



**Tuesday 8 April 2008**

## **Jones Lang LaSalle and Colonial First State Property Management enter into a Joint Venture to form Sandalwood Pte Limited**

Jones Lang LaSalle Incorporated (NYSE: JLL), and Colonial First State Property Management have entered into a joint venture partnership to capitalise on the premium retail property opportunities in Asia. The 50:50 joint venture company, named Sandalwood Pte Limited ('Sandalwood') will be the first integrated retail development and management service provider to operate across Asia.

### **The JV partners**

Jones Lang LaSalle is a global real estate money management and services firm operating in more than 700 cities in over 60 countries. In Asia Pacific, the firm has over 50 years of experience with a network of more than 70 owned offices in 13 countries across the region.

Colonial First State Property Management is one of Australia's largest full service property development, management and leasing specialists. Since its inception in 1983, the firm has undertaken more than 25 major shopping centre developments and now manages 36 centres on behalf of third party clients in every state of Australia, including iconic Chadstone Shopping Centre in Victoria, Chatswood Chase in Sydney and QueensPlaza in Brisbane.

### **A combination of strengths in Asian retail**

Sandalwood's scope of services will include retail consultancy, leasing, development and shopping centre management. Its head office will be located in Singapore and the company will launch its operations in two phases. The first phase covers Singapore, Hong Kong, China, Macau, Taiwan, Indonesia and India.

Peter Barge, Asia Pacific Chief Executive Officer at Jones Lang LaSalle said, "This joint venture comes at an opportune time, when the retail sector in Asia is enjoying robust growth, buoyed by consistently strong economic performance, positive consumer sentiment and increasing affluence in the region. Results of our latest annual Retailer Sentiment Survey also showed broad retailer optimism in Asia, with 76% of survey respondents anticipating higher growth in turnover in 2008 and nine out of ten survey respondents planning to expand their retail operations. All these positive indicators present tremendous retail opportunities for the new joint venture company."

"By leveraging on Jones Lang LaSalle's extensive geographic footprint in Asia and global connections with European and US retailers as well as Colonial First State Property Management's proven expertise in property development, intensive asset management and strategic leasing, Sandalwood is well positioned to capitalize on these opportunities," adds Mr Barge.

Darren Steinberg, Head of Listed Property Funds and Colonial First State Property Management says: "Asian economies are amongst the fastest growing economies in the world with real GDP compound average growth

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of approximately 9% per cent per annum over the last five years, and their retail management and property development markets have grown at a compound average growth rate of more than 20% in the same period.

“Colonial First State Property Management’s specialist retail property management skills enable property owners to receive the benefit of master planning and development expertise which is critical to ensuring assets are enhanced and strategically positioned for long-term growth and success. With over 20 years’ experience, our property development model relies on an intensive asset management focus, allowing us to operate more like owners aiming to maximise the income and long term asset value by drawing on the breadth and depth of our in-house research capabilities, as well as our understanding of broader retail and consumer trends.”

### **New CEO**

Stewart Hutcheon has been appointed as the new Chief Executive Officer of Sandalwood. Mr Hutcheon is well known and highly regarded by the retail management and property development community in Australia. His impressive career includes over 18 years experience in the retail property sector. His most recent appointment was as Director of Leasing and Deputy Managing Director of AMP Capital Shopping Centres Pty Ltd, with shopping centre assets under management of approximately AUD\$9 billion. Prior to that, he spent over seven years at Westfield.

Mr Hutcheon says, “I am delighted to be heading up this new and exciting company. I look forward to working closely with the Sandalwood team together with Jones Lang LaSalle and Colonial First State Property Management to realize our vision of being the industry leader in Asia’s retail sector. The credibility and strength that both Jones Lang LaSalle and Colonial First State Property Management bring to the joint venture provide a solid foundation for Sandalwood to quickly and aggressively move to take advantage of the growing retail business and shopping centre management opportunities in the region”.

### **What lies ahead?**

Over 700 employees from both Jones Lang LaSalle and Colonial First State Property Management will move into Sandalwood. In addition, the company will be setting up a new best in class training centre in Melbourne, Australia to provide continuing education and skills development courses for its staff.

Mr Barge states: “From a Jones Lang LaSalle perspective, this joint venture allows us to significantly grow our retail business, in line with our overarching growth strategy. Collaborating with Colonial First State Property Management will provide us with access to their retail specialists, processes and systems. The combination of their skills and know-how and our retail footprint in Asia means that clients and prospects can look forward to higher levels of expertise, best practices and sophistication in operating their retail ventures.”

Mr Steinberg said: “The joint venture will allow Colonial First State Property Management to bring over 20 years of experience into the Asian market. Our competitive advantage is in our ability to start at the beginning of an asset’s lifecycle by ensuring the centre is built, managed, leased and marketed to its unique demographic needs. Where a centre is already established our competitive advantage is our extensive

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understanding of the retail sector and our ability to analyse and understand retail and consumer trends internationally.

Collaborating with Jones Lang LaSalle will allow us to build on our global connections with European and US retailers and provide us with access to local infrastructure, people, networks and licenses in Asia. This is the first of what is expected to be a series of new ventures throughout Asia, with Colonial First State Property Management taking its 'best in breed' retail property management services to international markets."

Mr Hutcheon concludes, "We are excited by the opportunities that lie ahead for Sandalwood. The retail business in Asia is growing and the pace is expected to accelerate, especially in markets such as China and India. The market and business outlook is extremely positive and Sandalwood is well-positioned to be an industry leader in the active retail sector in Asia."

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### **About Jones Lang LaSalle**

Jones Lang LaSalle (NYSE: JLL), the only real estate money management and services firm named to Forbes magazine's "400 Best Big Companies" for three consecutive years, has approximately 170 offices worldwide and operates in more than 700 cities in over 60 countries. With 2007 revenue of USD2.7 billion, the company provides comprehensive integrated real estate and investment management expertise on a local, regional and global level to owner, occupier and investor clients. Jones Lang LaSalle is an industry leader in property and corporate facility management services, with a portfolio of approximately 1.2 billion square feet worldwide. LaSalle Investment Management, the company's investment management business, is one of the world's largest and most diverse real estate money management firms, with approximately USD49.7 billion of assets under management. For further information, please visit our Web site, [www.joneslanglasalle.com](http://www.joneslanglasalle.com).

Jones Lang LaSalle has over 50 years of experience in Asia Pacific, with over 15,000 employees operating in more than 70 offices in 13 countries across the region.

### **About Colonial First State Property Management**

Established in 1983, Colonial First State Property Management (CFSPM), is today one of Australia's full service property development, management and leasing specialists. CFSPM has acquired more than two decades of intelligence on Australia's retail property markets, with the iconic Chadstone Shopping Centre in Victoria remaining as one of its outstanding achievements. Since inception, CFSPM has undertaken more than 25 major shopping centre developments and now manages 36 centres on behalf of third party clients in every state of Australia.

As a member of Colonial First State Global Asset Management, the largest manager of Australian-sourced funds, CFSPM provides critical services to a range of assets held within Colonial First State Global Asset Management's suite of listed and unlisted property funds and mandates. These services, covering the gamut of retail and office property requirements, are also provided to other third party clients outside the Colonial family of companies. Ultimately, CFSPM's key point of difference in the market place is the fact it has 700 professionals on the ground at any given time. This means CFSPM is close to the issues at hand and able to react quickly and strategically in every situation.

CFSPM has expanded its capabilities beyond the retail sector and is steadily growing its operations in the office sector. The business is committed to growing both parts of the business. With a core focus on maximising investors' returns on an asset by asset basis, CFSPM is a critical component of our property investment management offering.