



Frasers Centrepoint Limited

**Australia Business
Overview**

10 June 15

Central Park, Sydney

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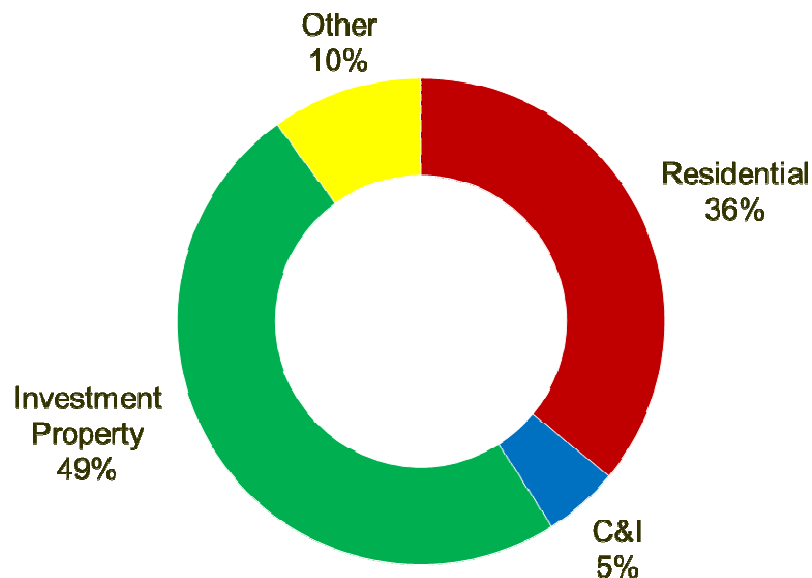


Overview of Australian platform

Diversified platform with national presence

- Frasers Australand has a diversified business model with operations across Residential, Industrial and Office
- National presence: projects located in Sydney, Melbourne, Brisbane, Perth & Adelaide and over 500 staff

TOTAL ASSETS S\$5.9 BILLION¹



NATIONAL PRESENCE



Note: All figures as at 31 March 2015

1. Frasers Australand and Frasers Property Australia platform (excludes New Zealand)

Business model

OBJECTIVE: TO DELIVER CONSISTENT AND GROWING RETURNS

INVESTMENT PORTFOLIO


DEVELOPMENT PIPELINE

RECURRENT INCOME


GROWTH



Office & Industrial
S\$2.8bn



Commercial & Industrial
S\$1.9bn¹



Residential
S\$9.7bn¹

Note: All figures as at 31 March 2015
1. Estimated end value

Executive management team



Bob Johnston
Managing Director



Sean McMahon
EGM
C&I and IP



Rod Fehring
EGM
Residential



Matt Knox
CFO



Aditya Asawa
General Manager
Corporate Finance



Michael Newsom
General Counsel



Chris Warrell
General Manager
People & Performance



Freshwater Place, Melbourne

Investment Property

Overview of portfolio

- Our high quality investment portfolio provides stable, recurring income alongside our development activities
- The portfolio comprises 74 assets valued at over S\$2.8bn and is diversified across the industrial, CBD office and suburban office sub-sectors
- 54 assets certified under “Green Star” rating tool

Portfolio metrics	Industrial	CBD office ¹	Suburban / Fringe CBD	Total
Value (S\$m)	\$1,516m	\$587m	\$708m	\$2,812m
Number of assets	59	3	12	74
WALE (by income)	5.7	4.5	5.3	5.3
Occupancy (by income)	93.4%	98.1%	91.8%	93.9%
Average cap rate	7.9%	6.6%	7.5%	7.5%

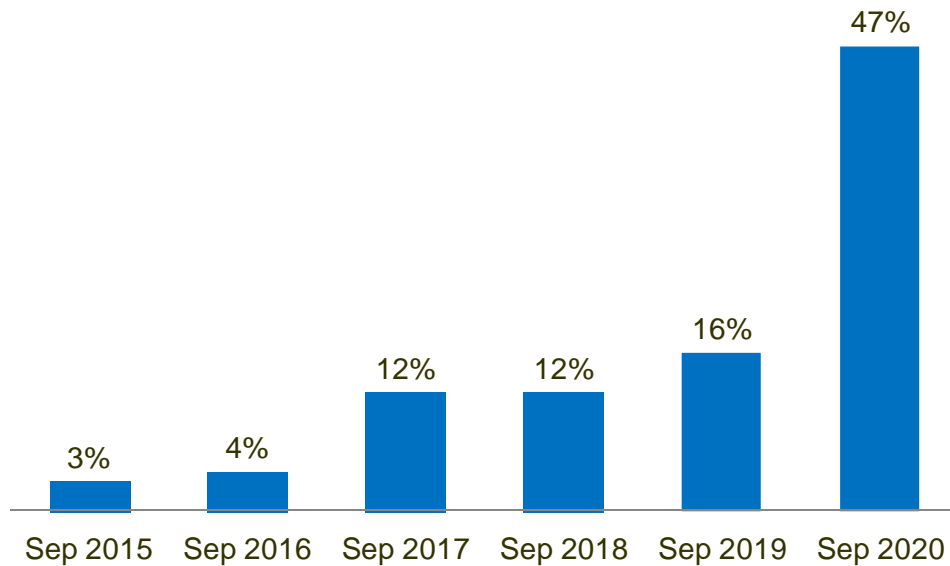
Note: All figures as at 31 March 2015

1.Note: CBD office includes 357 Collins St, Freshwater 28 and Freshwater Place

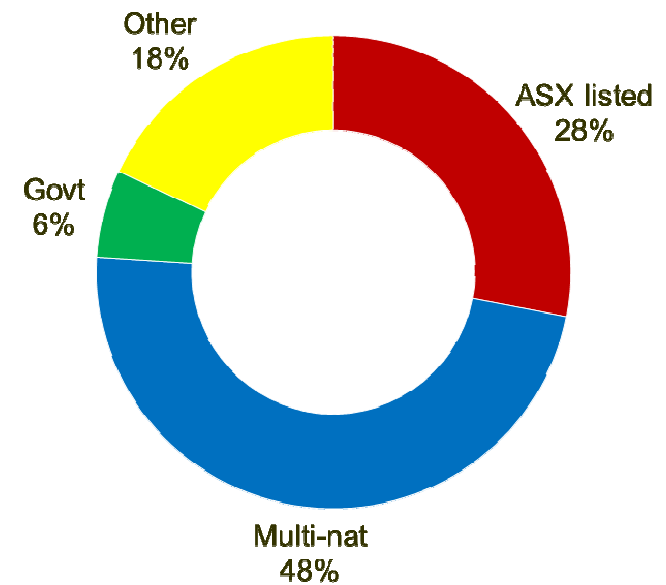
Secure income stream

- **The portfolio's income is underpinned by high occupancy and a WALE >5 years**
 - Only 3% of income is due to expire in FY15
 - 47% of income expires beyond 2020
- **Tenant quality is high with 82% of portfolio income from ASX listed, multi-national or government tenants**

LEASE EXPIRY PROFILE¹



TENANT QUALITY¹



Note: All figures as at 31 March 2015
1.By income

Leasing activity and tenant profile

- For 1H FY14/15, renewals and new leasing activity of >100,000 sqm have occurred
 - Represents ~7% of portfolio income
 - Average WALE of 6.7 years
 - Average incentive of 21%
 - Average rent increases of 3.5% on renewals
- Top 10 tenants provide 34% of portfolio income

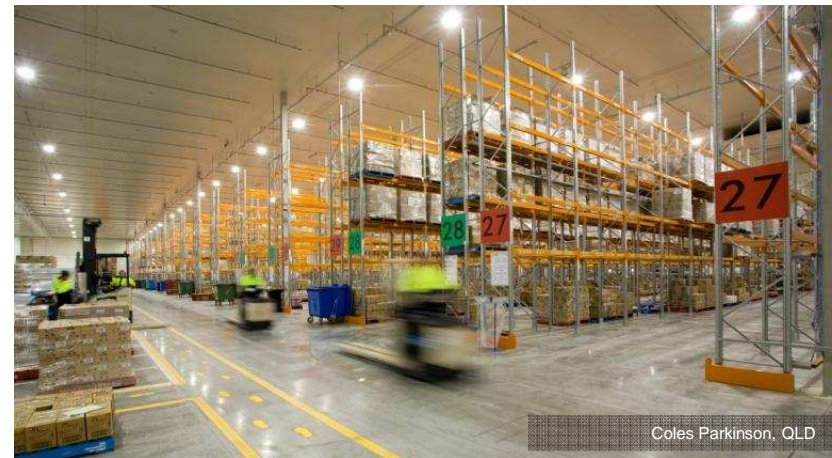


Top 10 tenants	% of gross income
Wesfarmers Coles Group	11%
Nestle Australia	4%
Commonwealth Government	4%
Pricewaterhouse Coopers	3%
TNT Australia	2%
Toll Holdings	2%
H.J. Heinz Co. Australia	2%
LG Electronics Australia	2%
State Government of NSW	2%
National Australia Bank	2%

Note: All figures as at 31 March 2015

Investment Property Outlook

- Overall outlook for investment assets remains positive
- Income growth will be underpinned by fixed rental increases across the majority of the portfolio's leases
- Asset values are expected to increase driven by strong investment demand and firming of cap rates
- The leasing environment remains challenging, however, tenant retention remains high





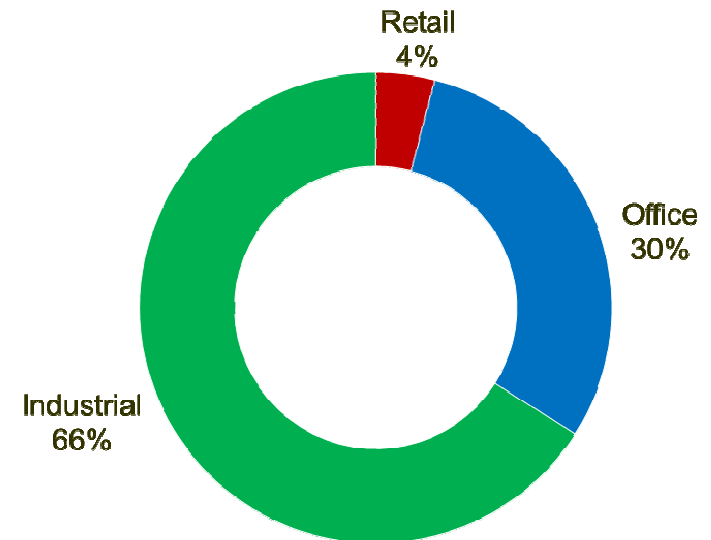
Strandbags, Erskine Park, NSW

Commercial & Industrial

Commercial & Industrial overview

- **The C&I development platform has a diverse product offering including:**
 - Pre-lease and speculative developments
 - Turnkey developments for owner occupiers
 - Land sales
- **The platform has a strong track record in delivering investment product in the industrial, CBD office, suburban office and neighbourhood retail sectors**
- **The current pipeline has an estimated end value S\$1.9bn and is focused on the industrial and suburban office sectors**

C&I PIPELINE BY SECTOR¹



Note: All figures as at 31 March 2015

1. By end value

Track record

- Created over S\$5 billion of assets since 2001 comprising over 30 million square feet of product across more than 200 projects
- Top 3 player in industrial development in Australia with approximately 20% market share
- Provide an end to end integrated service offering to a national client base



Industrial market conditions

- **Prime grade vacancy remains relatively low**
 - Solid level of tenant renewal activity
 - Supply remains constrained
- **Retail and logistics users are most active**
- **Supply chain efficiencies are a key driver**
- **Increased focus on sustainability from major users**
- **Strong investment appetite remains for prime assets, underpinning asset values**

Prime grade industrial	Vacancy
Sydney	4.6%
Melbourne	4.7%
Brisbane	5.4%

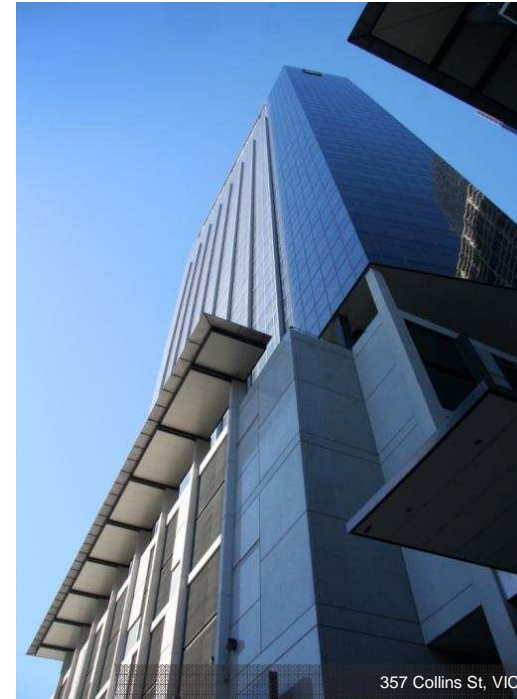
Source: Savills Industrial Stock Survey April 15



QLS & Ceva, Eastern Creek, NSW

Office development

- Since 2000, over S\$2.7 billion of assets created
- Currently ~23,000 sqm underway in SE Melbourne
- Multi-award winning precincts created
 - Freshwater Place
 - Rhodes Corporate Park
- Significant crossover with industrial sector with key customers including Kmart, Coles, Toll, Repco, DHL, Heinz and Visy



Neighbourhood retail

- **6 projects currently under development**
 - Second Ponds, NSW
 - Clemton Park, NSW
 - Berwick, VIC
 - Burwood, VIC
 - Coorparoo, QLD
 - Port Coogee, WA
- **Achieved market leadership in sustainability with the Ponds Shopping Centre**
 - Awarded the first six star green star design rating certification for any retail development in Australia



Forward workload

- **Total C&I forward workload of 96,000 sqm**
 - 7 projects with GDV of approximately S\$181 million; and
 - 7 projects with investment value on delivery of approximately S\$195 million

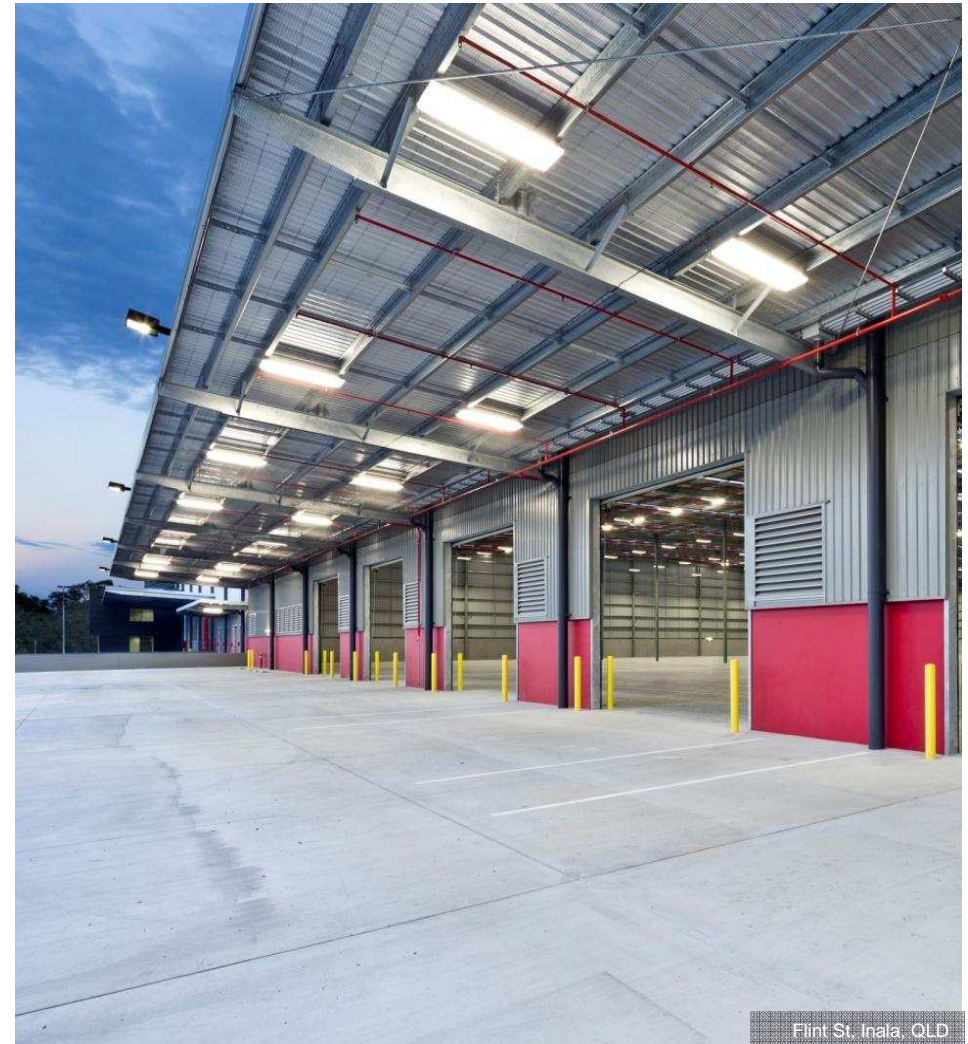
Name	State	Sector	On completion value (\$m)	% of project revenue recognised to date ¹	Expected completion (financial year)
THIRD PARTY SALE					
Second Ponds Shopping Centre	NSW	Retail	43	85%	3Q15
Hanna Express	QLD	Industrial	13	0%	4Q15
Ceva	QLD	Industrial	19	90%	3Q15
Monash Uni + spec	VIC	Suburban office	63	11%	1Q16
Berwick Retail	VIC	Retail	18	28%	1Q16
Alspec, KW Doggett & Pro-Pac	SA	Industrial	21	0%	3Q15
Port Coogee Shopping Centre	WA	Retail	22	0%	1Q16
INTERNAL BUILD					
Toshiba & Aust Geographic	NSW	Industrial	35	78%	3Q15
Fisher & Paykel & Tyres 4 U	NSW	Industrial	34	57%	4Q15
Techtronic Industries	NSW	Industrial	56	67%	4Q15
Miele	VIC	Industrial	18	37%	4Q15
Austrans	VIC	Industrial	16	62%	3Q15
Mazda	VIC	Industrial	31	23%	2Q16
Repco	VIC	Suburban office	20	0%	1Q17

Note: all figures as at 31 March 2015

1. Percentage of total project revenue recognised to 31 Mar 15

C&I Outlook

- **Solid levels of enquiry in Sydney and Melbourne**
 - Brisbane improving
- **Incentives remain elevated**
- **Emerging trends / opportunities**
 - Online retail
 - Automation
 - Outsourcing
 - Consolidation
- **Rollout of new infrastructure in Sydney**
- **Healthy forward workload positions the business well**



Flint St. Inala, QLD



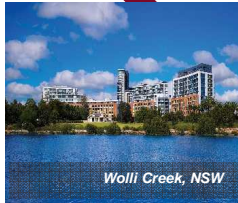
Residential

Coorparoo, Brisbane, QLD

Major trends driving Australian housing form & demand



- 5 Australian cities >1m population where >65% of GDP created, demography & economic growth is concentrated. The drift to cities continues driving further urbanisation



- Ageing population changing nature of demand



- Australian cities have low densities (Sydney 2,100 p/km² , Singapore 8,350 p/km²)



- Planning & development approvals framework entrench undersupply of housing relative to demand & maintains lower relative levels of affordability

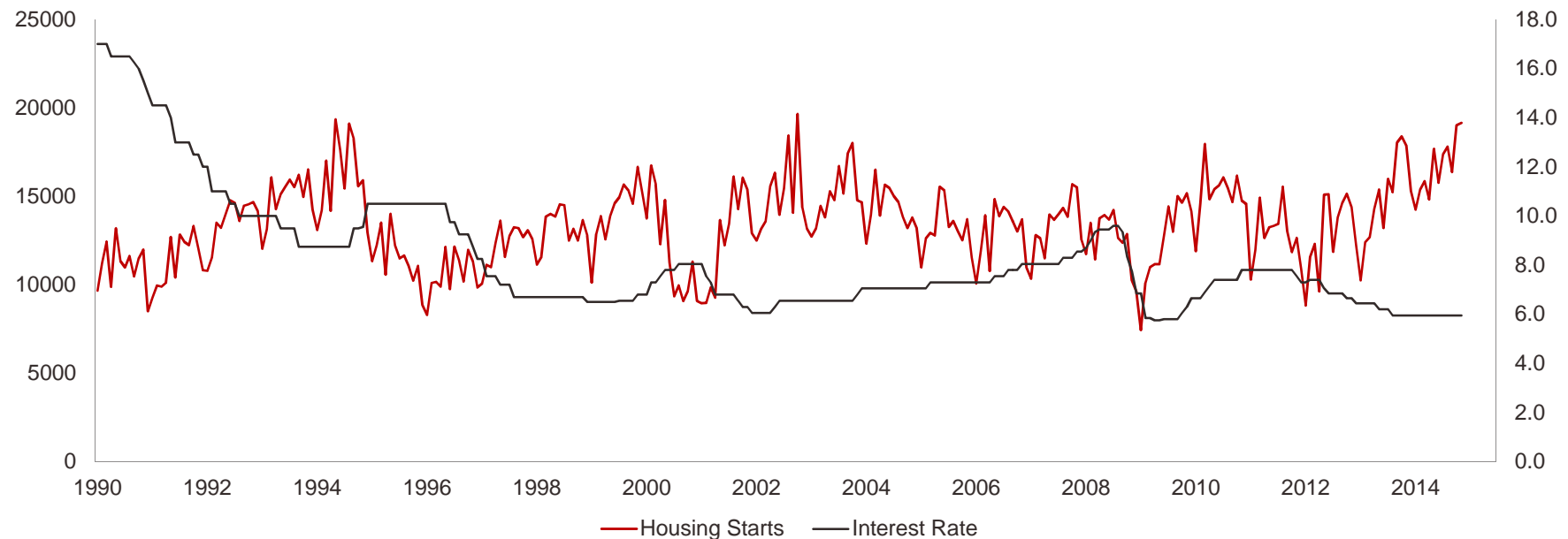


- Contributions to urban infrastructure from development process & rising raw land costs are driving cost pressures resulting in changes to house size and development form

Low interest rates continue to be supportive for housing activity

- Australian mortgage lending rates at their lowest on record
- Strong correlation between interest rate movements and housing activity over the long term

HOME LENDING RATES & HOUSING ACTIVITY (1990 – 2015)



The dynamics of the residential market remain favourable

Indicator	Sydney	Melbourne	Brisbane	Perth	Adelaide
Population Growth % - 2014 ¹	1.8%	2.2%	1.7%	2.5%	0.9%
Population & (Growth) ¹	4.8m (84,200)	4.4m (95,200)	2.3m (38,400)	2.1m (48,400)	1.3m (13,300)
Unemployment Rate ¹	5.8%	6.3%	6.5%	5.9%	7.1%
Consumer Confidence (Base 100) ²	106	98	92	91	87
Rental Vacancy Rate ³	1.7%	3.2%	2.9%	4.2%	2.8%
Affordability Index (loan/income)	36.2%	33.4%	28.4%	26.1%	27.8%
Median House Price (Jan 15) ⁴	S\$905,000	S\$652,000	S\$516,000	S\$583,000	S\$458,000
Median Unit Price (Jan 15) ⁴	S\$644,000	S\$511,000	S\$410,000	S\$458,000	S\$357,000
Attractiveness	✓	✓	✓	Neutral	Neutral

1. ABS
 2. Westpac HIA Consumer Confidence Survey April 2015
 3. REIA
 4. Core Logic RP Data March 2015

Pipeline overview

- 42 projects with 18,465 lots

State	Projects	Lots
NSW	11	5,841
VIC	15	7,320
QLD	7	1,960
WA	9	3,344
Total	42	18,465



Note: all figures as at 31 March 2015
 Lots include contracts on hand and unsold lots

Sales activity

- **Strong sales activity, year to date**
 - Unrecognised residential revenue of S\$1.8 billion as at 31 Mar 15
- **Investors have driven activity levels over the last 12 months**
 - Offshore buyers represent ~20% of sales
- **Owner occupiers, particularly first home buyers have been active in VIC land projects**
- **NSW sales are strong with momentum expected to carry into FY16 & FY17**
- **QLD sales activity has improved significantly supported by new project commencements & improved sentiment**
- **WA has continued to perform steadily although the outlook remains relatively weak as the mining sector adjusts to lower commodity prices**

Note: All figures as at 31 March 2015

Major projects

COCKBURN CENTRAL (PERTH, WA)



- 8 year development program
- 850 dwellings
- Medium density transit oriented development – 22km from CBD
- Products range from S\$415,000 for 1br apartment to S\$639,000 for 2 br + study apartment
- Development density >150 dwellings ha

CLEMTON PARK (SYDNEY, NSW)



- 6 year development program
- 790 dwellings & 7,800 sqm retail
- Medium Density infill development - 14km from CBD
- Products range from S\$479,000 (1Br apt) to S\$1.0m (3 br apartment)
- Development density 250 dwellings ha

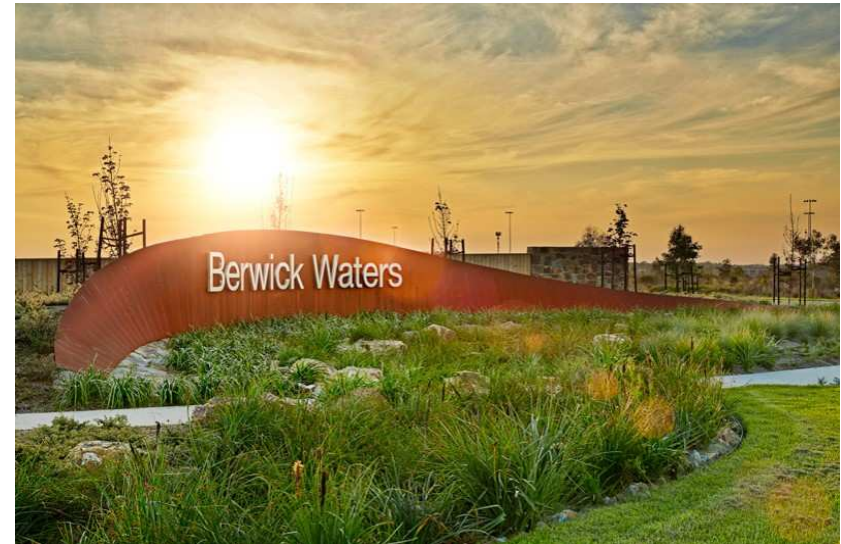
Major projects

HAMILTON REACH (BRISBANE, QLD)



- 8 year development program
- ~800 dwellings
- Medium density infill development – 8km from CBD
- Products range from \$380,000 (1 br apartment) to \$4.5m (Keelson River Home)
- Development density >100 dwellings ha

BERWICK WATERS (MELBOURNE, VIC)



- 12 year development program
- 2,400 dwellings & neighbourhood retail precinct
- Greenfield development - 50km from CBD in south east growth corridor
- Products range land from \$220,000 to \$500,000 per lot
- Development density 17 dwellings ha

Major projects

PUTNEY (SYDNEY, NSW)



- 6 year development program
- 791 dwellings
- Medium density infill development – 13km from CBD
- Products range from S\$447,000 for 1br apartment to S\$2.1m for 4 br + study town houses
- Development density >80 dwellings ha

CENTRAL PARK (SYDNEY, NSW)



- 10 year development program
- 2,200 dwellings, hotel, 869 student dwellings & 20,000m² retail
- High Density mixed use infill re-development – CBD Sydney
- Products range from S\$479,000 (1br apt) to S\$3.2m (sky home)
- Development density 400 dwellings ha
- Awarded “Worlds Best Tall Building” 2014

Residential Outlook

- **Market conditions are strong on the eastern seaboard and operating environment remains supportive**
- **FPA & Australand residential activities are positioned differently, resulting in a complementary mix of skills and capabilities**
- **Portfolio is diversified by geography, by product, by price and by market segment**
- **Strong sales activity. Division is well positioned to deliver solid performance in FY15, with good momentum into subsequent years**
- **New project commencements – Ashlar (NSW), Sunbury (VIC), Park Ridge (QLD), Coorparoo (QLD), Point Cook (VIC) & Baldivis West (WA) offsetting project completions in near term**
- **Major projects maturing as >90% portfolio zoned & under active development**



Carlton, Melbourne, VIC

Thank you