

ACQUISITION OF 177-199 PACIFIC HIGHWAY

*Landmark Office Tower to be developed in
North Sydney CBD*



FIRST CROSS-BORDER ACQUISITION A STRATEGIC FIT TO EXISTING PORTOFLIO

PURCHASE CONSIDERATION

- A\$413.19 million for a 100% interest in 177-199 Pacific Highway a freehold land and property to be developed

COUPON PAYMENT

- Leighton Properties to pay a coupon of 6.32% p.a. during construction phase

PROJECT TIMEFRAME

- Completion scheduled for early 2016

ASSET OVERVIEW

- 31-storey, state-of-the-art commercial office tower with a NLA of approx. 423,915 sq ft
- Designed by award winning architecture firm Bates Smart
- 5-star NABERS Energy rating and a 5-star Green Star as built rating

LEASE COMMITMENT

- 100% pre-committed
 - Corporate Headquarters of Leighton Group who will take a head lease of 76% of the NLA
 - Leighton to provide a rental guarantee for 4 years for any vacant space upon completion

PRIME LOCATION IN THE NORTH SYDNEY CBD



- ✓ First new commercial building in 6 years
- ✓ Limited Prime Grade office stock in North Sydney
- ✓ Prominently located at the junction of Pacific Highway and Berry Street
- ✓ Direct access to a number of major surrounding roadways
- ✓ Well-served by public transport
- ✓ 5-minute walk from North Sydney station

NORTH SYDNEY'S NEWEST A GRADE OFFICE DEVELOPMENT



FINANCING & CURRENCY HEDGE

Financing

- Fully funded by S\$500 million 5-year unsecured loan facility
- To be drawn down progressively based on percentage of works completed
- No significant impact on gearing

Currency Hedge

- Development phase → Purchase price to be hedged
- Completion phase → Recurring rental income to be hedged

KEY INVESTMENT MERITS

1

Development and cost overrun risks to be borne by Leighton

2

100% pre-committed with annual rental escalations

3

Enhanced income and geographical diversification

4

Leighton's corporate guarantee on development, coupon payment and rental guarantee

5

Improved earnings and distribution to unitholders

- Coupon of 6.32% p.a. provide positive carry during construction
- DPU accretive upon completion
- Initial NPI yield of 6.9% in Year 1 upon completion

ABOUT LEIGHTON HOLDINGS

- Parent company of the Leighton Group
- Founded in 1949 and listed on the Australian Securities Exchange in 1962
- Market Cap of A\$5.7 billion (as of 15 Nov 2013)
- One of Australia's largest building, contraction and property development group
- Employ 60,000 people and operate in more than 20 countries throughout Australia, Asia, the Middle East and Southern Africa



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THANK YOU



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