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ALE PROPERTY GROUP

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Australian Leisure and Entertainment Property Group Financing Completed and CEO Appointed

KEY POINTS

- Australian Leisure and Entertainment Property Group ("ALE Property Group") announced today that it has completed its debt financing. It has achieved a weighted average cost of debt of 6.524% pa.

- Pursuant to the Lead Manager's Incentive Offer, ALE Property Group has granted Macquarie Equity Capital Markets Limited (the Lead Manager) 28.8 million Stapled Securities, bringing the total number of Stapled Securities on issue to 90.8 million.

- Macquarie Equity Capital Markets Limited has accepted offers at the issue price over virtually all of the securities to which it has become entitled under the Lead Manager's Incentive Offer, from third parties.

- ALE Property Management Limited has confirmed that forecast distributions for the Stapled Securities will be at the top of the range incorporated in the offer document. The recent RBA interest rate increase has not had an impact upon forecast distributions levels .

- Andrew Wilkinson has been appointed as Chief Executive Officer. Andrew brings a range of property and financing experience to ALE and will commence on 24th November 2003.

- ALE Stapled Securities (ASX Code: LEP)and Notes (ASX Code: LEPHB) are expected to list on the ASX this Wednesday, 12 November.

WEIGHTED AVERAGE COST OF DEBT, FINAL CAPITAL STRUCTURE

The weighted average cost of funds for the CMBS and ALE Notes issues has been finalised at 6.524% pa (over the Forecast Period in ALE's offering documents). This rate is below that assumed in the financial projections included in the product disclosure statement. The cost is a function of the pricing of the CMBS ($330 million) and ALE Notes ($150 million) and ALE Property Group's interest rate hedging arrangements.

The Lead Manager was entitled to be issued with 480,000 Stapled Securities for every basis point by which the weighted average cost of debt achieved was less than 7.335% pa. The incentive fee was subject to a maximum of 28.8 million securities if a rate of 6.735% pa or below was achieved. Based on the actual rate achieved by the Lead Manager 38.9 million securities would have been issued in the absence of the term that set a maximum limit . The difference in cost between 6.524% and 6.735% is for the benefit of the stapled securities holders.

"The pricing of the ALE Notes and CMBS exceeded expectations reflecting the strong demand from the institutional market for these securities" said Peter Warne, Chairman of ALE Property Group. "With the issue of securities under the Lead Manager's Incentive Offer a total of 90.8 million stapled securities will be on issue on listing. Macquarie has distributed over 95% of the securities it has received under the offer to institutions thus alleviating any concentration in ownership and potential market risk should it have endeavoured to sell the securities post listing."

The nominees to who the Lead Manager's stock was placed were predominantly institutions and other professional and sophisticated investors (as defined by Corporations Law).

ALE Property Group entered into hedging in early October 2003 to lock in base rates for the $480m debt to be issued in accordance with its underwriting agreements with Macquarie. The recent RBA interest rate increase does not have an impact upon the forecast distributions.

ALE Property Group has today completed its acquisition of 105 pubs in accordance with the offer documents.

FORECAST DISTRIBUTIONS

The weighted average cost of debt achieved of 6.524% pa is significantly below the financial projections included in the product disclosure statement, which has led to interest cost savings and thus there is additional cash available to ALE Property Group.

As a result of the interest rates achieved on the debt funding, ALE Property Management Limited has confirmed that it anticipates achieving the forecast distributions at the top end of the range presented in the offer documents. These forecasts are based upon the assumptions in the offering document.

7 November 03 30 June 04	30 June 05	30 June 06
10.1% pa	11.4% pa	13.2% pa

CEO APPOINTMENT

Mr Andrew Wilkinson has been appointed as CEO of the ALE Property Group. Andrew was previously a partner with PricewaterhouseCoopers where he specialised in providing financial and strategic advice for significant property and infrastructure assets. Andrew's prior experience also includes 15 years in finance and investment banking.

BACKGROUND ON ALE

ALE has been established to acquire the property assets arising from the divestment by Fosters of its hotel operations business conducted by ALH, previously a wholly owned subsidiary of Foster's.

The 105 pubs acquired in the portfolio are spread throughout the mainland states of Australia. The portfolio includes iconic Australian pubs such as the Breakfast Creek Hotel in Brisbane, Young & Jackson Hotel in Melbourne and the Sail & Anchor in Fremantle

Each pub in the portfolio of assets that is being acquired has been leased by ALE to ALH for an initial term of 25 years with four 10 year options to renew. On completion of the acquisition, ALE's portfolio will comprise a unique mix of assets with long term leases with a tenant that has a strategic and financial interest in maintaining the properties.

ALE will have limited responsibility for the day to day property management. Under the leases ALH will be responsible for the majority of outgoings, insurance, maintenance and repairs. All plant, furniture and equipment, gaming and liquor licences and goodwill and the right to profit from potential property developments will be owned by ALH.

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FACT SHEET

CAPITAL STRUCTURE

The ALE Property Group funding structure has both debt and equity components.

Security	Amount
Stapled Securities	$90.8 million
ALE Notes	$150 million
CMBS	$330 million
Total	**$570.8 million**

STAPLED SECURITIES

Each Stapled Security comprises:

- One Unit in Australian Leisure and Entertainment Property Trust; and
- One Share in Australian Leisure and Entertainment Property Management Limited.

The Unit and the Share are Stapled together under the terms of the Constitution and cannot be traded separately. Details of the offers are set out in the Stapled Security Prospectus and Product Disclosure Statement.

ALE NOTES

Key Features of the Notes

- 8 year maturity, with paying a fixed rate of interest to be set based upon 1% over the swap rate on allotment
- cumulative un-franked interest payments payable semi-annually in arrears;
- the benefit of Foster's covenants in relation to payment of interest and principal under the ALE Notes Trust Deed;
- a credit rating of BBB from Standard & Poor's ("S&P") and Baa1 from Moody's;
- a Redemption Value of $102.50 at any time the ALE Notes are redeemed;

CMBS

CMBS, or commercial mortgage backed securities, are capital markets bonds secured by mortgages over commercial properties (including relevant rental cash flows). ALE Property Group, through its wholly owned financing company, ALE Finance Company Pty Limited, is issuing $330 million of CMBS as part of its funding. ALE's CMBS are separated into several tranches with the following features:

Class	Indicative S&P Rating	A$m	Pricing
A1	AAA	100	6.66% pa (equivalent to swap + 0.45% pa)
A2	AAA	110	3 Month BBSW + 0.47% pa
B2	AA	40	3 Month BBSW + 0.67% pa
C2	A	45	3 Month BBSW + 0.90% pa
D2	BBB	35	3 Month BBSW + 1.20% pa

Some key features of ALE's CMBS are as follows:
- Security over 101 of ALE's pubs in addition to priority access to the business value of those pubs if ALH defaults under its leases.
- Scheduled maturity of 5 years with a final maturity of 7 years.
- Prepayable after 2 years.

Macquarie Bank Limited was Arranger and Joint Lead Manager of the CMBS issue with Australia and New Zealand Banking Group Limited also acting as a Joint Lead Manager.