

ASX ANNOUNCEMENT

GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

RABINOV PROPERTY TRUST (ASX Code: RBV)

13 April 2011

**RECOMMENDED ACQUISITION BY GROWTHPOINT PROPERTIES AUSTRALIA (ASX:GOZ)
OF RABINOV PROPERTY TRUST (ASX:RBV)**

- Growthpoint Properties Australia Limited as responsible entity for Growthpoint Properties Australia Trust ("Growthpoint") is making a scrip-for-scrip off-market takeover offer to acquire all the units in Rabinov Property Trust ("Rabinov") (the "Transaction").
- The Transaction is unanimously recommended by the directors of Rabinov Property Management Limited as responsible entity of Rabinov ("RPML"), in the absence of a Superior Proposal¹ and subject to the independent expert concluding that the Transaction is reasonable.
- The Transaction provides Rabinov unitholders with a combined value of approximately \$0.95 per Rabinov unit as follows:
 - Under the takeover offer, Rabinov unitholders will be offered 0.48 Growthpoint securities for each Rabinov unit owned (the "Scrip Offer").² The Scrip Offer has an implied value of approximately \$0.93 per Rabinov unit using the last traded price of Growthpoint securities on the ASX of \$1.93 per security³; and, in addition to the Scrip Offer;
 - Rabinov unitholders will also be entitled to receive a special distribution of 2.3 cents per Rabinov unit (the "Special Distribution").⁴
 - The Scrip Offer and the Special Distribution equate, in aggregate, to a combined value of approximately \$0.95 per Rabinov unit.
- On a net tangible asset basis, the Scrip Offer and the Special Distribution, in aggregate, approximate to the net tangible assets of Rabinov as at 31 December 2010, valuing Rabinov at approximately \$1.00 per unit based on Growthpoint's most recently reported net tangible asset value.⁵
- RPML confirms that Rabinov's major unitholder (which has a relevant interest in approximately 83% of Rabinov units and which is ultimately controlled by Mrs Roseanne Amarant) and each RPML director who has a relevant interest in Rabinov units (which amounts to approximately 0.1% of Rabinov units in aggregate), have advised the RPML board that they intend to accept the Scrip Offer in respect of those units in the absence of a Superior Proposal and subject to the independent expert concluding that the Transaction is reasonable.
- It is intended that, following completion of the Transaction, the management and responsible entity function of the Rabinov assets will be transferred to Growthpoint. There is no consideration payable for the management rights by Growthpoint.
- Based on the last traded price of Rabinov units on 13 April 2011⁶ of \$0.67, the combined value of \$0.95 per Rabinov unit represents a substantial premium for Rabinov unitholders of:
 - 41.8% to that last traded price;
 - 37.7% to the volume weighted average price ("VWAP") of Rabinov units on the ASX for the 3 month period ending on 13 April 2011;

- 39.7% to the VWAP of Rabinov units on the ASX for the six month period ending on 13 April 2011; and
 - 41.8% to the VWAP of Rabinov units on the ASX for the 12 month period ending on 13 April 2011.
- The Transaction is conditional on, among other things, Rabinov unitholder approval for the divestment to Rabinov's subordinated debt holder (an associate of the Rabinov major unitholder) of six properties of Rabinov which do not meet Growthpoint's investment criteria (the "Excluded Properties"). The locations of the Excluded Properties are: Campbellfield, Victoria; Kilburn, South Australia; Thebarton, South Australia; North Rockhampton, Queensland; Altona North, Victoria; and Goondiwindi, Queensland. The directors of RPML unanimously recommend that Rabinov unitholders vote in favour of the resolution to approve the sale of the Excluded Properties in the absence of a Superior Proposal and subject to the independent expert concluding that the Transaction is reasonable. The notional proceeds from the sale of the Excluded Properties of \$50.8 million will be used to repay most of the outstanding Rabinov subordinated debt of \$59.0 million with the balance of the subordinated debt of \$8.2 million to be repaid in full.

Benefits of the Transaction

The Transaction will result in a "Merged Group" with a diversified property investment portfolio of approximately \$1.2 billion⁷, benefiting both Growthpoint securityholders and Rabinov unitholders.

Rabinov unitholders will benefit from:

- The combined value under the Transaction of \$0.95 per Rabinov unit (see above) represents a 41.8% premium to Rabinov's last traded price on 13 April 2011 and also a significant premium to Rabinov's historical VWAPs (see above). The equity value is approximately \$49.6 million, based on 52,204,212 Rabinov units on issue.
- Scrip Offer consideration plus the Special Distribution that, in aggregate, has a combined value of approximately \$1.00 per Rabinov unit (based on Growthpoint's NTA position), which approximates Rabinov's net tangible assets as at 31 December 2010.
- The expected greater liquidity in Growthpoint securities on the ASX as compared to the liquidity of Rabinov units on the ASX.
- Continued exposure to the majority of Rabinov's property portfolio with an increased asset base and broader geographic and asset diversification.
- Complementary property investment strategies between Rabinov and Growthpoint – investment in quality Australian office, industrial and retail property held as a "landlord" for rental income (noting that Growthpoint does not operate development or funds management businesses).
- An estimated market capitalisation of the Merged Group of approximately \$541 million.⁸
- An expected reduction in balance sheet gearing from approximately 76.3% (in Rabinov) to approximately 50.4% (in the Merged Group).⁹

Growthpoint securityholders will benefit from:

- An accretive transaction with FY 2012 pro-forma distribution per Growthpoint security ("DPS") post Transaction and Capital Raising (see below) increasing by an estimated 0.6% to 17.5 cents per Growthpoint security¹⁰.
- Diversification of the property portfolio in terms of sector and geography with high quality tenant base and a long weighted average lease expiry ("WALE") of 7.4¹¹ years. 89%¹² (by value) of the Rabinov properties to be acquired are located within the office sector with major tenants including GE, Westpac and the State Government of Tasmania.
- Extension of the existing Growthpoint syndicated debt facility on improved pricing with funding sources now across three major domestic banks (NAB, Westpac and ANZ) with no refinancing expected to be required before December 2013.

- Expected reduced balance sheet gearing following completion of the Capital Raising (see below).

Mr Raymond Schoer, Rabinov Chairman said:

"I am delighted that we have reached an agreement with Growthpoint, which I believe is well-managed and strongly placed within the Australian REIT market. I believe that joining our two businesses provides greater scale and liquidity to Rabinov unitholders, and strong premium to Rabinov's unit price."

Mr Lyn Shaddock, Growthpoint Chairman said:

"The Board of Growthpoint Properties Australia is pleased to be able to announce the offer to Rabinov unitholders. We believe a larger, more diversified property portfolio, with a continued exposure to quality tenants subject to long term leases with a growing rental income, will benefit all securityholders of the Merged Group. Both Rabinov and Growthpoint have a similar property investment strategy of holding quality Australian office, industrial and retail property for rental income as a "landlord" – this strategy will remain unchanged."

Post Transaction Capital Raising

After the end of the offer period, Growthpoint intends to undertake an \$80.7 million renounceable rights issue at \$1.90 per Growthpoint security to reduce gearing and provide a platform for future growth for the Merged Group ("Capital Raising").¹³

Growthpoint Properties Limited of South Africa, which currently has a relevant interest in approximately 67.61% of the Growthpoint securities, has confirmed to Growthpoint that it is prepared to take up its pro-rata entitlement to Growthpoint securities under the Capital Raising and underwrite the balance of the Capital Raising. This renounceable rights issue will be available to Rabinov unitholders who accept the offer under the takeover bid during the offer period.¹⁴ Full details of the Capital Raising will be contained in a rights issue booklet which will be issued following the end of the offer period.

Based upon Growthpoint's pro forma forecast distribution for FY 2012, the Capital Raising will provide securityholders of the Merged Group (including Rabinov unitholders that accept the offer under the takeover bid before the end of the offer period) an attractive pro forma distribution yield of 9.2%¹⁵. This is a significant premium to the S&P/ASX A-REIT 300 Index average yield of approximately 6.3%¹⁶. Further, Growthpoint expects FY 2012 pro forma distribution for the Merged Group to be 100% tax deferred.

Growthpoint Funding of the Transaction

Growthpoint will fund the Transaction (including transaction costs) through a combination of the issue of new Growthpoint securities and debt drawdown.

Indicative Timetable

The following dates are subject to change:

Announcement of the takeover	13 April 2011
Despatch of the Bidder's Statement, Target's Statement (including independent expert's report) and Notice of Meeting for sale of the Excluded Properties	Mid to late April 2011
Scrip Offer opens	Mid to late April 2011
General meeting of Rabinov unitholders to approve the sale of the Excluded Properties	Late May 2011
Scrip Offer closes (unless extended)	June 2011
Capital Raising	June/July 2011

Scrip Offer Conditions

The conditions to the Scrip Offer are set out in full in section 3 of schedule 2 to the Bid Implementation Agreement which has been separately released to the ASX today.

In summary, the conditions of the Scrip Offer include (but are not limited to):

- Growthpoint acquires a relevant interest in at least 90% of the Rabinov units;
- completion of the Excluded Property sales occurs;
- all necessary regulatory approvals and consents are obtained and there is no adverse regulatory action by any public authority;
- no material adverse change occurs in relation to Rabinov's business;
- no material change in respect of any of Rabinov's properties other than the Excluded Properties;
- no Rabinov distributions occur, other than the distribution for the half-year period ending 30 June 2011 of up to 4.15 cents and the Special Distribution;
- no 'prescribed occurrences' occur;
- no material acquisitions, disposals or changes in the conduct of the business;
- the S&P ASX300 Index and the S&P ASX A-REIT 300 Index do not close below the number which is 15% below the number each of them closed at on the last trading day before the date of this announcement, for 5 or more consecutive trading days;
- no material amendments to Growthpoint's debt facility term sheet;
- no person acquires 10% or more of the voting power in Rabinov;
- Rabinov does not agree to a break fee with any third party; and
- the State Revenue Office of Victoria issuing a ruling that corporate reconstruction relief will be available in respect of the Victorian post-offer property transfers.

Exclusivity and Break Fee arrangements

The Bid Implementation Agreement also contains:

- no shop, no talk, notification and matching rights in favour of Growthpoint; and
- a break fee payable by each of Rabinov and Growthpoint in certain circumstances.

Growthpoint and Rabinov distributions

Growthpoint has given guidance that it will pay a distribution of 8.7 cents per Growthpoint security in respect of the half year period ending 30 June 2011.¹⁷ Any Rabinov unitholder who accepts the Scrip Offer and who is, on the record date in respect of that distribution, on the register of members as the holder of the Growthpoint securities that are proposed to be issued as consideration under the Scrip Offer, will be entitled to receive that distribution.

Under the terms of the Bid Implementation Agreement, RPML is entitled to pay a distribution of up to 4.15 cents per Rabinov unit in respect of the half year period ending 30 June 2011.¹⁸ The gross cash amount of that distribution will, at best, be equivalent to the amount of the distribution of 8.7 cents per Growthpoint security which Growthpoint has given as guidance.

Growthpoint and RPML have agreed that the above mentioned distributions will have the same 'ex-date' and 'record date' (being 24 June 2011 and 30 June 2011 respectively).¹⁹ Accordingly, Rabinov unitholders will only be entitled to receive one of these distributions (in no circumstances will they be entitled to receive both of these distributions).

Advisers

Growthpoint is being advised by Investec Bank (Australia) Limited and Freehills.

Rabinov is being advised by Ernst & Young Mergers and Acquisitions and Baker & McKenzie.

ENDS

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Important notice and disclaimer

The information in this announcement is of general background and does not purport to be complete or comprehensive, nor does it purport to summarise all information that an investor should consider when making an investment decision. Rabinov unitholders should not rely on the information in this announcement in deciding whether to accept an offer under Growthpoint's takeover bid. Rabinov unitholders should, instead, read in full Growthpoint's bidder's statement and Rabinov's target's statement (each of which will be posted to Rabinov unitholders and which will be available on the ASX) before deciding whether to accept an offer. Rabinov unitholders should also read in full Rabinov's Notice of Meeting and accompanying Explanatory Memorandum providing further detail on the proposed sale of the Excluded Properties, (which will be posted to Rabinov unitholders and which will be available on the ASX) before deciding whether to vote in favour of the resolution to approve the sale of the Excluded Properties.

The Capital Raising (when undertaken) will not constitute an offer, and Growthpoint securities will not be issued or sold under the Capital Raising, in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, issue or sale. No action has been or will be taken to register or qualify the Growthpoint securities or to otherwise permit a public offering of Growthpoint securities outside Australia. The Growthpoint securities may be offered, issued or sold in any other jurisdiction under the Capital Raising where such an offer, issue or sale is permitted under applicable law.

This announcement is for information purposes only and is not financial product or investment advice or a recommendation to acquire Growthpoint securities, whether under the Capital Raising or otherwise. The information provided in this announcement is not advice to investors or potential investors and has been prepared without taking into account the investment objectives, financial circumstances, taxation position or particular needs of investors. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate legal, financial and taxation advice. Neither Growthpoint nor Rabinov are licensed to provide financial product advice. Cooling-off rights do not apply to an investment in any Growthpoint securities.

This announcement contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "predict", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements, opinions and estimates are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Growthpoint and Rabinov that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that

actual outcomes will not differ materially from these statements and neither Growthpoint nor Rabinov, nor any of their respective directors, employees, servants, advisers or agents assume any obligation to update such information. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This announcement contains such statements that are subject to risk factors associated with the industries in which Growthpoint and Rabinov operate. Please refer to the "risks" section in Growthpoint's bidder's statement and Rabinov's target's statement (when released) for further information regarding these risk factors.

¹ The term 'Superior Proposal', as used in this announcement, has the same meaning as set out in the Bid Implementation Agreement between Growthpoint and RPML which has been separately released to the ASX.

² Any fractional entitlement to a Growthpoint security will be rounded down to the nearest whole number. Each Growthpoint security consists of one share in Growthpoint Properties Australia Limited (the responsible entity of Growthpoint Properties Australia Trust) stapled to one unit in Growthpoint Properties Australia Trust.

³ This is the last traded Growthpoint security price as at 13 April 2011, being the last trading day before this announcement.

⁴ Rabinov unitholders on the Rabinov register of members on the date which is seven business days after the earlier of the date on which (a) Growthpoint announces an intention to declare the offer unconditional and (b) the offer is declared or becomes unconditional, will be paid a special distribution of 2.3 cents per unit. However, Rabinov unitholders who acquired Rabinov units on or after the 'ex-date' in respect of the Special Distribution will not be entitled to be paid the Special Distribution on those Rabinov units.

⁵ As at 31 December 2010, Growthpoint's net tangible asset value was \$2.03 per Growthpoint security and Rabinov's net tangible asset value was \$0.99 per Rabinov unit. Based on the Scrip Offer exchange ratio together with the amount of the Special Distribution, Rabinov unitholders will be entitled to receive an implied value for each of their Rabinov units of approximately \$1.00 ($(\$2.03 \times 0.48) + \$0.023 = \1.00) which exceeds Rabinov's net tangible asset value per Rabinov unit.

⁶ Being the last trading day before this announcement.

⁷ Based on 31 December 2010 values.

⁸ This market capitalisation figure is based on there being approximately 212.8 million Growthpoint securities on issue as at the date of this announcement, approximately 25.1 million new Growthpoint securities being issued as a result of the Offer and approximately 42.4 million new Growthpoint securities being issued as a result of the Capital Raising) and that the price of a Growthpoint security is \$1.93.

⁹ Reflects assumed gearing post Capital Raising of approximately \$80.7 million. Full details of the assumptions underlying these calculations will be contained in the Bidder's Statement to be provided to Rabinov unitholders.

¹⁰ Full details of the basis of and assumptions underlying these calculations will be contained in the Bidder's Statement to be provided to Rabinov unitholders.

¹¹ Being the WALE for Rabinov as at 31 December 2010. For the Merged Group, pro forma WALE is 8.8 years as at 31 December 2010.

¹² Based on independent valuations of Jones Lang LaSalle to be dated as at 1 May 2011.

¹³ Growthpoint Properties Australia continually explores investment opportunities to diversify and expand its property portfolio via direct property acquisitions, property portfolio purchases and merger and acquisition opportunities where these transactions are of value to its securityholders. It is possible that such opportunities could result in a binding contract being entered into during the offer period. If any such opportunity result in a binding contract before the Capital Raising is launched, it is possible that the size of the Capital Raising could be increased.

¹⁴ It is not currently expected that any Rabinov unitholder whose Rabinov units are compulsorily acquired will have the opportunity to participate in the Capital Raising.

¹⁵ Based on FY2012 pro forma distribution of 17.5 cents per Growthpoint security and Growthpoint security price of \$1.90 per security.

¹⁶ Based on Bloomberg estimates, as at 12 April 2011. Average is weighted by market capitalisation (as at 12 April 2011) and excludes companies where FY2012 estimated dividend per security information is unavailable or nil.

¹⁷ This distribution will be confirmed on or about 22 August 2011 and will be paid on or about 31 August 2011.

¹⁸ This distribution will be confirmed on or about 22 August 2011 and will be paid on or about 31 August 2011.

¹⁹ Persons who acquire Growthpoint securities or Rabinov units, on or after the 'ex-date' will not be entitled to receive the above mentioned distributions in respect of those Growthpoint securities or Rabinov units (as the case may be) even if they are on the relevant register of members in respect of those Growthpoint securities or Rabinov units (as the case may be) on the record date. Despite the foregoing, if a Rabinov unitholder acquires Growthpoint securities under the Scrip Offer on or after the 'ex-date' but is on the Growthpoint register of members in respect of those Growthpoint securities as at the record date, that person will be entitled to receive the Growthpoint distribution.