

MEDIA RELEASE

Two recent property funds in Willoughby and Frenchs Forest deliver exceptional returns for shareholders

Key Highlights

- HPF2 [Willoughby] – 55% return (83% above forecast)
- HPF5 [Frenchs Forest] – 75% return (150% above forecast)
- HYECORP Funds Management Ltd granted Australian Financial Services License
- New development funds opening soon

5th May, 2010, Sydney: HYECORP Property Group today announced outstanding results for two of its development funds over projects in Sydney's prestigious lower North Shore. The results coincided with a move by HYECORP to focus more actively on property funds management, a strategy buoyed by the recent granting of its Australian Financial Services Licence (AFSL).

The HYECORP Property Fund No 2 Pty Ltd (HPF2) financed the mixed use development of 25 residential apartments and four retail suites on Frenchs Road, Willoughby – 'Maggee'. HPF2 returned 55 per cent since investment in late 2007, which was 83 per cent above the forecast return.

The HYECORP Property Fund No 5 Pty Ltd (HPF5), built 'taleen', a development of seven luxurious apartments and seven commercial/retail suites on Sorlie Road, Frenchs Forest. HPF5 returned 75 per cent, which was 150 per cent above forecast.

Director of Development and Funds Management, Stephen Abolakian, said the results demonstrate the continued demand for well-built, affordable apartments in the area. It also demonstrates that during difficult times, such as the recent GFC, investing in quality, well thought-out property developments can provide a buffer to volatility in other markets.

"The success of these funds highlight the importance of appropriately designed developments suitable for the economic climate – smaller, affordable, close to transport infrastructure, amenities and the city," he said. "It also shows the merit of a transparent, single asset, special purpose investment structure – keeping it simple with a back to basics approach. It also validates our investment philosophy."

HYECORP's investment approach is to apply conservative and realistic valuations to feasibility studies. This allows investors to receive the full benefit of the upside and take advantage of opportunities that work – instead simply adjusting figures to create an artificial profit.

Mr Abolakian said all residential stock had been fully sold.

HYECORP Property Group also announced that it had been granted an AFSL. "This will allow us to more readily welcome retail investors and self managed superannuation funds as investors in our funds. We plan to build this area as a core, third pillar of our business."

Mr Abolakian said HYECORP had a number of new developments in the pipeline and hoped to release details soon.

"We will continue to seek opportunities in and around the lower North Shore with the aim of inviting new investors to participate in these rare offerings"

About HYECORP

HYECORP Property Group is a leading diversified Australian property group with activities covering the development and construction of luxury medium-density residential units as well as high-yielding commercial and retail properties. HYECORP's three key operating areas are Property Development, Construction & Design and Property Funds Management

With the introduction of the Funds Management business HYECORP has been able to diversify and grow its model and expand its operations. Through its multiple property funds HYECORP has been able to allow both institutional and retail investors share in its success. The property fund gives investors the opportunity to invest in boutique property developments managed by the proven and successful HYECORP Property Fund model.

As at April 2010, HYECORP Property Group has over \$150 million worth of development projects forecast over the following 18 months.

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