

Westfield Trust  
Cash Offer to Acquire AMP  
Shopping Centre Trust for  
\$1.80 per unit

20 May 2003

*Westfield*

# Overview



- ❖ Westfield Trust (“WFT”) intends to make an offer to acquire 100% of AMP Shopping Centre Trust’s (“ART”) units on issue
- ❖ All cash offer of \$1.80 for each ART unit
- ❖ Offer price is at the upper end of the Independent Expert’s valuation range (\$1.68-\$1.82) within AMP’s response to Centro’s (“CEP”) bid

# Overview (continued)

- ❖ The acquisition of ART provides many benefits to WFT unitholders including:
  - Immediate accretion to earnings / distributions per unit
  - Enhanced overall quality of the WFT portfolio
  - The acquisition is expected to increase WFT's DPU growth from 3.0% to 3.75% for CY2003\*, and to 3.75% for CY2004 off the higher 2003 base
  - Acquisition of a high quality portfolio at an expected ungeared yield of 7.0% for CY2004

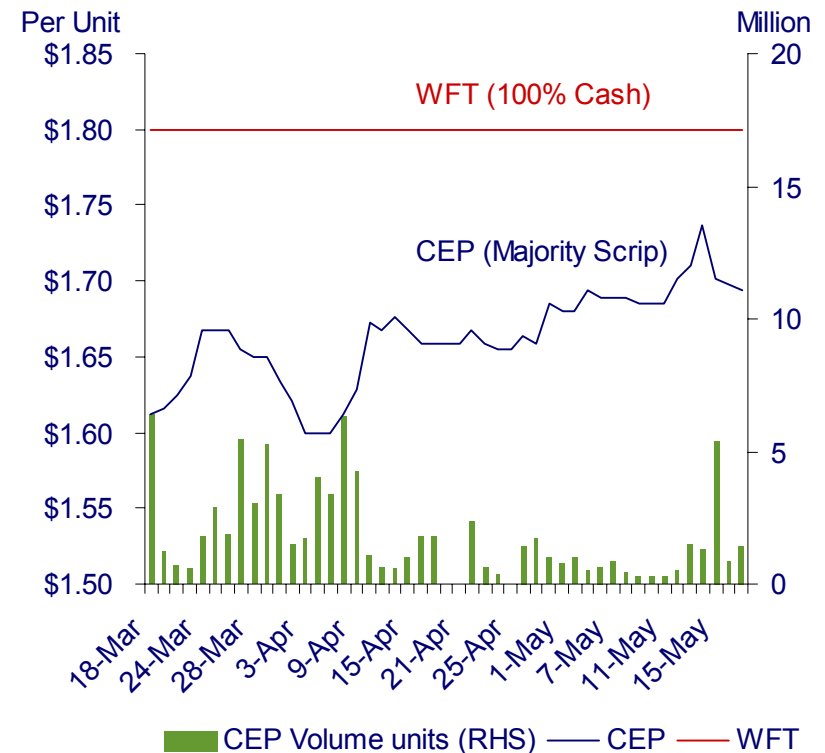
\* Assuming acquisition date 1 July 2003

# Benefits to ART Unitholders

## ❖ Bid is superior to the Centro offer:

- 9.3% premium to Centro bid - based on VWAP\* of Centro's price since its bid (March 18)
- 100% cash bid - avoids any unit price risk associated with Centro's bid

## Comparison of Value of CEP & WFT Offers\*



\*Source: IRESS

# Benefits to WFT unitholders

## Quality

- ❖ WFT believes ART represents a very high quality shopping centre portfolio in Australia

## Material Acquisition

- ❖ If WFT is successful, ART will represent 16% of WFT's portfolio, and the Trust's exposure to regional retail assets will be enhanced

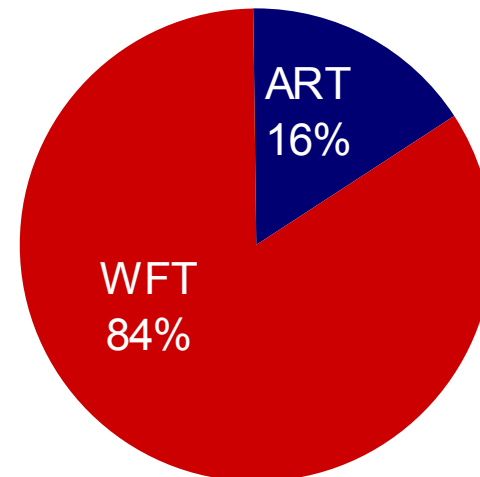
## Increased Growth

- ❖ The acquisition is expected to increase WFT's DPU growth from 3.0% to 3.75% for CY2003\*, and to 3.75% for CY2004 off the higher 2003 base
- ❖ Increases WFT's development opportunities

## Fully Funded

- ❖ Fully funded while remaining within WFT board gearing policy

## Combined Portfolio (1)



\*Assuming acquisition date 1 July 2003

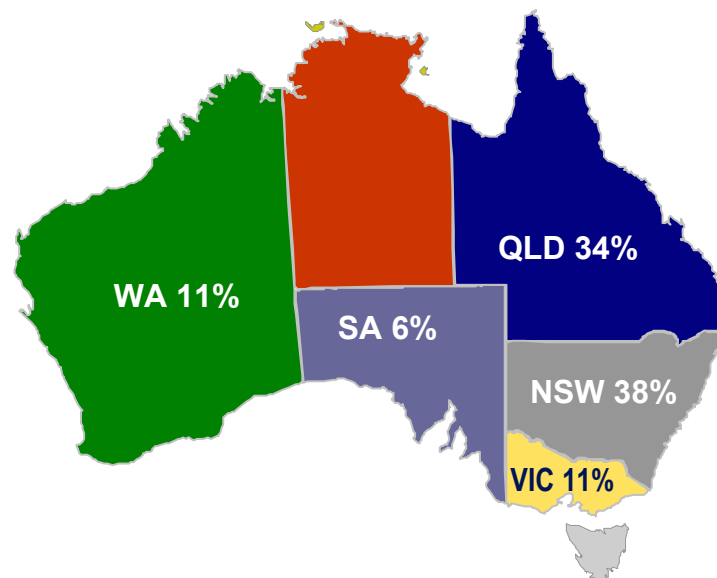
(1) Based on 100% acquisition of ART @ \$1.80 per unit

# ART Portfolio - Overview

- ❖ ART portfolio consists of interests in nine regional shopping centres
- ❖ The portfolio is spread throughout Australia
- ❖ Comprises retail area of approximately 771,000 sqm with over 1,900 specialty stores

Property	ART Interest	Retail GLA (sqm)	Number of specialties
Garden City Mount Gravatt	75%	87,896	222
Macquarie Centre	55%	95,228	230
Pacific Fair	44%	103,136	280
Garden City Kotara	100%	43,582	117
Knox City Shopping Centre	30%	143,738	371
Warringah Mall	25%	126,052	270
Garden City Booragoon	25%	72,323	189
Colonnades Shopping Centre	100%	45,966	102
Karrinyup Shopping Centre	25%	53,190	153
<b>TOTAL</b>		<b>771,111</b>	<b>1,934</b>

Geographic Diversification (by value)



Source: AMP December 2002 Investment Report, and subsequent ASX releases

# Portfolio Impact



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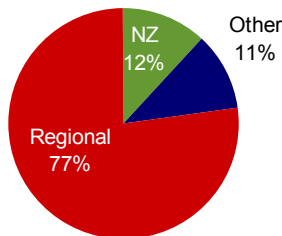
- ❖ The addition of the ART centres will further strengthen the WFT portfolio. Specifically:
  - ART assets will account for 4 of the top 10 centres of the combined portfolio (by MAT)
  - WFT's exposure to regional retail assets is increased
  - Interests in centres that generate a combined MAT > A\$13.0 billion

## Combined 10 Largest Centres by Sales <sup>(1)</sup>

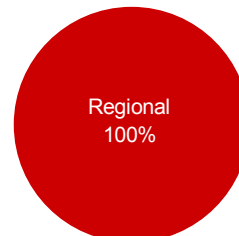
	MAT (\$m)
1. Westfield Southland	586.0
2. <b>Warringah Mall</b>	<b>578.5</b>
3. Westfield Miranda	560.8
4. Westfield Parramatta	540.6
5. Westfield Marion	507.3
6. <b>Knox City (est)</b>	<b>&gt;500.0<sup>(2)</sup></b>
7. <b>Macquarie Centre</b>	<b>487.2</b>
8. <b>Pacific Fair</b>	<b>481.7</b>
9. Westfield Carindale	463.1
10. Westfield Hornsby	447.8

(1) Shopping Centre News & WFT 1st quarter review – 2003. Excludes Westfield Bondi Junction. (2) Inside Retailing December 9, 2002

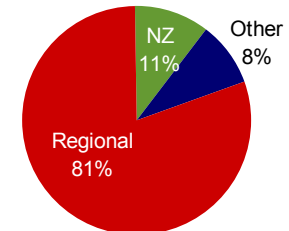
**WFT**  
Regional Exposure (by value)\*



**ART**  
Regional Exposure (by value) \*



**Combined**  
Regional Exposure (by value) \*



# Pricing

## Estimated Enterprise Value of ART (100%)

\$m

Market Capitalisation (@ \$1.80 per unit)	1,459.5
Plus: Debt & other liabilities assumed*	461.3
Plus / (Less): Net Working Capital (including costs)	(5.8)
Market Value of ART Portfolio @ \$1.80 per unit	1,915.0
Forecast Base Income for ART (CY2004)**	128.0
Acquisition Yield (after costs)	6.7%

\*Includes adjustments to "mark-to-market" of ART's current interest hedging profile

\*\* Westfield estimate, including \$4.8m of AMP income support for ART

# ART potential

	CY2004 Yield*
Acquisition yield	6.7%
WFT acquisition yield including income initiatives on majority owned properties in ART	6.8%
WFT acquisition yield including income initiatives on 100% of ART portfolio	7.0%

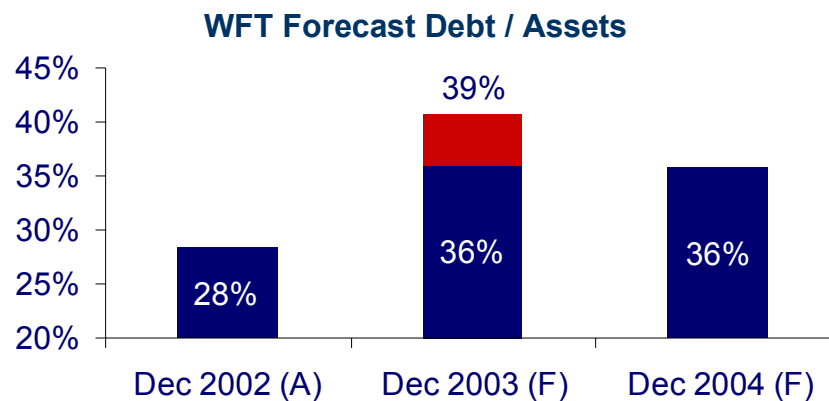
Source: WESTFIELD

\* Includes \$4.8m of AMP income support to ART

- ❖ As a co-owner with AMP and other parties, WFT will seek to maximise the potential of each asset by;
  - Appointing Westfield Holdings as property manager on majority owned retained properties
  - Working with AMP to maximise the potential of the remaining portfolio
- ❖ Preliminary analysis indicates that at \$1.80 per unit, and with Westfield's input on the ART portfolio, WFT anticipates it will receive an ungeared yield of at least 7% from the ART portfolio by the end of CY2004
- ❖ In the event this is not achieved, Westfield Holdings has agreed to rebate management fees earned from the ART portfolio until December 2005 to achieve this 7.0% yield

# Funding Strategy

- ❖ WFT will fund the acquisition of ART from debt facilities
- ❖ WFT's DRP will be underwritten until 31 March 2006 at the discretion of WFT – providing a flexible equity funding alternative
- ❖ WFT intends to sell three properties of the combined portfolio realising up to \$500m, in line with its long-term asset strategy, and to meet any regulatory requirements
- ❖ By December 2004, gearing expected to be approximately 36% (debt / assets)



Source: Westfield

Assumes \$500m in asset sales by Dec 2004 (if in 2003, then 36% in 2003)  
\$200m in DRP underwrite by Dec 2004

## Potential Sources & Application of Funds

Source of funds	\$m
Debt	1,415
<b>Total</b>	<b>1,415</b>
<hr/>	
Application of funds	
ART acquisition (100%)	1,915
Asset sales	(500)
<b>Total</b>	<b>1,415</b>

# Financial Impact of Acquisition

Australian  
Regional  
Retail Exposure <sup>(1)</sup>



From \$7.7bn  
to \$9.1bn

Total Assets <sup>(1)</sup>



From \$10.1bn  
to \$11.5bn

WFT 2003F  
Distribution Per Unit  
Growth



From 3.0%  
to 3.75%

WFT 2004F  
Distribution Per Unit  
Growth <sup>(2)</sup>



From 3.0%  
to 3.75%

(1) Post \$500M of assumed asset sales  
(2) From the higher CY2003 base

# Bid conditions

- ❖ WFT obtaining a minimum of 50.1% of total ART units on issue
- ❖ AMP Life agreeing by 27 May 2003, not to exercise any pre-emptive rights it may have upon a change of Responsible Entity of ART, to Westfield Management Limited
- ❖ No material adverse change
- ❖ Suspension of ART's DRP in the current period
- ❖ No prescribed occurrences

# Conclusion

- ❖ ART represents one of the best portfolios of shopping centres in Australia and offers a unique growth opportunity for WFT
- ❖ The offer price is near the top end of the Independent Expert's valuation range of ART and is not subject to market price risk (full cash offer)
- ❖ The acquisition of ART will be immediately accretive to WFT distributions
- ❖ WFT expects an ungeared 7% yield on the portfolio at an acquisition price of \$1.80 per unit
- ❖ The bid is fully funded from debt facilities while remaining within WFT board gearing policy

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