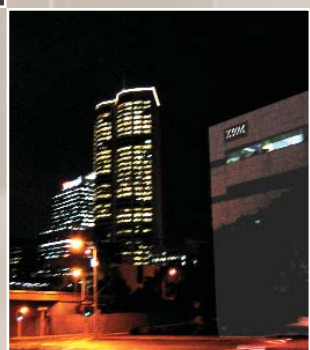


# Positioned *for* success

The IBM Building, 1060 Hay Street, West Perth



# 1060 Hay Street

“1060 Hay Street is an excellent location for the business. Ease of access to, and movement within, the marketplace is vital, as half our workforce needs to be close to our customer base... the building provides that strategic advantage. Also, it offers the flexibility to reconfigure our work spaces and, in doing so, improve efficiency.”

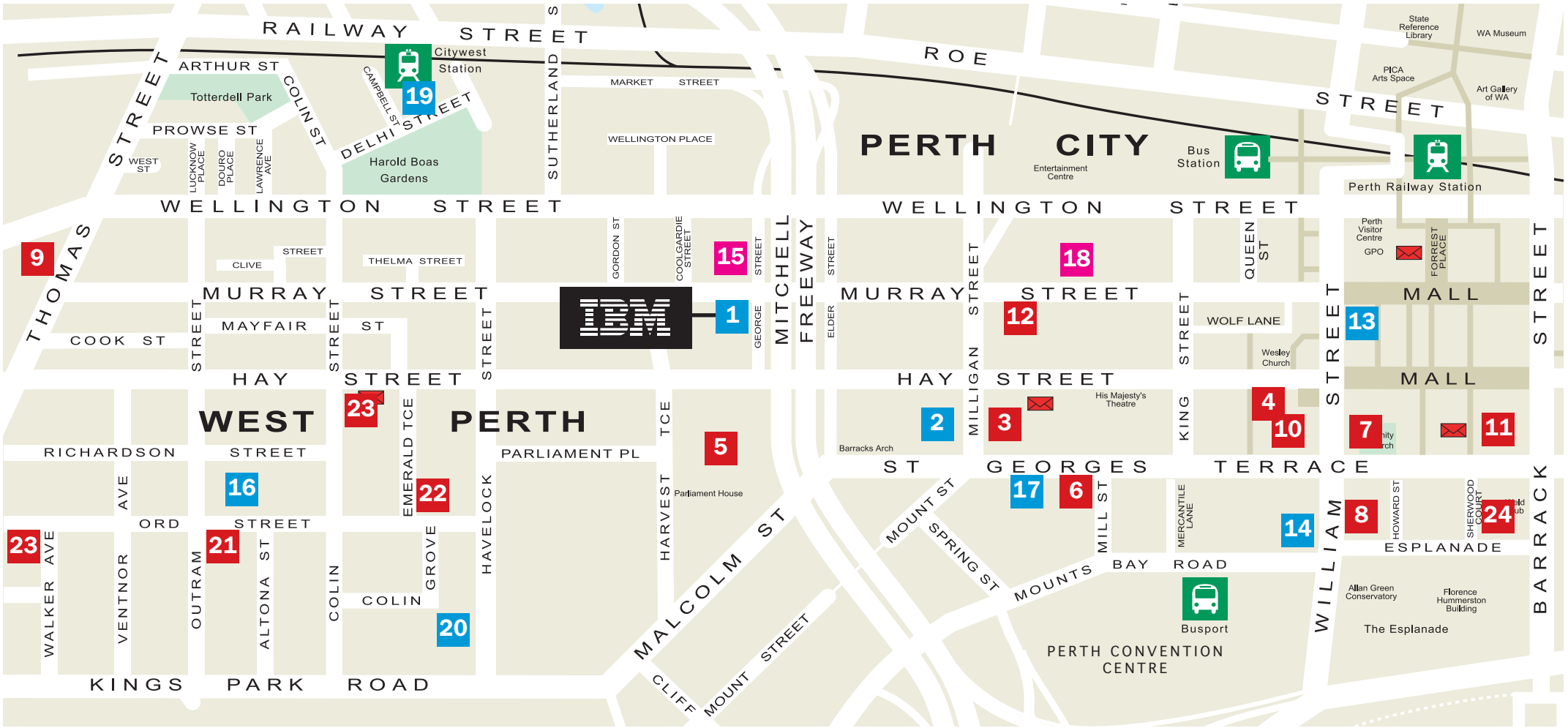
BILL STEWART, *State Manager for IBM in Western Australia*

**For an on-demand enterprise such as IBM – aiming, as it does, to extend its boundaries and respond rapidly and effectively in today’s volatile business environment – the right location is integral to its goals...now and well into the future.**

With that in mind, 1060 Hay Street, West Perth – the prestigious **landmark premises** in which IBM in WA has enjoyed a 16-year tenancy to date – offers myriad advantages. Principal among these are its convenience in terms of access and parking, the desirable locale and the building’s contemporary design and amenities, as well as the competitive rental and outgoings associated with this A-grade office accommodation.







Map of West Perth and the CBD, illustrating the IBM Building's proximity to key IBM customers and business partners, as well as leading corporate, legal and public entities.

- IBM CUSTOMERS ■ IBM BUSINESS PARTNERS
- 1 IBM Building [PGS Tensor] 2 QV1 Building [Alphawest, ChevronTexaco, Shell Development Australia, Freehills, Clayton Utz, Worley, PricewaterhouseCoopers]  
3 Woodside Plaza 4 Central Park Building [BHP, Sealcorp Holdings Ltd, Hamersley Iron, Rio Tinto Exploration Pty Ltd] 5 Parliament House  
6 Premier's Department 7 BankWest Tower 8 Wesfarmers House 9 Princess Margaret Hospital 10 Commonwealth Bank  
11 National Australia Bank 12 Department of Transport 13 HBF Health Insurance 14 Alinta Limited 15 ComputerCorp  
16 Anglo Australian Resources NL 17 Cisco Systems Australia 18 Fujitsu Australia Limited 19 CBH 20 Unisys West 21 Jubilee Mines NL  
22 LionOre Mining International NL 23 Consolidated Minerals Ltd 23 Phillips Petroleum Company Australia 24 Australian Stock Exchange

# Convenience

IBM's customers, suppliers and employees must be well-connected. Despite the best efforts of successive state governments to improve public transport in Perth, most residents still commute by car. Traffic is heavy and parking (especially in the business districts) at a premium. In these crowded urban surroundings, 1060 Hay Street is distinguished by:

- its **ease of access** to Perth's CBD (in particular, IBM's main customer base in St George's Terrace), which is minutes away on foot;
- its proximity – and, importantly, **exposure\*** – to the **main north-south freeway system**, as well as major arterial roads;
- the availability of **public transport** (especially the free Central Area Transit buses, which run into and out of the city every 10 minutes throughout the day);
- the provision of **secure undercover parking** for 87 cars (often not an option elsewhere), with convenient access to all floors, and
- its proximity to **major retailers** of all types, as well as specialty shops, cafés and purveyors of fine cuisine.



These factors alone can **reduce stress** in service delivery to customers and industry partners and encourage a focus on quality, leadership and success.

\*IBM has naming and signage rights to the building and the brand is highly visible in both directions.





# Rental *and* outgoings

(Refer to separate sheet of financial details included with this brochure.)

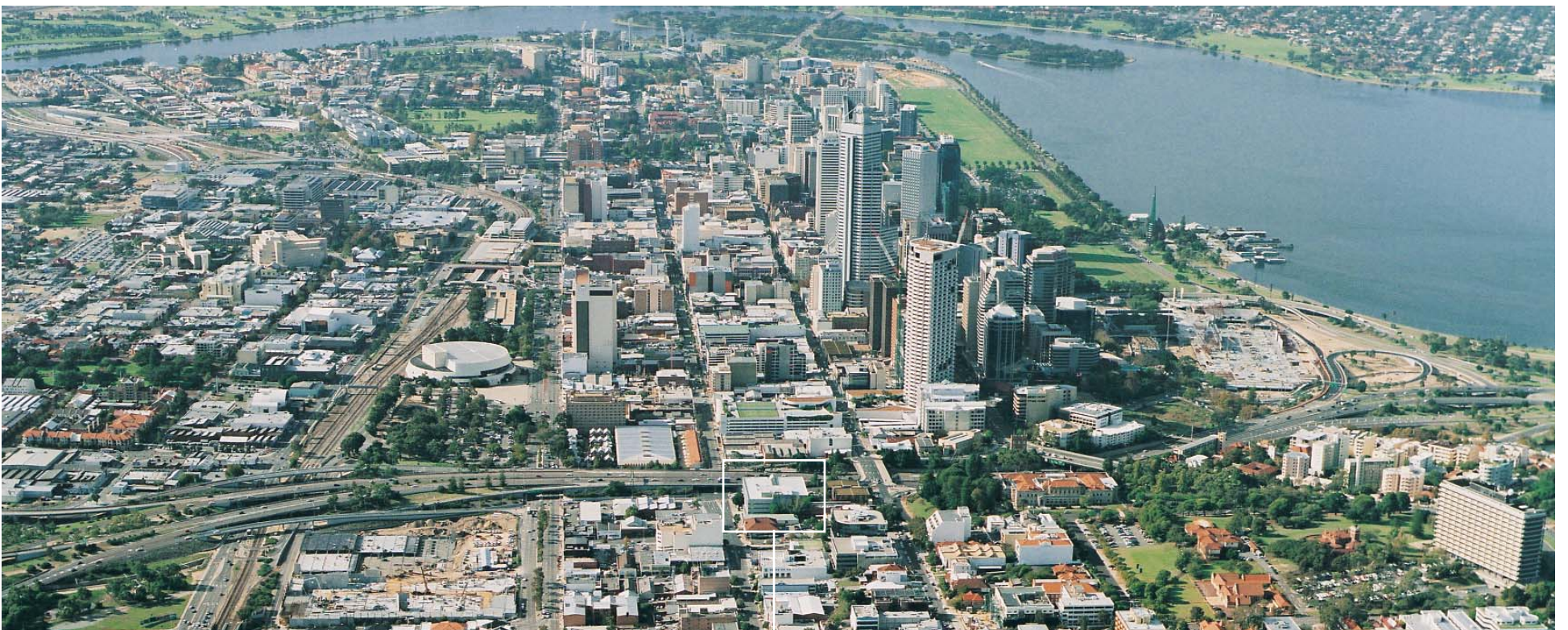


Positioned  
for success



# In good Locale company

At 1060 Hay Street, IBM is **in good company**. A thriving, up-market precinct, and the hub of the state's oil and gas industries, West Perth is home to many of the state's leading corporate, legal and public entities, as well as a range of consulting and business services. This desirable district, its wide, tree-lined avenues vibrant by day and serene at night, combines elegance and enterprise in a commercial environment unrivalled in the West.



IBM



Positioned  
for success



# Design *and* amenities

Both exclusive and functional in design and execution, 1060 Hay Street offers contemporary style and facilities in equal measure, plus magnificent views to the city and beyond.

Built to exacting specifications and featuring quality finishes throughout, the building – which has undergone substantial refurbishment in the past – offers the flexibility to either up- or down-size, and permits versatility in the provision of new conference and meeting areas as required.

**Technology within the premises includes:**

- state-of-the-art air-handling and temperature control equipment;
- provision of an uninterrupted power supply dedicated to IBM;
- emergency lighting and essential fire and life services;
- a comprehensive security system with 24/7 CCTV monitoring and intruder detection devices at all entry points, and
- restricted-access protocols in elevators (including those to the carpark).



**The lessor is committed to meeting IBM's needs within this high-value office accommodation, including reconfiguring the space in line with the company's requirements.**

Currently, an espresso bar is planned for level 3 and, lower down, relaxed seating has been installed amid the tranquil, landscaped gardens.



FOR MORE INFORMATION, PLEASE CONTACT:

**Craig Dawson**

Telephone (08) 9225 2406

Facsimile (08) 9325 6918

Email [craig\\_dawson@knightfrank.com.au](mailto:craig_dawson@knightfrank.com.au)

**John Slade**

Telephone (08) 9225 2414

Facsimile (08) 9325 6918

Email [john\\_slade@knightfrank.com.au](mailto:john_slade@knightfrank.com.au)

# 1060 Hay Street

IBM CENTRE

PROPOSED LEASE TERMS

Knight Frank – Managing Agent for Topsfield Pty Ltd, the Lessor of the IBM Centre at 1060 Hay Street, West Perth – has been invited by Jones Lang LaSalle to submit a proposal to satisfy the requirements of IBM Australia with regard to its Perth premises from late 2006. Our response is as follows.

## ESSENTIAL TERMS

- A lease term of 6 years from 1 October 2006 (the current lease gives IBM an option for a further lease term of 6 years; our proposal assumes that this option will be exercised, subject to various lease amendments to be agreed during the submission process).
- Level 1 rent \$225 m<sup>2</sup> / \$340,042.50 per annum, plus outgoings and GST.
- Level 2 rent \$225 m<sup>2</sup> / \$531,585.00 per annum, plus outgoings and GST.
- Basement rent \$90 m<sup>2</sup> / \$67,428.00 per annum, plus outgoings and GST.
- Annual rent reviews fixed at +4%.
- 87 car bays (as per IBM's current requirements) at \$150 per car bay per month, plus the Department of Transport Levy and GST – this rent to be subject to annual market reviews.

## INCENTIVE

The Lessor is prepared to offer \$750,000 plus GST to assist IBM in refurbishing its leased premises. This figure is significantly greater than the cost estimates we understand IBM has received for refurbishment of said premises. The Lessor is committed to retaining IBM as a major and valued tenant, and trusts that the proposed contribution demonstrates this. The contribution may be taken up on effective agreement of the new lease terms for the premises, and any amount not expended by IBM may be offset against rent.

## NOTATIONS

1. In the event that IBM exercises its option to renew the lease for the First Option Term, the lease states that IBM shall not be obliged, on vacating, to make good in accordance with the terms in the lease. We believe this provides a further financial incentive to exercise the option.
2. IBM has requested flexibility with regard to its future space requirements. We understand that, while this is in relation to the Basement area of 749.20 m<sup>2</sup>, IBM cannot at this time confirm precisely what may be relinquished. In putting forward this lease proposal, we provide an undertaking that the Lessor will be flexible to the extent that IBM will be granted a full or partial surrender of this specific area upon IBM providing 6 months' notice to this effect at any time.

## COMPETITIVE ADVANTAGES

In presenting this proposal for consideration we refer you to the attached brochure, which was created to emphasise the appropriateness of 1060 Hay Street as IBM's commercial office accommodation in the West.



FOR MORE INFORMATION, PLEASE CONTACT:

### Craig Dawson

Telephone (08) 9225 2406

Facsimile (08) 9325 6918

Email [craig\\_dawson@knightfrank.com.au](mailto:craig_dawson@knightfrank.com.au)

### John Slade

Telephone (08) 9225 2414

Facsimile (08) 9325 6918

Email [john\\_slade@knightfrank.com.au](mailto:john_slade@knightfrank.com.au)