



## **Frasers Centrepoint Limited**

**Extraordinary General Meeting  
12 November 2014**

# Important Notice

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Certain statements in this Presentation constitute “forward-looking statements”, including forward-looking financial information. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Frasers Centrepoint Limited (“FCL”), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding FCL’s present and future business strategies and the environment in which FCL will operate in the future. Because these statements and financial information reflect FCL’s current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

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## **Resolution 1:**

# **The Proposed Acquisition of Australand Property Group**

# Summary of Proposed Acquisition of Australand

<b>Proposed Acquisition</b>	<ul style="list-style-type: none"> <li>Off-market takeover bid to acquire up to 100% of the issued stapled securities of Australand Property Group (“Australand”) (the “Offer”)</li> <li>The Offer opened on 7 July 2014 and closed on 4 September 2014</li> </ul>																		
<b>Ownership of Australand</b>	<ul style="list-style-type: none"> <li>98.4% interest at close of Offer</li> <li>100% ownership with completion of Compulsory Acquisition</li> </ul>																		
<b>Consideration</b>	<ul style="list-style-type: none"> <li>A\$4.48 cash per Australand Security</li> <li>Aggregate consideration of A\$2.6 billion (~S\$3 billion)<sup>(2)</sup></li> </ul> <div data-bbox="1004 558 1854 943" data-label="Figure"> <table border="1"> <caption>Offer Price Premium/Discount</caption> <thead> <tr> <th>Scenario</th> <th>Price</th> <th>Premium/Discount</th> </tr> </thead> <tbody> <tr> <td>Offer price</td> <td>4.48</td> <td>-</td> </tr> <tr> <td>Stockland proposal <sup>(1)</sup></td> <td>4.35</td> <td>3%</td> </tr> <tr> <td>Closing price <sup>(3)</sup></td> <td>4.31</td> <td>4%</td> </tr> <tr> <td>IE (Low) <sup>(4)</sup></td> <td>4.22</td> <td>6%</td> </tr> <tr> <td>IE (High) <sup>(4)</sup></td> <td>4.54</td> <td>(1%)</td> </tr> </tbody> </table> </div>	Scenario	Price	Premium/Discount	Offer price	4.48	-	Stockland proposal <sup>(1)</sup>	4.35	3%	Closing price <sup>(3)</sup>	4.31	4%	IE (Low) <sup>(4)</sup>	4.22	6%	IE (High) <sup>(4)</sup>	4.54	(1%)
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<b>Deal Protection Mechanisms</b>	<ul style="list-style-type: none"> <li>Secured exclusivity to allow completion of due diligence pre-Offer</li> <li>1% break fee agreed and right to match, etc</li> </ul>																		

Note:

(1) Stockland’s revised proposal on 28 May 2014 based on the closing price of Stockland’s securities of A\$3.87 on 27 May 2014

(2) Based on an exchange rate of A\$1 : S\$1.16

(3) As at 3 June 2014

(4) IE refers to KPMG Financial Advisory Services (Australia) Pty Ltd, the Independent Expert for Australand

# Successful Offer process

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- ☑ **Unanimous Australand Board recommendation for Proposed Acquisition<sup>(1)</sup>**
  
- ☑ **FIRB approval on 9 July 2014**
  
- ☑ **Successful bid process resulting in full privatisation of Australand**
  - >50% achieved by 7 August 2014, satisfying all Offer conditions
  - >90% by 20 August 2014, reaching the Compulsory Acquisition threshold
  - 98.4% on close of offer (4 September 2014)
  
- ☑ **No increase from initial Offer price**

Note:

(1) In the absence of a superior proposal and subject to the Independent Expert opinion concluding that the Offer is fair and reasonable to Australand Securityholders.



# Overview of Australand

One of Australia's leading diversified property groups  
with >90 years of experience

## INVESTMENT PORTFOLIO

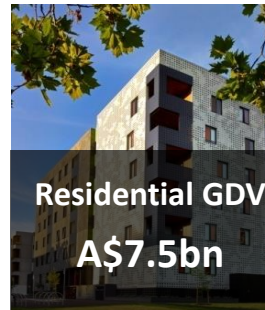
RECURRENT INCOME  
(60-70% of Group EBIT)



- ✓ Strong tenant profile: 50% multinational companies, 31% ASX-listed, 6% government-linked
- ✓ High occupancy rates: 94.9%
- ✓ Stable long-term leases with fixed rent escalation

## DEVELOPMENT PIPELINE

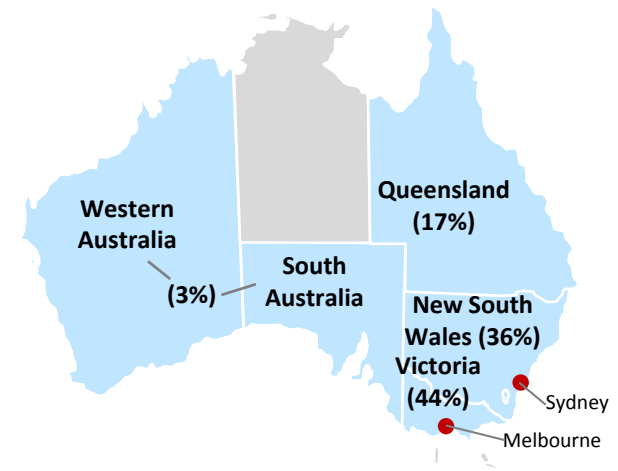
GROWTH  
(30-40% of Group EBIT)



- ✓ Strong pipeline
- ✓ Residential: 19,465 lots
- ✓ Industrial: 255Ha of landbank

## Diversified across key markets

Investment Portfolio



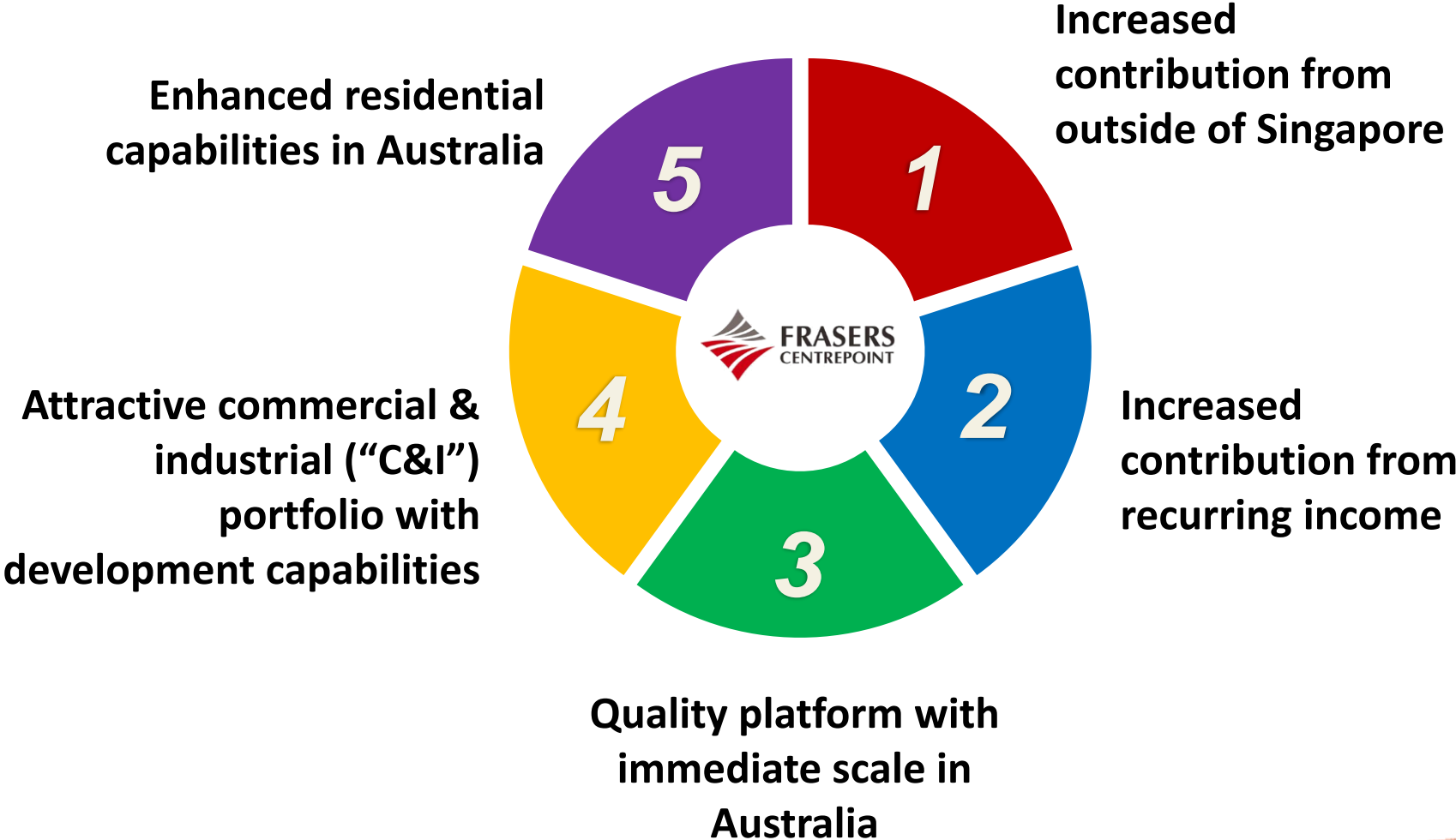
## Strong tenant profile



Note: In A\$, as at 31 December 2013

Source: Australand Annual Report 2013; Australand 2013 Full Year Results Briefing presentation

# Rationale for the Proposed Acquisition

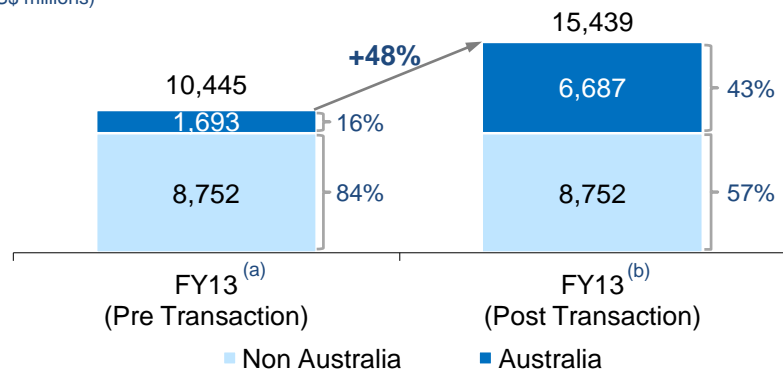




# Increased contribution from Australia

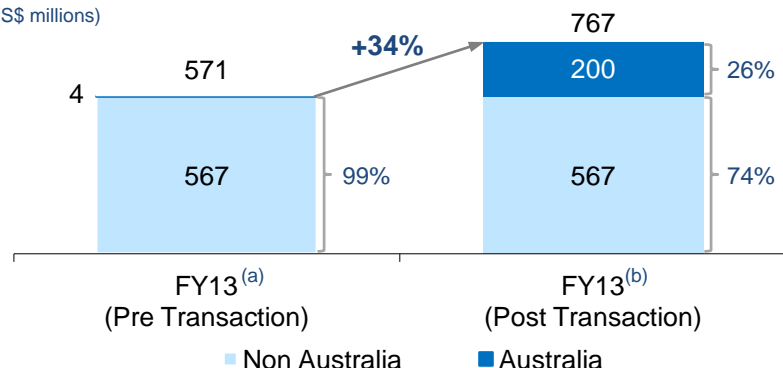
## Increase in asset contribution from Australia

(S\$ millions)



## Increase in PBIT contribution from Australia

(S\$ millions)



## ✓ Sustaining growth through overseas strategy

- Asset contribution from Australia up from 16% to 43% on pro-forma basis for FY13; with Australand constituting 32% of the FCL Group's total assets
- PBIT from Australia to increase multiple-fold. On a pro-forma basis, FY13 PBIT from Australia would have been S\$200m, constituting 26% of FCL's PBIT post transaction

Note: For illustrative purposes only, the financial effects of the acquisition of Australand on FCL are prepared based on the FCL Group's consolidated audited financial statements for the financial year ended 30 September 2013 and Australand's audited financial statements for the financial year ended 31 December 2013. The financial effects are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of FCL or the FCL Group.

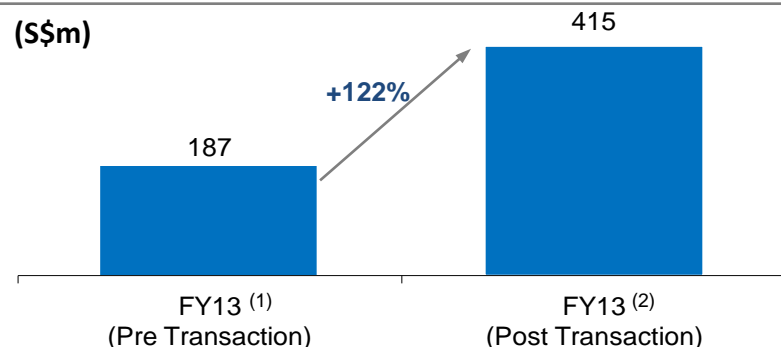
(1) Refers to FCL financials as at 30 September 2013.

(2) Takes into account Australand's audited financials as at 31 December 2013.

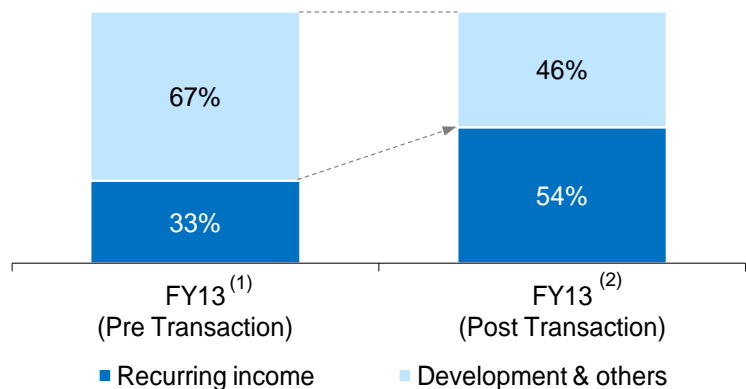
Source: FCL, Australand annual reports

## Increased contribution from recurring income

### Increase in PBIT from recurring income



### Increase in contribution from recurring income streams



- ✔ **Increases stability and visibility of FCL's earnings**
  - 122% increase in PBIT from recurring income on pro-forma basis for FY13
  - Recurring income to constitute 54% of FCL's PBIT post transaction on pro-forma basis for FY13
  
- ✔ **Greater ability and flexibility in making strategic capital allocation decisions**

Note: For illustrative purposes only, the financial effects of the acquisition of Australand on FCL are prepared based on the FCL Group's consolidated audited financial statements for the financial year ended 30 September 2013 and Australand's audited financial statements for the financial year ended 31 December 2013. The financial effects are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of FCL or the FCL Group.

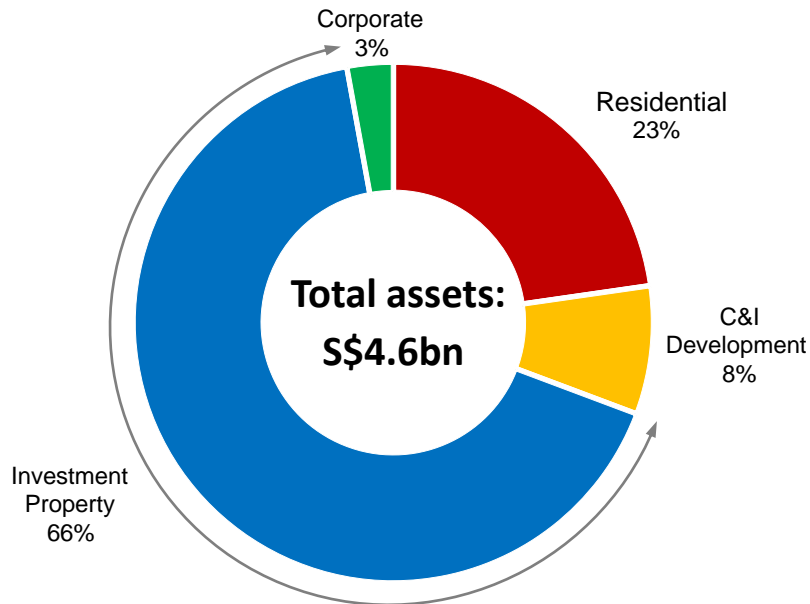
(1) Refers to FCL financials as at 30 September 2013.

(2) Takes into account Australand's audited financials as at 31 December 2013.

Source: FCL, Australand annual reports

### 3 Quality platform with immediate scale in Australia

Australand offers a well diversified portfolio of Australian assets



Australand's broad portfolio and experienced management team helps diversify FCL's residential capabilities in Australia

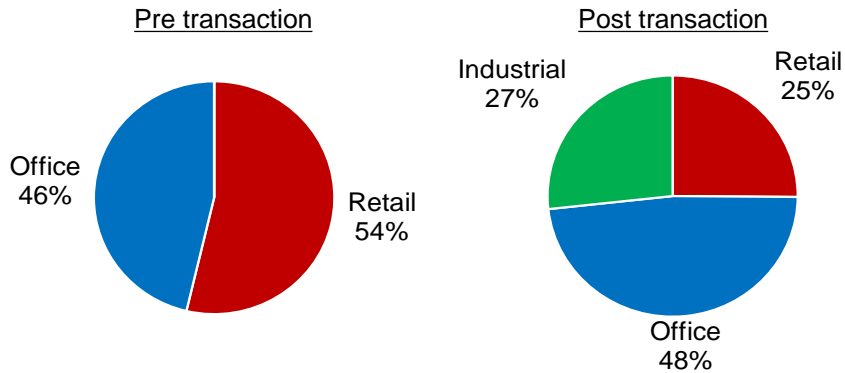
<b>Office portfolio</b>	<ul style="list-style-type: none"> <li>• A\$1.2bn portfolio offering NLA of 269,367 sqm across 17 assets in Victoria and New South Wales</li> <li>• Cap rate of 7.5% with WALE of 4.8 years</li> </ul>
<b>Industrial portfolio</b>	<ul style="list-style-type: none"> <li>• A\$1.2bn portfolio offering GLA of 942,832 sqm across 51 assets diversified across Australia</li> <li>• Cap rate of 8.4% with WALE of 5.8 years</li> </ul>
<b>Residential portfolio</b>	<ul style="list-style-type: none"> <li>• Weighted average development life of 11.4 years</li> <li>• Owns and manages 19,465 lots with aggregate GDV of A\$7.5bn</li> </ul>
<b>C&amp;I development</b>	<ul style="list-style-type: none"> <li>• Industrial landbank of 255 hectares</li> <li>• C&amp;I GDV of A\$1.8bn</li> </ul>

Source: Australand Annual Report & Full Year Results Presentation 2013

# 4 Attractive C&I portfolio with development capabilities

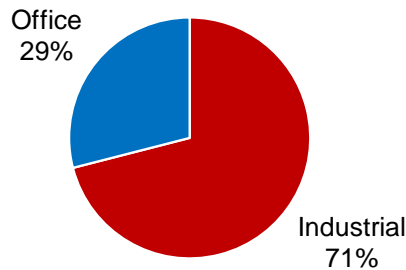
## Increased sector & development capabilities

FCL sector breakdown by asset value<sup>(1)</sup>



## Steady growth in recurring income streams in future

Australand pipeline positioning



Estimated GDV: A\$1.8bn

- ✓ Ownership of attractive C&I properties in Australia
- ✓ Acquisition of a leading C&I development platform in Australia
- ✓ Large industrial land bank of 255 hectares
- ✓ Visible C&I pipeline with a GDV of A\$1.8bn



Note:

(1) FCL's current investment properties portfolio based on value of effective stake in each property (excluding hospitality assets)

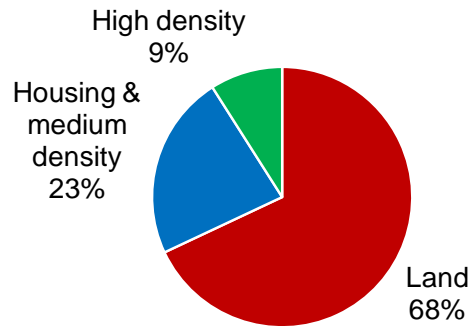
Source: Australand Annual Report 2013; Full Year Results Briefing presentation slides dated 17<sup>th</sup> February 2014

# 5 Enhanced residential capabilities in Australia

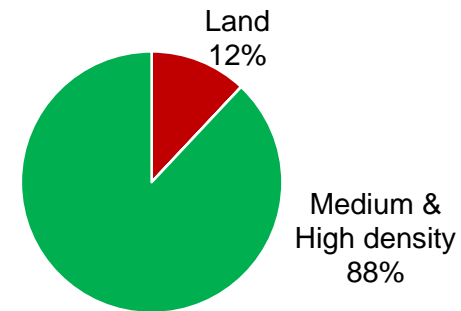
## Residential Pipeline breakdown

	← Australand →				
	Land	Housing & medium density	High density		
<b>Projects</b>	22	14	5	41	4
<b>Development life<sup>(1)</sup></b>	14.3 yrs	5.7 yrs	3.8 yrs	-	-
<b>GDV / Carrying value</b>	A\$3.9bn <sup>(2)</sup>	A\$2.6bn <sup>(2)</sup>	A\$1.1bn <sup>(2)</sup>	A\$7.5bn <sup>(2)</sup>	A\$1.2bn <sup>(3)</sup>

### Australand's pipeline breakdown<sup>(4)</sup> by product type



### FCL's Australian pipeline breakdown<sup>(4)</sup> by product type



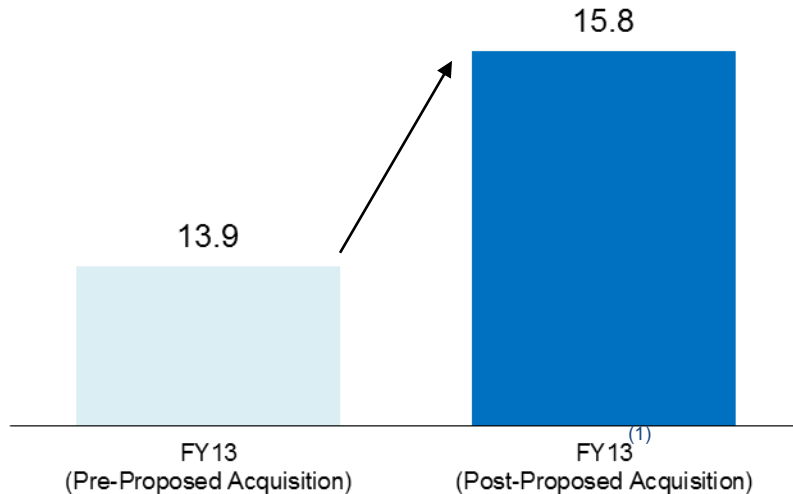
**Australand's multiple capabilities & pipeline will complement FCL's current product offerings in Australia**

Note: Includes 100% of joint arrangements and PDAs

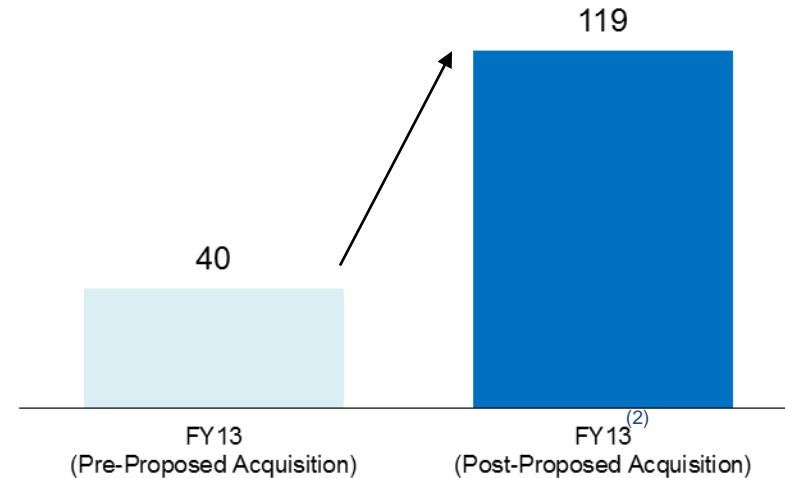
- (1) Weighted average by lots remaining
- (2) Based on GDV of residential projects
- (3) Based on carrying value
- (4) Based on number of units/land lots

# Financial effects of the Proposed Acquisition

## EPS before fair value change and exceptional items (S\$ cents) attributable to ordinary shareholders



## Net debt over total equity (%)



*For illustrative purposes only, the financial effects of the acquisition of Australand on FCL are prepared based on (a) the FCL Group's consolidated audited financial statements for the financial year ended 30 September 2013 and the current financing arrangements for the acquisition, and (b) Australand's audited financial statements for the financial year ended 31 December 2013. The financial effects are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of FCL or the FCL Group.*

(1) This figure assumes full redemption of the ASSETS and the USPPs.

(2) This figure assumes the Proposed Acquisition is financed by bank loans and internal resources, and also assumes full redemption of the ASSETS and the USPPs.



# Managing the capital position of FCL Group

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- **Gearing for FCL Group has increased with the Proposed Acquisition**
  - ☑ Funded by S\$1.8 billion 5-year bullet term loan facility as well as cash and internal resources
- **FCL has since undertaken a series of steps to improve its capital position:**
  - ☑ 12 Sep 2014: Increased S\$1 billion multicurrency medium term note programme to S\$3 billion (the “Programme”)
  - ☑ 24 Sep 2014: Issued S\$600 million 4.88% subordinated perpetual capital securities
  - ☑ 7 Oct 2014: Issued S\$200 million 7-year 3.95% fixed rate notes

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## **Resolution 2:**

# **The proposed issue and placement of Perpetual Capital Securities to TCC Prosperity Limited (“TCCPL”) as an Interested Person Transaction<sup>(1)</sup>**

Note:

(1) The subscription by TCCPL of the Perpetual Capital Securities to be issued by FCL Group constitutes an “Interested Person Transaction” under Chapter 9 of the Listing Manual and Shareholders’ approval is thus required under Rule 906 of the Listing Manual.

# Proposed Interested Party Transaction

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- FCL is proposing to undertake an offering of Perpetual Capital Securities (the “Proposed Offering”), subject to market conditions, for the following reasons:
  - ☑ Diversify funding sources
  - ☑ Improve gearing position
  - ☑ Provide for tax deductibility, subject to IRAS’s confirmation
- TCCPL has expressed a willingness to subscribe for up to 50% or S\$300 million (whichever is lower) of the Perpetual Capital Securities as a lead anchor investor to support the book-building activities
- The above transaction will constitute an “interested person transaction” (“IPT”) under Chapter 9 of the Listing Manual
- Shareholders’ approval is required as the transaction exceeds 5% of FCL’s last audited NTA

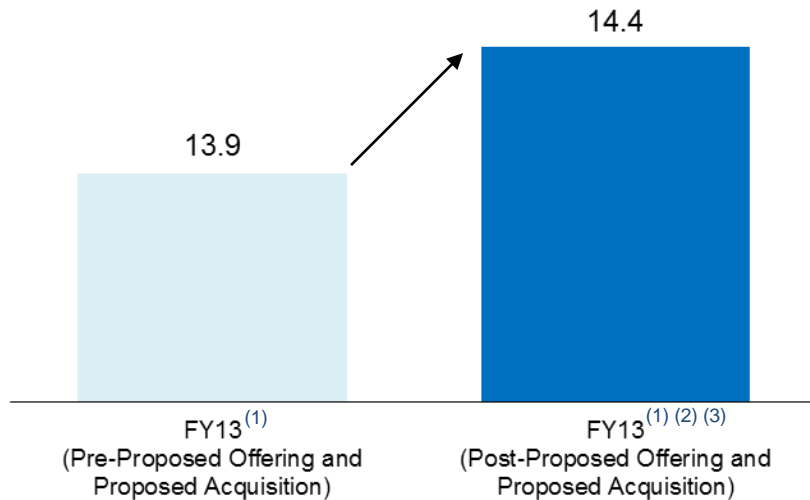
# Process to be used for Proposed IPT

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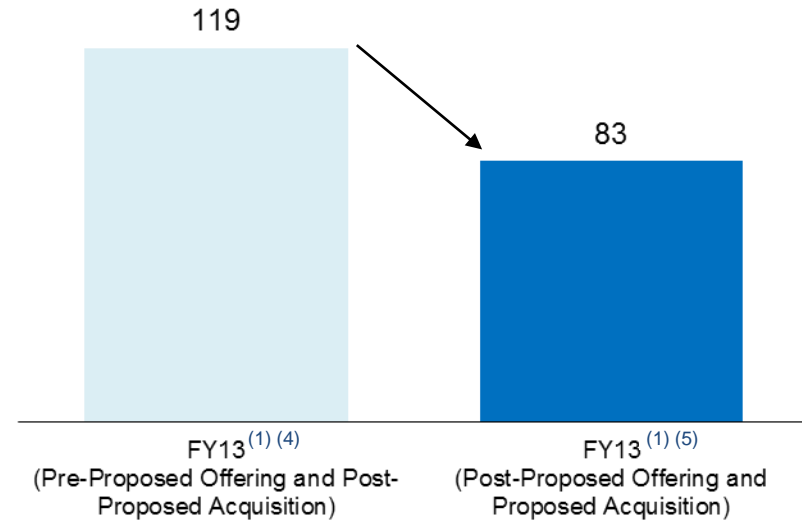
- The Proposed Offering will be made pursuant to FCL's S\$3.0b Programme.
- Final terms of the Proposed Offering will be determined following the launch of a book-building exercise undertaken by the lead manager(s).
- Management will work directly with the lead manager(s) to determine the structure and terms of the Proposed Offering, taking into account market conditions and other factors that management and the lead manager(s) consider relevant.
- The lead manager(s) will engage with a range of third party investors to negotiate the detailed terms that will clear the market for the Proposed Offering.
- Neither TCCPL nor any of its representatives will be directly involved in that process.
- TCCPL will take up to 50% or S\$300 million (whichever is lower) of the Perpetual Capital Securities, at the market clearing price derived from the book-building exercise on the same terms and at the same price as other investors under the Proposed Offering.
- No fee will be payable to TCCPL for this arrangement.

# Pro-forma financial effects of the Proposed Offering

## EPS before fair value change and exceptional items (S\$ cents) attributable to ordinary shareholders



## Net debt over total equity (%)



*For illustrative purposes only, the financial effects of the acquisition of Australand on FCL are prepared based on FCL Group's consolidated audited financial statements for the financial year ended 30 September 2013 and Australand's audited financial statements for the year ended 31 December 2013. The financial effects are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of FCL or the FCL Group.*

### Notes

(1) The figure is post FCL's listing

(2) The figure assumes full redemption of the ASSETS and the USPPs.

(3) Following the launch of S\$600 million subordinated perpetual capital securities in September 2014, the total perpetual capital securities amounts to S\$1.2 billion (including the Proposed Offering). For illustration purposes only, the distribution rate for the Proposed Offering is assumed to be the same as that of the S\$600 million subordinated perpetual capital securities issued in September 2014.

(4) The figure assumes that the Proposed Acquisition is financed by bank loans and internal resources, and also assumes the full redemption of the ASSETS and the USPPs.

(5) The figure assumes that the Proposed Acquisition is financed by S\$1.2 billion of perpetual capital securities with the balance by bank loans and internal resources and assumes the full redemption of the ASSETS and the USPPs.

# Advice and recommendations

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- **Advice of the Independent Financial Adviser (Deloitte & Touche Corporate Finance Pte Ltd)**
  - The IFA is of the opinion that the Proposed IPT will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders if the methods and procedures to be used for determining the terms and pricing of the Proposed IPT as set out in the shareholder's circular and IFA letter are adhered to.
- **Statement of Audit Committee**
  - The Audit Committee is of the view that the Proposed IPT is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.
- **Recommendation of Independent Directors**
  - The Independent Directors believe that the Proposed IPT is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders
  - The Independent Directors recommend that Shareholders **VOTE IN FAVOUR** of the ordinary resolution to approve the Proposed IPT



# Abstention from voting

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- Rule 919 of the Listing Manual prohibits interested persons and their associates from voting on a shareholder's resolution approving any interested person transactions
- Each of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi will abstain, and has undertaken to ensure that his/her associates will abstain, from voting at the EGM on the ordinary resolution to approve the Proposed IPT as set out in the Notice of EGM

# In summary

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## **Resolution 1**    **The Proposed Acquisition of Australand Property Group**

Transformational transaction that delivers following benefits:

- ✓ Increased contribution from outside of Singapore
- ✓ Increased contribution from recurring income
- ✓ Quality platform with immediate scale in Australia
- ✓ Attractive commercial & industrial portfolio with development capabilities
- ✓ Enhanced residential capabilities in Australia

## **Resolution 2**    **The proposed issue and placement of Perpetual Capital Securities to TCC Prosperity Limited (“TCCPL”) as an Interested Person Transaction**

- ✓ Enhance success of Proposed Offering with TCCPL as lead anchor investor to support book-building activities
- ✓ No fee payable to TCCPL in respect of this arrangement
- ✓ Proposed Offering will diversify Company’s funding sources and improve its gearing position



**Thank You**