



FKP Property Group

Annual General Meeting

30 November 2012

Brought to you by...



Annual General Meeting

Disclaimer

The content of this presentation is for general information only. It does not take into account your objectives, financial situation or needs. Before acting on any information contained in this presentation, you should consider its appropriateness, having regard to your objectives, financial situation and needs.

FKP Property Group, its directors, employees and advisers do not represent or warrant that the information is or will remain accurate, reliable or complete. Whilst every effort has been taken to ensure that any forecasts contained in this presentation are based on reasonable assumptions, actual results may vary from those forecast.

To the extent permitted by law, FKP Property Group, its related bodies corporate, their directors, employees and agents exclude all liability in respect of any loss arising in any way (including by way of fault or negligence) from reliance on the information contained in this presentation or otherwise arising in connection with this presentation.

Annual General Meeting



Executive Chairman's Address

Seng Huang Lee



Saltwater Coast, Point Cook, VIC

Financial Overview

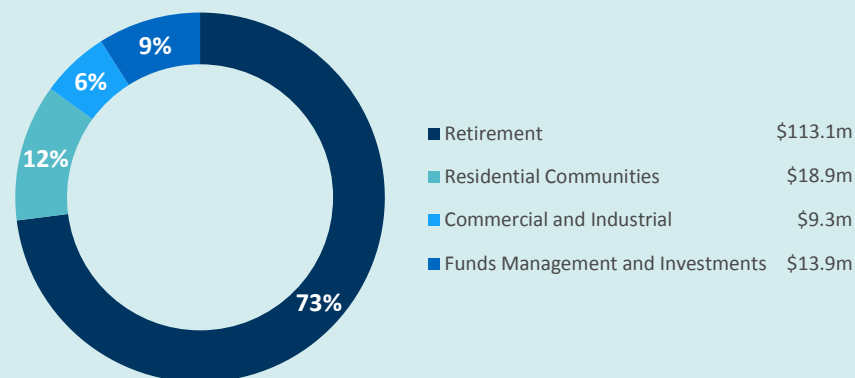
David Hunt, Chief Financial Officer

Review of FY12 Financials



- Underlying profit of \$94.7m, in guidance range of \$91.9-\$104.3m
- Statutory loss of \$350.3m largely impacted by adoption of appropriate valuation assumptions given market conditions
- FY12 distribution of 2.8 cents per stapled security
- Underlying EPS of 7.9cps
- NTA per stapled security of \$0.58¹
- Gearing of 32%²

EBITDA divisional contribution before corporate overhead allocation



¹Pro-forma NTA per stapled security post Entitlement Offer announced 28 August 2012

²Pro-forma gearing post Entitlement Offer announced 28 August 2012

Net Underlying Profit – Divisional Contributions

	FY12 \$m	FY11 \$m	Change
Residential Communities and Apartments	18.9	36.4	(48%)
Retirement operations	33.2	46.3	(28%)
Retirement valuation	79.9	79.6	–
Commercial and Industrial	9.3	29.5	(68%)
Funds and Investments	13.9	15.8	(12%)
Corporate overheads	(14.9)	(17.3)	(14%)
EBITDA	140.3	190.3	(26%)
Depreciation and amortisation	(2.9)	(3.0)	(3%)
EBIT	137.4	187.3	(27%)
Interest and borrowings expense	(12.5)	(26.5)	(53%)
Profit Before Tax	124.9	160.8	(22%)
Income tax	(25.0)	(34.1)	(27%)
Profit After Tax	99.9	126.7	(21%)
Non-controlling interests	(5.2)	(5.7)	(9%)
Net Underlying Profit¹	94.7	121.0	(21%)

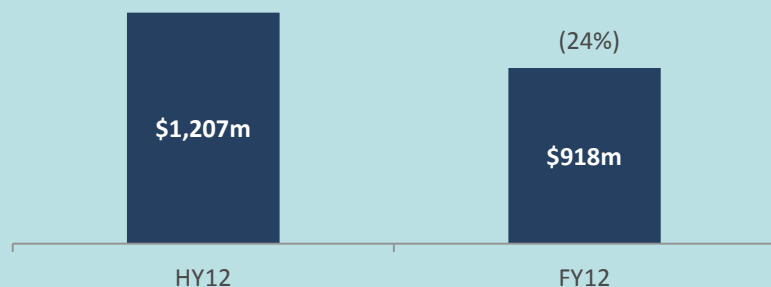
¹ The underlying profit has been calculated as per the AICD Underlying Profit Guidelines

Asset Impairments

- Balance sheet has been impaired to reflect the current market environment

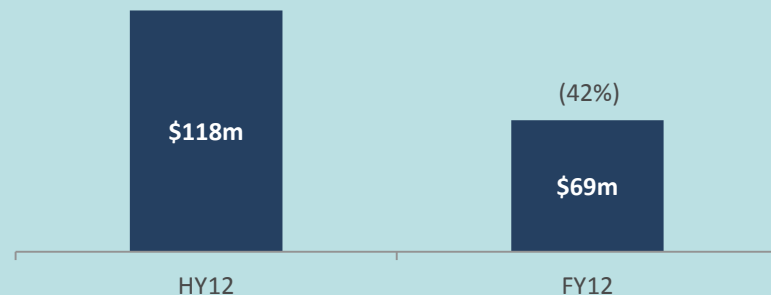
Retirement assets

Balance Sheet Portfolio



- Adjustments due to the adoption of appropriate valuation assumptions¹ (including consolidated FPG assets) given market conditions

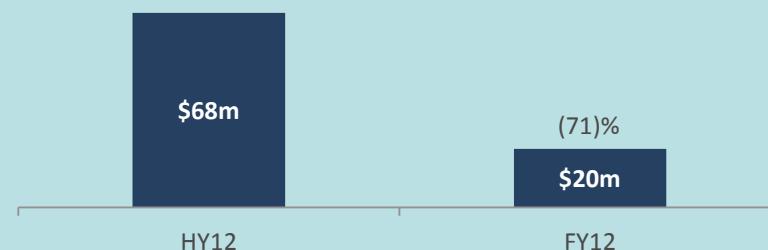
RVG Investment



- Lower carrying value reflecting adoption of appropriate valuation assumptions given market conditions

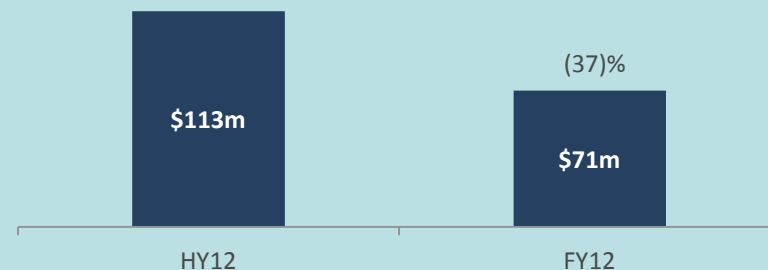
Development assets

Currumbin



- Market conditions have impacted expected delivery dates

Norwest JV



- Market conditions have impacted expected delivery dates

¹Represents NPV of annuity streams. Key assumptions underpinning valuations include discount rate (12.5%), medium term (years 1 to 5) average property price growth (3.5%), long-term (year 6 onwards) property price growth (4.5%) and subsequent resident tenure (10 years for Independent Living Units (ILUs) and 4 years for Serviced Apartments (SAs)).

Capital Management

- Successfully raised \$208m in August through an entitlement offer which received strong support from both institutional and retail securityholders – proceeds were used to repay debt
- The Group's total debt position decreased from \$938m to \$738m on a pro-forma basis¹
- As a result of the entitlement offer, NTA per stapled security decreased from \$0.90 at 30 June 2012 to \$0.58 on a pro-forma basis
- Increased focus on improving cash flow and reducing leverage:
 - sale of non-core assets
 - sale of company owned retirement stock
 - continued implementation of cost control measures
 - proactively manage debt facilities (cancelling undrawn facilities where the security is not available)
- Initial proceeds from Aerial settlements will decrease the debt by a further \$105m and will be utilised to fund the Gasometer projects
- The Board has decided that no dividend will be paid in relation to FY13. As FKP is a stapled security the Board will determine the appropriate distribution for the Trust at June 2013.



Gasometer 1, Gasworks, QLD



Peregian Springs Shopping Centre, Peregian Springs, QLD



Town Centre, Browns Plains, QLD

¹ Excludes Port Bouvard Limited debt

Change in Underlying Profit Reporting



- Change to FKP's reporting of underlying profit. From FY13 onwards the impact of the retirement revaluation will be removed from FKP's underlying profit result and reported as a non-operating item. The rationale for this change is as follows:
 - Desire to adopt a profit measure that is more closely aligned with cash and is reflective of the approach taken by market analysts in assessing FKP's performance
 - Remove the inherent uncertainty associated with forecasting the change in fair value
- While the reported underlying profit after tax will be lower than previously reported, statutory profit will remain unchanged
- Adopting this treatment will make FKP's reported underlying results consistent with its peers in the market

Change in Underlying Profit Reporting

Divisional contributions excluding retirement revaluation

	FY12 \$m	FY11 \$m	Change
Residential Communities and Apartments	18.9	36.4	(48%)
Retirement operations	33.2	46.3	(28%)
Commercial and Industrial	9.3	29.5	(68%)
Funds and Investments	13.9	15.8	(12%)
Corporate overheads	(14.9)	(17.3)	(14%)
EBITDA	60.4	110.7	(45%)
Depreciation and amortisation	(2.9)	(3.0)	(3%)
EBIT	57.5	107.7	(47%)
Interest and borrowings expense	(12.5)	(26.5)	(54%)
Profit Before Tax	45.0	81.2	(45%)
Income tax	(1.7)	(9.4)	(82%)
Profit After Tax	43.3	71.8	(40%)
Non-controlling interests	(2.0)	(1.5)	33%
Net Underlying Profit¹	41.3	70.3	(41%)

- Pro-forma FY12 underlying profit changes from \$94.7m to \$41.3m due to the exclusion of the \$79.9m retirement revaluation contribution, a \$23.2m related non-cash tax expense and a \$3.3m non-controlling interest adjustment

¹ The underlying profit has been calculated as per the AICD Underlying Profit Guidelines



Aveo The Parks, Earlville, QLD

Retirement Living

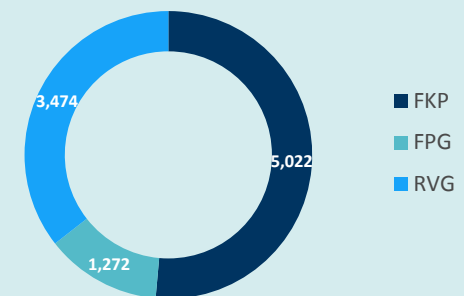
Geoff Grady, Chief Operating Officer

Retirement: Portfolio Overview

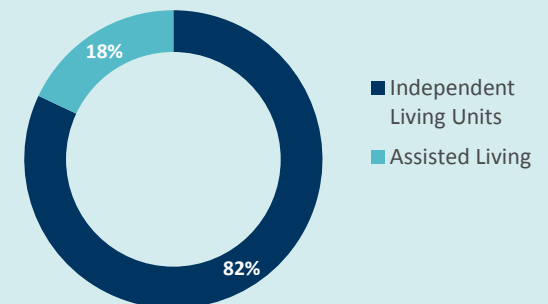
- Under the Aveo brand FKP is committed to providing the highest quality of service to over 12,000 residents
- With 75 villages owned or managed, FKP maintains its leading position as one of the most experienced operators and largest owners of retirement villages in Australia
- As at 30 June 2012, FKP was responsible for the management of 9,768 units across the country



Units by management vehicle



Accommodation types across portfolio

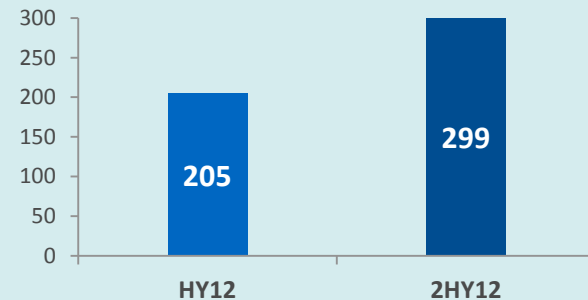


Retirement: FY12 Results



- Divisional profit contribution of \$33.2m
 - Strong 2HY12 volume
 - 46% up on HY12 volume
 - 17% up on pcg volume

Total Sales Volume: HY12 vs 2HY12



- Earlier in the year FKP took full control of the funds management of Retirement Villages Group (RVG) and subsequently merged three retirement platforms in New Zealand on behalf of RVG – Metlifecare, Vision Senior Living and Private Life Care
- Since the announcement of the merger in May 2012, Metlifecare's share price has risen by almost 50% to date
- Focus on further streamlining the ownership of the Australian retirement platform currently held through FKP, Forest Place Group (FPG) and RVG

Retirement: Findings of Strategic Review

1

Ownership structure should be streamlined over time

2

Platform will benefit from stronger focus on annual cash flow

3

Profit margin can be improved through achieving operating efficiencies

4

Opportunity to reduce working capital requirement

5

Opportunity to increase refurbishment program

6

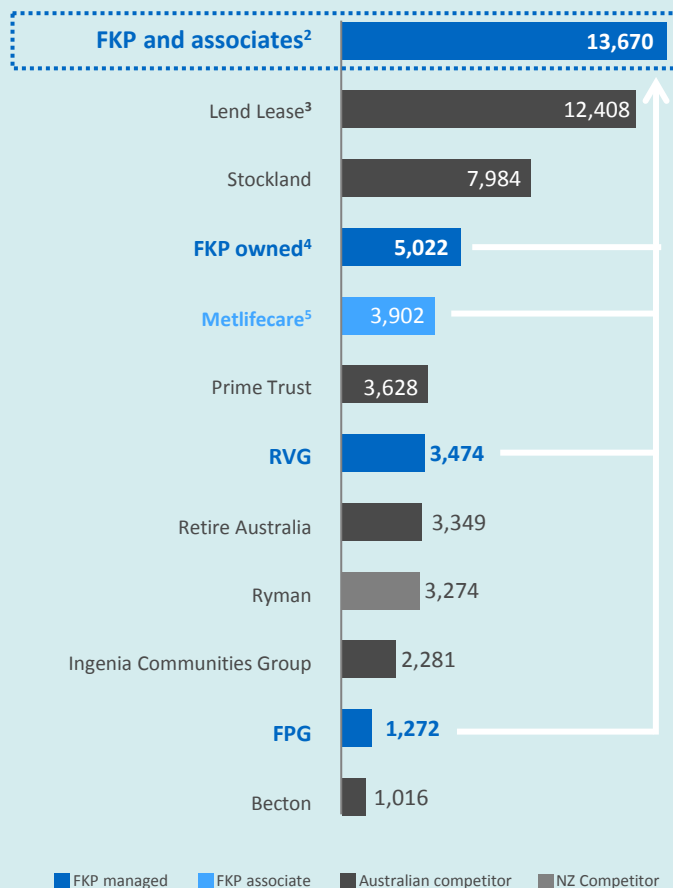
Substantial untapped value in existing portfolio

7

Opportunity to evolve business model with resident needs

Retirement: Key Priorities

FKP is the market leader in Retirement¹



Source: Publicly available competitor company reports and presentations

¹By units owned (directly or indirectly) and/or managed

²FKP manages FPG and RVG as well as 5,022 100% owned units

³Includes management of 5 retirement villages in New Zealand

⁴Excludes consolidated FPG units

⁵RVG holds a 43% interest in Metlifecare

Key Priorities

- Target stronger FY13 performance in a tough trading environment
- Build on sales momentum of 2H FY12 to improve sales volume in FY13 – on track to achieve higher rate of settlement in 1H FY13 than 1H FY12
- Target lower stock levels and reduction in working capital invested – company owned stock levels as at 1 July 2012 reduced by 34% to date
- Seek to reduce buyback activity and focus on undertaking refurbishments on units still owned by outgoing residents
- Development activity dependent on selling environment and availability of capital
- Target overhead savings of 10% on a like for like basis

Annual General Meeting



The Milton, Milton, QLD

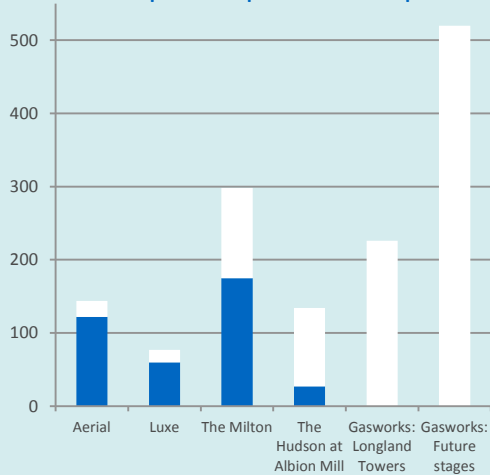
Developments

Mark Jewell, Director of Development

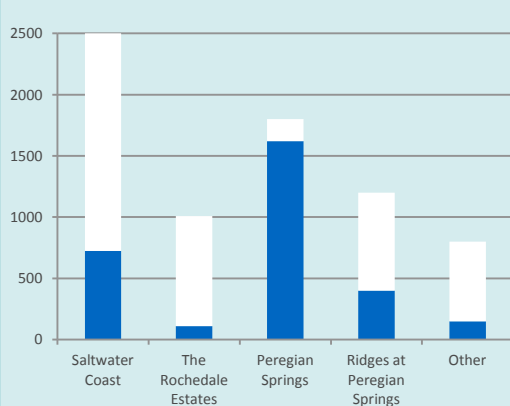
Developments: Overview

- FKP has a well positioned and highly coveted portfolio of residential apartments, masterplanned communities and commercial and industrial assets
- Our ability to select premium and strategically located sites provides a platform to create quality offerings ranging from luxury inner-city apartments to coastal masterplanned communities and mixed-use commercial precincts

Residential apartments pre-sold vs total apartments



Residential land sold vs total lots

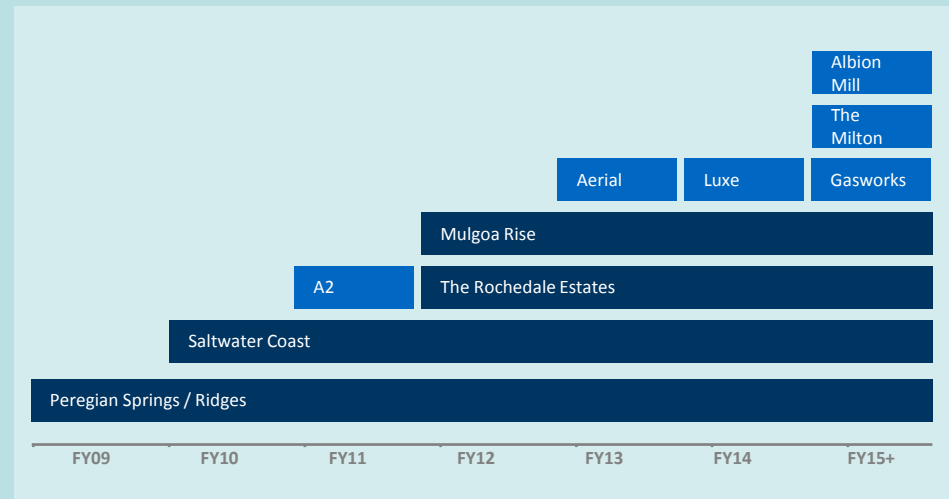


Residential: Communities and Apartments



- Divisional profit contribution of \$18.9m
- Subdued market sentiment impacted sales volumes across all communities projects
- However, margins have largely been maintained due to the high quality product offering involved
- Delivered Aerial apartment development in Melbourne this month with 122 out of 144 apartments pre-sold to date expected to deliver \$105m of proceeds, a further \$21m of proceeds is expected upon the sale of the remaining apartments
- Builders' display village and Lifestyle Centre opened at The Rochedale Estates in Brisbane

Residential Development Pipeline



Note: Based on illustrative project contribution dates

Residential Apartments



Aerial

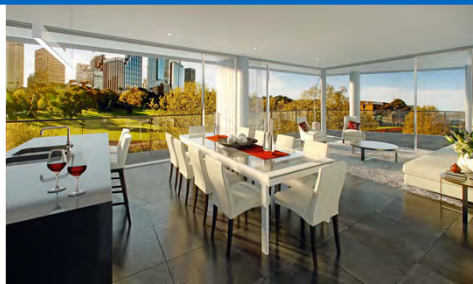
Camberwell Junction, VIC

Aerial is a flagship development for FKP and is one of Melbourne's most elegant and dynamic architectural statements.

- Unique elliptical design by award winning architects, Wood Marsh
- Consists of 144 apartments and ground floor retail known as 'Aerial Walk'
- Strong sales have been achieved, with approximately 85% of the project sold to date
- The heritage-listed ES&A bank building within the site has been transformed into a boutique restaurant

Estimated total project value	\$150 million
-------------------------------	---------------

Status	Completed, selling remaining 22 units
--------	---------------------------------------



Luxe

Woolloomooloo, NSW

Luxe is a boutique 7 level luxury residential apartment development within minutes from the Sydney CBD in cosmopolitan Woolloomooloo.

- Features 77 one, two and three bedroom premium residences with a current price range of \$948,000 to \$2,945,000
- Over 75% of the project has been sold to date
- Currently under construction with estimated completion in late 2013

Estimated total project value	\$90 million
-------------------------------	--------------

Status	Under construction
--------	--------------------



The Milton

Milton, QLD

An iconic mixed-use development on the Brisbane city fringe, The Milton will elevate residential, commercial and retail opportunities to a new level.

- Offers 298 apartments with a current price range of \$495,000 to \$938,000
- Over 55% of apartments have been pre-sold to date
- Construction expected to commence in early 2013 with estimated completion in 2015

Estimated total project value	\$200 million
-------------------------------	---------------

Status	Pre-selling
--------	-------------



The Hudson at Albion Mill

Albion, QLD

Located on the fringe of Brisbane CBD, Albion Mill is set to combine sophisticated inner city apartments, comprehensive commercial opportunities and a mix of convenience and lifestyle retail.

- The \$87m first stage of the Albion Mill precinct known as *The Hudson* will feature 134 one, two and three bedroom apartments with a starting price of \$390,000
- All penthouses have pre-sold
- Offers residents established transport infrastructure, luxury finishes and proximity to Brisbane CBD

Estimated total project value	\$81 million
-------------------------------	--------------

Status	Pre-selling
--------	-------------

Residential Communities



Saltwater Coast

Point Cook, VIC

Saltwater Coast is an exclusive new masterplanned community, located 20km from the Melbourne CBD.

- Approximately 2,500 lots with a diversity of lot sizes, approximately 30% of lots have been sold to date
- Award-winning residents only Lifestyle Centre opened in February 2012 offering first class facilities including indoor and outdoor pools, gymnasium, tennis courts, café and meeting rooms

Estimated
total project
value

\$715 million

Status

Stages under
construction



Peregrine Springs and Ridges at Peregrine Springs

Peregrine Springs, QLD

Peregrine Springs and its adjoining Ridges precinct is a masterplanned community overlooking a golf course in the heart of the Sunshine Coast.

- The community boasts a privately owned 18 hole golf course and country club, a shopping centre, private college, childcare facilities and restaurants
- Residents only Recreation Club at Ridges was completed this year and features a gymnasium, heated eight lane lap pool, kids' pool, two tennis courts and community meeting rooms. Two sporting fields, a clubhouse and park have also been completed

Estimated
total project
value

\$550 million
(Peregrine Springs)
\$330 million (Ridges)

Status

Stages under
construction



The Rochedale Estates

Rochedale, QLD

One of Brisbane's newest and largest masterplanned communities, The Rochedale Estates offers residents a range of housing options in a premium setting.

- Once complete will feature approximately 1,000 environmentally responsive and technologically driven homes. Residents only Lifestyle Centre was completed in October 2012 and features swimming pools, tennis courts, gymnasium, café and business centre
- The builders' display village 'Display World' is set to become Queensland's largest display village when all 48 display homes are completed in 2013

Estimated
total project
value

\$365 million

Status

Stages under
construction

Commercial and Industrial: Overview



- Divisional profit contribution of \$9.3m
 - Result impacted by no major development projects being completed during the period
- Refurbishment of 465 Victoria Avenue, Chatswood complete and all 15 floors of the commercial office tower have been leased
- Approximately \$50m of sales transacted at Industroplex in Mackay over a four month period
- Capital recycling program continued with divestments of 8 Spring Street, Peregrin Spring Shopping Centre and Browns Plains Bulky Goods Centre in FY12
- In November 2012, FKP divested its 50% interest in the Homemaker Centre at Browns Plains in Queensland for \$15m and FKP managed 'Core Plus Fund Two', a closed end investment fund, sold Industroplex Rocklea in Queensland for \$14m



Gasworks



Gasworks is Brisbane's most highly anticipated masterplanned community, located just 1.7km from the CBD and set within the impressive 17 hectare Newstead Riverpark precinct.

- Delivered in stages over 10 years, Gasworks will comprise 8 buildings ranging from 5 to 25 levels and will span residential, retail and commercial components
- Gasworks will provide 103,500sqm of commercial space, 16,650sqm of retail space, 750 apartments, and bring in around 8,000 office workers and 1,300 residents
- Stage one of Gasworks, the Energex Headquarters building, was completed in 2010
- Construction of Gasometer 1 is well underway and on track to be completed by mid-2013
- Gasometer 1 will feature approximately 8,000sqm of retail space and 9,000sqm of A-grade office accommodation across four levels. Over 80% of the retail space has been pre-committed to date
- In November 2012 BOQ executed a lease for 13,100sqm (approximately 56%) of space in Gasometer 2 – the largest commercial deal completed in Brisbane's inner-city fringe in the last 12 months. Early works have commenced and construction is due to be completed in late 2014
- Gasometer 3, comprising 15,500sqm of office space, has obtained development approval

Estimated total project value

\$1.1 billion

Status

Stages under construction



The Hudson at Albion Mill, Albion, QLD

Strategy and Outlook

Seng Huang Lee

Strategy and Outlook

1

Focus on unlocking value of market leading retirement portfolio

- Seek to improve annual cash flow through increased turnover and achieving operating efficiencies
- Explore higher care services to complement current offerings, in line with continuum of care principles
- Streamline ownership structure and continue to explore a separation of the Retirement and Development/Property Trust platforms to unlock intrinsic values

2

Extract value from embedded development pipeline

- Adjust business plan to reflect challenging market by selectively rolling out established projects where it makes economic sense
- Continue to build on momentum of current pipeline particularly at The Rochedale Estates, Gasworks (Gasometer 1 and Gasometer 2), Saltwater Coast and Luxe

3

Deliver on a stringent cost and capital management policy to further reduce gearing

- Divest non-core assets - reweight portfolio to more passive, income generating assets
- Improve operational cash flow and remain focused on proactively managing working capital levels
- No dividend will be paid in relation to FY13¹

¹ The Board will determine the appropriate distribution for the Trust at 30 June 2013

Annual General Meeting

Brought to you by...



Aveo Bayview Gardens, Bayview, NSW

Resolutions

Resolution 1

That Mr Seng Huang Lee, who retires by rotation in accordance with clause 10.3 of the Company's Constitution, is re-elected as a director.

Proxies Received

For	1,637,744,074
Against	47,529,823
Open	5,112,671
Abstain	9,320,660

Resolution 2

That Mr Jim Frayne, who retires by rotation in accordance with clause 10.3 of the Company's Constitution, is re-elected as a director.

Proxies Received

For	1,634,894,440
Against	38,793,156
Open	16,684,910
Abstain	9,334,722

Resolution 3

That Mr Walter McDonald, who retires in accordance with clause 10.8 of the Company's Constitution, is re-elected as a director.

Proxies Received

For	1,664,720,036
Against	8,818,314
Open	16,712,600
Abstain	9,456,278

Resolution 4

That Mr Alan Zammit, who retires in accordance with clause 10.8 of the Company's Constitution, is re-elected as a director.

Proxies Received

For	1,664,562,380
Against	8,870,005
Open	16,726,564
Abstain	9,548,279

Resolution 5

That for the purposes of section 250R(2) of the *Corporations Act 2001* (C'th) and for all other purposes, the Remuneration Report for the year ended 30 June 2012 be adopted.

Proxies Received

For	1,256,421,044
Against	106,325,190
Open	4,913,850
Abstain	332,038,912
Excluded	8,232

Resolution 6

That, the consolidation of every seven Ordinary Shares on issue in the Company into one Ordinary Share and, where the number of Ordinary Shares held by a securityholder as a result of that consolidation would be a fraction of an Ordinary Share, the rounding of those fractions up to the nearest whole number, be approved for the purposes of section 254H of the *Corporations Act 2001* (C'th) and for all other purposes.

Proxies Received

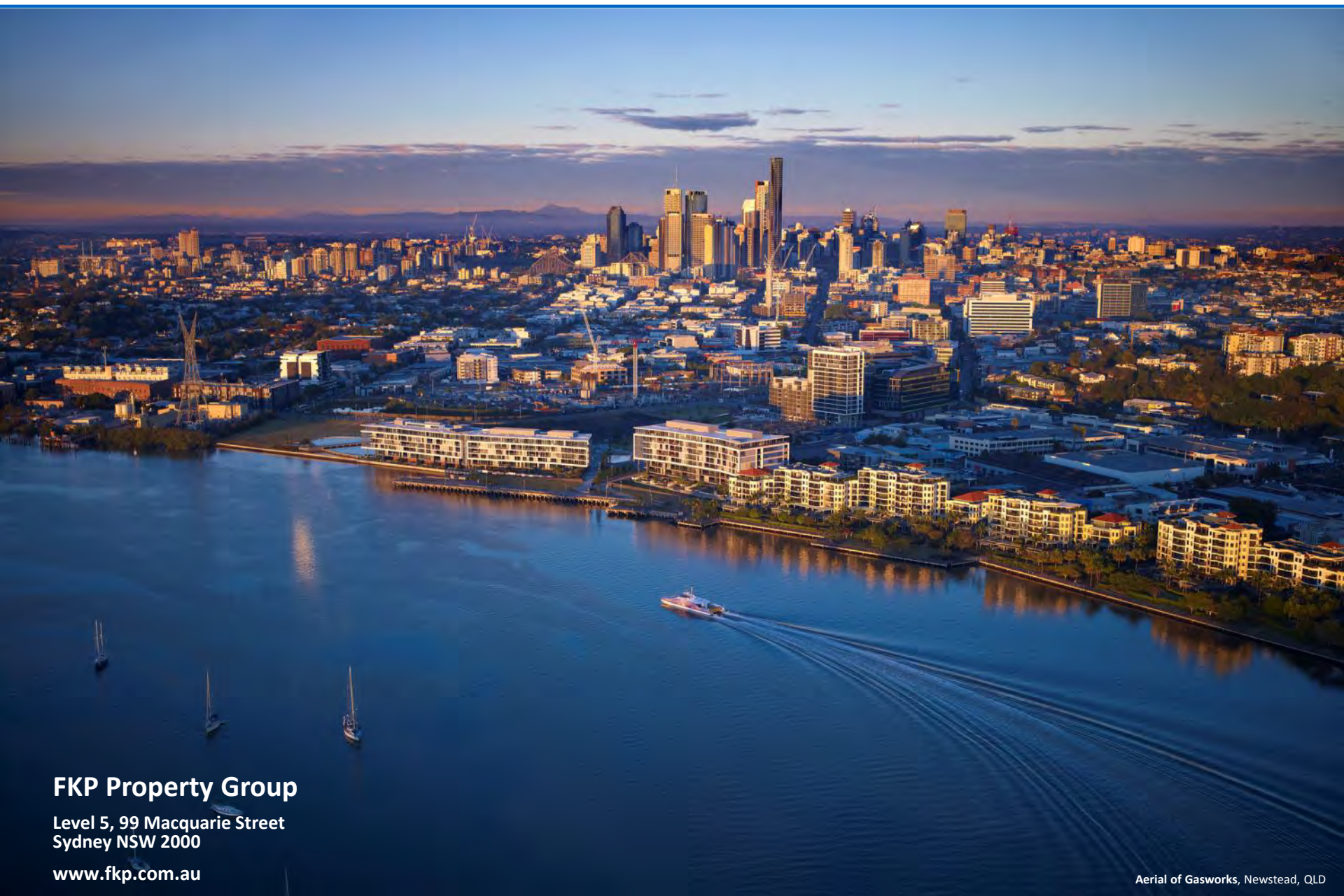
For	1,686,166,830
Against	7,629,778
Open	5,196,374
Abstain	534,246

Resolution 7

That the Performance Rights Plan, the principle terms of which are summarised in the Explanatory Notes and the issue of performance rights under that plan, be approved for all purposes, including for the purpose of ASX Listing Rule 7.2 Exception 9 (as an exception to ASX Listing Rule 7.1).

Proxies Received

For	857,494,949
Against	311,363,153
Open	4,982,372
Abstain	10,017,868
Excluded	515,748,886



FKP Property Group

Level 5, 99 Macquarie Street
Sydney NSW 2000

www.fkp.com.au