



Full Year Review

30 June 2010

Artist Impression

\$108.6m
Underlying Profit

FKP is pleased to provide you with a performance update for the full year ended 30 June, 2010. The strong result is a reflection of our quality development projects (resulting in a high level of presales), market leading retirement portfolio and depth of experience.

The reweighting of the FKP portfolio to residential product over the last two years has been successful in delivering strong growth within the Australian property sector.

9.7cps
Underlying EPS

Directors have announced new distribution and gearing policies to align them with market accepted levels and to provide the business with sufficient flexibility to deliver on growth targets.

\$50.8m
Statutory Profit

Solid Performance and Positioning

The full year statutory profit after tax was \$50.8 million and underlying profit after tax was in line with guidance at \$108.6m, an increase of 38 per cent on 30 June 2009.

Underlying earnings was 9.7 cents per security and the Net Tangible Assets per security was \$1.26. The total distribution for 2010 financial year was 1.5 cents per security.

1.5cps
Distribution

Capital Management

We announced a new target gearing level of less than 35 per cent measured as net debt divided by cash adjusted assets (assets less cash). At 30 June 2010 gearing was at 28.5 per cent; well below the maximum target gearing level. Our target gearing is within the range of other comparable property entities.

\$1.26
NTA
per unit

FKP has a \$1.7 billion+ built product development pipeline. Our strategy is to use project financing to bring these projects to life as this will facilitate better matching of the development risks with the specific development assets. Aerial in Victoria is the first development to use specific project finance and this project is due for completion in the year ending 2012.

28.5%
Gearing

There are no material debt maturities for FKP until the retirement syndicate facility expires in March 2011. Advanced negotiations are underway to refinance that facility for another three years.

New Distribution Policy

In June 2010 we announced a new distribution policy. This policy balances recurring income with earnings growth from developments. The policy targets distribution of 40-60 per cent of Realised Underlying Profit which excludes the non-cash component of the retirement revaluation from the base. The distribution for 30 June 2011 is expected to be 3.0 cents per security.

Retirement operations profit increased by 53 per cent

Our Retirement operations continues to be the largest profit generator and the source of recurring income. The strong lift in 30 June 2010 profit was supported by a significant increase in cash earnings from deferred management fees and capital gains.

The portfolio is well positioned to increase capital gains and generate development profits through its refurbishment/buyback program and development pipeline. We anticipate solid growth in its earnings for the year ending 30 June 2011.

Residential Communities future earnings well secured

Residential Communities increased profits by more than 300 per cent due to strong sales at Saltwater Coast, Point Cook in Victoria and continuing sales at Peregrin Springs and Ridges at Peregrin Springs in Queensland.

Our pipeline of over 8,000 land or built product lots is all appropriately zoned. The re-weighting of the FKP portfolio towards the residential market was enhanced by the acquisition of the former eye hospital site in Woolloomooloo, NSW in September 2010.

Residential Communities is expected to deliver increased profits for the year ending 30 June 2011 with the launch of new projects during the year including The Rochedale Estates (QLD), The Milton (QLD) and the site at Woolloomooloo (NSW). Residential Communities is well placed to deliver on 30 June 2011 sales targets with 68 settlements and an additional 309 contracts on hand.

Commercial and Industrial is positioning for quality growth

The profit contribution for Commercial and Industrial was up 59 per cent, driven by the \$15.8m profit from the sale of the Energex Building in Brisbane. The FKP Property Trust repositioned investments through sale of non-core assets with the disposal of Clarence Street in June 2010 and Illawong Shopping Centre in August 2010.

The 30 June 2011 contribution from Commercial and Industrial will consist largely of recurring profit as longer term retail and commercial projects at Circa, Norwest Business Park (NSW) and Gasworks (QLD) become the primary focus.

Strategy and Outlook

We believe stability is returning to property markets. This is reflected in the strong performance of our retirement and residential portfolios. FKP aims to capitalise on the momentum established in the 30 June 2010 financial year and continue to deliver quality retirement, residential and commercial assets to provide solid earnings growth for security holders.

In line with continued growth in recurring and trading income we have provided FY11 guidance of 10-15 per cent underlying profit growth. Immediate gains will be made through the realisation of profits from strong residential pre-sales and the new product to come to market in ending 30 June 2011. This pipeline of well positioned residential land and built form product is set to deliver strong profits underpinned by stable and predictable 50 per cent recurring income from the mature FKP retirement portfolio.

Brought to you by...





Saltwater Coast

Artist Impression

Case Study: Point Cook, VIC

Saltwater Coast is a unique masterplanned community situated on a coastal peninsula in Point Cook, Melbourne. Just 20km from Melbourne's CBD, Saltwater Coast is surrounded by 10 hectares of pristine park and wetlands.

Saltwater Coast will offer a unique lifestyle with its proposed neighbourhood shopping centre, resident only lifestyle facilities and primary school as well as 52 hectares of wetland and parklands. The Saltwater Lifestyle Centre will provide first class facilities including indoor and outdoor pools, gymnasium, tennis courts, café and meeting rooms.

Demand for Saltwater Coast has been driven by its unparalleled location - a short drive to the city centre and walking distance from the beach. When completed it will incorporate 2,300 homes over 205 hectares.

There have been approximately 500 contracts issued to date (inclusive of settled lots) accompanied by significant lot price growth demonstrating exceptionally strong demand for this high quality product. We expect the first residents to move into their new homes in November, 2010.

Saltwater Coast is another example of the diverse capabilities of FKP together with the integration of residential product, commercial development, parklands and wetlands to create a community where families can achieve their desired lifestyle.

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Key Dates

30 September 2010	Full year FY10 distribution payment due
26 November 2010	Annual General Meeting
20 December 2010	Announcement of estimated dividend/distribution
23 December 2010	Ex-dividend/distribution date
31 December 2010	Record date for dividend/distribution

For more information visit: www.fkp.com.au/Investor-Centre