2011 HALF YEAR RESULTS

23 FEBRUARY 2011

BECTON

H1 FY11 overview

- **Financial results:**
  - Net profit after tax (NPAT) $6.7 million, up 51% on previous corresponding period
  - Statutory loss of $(26.8) million
  - More than $373 million in settlements across Retirement Living and Development and Construction

- **Simplification of business:**
  - Sale of Funds Management business settled on 16 December 2010
  - Focus is residential property (including retirement living) with a targeted weighting toward Victoria and NSW

- **Capital management:**
  - Total debt under management reduced from $1.32 billion as at 31 December 2009 to $0.36 billion as at 31 December 2010
  - Asset impairments and one off costs and losses have resulted in negative net tangible assets (NTA) of $(55.2) million
  - Capital restructure announced on 31 August 2010 addresses NTA and further reduces debt
  - Progress being made on capital restructure - further announcement expected by the end of the current quarter

2011 half year results

NPAT increasing but affected by lower valuations and “one-off” costs and losses

Improving Operational Metrics

- Revenue up 21.4% due to large number of settlements at Kensington and Bonnyrigg
- Operating NPAT up 51% due to FY11 settlements skewed to H1

Continued impact of impairments due to restructuring activities

- Net movement in investment properties ($5.3m)
- Divestment of Funds Management business and investments in unlisted property funds ($21.7m)
- Restructuring Costs ($6.5m)

Key metrics	H1 FY11	H1 FY10
Revenue ($m)	71.5	58.9
NPAT from ordinary operations ($m)	6.7	4.4
Less: non-operating items (net of tax) ($m)	(33.5)	(24.4)
Equals: Statutory profit ($m)	(26.8)	(20.0)
EPS from ordinary operations (cents) ($m)	3.3	2.2

Simplification of business

Loss of funds and sale of Funds Management

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- September 2010 Becton was removed as manager in relation to two funds
  - Reduced management fees collected by $1.9 million per annum (27% of total Funds Management income per annum)
- Funds Management business sold on 16 December 2010
- Features of sale:
  - Transfer of entire Funds Management business
  - Initial upfront cash payment upon transfer
  - Revenue share agreement 30% of uncollected management and exit fees over next three years
  - Call option expiring 30 June 2011 in respect of Becton’s investments in unlisted property funds

Sale of Funds Management simplifies the business and reduces debt

- Removes $609.9 million of debt under management from the Group
- Exercise of call option crystallizes the value of the Group’s investment in the unlisted property funds
- The option is forecast to be exercised by 30 June 2011
- Simplifies the business and reduces overhead
- Enables management to focus energies on those parts of the business that generate the highest returns on capital

Sale delivers simpler structure focussed on profitable projects in target markets

Becton Property Group — **Becton Property Trust**

Development and Construction
- Kensington
- Waterloo
- Bonnyrigg
- Services to Retirement

Retirement
- Alliance with OmIF (five villages and one new development)
- Wahroonga
- Mackay

Property Investment
- Investment in unlisted property funds
- Call option*

*** Call option in respect of investment in unlisted property funds forecast to be exercised by 30 June 2011**

Strategy

Strategy

BECTON

Our objective:

— Stabilise the business, strengthen the balance sheet and best position the business to take advantage of a strong market

Our plan:

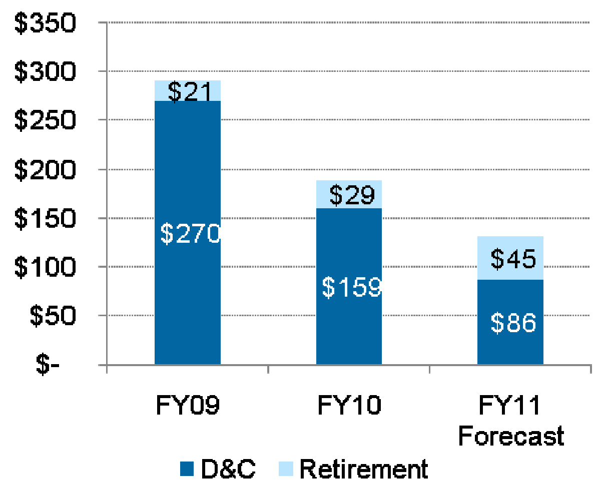
1. Active management
   — Reduce debt, drive core assets to improve income and continue to evolve our market leading service to customers
2. Simplification
   — Focus on targeted core residential and retirement assets which deliver significant long-term profit streams to the business
3. Capital restructure and management
   — Continue to progress initiatives to drive efficiency and stabilise the Group

Achievements of the three pronged approach BECTON

Active Management

- Asset sales - > $550 million

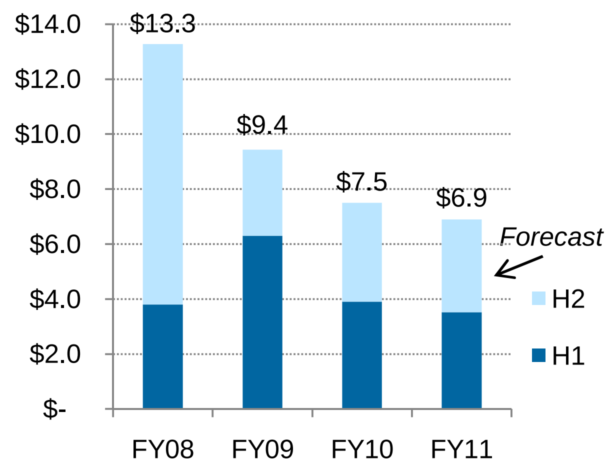
D&C and Retirement* settlements ($m)



Simplification

- No. of projects reduced – 40 to 7
- Headcount reduced – 177 to 79

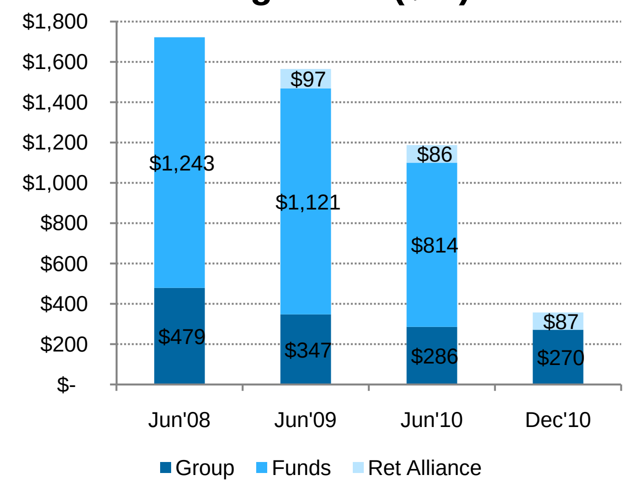
Reduction in overhead ($m)



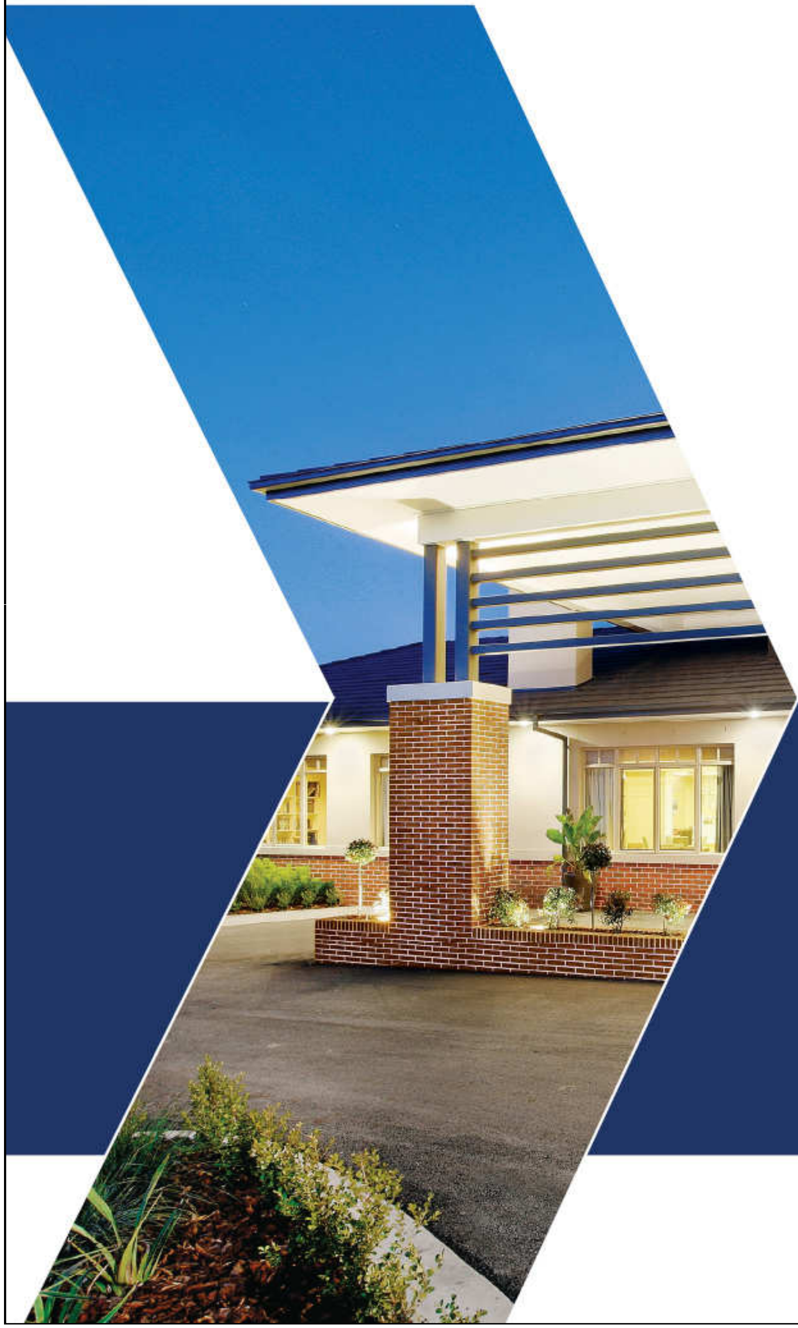
Capital Management

- Debt reduction > $1.37billion

Total debt under management ($m)



*Not pro-rated. Includes 100% of settlements from Retirement Alliance villages



Capital management

Overview of capital restructure plan

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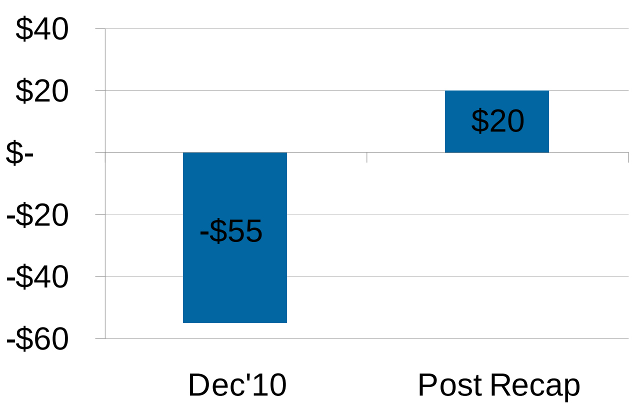
- **The significant operational and debt reduction achievements over the past three years have now enabled the Group to negotiate a capital restructure and debt refinancing plan**
- Key elements:
  - **New equity** - $80 million of new equity raised via conversion of a portion the Group’s outstanding liabilities to equity
  - **Debt extension** - Extension of the Group’s working capital facility to September 2013
  - **Lender support** - Support for the capital restructure and refinancing from Becton’s major lender, BOS International (Australia) Ltd

Capital restructure will…

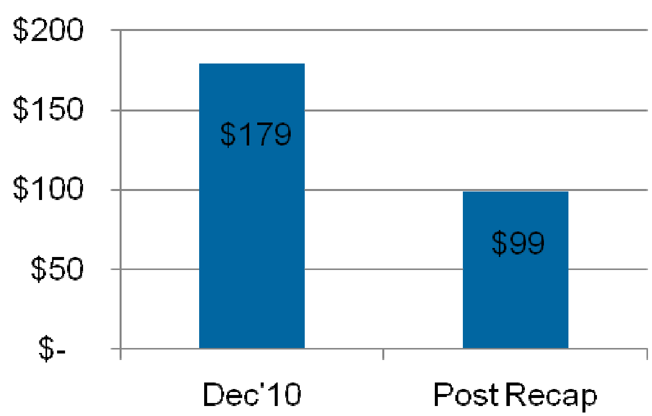
BECTON

- **Stabilise the Group** - removes uncertainty about the Group's capital structure
- **Improve net tangible assets (NTA)** - by $75 million
- **Extend weighted average debt maturity** - of the Group to 2.25 years
- **Reduce debt** - significantly improve gearing and reduce annual interest expense by approximately $6.3 million
- **Enable Becton to focus on profit generating parts of its business** - enabling a much stronger focus on generating profits in key business divisions

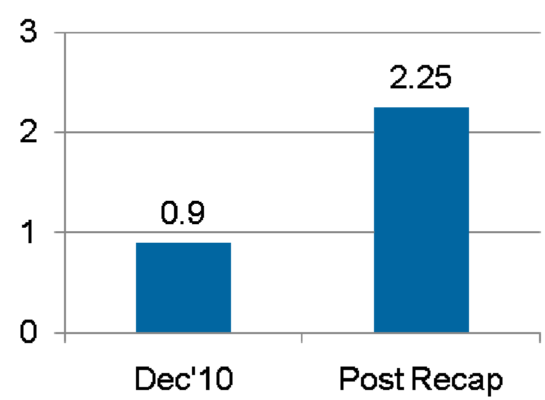
Net tangible assets ($m)



Non-project Group net debt ($m)



Weighted debt maturity (yrs)



Next steps involve…

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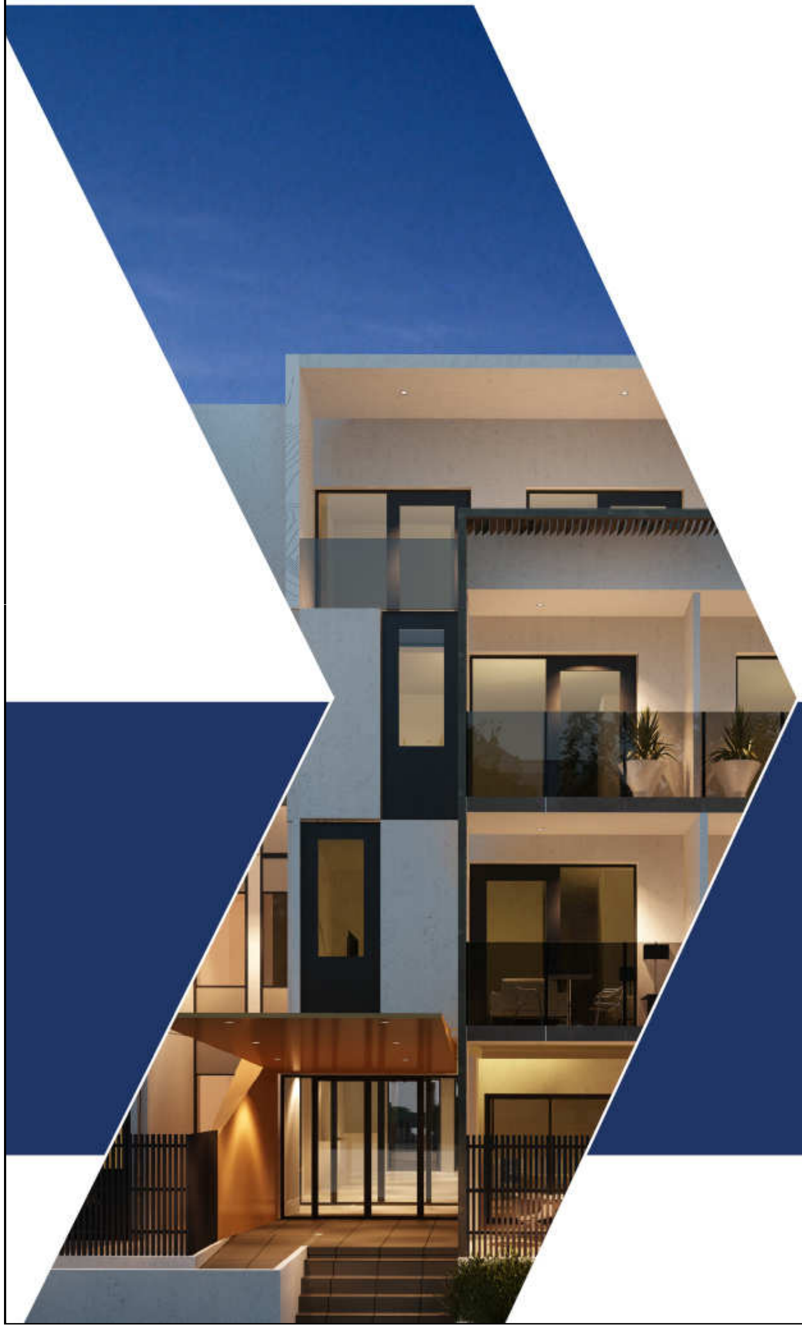
- **Approvals and third party consents:** regulatory, financier, securityholder and noteholder (ASX:BECG)
- **Final documentation** - the final terms of any agreement for refinancing and capital restructure may differ from those currently contemplated and described above
- **Timing** - considerable progress has been made but the completion of documentation and obtaining remaining approvals may still take several months. This is because:
  - Multiple parties are involved so negotiations have taken some time
  - Complex transaction - considerable documentation needs to be prepared
  - Need to give notice and hold meetings of BEC securityholders and BECG noteholders
- We expect to make a further announcement about the capital restructure by the end of the current quarter (Q3 FY11)



Operational performance

Solid metrics generate operating profit

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Development & Construction

- Over $323m in settlements, pre-sales and reservations at Kensington, Bonnyrigg and Waterloo
- Stage 1 Waterloo, stage 2 Bonnyrigg and Kensington final stage 99% sold
- H1 FY11 $23.5m of construction delivered. $800m+ to be built in remaining stages of current projects

Retirement Living

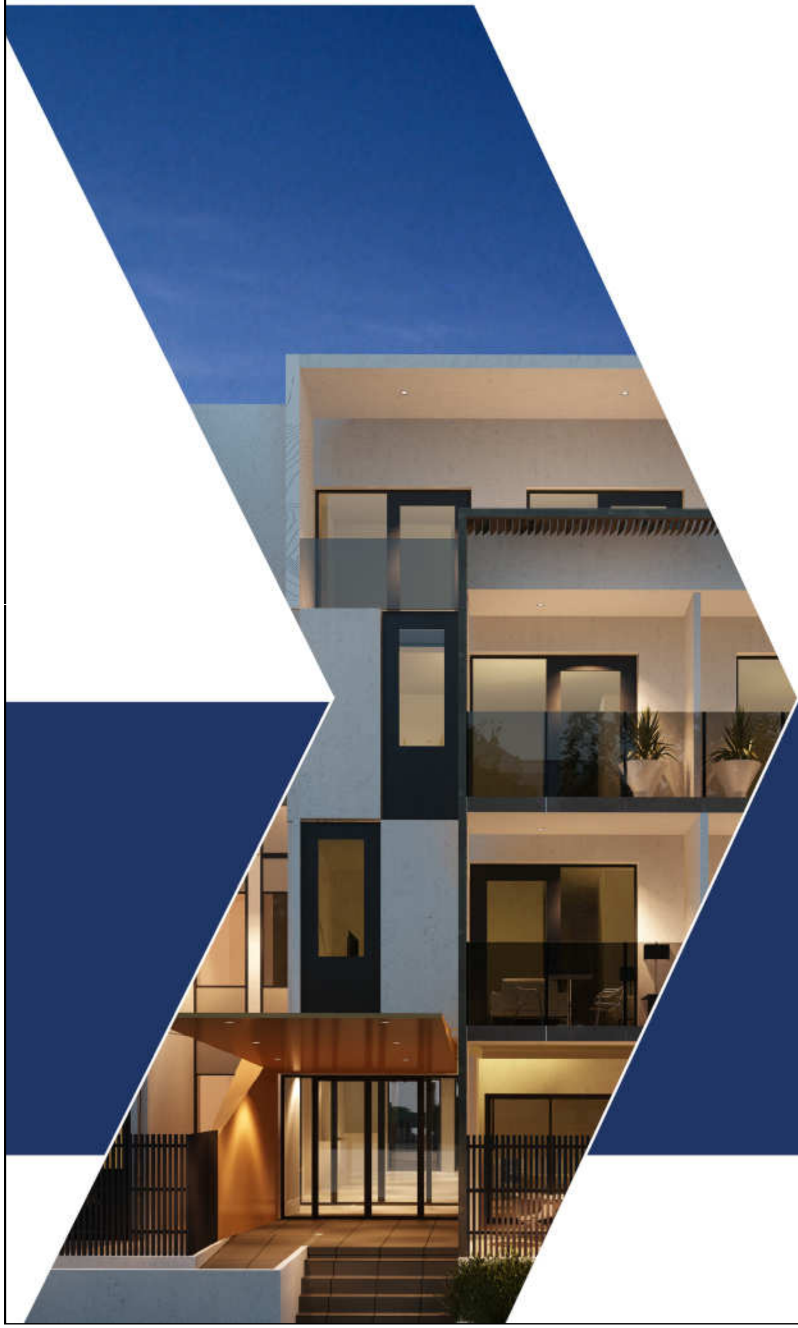
- Re-sales of $25.7m compared to $23.5m in H1 FY10
- First time sales of $24.6m across all villages under development, up from $13.4m in H1 FY10
- Occupancy maintained at 98% average

Funds Management

- $2.4m contribution to EBIT for H1 FY11
- Debt reduction of $204.4m prior to sale, with a further $609.9m removed upon sale of business
- Reduction in overhead as transition to new owner completed

Property Investment

- Exercise of call option will crystallize value of an asset
- Option forecast to be exercised by 30 June 2011
- Exercise of call option will see Becton exit its investment in unlisted property funds



Development and Construction

Divercity, Waterloo

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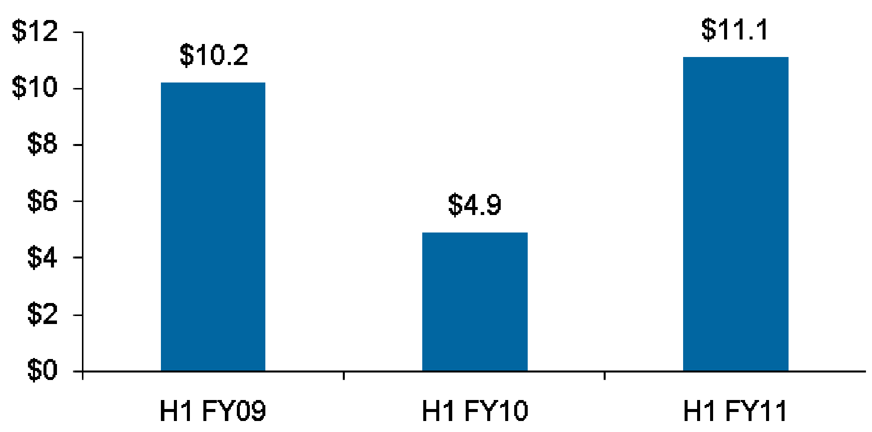
EBIT and margins in Development and Construction continue to grow

B|E|C|T|O|N

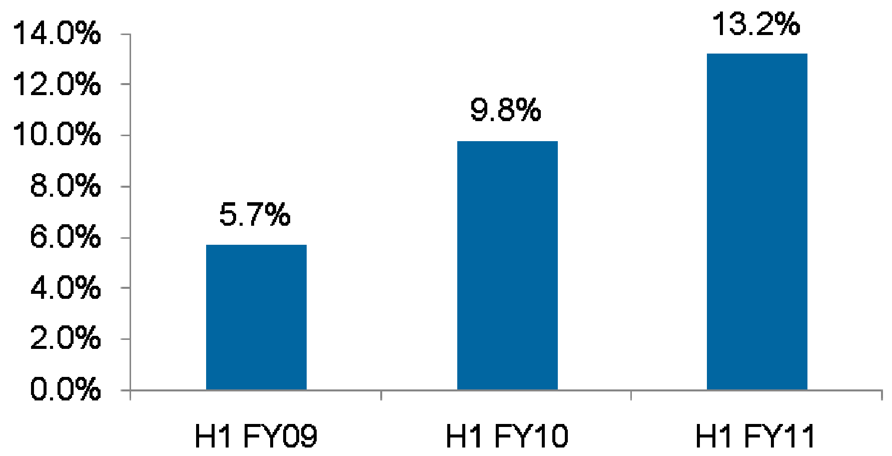
Business focused on key projects that deliver strong profits

- **Sales –** Strong demand and shortage of supply in key residential markets is driving pre-sales ($323m in H1 FY11) at Kensington, Bonnyrigg and Waterloo
- **Significant margin growth –** H1 FY11 margin of 13.2%, compared to H1 FY10 margin of 9.8%
- **Increased yields (number of dwellings) –** of 11% at Kensington and 5% at Waterloo
- **Revenue up –** settlements of $67m in H1 FY11 compared to $49.9m H1 FY10 resulting in H1 FY11 operating EBIT of $11.1m

Half year EBIT ($m)



Development & construction operating margins



Development and construction sales well on track to achieve full year targets

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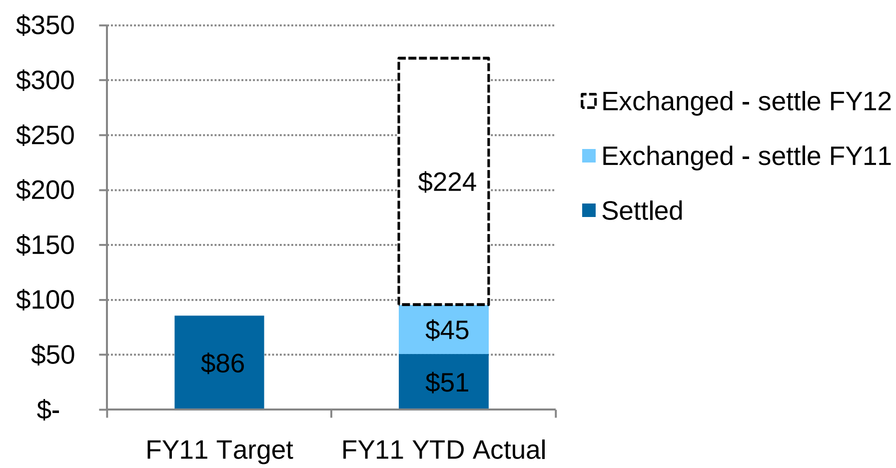
Overview

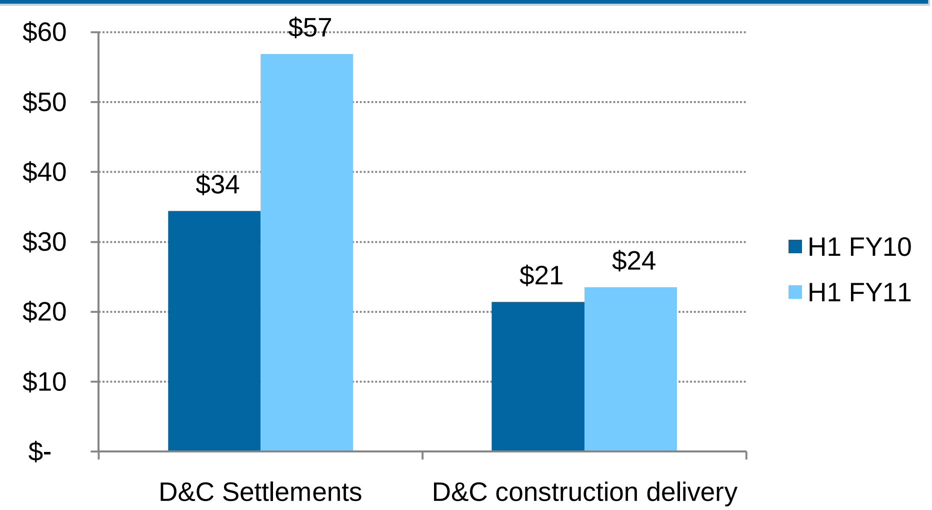
- Settlements well on track to exceed FY11 target
- Strong pre-sales supported by cash deposits and bank guarantees significantly reduce market and settlement risks until FY13
- Focus is now on delivery of quality product on time and to budget

Sales* ($m)



*YTD as at 22 February 2011

D&C Business Activity ($m)



Note - FY11 Target includes non core site sales and excludes the Retirement Alliance sales.

Quality projects leveraging Becton's expertise

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Kensington, VIC

Australia's first major redevelopment of an inner city public housing estate by a Public Private Partnership (PPP)

Number of dwellings:
- 722 units: 512 Private & 210 Public

Average dwelling value:
- $468,000

Development status*:
- 593 dwellings completed
- 722 dwellings sold
- Final 129 dwellings under construction

Settlement timeframe:
- FY11 to FY12

Bonnyrigg, NSW

Redevelopment of the 81ha Bonnyrigg public housing estate in Western Sydney Comprising 17 Stages

Number of dwellings:
- 2,330 homes: 1497 Private & 833 Public

Average dwelling value:
- $395,000

Development status*:
- 110 dwellings completed
- 223 dwellings sold
- 104 dwellings under construction

Settlement timeframe:
- FY10 to FY21

Waterloo, NSW

Contemporary mixed use urban renewal project spanning 3.6ha just 3.9km from the Sydney CBD

Number of dwellings:
- 645 apartments & 17,000m^2 commercial space

Average dwelling value:
- $650,000

Development status*:
- 284 dwellings sold
- First 289 dwellings under construction

Settlement timeframe:
- FY12 to FY16

**YTD - as at 22 February 2011*

Ten year $1.6 billion development pipeline of quality projects in target markets

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Core development pipeline

Sector	Project	End Value	FY11 Forecast Settlements	FY12 Forecast Settlements	FY13 Forecast Settlements	Beyond Forecast Settlements
Integrated Social / Private Residential	Kensington, Vic	$84m	$45m	$39m		
Integrated Social / Private Residential	Bonnyrigg, NSW	$835m	$43m	$32m	$42m	$718m
Private Residential / Retail	Waterloo, NSW	$689m		$174m	$115m	$400m
Total		**$1,608m**	**$88m**	**$245m**	**$157m**	**$1,118m**

Newleaf, Bonnyrigg

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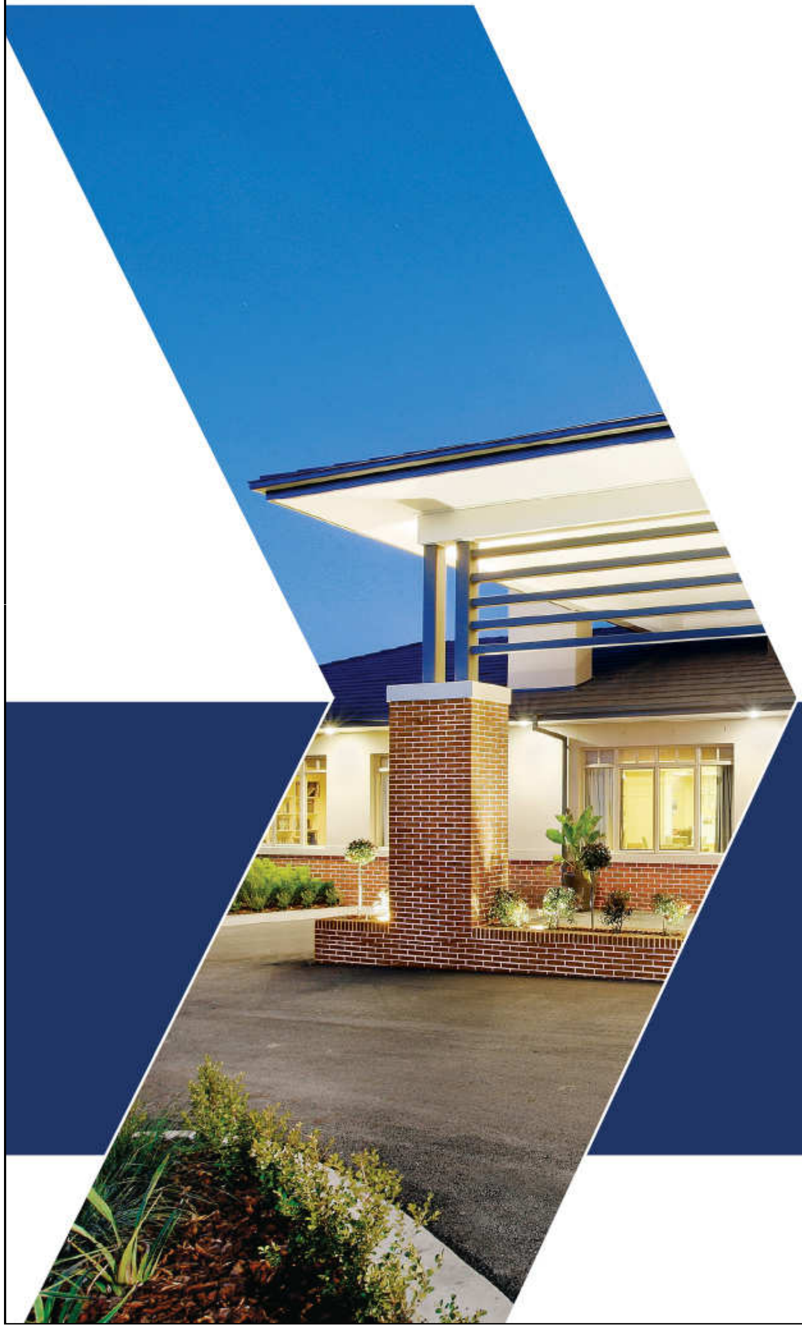

Retirement Living

Retirement EBIT fuelled by growing demand and increased re-sales as villages mature

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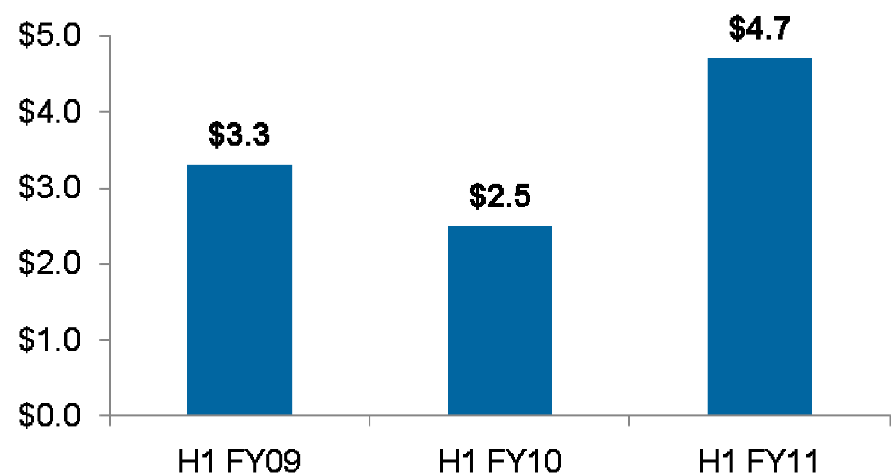
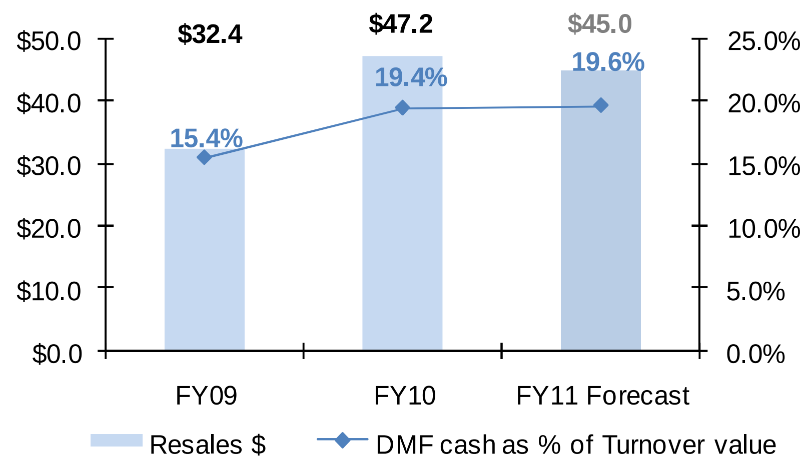
Benefits of maturing villages and high levels of focus on ensuring customer satisfaction

- H1 FY11 EBIT of $4.7m – 88% higher than H1 FY10 and 42% higher than H1 FY09
- $0.7m net revaluation gain (Becton share) reflects the strength of the portfolio having held its value, with average discount rate steady at 13.0%
- FY11 full year forecast re-sales of $45m and first time sale of $45.4m in total projected to outperform FY10 total actual sales
- 48 ($25.5m) re-sales achieved in H1 FY11- to a budget of 45 ($21.4m)

Half year EBIT ($m)



Re-sales ($m)



Steady growth in new villages

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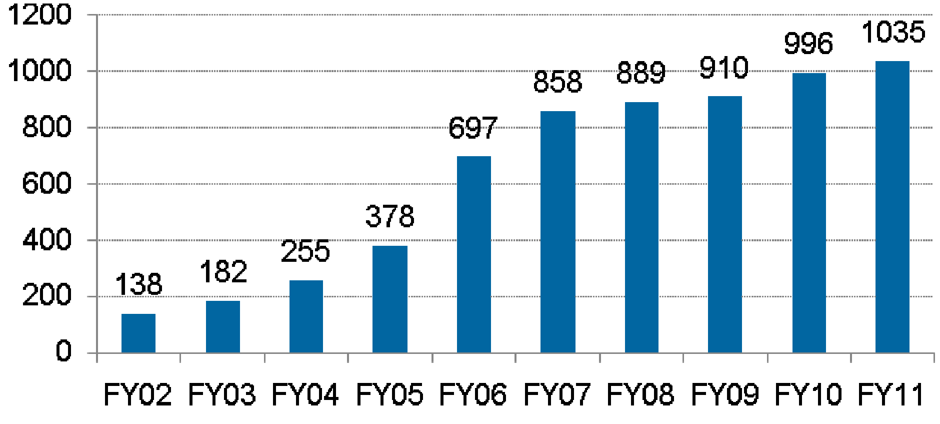
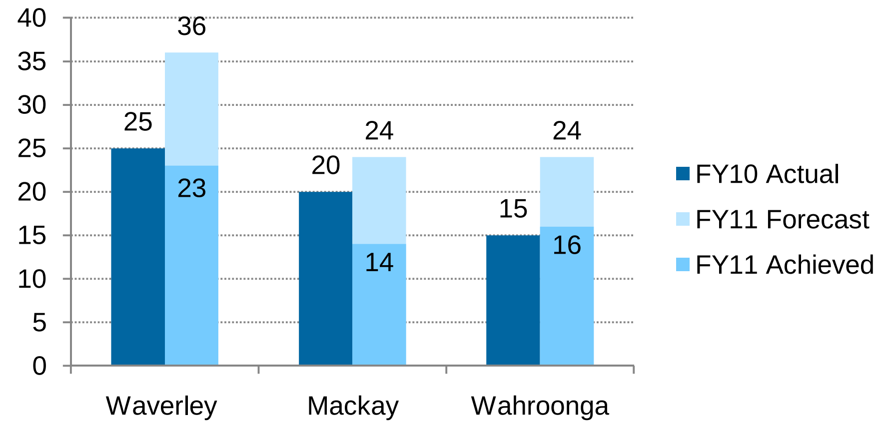
Growing portfolio and new DMFs will continue to drive earnings as the villages mature

- Growing portfolio of completed dwellings (includes Alliance and Group assets):
  - 1,035 occupied dwellings across 7 villages in 4 states
- Sales in all three villages under development remain strong
- Further growth expected from additional stages at Waverley, Wahroonga and Mackay and from the launch of a new village at East Malvern
- Ageing population and forecast increase in take up rates bode well for continued growth

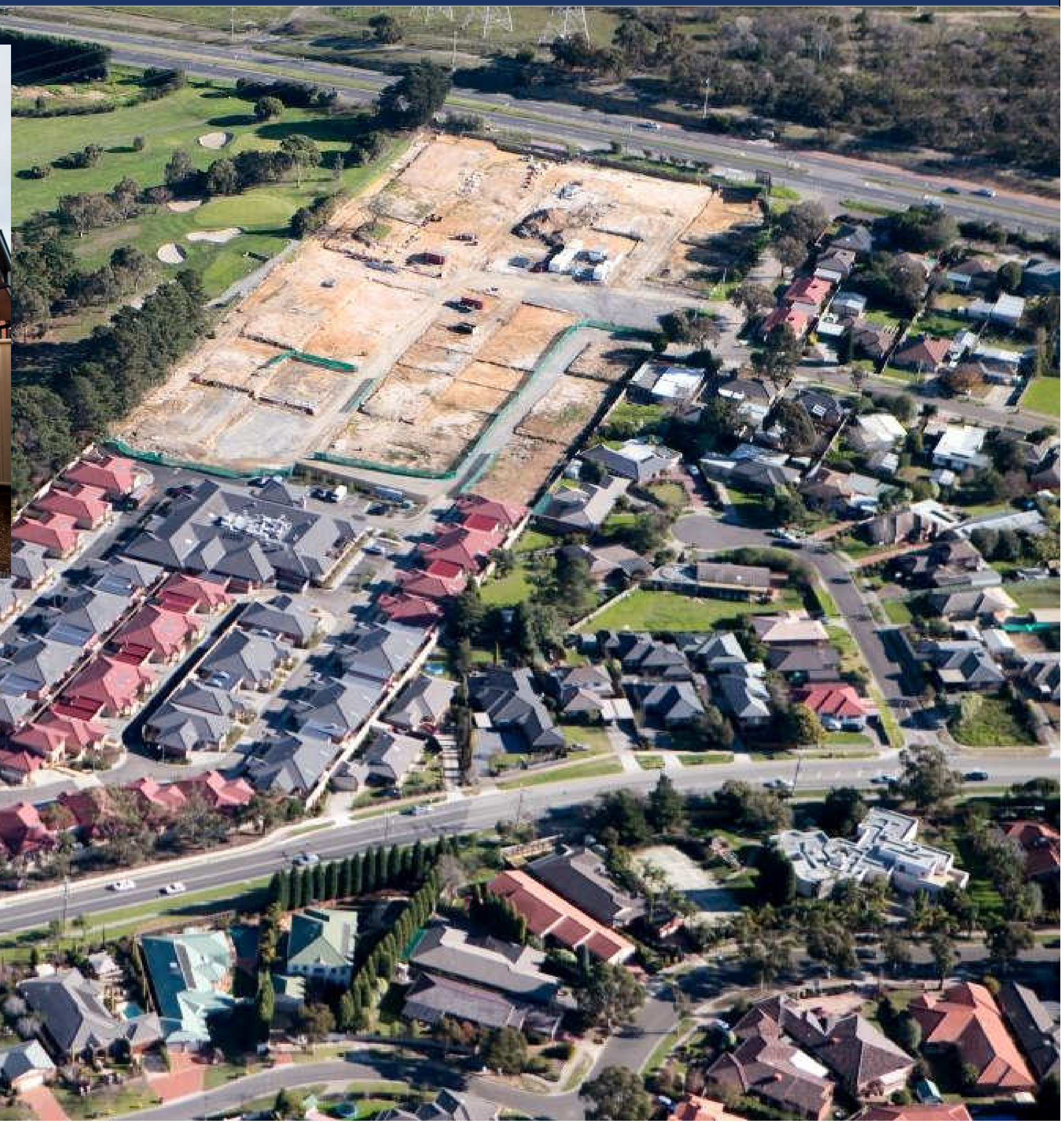
Dwellings under management



YTD New DMFs



Waverley Country Club



$142 million Retirement development pipeline of quality projects

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Premium quality focus: best locations, best built form and best service offering

Waverley, VIC

Location
- Rowville, Victoria (35 km from Melbourne CBD)

Project status:
- 85 units complete, 98 settled/reserved, 49 more to build

Balance of Project
- Gross realisable value - $30 million
- Dwelling values - $508,000

Development timeframe:
- FY11 to FY12

Malvern East, VIC

Location:
- East Malvern, Victoria (18 km from Melbourne CBD)

Project status:
- DA obtained for 75 units. First release in H1 FY12

Project:
- Gross realisable value - $54 million
- Dwelling values - $716,000

Development timeframe:
- FY11 to FY14

Wahroonga, NSW*

Location:
- Wahroonga, NSW (22 km from Sydney CBD)

Project Status:
- 52 units complete, 47 settled/reserved, 51 more to build (DA pending)

Balance of Project:
- Gross realisable value - $58 million
- Dwelling values - $840,000

Development timeframe:
- FY11 to FY14

Mackay, QLD*

Location:
- Mackay, Queensland (5 km from Mackay CBD)

Project status:
- 81 units complete, 79 settled/reserved, 153 more to build

Project size:
- Gross realisable value - $90 million
- Dwelling values - $405,000

Development timeframe:
- FY11 to FY16

**Projects not in the Retirement Alliance*

Woniora, Wahroonga

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Funds Management and Property Investment

Funds Management delivers operating profit prior to sale

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Key points

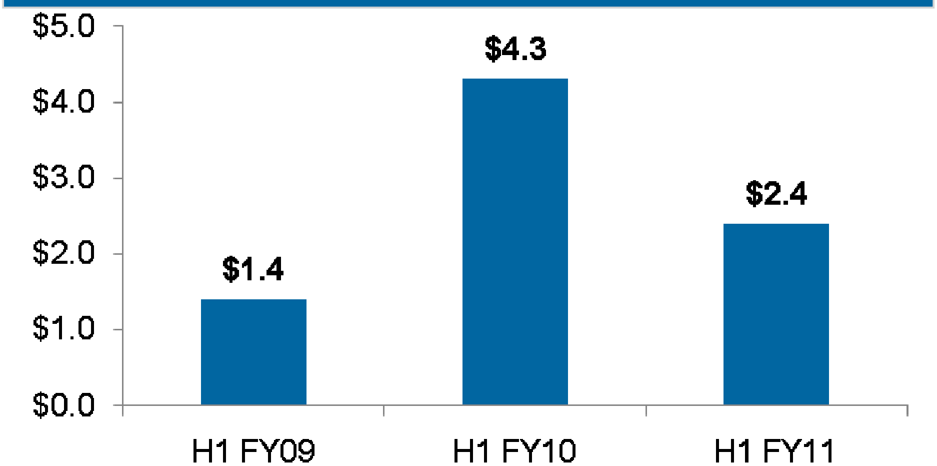
— September 2010, Becton loses management rights to two unlisted property funds resulting in a $1.2 million fall in profit for Funds Management

— 16 December 2010, Funds Management business was sold

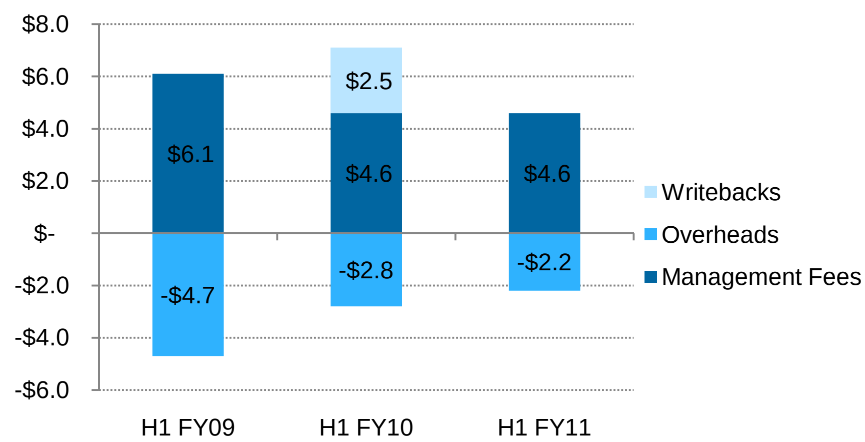
— $2.4 million contribution to operating EBIT for H1 FY11 by Funds Management prior to sale

— Once the impact of the one off reversal of trail commissions is removed from H1 FY10 result, the H1 FY11 result is a slight improvement on the previous corresponding period

Half year EBIT ($m)



Breakdown of EBIT ($m)



Property Investment impacted by falling values and reduced distributions

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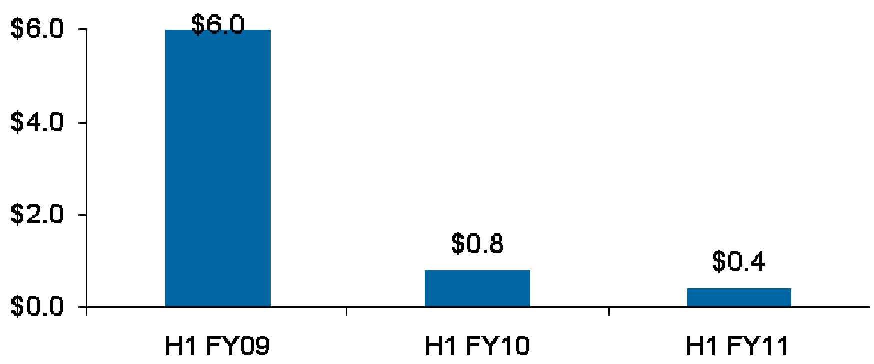
Impacted by rising debt costs

— Operating EBIT $0.4m, lower than H1 FY10 due to lower income from distributions as a result of cash being retained in the funds to reduce debt

— Valuations overall were slightly lower than the previous corresponding period although the rate of negative revaluations has slowed considerably

— The Group has entered into a call option for the sale of its investment in the unlisted property funds which is forecast to be exercised by 30 June 2011

Half Year EBIT ($m) (net of minority interest)



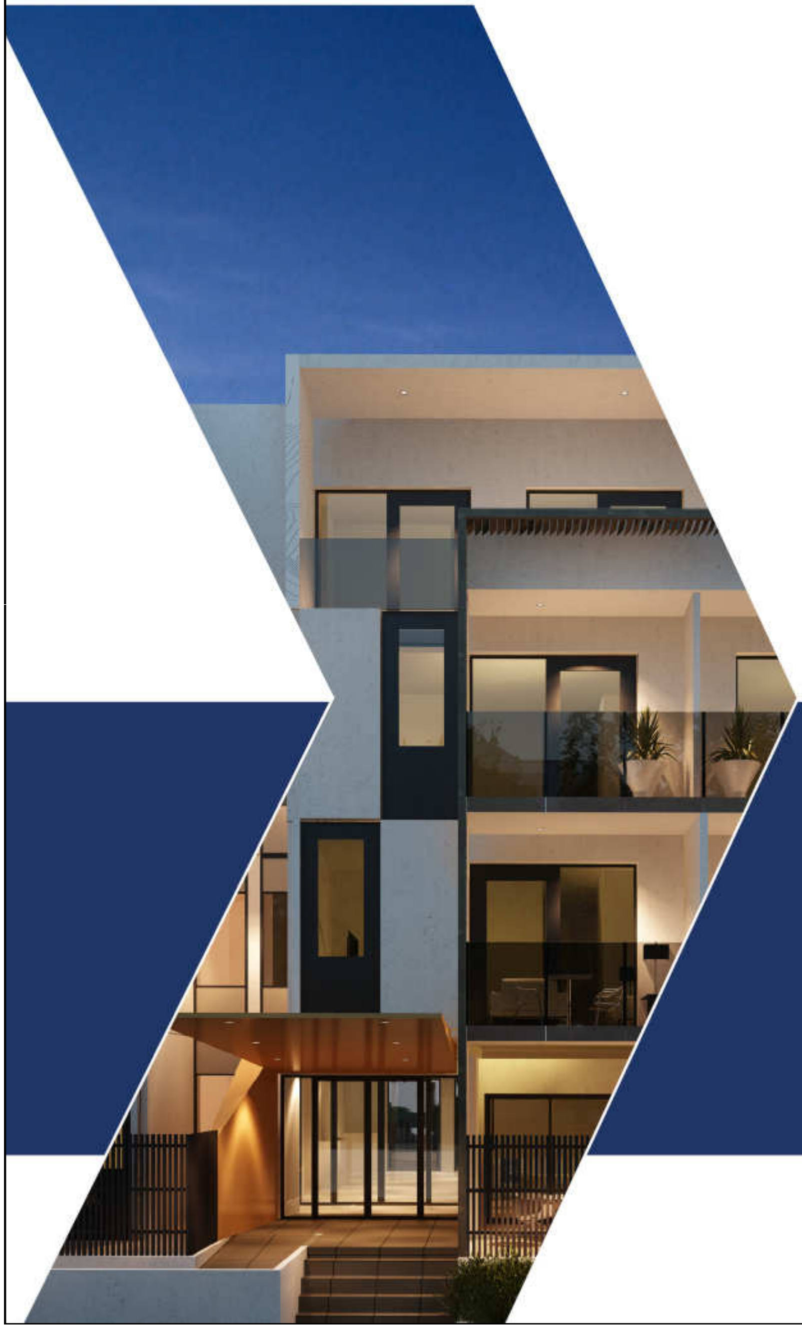
Outlook

Outlook

- Capital restructure remains the primary focus
- Subject to necessary approvals capital restructure and debt refinancing to conclude in Q4 FY11
- Once the capital restructure and debt refinancing is complete it will remove uncertainty about the capital structure and strengthen the balance sheet of the Group

Resolution of the capital structure will enable the strong operational performance of our Development and Construction and Retirement Living businesses to drive cash flows and profits as we take full advantage of the under-supply that exists in the markets in which we operate.

Appendices



Appendix 1 – Profit and loss statement and balance sheet

Profit & loss statement and balance sheet

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$ Millions	H1 FY11	H1 FY10
Development & Construction	11.1	4.9
Funds Management	2.4	4.3
Retirement	4.7	2.5
Property Investment (net OEI)	0.4	0.8
Corporate Overhead	(3.5)	(3.9)
Group EBIT	**15.1**	**8.6**
Net Finance Costs	(6.3)	(3.0)
PBT	**8.8**	**5.6**
Tax (Expense) / Benefit	(2.1)	(1.2)
Operating NPAT	**6.7**	**4.4**
Movement in investment properties	(5.3)	(19.4)
Loss on sale of funds mgt and property investment businesses	(21.7)	-
Restructuring costs	(6.5)	(6.5)
Tax on Non Op Items	-	1.5
Total NPAT	**(26.8)**	**(20.0)**
Securities (million)	**204.8**	**204.8**
Operating EPS (cents)	**3.3 cps**	**2.2 cps**

$ Millions	Dec 2010	June 2010
Cash	9.3	9.2
Receivables	4.1	25.2
Inventories	126.9	161.1
Retirement JV (equity accounted)	56.2	52.1
Retirement assets (100% owned)	26.3	37.4
Property Investment	-	79.1
Non current assets available for sale	85.1	-
Other	53.6	48.4
Total assets	**361.5**	**412.5**
Trade payables	19.1	40.7
Borrowings	270.3	285.5
Retirement obligations (100% owned)	41.8	27.9
Other	56.5	54.2
Total liabilities	**387.7**	**408.3**
Net assets	**(26.2)**	**4.2**
Minority investors	(29.0)	(34.2)
Net assets	**(55.2)**	**(30.1)**
Securities on issue (million)	**204.8**	**204.8**

Appendix 2 – Group debt facilities

Group Debt Facilities

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Facilities	Drawn as at 31 Dec 2010	Lender	Maturity	Financial Covenants / Comments
Retirement projects	$25.6m	Suncorp	Mar-11 – May-11	Land Assets LVR < 65% Development Assets LVR < 75%
Waterloo	$56.8m	BOSI	Mar-13	LVR < 95% (overall valuation) Waterloo debt facility refinance to BOSI from NAB on 7 July 2010
Corporate debt	$133.7m	BOSI	Aug-11	All financial covenants waived to facility maturity (31 August 2011)
Bonnyrigg	-	WBC	Mar-12	LVR < 80% (stage value) LDCR < 85% Facility limit of $45m
Convertible notes	$13.7m	NA	Jun-12	None
Deferred payment obligation	$40.4m	ACR notes	FY12 to FY14	None
Cash	$(9.3)m	NA	NA	NA
Total net debt	**$260.9m**			

Appendix 3 – Retirement village metrics

Village metrics (JV & Becton) at December 2010

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	Brighton	Malvern	Dee Why	Bunbury	Waverley C.C.	Mackay	Wahroonga
Number of ILUs	286	124	203	123	75	72	33
Number of SAs	90	0	34	0	0	0	0
Total number of units	376	124	237	123	75	72	52
Average age – ILUs / SAs	83 / 87	83	82 / 85	76	74	70	76
Average value – ILUs / SAs	$589k / $303k	$1,038k	$452k / $159k	$367k	$454k	$338k	$798k
Forecast growth rates (up to)	4.25%	4.5%	4.5%	4.25%	4.25%	4.0%	4.75%
Typical DMF charge	3.25% p.a. up to yr 10	3.25% p.a. up to yr 10	3.0% p.a. up to 10 years	2.5% p.a. up to 10 years + 1.0% p.a. up to yr 20	3.25% p.a. up to yr 10	5.0% p.a. for yr 1 & 2, 3.0% p.a. up to yr 8	2.5% p.a up to Yr 10
DMF based on entry or exit value	Exit	Both types of contract	Both types of contract	Exit	Exit	Entry if no C.G, exit if 50% or 100% C.G.	Exit
Discount rate used	13.0%	12.5%	13.25%	13.0%	13.5%	13.5%	13.5%

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