

ASX ANNOUNCEMENT

4 February 2016

Announcement No. 01/16
The Manager
Australian Securities Exchange

Hedging Extended At Low Interest Rates

Highlights

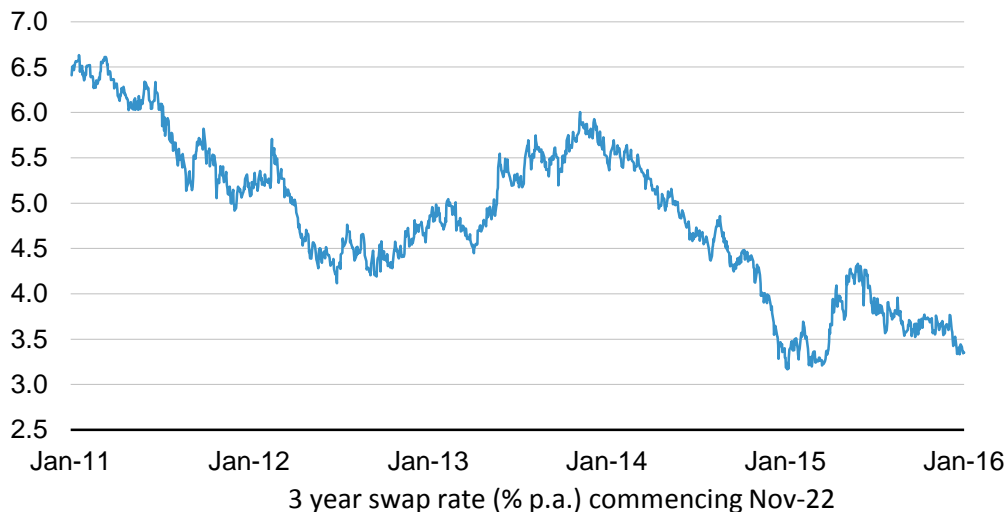
- Hedging of 100% of ALE's net debt extended to around 10 years
- Hedging extended by three years to November 2025 at rate of 3.46% p.a.
- ALE's securityholders will enjoy base interest rate certainty for an extended period of time.

Hedging Extension

ALE Property Group (ASX: LEP) announced today an extension of its base interest rate hedging arrangements.

The extension in hedging will protect ALE's securityholders from changes in interest rates on around 100% of ALE's forecast net debt for an additional three years to November 2025 at a base interest rate of 3.46%.

This additional hedging has been entered into at a time when long term base interest rates are at one of the lowest levels ever offered in the Australian capital markets. The following diagram demonstrates how longer term interest rates have moved over recent years:



As a result of this transaction, ALE's securityholders will enjoy base interest rate certainty for an extended period of time.

Summary of Hedging Arrangements

ALE had previously put in place a combination of fixed rate CIB and AMTN debt and forward start interest rate hedging.

To August 2017 the weighted average interest rate on all of ALE's debt is 4.35% p.a. comprising a base rate of 3.28% and a credit margin of 1.07%. After the 2017 and 2020 maturities of the fixed rate AMTN debt the base rates are hedged at 3.83% p.a. until November 2022 on around 100% of ALE's net debt.

Following this extension the base rates are hedged at 3.46% p.a. from November 2022 to November 2025 on around 100% of ALE's net debt.

- Ends -

Contact:

Andrew Wilkinson
Managing Director
ALE Property Group
02 8231 8588
Website: www.alegroup.com.au