

**PRESS RELEASE**

*For Immediate Release*

**Frasers Centrepoint Signs Bid Implementation Agreement and Announces Takeover Offer for 100% of Australand Property Group**

- **Completed due diligence affirms rationale and strategic fit of Australand**
- **All-cash conditional offer of A\$4.48<sup>1</sup> per stapled security for 100% of Australand**
- **Transformational transaction and catalyst for Frasers Centrepoint to deepen its roots and accelerate its growth in Australia**

**Singapore, 1 July 2014** – Frasers Centrepoint Limited (“FCL” or the “Group”) has completed its exclusive due diligence and has signed a binding Bid Implementation Agreement to make an off-market takeover offer (“Offer”) to acquire up to 100% of the issued stapled securities of Australand Property Group (“Australand”) for cash consideration of A\$4.48<sup>1</sup> per stapled security.

The Offer values Australand at approximately A\$2.6 billion<sup>2</sup> (approximately S\$3.1 billion).

The Offer is subject to limited conditions including a minimum acceptance of more than 50% and approval from Australia’s Foreign Investment Review Board. The Bid Implementation Agreement contains standard deal protection provisions including a break fee together with no shop and no due diligence restrictions and matching rights.

The Offer is currently scheduled to open on 7 July 2014 and close on 7 August 2014 unless extended.

Deutsche Bank and Standard Chartered Bank are the financial advisers to FCL.

**Unanimous Recommendation of the Board of Australand**

Australand’s Directors have unanimously recommended the Offer and intend to accept the Offer in respect of all the stapled securities that they own or control, subject to there being no superior proposal and the independent expert concluding that the Offer is fair and reasonable to Australand security holders.

**Affirmation of Rationale and Strategic Fit**

Mr Lim Ee Seng, Group Chief Executive Officer of FCL said, “The due diligence affirms the rationale and strategic fit for FCL to acquire Australand. FCL had planned on achieving several key strategic objectives over the medium term, including increasing the proportion of overseas earnings and recurring income, as well as enhancing our platform in Australia. This transaction ticks all the boxes and will allow FCL to achieve our targets in a much shorter period of time.”

“We have a high regard for the management of Australand and we are very excited for the future potential of the business.” Mr Lim added.

<sup>1</sup> Australand security holders will be entitled to the Allowed Distribution. Please see the Bidder’s Statement in relation to the Offer for further details

<sup>2</sup> Based on the Offer Price of A\$4.48 per stapled security and Australand’s issued stapled securities of 578,984,528

*The admission and listing of Frasers Centrepoint Limited on the Singapore Exchange Securities Trading Limited (the “Listing”) was sponsored by DBS Bank Ltd. as the Sole Issue Manager. DBS Bank Ltd., United Overseas Bank Limited and Morgan Stanley Asia (Singapore) Pte. were the Joint Financial Advisers for the Listing. DBS Bank Ltd., United Overseas Bank Limited and Morgan Stanley Asia (Singapore) Pte. assume no responsibility for the contents of this announcement.*

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### **Rationale and Benefits of the Transaction to FCL**

The Offer is consistent with FCL's strategy and represents a transformational transaction that delivers significant benefits to FCL, including:

- *Substantial increase in FCL Group assets and profits from outside of Singapore*

Australia is a core market for the Group, which is experiencing robust demand across multiple sectors including residential and industrial. The transaction is expected to be EPS<sup>3</sup> accretive and will increase the Group's assets by 48% and Attributable Profit<sup>3</sup> by 6%. Post transaction, overseas markets are expected to contribute 35% of Group PBIT and represent 57% of Group total assets.

- *Improving the sustainability of FCL's earnings through an increase in recurring income*

The sustainability of FCL earnings is expected to improve significantly with more than doubling of PBIT from recurring income streams. As a result, the Group will have increased ability and further flexibility to make strategic capital allocation decisions.

- *A quality platform with immediate scale in Australia, a core market*

Australand is one of Australia's leading real estate companies with a strong management team and a well-diversified portfolio of assets across Australia. As at 31 December 2013, Australand had total assets of A\$3.8 billion<sup>4</sup> (approximately S\$4.5 billion) including a portfolio of 68 investment properties valued at A\$2.4 billion<sup>4</sup> (approximately S\$2.8 billion). For financial year 2013, Australand achieved operating profit after tax of A\$148 million<sup>4</sup> (approximately S\$174 million).

- *Ownership of an attractive commercial and industrial portfolio with development capabilities*

Post transaction, FCL will gain ownership of an attractive commercial and industrial portfolio with significant development capabilities. As at 31 December 2013, Australand's commercial and industrial portfolio had an occupancy rate of 94.9%<sup>4</sup>, WALE<sup>5</sup> of 5.3 years<sup>4</sup> and an average capitalisation rate of 7.98%<sup>4</sup>. Australand also owns one of the largest industrial land bank in Australia with 255 hectares<sup>4</sup> and an end value of A\$1.8 billion<sup>4</sup> (approximately S\$2.1 billion) for its commercial and industrial portfolio.

- *Enhancing FCL's residential development capabilities in Australia*

The Group will enhance its residential capability in Australia through the acquisition of Australand. As at 31 December 2013, Australand had 41 pipeline projects with an end value of A\$7.5 billion<sup>4</sup> (approximately S\$8.8 billion) diversified across land sub division, housing & medium density and high density segments.

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<sup>3</sup> Before fair value adjustments of investment properties and exceptional items

<sup>4</sup> Figures quoted from Australand's 2013 annual report

<sup>5</sup> Weighted average lease expiry

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### **Funding**

To fund the transaction, in addition to existing cash reserves, FCL has secured debt financing from Deutsche Bank, Standard Chartered Bank and Sumitomo Mitsui Banking Corporation.

### **SGX-ST Waiver**

FCL has obtained and satisfied all conditions of the conditional waiver from the SGX-ST to seek FCL shareholders ("Shareholders") ratification of the Offer in a general meeting after the Offer is made including an undertaking by TCC Assets Ltd. to vote in favour of approving the Offer at the EGM.

A circular to the Shareholders, together with a notice of the EGM, to seek Shareholders' ratification of the Offer will be despatched in due course.

Unless indicated otherwise, translation of amounts in A\$ into S\$ has been made at the rate of A\$1 = S\$1.1786 as at 27 June 2014.

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### **About Frasers Centrepoint Limited**

Frasers Centrepoint Limited ("FCL") is a full-fledged international real estate company and one of Singapore's top property companies with total assets of approximately S\$11.4 billion as at 31 March 2014. FCL has three core businesses focused on residential, commercial and hospitality properties spanning over 30 cities across Asia, Australasia, Europe, and the Middle-East.

FCL is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company is also the sponsor of two real estate investment trusts listed on the Main Board of the SGX-ST, Frasers Centrepoint Trust and Frasers Commercial Trust, which are focused on retail, and office and business space properties, respectively.

As a testament to its excellent service standards, best practices, and support of the environment, FCL is the proud recipient of numerous awards and accolades both locally and abroad.

For more information on FCL, please visit [www.fraserscentrepoint.com](http://www.fraserscentrepoint.com).

### **About Australand**

Listed on the Australian Securities Exchange, Australand is one of Australia's leading diversified property groups. Australand has been involved in property development for more than 80 years, and its activities span across Australia and property segments. Australand's operations, which include development of residential land, housing and apartments, development of, and investment in income producing commercial and industrial properties, and property management, are located in Sydney, Melbourne, South East Queensland, Adelaide and Perth.

For more information on Australand, please visit [www.australand.com.au](http://www.australand.com.au).

For media queries, please contact:

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