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AMP Limited (ASX/NZX: AMP)

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## **AMP Capital, Westfield Group and Westfield Retail Trust complete A\$1.75bn shopping centre transaction**

Please see the attached media release. 

## Media Release

25 OCTOBER 2012

### **AMP Capital, Westfield Group and Westfield Retail Trust complete A\$1.75bn shopping centre transaction**

- **AMP Capital attracts A\$872m from two new international investors**
- **A\$390m redevelopment of Sydney's Macquarie Centre to begin immediately**
- **A\$580m to be invested in the redevelopment of the Gold Coast's Pacific Fair**
- **Boost to local economies with 3,000 new permanent retail jobs and 3,450 construction jobs**
- **AMP Capital, Westfield Group and Westfield Retail Trust continue long term partnership**
- **An exciting transaction offering investors access to high quality regional shopping centres positioned for growth**

AMP Capital managed funds have acquired Westfield Group (WDC) and Westfield Retail Trust's (WRT) interest in three of Australia's best known retail assets (Macquarie Centre in Sydney, Pacific Fair on the Gold Coast and Garden City Booragoon in Perth) for A\$1.025 billion.

At the same time, WDC and WRT have acquired AMP Capital managed funds' interests in four centres (Garden City Mt Gravatt in Brisbane, a part interest in Warringah Mall in Sydney and Knox and Casey Central in Melbourne) for A\$710 million<sup>1</sup>.

AMP Capital managed funds are a A\$315 million net buyer of assets and following the simplification of its partnerships with WDC and WRT, the number of co-owned shopping centres is reduced from 10 to four.

AMP Capital has attracted A\$872 million in new equity from the Canada Pension Plan Investment Board (CPPIB) and Harina Company Limited, a wholly-owned subsidiary of the Abu Dhabi Investment Authority (ADIA).

The new equity will be invested in the AMP Capital Retail Trust (ACRT), which has interests in Macquarie Centre and Pacific Fair. Their respective investments will allow these highly regarded international investors to participate in the growth of leading shopping centres located in high population growth areas with significant development opportunities.

AMP Capital managed funds will also invest A\$970 million on the redevelopment of Macquarie Centre and Pacific Fair.

The redevelopment of Macquarie Centre will begin immediately and plans for the redevelopment of Pacific Fair are being finalised. The redevelopments will create premier retail and leisure destinations, positioning both assets in the top 10 of Australian leading regional shopping centres. Planning is also underway for a proposed redevelopment at Garden City Booragoon.

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<sup>1</sup> The price for all acquisitions and divestments is supported by independent valuations. This transaction will not have any material impact on AMP Limited's financial position.

The redevelopments will boost the local economies, including the creation of 3,450 construction jobs and 3,000 new permanent retail jobs.

The redevelopments at Macquarie Centre and Pacific Fair are fully funded as a result of the new investors and the support of other AMP Capital managed funds and their investors.

AMP Chief Executive Officer Craig Dunn said the support from existing and new investors for the transaction is an endorsement of AMP Capital's well-recognised property investment capability as well as a vote of confidence in the Australian retail sector.

"We have partnered very successfully with Westfield Group for over 50 years to deliver our clients superior investment returns across our shopping centre portfolio. Now is the right time to simplify our relationship to ensure we continue to deliver the best possible outcome for our investors well into the future," Mr Dunn said.

AMP Capital will continue to manage the centres now wholly owned by AMP Capital managed funds. WDC will now manage Warringah Mall in which AMP Capital managed funds own a 50 per cent interest. This aligns with the existing management arrangements in place at Southland, Tea Tree Plaza/Plus and Liverpool where AMP Capital managed funds own a 50 per cent interest and WDC is the manager.

AMP Capital Director Property Andrew Bird said the transaction was proof that global and domestic capital was available if outstanding investment opportunities were on the table.

"The transaction has been developed in consultation with the new investors and existing investors across a number of AMP Capital managed funds including AMP's A\$4.5 billion flagship Australian Core Property Portfolio, the A\$2.3 billion AMP Capital Shopping Centre Fund and the A\$1.2 billion AMP Capital Retail Trust," Mr Bird said.

"I'm delighted that we have received ongoing support from our existing investors as well as attracting significant new capital to our business."

The transaction provides the opportunity to achieve enhanced investment returns following the redevelopment of Macquarie Centre and Pacific Fair into world class shopping and leisure destinations.

"The addition of these two assets expands our retail portfolio in Australia and represents a rare opportunity to acquire interests in two high quality and well located retail shopping centres with excellent future expansion and growth potential," CPPIB Senior Vice-President Real Estate Investments Graeme Eadie said.

"These assets are aligned with CPPIB's long-term investment strategy. AMP Capital is one of the top shopping centre managers in Australia and we look forward to building on our relationship with them in the future."

## **Macquarie Centre**

The A\$390 million world class redevelopment of Macquarie Centre will commence immediately, expanding the centre to 135,000 square metres gross leasable area (GLA) with more than 375 speciality retailers.

Upon completion, Macquarie Centre will be the second largest shopping centre in Sydney. It serves a unique growth corridor including the major customer bases of Macquarie University, Macquarie Business Park and a growing residential population.

"Our vision is to develop Macquarie Centre into one of the finest retail and leisure destinations for the community it serves," Mr Bird said.

Macquarie Centre has delivered investors consistent outperformance with an average total investment return of 12.1 per cent per annum over 10 years.

## **Pacific Fair**

Plans are being finalised for the A\$580 million major redevelopment of Pacific Fair to be completed by 2016, two years before the Gold Coast is to host the Commonwealth Games. The completed centre will have 145,000 square metres GLA and more than 400 speciality retailers.

“The Gold Coast is Australia’s number one tourism destination and our redevelopment will re-establish Pacific Fair’s market leading dominance by creating a stand out international leisure and retail experience that capitalises on the centre’s location in the heart of one of Australia’s fastest growing trade areas,” Mr Bird said.

Pacific Fair’s average total investment return has been 11.2 per cent per annum over 10 years.

## **Garden City Booragoon**

Garden City Booragoon is already Perth’s iconic shopping centre and planning is underway for a proposed A\$350 to A\$400 million redevelopment to ensure it remains Perth’s premier retail destination.

Mr Bird said Garden City Booragoon has the second highest retail sales turnover per square metre for specialities for any regional shopping centre in Australia.

“Perth is the fastest growing capital city in Australia, and the centre has been boosted by the introduction of Sunday trading and the addition of Western Australia’s largest Apple store,” Mr Bird said.

Garden City Booragoon’s average total investment return has been 14.6 per cent per annum over 30 years.

Following the redevelopment of Macquarie Centre and Pacific Fair, AMP Capital managed funds will own three of the top 10 centres in Australia.

“As a result of the transaction AMP Capital managed funds continue to own some of Australia’s best known and most attractive retail assets,” Mr Bird said.

“This is an exciting transaction offering our investors access to a portfolio of high quality regional shopping centres positioned strongly for long term growth.”

Macquarie Capital acted as exclusive financial adviser to AMP Capital for the transaction and as sole lead manager and arranger for the capital raising.

## **Media enquiries**

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## AMP Capital managed funds a net buyer

**Total investment by AMP Capital managed funds A\$1.025bn**

### AMP Capital funds acquired:

- > 50% of Macquarie Centre NSW for A\$426.0m
- > 40% of Pacific Fair Qld for A\$371.2m
- > 25% of Garden City Booragoon WA for A\$227.8m

**Total divestment by AMP Capital managed funds A\$710.6m**

### AMP Capital funds divested:

- > 25% of Garden City Mt Gravatt Qld for A\$217.7m
- > 25% of Warringah Mall NSW for A\$267.9m
- > 20% of Knox Shopping Centre Vic for A\$201.2m
- > 50% of Casey Central Vic for A\$23.8m

**AMP Capital managed funds a A\$315 million net buyer**

## AMP Capital managed funds own Australia's best known retail assets

Asset	Previous		New		A\$ Value
Pacific Fair	60% *	40%	100% *		\$928m
Macquarie Centre	50% *	50%	100% *		\$852m
Garden City Booragoon	75% *	25%	100% *		\$911m
Warringah Mall	75% *	25%	50%	50% *	\$1,071.6m
Knox	50%	20% *	50%	50% *	\$1,006m
Mt Gravatt	25%	75% *	100% *		\$870.8m
Casey Central	50% *	50%	100% *		\$47.5m

**A** AMP Capital-managed Funds **W** WDC/WRT **O** Other **\*** Property Management

## About AMP Capital

AMP Capital is one of the largest investment managers in Asia Pacific, managing over A\$123 billion on behalf of clients (at 30 June 2012).

It has a global reach with offices in Australia, New Zealand, Bahrain, China, Hong Kong, India, Japan, Luxembourg, Singapore, the United Kingdom and the United States. It also collaborates with a network of global investment partners to leverage shared capabilities to provide greater access to new investment opportunities.

With more than 50 years' direct property investment experience and over A\$16.2 billion in funds under management (at 30 June 2012), AMP Capital is one of the most respected property fund managers in Australasia.

It has developed some of the best-known properties in Australia and New Zealand including building Sydney's first skyscraper in 1962, still home to the AMP head-office today.

AMP Capital Shopping Centres is Australia's third largest manager of retail property, with shopping centre funds under management of A\$7.2 billion and 32 shopping centres throughout Australia and New Zealand.

## About AMP's Australian Core Property Portfolio

- Australia's oldest unlisted real estate portfolio dating back to 1971
- Outstanding performance since inception of 10.70 per cent per annum (pre fees and taxes)
- Current assets under management of A\$4.5 billion
- Investors include 29 Australian pension funds
- A diversified portfolio owning interests in 43 properties across the office, retail and industrial sectors
- The portfolio has a 20 per cent interest in Pacific Fair, a 25 per cent interest in Warringah Mall, a 25 per cent interest in Macquarie Centre and a 100 per cent interest of Garden City Booragoon
- Garden City Booragoon is the largest asset within the portfolio and has delivered 14.6 per cent per annum total investment return over the last 30 years of AMP's ownership

## About AMP Capital Shopping Centre Fund

- High quality shopping centre portfolio dominated by 85 per cent+ exposure to regional shopping centres
- Fund established in 2003 – 11.7 per cent per annum total investment return since inception (pre fees and taxes)
- Current assets under management of A\$2.3 billion
- 26 investors including Australian and offshore pension funds
- Occupancy of 99.7 per cent
- The Fund has 11 assets, including a 25 per cent interest in Macquarie Centre and a 25 per cent interest in Warringah Mall
- Post redevelopment of Macquarie Centre the Fund will hold three of Australia's top 10 shopping centres

## **About AMP Capital Retail Trust**

- The AMP Capital Retail Trust (ACRT) is a wholesale trust in which AMP Life, Canada Pension Plan Investment Board (CPPIB) and Harina Company Limited (a wholly owned subsidiary of ADIA) hold interests
- The A\$1.2 billion trust has a 50 per cent interest in Sydney's Macquarie Centre and an 80 per cent interest in Gold Coast's Pacific Fair
- Macquarie Centre has delivered investors consistent outperformance with an average total investment return of 12.1 per cent per annum over 10 years. Pacific Fair's average total investment return has been 11.2 per cent per annum over 10 years

## **About Canada Pension Plan Investment Board**

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organisation that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 18 million Canadian contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments.

Headquartered in Toronto, with offices in London and Hong Kong, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At 30 June 2012, the CPP Fund totalled C\$165.8 billion. For more information, please visit [www.cppib.ca](http://www.cppib.ca).

## **About Harina Company Limited**

Harina Company Limited is an investment company that invests in Australian real estate interests and is wholly owned by the Abu Dhabi Investment Authority (ADIA).

Established in 1976, ADIA is a globally diversified investment institution that is wholly owned by the Government of Abu Dhabi.

ADIA manages a substantial global investment portfolio, which is highly diversified across more than two-dozen asset classes and sub-categories, including quoted equities, fixed income, real estate, private equity, alternatives and infrastructure. With a long tradition of prudent investing, ADIA's decisions are based solely on its economic objectives of delivering sustained, long-term financial returns.