

Colonial First State Global Asset Management

CFS Retail Property Trust (CFX)

Quarterly sales and development update
to 30 September 2008 and Melbourne Property Tour

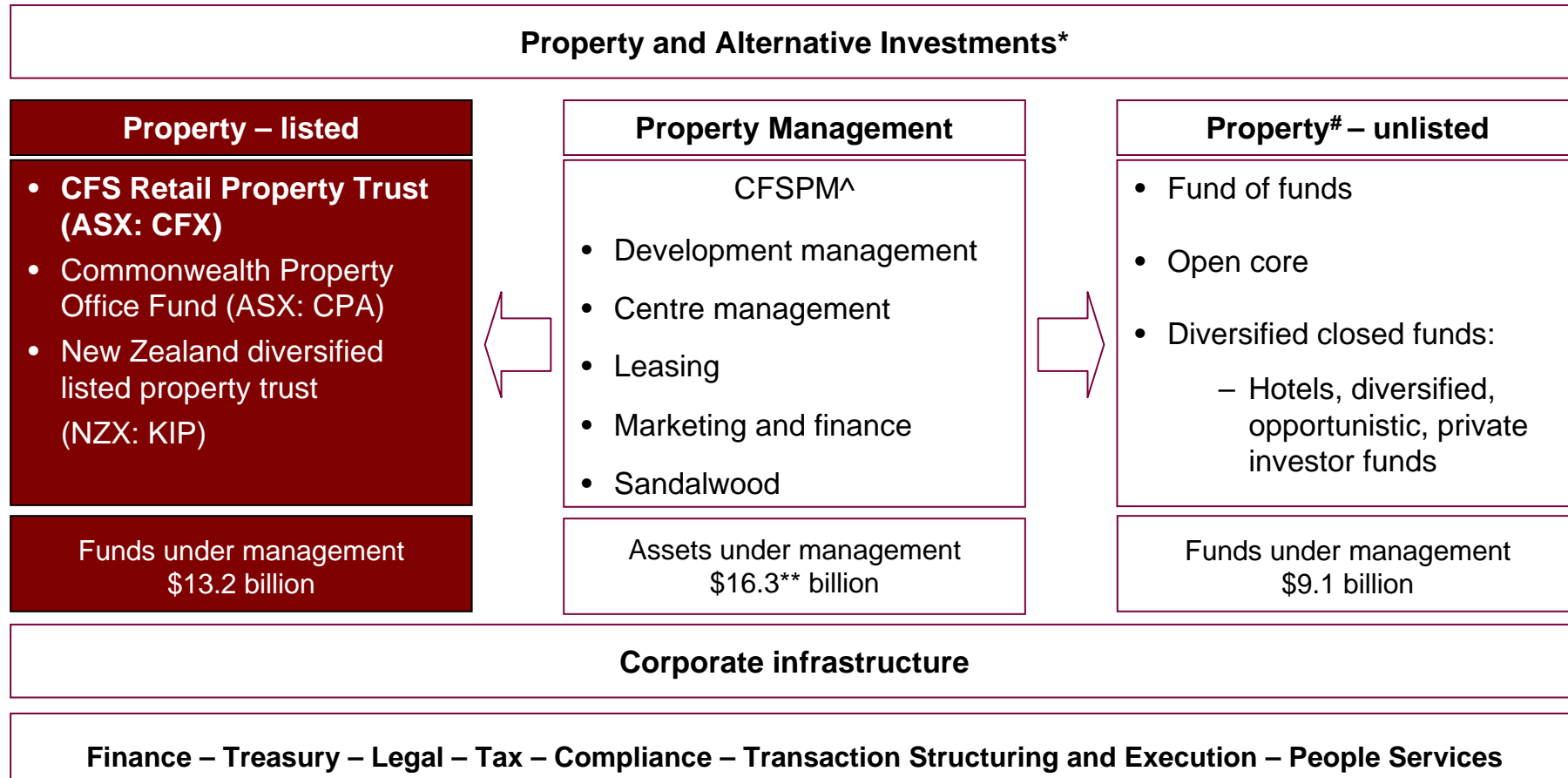
11 November 2008

Agenda

- Introduction
 - Darren Steinberg
- CFX quarterly update
 - Michael Gorman
- Development update
 - Tony Gilchrist
- Leasing update
 - George Karabatsos
- CFX developments in detail
 - Daryl Stubbings
 - Seamus Van Der Westhuizen
 - Paul Donoghue
- Questions
- Tour of Chadstone, Northland and Myer Melbourne

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Property platform



*Funds under management as at 30 September 2008.

#Includes property, infrastructure and private equity asset classes.

[^]Colonial First State Property Management. **Excludes Sandalwood managed assets.

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Colonial First State Property Management

- 25 years experience - first established in 1983
- Full service property, leasing and development management business
- Over 600 employees

At 30 September 2008	Asset value	No. of assets
Shopping centres and retail precincts	\$11.6 billion	34
Commercial office / industrial buildings	\$4.7 billion	53
Total	\$16.3 billion*	87

- Associated entities
 - International – ‘Sandalwood’ joint venture with Jones Lang LaSalle
 - Commercial office and industrial asset management

*Excludes Sandalwood managed assets.

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CFX quarterly update
to 30 September 2008

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Highlights

- Total portfolio MAT* of \$6.2 billion (including GST)
- Comparable MAT growth of 4.7%
- Completed construction of Stage 30 at Chadstone Shopping Centre
- Successful \$325 million Institutional Placement post quarter end
- Gearing now stands at approximately 25%

*MAT = Moving Annual Turnover.

Sales performance

- Total portfolio MAT \$6.2 billion (including GST)
- Solid performance by mini-majors, supermarkets and retail specialties

Growth in Moving Annual Turnover (rolling 12-month period)	Sep-08 Actual (%)	Sep-08 Comparable*
Department stores	1.3	(3.2)
Discount department stores	3.8	4.1
Supermarkets	3.2	5.2
Other majors	3.5	12.5
Mini-majors	8.7	8.4
Retail specialty	3.4	4.4
Non-retail specialty**	6.1	6.7
Total portfolio	3.8	4.7

*Comparable centres are those centres that are not undergoing or have not undergone substantial redevelopment in the past 24 months.

**Non-retail specialty are sales reporting tenancies under 400 sqm including travel agents, auto accessories, Lotto and other entertainment and non-retail stores.

Capital management

- Successfully raised \$325 million post quarter end
- Unit Purchase Plan closes on 18 November
- Maintain A stable rating from Standard and Poor's
- Post capital raising:
 - Gearing of approximately 25%
- Deferred commencement dates on approximately \$200 million of 'likely to proceed' development projects until credit market conditions improve

Revaluations

- 7 retail assets revalued during the quarter
- \$32.7 million[^] decrease over prior book value
- NTA estimated to decrease marginally to \$2.30 per unit
- Further capitalisation rate softening particularly in sub-regional centres

Portfolio cap rate* movement

Period ending	30 Jun 07	31 Dec 07	30 Jun 08	30 Sep 08
Weighted average capitalisation rate	5.87%	5.74%	5.77%	5.84%
NTA per unit	\$2.12	\$2.26	\$2.32	\$2.30

[^] Represents CFX's share of revalued assets.

* Capitalisation rate.

Retail sector outlook



- Tax cuts flowing through
- Recent Government stimulus package
- Falling interest rates
- Falling oil price



- Unemployment
- Global economic slowdown
- High levels of indebtedness
- Low Australian dollar

- Outlook is for sales growth to slow below long term average to 3%-4% over the next 12 months

Trust outlook

- Resilience of retail rents in a slowing environment
- Softening capitalisation rates offset by steady income growth
- Maintain a strong and flexible balance sheet
- Maintain projection of distribution per unit of approximately 12.5 cents for FY09 reflecting 4% distribution growth, subject to a continuation of existing economic conditions

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Development update
Tony Gilchrist

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Development update

Perspective

- Over \$850 million of development projects completed in past 3 years
- Key projects included
 - Corio Shopping Centre, VIC
 - Elizabeth Shopping Centre, SA
 - Bayside Shopping Centre, VIC
 - Broadmeadows Shopping Centre, VIC
 - Grand Plaza Shopping Centre, QLD
 - Rosebud Plaza Shopping Centre, VIC
 - QueensPlaza, QLD
 - Forest Hill Chase, VIC
 - Chadstone (Stage 25), VIC
 - The Entertainment Quarter, NSW
- Total projects achieved:
 - average year one yield of 8.3%
 - average total return of 14.5%

Development update

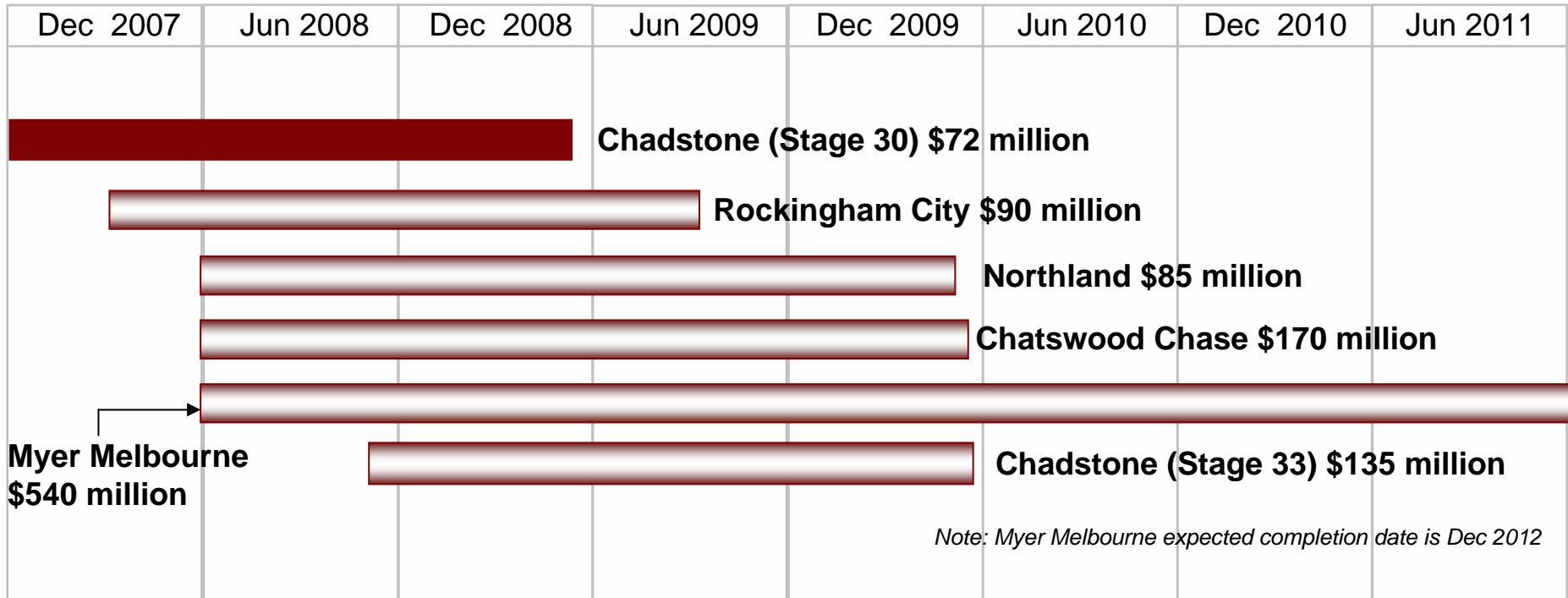
- \$1.6 billion development pipeline
- Target of an average yield of 7.5-8.0% on first year income

CFSPM development projects	CFX (\$m)	Other (\$m)	Total (\$m)
Projects in progress/approved	691	633	1,324
Likely to proceed	716	517	1,233
Planning and concept stages	158	91	249
Total	1,565	1,241	2,806

- Deferred commencement dates on approximately \$200 million 'likely to proceed' development projects until credit market conditions improve

Development update

Key development projects* at 30 September 2008



█ Projects completed █ Projects in progress

* CFX share.

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Leasing update
George Karabatsos

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Leasing update

- Leasing is an integral part of intensive asset management
- Aim is to maximise income by minimising vacancy downtime

<u>Leasing</u>	<u>Project</u>	<u>Static</u>	<u>Total</u>
Deals* to 31 October 2008	265	294	559
Current deal rate per week			29
Target at 30 June 2009			1,263

* From 30 June 2008.

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CFX developments in detail

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Daryl Stubbings
Regional Development Manager

Chatswood Chase

- Commenced January 2008
- Completion by December 2009
- Cost \$170 million
- Forecast yield 7.5%
- Forecast IRR 11%
- 66% income secured



Chatswood Chase

Program

- All car parks complete for Christmas
- Staged retail opening
 - 56% open March/April 2009
 - 75% open August 2009
 - Balance opened progressively to November 2009



Chatswood Chase

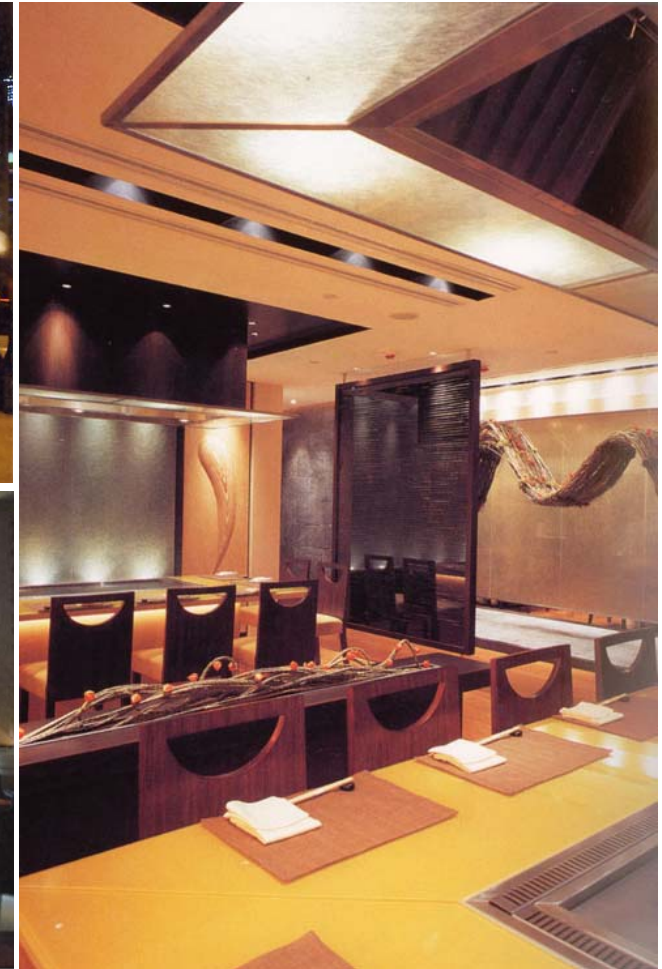
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Artist's impressions

Chatswood Chase

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Dining hall design

Chatswood Chase

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Dining hall design

Chatswood Chase

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Level 1 Mall Fitout

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Seamus Van Der Westhuizen

Regional Development Manager

Rockingham City Shopping Centre

- Commenced September 2007
- Completion by April 2009
- Cost \$180 million
(CFX 50% share \$90 million)
- Forecast yield 7.2%
- Forecast IRR 13%
- 97% income secured



Rockingham City Shopping Centre

Program

- Stage 1 Fresh food completed
- Stage 2 Kmart mall completed
- Stage 3/4 Food court and part of new fashion mall completion in December 2008
- Stage 5 Main Street and cinemas completion in April 2009



Rockingham City Shopping Centre

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→ New entry statement

→ New fresh food mall



Rockingham City Shopping Centre

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Refurbished ceiling and floors

Rockingham City Shopping Centre

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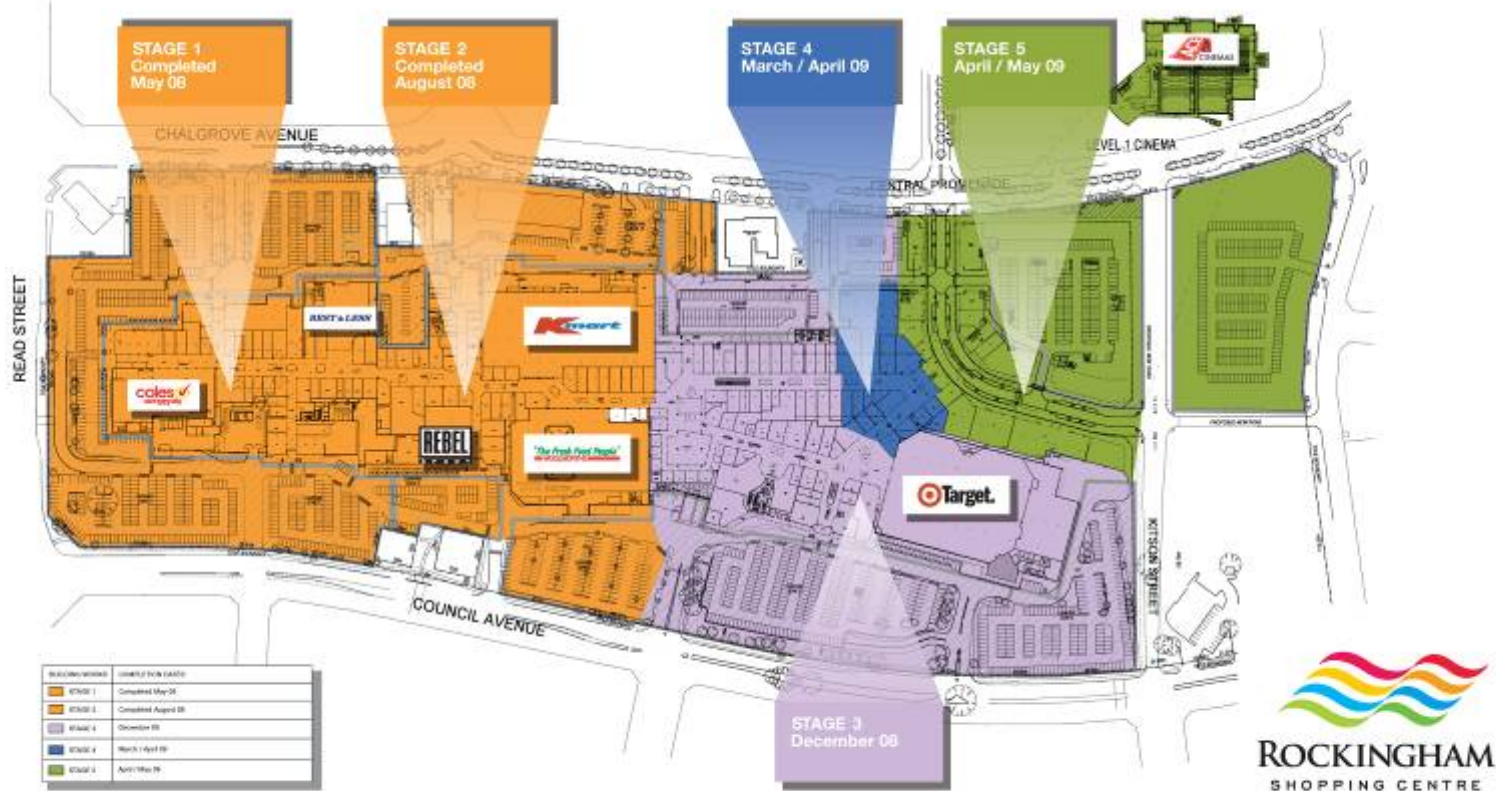
→ Stage 3 completion in December 2008

→ Stage 5 cinemas completion in April 2009



Rockingham City Shopping Centre

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Staging Plan



Myer Melbourne

- Bourke Street commenced January 2008 and completion by March 2010
- Cost \$1.2 billion (CFX share \$540 million)
- Target yield 6.0 - 6.5%
- Target IRR 10 - 11%
- 100% income secured (Bourke Street)



Artist's impression

Myer Melbourne

Bourke Street

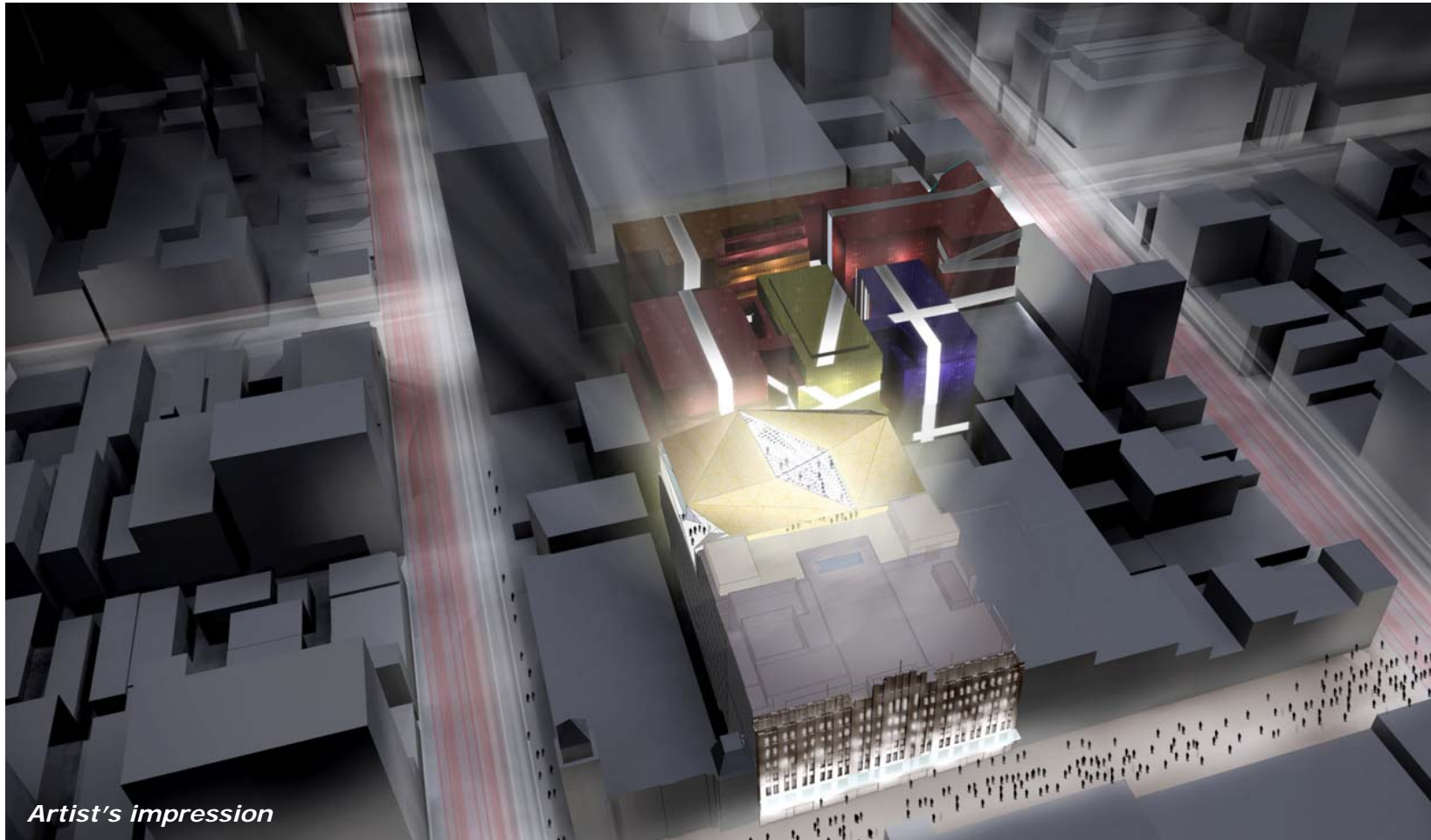
- Expand and refurbish the 43,000m² Myer store
- Existing building conditions
- CBD location close to neighbours
- Highly visible property
- Everyone has a view



New Little Bourke Street Facade

Myer Melbourne

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Artist's impression

Myer Melbourne

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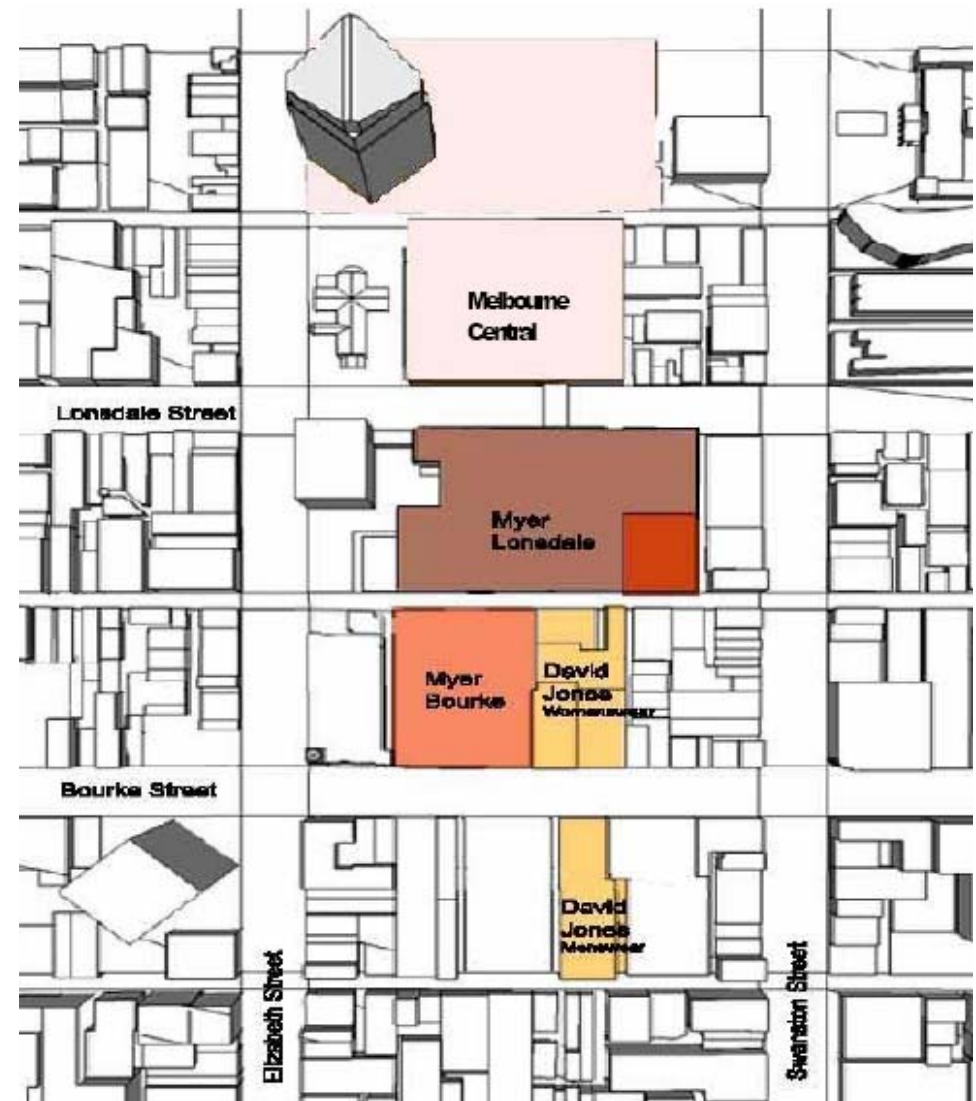


Perspective from 7th Level

Emporium Melbourne

Lonsdale Street

- Redevelop 45,500m² retail
- Commenced detailed planning on Emporium Melbourne
- Demolition works scheduled to commence September 2009
- Retail construction completed by Christmas 2012



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Paul Donoghue
Regional Development Manager

Northland Shopping Centre

- Commenced January 2008
- Completion by December 2009
- Cost \$170 million
(CFX 50% share \$85 million)
- Forecast yield 7.5%
- Forecast IRR 14%
- 62% income secured



Northland Shopping Centre



Program

- Stage 1 – First Choice Liquor and car park - completed
- Stage 2 – Kmart & Financial Precinct – November 2008
- Stage 3 – Coles / Fresh Food – December 2008
- Stage 4 – Myer refurbishment – October 2009
- Stage 5 – Target and new mall – November 2009

Artist's impression

Northland Shopping Centre

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Artist's impression



Artist's impression

Northland Shopping Centre



Stage 1 – completed September 2008

Northland Shopping Centre

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Fresh Food Mall – opening December 2008

Chadstone Shopping Centre

Stage 30 Chadstone Place

- Commenced July 2007
- Retail completed October 2008
- Cost \$144 million
(CFX 50% share \$72 million)
- Forecast yield 8.2%
- Forecast IRR 15%
- 100% retail income secured
- Awarded 5-star rating by Green Building Council of Australia in its pilot for shopping centre design



Chadstone Shopping Centre

Stage 30 Chadstone Place

Program

- Stage 1 - David Jones carpark
- completed
- Stage 2 – Bulky Goods /
Financial Precinct - completed
- Stage 3 – Woolworths / Plaza
/ Fresh Food - completed
- Stage 4 – Office – complete
by December 2008



Chadstone Shopping Centre

Stage 30 Chadstone Place

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Stage 30 retail – completed October 2008

Chadstone Shopping Centre

Stage 30 Chadstone Place

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Stage 30 retail – completed October 2008

Chadstone Shopping Centre

Stage 30 Chadstone Place

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Stage 30 retail – completed October 2008

Chadstone Shopping Centre

Stage 33 Chadstone West Mall

- Commenced June 2008
- Completion by December 2009
- Focus on luxury brands such as Louis Vuitton, Gucci, Coach and Jimmy Choo
- Cost \$270 million
(CFX 50% share \$135 million)
- Forecast yield 7.75%
- Forecast IRR 14.5%
- 31% income secured



Chadstone Shopping Centre

Stage 33 Chadstone West Mall

Program

- Stage 1 – Perimeter Road - completed
- Stage 2 – Northern retail opening – August 2009
- Stage 3 – Southern retail / Luxury Brands opening – November 2009



Chadstone Shopping Centre

Stage 33 Chadstone West Mall

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Chadstone Shopping Centre

Stage 33 Chadstone West Mall

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Chadstone Shopping Centre

Stage 33 Chadstone West Mall

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Stage 33 – under construction

Questions

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