

L.J. HOOKER™

THE MARKET

After the high interest rates of the late 1980s and the recession 'we had to have' it seemed Australians' love affair with bricks and mortar was about to be extinguished. However by the mid 1990's the flame was rekindled again as home ownership became increasingly affordable, largely spurred on by the entry into the marketplace of non bank mortgage lenders and lower interest rates.

Non bank lenders have provided fierce competition for banks in the home loan business, offering competitive interest rates, greater flexibility and fewer charges and penalties to consumers. By 1997 home loan rates were at their lowest level in twenty years.

The lower interest rates and competitive mortgage packages, coupled with current taxation laws and changes to superannuation laws have seen an increase in market activity, particularly in the first home buyer and investor segments.

These market forces all contribute to Australians having one of the highest levels of home ownership in the world.

ACHIEVEMENTS

L.J. Hooker is one of Australia's earliest and longest running franchised businesses. The original real estate business was established in 1928. In 1964 Len Tosh, the man credited with introducing the franchising concept to Australia, became General Manager of L.J. Hooker and later opened the company's first franchise offices in 1968.

Today L.J. Hooker is the largest franchised real estate network in Australasia and the fifth largest in the world. It boasts a network of over 600 franchises throughout Australia and has franchised offices in Papua New Guinea, Hong Kong, Singapore and New Zealand.

The L.J. Hooker's franchising system has twice won the Franchisors Association of Australia and New Zealand "Franchising Excellence Award" and in 1996 received the ultimate accolade when L.J. Hooker was named "Australian Franchisor of the Year".

For the last 11 years L.J. Hooker has commissioned Newspoll to conduct a national brand awareness and attitude study to determine L.J. Hooker's strength in the marketplace. Every year the Newspoll study has revealed that L.J. Hooker continues to be the real estate name that's best known and most chosen across Australia. The latest Newspoll study revealed the L.J. Hooker name has well over twice the recall of any other national real estate brand and that twice as many people nominate using L.J. Hooker for buying or selling property ahead of any other national real estate agent.

THE PRODUCT

L.J. Hooker operates a network of over 600 L.J. Hooker offices. L.J. Hooker franchises are locally owned and operated by licensed real estate agents who have extensive local market knowledge and have the added advantage of the resources, support and experience of the Franchisor.

L.J. Hooker has a variety of products which span the real estate spectrum. Products for residential, commercial and rural buyers and sellers, landlords and tenants and development and project marketing, have been designed to reflect L.J. Hooker's 'Customer for life' philosophy.

The L.J. Hooker After Sales Service program maintains contact with the buyer of a property after the transaction is complete. At various stages throughout and over the coming years, the local L.J. Hooker office and L.J. Hooker as Franchisor, continue to 'stay in touch' with the client. As part of the program, clients are also provided with a



national toll free telephone number to call if they require any further assistance or advice with real estate matters.

L.J. Hooker's customer reward program is unique to the L.J. Hooker network and provides a competitive edge in the marketplace, in terms of obtaining listings.

Home owners who list and sell their home exclusively through L.J. Hooker are eligible to earn 100,000 Reward Points on either Telstra Visa or Qantas Telstra Visa card.

This customer reward program is added value to the service L.J. Hooker provides to clients selling their home.

In 1996 L.J. Hooker revolutionised the tenant/landlord relationship with the launch of the L.J. Hooker A1 Tenant Card. L.J. Hooker, through



the A1 Tenant Card, is the first national real estate network to officially recognise tenants that have met the standard L.J. Hooker criteria. The A1 Tenant Card breaks down some of the traditional 'tenant and agent barriers' and makes tenants feel valued by L.J. Hooker. In addition, if the tenant moves to another area or state they can show their A1 Tenant Card to any L.J. Hooker agent, who will immediately give them priority treatment, whether they want to rent, buy or sell.

HISTORY

Leslie Joseph Hooker opened the first office of L.J. Hooker in Maroubra, Sydney on 20th September 1928.

Les Hooker would spend his days scouting for business while his old friend, Heck Adams, dressed the windows, prepared circulars and attended to the marketing of the small company.

Threatened with the collapse of the business during The Great Depression, Leslie Hooker set about maximising his marketing dollar. He was always a great believer in signs and with money at a minimum during these years, he set about developing a promotional system. The famous red and yellow colours, which remain today, were originally developed by Leslie Hooker to maximise the impact of his signboards and save on advertising costs.

By the mid-1930's many of his and Heck's friends had joined them in the business. The first city office of L.J. Hooker was opened at 12 O'Connell Street, Sydney in 1935. Winning the appointment as managing agents had made it financially possible for L.J. Hooker to move into these new prestigious premises.

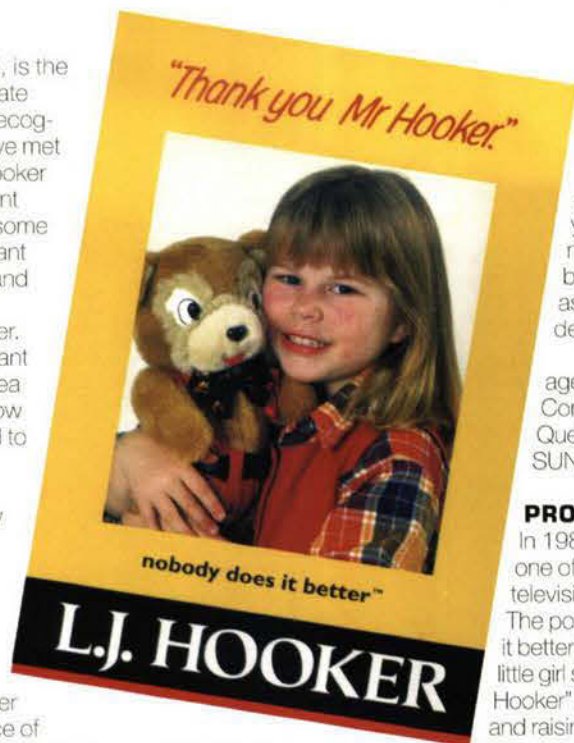
By 1936 the business had expanded into Kensington, Kingsford and Randwick. In 1938 L.J. Hooker purchased H.L. Cross and Co. and relocated to the basement of the E.S. and A. Bank Building on the corner of Martin Place and Pitt Street, Sydney.

L.J. Hooker continued to prosper. In this period the team were "breaking into Sydney" and worked through the night on many occasions. So much so, that their office became known as the "lighthouse" in Pitt Street.

During the Second World War, L.J. Hooker was run by a skeleton team with many employees joining the armed forces. By the late 1940's, approximately ten years after the opening of the Company's first auction rooms, L.J. Hooker had begun to challenge the established auctioneers of the city. L.J. Hooker Limited was successfully floated on the Stock Exchange on July 1, 1947, paying dividends of up to 25%. By 1956 the dividend rose to 50%.

In 1958 Leslie Hooker established the L.J. Hooker Investment Corporation Limited as a vehicle for expanding the horizons of the Company. L.J. Hooker Limited retained the agency division which now totalled 22 offices.

In the years that followed, L.J. Hooker Investment Corporation diversified into other areas including the hotel and leisure industry, land and building trusts, pastoral holdings and housing and land subdivision. L.J. Hooker Limited opened offices progressively across the country, completing its national network with the opening of the Perth office in 1960. In 1964 the Company's first franchise offices in Bankstown, Miranda and Newport were opened. In the same year, the name of the parent Company was



changed to Hooker Corporation Limited.

Leslie Hooker was knighted in 1973 for his services to business and commerce. The following year he retired as Chairman of the parent Company but remained on the Board as Founder Chairman until his death in 1976.

In 1989, the real estate agency business of the Hooker Corporation was sold to the Queensland financial institution, SUNCORP.

PROMOTION

In 1986 L.J. Hooker launched one of Australia's most successful television advertising campaigns. The popularity of the 'nobody does it better' campaign, featuring the little girl saying "Thank you, Mr Hooker" was instrumental in building and raising awareness of the L.J. Hooker brand.

The 'nobody does it better' campaign has been successful in demonstrating L.J. Hooker's commitment to total client care. The campaign has also been produced in another six languages, taking the L.J. Hooker message to Australia's many culturally diverse communities through the SBS network.

Overall, awareness of L.J. Hooker advertising is three times the level of any other national real estate agent.

In addition to advertising, L.J. Hooker has a strong public relations arm, largely responsible for generating editorial aimed at reinforcing L.J. Hooker's position as an industry leader and maintaining brand awareness. L.J. Hooker currently receives four times the editorial coverage of its competitors.

L.J. Hooker is also actively involved in community events such as Red Nose Day, the principle fundraising event for the Sudden Infant Death Association and sponsors the L.J. Hooker National Primary Schools Cartooning Competition. In addition L.J. Hooker makes available L.J. Hooker marquees and the Mr Hooker Bear icon suit to schools and community and sporting groups free of charge.

RECENT DEVELOPMENTS

With marketplace competition becoming increasingly fierce L.J. Hooker has extended its brand of real estate services to now incorporate L.J. Hooker Home Loans. L.J. Hooker Home Loans is a competitive product, which offers clients a fast and simple approval process.



L.J. Hooker Home Loans also work to enhance the value perception of the L.J. Hooker brand.

L.J. Hooker, in seizing the latest technology, was the first Australian real estate network to have a home page on the Internet. Internet users can view properties for sale, as well as access real estate tips and information.

In December 1996 L.J. Hooker bought one of New Zealand's largest real estate franchisors, the Challenge Realty Group. The acquisition of the company, which has 116 franchised offices, is a step in L.J. Hooker's long-term international expansion strategy.

The acquisition enables L.J. Hooker to increase the number of franchise outlets in the group, adding a greater depth of expertise and allowing the Company to proceed faster with system development. The new consolidated group is the now the largest real estate franchise in Australasia, with a combined operation of more than 600 franchised offices.

BRAND VALUES

The name L.J. Hooker has become synonymous with real estate, which is reflected by its high brand awareness.

The size of the L.J. Hooker network, coupled with its international expansion strategy and presence in every state throughout Australia,



inspires feelings of trust and security in their clients. The network size also portrays to clients high levels of expertise and professionalism and enforces L.J. Hooker's position as an industry leader. In addition, the strength of the L.J. Hooker name makes sellers feel confident more buyers will see their property.

The pioneering spirit of Sir Leslie Hooker in building the L.J. Hooker network out of nothing also endears the Company to many.

Things you didn't know about L.J. Hooker

- L.J. Hooker's jingle is based on a song from the James Bond movie "The Spy Who Loved Me".
- Prior to opening the first L.J. Hooker office, Leslie Hooker had a variety of jobs including, selling newspapers, working on a merchant trading ship and opening a series of wine saloons.
- 1 in 5 Australian families has purchased a property through L.J. Hooker.
- Sir Leslie Hooker was actually born Leslie Joseph Tingyou. He changed his name by deed poll in 1925 to Hooker, taken from his Chinese father's occupation as a 'hooker' on the railways.
- L.J. Hooker sells a home every five minutes of every working day.