

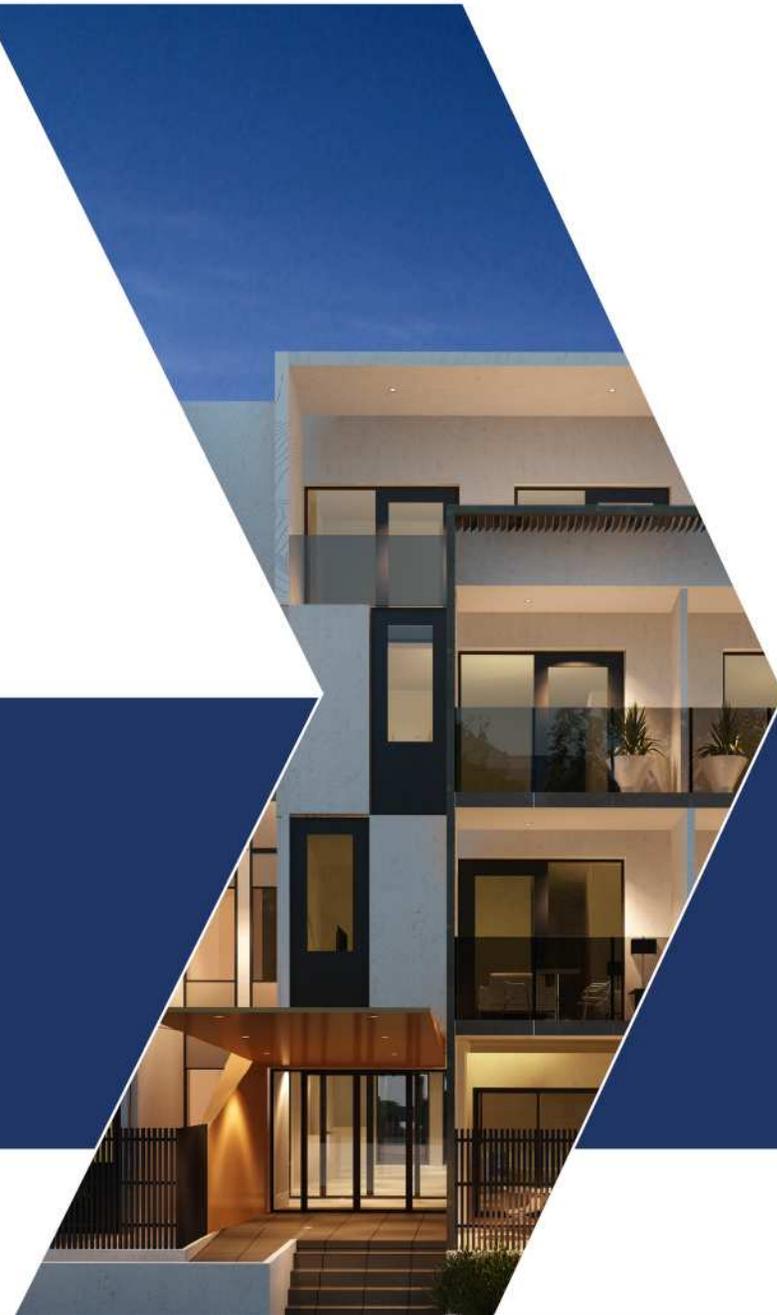


## 2012 ANNUAL GENERAL MEETING

28 NOVEMBER 2012

B|E|C|T|O|N

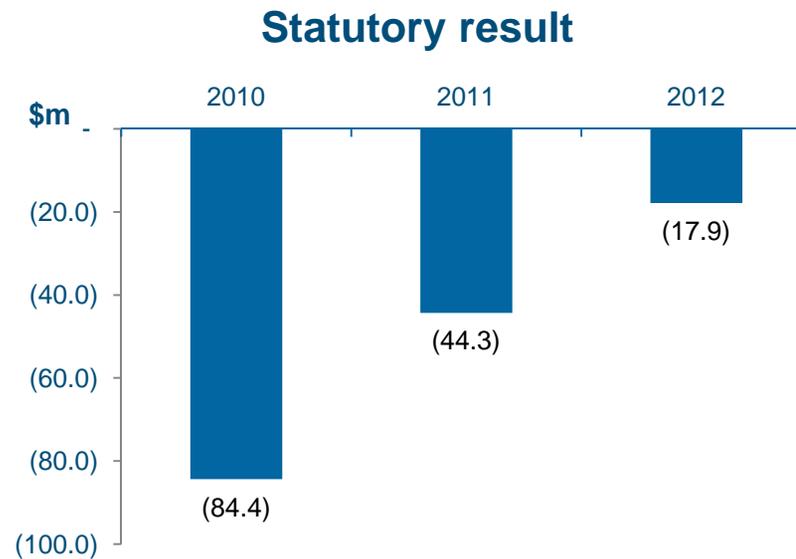
- Welcome and meeting opened – Bill Conn, Chairman
- CEO's address – Matthew Chun, CEO
- Business of the meeting – Bill Conn, Chairman and Peter Dempsey, director
- Meeting close

A photograph of a modern, multi-story building facade at night, viewed through a large, stylized, dark blue geometric shape that resembles a large letter 'Z' or a similar abstract form. The building features glass balconies, illuminated interiors, and a prominent entrance area with a canopy. The sky is a deep blue.

CEO's presentation

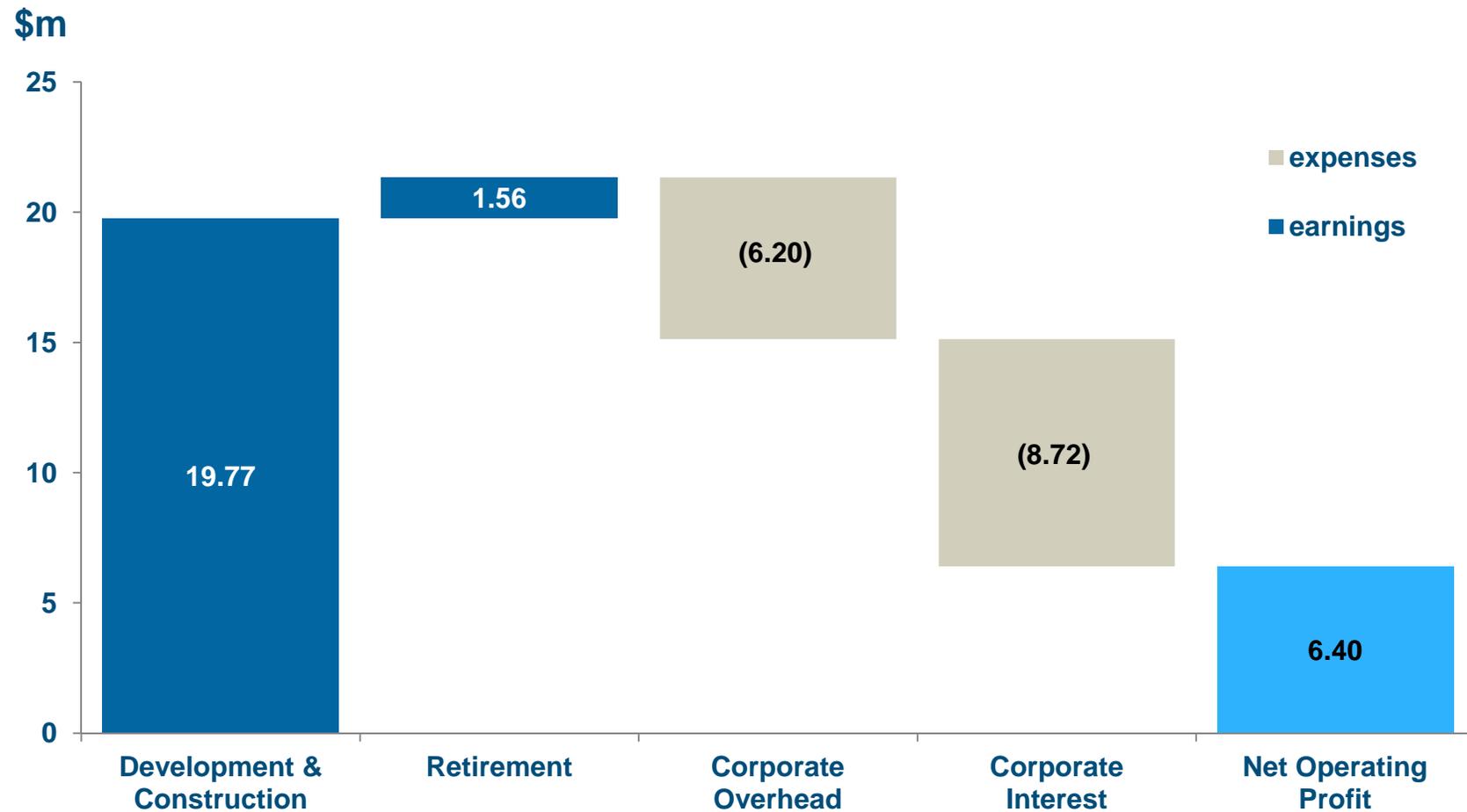
# FY12 Statutory result

- Statutory result improvement on FY11
  - Statutory loss \$17.9 - reduced by 60%
  - Improvement due to increased settlements and reduced impairments
  - Impairments and non-operating costs and losses of \$24.3 million
  - Net asset deficiency of \$15.4 million



# FY12 Operating result

## Contribution to FY12 net operating result



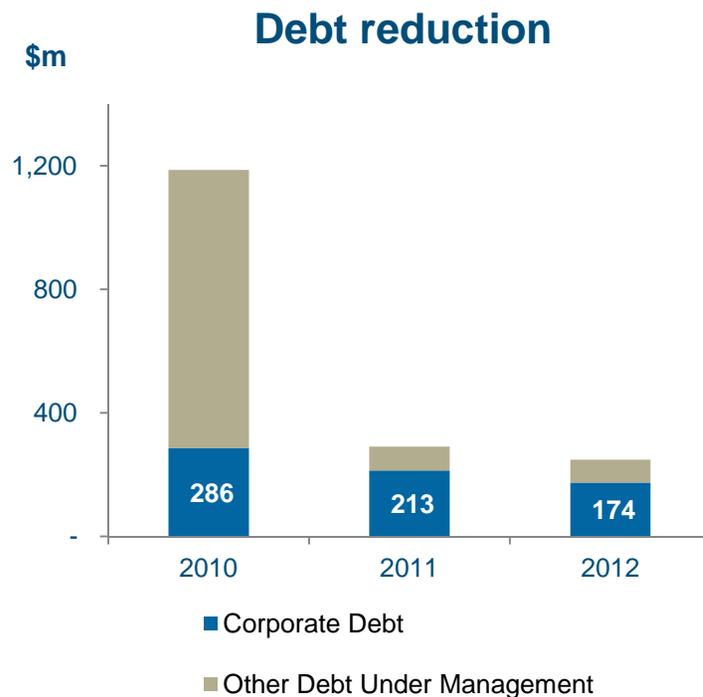
# FY12 – progress made

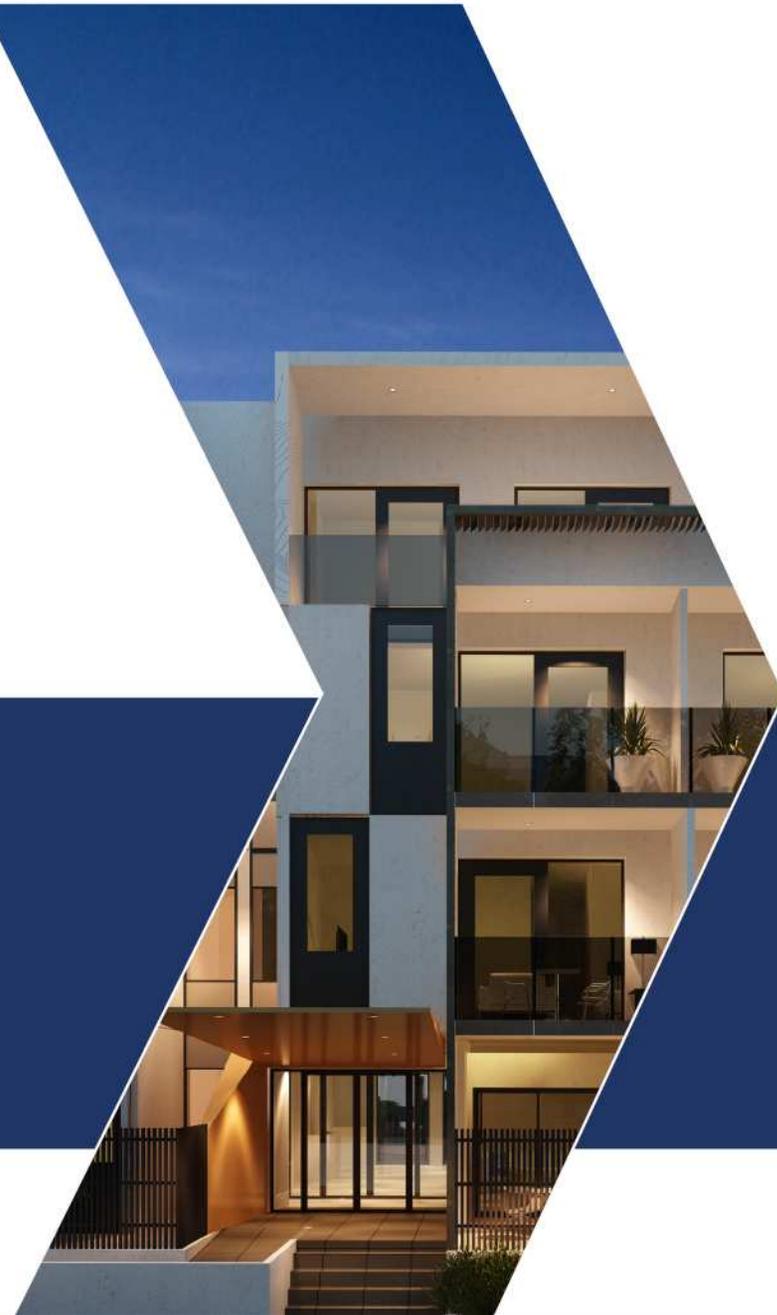
## FY12 Goals

1. Simplify business
2. Stabilise balance sheet
3. Execute and deliver core projects

## Progress made during FY12

1. Reduced corporate debt from \$213 million to \$174 million
  - Bonnyrigg: Westpac
  - Retirement: Suncorp
  - Waterloo: BOSI
  - Corporate Debt: BOSI
3. Settled \$142 million of development stock
4. Completed \$89 million of construction activity
5. Continued discussions with potential capital providers
6. Engaged with new substantial securityholders regarding possible capital solutions



A photograph of a modern, multi-story building at night, viewed through a large, stylized white letter 'Z' cutout. The building features glass balconies, illuminated interiors, and a prominent entrance with a canopy. The scene is set against a dark blue night sky.

FY13 progress – year to date

## Group debt facility

- \$126 million BOS International working capital facility – maturity extended by 2 years to 30 June 2015
- Waiver of half-yearly gearing covenant tests obtained. Next gearing covenant test 31 December 2013
- \$33 million preferred equity which as at 30 June 2012, at the holders option, could be converted into 7.095 million\* BEC stapled securities
- Please refer to notes to the 2012 financial accounts for more information

\* At Annual General Meeting on 25 November 2011, securityholders approved a resolution to consolidate securities on a 200:1 basis. Entitlement to preferred equity adjusted accordingly.

## Retirement Alliance term debt refinance

- October 2012: refinanced \$77.5 million with ANZ and Oman Investment Fund
- Senior debt maturity extended by 3 years to 31 October 2015
- Stabilises the Retirement Alliance's balance sheet

Facility	ANZ - senior	ANZ – residual stock	OIF - mezzanine
Lender	ANZ	ANZ	Oman
Term	3 years	2 years	5 years
Amount	\$30.0 million	\$7.0 million	\$40.5 million
Ranking	First	First	Second

## **Development Project Facilities**

### **Waterloo**

- \$116 million project debt facility extended by 2.25 years to 30 June 2015
- As a result of this extension, work has now commenced on the next four stages (359 apartments) at Waterloo

### **Bonnyrigg**

- \$35 million project debt facility extended by 1 year to 30 June 2013
- As a result of this extension, work has now commenced on the next stage (159 homes) at Bonnyrigg

# Debt summary

Facilities	Drawn as at 23.11.12	Lender	Maturity	Comments
Senior Term DMF Facility	\$30.0m	ANZ	Oct-15	\$30.0 million term debt facility
Residual Stock	\$6.5m	ANZ	Oct-14	\$7.0 million residual stock facility that is expected to be fully repaid by settlement proceeds from completed stock at Waverley
Mezzanine	\$40.5m	OIF	Oct-17	\$40.5 million term debt facility that facilitated full repayment of the maturing Goldman Sachs debt
Wahroonga & Hervey Bay	\$2.0m	Suncorp	Feb-13	A sale of the Hervey Bay asset is being pursued which will largely repay this debt facility
Bonnyrigg	\$13.6m	Westpac	Jun-13	\$34.85 million facility to fund development of Stage 3 at Newleaf, Bonnyrigg. Settlement proceeds expected in April 2013 to fully repay debt
Waterloo	\$74.8m	BOSI	Jun-15	\$116 million project facility for Divercity Block B and Block C and D. Settlements from Block B Stages 3 and 4 will pay down the debt and provide capacity for Block C and D funding
Corporate debt	\$95.5m	BOSI	Jun-15	Working capital facility
<b>Total debt</b>	<b>\$262.9m</b>			



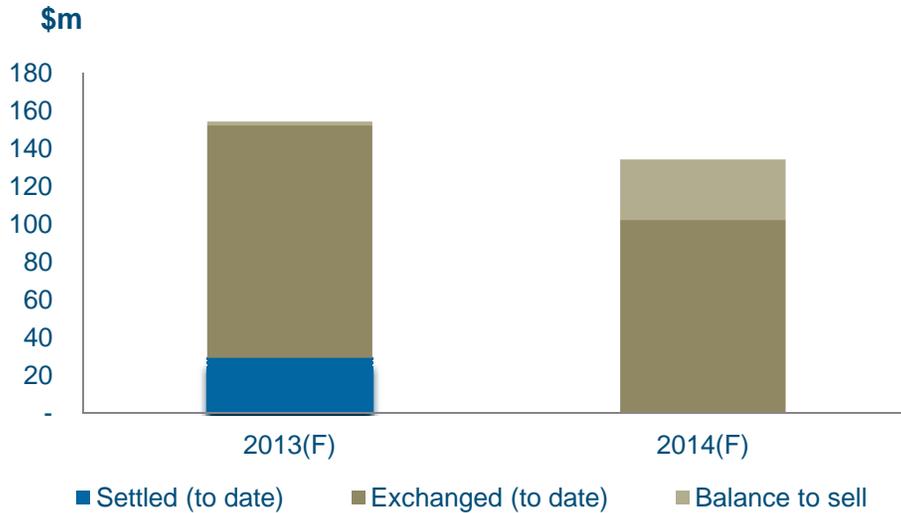
**Retirement Alliance debt**



**Becton debt**

# FY13 - sales and settlement activity

## D&C forecast settlements\*



## Retirement FY13 forecast settlements



Note – Does not include non-core site sales and excludes the Retirement Alliance sales.

\*Assumes projects are completed and exchanges proceed to settlement within the forecast period

# Project pipeline

Sector	Project	End Value	FY13 Forecast Settlements	FY14 Forecast Settlements	FY15 and Beyond Forecast Settlements
Integrated Social / Private Residential	Bonnyrigg, NSW	\$665m	\$52m	\$70m	\$543m
Private Residential / Retail	Waterloo, NSW	\$414m	\$103m	\$86m	\$225m
Retirement	Wahroonga, NSW	\$44m	-	-	\$44m
<b>Total</b>		<b>\$1,123m</b>	<b>\$155m</b>	<b>\$156m</b>	<b>\$812m</b>

Forecasts assume funding is obtained and projects are completed and exchanges and reservations proceed to settlement within the forecast period

As at 31 October 2012

**Divercity, Waterloo**



**Newleaf, Bonnyrigg**

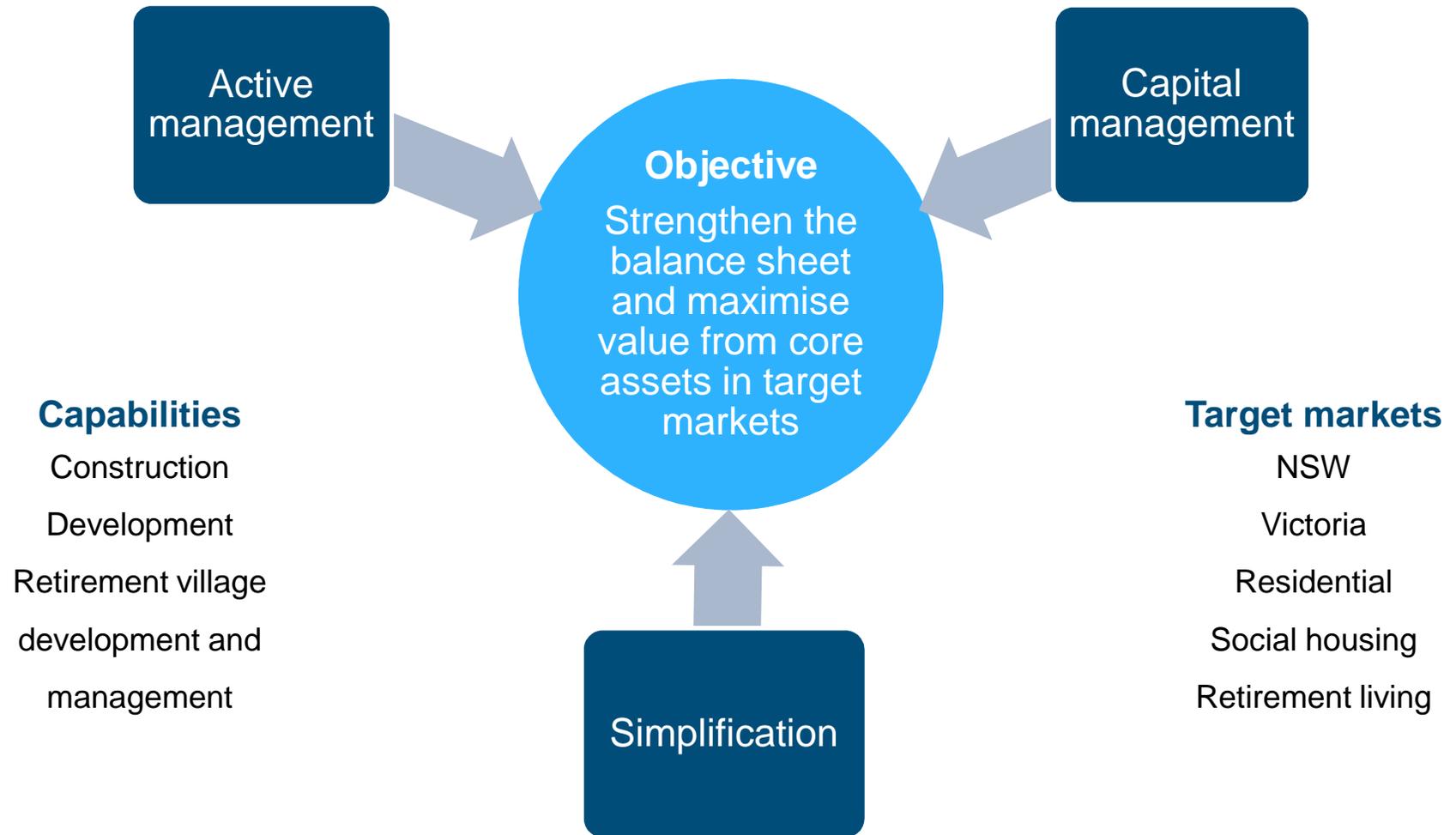


**The Woniora, Wahroonga**





Strategy





Business of the Meeting  
*Bill Conn, Chairman*



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