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ASX/MARKET RELEASE

SunnyCove Acquisitions to Exceed Prospectus Forecasts

ASX-listed accommodation provider, SunnyCove Management Limited (ASX CODE: SCV) announced today that the company is set to exceed its prospectus forecasts following the signing of a Heads of Agreement contract for a 48 unit community located at Bethania on Brisbane's north side, and a contract for a greenfield site in Mackay.

The Bethania community will be purchased for \$650,000, pending contract finalisation, which will be completed later this week. The contract will include the manager's residence, inventory and management rights business.

The Heads of Agreement will allow SunnyCove to immediately takeover the management of the site's occupancy.

Acquisition of the Bethania community brings the total number of units under SunnyCove's management to 468, an increase of 306 since the Company's listing on 1 July 2004.

Managing Director, Mr Mark Roberts said SunnyCove were projecting that more than 500 units would be under management by year-end 2005.

"The acquisition of Bethania certainly places SunnyCove in an extremely strong position to exceed our prospectus forecasts, and strengthens our presence in the affordable housing market," he said.

"The Bethania property is an excellent fit in terms of the quality of the development and its likely appeal to the growing 'renter-by-choice' market."

SunnyCove will operate the management rights of this 48 unit strata-titled seniors' community, which was recently completed as a new development by Willaire Pty Ltd.

Mr Roberts said SunnyCove had also purchased a greenfield site located on the main arterial road to the Northern Beaches of Mackay – an acquisition which had bolstered the company's growth plans.

He said the site, which is still subject to development approval, is strategically located in a rapidly growing area of the Mackay district, directly opposite a shopping centre and a bowling club.

"The site is 1.39 hectares and is suitable for a 100 unit staged SunnyCove community," he said.

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“Mackay’s population has been growing at an annual rate of 1.7% over the past decade, which exceeds the Queensland average of 1.6%.

“This is the second location SunnyCove has acquired in recent months in the Mackay area. The acquisition of the Northern Beaches site complements the existing operation of 38 units under management in Mackay.

“The new Mackay site will increase SunnyCove’s product under development to 651 units. This is in addition to the 468 units now under SunnyCove management.

“We will continue to pursue growth opportunities such as these to expand our portfolio,” he said.

Other communities recently in planning include developments at Forest Lake, Gladstone, Cairns, Townsville and Rockhampton. The first stage of Forest Lake and Gladstone has been fully approved and all advertising periods have closed with town planning final assessments to be completed.

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ABOUT SUNNYCOVE MANAGEMENT LIMITED

SunnyCove is an ASX-listed ‘pure play’ long-term rental accommodation provider, targeting the “renter-by-choice” market in Australia, and focusing on long-term growth in annuity-style revenues from its managed communities.

The company successfully listed on the ASX in July 2004 as a growth investment with a scaleable business model, relatively low capital requirements, in a high-growth sector.

SunnyCove develops residential communities that offer an outstanding environment for the renter-by-choice market - people choosing long-term rental accommodation, and who desire the convenience and lifestyle afforded by quality community-style accommodation.

The SunnyCove model has been developed in close consultation with a number of industry leaders and representatives, together with significant input from clients and their families. In addition to Australian experience, SunnyCove Management Limited has travelled the globe to identify the best and most practical options for creating an outstanding lifestyle environment for its residents.