has a two road frontage), is directly opposite and faces the busy Pick n Pay Hypermarket"* he enthuses.

The \$13 million purchase price represents a stand alone net yield of approximately 6.8% on current passing income. A diverse mix of national, state and local tenants provides a secure income base, with strong rental growth potential. However, the potential for future re-development of such a prime site is the real intrinsic value in the purchase.

Joe Ganim, the Chairman of Eumundi stated *"With a portfolio that is of the quality of the one we now have, with the prime Bribie Island shopping centre site, the Ashmore Tavern site and Home Hill all ripe for expansion/development and with Iain earmarking other possible acquisitions, the immediate task for the Board now is to vigorously explore the possibility of a strategic type partnership, JV or similar with another credible and compatible operation with proven development capabilities, personnel and a good track record. If we can achieve that to complement our expanding assets, it will enable the company and its shareholders to enjoy and participate in the significant development uplift, rather than, as we have in the past, chosen at times to on sell assets where a substantial profit was available"*.

Yours sincerely
Eumundi Group Limited

Leni Stanley
Company Secretary