



PACIFIC  
COAST  
RETAIL

First on the coast



Gowing Bros

EST. 1868

25 November 2010

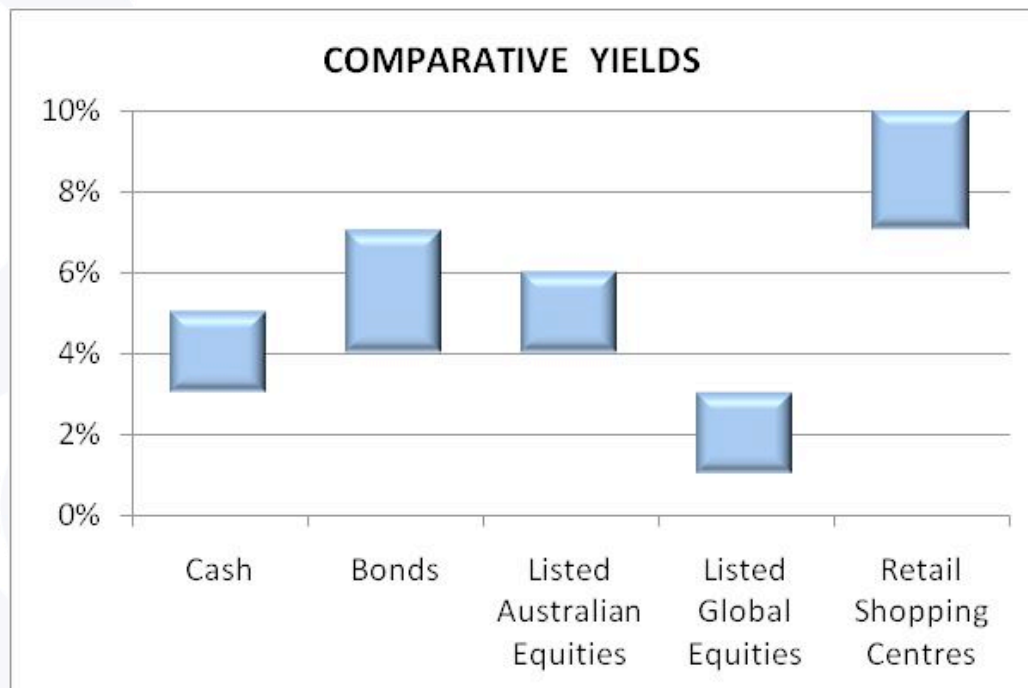
# SHOPPING CENTRE PRESENTATION



# Investment Portfolio Re-allocation

A strategic decision was made to increase the weighting of income producing assets in the portfolio given the ongoing environment of uncertainty.

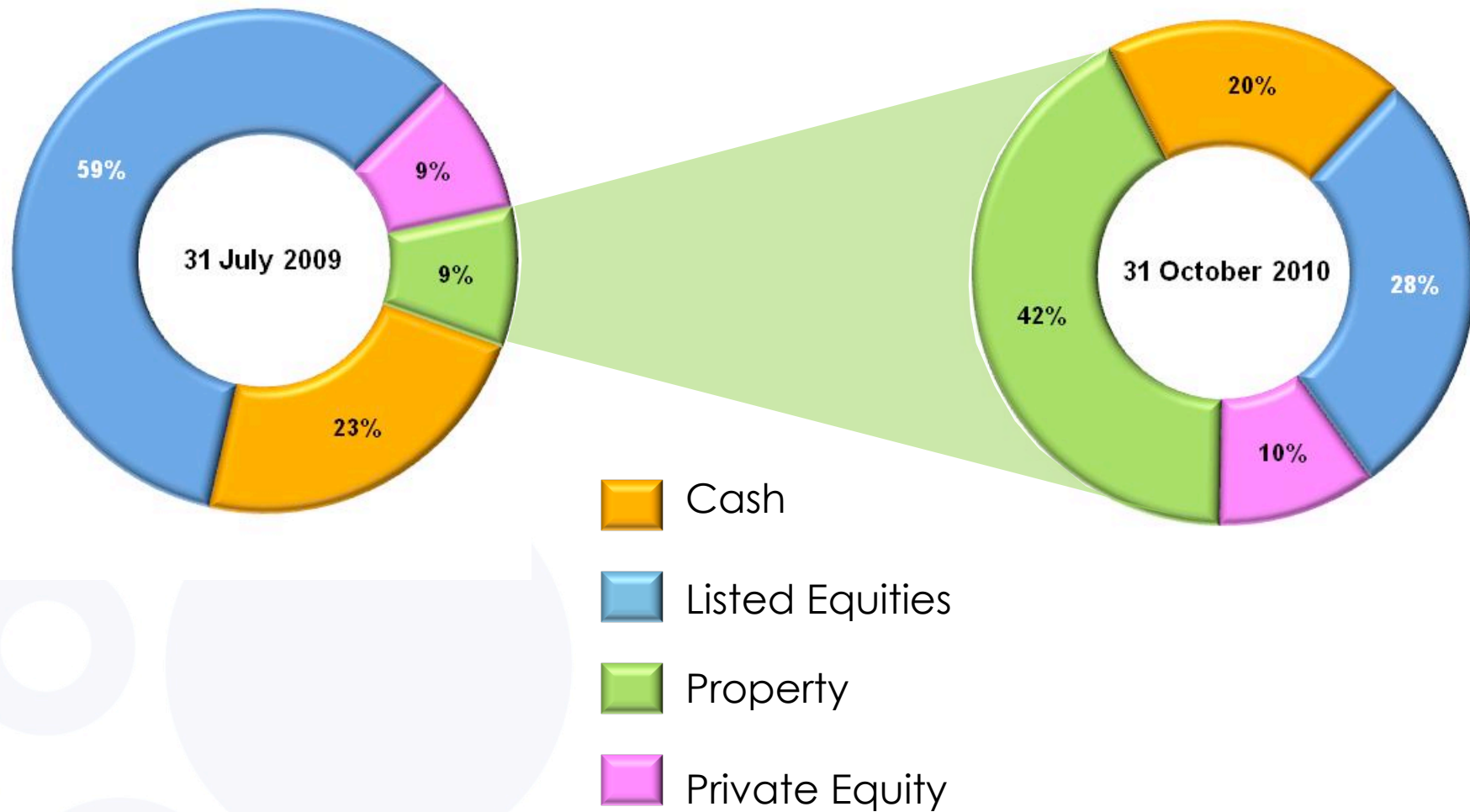
After reviewing various asset classes, retail shopping centres were identified as being an attractive high yielding source of income on a risk / return basis.



*(excluding franking and tax depreciation benefits)*



# Investment Portfolio Re-allocation





# Shopping Centres Acquired

	PORT CENTRAL	KEMPSEY CENTRAL	MOONEE BEACH
Acquisition date	18 December 2009	12 March 2010	13 May 2010
Age of centre	15 years	2 years	4 years
Location	Port Macquarie	Kempsey	Coffs Harbour
Shopping centre type	Sub-regional	Neighbourhood	Neighbourhood
Majors	Target, Super IGA	Coles, Target	Coles, Best & Less
Specialties	60	14	33
Specialty occupancy	99%	75%	24%
Total Cost (inc. trans. costs)	\$60.6m	\$13.3m	\$13.2m
Replacement Cost	+ \$70m	~\$25m	~\$25m
Running Yield	9.00%	8.75%	6.75%
<b>MAT Sales (current)</b>	<b>\$100m</b>	<b>\$21m</b>	<b>\$34m</b>

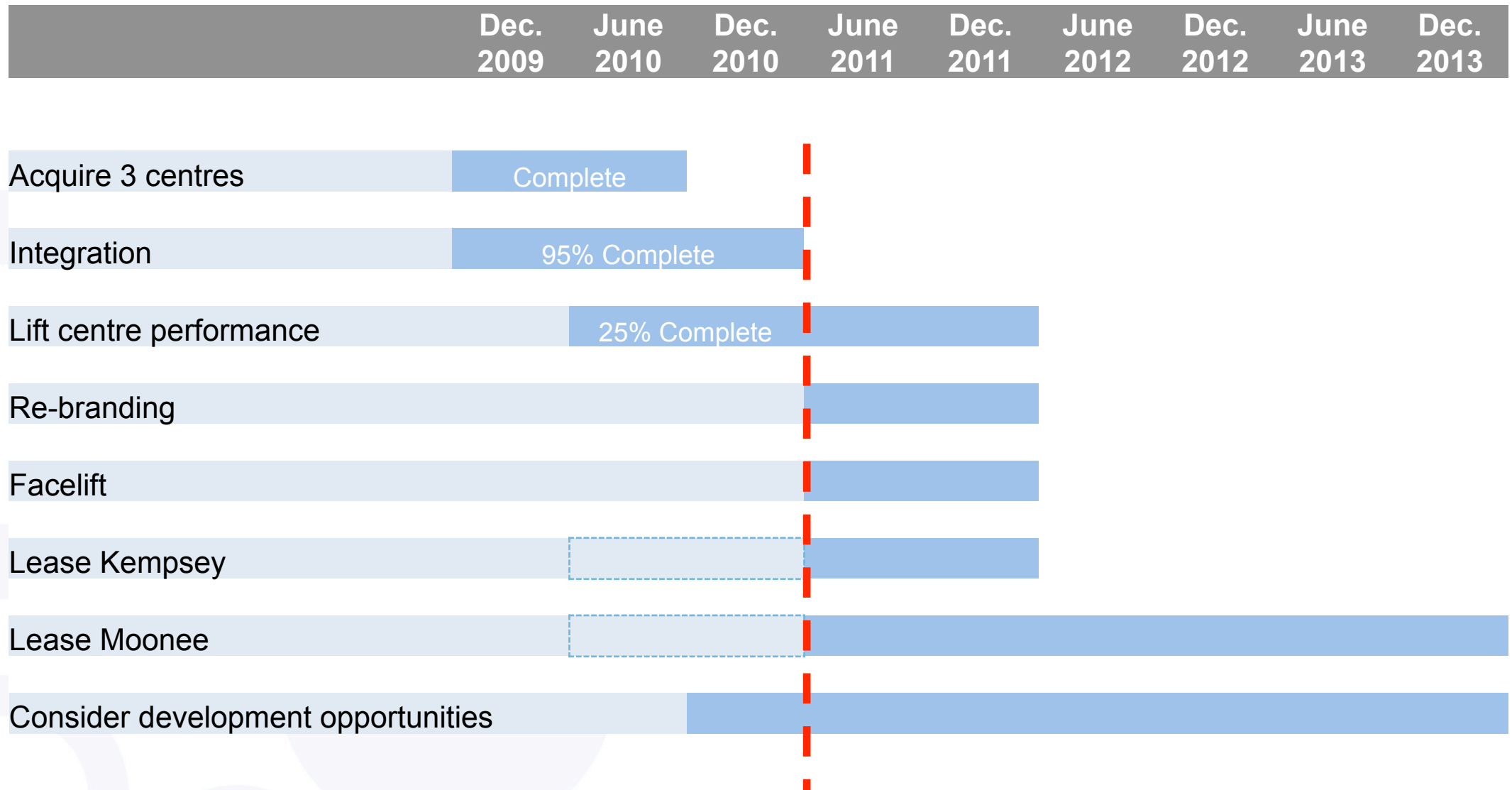
# What were the risks of buying shopping centres?



PRE-PURCHASE	POST ACQUISITION
Rising unemployment (consumer distress)	Unemployment rate has strengthened
Failure of retailers (tenants)	None
Australian economic recession	Avoided
Deterioration in capitalisation rates (valuations)	No further deterioration supports bottom of cycle purchase price.
Rising interest rates	Have fixed 75% of borrowings for 5 years
Due diligence risk	Trading at or better than expectations. No surprises.
Operational risk	Largely completed on time and budget.
Integration risk	Fully integrated into Gowings.



# What have we achieved since purchase?





# What have we achieved since purchase?

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## 1. Fully integrated and internally managed

- ✓ Staff recruitment
- ✓ New property management system
- ✓ New management reports and accounts
- ✓ 5 year plans and budgets prepared
- ✓ Performance in line with feasibility and budget

## 2. Leasing

- ✓ No change in occupancy
  - Port Central (1 vacancy / 99% occupancy)
  - Kempsey Central (4 vacancies / 75% occupancy)
  - Moonee Beach – (25 vacancies / 24% occupancy)
- ✓ Reasonably expect to have secured a number of new tenants in 2<sup>nd</sup> half. Currently in advanced negotiations at Kempsey and Moonee.



# What have we achieved since purchase?

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## 3. Re-branding and marketing

- ✓ Master brand developed under 'Pacific Coast Retail'
- ✓ Soft launch in 2<sup>nd</sup> half to coincide with leasing and capital works
- ✓ New website
- ✓ Giving each centre a face lift (*Kempsey upgrade, Port Central food court*)

## 4. Key Opportunities

- ✓ Leasing up Kempsey and Moonee
- ✓ Strengthening performance of centres through better marketing
- ✓ Potential development opportunities under review



# Master Brand: Pacific Coast Retail

OLD



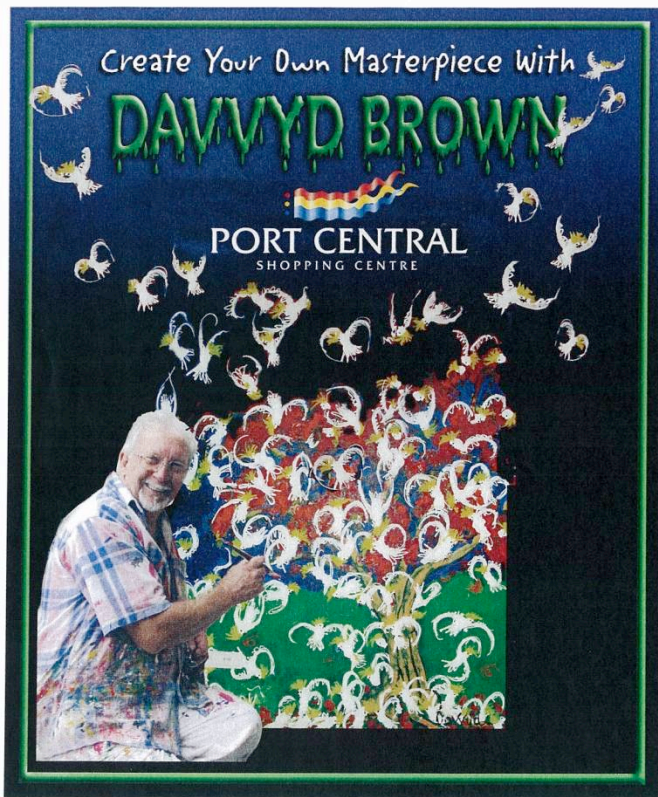
NEW





# Sample Marketing

**OLD**



**NEW**





# Website



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**SPEND \$100 AT SUSSAN.  
GET A \$20 GIFT CARD®**



Port Central is the heart of Port Macquarie and the premier destination for **fashion**, **food** & **fun** on the North Coast.

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Enter your email address

**SIGN UP**

## **CENTRE INFO**

- Parking [↗](#)
- Centre Services [↗](#)
- Centre Map [↗](#)
- In the Community [↗](#)

## **LOCATION**

40 -42 Horton Street  
Port Macquarie NSW 2444  
P: 02 6584 2988

[Get Directions](#) [↗](#)

## **OPEN TODAY**

The Centre	9am-6pm
Target	9am-9pm
IGA	9am-9pm
Terry White	8am-10pm

[Full Trading Hours](#) [↗](#)

## **FIND A RETAILER**

Major Retailers	Health & Beauty
Food	Homewares & Gifts
Mens Fashion	Services
Womens Fashion	

[See all Retailers](#) [↗](#)

## **SPRING INTO PORT CENTRAL IN NOVEMBER**



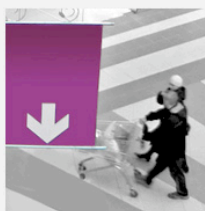
**25% OFF SUNGLASSES**  
Sunglass Hut

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**FREE FASHION STYLIST APPOINTMENTS**

All day, Sun 24th Oct 2010



**CASUAL MALL LEASING OPPORTUNITIES**

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What's your summer fashion style?

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# Port Central



# Port Central





# Kempsey Central

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# Kempsey Central





# Moonee Beach





# Moonee Beach





Gowing Bros Limited

EST. 1868

23 November 2010

THANKYOU

Annual General Meeting