

L.J. HOOKER®

THE MARKET

Australians have an enduring love affair with real estate. Home ownership is affordable, largely spurred on by the entry into the marketplace of non-bank mortgage lenders, lower interest rates, and Government incentives to first home buyers.

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.

The low interest rates and competitive mortgage packages, coupled with taxation laws, significant changes to superannuation laws and first home owner grants have seen a significant increase in market activity.

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 in all market sectors. The original real estate business was established in 1928 in Maroubra, Sydney, NSW.

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 650 franchises throughout Australia, Papua New Guinea, Hong Kong, Indonesia and New Zealand.

The L.J. Hooker franchising system has twice won the Franchisors' Association of Australia and New Zealand 'Franchising Excellence Award' including the ultimate accolade when L.J. Hooker was named 'Franchisor of the Year' across all sectors.

For the last 15 years L.J. Hooker has commissioned the independent research company Newspoll to conduct a national brand awareness and attitude study to determine the company's strength in the marketplace. Every year the Newspoll study has revealed L.J. Hooker continues



to be the real estate name 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 twice as many people nominate using L.J. Hooker for buying or selling property ahead of any other national real estate agent.

HISTORY

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

Threatened with 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.

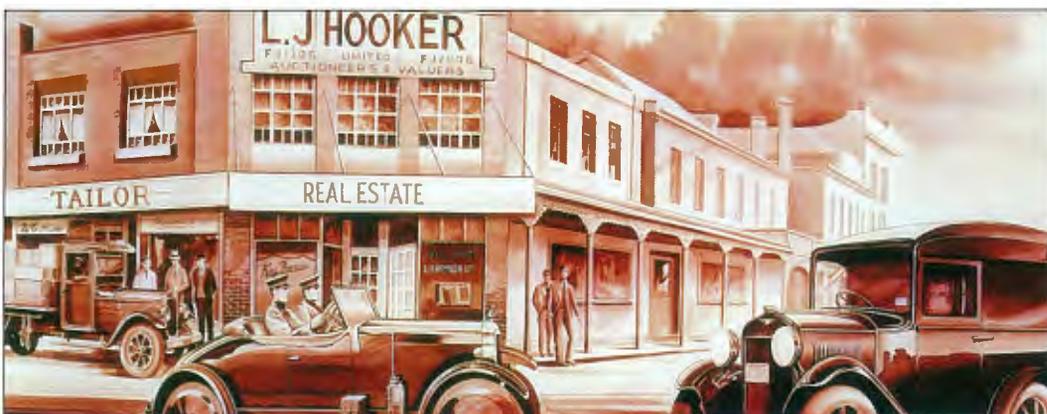
The first city office of L.J. Hooker opened at 12

O'Connell Street, Sydney in 1935.

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 "light-house" in Pitt Street.

During the Second World War, L.J. Hooker was run by a skeleton team as many employees joined the armed forces. By the late 1940s, 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 per cent. By 1956 the dividend had risen to 50 per cent.



In 1958 Leslie Hooker established L.J. Hooker Investment Corporation Limited as a vehicle for expanding the horizons of the Company.

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 franchised 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.

In 1989, the real estate agency business of the Hooker Corporation was sold to the Queensland financial institution, SUNCORP (now known as Suncorp Metway Limited).

THE PRODUCT

L.J. Hooker operates a network of over 650 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, 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 buyers and sellers of property after the transaction is complete. At various stages throughout the ensuing 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 Company 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 Reward Points on either Telstra Visa Card or through the Qantas Frequent Flyer Program.

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 valuable tenants who have met specified L.J. Hooker criteria. 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 give them priority treatment, whether they want to rent, buy or sell.

The L.J. Hooker Priority Card is another initiative for all tenants to pay rent and other utilities electronically, or by direct debit, saving time and money for the tenant.

RECENT DEVELOPMENTS

With marketplace competition becoming increasingly fierce, L.J. Hooker has extended its brand of real estate services to incorporate L.J. Hooker Financial Services, L.J. Hooker Business Services, L.J. Hooker Business Solutions and L.J. Hooker Commercial.

In seizing the latest technology, L.J. Hooker was the first Australian real estate network to have a home page on the Internet some years ago and continues to maintain the largest single brand real estate web site in Australia and New Zealand. Internet users can view properties for sale, as well as access real estate tips and information. Exciting additions to the Internet site are the direct email alert service, My PropertyWatch™ and the Lifestyle & Luxury site. Registered members of My PropertyWatch™ receive automatic email notification of every newly listed property which matches their stated criteria while the Lifestyle & Luxury site offers vendors the opportunity to

showcase their property on their own multi-page website through the L.J. Hooker site.

PROMOTION

The popularity of the signature TV campaign, featuring the little girl saying "Thank you, Mr Hooker" has been 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, research shows awareness of L.J. Hooker advertising is twice 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 the community as National Sponsor of the Cystic Fibrosis Foundation. In addition the Company makes available branded marquees and the Mr Hooker Bear suit to schools and community/sporting groups free of charge.

BRAND VALUES

The name L.J. Hooker is synonymous with real estate in Australia.

The size and reputation of the L.J. Hooker network, coupled with its international expansion strategy and presence in every state and territory throughout Australia, inspires feelings of trust and security in clients. The network size also portrays to clients high levels of expertise and professionalism and enforces L.J. Hooker's position as industry leader. In addition, the strength of the L.J. Hooker name allows sellers to feel confident more buyers will inspect their property.

The pioneering spirit of Sir Leslie Hooker in building the Company out of nothing and the fact it remains wholly Australian owned today, also endears the Company to many Australians.



THINGS YOU DIDN'T KNOW ABOUT L.J. HOOKER

- The L.J. Hooker theme music 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.
- One in five Australian families has purchased a property through L.J. Hooker.
- L.J. Hooker sells a home every five minutes of every working day.