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## **PROPERTY DERIVATIVES MARKET TO BE DEVELOPED FOR AUSTRALIA**

Rismark International and RP Data Ltd (ASX: RPX "RP Data") today announced they have entered into an exclusive agreement with leading global derivatives broker, GFI Group Inc (Nasdaq: GFIG) whereby the RP Data-Rismark Indices will serve as the basis for an actively traded Australian Over-The-Counter ("OTC") property derivatives market.

Jurgen Breuer, GFI's Senior Managing Director for Asia Pacific, said *"We will be developing with the companies over-the-counter residential house price derivatives market in Australia. The best-in-breed RP Data-Rismark house price indices will be used as the basis for property derivative contracts, which will be brokered by GFI."*

*"GFI and our partners have been at the forefront of developing property derivative markets in the UK, continental Europe and Hong Kong. We are delighted to partner with Australia's leading property data company, RP Data, and the pre-eminent property index provider, Rismark International"* said Mr Breuer.

Rismark International's Managing Director, Christopher Joye, commented, *"Property derivatives markets have begun to boom all around the world, with the Chicago Mercantile Exchange successfully launching residential real estate futures contracts on 10 US cities in May 2006. In the UK, the world's biggest property derivatives market, there are currently over GBP3 billion worth of over-the-counter commercial and residential property derivatives outstanding."*

The Australian Financial Markets Association (AFMA) has recently formed a property derivatives working group, comprising of GFI, Rismark, RP Data and a range of investment banks, including Goldman Sachs, Merrill Lynch, RBS and Deutsche Bank.

A residential property derivatives market would be attractive to:

- Any investor who wants to buy or sell regional residential return exposures (eg, Sydney, Melbourne, Perth or Brisbane property);
- Renters who are currently priced out of the market but want to hedge against future house price rises;

- Home owners that wish to insure against the risk of property price declines;
- Big mortgage insurers that want to reduce/eliminate their property price risk exposures;
- Mortgage lenders writing loans on balance sheet that do not have mortgage insurance; and
- Builders and developers that want to lock in current property prices for a defined future period.

Mr Breuer said, *“House price derivatives will be useful for investors who want to gain, diversify or hedge their exposure to residential property, without the complexities associated with transacting in the underlying ‘physical’ market,”* added Mr Breuer.

*“GFI and our partners are working on this new risk management tool to add a new dimension to Australia’s highly developed and sophisticated real estate market,”* he added.

RP Data’s CEO, Graham Mirabito, responded, *“Given the extraordinary depth of RP Data’s property information resources, combined with the independently vetted sophistication of Rismark’s research capabilities, we believe that the unique RP Data-Rismark Indices will serve as the perfect basis for an actively traded OTC property derivatives market.”*

The Royal Bank of Scotland (RBS), which has one of the largest property derivatives dedicated desks in London is taking a pre-eminent role in the development of the burgeoning global property derivatives market.

Locally, RBS has taken a proactive role in the development of the property derivatives market in Australia and more broadly, throughout Asia. Mathew Simpson, Director of Derivatives at RBS and Chairman of the AFMA Property Derivatives working group, is supportive of the launch of RP Data-Rismark's residential indices.

*“RBS welcomes the launch of RP Data-Rismark’s indices. We are pleased with the commercial and transparent stance adopted by RP Data-Rismark in creating and marketing their indices. They have taken a very consultative approach in engaging market participants in the development of such. Consequently, they are quickly affirming themselves as a leading provider of residential index intelligence in the Australian market”* Mr. Simpson said.



For more detailed information on the RP Data-Rismark Indices, please go to <http://www.rpdata.com/indices/>. To speak with RP Data, Rismark, or GFI about the new property derivatives market, please call:

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### Background on RP Data

Established in 1991, ASX-listed RP Data (ASX: RPX) is the largest supplier of property information services throughout Australia and New Zealand. RP Data's commitment to exceed customer expectations has driven it to continue to reinforce its position as the market leader in delivering cutting-edge value-added services. This commitment has resulted in the sustained growth and profitability of RP Data, since inception. All RP Data services are delivered via an extensive private online network linking RP Data offices throughout Australia and New Zealand. In addition to RP Data's property information services, the company provides in-house management software to over 1,000 real estate agencies. Subscription clients to RP Data's property information service include over 8,000 real estate agents, valuers, property developers, financial institutions and government departments. RP Data also delivers over 300,000 property reports per year to its customers, as well as providing online Title Searches. RP Data's databases include more than 65 million data records made up of over: 12.0 million property ownership records; 11.0 million property attribute records; 3.6 million property features records; 15.8 million property sales records; 12.0 million property maps; 16.8 million property photos; and 9.0 million "on the market" property listing records. For more information visit [www.rpdata.com](http://www.rpdata.com).



## **Background on Rismark International**

Rismark is a global real estate investment business that specialises in quantitative research, funding, and securitisation. Rismark is a private company owned by management and a number of leading financial services companies. Rismark has executed exclusive strategic agreements with organisations such as Adelaide Bank, PMI Mortgage Insurance, GFI Group (NASDAQ: GFIG), Wizard Home Loans, RP Data Limited, and others. Rismark's management team has extensive experience in quantitative residential real estate research and is augmented by a Global Research Advisory Board comprising of eminent academics from Sydney University, Melbourne University, and Yale. For more information visit [www.rismark.com.au](http://www.rismark.com.au).

## **Background on GFI Group Inc**

GFI is a leading inter-dealer broker in a multitude of global cash and derivatives markets, including credit and fixed income, foreign exchange and financial derivatives, equity, energy and commodities. GFI has been a key player in developing a number of new markets including property derivatives, credit derivatives, freight, weather, and emissions derivatives, and is also assisting clients in executing new hybrid market products such as equity default swaps and hybrid energy products. GFI intends to commence OTC derivatives trading for both residential and commercial real estate in Australia by the beginning of 2006. For more information go to [www.gfigroup.com](http://www.gfigroup.com)