



ASX ANNOUNCEMENT GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

1 July 2016

GROWTHPOINT TAKEOVER BID TO ACQUIRE GPT METRO OFFICE FUND

Summary:

- Growthpoint announces takeover bid to acquire GPT Metro Office Fund
- Offer consideration comprises \$1.25 cash and 0.3968 Growthpoint securities per GMF unit, giving an implied value of approximately \$2.50 per GMF unit
- Alternatively, GMF unitholders can elect to receive 100% cash consideration of approximately \$2.50 per GMF unit under the Cash Alternative Facility
- Growthpoint has acquired a 13% interest in GMF and has entered into a Facilitation Agreement with GPT

Growthpoint takeover bid and Bidder's Statement

Growthpoint Properties Australia Limited as responsible entity for the Growthpoint Properties Australia Trust ("Growthpoint" or "GOZ") today announced a proposal to acquire all of the outstanding units in GPT Metro Office Fund ("GMF" or "GPT Metro") by way of an off-market takeover bid (the "Offer" or "Growthpoint Takeover Bid"). The Offer is conditional on, among other things, a 50.1% minimum acceptance condition.

In addition, Growthpoint today lodged its Bidder's Statement with the Australian Securities and Investments Commission, a copy of which is attached to this announcement as Annexure 1. The Bidder's Statement contains the full terms and conditions of the Offer. It is anticipated that the Offer will open in mid-to-late July 2016 and close approximately 1 month after it opens (unless extended).

Mixed Consideration

The Offer provides for GMF unitholders to receive the following consideration per GMF unit (the "Mixed Consideration"):

- \$1.25 cash; and
- 0.3968 Growthpoint securities.¹

Based on the closing price of a Growthpoint security of \$3.15 on 30 June 2016, the Offer implies consideration of approximately \$2.50 per GMF unit. The table below outlines the implied premia based on the implied value of the Offer.

Cash Alternative Facility

Alternatively, instead of receiving the Mixed Consideration, GMF unitholders may elect to receive 100% cash consideration for all their GMF units, by electing to participate in the Cash Alternative Facility.²

Under the Cash Alternative Facility, Growthpoint Properties Limited ("Growthpoint SA") is offering to acquire all the Growthpoint securities that would otherwise be issued to GMF unitholders under the Offer at a price of \$3.15 per

¹ Each Growthpoint security comprises a share in Growthpoint Properties Australia Limited stapled to a unit in Growthpoint Properties Australia Trust. As described in further detail in the Bidder's Statement, Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders (each as defined in the Bidder's Statement) who accept the Offer will not be entitled to receive Growthpoint securities. Fractional entitlements will be rounded down.

² Details of the Cash Alternative Facility are set out in section 6 of the Bidder's Statement. Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders are not eligible to participate in the Cash Alternative Facility.



Growthpoint security. This means that any GMF unitholder who participates in the Cash Alternative Facility will receive approximately \$2.50 cash for each of their GMF units.³

The Growthpoint Takeover Bid is at a significant premium

| | | <u>Growthpoint Takeover Bid</u> |
|---|---------------------|---------------------------------|
| GOZ scrip consideration | | \$1.25 ⁴ |
| Total cash consideration | | \$1.25 |
| Implied Offer consideration per GMF unit | | \$2.50 |
| | | <u>Offer premium</u> |
| GPT Metro's undisturbed ⁵ closing price | \$2.06 | 21.4% |
| GPT Metro's undisturbed 1-month VWAP ⁶ (rounded) | \$2.06 | 21.2% |
| GPT Metro's undisturbed 3-month VWAP (rounded) | \$2.06 | 21.2% |
| GPT Metro's stated NTA (31 December 2015) | \$2.15 | 16.3% |
| GPT Metro's stated NTA (31 March 2016) | \$2.35 | 6.4% |
| Centuria Takeover Bid | \$2.45 ⁷ | 2.0% |

The Growthpoint Takeover Bid is superior to the Centuria Takeover Bid

Growthpoint believes that Growthpoint Takeover Bid is superior to the takeover bid that is being made by Centuria Property Funds Limited in its capacity as responsible entity for the Centuria Metropolitan REIT ("**CMA**") ("**Centuria Takeover Bid**") as announced to ASX on 16 June 2016. The table below highlights the relative benefits of the Growthpoint Takeover Bid, clearly demonstrating a superior outcome for GMF unitholders.

³ This price equates to the cash consideration received under the Offer of \$1.25 per GMF unit plus the value of 0.3968 Growthpoint securities acquired by Growthpoint SA at a price of \$3.15 ($\$1.25 + 0.3968 \times \$3.15 = \2.50).

⁴ 0.3968 Growthpoint securities per GMF unit and based on Growthpoint's closing price on 30 June 2016.

⁵ As at 1 April 2016, being the last trading day prior to the GMF announcement of the receipt of an unsolicited, confidential and non-binding proposal.

⁶ Volume Weighted Average Price. The 1 month and 3 month VWAP calculations in this table are to 30 June 2016.

⁷ Centuria Takeover Bid as announced to ASX on 16 June 2016, comprising 1 CMA security and \$0.31 cash consideration per GMF unit and based on CMA's closing price on 30 June 2016.



| | Growthpoint Takeover Bid | Centuria Takeover Bid |
|-----------------------------|--|--|
| Implied offer consideration | ✓ \$2.50 | \$2.45 |
| Value certainty | ✓ Minimum 50% cash consideration, with option to receive 100% cash under the Cash Alternative Facility | ~13% cash consideration |
| Portfolio quality | ✓ Complimentary portfolio with comparable metrics | Lower grade portfolio |
| Scale and relevance | ✓ \$2.0bn pro forma market capitalisation ⁸ | \$0.5bn pro forma market capitalisation ⁹ |
| Index inclusion | ✓ S&P / ASX 200 Index | Not included in index |
| Corporate governance | ✓ Internalised management | External management |
| Track record | ✓ 30.9% TSR since CMA listing ✓ Operating since 2009 | 17.1% TSR since CMA listing Operating since 2014 |

Acquisition of 13% of the units in GPT Metro

Growthpoint also announced today it has acquired approximately 16.7 million GMF units from GPT RE Limited in its capacity as responsible entity of the General Property Trust representing an approximate 13% relevant interest, for consideration of \$2.45 per GMF unit.

Facilitation Agreement

Growthpoint and GPT Management Holdings Limited (“GPT”) have today entered into a facilitation and property rights deed relating to the provision of services and the transition of management of GMF and rights over certain GPT owned properties in Sydney Olympic Park (the “Facilitation Agreement”).

Under the Facilitation Agreement, and in return for the services and rights provided, Growthpoint has agreed to pay GPT \$9 million, conditional on Growthpoint either holding at least a 50.1% relevant interest in GMF or declaring the Offer unconditional.

A copy of the Facilitation Agreement is attached to this announcement as Annexure 2.

Growthpoint Managing Director, Timothy Collyer, said: “The proposed merger of Growthpoint and GPT Metro Fund continues to represent a compelling value proposition for GMF unitholders. Growthpoint is firmly of the view that the Growthpoint Takeover Bid is superior to the Centuria Takeover Bid, offering a higher implied offer value, exposure to a larger, higher quality and more diversified portfolio, enhanced governance through Growthpoint’s internalised management structure and the increased value certainty afforded by the Growthpoint Takeover Bid, given the higher proportion of cash consideration, the relative liquidity of Growthpoint securities and the ability to receive 100% cash consideration under the Cash Alternative Facility from Growthpoint SA.

We are pleased to have agreed the Facilitation Agreement with GPT, which will be invaluable in reducing risk for current and new Growthpoint securityholders, ensuring an orderly and cost efficient transition of management and potential strategic portfolio benefits in the Sydney Olympic Park precinct.”

⁸ This market capitalisation figure is based on there being 583,125,744 Growthpoint securities currently on issue and 44,380,760 new Growthpoint securities being issued as a result of the Offer (assuming that Growthpoint acquires all of the GMF units under the Offer that it does not already own), and that the price of a Growthpoint security is \$3.15

⁹ This market capitalisation figure is based on there being 119,407,764 CMA securities currently on issue and 128,533,501 new CMA Securities being issued as a result of the CMA Takeover Bid (assuming that CMA acquires all of the GMF units under the Centuria Takeover Bid that it does not already own), and that the price of a CMA security is \$2.14.



Timothy Collyer, Managing Director www.growthpoint.com.au

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Telephone: +61 3 8681 2900

Growthpoint Properties Australia

Growthpoint Properties Australia is a publicly traded ASX listed A-REIT (ASX Code: GOZ) that specialises in the ownership and management of quality investment property. GOZ owns interests in a diversified portfolio of 58 office and industrial properties throughout Australia valued at approximately \$2.8 billion and has an investment mandate to invest in office, industrial and retail property sectors.

Growthpoint is included in the S&P/ASX 200 Index and has been issued with an investment grade rating of Baa2 for senior secured debt by Moody's.

GOZ aims to grow its portfolio over time and diversify its property investment by asset class, geography and tenant exposure through individual property acquisitions, portfolio transactions and corporate activity (M&A transactions) as opportunities arise.



Annexure 1

[Attached]



This is an important document and requires your immediate attention. If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately.

Bidder's Statement

containing an offer by **Growthpoint Properties Australia Limited** (ABN 33 124 093 901) as responsible entity for **Growthpoint Properties Australia Trust** (ARSN 120 121 002) to purchase all of your ordinary units in **GPT Metro Office Fund** (ARSN 169 500 476)

GMF Unitholders (other than Ineligible Foreign Unitholders or Unmarketable Parcel Unitholders) who accept the Offer will be entitled to receive, for each of their GMF Units, either:

- \$1.25 cash and 0.3968 Growthpoint Securities; or
- approximately \$2.50 cash.



HERBERT
SMITH
FREEHILLS

**Goldman
Sachs**

Australian legal adviser to Growthpoint
Properties Australia Limited

Financial adviser to Growthpoint
Properties Australia Limited

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Important notices

Nature of this document

This Bidder's Statement is issued by Growthpoint Properties Australia Limited ABN 33 124 093 901 as responsible entity for Growthpoint Properties Australia Trust ARSN 120 121 002 under Part 6.5 of the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC and given to the ASX on 1 July 2016. Neither ASIC, the ASX nor any of their respective officers take any responsibility for the content of this Bidder's Statement.

No account of your personal circumstances

In preparing this Bidder's Statement, Growthpoint Properties Australia Limited has not taken into account the individual objectives, financial situation or needs of individual GMF Unitholders. Accordingly, before making a decision whether or not to accept the Offer, you may wish to consult with your financial or other professional adviser.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which GMF and Growthpoint Properties Australia Limited and the entities which comprise Growthpoint operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of Growthpoint Properties Australia Limited, the officers or employees of Growthpoint Properties Australia Limited, any persons named in this Bidder's Statement or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Disclaimer as to GMF and Merged Group information

The information relating to GMF and GMF's affairs and securities contained in this Bidder's Statement has been prepared by Growthpoint Properties Australia Limited using publicly available information.

The information in this Bidder's Statement concerning GMF and the assets and liabilities, financial position and performance, profits and losses and prospects of GMF (including the extent to which such information has been incorporated or reflected in the information relating to the Merged Group), has not been independently verified by Growthpoint Properties Australia Limited. Accordingly Growthpoint Properties Australia Limited does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on the Merged Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on GMF, has also been prepared using publicly

available information. Accordingly, information in relation to the Merged Group is subject to the foregoing disclaimer to that extent.

Further information relating to GMF's business may be included in the Target's Statement which GPTPL must provide to GMF Unitholders in response to this Bidder's Statement.

Foreign jurisdictions

The distribution of this Bidder's Statement in jurisdictions outside Australia may be restricted by law, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. For further information see section 12.14. Ineligible Foreign Unitholders who accept the Offer will receive a cash amount calculated in accordance with section 13.7 of this Bidder's Statement, rather than being issued Growthpoint Securities.

Attention! This investment falls outside AFM supervision. No prospectus required for this activity.



Responsibility statement

The information in this Bidder's Statement has been prepared by Growthpoint Properties Australia Limited and is the sole responsibility of Growthpoint Properties Australia Limited, except for the Investigating Accountant's Report prepared by Grant Thornton Corporate Finance Pty Ltd which is the sole responsibility of Grant Thornton Corporate Finance Pty Ltd and the Tax Considerations Letter prepared by Grant Thornton Australia Limited which is the sole responsibility of Grant Thornton Australia Limited.

No member of Growthpoint Properties Australia Limited or any director, officer, employee or adviser of any member of Growthpoint Properties Australia assumes any responsibility for the accuracy or completeness of the Investigating Accountant's Report or the Tax Considerations Letter.

Privacy

Growthpoint Properties Australia Limited has collected your information from the GMF register of unitholders for the purpose of making the Offer and, if accepted, administering your holding of GMF Units and your acceptance of the Offer. The Corporations Act requires the name and address of unitholders to be held in a public register. Your information may be disclosed on a confidential basis to Growthpoint Properties Australia Limited's related bodies corporate and external service providers, and may be required to be disclosed to regulators such as ASIC. The registered address of Growthpoint Properties Australia Limited is Level 22, 357 Collins Street, Melbourne, Victoria 3000, Australia.

Websites

References in this Bidder's Statement to Growthpoint's website (www.growthpoint.com.au), GMF's website (www.gptmetroofficefund.com.au) and other websites are for your reference only. Information contained in, or otherwise accessible from, those websites does not form part of this Bidder's Statement.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in section 14 of

this Bidder's Statement, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

Key dates

Date of this Bidder's Statement 1 July 2016

Date of Offer and date Offer opens [BLANK IN LODGED VERSION] 2016

Offer closes (unless extended or withdrawn) 7:00pm (Melbourne, Australia, time) on
[BLANK IN LODGED VERSION] 2016

Registrar and address for return of Acceptance Forms

Registrar for the Offer and address for return of Acceptance Forms: Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3001

Growthpoint Offer Information Line

If, after reading this Bidder's Statement, you have further questions about the Offer, you can call the Growthpoint Offer Information Line, Monday to Friday between 9:00am and 5:00pm (Melbourne time). This line will only be open from the date the Offer opens until 1 week after it closes. The phone numbers appear to the right.

Growthpoint Offer Information Line:
1300 665 792 (for callers within Australia)
+61 3 9415 4366 (for callers outside Australia)
** Calls to these numbers may be recorded.*



1 July 2016

Dear GMF Unitholders

Offer to acquire all your units in GPT Metro Office Fund (GMF)

On behalf of the board of Growthpoint Properties Australia Limited (**Growthpoint**), I am pleased to invite you to participate in the proposed acquisition by Growthpoint of all the GMF Units (the **Offer**).

Growthpoint believes the Offer represents a compelling proposition for GMF Unitholders, delivering value certainty and offering exposure to a larger, high quality and highly complementary portfolio.

Summary of the Offer

If you accept the Offer, you will be entitled to receive \$1.25 cash and 0.3968 Growthpoint Securities for each GMF Unit you hold (the **Mixed Consideration**). The Mixed Consideration provides GMF Unitholders with an implied aggregate value of approximately \$2.50 per GMF Unit.¹

Alternatively, instead of receiving the Mixed Consideration, you may elect to receive 100% cash consideration for all of your GMF Units, by electing to participate in the Cash Alternative Facility.²

Under the Cash Alternative Facility, Growthpoint SA is offering to acquire all the Growthpoint Securities that would otherwise be issued to GMF Unitholders under the Offer at a price of \$3.15 per Growthpoint Security. This means that any GMF Unitholder who participates in the Cash Alternative Facility will receive approximately \$2.50 cash for each of their GMF Units.

The Offer values GMF at approximately \$321 million.³

The Offer is subject to the fulfilment or waiver of a number of conditions, including Growthpoint obtaining a Relevant Interest in at least 50.1% of the GMF Units.⁴

Attractive premium to GMF Unitholders

The implied value of the Offer of \$2.50 per GMF Unit represents a significant premium to GMF's historical trading levels and reported NTA per GMF Unit, including:

- 21.4% premium to the undisturbed closing price of a GMF Unit on 1 April 2016;⁵

¹ For these purposes, the value of a Growthpoint Security has been assumed to be \$3.15, which is the closing price of a Growthpoint Security on ASX on 30 June 2016, being the last trading day before the announcement of the Offer ($\$1.25 + 0.3968 \times \$3.15 = \$2.50$). Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders who accept the Offer will not be entitled to receive Growthpoint Securities – see sections 12.7 and 13.7 for further information.

² Details of the Cash Alternative Facility are set out in section 6. Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders – see sections 6, 12.7 and 13.7 for further information.

³ Calculated as \$2.50 multiplied by the number of GMF Units on issue on the Last Practical Date (being 128,533,501).

⁴ See section 13.8 of this Bidder's Statement for the conditions.

⁵ 1 April 2016 was the last trading day prior to the GMF announcement of the receipt of an unsolicited, confidential, conditional and non-binding proposal and the results of its asset revaluation process. As at the last trading day prior to the date of this Bidder's Statement, the implied premium of the Offer to the value of a GMF Unit was 6.4% (this has been calculating using the closing price of a Growthpoint Security of \$3.15 on that date and the closing price of a GMF Unit of \$2.35 on that date).

- 16.3% premium to GMF's stated NTA as at 31 December 2015; and
- 6.4% premium to GMF's stated NTA as at 31 March 2016.

In addition, the implied value of the Offer represents a 2.0% premium to the implied value of the Centuria Takeover Bid of \$2.45.⁶

Acquisition of 13% of the GMF Units

Growthpoint Properties Australia Limited owns approximately 13% of the GMF Units, having acquired that interest from GPT RE on 1 July 2016.

Key reasons to accept the Offer

The key reasons why GMF Unitholders should accept the Offer include:

- as demonstrated above, the Offer provides an attractive premium to GMF Unitholders;
- you will have the opportunity to receive 100% cash for your GMF Units, by participating in the Cash Alternative Facility;
- if you receive the Mixed Consideration (and do not elect to participate in the Cash Alternative Facility) you will have the opportunity to participate in the expected benefits of the Merged Group;
- the Offer provides an opportunity for GMF Unitholders to gain exposure to a larger portfolio, that is more diversified than GMF's portfolio yet highly complementary:
 - a portfolio of 64 properties valued at approximately \$3.2 billion comprised of predominantly A-grade office and industrial assets⁷;
 - a geographically diverse portfolio spread throughout Australia, with a weighting towards core Sydney and Melbourne markets; and
 - a property portfolio with attractive key metrics including 98.7% occupancy and a WALE of 6.2 years⁸;
- expected increased distributions – equivalent distributions per GMF Unit are expected to increase by 13.7% in FY17;^{9,10}
- greater earnings stability – reduced risk associated with single asset, tenant and geographic concentration and consequently future earnings and distribution volatility;
- enhanced growth outlook:
 - Growthpoint has increased its distributions by an average of 3.7% per annum over the five years to 30 June 2016¹¹; and

⁶ Centuria is offering 1 CMA Security and \$0.31 cash for each GMF Unit. Based on the closing price of a CMA Security of \$2.14 on the last trading day before the announcement of the Offer (being 30 June 2016).

⁷ See section 5.2(b) for details of the value of the GMF properties and section 1.2 for details of the value of the Growthpoint properties as disclosed to ASX on 20 June 2016.

⁸ Based on Growthpoint portfolio metrics announced to the ASX on 20 June 2016 and GMF portfolio metrics as disclosed to the ASX on 4 April 2016.

⁹ On a pro forma basis, assuming the transaction had taken place on 30 June 2016 (refer to section 9.5 for more information).

¹⁰ Pro forma GMF distribution figures are based on GMF Unitholders receiving 0.3968 Growthpoint Securities per GMF Unit and reinvesting the cash component of the Growthpoint Offer of \$1.25 into Growthpoint Securities at a Growthpoint Security price of \$3.15 (representing the closing price of Growthpoint Securities as at 30 June 2016).

¹¹ Based on Growthpoint management guidance of a 20.5c FY16 distribution per Growthpoint Security as disclosed in Growthpoint's HY16 results presentation.

- Growthpoint has delivered an 18.1% per annum total securityholder return over the five years to 31 December 2015;
- the Merged Group is expected to benefit from increased scale, relevance and liquidity, compared to GMF, with a market capitalisation of approximately \$2.0 billion and inclusion in the S&P / ASX 200 Index¹²;
- the Merged Group will benefit from enhanced corporate governance, alignment of interests and no third party management fees through Growthpoint's internalised management structure which creates complete alignment between management and investors;
- a scalable platform, with the management expense ratio reducing over time as the Merged Group grows - Growthpoint's MER is approximately 0.4% of total assets versus 0.86% and 0.73% for GMF and CMA respectively;¹³
- Growthpoint has a demonstrated track record of growth and outperformance having operated since 2009 and having consistently outperformed the S&P / ASX 300 A-REIT index and the broader ASX over this time;
- the Offer is superior to the Centuria Takeover Bid given its higher implied offer value, exposure to a larger, higher quality and more diversified portfolio, enhanced governance through Growthpoint's internalised management structure and increased value certainty; and
- the Offer avoids the risk of an adverse outcome for GMF Unitholders, including the risk that the GMF Unit price may fall below current trading levels if neither the Offer nor the Centuria Takeover Bid proceeds.

In addition, Growthpoint is forecasting a pro forma distribution of 22.3 cents per Growthpoint Security for the Merged Group in respect of the financial year ending 30 June 2017 if Growthpoint acquires all the GMF Units.¹⁴

GMF distributions

Under the terms of the Offer, GMF is entitled to pay its announced distribution of 3.85 cents per GMF Unit in respect of the three months ending 30 June 2016, without a commensurate reduction in the consideration under the Offer.

The cash consideration component of the Mixed Consideration under the Offer will be reduced by the September 2016 quarter distribution paid by GMF. This is a function of Growthpoint paying distributions on a semi-annual basis, whereas GMF pays distributions on a quarterly basis. Given that Growthpoint will issue Growthpoint Securities that rank equally with all other Growthpoint Securities on issue as part of the Mixed Consideration under the Offer, GMF Unitholders who accept the Offer prior to the record date for Growthpoint's December 2016 semi-annual distribution, and who are on Growthpoint's register of members on the record date for that distribution, will receive a distribution for the six months to 31 December 2016 on any Growthpoint Securities issued to them under the Offer, compensating them for any reduction in cash consideration resulting from the payment of the GMF September 2016 quarter distribution.

In contrast, the Centuria Takeover Bid is not reduced by the September 2016 quarter GMF distribution. Since both CMA and GMF pay distributions on a quarterly basis a

¹² This market capitalisation figure is based on there being 583,125,744 Growthpoint Securities on issue as at the date of this Bidder's Statement and 44,380,760 new Growthpoint Securities being issued as a result of the Offer (assuming that Growthpoint Properties Australia Limited acquires all of the GMF Units under the Offer), and that the price of a Growthpoint Security is \$3.15.

¹³ MER calculated by dividing 1H16 corporate expenses (annualised) by total asset value as at 31 December 2015.

¹⁴ This forecast takes into account the maximum number of Growthpoint Securities that may be issued in connection with the Offer. This forecast should be read together with the other information in section 9. There can be no assurance that this distribution will actually be achieved as it depends on future events, many of which are beyond the control of Growthpoint Properties Australia Limited.

commensurate reduction is not required to transition to semi-annual distribution payments. On a like-for-like basis, distributions reflecting six months ownership will be paid over the six month period to 31 December 2016 on any securities received as consideration under either the Offer or the Centuria Takeover Bid.

Facilitation Agreement with GPT

Growthpoint has entered into a binding facilitation agreement with GPT in relation to the provision of certain services and the transition of management of GMF and rights over certain GPT owned properties in Sydney Olympic Park. The agreement will be invaluable in reducing risk for current and new Growthpoint Securityholders, ensuring an orderly and cost efficient transition of management and potential strategic portfolio benefits in the Sydney Olympic Park precinct.

Concluding remarks

I encourage you to read this Bidder's Statement carefully in full before deciding whether to accept the Offer.

Please note that, in order to be valid, your acceptance of the Offer must be received by 7.00pm (Melbourne, Australia time) on [BLANK IN LODGED VERSION] 2016, unless the Offer Period is extended.

If you have any questions in relation to the Offer, please call 1300 665 792 (for callers within Australia) or +61 3 9415 4366 (for callers outside Australia).

I look forward to your acceptance of the Offer and welcoming you as a Growthpoint Securityholder.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Geoff Tomlinson', is positioned below the 'Yours sincerely' text.

Geoff Tomlinson
Independent Chairman

1 Why you should accept the Growthpoint Offer

1.1 Summary

The key reasons why you should accept the Growthpoint Offer are summarised below in this section 1.1. These reasons are articulated in further detail in section 1.2.

The Growthpoint Offer provides an attractive premium to GMF Unitholders

- 21.4% premium to the undisturbed closing price of a GMF Unit of \$2.06 on 1 April 2016¹⁵
- 16.3% premium to GMF's NTA as at 31 December 2015 and 6.4% premium to GMF's NTA as at 31 March 2016
- 2.0% premium to the implied value of the Centuria Takeover Bid of \$2.45¹⁶

Greater value certainty (including a 100% all cash alternative) and the opportunity to participate in the expected benefits of the Merged Group

- Under the Mixed Consideration, GMF Unitholders will be entitled to receive approximately 50% cash consideration, with the scrip component of the Mixed Consideration allowing GMF Unitholders to remain invested in a leading, internally managed A-REIT with a high quality and complementary portfolio
- Alternatively, GMF Unitholders who wish to dispose of their GMF Units for a fixed cash price for 100% of their GMF Units can receive approximately \$2.50 per GMF Unit if they elect to participate in the Cash Alternative Facility¹⁷

Opportunity to gain exposure to a \$3.2 billion, more diversified and highly complementary portfolio

- Comparable portfolio attributes and asset quality compared to the existing GMF portfolio
- Weighting to core Sydney and Melbourne markets maintained

Expected increased distributions, greater earnings stability and enhanced growth outlook

- Equivalent distributions are expected to increase by 13.7% in FY17^{18,19}

¹⁵ Being the last trading day prior to the GMF announcement of the receipt of an unsolicited, confidential, conditional and non-binding proposal and the results of its asset revaluation process. As at the last trading day prior to the date of this Bidder's Statement, the implied premium of the Growthpoint Offer was 6.4% (this has been calculated using the closing price of a Growthpoint Security of \$3.15 on that date and the closing price of a GMF Unit of \$2.35 on that date).

¹⁶ Centuria is offering 1 CMA Security and \$0.31 cash for each GMF Unit. Based on the closing price of a CMA Security of \$2.14 on the last trading day before the announcement of the Offer (being 30 June 2016).

¹⁷ If you are an Ineligible Foreign Unitholder or an Unmarketable Parcel Unitholder, see sections 6, 12.7 and 13.7.

¹⁸ On a pro forma basis, assuming the transaction had taken place on 30 June 2016 (refer to section 9.5 for more information).

- Reduced exposure to single assets, tenants and geographic concentration to reduce potential earnings volatility
- Enhanced growth profile and outlook

Increased scale, relevance and liquidity

- The Merged Group would have a market capitalisation of approximately \$2.0 billion
- Growthpoint is currently included in the S&P / ASX 200 Index, providing increased relevance and liquidity
- Greater access to capital and improved cost of capital

Enhanced corporate governance, alignment of interests and no third party management fees

- Growthpoint's internally managed structure creates complete alignment between management and investors
- Growthpoint's platform is scalable, with the management expense ratio reducing over time as Growthpoint grows, allowing GMF Unitholders to participate in economies of scale / synergies
- In contrast, the external model incentivises managers to maximise the fees they are paid by growing assets under management, potentially to the detriment of unitholders

Demonstrated track record of growth and outperformance

- Growthpoint Board and senior management team have been delivering on strategy for the last 7 years, and have consistently grown assets under management and distributions to Growthpoint Securityholders
- Growthpoint has consistently delivered superior total returns relative to the S&P / ASX 300 and A-REIT Indices and CMA

The Growthpoint Offer is superior to the Centuria Takeover Bid

- Higher implied offer price, exposure to a larger, higher quality and more diversified portfolio, enhanced governance through Growthpoint's internalised management structure and increased value certainty

Risk of adverse outcome for GMF Unitholders if the Growthpoint Offer is not accepted

- If GMF Unitholders do not accept the Growthpoint Offer (and the Centuria Takeover Bid is not successful) there is a risk that their investment in GMF may be adversely impacted because the price of a GMF Unit may fall or they may become minority unitholders in a less liquid investment

¹⁹ Pro forma GMF distribution figures are based on GMF Unitholders receiving 0.3968 Growthpoint Securities per GMF Unit and reinvesting the cash component of the Growthpoint Offer of \$1.25 into Growthpoint Securities at a Growthpoint Security price of \$3.15 (representing the closing price of Growthpoint Securities as at 30 June 2016).

1.2 Further detail

The key reasons why you should accept the Growthpoint Offer are articulated in further detail below in this section 1.2.

The Growthpoint Offer provides an attractive premium to GMF Unitholders

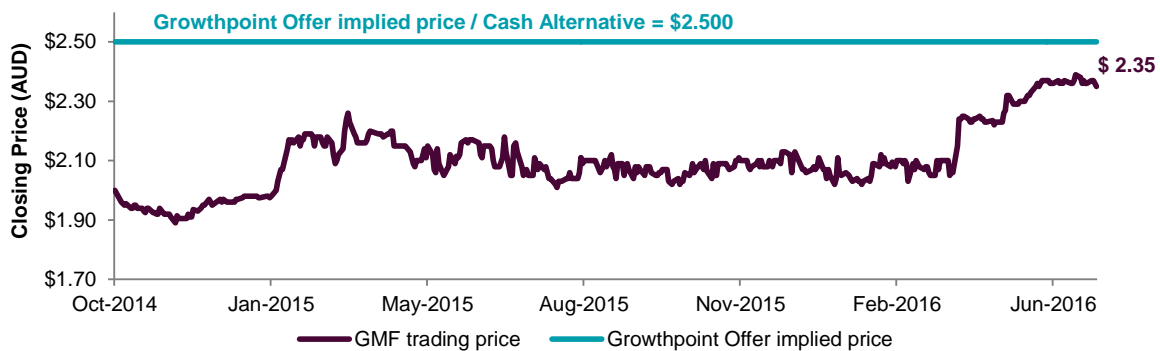
Under the Growthpoint Offer, GMF Unitholders (other than Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders) can elect to receive either:

- the Mixed Consideration, which consists of 0.3968 Growthpoint Securities and \$1.25 cash per GMF Unit; or
- the Cash Alternative of approximately \$2.50 cash per GMF Unit.²⁰

The Mixed Consideration implies a value of \$2.50 per GMF Unit based on the closing price of a Growthpoint Security of \$3.15 as at 30 June 2016.

This implied value of the Growthpoint Offer is attractive relative to GMF's historical trading levels.

Figure 1.2.1 GMF trading performance relative to the Growthpoint Offer



Source: IRESS (30 June 2016).²¹

The implied value of the Growthpoint Offer of \$2.50 represents a premium / (discount) of:

- 21.4% premium to the undisturbed closing price of a GMF Unit of \$2.06 on 1 April 2016,²²
- 21.2% to GMF's undisturbed 1-month VWAP of \$2.06²³
- 21.2% to GMF's undisturbed 3-month VWAP of \$2.06²⁴
- 16.3% to GMF's stated NTA as at 31 December 2015 of \$2.15
- 6.4% to GMF's stated NTA as at 31 March 2016 of \$2.35

²⁰ See section 6 for details of the Cash Alternative.

²¹ IRESS, which is not required to consent, and has not consented, to the use of any such references in this Bidder's Statement.

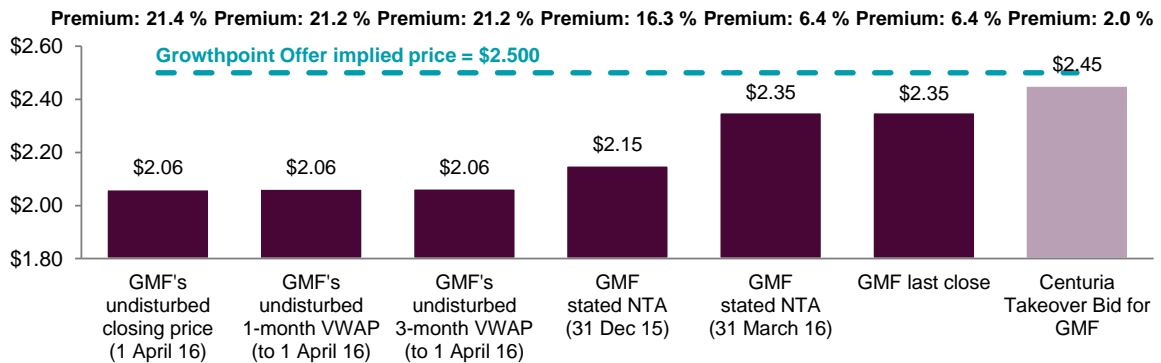
²² 1 April 2016 was the last trading day prior to the GMF announcement of the receipt of an unsolicited, confidential, conditional and non-binding proposal and the results of its asset revaluation process. As at the last trading day prior to the date of this Bidder's Statement, the implied premium of the Growthpoint Offer to the value of a GMF Unit was 6.4% (this has been calculated using the closing price of a Growthpoint Security of \$3.15 on that date and the closing price of a GMF Unit of \$2.35 on that date).

²³ VWAP shown to two decimal places. This calculation covers the 1 month period to 1 April 2016.

²⁴ VWAP shown to two decimal places. This calculation covers the 3 month period to 1 April 2016.

- 6.4% to the last closing price of a GMF Unit on 30 June 2016 of \$2.35
- 2.0% to the implied value of the Centuria Takeover Bid of \$2.45²⁵

Figure 1.2.2 Growthpoint Offer premia to benchmark metrics



Opportunity to gain exposure to a \$3.2 billion, more diversified and highly complementary portfolio

GMF Unitholders (other than Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders) who accept the Growthpoint Offer and receive the Mixed Consideration will have exposure to a larger portfolio with greater sector, tenant and geographic diversification with comparable portfolio attributes to the existing GMF portfolio.

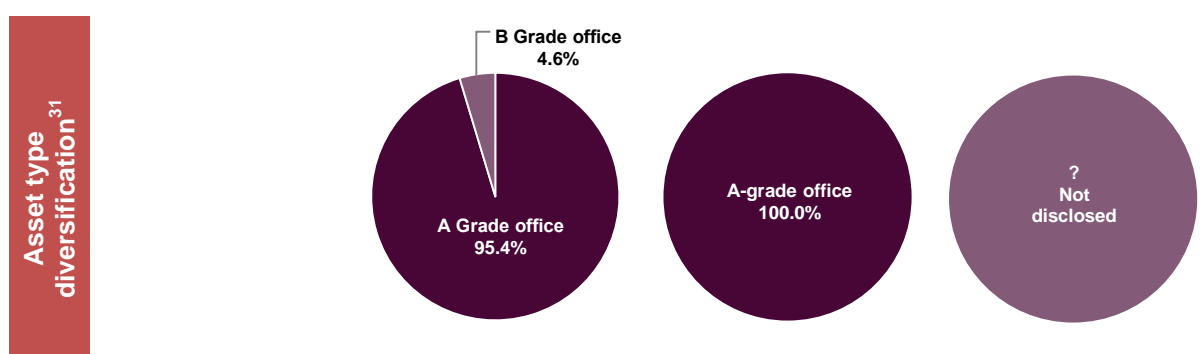
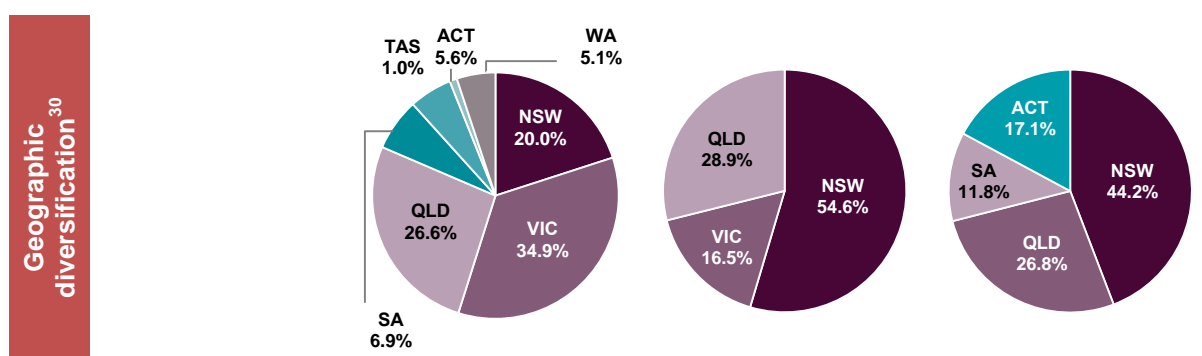
Growthpoint and GMF's office portfolios are of comparable grade and quality. Growthpoint's office portfolio is comprised of 20 office assets valued at \$1.6 billion, with an average value of \$77.8 million. The average building age is 9 years and over 90% by value are classified Property Council of Australia (PCA) A grade. GMF has 6 office assets valued at \$439 million, with an average value of \$73.2 million. The average building age is 6 years and 100% are classified as PCA A grade.

In contrast, CMA has 10 office assets valued at \$333 million, with an average value of \$33.3 million. The average building age is 23 years. CMA's office assets, which have been periodically refurbished, are a mixture of smaller, lower grade office buildings relative to the Growthpoint and GMF office portfolios.

CMA's portfolio has a materially shorter WALE of 4.7 years when compared to Growthpoint and GMF with 6.2 years and 5.9 years respectively.

²⁵ Centuria is offering 1 CMA Security and \$0.31 cash for each GMF Unit. Based on the closing price of a CMA Security of \$2.14 on the last trading day before the announcement of the Offer (being 30 June 2016).

| | Growthpoint ²⁶ | GMF | CMA |
|---------------------------------|---------------------------|-----------|-----------------------|
| Portfolio metrics ²⁷ | No. of properties | 58 | 13 |
| | Portfolio value (A\$m) | \$2,777.5 | \$439.3 ²⁸ |
| | WACR | 7.0% | 6.7% ²⁷ |
| | Occupancy | 99.0% | 94.1% |
| | WALE | 6.2 | 5.9 |
| | Total lettable area (sqm) | 1,108,852 | 64,500 |



Source: Company filings

²⁶ Data as announced to ASX on 20 June 2016.

²⁷ Data as at 31 December 2015, unless stated otherwise.

²⁸ As announced to ASX on 4 April 2016

²⁹ As announced to ASX on 19 May 2016.

³⁰ By value of overall portfolio

³¹ By value of office portfolio

Expected increased distributions, enhanced growth outlook and greater earnings stability

GMF Unitholders (other than Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders) who accept the Growthpoint Offer and receive the Mixed Consideration will have the opportunity to benefit from an expected 13.7% increase in equivalent FY17 distribution per security (DPS) and an expected increased DPS growth profile.

Figure 1.2.3
impact^{32,33}

Equivalent GMF FY17 DPS

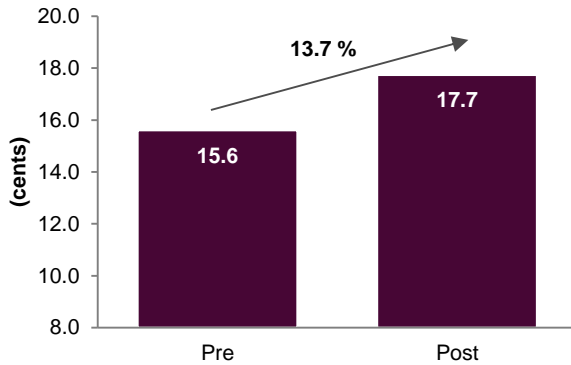
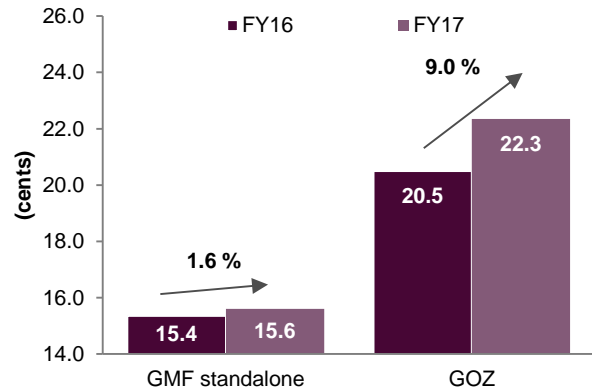


Figure 1.2.4

FY16-FY17 DPS growth³⁴



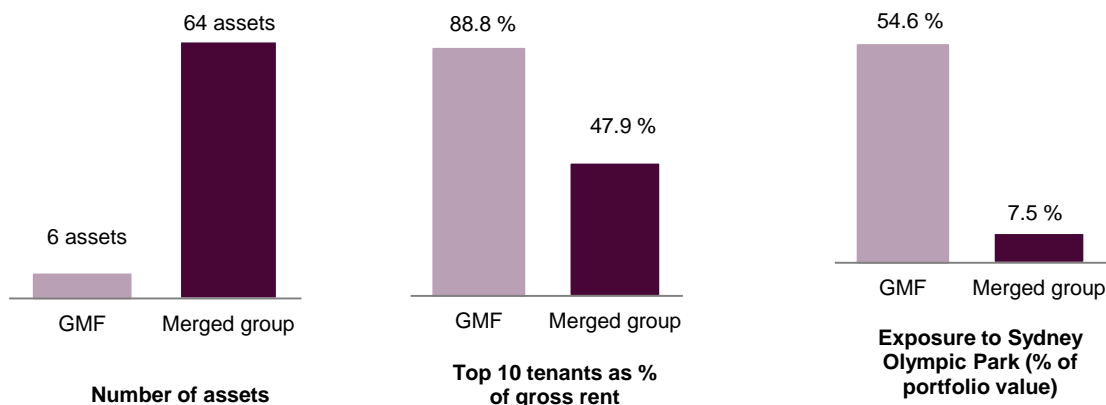
The Merged Group would have exposure to a larger and more diversified portfolio which is expected to reduce risk associated with single asset, tenant and geographic concentration and consequently future earnings and distribution volatility.

³² On a pro forma basis, assuming the transaction had taken place on 30 June 2016 (refer to section 9.5 for more information).

³³ Pro forma GMF distribution figures are based on GMF Unitholders receiving 0.3968 Growthpoint Securities per GMF Unit and reinvesting the cash component of the Growthpoint Offer of \$1.25 into Growthpoint Securities at a Growthpoint Security price of \$3.15 (representing the closing price of Growthpoint Securities as at 30 June 2016).

³⁴ For further information in relation to the Growthpoint numbers see section 9.5. For further information in relation to GMF's stand-alone numbers, see GMF's ASX announcement dated 24 June 2016.

Figure 1.2.5 Larger, more diversified portfolio and reduced single tenant and geographic concentration risk³⁵



Source: Company filings.

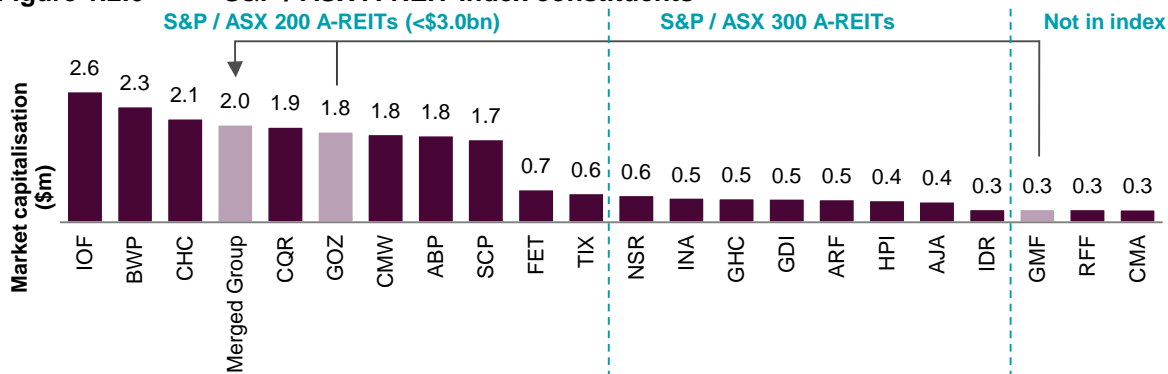
Increased scale, relevance and liquidity

Growthpoint has a market capitalisation of approximately \$1.8 billion³⁶ and is included in the S&P / ASX 200 Index.

GMF currently has a market capitalisation of approximately \$0.3 billion³⁷ and has recently been removed from the S&P / ASX 300 Index due to insufficient liquidity.

The Merged Group would have a market capitalisation of approximately \$2.0 billion³⁸, materially increasing the scale, relevance and liquidity for GMF Unitholders who receive the Mixed Consideration.

Figure 1.2.6 S&P / ASX A-REIT Index constituents



Source: IRESS. Data as at 30 June 2016

As demonstrated in Figure 1.2.7 below and its inclusion in the S&P / ASX 200 Index, Growthpoint has materially greater liquidity than CMA. GMF Unitholders who receive the

³⁵ Data as at 31 December 2015, including the acquisition of Dorcas Street by Growthpoint

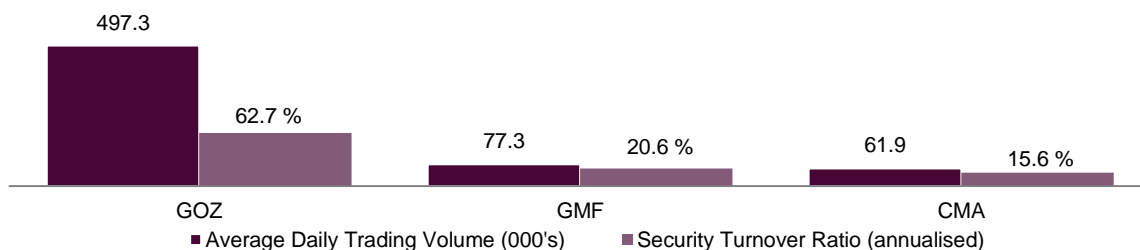
³⁶ Based on the closing price of Growthpoint Securities on 30 June 2016.

³⁷ Based on the closing price of GMF Units on 30 June 2016.

³⁸ This market capitalisation figure is based on there being 583,125,744 Growthpoint Securities on issue as at the date of this Bidder's Statement and 44,380,760 new Growthpoint Securities being issued as a result of the Offer (assuming that Growthpoint Properties Australia Limited acquires all of the GMF Units under the Offer), and that the price of a Growthpoint Security is \$3.15.

Mixed Consideration would benefit from the increased liquidity afforded by the Growthpoint Offer providing a greater ability to trade securities in what is expected to be a more liquid market, in a larger and more attractive Merged Group at a time of their choosing.

Figure 1.2.7 Relative liquidity and turnover^{39,40} – 12 months to 1 April 2016⁴¹



Source: IRESS

Greater value certainty (including a 100% all cash alternative) and the opportunity to participate in the expected benefits of the Merged Group

Under the Mixed Consideration, GMF Unitholders will be entitled to receive approximately 50% cash consideration for their GMF Units, with the scrip component of the Mixed Consideration allowing GMF Unitholders to remain invested in a leading, internally managed A-REIT with a high quality and complementary portfolio

Alternatively, GMF Unitholders who wish to dispose of their GMF Units for a fixed cash price for 100% of their GMF Units can receive approximately \$2.50 per GMF Unit if they elect to participate in the Cash Alternative Facility⁴²

By way of contrast, under the Centuria Takeover Bid, GMF Unitholders will only be entitled to receive approximately 13% cash consideration for their GMF Units.

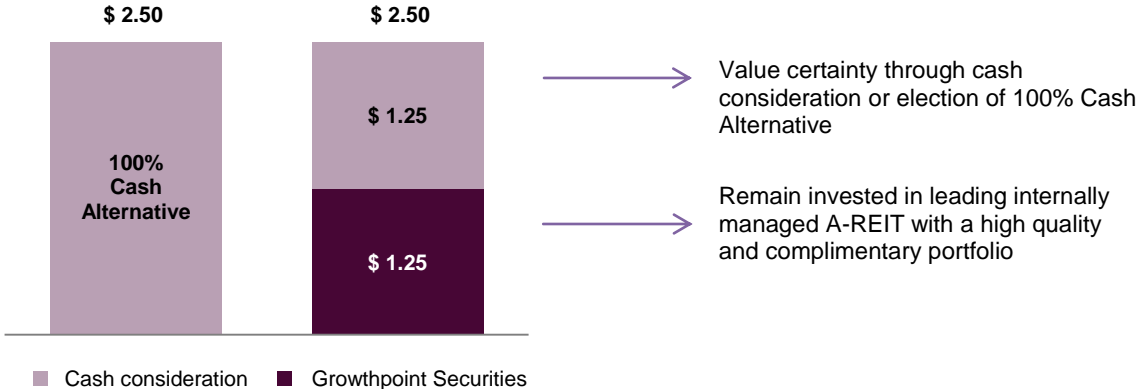
³⁹ Average Daily Trading Volume (**ADTV**) has been calculated as the on-market securities traded over the 12 months to 1 April 2016.

⁴⁰ Security Turnover Ratio calculated as the ADTV as a percentage of free float market capitalisation multiplied by the number of trading days in the 12 months to 1 April 2016.

⁴¹ Being the last trading day prior to the GMF announcement of the receipt of an unsolicited, confidential, conditional and non-binding proposal and the results of its asset revaluation process.

⁴² If you are an Ineligible Foreign Unitholder or an Unmarketable Parcel Unitholder, see sections 6, 12.7 and 13.7.

Figure 1.2.8 Growthpoint Offer consideration composition⁴³



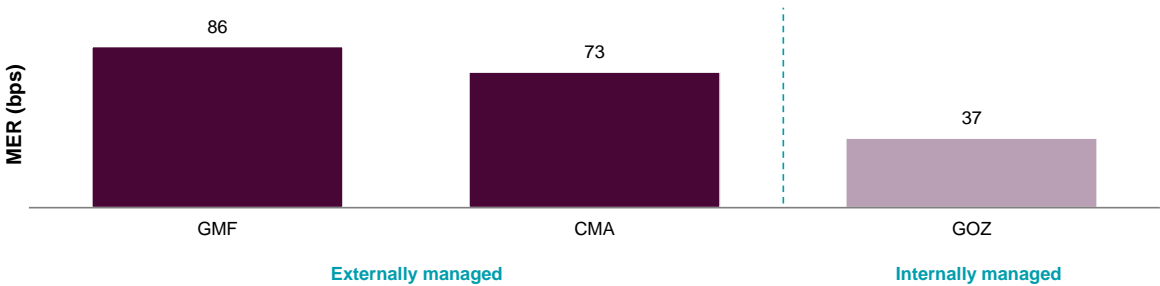
Enhanced corporate governance, alignment of interests and no third party management fees

Growthpoint is internally managed creating complete alignment between management and its securityholders. As a result, the Growthpoint platform is scalable, with the management expense ratio⁴⁴ reducing over time as Growthpoint grows.

Under an externally managed model, the external manager typically derives fees based on the value of assets under management. Consequently, the external manager is incentivised to maximise the fees it is paid by growing assets under management, potentially to the detriment of unitholders. External management fees are generally fixed as a proportion of assets, only benefitting the external manager as the fund grows.

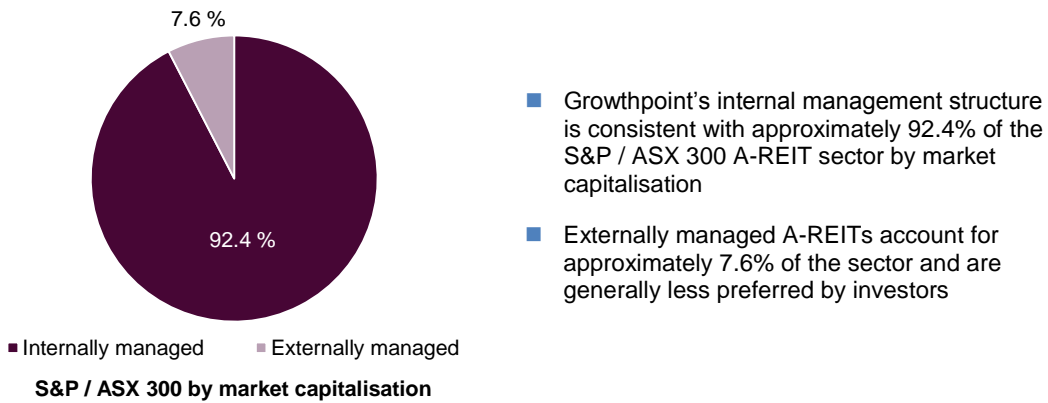
Under the Growthpoint Offer, GMF Unitholders who receive the Mixed Consideration would be able to participate in these economies of scale / synergies and greater management alignment through Growthpoint’s internalised management structure.

Figure 1.2.9 Operating expenses comparison⁴⁵



⁴³ Based on the closing price of Growthpoint Securities on 30 June 2016.
⁴⁴ Management Expense Ratio (MER) represents the management expenses as a proportion of assets under management.
⁴⁵ MER calculated by dividing 1H16 corporate expenses (annualised) by total asset value as at 31 December 2015.

Figure 1.2.10 Sector management structure

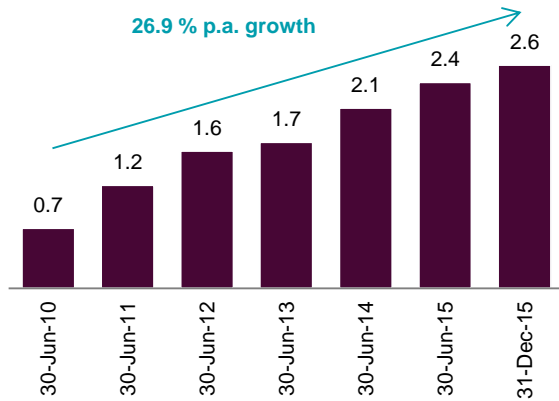


Source: IRESS. Data as at 30 June 2016.

Demonstrated track record of growth and outperformance

Growthpoint's experienced board of directors and senior management team have largely remained unchanged over the last seven years. Under this leadership team, and consistent with strategy, Growthpoint has consistently grown assets under management, earnings and distributions. Growthpoint has a demonstrated history of providing superior total returns to its securityholders, taking into account the performance of the S&P / ASX 300 A-REIT Accumulation Index and broader S&P / ASX 300 Accumulation Index over the same time period.

Figure 1.2.11 Growthpoint AUM growth (\$bn)



Source: Company filings

Figure 1.2.12 Growthpoint DPS (cents)

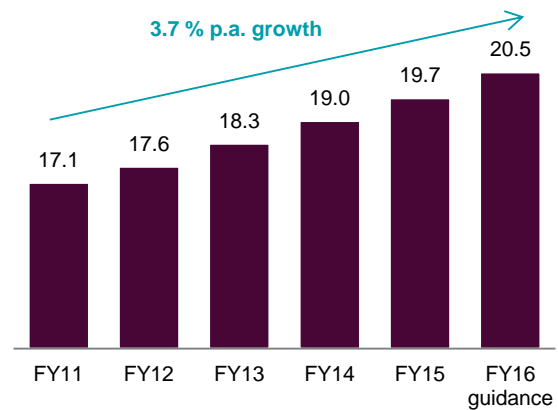
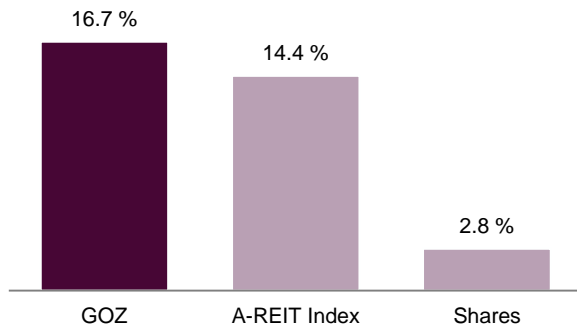


Figure 1.2.13 Total return^{46,47}
year to 31 December 2015



Source: Growthpoint 1H16 results presentation

Figure 1.2.14 Total return
per annum, over 5 years to 31 December 2015

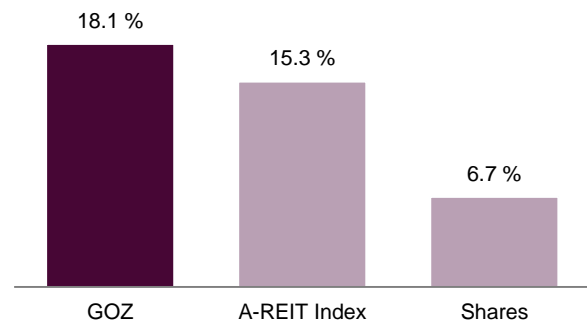
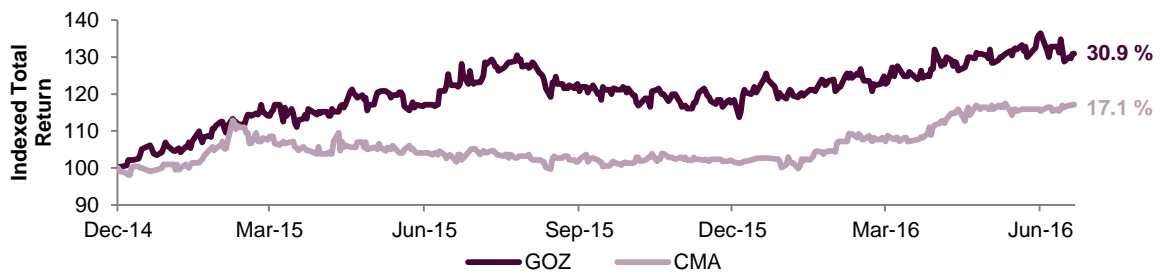


Figure 1.2.15 Relative total return since listing of CMA⁴⁸



Source: Bloomberg.⁴⁹ Data as at 30 June 2016

⁴⁶ A-REIT represents the S&P / ASX 300 A-REIT Accumulation Index

⁴⁷ Shares represents S&P / ASX 300 Accumulation Index

⁴⁸ Total return for the period from 12 December 2014 to 30 June 2016.

⁴⁹ Bloomberg, which is not required to consent, and has not consented, to the inclusion of any such references in this Bidder's Statement.

The Growthpoint Offer is superior to the Centuria Takeover Bid

| | Growthpoint Offer | Centuria Takeover Bid |
|-----------------------------|---|---|
| Implied offer consideration | ✓ \$2.50 ⁵⁰ | \$2.45 ⁵¹ |
| Portfolio quality | ✓ Complimentary portfolio with comparable metrics | Lower grade portfolio |
| Scale and relevance | ✓ \$2.0bn pro forma market capitalisation ⁵² | \$0.5bn pro forma market capitalisation ⁵³ |
| Index inclusion | ✓ S&P / ASX 200 Index | Not included in index |
| Value certainty | ✓ Minimum 50% cash consideration, with option to receive 100% cash under the Cash Alternative | ~13% cash consideration |
| Corporate governance | ✓ Internalised management | External management |
| Track record | <ul style="list-style-type: none"> ✓ 30.9% TSR since CMA listing ✓ Operating since 2009 | <ul style="list-style-type: none"> 17.1% TSR since CMA listing Operating since 2014 |

Risk of adverse outcome for GMF Unitholders if the Growthpoint Offer is not accepted

If neither the Growthpoint Offer nor the Centuria Takeover Bid are successful, there is a risk that the GMF Unit price may fall below current trading levels and the implied value of the Growthpoint Offer.

If Growthpoint acquires more than 50% of the GMF Units but does not acquire 100% of the GMF Units, GMF Unitholders who do not accept the Growthpoint Offer will become minority unitholders and their investment in GMF may become less liquid.

⁵⁰ For these purposes, the value of a Growthpoint Security has been assumed to be \$3.15, which is the closing price of a Growthpoint Security on ASX on 30 June 2016, being the last trading day before the announcement of the Offer ($\$1.25 + 0.3968 \times \$3.15 = \$2.50$). Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders who accept the Offer will not be entitled to receive Growthpoint Securities – see sections 12.7 and 13.7 for further information.

⁵¹ Centuria is offering 1 CMA Security and \$0.31 cash for each GMF Unit. Based on the closing price of a CMA Security of \$2.14 on the last trading day before the announcement of the Offer (being 30 June 2016).

⁵² This market capitalisation figure is based on there being 583,125,744 Growthpoint Securities on issue as at the date of this Bidder's Statement and 44,380,760 new Growthpoint Securities being issued as a result of the Offer (assuming that Growthpoint Properties Australia Limited acquires all of the GMF Units under the Offer), and that the price of a Growthpoint Security is \$3.15.

⁵³ This market capitalisation figure is based on there being 119,407,764 CMA Securities on issue as at the date of this Bidder's Statement and 128,533,501 new CMA Securities being issued as a result of the Centuria Takeover Bid (assuming that CMA acquires all of the GMF Units under the Centuria Takeover Bid), and that the price of a CMA Security is \$2.14.

2 Summary of the Offer

What Growthpoint Properties Australia Limited is offering to buy

Growthpoint Properties Australia Limited is offering to buy all GMF Units, including any GMF Units that are issued during the Offer Period, on the terms and conditions set out in this Bidder's Statement.

You may accept the Offer in respect of all (but not some only) of your GMF Units.

What you will receive if you accept the Offer

If you accept the Offer, subject to the fulfilment or waiver of the conditions to the Offer, for each of your GMF Units, you will be entitled to receive the Mixed Consideration of \$1.25 and 0.3968 Growthpoint Securities.⁵⁴

Alternatively, instead of receiving the Mixed Consideration, you may elect to participate in the Cash Alternative Facility (see below in this table next to the question "What is the Cash Alternative Facility and how do I participate in that facility?").

If you are an Ineligible Foreign Unitholder or an Unmarketable Parcel Unitholder you will not be eligible to receive the scrip component of the Mixed Consideration – for further information see below.

What is the Cash Alternative Facility and how do I participate in that facility?

Instead of receiving the Mixed Consideration of \$1.125 and 0.3968 Growthpoint Securities for each of your GMF Units, you can elect to receive an all cash alternative for each of your GMF Units by participating in the Cash Alternative Facility.

Under the Cash Alternative Facility, Growthpoint SA is offering to acquire all the Growthpoint Securities that would otherwise be issued to GMF Unitholders under the Offer at a price of \$3.15 per Growthpoint Security.⁵⁵

This means that any GMF Unitholder who participates in the Cash Alternative Facility will receive approximately \$2.50 cash for each of their GMF Units.

If you are an Ineligible Foreign Unitholder or an Unmarketable Parcel Unitholder you will not be able to participate in the Cash Alternative Facility.

See section 6 of this Bidder's Statement for further details of the Cash Alternative Facility.

When you will be paid for your GMF Units

Generally, you will be issued the Growthpoint Securities, and sent the cash due to you, under the Offer on or before the earlier of:

- one month after the Offer is accepted or one month after all of the conditions have been freed or fulfilled (whichever is the later); and
-

⁵⁴ If the calculation results in an entitlement to a fraction of a Growthpoint Security and/or to a fraction of a cent, that fraction will be rounded down to the nearest whole number of Growthpoint Securities and/or cent (as the case may be).

⁵⁵ If the calculation results in an entitlement to a fraction of a cent, that fraction will be rounded down to the nearest whole cent.

- 21 days after the end of the Offer Period.

Full details of when consideration will be provided are set out in section 13.6 of this Bidder's Statement.

When does the Offer close? The Offer closes at 7:00pm (Melbourne, Australia time) on [BLANK IN LODGED VERSION] 2016, unless it is extended or withdrawn.

What are the conditions to the Offer? The Offer is subject to a number of conditions, including the following conditions:

- Growthpoint Properties Australia Limited acquires a Relevant Interest in at least 50.1% of the GMF Units;
- 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 GMF's business;
- an independent expert opines that the Offer is fair and reasonable, and that no net benefit arises from the Facilitation Agreement;
- no material change occurs in respect of any of GMF's properties;
- there are no GMF distributions, other than the Permitted Distributions;
- no 'prescribed occurrences' occur (being the events articulated in section 652C of the Corporations Act and listed in section 13.8(g) of this Bidder's Statement);
- no material acquisitions, disposals or changes in the conduct of the GMF business occur;
- specified material change of control consents are obtained;
- there are no changes to the responsible entity of GMF;
- there is no material litigation;
- the financial indebtedness of GMF is not increased;
- no untrue statements are discovered in GMF's statements to ASIC or ASX;
- the value of a Growthpoint Security does not fall below \$3.03 before the start of the Offer Period; and
- GPTPL does not agree to a break fee with any third party.

Full terms of all of the conditions are set out in section 13.8 of this Bidder's Statement.

Each of the above conditions of the Offer may be waived at the sole discretion of Growthpoint Properties Australia Limited.

Will the consideration under the Offer be reduced in respect of GMF's June 2016 and September 2016 distributions? The amount of the Offer consideration will not be reduced by the amount of GMF's June 2016 quarterly distribution.

In relation to GMF's September 2016 quarterly distribution:

- if Growthpoint Properties Australia Limited becomes the registered holder of your GMF Units by the record date in respect of that distribution, the amount of Offer consideration that you will be entitled to receive will not be reduced by the amount of that distribution; and

- if Growthpoint Properties Australia Limited is not the registered holder of your GMF Units by the record date in respect of that distribution, the amount of Offer consideration that you will be entitled to receive will be reduced by the amount of that distribution.

What happens if the conditions of the Offer are not satisfied or waived?

If the conditions of the Offer are not satisfied or waived before the end of the Offer Period, the Offer will lapse and your acceptance will be void.

How you accept the Offer

You may accept the Offer in respect of all (but not some only) of your GMF Units.

Issuer sponsored unitholders

If your GMF Units are held on GMF's issuer sponsored subregister (such holdings will be evidenced by an 'I' appearing next to your holder number on the enclosed Acceptance Form), to accept the Offer, you must complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it together with all other documents required by the instructions on the Acceptance Form, to the address indicated on the form so that it is received before the end of the Offer Period.

CHESS sponsored unitholders

If your GMF Units are in a CHESS Holding (such holdings will be evidenced by an 'X' appearing next to your holder number on the enclosed Acceptance Form), you may accept the Offer by either:

- completing and signing the Acceptance Form enclosed with this Bidder's Statement and returning it together with all other documents required by the instructions on the Acceptance Form, to the address indicated on the form so that it is received before the end of the Offer Period; or
- instructing your Controlling Participant (usually your stockbroker) in sufficient time for them to accept the Offer on your behalf before the end of the Offer Period.

Participants

If you are a Participant, acceptance of the Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

Full details on how to accept

Full details on how to accept the Offer are set out in section 13.3 of this Bidder's Statement.

Can you accept the Offer for part of your holdings

No. You cannot accept for part of your holding. You can only accept the Offer for ALL of your GMF Units.

What happens if you do not accept the Offer?

You will remain a GMF unitholder and will not receive the consideration under the Offer.

If Growthpoint Properties Australia Limited becomes entitled to compulsorily acquire your GMF Units, it intends to proceed with the compulsory acquisition. If your GMF Units are compulsorily acquired by

Growthpoint Properties Australia Limited, it will be on the same terms (including the same consideration for each GMF Unit acquired) as the Offer.

If Growthpoint Properties Australia Limited does not become entitled to compulsorily acquire your GMF Units, and the Centuria Takeover Bid is not successful, there is a risk that the GMF Unit price may fall below current trading levels and the implied value of the Growthpoint Offer.

How will Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders be treated?

Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders that accept the Offer will not receive Growthpoint Securities. Rather, the Growthpoint Securities that Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders would have been entitled to receive will be issued to, and sold by, a Nominee and the net cash proceeds attributable to each Ineligible Foreign Unitholder and Unmarketable Parcel Unitholders will be paid to them by cheque in Australian dollars drawn on an Australian bank account.

Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders should read section 12.7 and 13.7 which provide further information on Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders, and the Nominee sale process.

Will you need to pay brokerage or stamp duty on acceptances?

If your GMF Units are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Growthpoint Properties Australia Limited by signing and returning an Acceptance Form, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer.

If your GMF Units are registered in a CHESS Holding, or if you are a beneficial owner whose GMF Units are registered in the name of a broker, bank custodian or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.

What are the tax implications of accepting the Offer?

A summary of the general Australian tax implications of accepting the Offer are set out in the tax letter contained in section 11.

What if I am a non-resident for Australian taxation purposes?

The attention of GMF Unitholders who are not Australian residents for Australia taxation purposes is specifically drawn to the section titled "Non-resident for Australian taxation purposes". In certain limited circumstances, Growthpoint Properties Australia Limited will be required to withhold 10% of the consideration payable to non-residents.

If Growthpoint Properties Australia Limited considers that it is likely that withholding will be required, it will notify the relevant GMF Unitholder to by writing to them at their registered address.

Where to go if you have any questions

If you have any questions in relation to the Offer, please call the Growthpoint Offer Information Line on 1300 665 792 (for callers in Australia) or +61 3 9415 4366 (for callers outside Australia), Monday to Friday between 9:00am and 5:00pm (Melbourne time). This line will only be open from the date the Offer opens until 1 week after it closes.

Please note that any calls to the above numbers may be recorded.

Important notice

The information in this section 2 is a summary only of the Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement.

You should read this entire Bidder's Statement and the Target's Statement, before deciding whether to accept the Offer.

3 Information on Growthpoint

3.1 Overview of Growthpoint

The bidder under the Offer is Growthpoint Properties Australia Limited in its capacity as the responsible entity of the Growthpoint Trust.

Growthpoint comprises Growthpoint Properties Australia Limited and Growthpoint Trust and each of their Controlled Entities and Subsidiaries as at the date of this Bidder's Statement.

Growthpoint Trust is an ASX listed real estate investment trust or A-REIT that seeks to provide its securityholders with a continually growing income stream with 100% of income derived from rent of properties Growthpoint owns and manages.

Growthpoint has an internalised management structure via a stapled entity structure consisting of shares in GPAL and units in Growthpoint Trust. Growthpoint Securityholders own both the property trust (that is, Growthpoint Trust) and the manager/responsible entity of the property trust (that is, GPAL). There are no fees payable to third-party or external managers for operating the business and, accordingly, no conflicts of interest between Growthpoint Securityholders and the manager/responsible entity.

Growthpoint has a mandate to invest in Australian commercial property in the industrial, office and retail sectors, and it invests in quality investment properties in prime business locations in Australia for rental income that grows over time. It typically acquires modern, well-located properties leased to quality tenants and holds these assets for the medium-long term.

Since its restructure and management internalisation in 2009, Growthpoint has:

- acquired approximately \$1.8 billion of commercial real estate;
- had the same executive management team in place; and
- provided continually growing distributions over each six month period, as well as 3.7% per annum growth over the five years to 30 June 2016⁵⁶.

Over the five years ended 31 December 2015, Growthpoint:

- achieved an 18.1% per annum total securityholder return, outperforming the S&P/ASX 300 Property Accumulation Index's 15.3% return⁵⁷;
- achieved a 74.1% return on equity⁵⁸; and
- recorded a 59.6% increase in its security price.

Growthpoint has:

- a portfolio of 57 properties, geographically diversified within Australia, with a value of \$2,611.5 million⁵⁹ (book value as at 31 March 2016). In addition, Growthpoint regularly considers opportunities to acquire new properties which fulfil its investment criteria;

⁵⁶ This takes into account the Growthpoint distribution for the six months ending 30 June 2016 (see section 4.3).

⁵⁷ Source: UBS Investment Research, as set out in the half year financial report of Growthpoint in respect of the 6 month period ended 31 December 2015.

⁵⁸ Percentage change in net tangible assets per Growthpoint Security plus distributions paid/payable per Growthpoint Security.

⁵⁹ Includes Building C, 211 Wellington Road, Mulgrave, Victoria at its 'on completion' valuation.

- property assets located in each of Australia’s States and the Australian Capital Territory, in proximity to key infrastructure, particularly the respective CBDs, ports, airports and/or major arterial road networks;
- a pure Australian property investment focus, with no offshore assets;
- a weighted average lease expiry of approximately 6.4 years (as at 31 March 2016);
- quality tenants, including Woolworths (22% of passing rental income), NSW Police (10%), Commonwealth of Australia (6%), GE Capital Finance Australasia (6%) and Linfox (4%);⁶⁰
- 98.7% occupancy across its property portfolio (as at 31 March 2016); and
- total current debt facilities of \$1.38 billion, with \$1.06 billion drawn down, average debt maturity of 4.5 years and 76% of debt fixed (with 6.0 years average maturity on fixed rate debt) (as at 31 March 2016).

Growthpoint’s strategy consists of:

- paying out as much of its distributable income as is considered prudent with the aim of providing continually growing distributions to Growthpoint Securityholders;
- being a “pure” landlord with no funds management, development or lending operations;
- holding 100% of its property portfolio in domestic property assets, in the industrial, office and retail sectors;
- investing in modern, high-quality and well leased properties with stable tenants to achieve growing distributions and a high payout ratio; and
- having internalised management through a stapled entity structure, ensuring an alignment of interests between management and security holders and achieving lower operating costs (when compared with other management structures).

Information about the Merged Group is set out in section 9 of this Bidder’s Statement.

3.2 Directors and company secretary

(a) Directors of Growthpoint Properties Australia Limited

Brief profiles of the Growthpoint Properties Australia Limited Directors as at the date of this Bidder’s Statement are as set out below. The GPAL Directors are the same persons as the Growthpoint Properties Australia Limited Directors.

Geoffrey Tomlinson BEc

- Independent Chairman and Director
- Member – Audit, Risk & Compliance Committee
- Member – Nomination, Remuneration & HR Committee
- Appointed as a Growthpoint Properties Australia Limited Director on 1 September 2013

Geoff is currently a director of Calibre Limited and IRESS Limited and was previously a director of National Australia Bank Limited and the Chairman of MLC Limited (among other directorships). He has spent 44 years in the financial services industry including six years as Group Managing Director of National Mutual Holdings Ltd (which changed its name to AXA Asia Pacific Ltd prior to being acquired by AMP Ltd in 2011) where he led

⁶⁰ All figures as at 31 March 2016, shown on the basis of passing rent at that date.

that entity's demutualisation and ASX listing. Geoff has chaired and been a member of a number of board committees including audit, risk and remuneration.

Timothy Collyer BBus (Prop), Grad Dip Fin & Inv, AAPI, F Fin, MAICD

- Managing Director
- Appointed as a Growthpoint Properties Australia Limited Director on 12 July 2010

Tim is a highly experienced executive with over 28 years' experience in ASX listed and unlisted property funds management, property investment and development, property valuation and property advisory. During his career, Tim has been involved with numerous corporate transactions including mergers, acquisitions, takeovers, recapitalisations and property portfolio purchase and disposals.

Tim has worked across the office, industrial and retail property sectors in all States and Territories in Australia. He previously served as the Property Trust Manager at Australand Property Group for a period of six years, where he was responsible for the management of its listed and unlisted property trusts. Tim has also held management positions at Heine Funds Management, where he was responsible for the management of an ASX listed A-REIT office fund, and at a major accounting firm within its real estate advisory group.

Tim is an Associate of the Australian Property Institute, a Fellow of the Financial Services Institute of Australasia and a member of the Australian Institute of Company Directors.

Maxine Brenner BA, LLB

- Independent Director
- Chair – Audit, Risk & Compliance Committee
- Appointed as a Growthpoint Properties Australia Limited Director on 19 March 2012

Maxine is currently a director of Orica Limited, Qantas Airways Limited and Origin Energy Limited. She has been involved in advisory work for many years, particularly in relation to mergers and acquisitions and several years in investment banking at Investec Bank (Australia) Ltd. Prior to this, she was a Lecturer in Law at University of NSW and corporate lawyer at Freehills (now Herbert Smith Freehills). Her former directorships include Treasury Corporation of NSW, Neverfail Springwater Ltd, Federal Airports Corporation and Bulmer Australia Ltd. In addition, Maxine has also served as a member of the Takeovers Panel.

Estienne de Klerk BCom (Industrial Psych), BCom (Hons) (Marketing), BCom (Hons) (ACC), CA (SA)

- Director (not considered independent as Executive Director of Growthpoint SA)
- Member – Audit, Risk & Compliance Committee
- Appointed as a Growthpoint Properties Australia Limited Director on 5 August 2009

Estienne is Managing Director of Growthpoint SA, a Director of V&A Waterfront Holdings, past President of the South African Property Owners Association and Chairman of the Tax and Legislation Committee of the South African REIT Association. He has over 20 years' experience in banking and property finance and has been involved with listed property for over 14 years with Growthpoint's mergers, acquisitions, capital raisings and operating service divisions.

Grant Jackson Assoc. Dip. Valuations, FAPI

- Independent Director
- Member – Audit, Risk & Compliance Committee
- Appointed as a Growthpoint Properties Australia Limited Director on 5 August 2009

Grant has over 30 years' experience in the property industry, including over 26 years as a qualified valuer. Grant has expertise in a wide range of valuation and property advisory matters on a national basis and he regularly provides expert evidence to Courts and Tribunals. He is a member of the Standards Sub-committee of the Australian Property Institute.

Francois Marais BCom, LLB, H Dip (Company Law)

- Independent Director
- Member – Nomination, Remuneration and HR Committee
- Appointed as a Growthpoint Properties Australia Limited Director on 5 August 2009

Francois is an attorney and is the practice leader and senior director of Glyn Marais, a South African corporate law firm which specialises in corporate finance. Francois is Chairman of Growthpoint SA in South Africa and a Director of V&A Waterfront Holdings (among other directorships).

Norbert Sasse BCom (Hons) (ACC), CA (SA)

- Director (not deemed independent as CEO of Growthpoint SA)
- Chairman – Nomination, Remuneration and HR Committee
- Appointed as a Growthpoint Properties Australia Limited Director on 5 August 2009

Norbert is the Chief Executive Officer and a Director of Growthpoint SA. He has over 20 years' experience in corporate finance dealing with listings, delistings, mergers, acquisitions and capital raisings, and over 11 years' experience in the listed property market.

(b) **Company Secretaries of Growthpoint Properties Australia Limited**

As at the date of this Bidder's Statement, the Company Secretaries of Growthpoint Properties Australia Limited are Aaron Hockly and Dion Andrews. Their profiles are as follows:

Aaron Hockly, BA, LLB, GDLP, GradDipACG, MAppFin, FCIS, MAICD, FCSA, SA Fin

- Appointed Company Secretary on 13 October 2009
- Chief Operating Officer

Aaron is responsible for the investor relations, transaction structuring and execution, sustainability, HR, company secretarial, legal and compliance functions.

Aaron has over 15 years' experience in corporate governance, financial services, corporate and commercial law, property finance and M&A and has worked in Australia, London and New Zealand.

He has been a director and chairman of a number of not-for-profit organisations.

Dion Andrews, BBus, FCCA

- Appointed Company Secretary on 8 May 2014
- Chief Financial Officer

Dion is a Chartered Accountant and is responsible for the financial reporting obligations of Growthpoint as well as debt structuring, raising debt capital and technology.

Dion has over 15 years' experience in accounting roles in a corporate capacity.

Prior to moving to Growthpoint, Dion spent five years at a listed property funds group, MacarthurCook, as Senior Finance Manager and before that held the role of Group Accountant for a funds management group in London.

He is a fellow of the Association of Certified Chartered Accountants.

(c) **Other key executives of Growthpoint**

In addition to Tim Collyer, Aaron Hockly and Dion Andrews, Michael Green is also considered a key executive of Growthpoint as at the date of this Bidder's Statement. His profile follows:

Michael Green, Head of Property BBus (Prop)

As Head of Property, Michael oversees the asset selection, asset management, property management, facilities management, environmental sustainability and property analysis functions of the Group.

Michael has over 14 years' experience in listed and unlisted property fund management, property investment and development, both in Australia and Europe.

Michael was previously based in London and worked as Transaction Manager for Cordea Savills. Michael was responsible for acquisitions and asset management in the BENELUX region for Cordea Savills' Pan European Funds. Prior to moving to Europe, he spent four years as Property Analyst for Australand's listed and unlisted property trusts.

3.3 History, structure and ownership

(a) **History**

Growthpoint was formed in August 2009, when Growthpoint SA restructured and recapitalised what was then an externally managed ASX-listed property trust, known as "Orchard Industrial Property Fund". As part of the restructure, Orchard Industrial Property Fund internalised its management, broadened its investment policy mandate from just industrial real estate assets only to include office and retail real estate and was renamed Growthpoint Properties Australia. Growthpoint SA became a significant cornerstone securityholder in the group and three of its directors joined the GPAL Board.

Since the restructure and recapitalisation in 2009, Growthpoint has increased its asset base, diversified its investments to include office assets and increased earnings and distributions per security. Its portfolio has grown from \$650 million of industrial property at the time of the restructure and recapitalisation to a portfolio comprising \$1.4 billion of office and \$1.2 billion of industrial property in every Australian State and in the Australian Capital Territory as at 31 December 2015.

(b) **Structure**

Growthpoint is a stapled entity structure with internalised management. This means that Growthpoint Securityholders have ownership of the responsible entity of Growthpoint Trust, being Growthpoint Properties Australia Limited, as well as being unitholders in Growthpoint Trust which holds all of Growthpoint's properties.

(c) **Ownership**

The Growthpoint Securities are listed on the ASX and trade under the code "GOZ".

Growthpoint SA is the majority security holder in Growthpoint. As at the date of this Bidder's Statement, Growthpoint SA, had a Relevant Interest in approximately 65.47% of the Growthpoint Securities.

Growthpoint SA is an internally-managed property investment group, incorporated and registered as a public company and listed on the Johannesburg Securities Exchange Limited (**JSE**). Growthpoint SA is included in the FTSE/JSE Top 40 index (**ALSI 40 Index**), the Morgan Stanley Capital International (**MSCI**) Emerging Markets Core REIT Index, the FTSE EPRA/NAREIT Emerging Index, the JSE SRI (Socially Responsible Investment) Index and the Dow Jones Sustainability Index. Growthpoint SA is the largest listed property group on the JSE and has gross assets of \$9.6 billion (as at 31 December 2015) and a market capitalisation of approximately \$6.4 billion (as at the Last Practical Date).

According to public filings, as at the Last Practical Date, Growthpoint SA's largest securityholder held an interest in approximately 13.1% of the securities in Growthpoint SA. As a publicly traded company, Growthpoint SA's investors comprise a wide variety of institutions and individuals. So far as the Growthpoint Properties Australia Limited Directors are aware, no organisation or individual exercises control over Growthpoint SA. Further information on Growthpoint SA can be found at www.growthpoint.co.za.

Details of the substantial holders of Growthpoint Securities are set out in section 4.6 of this Bidder's Statement.

3.4 Principal activities of Growthpoint

Growthpoint invests in quality investment properties in prime business locations in Australia for rental income that grows over time.

All of Growthpoint's investment properties are located in Australia.

Growthpoint does not have a funds management business, nor does it intend to become a fund manager. Growthpoint intends only to manage properties that Growthpoint Securityholders own through their holding of Growthpoint Securities and, accordingly, Growthpoint's income is, and is intended to continue to be, derived solely from rental income rather than funds/asset management fees. The only circumstance in which Growthpoint Properties Australia Limited presently envisages that this may change is if, as a result of the Takeover Bid, it acquires control of GMF but does not become entitled to compulsorily acquire any outstanding GMF Units under Part 6A.1 of the Corporations Act – see section 8.3.

Growthpoint does not operate a property development business. It may purchase a property to be developed, fund construction of a development, or enter a joint venture where Growthpoint becomes the ultimate owner of the property on completion but only where material leases are in place. Growthpoint has no intention of undertaking speculative developments or developing properties for the purpose of selling them to third parties.

A summary of Growthpoint's property portfolio is included in Attachment 4.

3.5 Historical financial information on Growthpoint

(a) Basis of presentation of historical financial information

The historical financial information below relates to Growthpoint on a stand-alone basis and accordingly does not reflect any impact of the Offer.

The historical financial information has been prepared in accordance with the recognition and measurement requirements of the AAS. The financial information also complies with the recognition and measurement requirements of International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

The historical financial information is a summary only and the full financial accounts for Growthpoint for the financial periods described below, which include the notes to the accounts, can be found in Growthpoint's reports for those periods. The historical financial information does not include all of the presentation disclosures, statements and

comparative information as required by the AAS applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The preparation of financial statements requires management to make critical judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses. Actual results may differ from these estimates.

Critical judgments made by Growthpoint's management and used in the normal course of preparing Growthpoint's consolidated financial statements are disclosed in the "Use of estimates, assumptions and judgements" subsection in section 1 of the financial statements of Growthpoint for the year ended 30 June 2015.

The audit and review opinions in the consolidated financial statements for the periods the subject of the historical financial information were issued by KPMG and were unqualified.

The historical financial information below does not represent the complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of the accounting policies contained in those financial statements and the notes to those financial statements – these are available from Growthpoint's website at www.growthpoint.com.au

Past performance is not indicative of future performance.

(b) **Historical information of Growthpoint**

(1) Consolidated statements of financial position

(A) As at 31 December 2015 and 31 December 2014

The summarised historical balance sheets of Growthpoint which are set out below have been extracted from the reviewed financial statements of Growthpoint for the six months ended 31 December 2015 (being the last financial statements prior to the date of this Bidder's Statement) and 31 December 2014.

A full copy of Growthpoint's reviewed financial statements in respect of the six months ended 31 December 2015, was released to the ASX on 22 February 2016, and is available at Growthpoint's website at www.growthpoint.com.au.

| | 31 December 2015 | 31 December 2014 |
|--------------------------------------|---------------------------------|---------------------------------|
| | \$'000 | \$'000 |
| Current assets | | |
| Cash and cash equivalents | 40,127 | 28,251 |
| Trade and other receivables | 41,854 | 19,442 |
| Total current assets | 81,981 | 47,693 |
| Non-current assets | | |
| Trade and other receivables | 53,268 | 57,970 |
| Plant & equipment | 253 | 370 |
| Investment properties | 2,514,390 | 2,119,980 |
| Deferred tax assets | 570 | 519 |
| Total non-current assets | 2,568,481 | 2,178,839 |
| Total assets | 2,650,462 | 2,226,532 |
| Current liabilities | | |
| Trade and other payables | 106,378 | 36,613 |
| Provision for distribution payable | 58,072 | 54,351 |
| Current tax payable | 850 | 752 |
| Total current liabilities | 165,300 | 91,716 |
| Non-current liabilities | | |
| Interest bearing liabilities | 995,308 | 816,225 |
| Derivative financial instruments | 10,016 | 31,823 |
| Total non-current liabilities | 1,005,324 | 848,048 |
| Total liabilities | 1,170,624 | 939,764 |
| Net assets | 1,479,838 | 1,286,768 |
| Securityholders' funds | | |
| Contributed equity | 1,376,011 | 1,336,668 |
| Reserves | 4,423 | 3,287 |
| Accumulated profits / (losses) | 99,404 | (53,187) |
| Total securityholders' funds | 1,479,838 | 1,286,768 |

(B) As at 30 June 2015 and 30 June 2014

The summarised historical balance sheets of Growthpoint which are set out below have been extracted from the audited financial statements of Growthpoint for the year ended 30 June 2015 (being the last audited financial statements prior to the date of this Bidder's Statement) and 30 June 2014.

A full copy of Growthpoint's 2015 audited financial statements were released to the ASX on 17 August 2015 and are available on the Growthpoint's website at www.growthpoint.com.au

| | 30 June 2015 | 30 June 2014 |
|--------------------------------------|-------------------------|-------------------------|
| | \$'000 | \$'000 |
| Current assets | | |
| Cash and cash equivalents | 26,858 | 21,321 |
| Trade and other receivables | 35,638 | 13,093 |
| Assets held for sale | - | 17,741 |
| Total current assets | 62,496 | 52,155 |
| Non-current assets | | |
| Trade and other receivables | 61,239 | 56,458 |
| Plant & equipment | 312 | 434 |
| Investment properties | 2,282,601 | 2,019,435 |
| Deferred tax assets | 499 | 297 |
| Total non-current assets | 2,344,651 | 2,076,624 |
| Total assets | 2,407,147 | 2,128,779 |
| Current liabilities | | |
| Trade and other payables | 28,291 | 23,751 |
| Distribution to securityholders | 56,334 | 46,850 |
| Current tax payable | 560 | 348 |
| Derivative financial instruments | - | 192 |
| Total current liabilities | 85,185 | 71,141 |
| Non-current liabilities | | |
| Interest bearing liabilities | 890,445 | 871,214 |
| Derivative financial instruments | 20,000 | 21,350 |
| Total non-current liabilities | 910,445 | 892,564 |
| Total liabilities | 995,630 | 963,705 |
| Net assets | 1,411,517 | 1,165,074 |
| Securityholders' funds | | |
| Contributed equity | 1,376,011 | 1,303,009 |
| Reserves | 3,847 | 2,725 |
| Accumulated profits / (losses) | 31,659 | (140,660) |
| Total securityholders' funds | 1,411,517 | 1,165,074 |

(2) Consolidated statements of profit or loss and other comprehensive income

(A) For the six month period to 31 December 2015 and 31 December 2014

The summarised profit or loss statements of Growthpoint are set out below have been extracted from the reviewed financial statements of Growthpoint for the six months ended 31 December 2015 (being the last financial statements prior to the date of this Bidder's Statement) and 31 December 2014.

A full copy of Growthpoint's reviewed financial statements in respect of the six months ended 31 December 2015, was released to the ASX on 22 February 2016, and is available at Growthpoint's website at www.growthpoint.com.au

| | 6 Months to | 6 Months to |
|--|-----------------|-----------------|
| | 31 December | 31 December |
| | 2015 | 2014 |
| | \$'000 | \$'000 |
| Revenue | | |
| Property revenue | 100,422 | 98,077 |
| Straight line adjustment to property revenue | 2,140 | 3,614 |
| | | |
| Net changes in fair value of investment properties | 63,207 | 91,573 |
| Profit on sale of investment properties | - | 250 |
| Net change in fair value of derivatives | 9,984 | (10,282) |
| Loss on settlement of derivative | (10,471) | - |
| Net investment income | 165,282 | 183,232 |
| | | |
| Expenses | | |
| Property expenses | (13,029) | (12,723) |
| Other expenses from ordinary activities | (5,004) | (4,455) |
| Total expenses | (18,033) | (17,178) |
| | | |
| Profit from operating activities | 147,249 | 166,054 |
| | | |
| Interest income | 315 | 425 |
| Borrowing costs | (21,527) | (24,473) |
| Net finance costs | (21,212) | (24,048) |
| | | |
| Profit before income tax | 126,037 | 142,006 |
| | | |
| Income tax expense | (219) | (182) |
| | | |
| Profit for the period | 125,818 | 141,824 |
| | | |
| Profit attributable to: | | |
| Owners of the Trust | 125,917 | 141,908 |
| Owners of the Company | (99) | (84) |
| | 125,818 | 141,824 |
| | | |
| Distribution to securityholders | (58,072) | (54,351) |
| | | |
| Change in net assets attributable to securityholders / Total Comprehensive Income | 67,746 | 87,473 |
| | | |
| Basic and diluted earnings per stapled security (cents) | 22.1 | 25.6 |

(B) For the year to 30 June 2015 and 30 June 2014

The summarised historical income statements of Growthpoint which are set out below have been extracted from the audited financial statements of Growthpoint for the year ended 30 June 2015 (being the last audited financial statements prior to the date of this Bidder's Statement) and 30 June 2014.

A full copy of Growthpoint's 2015 audited financial statements were released to the ASX on 17 August 2015 and are available on the Growthpoint's website at www.growthpoint.com.au

| | 30 June 2015 | 30 June 2014 |
|--|-------------------------|-------------------------|
| | \$'000 | \$'000 |
| Revenue | | |
| Property revenue | 197,240 | 172,283 |
| Straight line adjustment to property revenue | 5,316 | 5,373 |
| | | |
| Net changes in fair value of investment properties | 169,832 | 23,780 |
| Profit on sale of investment properties | 363 | - |
| Net change in fair value of derivatives | 1,542 | 12,800 |
| Loss on settlement of derivative | (12,822) | (15,750) |
| Net investment income | 361,471 | 198,486 |
| | | |
| Expenses | | |
| Property expenses | (25,441) | (23,643) |
| Other expenses from ordinary activities | (9,123) | (8,890) |
| Total expenses | (34,564) | (32,533) |
| | | |
| Profit from operating activities | 326,907 | 165,953 |
| | | |
| Interest income | 761 | 734 |
| Borrowing costs | (44,292) | (49,042) |
| Net finance costs | (43,531) | (48,308) |
| | | |
| Profit before income tax | 283,376 | 117,645 |
| | | |
| Income tax expense | (372) | (297) |
| | | |
| Profit for the period | 283,004 | 117,348 |
| | | |
| Profit attributable to: | | |
| Owners of the Trust | 283,174 | 117,454 |
| Owners of the Company | (170) | (106) |
| | 283,004 | 117,348 |
| | | |
| Distribution to securityholders | (110,685) | (86,790) |
| | | |
| Change in net assets attributable to securityholders / Total Comprehensive Income | 172,319 | 30,558 |
| | | |
| Basic and diluted earnings per stapled security (cents) | 50.4 | 25.7 |

(3) Consolidated cash flow statements

(A) For the six month period to 31 December 2015 and 31 December 2014

The summarised historical cash flow statements of Growthpoint which are set out below have been extracted from the reviewed financial statements of Growthpoint for the six months ended 31 December 2015 (being the last financial statements prior to the date of this Bidder's Statement) and 31 December 2014.

A full copy of Growthpoint's reviewed financial statements in respect of the six months ended 31 December 2015, was released to the ASX on 22 February 2016, and is available at Growthpoint's website at www.growthpoint.com.au

| | 6 Months to 31 December 2015 | 6 Months to 31 December 2014 |
|--|---|---|
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Cash receipts from customers | 102,396 | 98,545 |
| Cash payments to suppliers | (17,439) | (17,443) |
| Cash generated from operating activities | 84,957 | 81,102 |
| Interest paid | (21,559) | (24,486) |
| Taxes paid | - | - |
| Net cash inflow from operating activities | 63,398 | 56,616 |
| | | |
| Cash flows from investing activities | | |
| Interest received | 315 | 425 |
| Receipts from sale of investment properties | - | 19,000 |
| Payments for investment properties | (88,526) | (938) |
| Payments for plant & equipment | (7) | (5) |
| Net cash (outflow) / inflow from investing activities | (88,218) | 18,482 |
| | | |
| Cash flows from financing activities | | |
| Proceeds from external borrowings | 373,032 | 120,525 |
| Repayment of external borrowings | (268,138) | (175,502) |
| Proceeds from equity raising | - | 34,366 |
| Equity raising costs | - | (706) |
| Payment for settlement of derivatives | (10,471) | - |
| Distributions paid to securityholders | (56,334) | (46,851) |
| Net cash inflow / (outflow) from financing activities | 38,089 | (68,168) |
| | | |
| Net increase in cash and cash equivalents | 13,269 | 6,930 |
| Cash and cash equivalents at the beginning of the period | 26,858 | 21,321 |
| Cash and cash equivalents at the end of the period | 40,127 | 28,251 |

(B) For the year to 30 June 2015 and 30 June 2014

The summarised historical cash flow statements of Growthpoint which are set out below have been extracted from the audited financial statements of Growthpoint for the year ended 30 June 2015 (being the last audited financial statements prior to the date of this Bidder's Statement) and 30 June 2014.

A full copy of Growthpoint's 2015 audited financial statements were released to the ASX on 17 August 2015 and are available on the Growthpoint's website at www.growthpoint.com.au

| | 30 June 2015 | 30 June 2014 |
|--|-------------------------|-------------------------|
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Cash receipts from customers | 204,407 | 174,263 |
| Cash payments to suppliers | (66,405) | (37,697) |
| Cash generated from operating activities | 138,002 | 136,566 |
| Interest paid | (45,263) | (47,870) |
| Taxes paid | (352) | (52) |
| Net cash inflow from operating activities | 92,387 | 88,644 |
| | | |
| Cash flows from investing activities | | |
| Interest received | 761 | 718 |
| Net proceeds from sale of investment properties | 26,700 | - |
| Payments for investment properties | (93,477) | (378,842) |
| Payments for plant & equipment | (15) | (58) |
| Payments as loans to other entities | - | (17,688) |
| Net cash outflow from investing activities | (66,031) | (395,870) |
| | | |
| Cash flows from financing activities | | |
| Proceeds from external borrowings | 378,044 | 286,808 |
| Repayment of external borrowings | (357,842) | (203,610) |
| Proceeds from equity raising | 73,746 | 331,530 |
| Equity raising costs | (744) | (2,433) |
| Payment for settlement of derivatives | (12,822) | (15,750) |
| Distributions paid to Securityholders | (101,201) | (77,403) |
| Net cash (outflow)/inflow from financing activities | (20,819) | 319,142 |
| | | |
| Net inflow in cash and cash equivalents | 5,537 | 11,916 |
| Cash and cash equivalents at the beginning of the period | 21,321 | 9,405 |
| Cash and cash equivalents at the end of the period | 26,858 | 21,321 |

3.6 Publicly available information about Growthpoint

Growthpoint is a listed “disclosing entity” for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Among other things, Growthpoint is subject to the Listing Rules which require continuous disclosure of any information Growthpoint Properties Australia Limited has concerning Growthpoint that a reasonable person would expect to have a material effect on the price or value of its securities (subject to some exceptions).

The ASX maintains files containing publicly disclosed information about all listed entities. Growthpoint’s file is available for inspection on the ASX website (www.asx.com.au).

In addition, Growthpoint is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Growthpoint may be obtained from, or inspected at, an ASIC office.

On request to Growthpoint Properties Australia Limited and free of charge, GMF Unitholders may obtain a copy of:

- the annual financial report of Growthpoint for the year ended 30 June 2015 (being the last audited annual financial report most recently lodged with ASIC⁶¹ before lodgement of this Bidder’s Statement with ASIC);
- the half-year financial report of Growthpoint lodged with ASIC in respect of the 6 month period ended 31 December 2015 (being the last half-year report before lodgement of this Bidder’s Statement with ASIC); and
- any continuous disclosure notice given to the ASX by Growthpoint since the lodgement with ASIC of the 2015 annual financial report for Growthpoint referred to above and before lodgement of this Bidder’s Statement with ASIC.

A list of announcements made by Growthpoint to the ASX since 17 August 2015 (being the date on which Growthpoint lodged its 2015 annual financial report with ASIC) is contained in Attachment 2.

A substantial amount of information about Growthpoint is available on its website (www.growthpoint.com.au).

3.7 Announcement in relation to the Offer

On the Announcement Date, Growthpoint Properties Australia Limited made an announcement to the ASX in relation to the Offer. A copy of that announcement (excluding the annexures) is contained in Attachment 1 of this Bidder’s Statement.

⁶¹ As permitted by *ASIC Corporations (Electronic Lodgment of Financial Reports) Instrument 2016/181* (and previously *CO 98/104*), Growthpoint lodges all its financial statements with ASX (as agent for ASIC) rather than directly with ASIC.

4 Information on Growthpoint Securities

4.1 Issued Growthpoint Securities

As at the date of this Bidder's Statement, the issued securities in Growthpoint consisted of:

- 583,125,744 fully paid ordinary shares in GPAL; and
- 583,125,744 fully paid ordinary units in Growthpoint Trust.

Each fully paid ordinary share in GPAL is stapled to one fully paid ordinary unit in Growthpoint Trust. The securities trade together on the ASX under the code 'GOZ'.

4.2 Recent trading of Growthpoint Securities

The latest recorded sale price of a Growthpoint Security on the ASX on the last trading day before 5 April 2016 (being the date on which Growthpoint Properties Australia Limited announced to the ASX that it had made a non-binding indicative proposal to GPTPL) (the **Relevant Date**) was \$3.11.

The latest recorded sale price of a Growthpoint Security on the ASX on the last trading day before the date on which this Bidder's Statement was lodged with ASIC was \$3.15.

The highest recorded sale price of a Growthpoint Security on the ASX in the 4 months before the date on which this Bidder's Statement was lodged with ASIC was \$3.49.

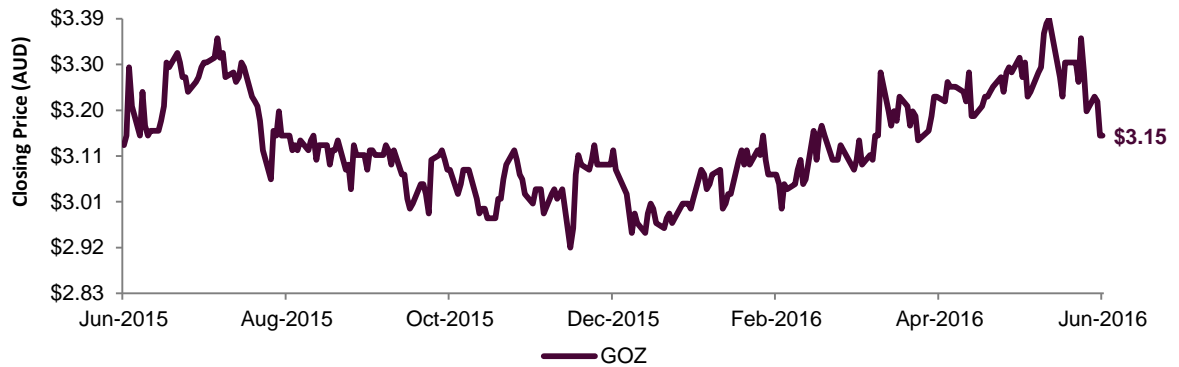
The lowest recorded sale price of a Growthpoint Security on the ASX in the 4 months before the date on which this Bidder's Statement was lodged with ASIC was \$3.00.

The recent volume weighted average price (**VWAP**) of Growthpoint Securities on the ASX has been as follows:

- \$3.26 for the one month period ending on the last trading day before the Relevant Date;
- \$3.23 for the three month period ending on the last trading day before the Relevant Date;
- \$3.15 for the six month period ending on the last trading day before the Relevant Date; and
- \$3.14 for the 12 month period ending on the last trading day before the Relevant Date.

The following chart shows the last recorded sale price of Growthpoint Securities on the ASX over the 12 months up to, and including, the Last Practical Date.

Growthpoint Securities trading



Source: IRESS, which is not required to consent, and has not consented, to the use of use of any such references in this Bidder's Statement.

4.3 Distributions

(a) Distribution history

The following table sets out the distributions paid (or proposed to be paid) per Growthpoint Security in respect of financial periods since 1 July 2014.

| Financial year ended 30 June | Interim distribution per Growthpoint Security | Final distribution per Growthpoint Security | Aggregate distribution per Growthpoint Security |
|------------------------------|---|---|---|
| 2017 ² | \$0.105 (current guidance) | \$0.108 (current guidance) | \$0.213 (current guidance) |
| 2016 | \$0.102 | \$0.103 ¹ | \$0.205 |
| 2015 | \$0.098 | \$0.099 | \$0.197 |

Notes:

¹ As announced on 17 June 2016. The record date for this final distribution is 30 June 2016.

² This is in a stand alone scenario.

(b) Distribution policy

Growthpoint makes distributions consisting of a distribution from the Growthpoint Trust and a dividend from GPAL on a half yearly basis. This is subject to and following consideration by the Growthpoint Properties Australia Limited Directors of financial results and Growthpoint's operating outlook. As Growthpoint Properties Australia Limited has minimal earnings after tax, it is anticipated that, going forward, the distributions will be primarily from Growthpoint Trust.

Growthpoint has adopted a distribution policy where, to the fullest extent possible, all available net cash receipts are distributed to Growthpoint Securityholders (net cash receipts comprises primarily the net income received from rent on the portfolio, less any cash expenses, cash fees, and interest paid and allowances for certain provisions and accruals).

Distributions are paid by a cheque posted to the Growthpoint Securityholder's address as it appears on the register or by direct credit to the account nominated by the Growthpoint Securityholder for this purpose. Growthpoint Securityholders are also sent distribution statements, detailing their distributions, and annual tax statements, which include any tax-deferred or tax-free component of their distributions.

4.4 Rights and liabilities attaching to Growthpoint Securities

(a) Introduction

Each Growthpoint Security comprises one GPAL Share and one Growthpoint Unit, which are stapled and quoted and traded on the ASX as a stapled security.

You can transfer either a GPAL Share or a Growthpoint Unit if the transfer is accompanied by a transfer of an equal number of GPAL Shares or Growthpoint Units (as the case may be). Further, any issue of new GPAL Shares by GPAL or issue of Growthpoint Units by Growthpoint Trust must be matched by an issue of an equal number of Growthpoint Units or GPAL Shares (as the case may be).

The Growthpoint Securities to be issued pursuant to the Offer will be fully paid and will rank equally for distribution and other rights in all respects with existing Growthpoint Securities then on issue.

The following is a summary of the principal rights attaching to Growthpoint Securities. It does not purport to be exhaustive or to constitute a definitive statement of the rights and liability of holders of Growthpoint Securities. Growthpoint Securityholders should seek their own advice when trying to establish their rights in specific circumstances.

(b) GPAL Shares

The rights and liabilities attaching to the GPAL Shares which will be issued as part of the consideration under the Offer are set out in the GPAL Constitution and in the Corporations Act. A full copy of the GPAL Constitution is available at www.growthpoint.com.au.

The main rights and liabilities attaching to the GPAL Shares are summarised below.

(1) Voting

At a general meeting, every member present in person or by proxy, attorney or representative has one vote on a show of hands (unless a member has appointed two or more proxies) and one vote on a poll for each fully paid GPAL Share held (with adjusted voting rights for partly paid shares). Where there are two or more joint holders of a GPAL Share and more than one joint holder tenders a vote, the vote of the holder named first in the register who tenders the vote will be accepted to the exclusion of the votes of the other joint holders. Voting at any meeting of members is by a show of hands unless a poll is demanded. A poll may be demanded by at least five members entitled to vote on the resolution, members with at least 5% per cent of the votes that may be cast on the resolution on the poll or the chairperson. If votes are equal on a proposed resolution, the chairperson has a casting vote on a show of hands or on a poll.

(2) Dividends

The profits of GPAL, which the GPAL Directors may from time to time determine to distribute by way of dividend, are divisible among the members in proportion to the number of GPAL Shares held by them (with adjusted rights for partly paid shares).

(3) Issue of further GPAL Shares

The GPAL Directors may (subject to the restrictions on the issue of shares imposed by the GPAL Constitution, the Corporations Act and the Listing Rules)

issue, grant options in respect of, or otherwise dispose of further GPAL Shares on terms and conditions (including preferential, deferred or special rights, privileges or conditions, or restrictions) as they see fit.

(4) **Variation of class rights**

The rights attached to a class of shares may (unless their terms of issue state otherwise) be varied with the consent in writing of the holders of at least three quarters of the issued shares in the class or the sanction of a special resolution passed at a separate meeting of the holders of shares in the class. The rights conferred on the holders of shares in a particular class are not varied by the issue of further shares in the same class.

(5) **Transfer of GPAL Shares**

GPAL Shareholders may transfer GPAL Shares by a written transfer instrument in any usual form or other form approved by the GPAL Directors or by a proper transfer. However, the GPAL Directors can refuse to register a transfer in certain limited circumstances. All transfers must comply with the GPAL Constitution and the Corporations Act.

(6) **General meeting and notices**

Each member is entitled to receive notice of, attend and vote at general meetings of GPAL and to receive all notices, accounts and other documents required to be sent to members under the GPAL Constitution or the Corporations Act.

(7) **Winding-up**

Subject to the GPAL Constitution and the rights or restrictions attaching to any share, class or classes of shares, members will be entitled on a winding-up to a share in any surplus assets of GPAL and all or any part of GPAL's property in proportion to the shares held by them.

(8) **Capitalising profits**

Subject to the Listing Rules, the GPAL Constitution, any rights or restrictions attached to any shares or class of shares and any special resolution of GPAL, the GPAL Directors may capitalise and distribute profits or other amounts available for distribution among those members who would be entitled to receive dividends and in the same proportions.

(9) **Alteration of share capital**

Subject to the Corporations Act and GPAL Constitution, GPAL may alter its share capital.

(10) **Preference shares**

GPAL may issue preference shares including preference shares which are liable to be redeemed or convertible to ordinary shares. The rights attaching to preference shares are those set out in GPAL Constitution unless other rights have been approved by special resolution of GPAL.

(11) **Officers' indemnity**

GPAL, to the extent permitted by law, indemnifies each officer of GPAL on a full indemnity basis against any losses, liability, costs, charges and expenses incurred by that person as an officer of GPAL or a related body corporate of GPAL.

GPAL, to the extent permitted by law, may insure a director, company secretary, or any other officer of GPAL or its subsidiaries against a liability incurred by such person in the person's relevant capacity, in the course of acting in connection with the affairs of GPAL or a subsidiary or arising out of the

person holding office, unless the liability arises out of conduct involving wilful breach of duty in relation to GPAL or a contravention of the Act.

GPAL may also insure such person for costs and expenses incurred by that person in defending or resisting proceedings whatever the outcome.

(12) **Amendment**

The GPAL Constitution may be amended only by a special resolution passed by at least three quarters of the votes cast by members present and entitled to vote on the resolution. At least 28 days written notice specifying the intention to propose the resolution must be given.

(13) **Proportional Takeover Provisions**

Proportional takeover provisions were adopted by holders of Growthpoint Securities at the 2012 Annual General Meeting and renewed at the 2015 Annual General Meeting. The provisions prohibit the registration of transfers GPAL Shares acquired under a proportional takeover bid unless a resolution is passed by securityholders approving the bid. The provisions cease to have effect on the third anniversary of their adoption or last renewal unless renewed.

(c) **Growthpoint Units**

Growthpoint Trust is governed by the Growthpoint Trust Constitution and has been registered as a managed investment scheme. As such, the rights and liabilities attaching to the Growthpoint Units which will be issued as part of the consideration of the Offer are set out in the Growthpoint Trust Constitution and in the Corporations Act. A full copy of the Growthpoint Trust Constitution is available at www.growthpoint.com.au.

The main rights and liabilities attaching to the Growthpoint Units are summarised below.

(1) **Growthpoint Unitholders' rights and obligations**

The beneficial interest in the Growthpoint Trust is divided into Growthpoint Units. Subject to the terms of issue, every Growthpoint Unit confers an equal and undivided interest in the Growthpoint Trust's assets as a whole, subject to the liabilities of the Growthpoint Trust, but it does not confer an interest in any particular asset.

(2) **Growthpoint Units**

Growthpoint Properties Australia Limited can issue Growthpoint Units in accordance with the Growthpoint Trust Constitution. Growthpoint Properties Australia Limited may in its absolute discretion accept or refuse, in whole or in part, any application for Growthpoint Units. Growthpoint Properties Australia Limited may also, at any time, issue Growthpoint Units in two or more classes and may convert any class of Growthpoint Units to another class.

Growthpoint Properties Australia Limited may also offer Growthpoint Units as partly paid Growthpoint Units. While Growthpoint Units are partly paid the Growthpoint Unitholder has an obligation to pay the unpaid amount. Growthpoint Properties Australia Limited also has the power to issue options in respect of the Growthpoint Units.

As required by the Corporations Act, the Growthpoint Trust Constitution contains provisions for calculating the issue price of Growthpoint Units.

(3) **Transfers**

Growthpoint Units may be transferred in a form approved by Growthpoint Properties Australia Limited. While the Growthpoint Trust is listed, all such transfers must be effected in accordance with the Listing Rules. Restricted securities (as defined in the Listing Rules), however, may not be transferred during any applicable escrow period referred to in the Listing Rules, except as permitted by the Listing Rules or the ASX.

(4) **No redemption**

A Growthpoint Unitholder cannot redeem Growthpoint Units while the Growthpoint Trust is listed.

(5) **Income**

Growthpoint Properties Australia Limited will determine the distributable income of the Growthpoint Trust for each financial year. If Growthpoint Properties Australia Limited does not make a determination prior to the end of a financial year then the distributable income for that financial year is the net income for the financial year determined in accordance with income tax legislation. On and from the last day of each financial year, or such other date designated by Growthpoint Properties Australia Limited, Growthpoint Unitholders are entitled to a share in the Growthpoint Trust's income based on the number of Growthpoint Units held. The Growthpoint Trust Constitution provides that, if Growthpoint Properties Australia Limited approves, Growthpoint Unitholders may choose to reinvest some or all of the distribution acquiring more Growthpoint Units in the Growthpoint Trust. Growthpoint Properties Australia Limited may also determine at any time that capital or income is to be distributed to Growthpoint Unitholders by way of cash or additional Growthpoint Units. Growthpoint Properties Australia Limited may deduct from any amounts payable to a Growthpoint Unitholder any tax that is payable by Growthpoint Properties Australia Limited in respect of the Growthpoint Unitholder.

(6) **Meetings**

Growthpoint Properties Australia Limited may call a meeting of the Growthpoint Unitholders at any time, and must do so if required by the Corporations Act. The provisions of the Corporations Act apply to determine the requirements and circumstances for a meeting requested by Growthpoint Unitholders.

(7) **Liability of Growthpoint Unitholders**

The Growthpoint Trust Constitution states that the liability of Growthpoint Unitholders is limited to the Growthpoint Units and the assets of the Growthpoint Trust.

This provision seeks to ensure that if the issue price, including any calls on partly paid Growthpoint Units, has been fully paid, no Growthpoint Unitholder will be personally liable to indemnify Growthpoint Properties Australia Limited or any creditor of Growthpoint Properties Australia Limited in the event that the liabilities of the Growthpoint Trust exceed its assets. However, the ultimate liability of unitholders in unit trusts has not been finally determined by the courts.

(8) **Growthpoint Properties Australia Limited's powers and duties**

Growthpoint Properties Australia Limited holds the Growthpoint Trust's assets on trust.

Growthpoint Properties Australia Limited's powers include the power to: acquire and invest in assets or real or personal property; manage, administer, dispose or otherwise deal with the Growthpoint Trust's assets; act as underwriter for the offer of any securities or other interests in the Growthpoint Trust; grant security, borrow or raise money, enter into derivative and currency swap arrangements, and incur all other types of obligations and liabilities including giving a guarantee or indemnity and securing such guarantee or indemnity by charging or mortgaging the whole or part of the Growthpoint Trust's assets.

Growthpoint Properties Australia Limited may authorise any person to act as its agent or delegate to hold title to any asset of the Growthpoint Trust or perform any act or exercise any discretion with its powers.

(9) Interested dealings

Subject to the Corporations Act, Growthpoint Properties Australia Limited or any of its Associates may:

- be interested in any contract or transaction with Growthpoint Properties Australia Limited (as responsible entity of the Growthpoint Trust or in another capacity) or any Growthpoint Unitholder including in relation to the sale or purchase of property by the Growthpoint Trust;
- act in the same or similar capacity in relation to any other managed investment scheme;
- hold Growthpoint Units in the Growthpoint Trust in any capacity;
- hold or deal in or have any other interest in the Growthpoint Trust's assets; and
- act in any capacity as a representative, delegate or agent of a Growthpoint Unitholder.

(10) Valuation of Assets

Growthpoint Properties Australia Limited may at any time cause the valuation of any asset of the Growthpoint Trust, and must do so when required by the Corporations Act. Growthpoint Properties Australia Limited may determine net asset value of the Growthpoint Trust at any time. The value of an asset for the purposes of calculating net asset value will be its historical cost unless Growthpoint Properties Australia Limited determines otherwise.

(11) Responsible Entity's limitation of liability

Subject to the extent that the Corporations Act imposes liability, GPAL is not liable for any loss suffered by Growthpoint Unitholders in respect of the Growthpoint Trust and is not liable to any person who is not a Growthpoint Unitholder to any extent beyond the assets of the Growthpoint Trust. Nothing in the Growthpoint Trust Constitution limits the liability of GPAL for negligence, deceit, breach of duty or breach of trust.

(12) Responsible Entity's indemnities

GPAL has a right of indemnity out of the assets of the Growthpoint Trust in respect of any liability incurred by GPAL in the performance of its duties in respect of the Growthpoint Trust, or any fees payable to and costs recoverable by GPAL under the Growthpoint Trust Constitution unless there has been any negligence, deceit, breach of duty, fraud or breach of trust on the part of GPAL.

(13) Remuneration and recovery of expenses

Growthpoint Properties Australia Limited can charge certain fees as set out in the Growthpoint Trust Constitution. In addition to these fees, and any other right of indemnity under the Growthpoint Trust Constitution or the law, GPAL is indemnified and entitled to be reimbursed out of the assets of the Growthpoint Trust for all expenses properly incurred in connection with the establishment, administration, management or winding up of the Growthpoint Trust or in performing its obligations under the Growthpoint Trust Constitution. GPAL currently charges the Growthpoint Trust for all of its costs in managing this trust plus 2.5%. It should be noted that, as a stapled group with internalised management, Growthpoint Securityholders ultimately benefit from any income earned by GPAL.

(14) Rights on winding up

On a winding up, subject to the Growthpoint Trust Constitution, Growthpoint Properties Australia Limited must convert the assets of Growthpoint Trust to

money, deduct all proper costs and then divide the balance amongst the Growthpoint Unitholders according to the beneficial interest of each Growthpoint Unitholder in the Growthpoint Trust. Growthpoint Properties Australia Limited may make interim distributions of income or capital during the winding up process as it sees fit.

4.5 Growthpoint Security Plans: Long Term Incentive Plan

(a) The Long Term Incentive Plan

Growthpoint operates a Long Term Incentive (LTI) plan as part of its remuneration program for its employees and the Managing Director. The key features of the LTI plan are summarised below.

(b) LTI Maximum and LTI Minimum

In advance of each financial year, the Growthpoint Properties Australia Limited Board and/or the Nomination, Remuneration and HR Committee will establish an LTI pool in respect of the upcoming financial year and determine the maximum incentive which can be achieved by each employee (**LTI Maximum**). Under the terms of his employment contract, the Managing Director's LTI Maximum is 80% of his total fixed remuneration (**TFR**). Other employees currently have LTI Maximums of 20%, 30% or 60% of their respective TFR.

There is no minimum grant under the LTI. Accordingly, if minimum performance measures are not achieved, no grant will be made under the LTI.

(c) LTI Achievement

In early October of each year, the Nomination, Remuneration & HR Committee assesses the achievement of certain performance measures to determine a percentage achieved for the previous financial year (**LTI Achievement**).

(d) LTI Awards

The LTI Maximum multiplied by the LTI Achievement provides the "LTI Award" for each employee for the relevant financial year.

For FY14 LTIs and beyond, the LTI Award is translated into an equivalent value of Growthpoint Securities through dividing the LTI Award by the VWAP of the securities over the 20 trading days prior to 30 September following the financial year to which the LTI relates. This gives a total number of securities to be issued to each employee for each subsequent vesting.

25% of the securities to be issued to each employee based on the LTI Award are issued to each employee in October or November of each of the following four years. Each such vesting is subject to the employee remaining employed by Growthpoint at the relevant date subject to certain contractual exceptions.

As each grant in respect of FY14 and beyond is on the basis of a fixed number of securities rather than a fixed value, employees are exposed to variations in Growthpoint security price for securities which are yet to vest (as well as for any securities they already hold).

For LTIs prior to FY14, 25% of the LTI Award is translated into an equivalent value in Growthpoint Securities by dividing the LTI Award by the VWAP of the securities over the 20 trading days prior to 30 September of each year of vesting. This calculation is undertaken in respect of each issue so the value of each vesting remains constant for each employee but the number of securities changes according to changes in the security price.

The LTI is cumulative, meaning that employees can receive up to four issues of securities in a particular year in respect of four prior financial years. Subject to some exceptions,

securities immediately vest in the case of a takeover of Growthpoint or an employee being made redundant.

(e) **Hedging of issues by employees**

Under the “Securities Trading Policy”, persons eligible to be granted Growthpoint Securities as part of their remuneration are prohibited from entering a transaction if the transaction effectively operates to hedge or limit the economic risk of securities allocated under the incentive plan during the period those securities remain unvested or subject to restrictions under the terms of the plan.

4.6 Substantial holders of Growthpoint Securities

As at the date of this Bidder’s Statement, so far as known to Growthpoint Properties Australia Limited based on publicly available information, there are no substantial holders of Growthpoint Securities, except as set out below:

| Substantial holder | Number of Growthpoint Securities held | Voting power |
|---------------------------|--|---------------------|
| Growthpoint SA | 381,773,404 | 65.47% |

5 Information on GMF

5.1 Important information

The following information about GMF is based on public information and has not been independently verified. Accordingly, Growthpoint Properties Australia Limited does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on GMF in this Bidder's Statement should not be considered comprehensive.

GMF Unitholders should refer to the Target's Statement for further information about GMF.

Information about the Merged Group is set out in section 9 of this Bidder's Statement.

5.2 Overview of GMF

(a) GMF – A-REIT

GMF is an ASX listed real estate investment trust or A-REIT that provides GMF Unitholders with an exposure to a portfolio of six A-grade metropolitan and business park office properties located in Sydney, Melbourne and Brisbane. According to GMF's announcement relating to the result of its asset revaluations, filed with the ASX on 4 April 2016, those six properties were valued at \$439.3 million as at 31 March 2016.

GMF is externally managed, and its manager and responsible entity is GPTPL.

(b) Summary of the GMF property portfolio

GMF's property portfolio is summarised in the following table.

All properties in the portfolio are 100% owned by GMF. The four properties in New South Wales are leasehold, while the two remaining properties (one in each of Victoria and Queensland) are freehold.

| Property | Independent valuation (\$m) - 31 March 2016 (as included in GMF's ASX announcement dated 4 April 2016) |
|--|---|
| 3 Murray Rose Avenue, Sydney Olympic Park, NSW | 91.5 |
| 5 Murray Rose Avenue, Sydney Olympic Park, NSW | 90.5 |
| Quad 2, Sydney Olympic Park, NSW | 28.8 |
| Quad 3, Sydney Olympic Park, NSW | 29.0 |

| Property | Independent valuation (\$m) - 31 March 2016 (as included in GMF's ASX announcement dated 4 April 2016) |
|-----------------|---|
|-----------------|---|

| | |
|--|------|
| Vantage, 109 Burwood Road, Hawthorn, Vic | 72.5 |
|--|------|

| | |
|---|-------|
| Optus Centre, 15 Green Square Close, Fortitude Valley, Qld | 127.0 |
|---|-------|

| | |
|--------------|--------------|
| Total | 439.3 |
|--------------|--------------|

5.3 Directors of the responsible entity

As at the date of this Bidder's Statement, there are five directors of GPTPL. They are:

| Director | Position |
|-----------------|------------------------------------|
| John Atkin | Independent Chairman |
| Justine Hickey | Independent non-executive director |
| Paul Say | Independent non-executive director |
| Nicholas Harris | Executive director |
| James Coyne | Executive director |

5.4 GMF's issued securities

According to documents provided by GPTPL to the ASX, as at the Last Practical Date, GMF's issued securities consisted solely of 128,533,501 GMF Units.

5.5 Summary financial information on GMF

The historical financial information extracted below relates to GMF on a stand alone basis and accordingly does not reflect any impact of the Offer. It is an extracted summary only and the full financial accounts for GMF for the financial periods described below, which include the notes to the accounts, can be found in GMF's reports for those periods.

| | 6 months to 31 December 2015 | For the period from 26 May 2014 to 30 June 2015 |
|---|---------------------------------|---|
| Statutory profit \$'000 | 18,327 | 41,528 |
| Distributable Income Per Security (cents) | 7.97 | 11.28 |
| Distribution per security | 7.65 | 10.15 |
| | | |
| | As at 31 Dec 2015 | As at 30 June 15 |
| Gearing | 28.6% | 29.4% |
| NTA per security \$ | 2.15 | 2.09 |

5.6 Publicly available information about GMF

GMF is a listed “disclosing entity” for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Among other things, GMF is subject to the Listing Rules which require continuous disclosure of any information GPTPL has concerning GMF that a reasonable person would expect to have a material effect on the price or value of its securities (subject to some exceptions).

The ASX maintains files containing publicly disclosed information about all listed entities. GMF’s file is available for inspection on the ASX website (www.asx.com.au).

In addition, GMF is required to lodge various documents with ASIC. Copies of documents lodged with ASIC in respect of GMF may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about GMF is available on its website (www.gptmetroofficefund.com.au).

5.7 Interests and dealings in GMF’s securities

(a) Interests in GMF Units

As at the date of this Bidder’s Statement:

- Growthpoint Properties Australia Limited’s voting power in GMF was 12.98%; and
- Growthpoint Properties Australia Limited had a Relevant Interest in 16,686,827 GMF Units.

As at the date of the Offer:

- Growthpoint Properties Australia Limited’s voting power in GMF was [BLANK IN LODGED VERSION]%; and
- Growthpoint Properties Australia Limited had a Relevant Interest in [BLANK IN LODGED VERSION] GMF Units.

(b) Dealings in GMF Units

Neither Growthpoint Properties Australia Limited nor any Associate of Growthpoint Properties Australia Limited has provided, or agreed to provide, consideration for GMF

Units under any purchase agreement during the 4 months before the date of this Bidder's Statement, except as described below:

| Registered Holder | Date of purchase | Type of purchase | Number of GMF Units purchased | Purchase price per GMF Unit | Total purchase price |
|--|------------------|---------------------|-------------------------------|-----------------------------|----------------------|
| Growthpoint Properties Australia Limited | 1 July 2016 | Off-market purchase | 16,686,827 | \$2.45 | \$40,882,726.15 |

All of the above GMF Units were acquired from GPT RE under the terms of a Unit Sale Deed entered into between Growthpoint Properties Australia Limited and GPT RE dated 1 July 2016. A copy of this Unit Sale Deed is attached to Growthpoint Properties Australia Limited's Form 603 which is available on the ASX website (www.asx.com.au).

[Neither Growthpoint Properties Australia Limited nor any Associate of Growthpoint Properties Australia Limited has provided, or agreed to provide, consideration for GMF Units under any purchase agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer, except as described below (if anything):

| Registered Holder | Date of purchase | Type of purchase | Number of GMF Units purchased | Purchase price per GMF Unit | Total purchase price |
|---------------------------|---------------------------|---------------------------|-------------------------------|-----------------------------|---------------------------|
| [BLANK IN LODGED VERSION] | [BLANK IN LODGED VERSION] | [BLANK IN LODGED VERSION] | [BLANK IN LODGED VERSION] | [BLANK IN LODGED VERSION] | [BLANK IN LODGED VERSION] |

(c) **Valuation of GMF Units for the purposes of the minimum bid price rule**

Growthpoint Properties Australia Limited may rely on the provisions of *ASIC Corporations (Minimum Bid Price) Instrument 2015/1068 (ASIC Instrument)* as a result of the acquisition of GMF Units referred to in section 5.7(b). The ASIC Instrument provides relief from the requirement in section 621(3) of the Corporations Act and allows a bidder up to five business days before the date of the offer to value quoted securities that it is offering as part of its bid consideration, for the purpose of determining whether the value of its bid consideration at least equals the maximum value of consideration paid by the bidder for bid class securities in the four months prior to the date of the offer.

Relying on that relief, Growthpoint Properties Australia Limited may value Growthpoint Securities to be provided under the Offer at any date nominated by Growthpoint Properties Australia Limited (**Valuation Date**) up to five business days before the date of the Offer. The valuation is determined by calculating the VWAP of Growthpoint Securities in the ordinary course of trading on ASX during two full trading days before the Valuation Date.

Under section 621(4A) of the Corporations Act (as inserted in the Corporations Act by the ASIC Instrument) the following information is provided:

- valuation of Growthpoint Securities under section 621(4A): \$[BLANK IN LODGED VERSION] per Growthpoint Security;
- valuation Date: [BLANK IN LODGED VERSION] 2016; and
- trading days on which valuation is based: [BLANK IN LODGED VERSION] 2016 and [BLANK IN LODGED VERSION] 2016.

The value of the consideration under the Offer per Growthpoint Security for the purposes of section 621(3) of the Corporations Act using this valuation is therefore \$[BLANK IN

LODGED VERSION] (being (i) 0.3968 multiplied by \$[BLANK IN LODGED VERSION] plus (ii) the cash component of the Offer Consideration of 1.25).

[This value exceeds the maximum value of consideration paid by Growthpoint Properties Australia Limited for Growthpoint Securities in the four months prior to the date of the Offer, described in section 5.7(b).]

The price of Growthpoint Securities can fall as well as rise and may be subject to varied and unpredictable influences. Accordingly there is no guarantee that a Growthpoint Security will continue to have a value equal to or above \$[BLANK IN LODGED VERSION]. The highest and lowest closing prices of Growthpoint Securities on the ASX in the four months before the Valuation Date were \$[BLANK IN LODGED VERSION] and \$[BLANK IN LODGED VERSION] respectively.

6 Cash Alternative Facility

6.1 Cash Alternative Facility

Instead of receiving 0.3968 Growthpoint Securities and \$1.25 cash for each of their GMF Units (ie the Mixed Consideration), GMF Unitholders can elect to receive an all cash alternative for each of their GMF Units (**Cash Alternative**) by participating in the cash alternative facility (**Cash Alternative Facility**), which facility is being made available by Growthpoint Properties Australia Limited and Growthpoint SA.

Under the Cash Alternative Facility, Growthpoint SA is offering to acquire all the Growthpoint Securities that would otherwise be issued to GMF Unitholders under the Offer at a price of \$3.15 per Growthpoint Security.⁶² This cash amount is being funded by Growthpoint SA, rather than Growthpoint Properties Australia Limited.

This means that any GMF Unitholder who participates in the Cash Alternative Facility will receive approximately \$2.50 cash for each of their GMF Units.⁶³

GMF Unitholders may only participate in the Cash Alternative Facility in respect of all (and not in respect of some only) of the Growthpoint Securities that would otherwise have been issued to them under the Offer.

Cash Alternative Facility – worked example *(for illustrative purposes only)*

If you hold 1,000 GMF Units and you elect to participate in the Cash Alternative Facility, you will be entitled to receive a total cash amount of \$2,497.40 for your GMF Units. This is calculated as set out below.

Under the Offer, you are entitled to receive the following Mixed Consideration:

(a) 1,000 GMF Units x \$1.25 = \$1,250.00 cash; plus

(b) 1,000 GMF Units x 0.3968 Growthpoint Securities = 396 Growthpoint Securities.⁶⁴

By electing to participate in the Cash Alternative Facility, the Growthpoint Securities that you would have otherwise received under the Offer will be acquired for a cash payment from Growthpoint SA for \$3.15 per Growthpoint Security.⁶⁵ This means that the total cash amount you will be entitled to receive for these Growthpoint Securities is:

396 Growthpoint Securities x \$3.15 cash = \$1,247.40 cash.⁶⁶

Accordingly, the total amount you will be entitled to receive by electing to participate in the Cash Alternative Facility is \$2,497.40 cash (being \$1,250.00 + \$1,247.40), which equates to approximately \$2.50 cash for each of your GMF Units.

⁶² This price equates to the closing price of Growthpoint Securities on 30 June 2016 (being the last trading day before the date on which the Offer was announced).

⁶³ This price equates to the cash consideration received under the Offer of \$1.25 per GMF Unit plus the value of 0.3968 GOZ Securities acquired by Growthpoint SA at a price of \$3.15 ($\$1.25 + (0.3968 \times \$3.15) = \2.50).

⁶⁴ As noted in section 13.1(b), if you are entitled to a fraction of a Growthpoint Security under the Offer, that fraction will be rounded down to the next whole number of Growthpoint Securities. This rounding down will occur before your cash entitlement under the Cash Alternative Facility is calculated.

⁶⁵ This price equates to the closing price of Growthpoint Securities on 30 June 2016 (being the last trading day before the date on which the Offer was announced).

⁶⁶ All fractional entitlements to a cent arising under the Cash Alternative Election will be rounded down to the nearest cent.

Further details on the operation of the Cash Alternative Facility are set out below.

Participation in the Cash Alternative Facility is entirely voluntary. GMF Unitholders (other than Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders) who accept the Offer, and who do not wish to participate in the Cash Alternative Facility, will receive the Mixed Consideration. GMF Unitholders who receive the Mixed Consideration should note that they may be able to sell the Growthpoint Securities that they receive under the Offer, on the ASX, at a price higher or lower than \$3.15 per Growthpoint Security (being the price at which Growthpoint SA is offering to acquire the Growthpoint Securities under the Cash Alternative Facility). Up-to-date information on the market price of a Growthpoint Security can be obtained from the ASX website (www.asx.com.au).

GMF Unitholders who participate in the Cash Alternative Facility will not pay any fees or expenses to Growthpoint SA, Growthpoint Properties Australia Limited or the Cash Alternative Custodian for participating in the Cash Alternative Facility.

6.2 Operation of the Cash Alternative Facility

- (a) If you wish to elect to receive the Cash Alternative, you must:
- (1) for GMF Units held in your name on GMF's issuer sponsored sub-register (in which case your Security-holder Reference Number will commence with 'I'), mark the relevant box on the Acceptance Form indicating that you would like to participate in the Cash Alternative Facility; and
 - (2) for GMF Units held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), either:
 - (A) if you accept the Offer by returning an Acceptance Form, mark the relevant box on the Acceptance Form indicating that you would like to participate in the Cash Alternative Facility; or
 - (B) instruct your Controlling Participant (usually your stockbroker) in sufficient time for them to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules, then before the end of the Offer Period,
- (such election being a **Cash Alternative Election**).
- (b) If you make a valid Cash Alternative Election, you will be paid the cash amount due to you:
- (1) at or about the same time as Growthpoint Properties Australia Limited would be required to pay you in accordance with section 13.6 of this Bidder's Statement and, in any event, by no later than the deadline under section 620 of the Corporations Act by which Growthpoint Properties Australia Limited must pay GMF Unitholders who accept the Offer; and
 - (2) by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail to either (at the discretion of Growthpoint SA in consultation with Growthpoint Properties Australia Limited):
 - (A) the address as shown on your Acceptance Form; or
 - (B) the address as shown on the latest version of GMF's register of unitholders as requested and obtained by Growthpoint Properties Australia Limited.
- (c) Despite anything to the contrary in section 13, if you make a valid Cash Alternative Election, you will be deemed to have directed Growthpoint Properties Australia Limited to issue, to the Cash Alternative Custodian, the number of Growthpoint Securities that would otherwise have been issued to you under the terms of the Offer.

- (d) Once made, your Cash Alternative Election is irrevocable (unless Growthpoint SA and Growthpoint Properties Australia Limited decide otherwise in their absolute discretion).
- (e) Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders are not eligible to make a Cash Alternative Election.
- (f) GMF Unitholders will not be able to participate in the Cash Alternative Facility in respect of any GMF Units that are compulsorily acquired under Part 6A.1 of the Corporations Act.
- (g) Growthpoint Properties Australia Limited will determine, in its sole discretion, all questions as to whether a valid Cash Alternative Election has been made. The determination of Growthpoint Properties Australia Limited will be final and binding on all parties.
- (h) All fractional entitlements to a cent arising under the Cash Alternative Election will be rounded down to the nearest cent.
- (i) Growthpoint SA has irrevocably undertaken to Growthpoint Properties Australia Limited that, upon request by Growthpoint Properties Australia Limited, it will pay, in immediately available funds, to Growthpoint Properties Australia Limited (or as directed by Growthpoint Properties Australia Limited) any cash amounts due to GMF Unitholders who make valid Cash Alternative Elections.

6.3 Ability of existing Growthpoint Securityholders to acquire additional Growthpoint Securities

Growthpoint Properties Australia Limited and Growthpoint SA have appointed a custodian (One Managed Investment Funds Limited ABN 47 117 400 987) (the **Cash Alternative Custodian**) to hold the new Growthpoint Securities that would otherwise be issued to the GMF Unitholders who accept the Offer and who make a valid Cash Alternative Elections (such securities, the **Cashout Securities**).

Growthpoint SA and all other Growthpoint Securityholders as at 30 June 2016 (**Relevant Record Date**) (being the last trading day before the Offer was announced) whose address as shown in the register of securityholders of Growthpoint as being in Australia or New Zealand (**Eligible Growthpoint Securityholders**), will have the opportunity to acquire Cashout Securities under a facility that will be operated by Growthpoint Properties Australia Limited and Growthpoint SA after the end of the Offer Period (**Minority Facility**). Growthpoint Securityholders (other than Growthpoint SA) whose address as shown in the register of securityholders of Growthpoint is in a jurisdiction other than Australia or New Zealand will not be eligible to participate in the Minority Facility, unless Growthpoint Properties Australia Limited otherwise determines (in its absolute discretion).

A summary of how the Minority Facility will operate appears below. Full details will be provided to the ASX and Growthpoint Securityholders in due course.

The acquisition price payable by Eligible Growthpoint Securityholders per Growthpoint Security under the Minority Facility (the **Minority Facility Price**), will be based on the \$3.15 that GMF Unitholders were paid by Growthpoint SA for their Cashout Securities under the Cash Alternative Facility – that price will be adjusted to take into account the economic effect of any distributions paid by Growthpoint Properties Australia Limited on the Cashout Securities. If Growthpoint Properties Australia Limited pays any distributions in respect of the Cashout Securities before the Cashout Securities are transferred to, and registered in the name of, the Minority Securityholders (as defined below) who elect to participate in the Minority Facility, Growthpoint SA is entitled to the benefit of those distributions.

Eligible Growthpoint Securityholders, other than Growthpoint SA, (**Minority Securityholders**) will be entitled to acquire in aggregate up to 34.53% of the Cashout Securities (this reflects the Minority Securityholders' aggregate interest in Growthpoint on the Relevant Record Date).

Growthpoint SA will be entitled to the remaining 65.47% of the Cashout Securities (this reflects Growthpoint SA's aggregate interest in Growthpoint on the Relevant Record Date), plus any Growthpoint Securities that Minority Securityholders do not take up under the Minority Facility.

After the close of the Offer Period, each Minority Securityholder will be sent an application form, together with a document explaining the operation of the Minority Facility inviting them to participate in the Minority Facility. That document will set out, among other things, the Minority Facility Price. Minority Securityholders will have 14 days to indicate whether they want to participate in the Minority Facility and, if so, must provide funds equal to the number of Cashout Securities that the Minority Securityholder wishes to acquire (which could be any number of Cashout Securities up to 34.53% in aggregate of the Cashout Securities) multiplied by the Minority Facility Price.

Following the last date by which Minority Securityholders must indicate whether they want to participate in the Minority Facility, the Cash Alternative Custodian will:

- sell the number of Cashout Securities that Minority Securityholders elected to acquire under the Minority Facility to those Minority Securityholders. Minority Securityholders' entitlement to Cashout Securities will only be subject to a scale back (with such scale back based on the Minority Securityholders' proportionate securityholdings as at the Relevant Record Date – whether or not those proportional securityholdings have changed since the Relevant Record Date) if the Minority Securityholders wanted to acquire more than 34.53% in aggregate of the Cashout Securities;
- in the event of any scale back, return any surplus funds to Minority Securityholders (as required); and
- transfer the funds paid by the Minority Securityholders for the Cashout Securities that they have acquired under the Minority Facility to Growthpoint SA.

Finally, it is noted that a holder of Growthpoint Securities may be able to sell or dispose of Growthpoint Securities on the ASX at a price higher or lower than the price they would receive if they were to sell or dispose of their Growthpoint Securities through the Cash Alternative Facility or Minority Facility.

7 Sources of consideration

7.1 Total consideration

The consideration for the acquisition of the GMF Units to which the Offer relates will be satisfied partly by the issue of Growthpoint Securities and partly by the payment of cash.

If acceptances are received for all GMF Units on issue as at the date of this Bidder's Statement (other than those GMF Units in which Growthpoint Properties Australia Limited has a relevant interest):

- the maximum amount of cash that Growthpoint Properties Australia Limited would be required to pay under the Offer would be \$139,808,342.50; and
- a maximum of 44,380,760 Growthpoint Securities would have to be issued under the Offer.

7.2 Sources of cash consideration for the GMF Units

The cash component of the consideration payable under the Offer will be sourced from headroom available in existing debt facilities of Growthpoint and the proceeds of the sale of the industrial portfolio that is proposed to be sold (see section 9.3(e)(7)).

Growthpoint has debt sourced from all four major Australian banks in five tranches, together with cash advance and loan note facilities with four separate lenders. As at the date of this Bidder's Statement, Growthpoint had approximately \$126.7 million in undrawn funds available.

The facilities that Growthpoint proposes to utilise to satisfy the cash payable under the Offer will be available for the entire Offer Period and for so long as Growthpoint Properties Australia Limited has obligations in terms of the compulsory acquisition of any remaining GMF Units. The conditions precedent to draw down under these facilities are customary for facilities of this nature and include the satisfaction of hedging, loan to value, security coverage and interest cover covenants (post acquisition) and the provision to Growthpoint Properties Australia Limited's current financiers of any other document, authorisation, opinion or assurance they may require (acting reasonably) in relation to the Offer. Growthpoint Properties Australia Limited has no reason to believe that these conditions precedent will not be satisfied.

The aggregate of the amount undrawn under these facilities and the expected net proceeds of the sale of the industrial portfolio exceeds the maximum cash amount payable under the Offer, together with transaction costs.

In the event of unexpected delays in the sale or settlement of the industrial portfolio that is proposed to be sold (see section 9.3(e)(7)), Growthpoint Properties Australia Limited may require access to new debt facilities to fund the payment of the cash component of the consideration. Growthpoint has a Credit Approved Terms Sheet from one of its existing Australian bank lenders for a new \$150 million facility. The terms of this facility (except for pricing and maturity) would be governed by the existing Common Terms Deed that applies to Growthpoint's existing debt facilities described above. The all-in cost of this new facility would be 1.05% above BBSY with a maturity of 31 September 2017.

Once entered into, subject to the fulfilment of the customary conditions precedent to the making available or drawdown (which conditions are essentially the same as for the facilities referred to above) of the funds under this new facility, the facility would be available for the entire Offer Period and for so long as Growthpoint Properties Australia

Limited has obligations in terms of the compulsory acquisition of any remaining GMF Units.

The aggregate amount undrawn under Growthpoint's existing debt facilities and the amount available under the new facility, if entered into, will exceed the maximum cash amount payable under the Offer, together with transaction costs.

7.3 Issue of Growthpoint Securities

Growthpoint Properties Australia Limited and GPAL have the capacity to issue or procure the issue of the maximum number of Growthpoint Securities which Growthpoint Properties Australia Limited may be required to issue under the Offer. GPAL has confirmed to Growthpoint Properties Australia Limited that it will issue or procure the issue of all the fully paid ordinary shares in GPAL that Growthpoint Properties Australia Limited may be required to issue under the Offer.

7.4 Sources of cash consideration for the Cash Alternative Facility

Growthpoint SA has irrevocably undertaken to Growthpoint Properties Australia Limited that, upon request by Growthpoint Properties Australia Limited, it will pay, in immediately available funds, to Growthpoint Properties Australia Limited (or as directed by Growthpoint Properties Australia Limited) any cash amounts due to GMF Unitholders who make valid Cash Alternative Elections.

A GMF Unitholder who makes a valid Cash Alternative Election will receive approximately \$2.50 cash for each of their GMF Units (see section 6.1 for further details). If a valid Cash Alternative Election is received for all GMF Units on issue as at the date of this Bidder's Statement (other than those GMF Units in which Growthpoint Properties Australia Limited has a relevant interest) the maximum amount of cash that Growthpoint SA would be required to pay under the Cash Alternative Facility would be \$139,799,394.

Growthpoint SA has confirmed the following matters to Growthpoint Properties Australia Limited.

Growthpoint SA has unutilised facilities well in excess of its maximum obligation under the Cash Alternative Facility. Growthpoint SA has earmarked A\$160 million (its maximum obligation) of its unutilised facilities for the purpose of meeting its obligation under the Cash Alternative Facility and has undertaken to Growthpoint Properties Australia Limited not to utilise the earmarked portion for any other purpose until it has met its obligations in full. Growthpoint SA has obtained the necessary approval from SARB to make the required payments.

The unutilised facilities that Growthpoint SA proposes to use to satisfy the cash payable by it under the Cash Alternative Facility:

- are not subject to any unfulfilled pre-conditions to the making available or drawdown of the funds; and
- will be available for the entire Offer Period and for so long as Growthpoint SA has obligations under the Cash Alternative Facility.

8 Growthpoint Properties Australia Limited's intentions in relation to GMF

8.1 Introduction

The intentions of Growthpoint Properties Australia Limited are set out in this section 8 and elsewhere in this Bidder's Statement. Those intentions have been formed on the basis of facts and information concerning GMF, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by Growthpoint Properties Australia Limited in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and accordingly may vary as new information becomes available or circumstances change.

The articulation and formulation of Growthpoint Properties Australia Limited's intentions are necessarily limited due to the fact that it has only had access to publicly available information, and, through Growthpoint Properties Australia Limited's limited due diligence process, certain non-public information, about GMF and its affairs.

The intentions of Growthpoint Properties Australia Limited, as set out in this section 8 and elsewhere in this Bidder's Statement, are the same as the intentions of GPAL.

8.2 Intentions for GMF as a wholly owned controlled entity

(a) Context

This section 8.2 describes Growthpoint Properties Australia Limited's intentions if Growthpoint Properties Australia Limited acquires a Relevant Interest in 90% or more of the GMF Units, and so becomes entitled to proceed to compulsory acquisition of outstanding GMF Units in accordance with Part 6A.1 of the Corporations Act. In that circumstance, Growthpoint Properties Australia Limited's intentions are as follows.

(b) Compulsory acquisition and delisting

Growthpoint Properties Australia Limited intends to:

- proceed with compulsory acquisition of the outstanding GMF Units in accordance with Part 6A.1 of the Corporations Act;
- following completion of the compulsory acquisition of the outstanding GMF Units, cause GMF to apply for termination of official quotation of the GMF Units on the ASX and arrange for GMF to be removed from the official list of the ASX; and
- following the removal of GMF from the official list of the ASX, Growthpoint Properties Australia Limited intends to retain GMF as a separate, wholly owned sub-trust of the Growthpoint Trust and therefore within the portfolio of assets of Growthpoint.

(c) Replacement of Responsible Entity

Following completion of the compulsory acquisition of the outstanding GMF Units, all of the GMF Units will be held by or on behalf of Growthpoint Properties Australia Limited. At this point, GMF will cease to be a "managed investment scheme" (as defined in the Corporations Act); however, it will still be a "registered scheme" (as defined in the Corporations Act).

Following completion of the compulsory acquisition of the outstanding GMF Units, Growthpoint Properties Australia Limited intends to:

- cause an application to be made to ASIC to seek to cause GMF to be deregistered so that it would cease being a “registered scheme”; and
- require GPTPL to retire and be replaced as responsible entity of GMF (or as trustee of GMF, if GMF has ceased to be a “registered scheme”) by Growthpoint Properties Australia Limited or a nominee of Growthpoint Properties Australia Limited.

Growthpoint Properties Australia Limited reserves the right to cause GPTPL to retire as responsible entity of GMF at any time after Growthpoint Properties Australia Limited has a Relevant Interest in at least 50.1% of the GMF Units provided the Offer has become or has been declared unconditional.

(d) **General operational review**

After the end of the Offer Period, Growthpoint Properties Australia Limited intends to conduct a broad based review of GMF’s portfolio and management on both a strategic and financial level to:

- evaluate GMF’s performance, profitability and prospects;
- actively manage the assets of GMF with a view to maximising returns to holders of Growthpoint Securities; and
- ensure that the management of GMF’s portfolio is consistent with Growthpoint Properties Australia Limited’s general management policy and strategy to grow the Merged Group’s business and enhance the returns to holders of Growthpoint Securities.

In the course of this review, Growthpoint Properties Australia Limited intends to focus on a number of key specific areas including (but not limited to):

- the performance, profitability and prospects of each of the properties of GMF; and
- opportunities for operating synergies in the short, medium and long term.

In the ordinary course of its management, Growthpoint Properties Australia Limited will continually review the assets of the Merged Group and the way in which they are developed and managed to evaluate performance, profitability and prospects. This may lead to further acquisitions, disposals or developments in due course. However, as at the date of this Bidder’s Statement, Growthpoint Properties Australia Limited has no specific intentions in relation to the assets of the Merged Group other than the disposal of assets referred to in section 9.3(e)(7) whose effect on the broad based review has been factored into the forecast set out in section 9 of this Bidder’s Statement.

(e) **Refinancing of GMF’s indebtedness**

GMF disclosed in the ‘data pack’ accompanying its interim financial report for the six months to 31 December 2015 (as released to the ASX on 10 February 2016) that it has an unsecured revolving debt facility from National Australia Bank Limited of up to \$145 million, which, if fully drawn, would have \$70 million maturing on 31 October 2018 and \$75 million maturing on 31 October 2020 (**NAB Facility**).

Growthpoint has received credit approved terms sheets to replace the NAB Facility with a new \$150 million facility with two of its existing Australian bank lenders if required. Growthpoint Properties Australia Limited intends that the NAB Facility will be replaced with a new facility once a 50.1% ownership of GMF Units is secured. The new facility is expected to be on terms that are substantially similar to Growthpoint’s current terms as governed by the existing Common Terms Deed. The new facility will be secured against the GMF properties with an expected all-in cost of approximately 1.65% and a maturity of

four years from implementation. Once Growthpoint reaches 100% ownership of GMF Units then the GMF properties will accede to the Growthpoint properties security pool and the new facility will fall directly under the existing Growthpoint Common Terms Deed, with no change to the pricing or maturity of the debt.

(f) **Possible limitations in giving effect to intentions**

The ability of Growthpoint Properties Australia Limited to implement the intentions set out in this section 8.2, will be subject to neither Growthpoint Properties Australia Limited nor GMF being or becoming subject to any legal and/or contractual requirements which may restrict or prohibit the intentions as set out in this Bidder's Statement.

8.3 Intentions for the GMF as a part owned controlled entity

(a) **Context**

This section 8.3 describes Growthpoint Properties Australia Limited's intentions if Growthpoint Properties Australia Limited acquires control of GMF but Growthpoint Properties Australia Limited does not become entitled to compulsorily acquire any outstanding GMF Units under Part 6A.1 of the Corporations Act. In that circumstance, Growthpoint Properties Australia Limited's intentions are as follows.

(b) **Governance**

Growthpoint Properties Australia Limited intends:

- to replace GPTPL as responsible entity with Growthpoint Properties Australia Limited⁶⁷. Growthpoint Properties Australia Limited intends that the fee arrangements for acting as responsible entity of GMF would be similar to the fees currently charged by GPTPL unless and until GMF becomes wholly owned by Growthpoint Properties Australia Limited;
- subject to continued compliance by GMF with the Listing Rules, to maintain GMF's listing on the ASX; and
- GMF would be a separate controlled sub-trust within the portfolio of assets of Growthpoint.

It is possible that, even if Growthpoint Properties Australia Limited is not entitled to proceed to compulsory acquisition of any outstanding GMF Units under Part 6A.1 of the Corporations Act, Growthpoint Properties Australia Limited may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act; for example, as a result of acquisitions of GMF Units in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act (which, in summary, allows a person to increase their voting power by 3% every six months). If so, Growthpoint Properties Australia Limited intends to exercise those rights of compulsory acquisition. In this scenario, following completion of the compulsory acquisition of the outstanding GMF Units, Growthpoint Properties Australia Limited intends to cause GMF to apply for termination of official quotation of the GMF Units on the ASX and to arrange for GMF to be removed from the official list of the ASX.

(c) **General operational review**

After the end of the Offer Period, Growthpoint Properties Australia Limited intends to encourage the responsible entity of GMF to conduct a broad based review of GMF's portfolio and management along similar lines to that described in section 8.2(d).

Growthpoint Properties Australia Limited would seek to participate in that review.

⁶⁷ This will require Growthpoint Properties Australia Limited to apply for, and ASIC to grant, an amendment to the terms of Growthpoint Properties Australia Limited's current Australian Financial Services Licence. The Growthpoint Properties Australia Limited Directors have no reason to doubt that ASIC would agree to such an amendment.

(d) **Refinancing of GMF's indebtedness**

GMF disclosed in the 'data pack' accompanying its interim financial report for the six months to 31 December 2015 (as released to the ASX on 10 February 2016) that it has an unsecured revolving debt facility from National Australia Bank Limited of up to \$145 million, which, if fully drawn, would have \$70 million maturing on 31 October 2018 and \$75 million maturing on 31 October 2020 (**NAB Facility**).

Growthpoint Properties Australia Limited intends that the NAB Facility will be replaced with a new facility once a 50.1% ownership of GMF Units is secured (see section 8.2(e)).

(e) **Limitations in giving effect to intentions**

The ability of Growthpoint Properties Australia Limited to implement the intentions set out in this section 8.3, will be subject to the legal obligations of the responsible entity of GMF to have regard to the interests of GMF and all GMF Unitholders (not just the interests of Growthpoint Properties Australia Limited), and the requirements of the Corporations Act and the Listing Rules relating, among other things, to transactions between related parties.

Growthpoint Properties Australia Limited will only make a decision on the above mentioned courses of action in this section 8.3 following legal and financial advice in relation to those requirements, including in relation to any requirements for approvals from holders of GMF Units.

In addition, it is possible that Growthpoint Properties Australia Limited or GMF may be or become subject to other legal and/or contractual requirements which may restrict or prohibit the intentions as set out in this Bidder's Statement.

8.4 Intentions for GMF if it is not controlled by Growthpoint Properties Australia Limited

Growthpoint Properties Australia Limited has no current intention of freeing the Offer from the 50.1% minimum acceptance condition (see section 13.8(c)), but it reserves its right to declare the Offer free from that (and any other) condition to the Offer.

If Growthpoint Properties Australia Limited frees the Offer from the 50.1% minimum acceptance condition and acquires less than 50.1% of the GMF Units, the interest in GMF will become an investment of Growthpoint Trust only which will be reviewed by Growthpoint Properties Australia Limited in accordance with its investment policy.

8.5 Other intentions

Subject to the matters described above in this section 8 and elsewhere in this Bidder's Statement and, in particular, the completion of the broad based review of GMF's portfolio and management, it is the intention of Growthpoint Properties Australia Limited, on the basis of the facts and information concerning GMF that are known to it and the existing circumstances affecting the assets and operations of GMF at the date of this Bidder's Statement:

- to continue the operation of GMF; and
- not to make any major changes to the operation of GMF and not to redeploy any of GMF's property.

9 Effect of the Offer on Growthpoint

9.1 Growthpoint Properties Australia Limited's rationale for the Offer

The acquisition of all the GMF Units by Growthpoint Properties Australia Limited will create a "merged group" with a diversified property investment portfolio and a pro forma market capitalisation of approximately \$2.0 billion.⁶⁸

Growthpoint Securityholders (which will include former GMF Unitholders who accept the Offer and retain the Growthpoint Securities issued to them) will benefit from (among other things):

- expected increased distributions (see section 9.5);
- a larger property portfolio with greater sector, tenant and geographic diversification;
- improved liquidity via the increased scale and relevance with key stakeholders of the Merged Group: Growthpoint is included in the S&P/ASX 200 Index, whereas GMF has been recently removed from the S&P/ASX 300 Index due to insufficient liquidity; and
- the Merged Group's ability to leverage further future growth, retain a market leading sector investment exposure and allow for active portfolio management.

See section 1 for further information on the benefits of the Offer.

9.2 Overview of the historical and forecast financial information

The financial information included in this section 9 includes the following:

- the forecast income statement of Growthpoint (on a stand alone basis) for the year ending 30 June 2016, see section 9.3(b);
- the forecast income statement of GMF (on a stand alone basis) for the year ending 30 June 2016, see section 9.3(c);
- the pro forma forecast income statement of the Merged Group for the year ending 30 June 2017, see section 9.3(d). Section 9.3(d) also sets out the forecast income statement for the year ending 30 June 2017 for each of Growthpoint and GMF (on a stand alone basis);
- the pro forma historical statement of financial position of the Merged Group as at 31 December 2015, see section 9.4;
- the forecast distribution guidance for the Merged Group, see section 9.5; and
- a sensitivity analysis of the impact of certain variables on key metrics on the Merged Group, see section 9.6.

The financial information in section 9.3(d), section 9.4 and section 9.5 is prepared on the assumption that the Offer was implemented on 31 December 2015 and that Growthpoint Properties Australia Limited acquires 100% of the GMF Units. In addition, the pro forma forecast income statement of the Merged Group for the year ending 30 June 2017 in

⁶⁸ This market capitalisation figure is based on there being 583,125,744 Growthpoint Securities on issue as at the date of this Bidder's Statement and 44,380,760 new Growthpoint Securities being issued as a result of the Offer (assuming that Growthpoint Properties Australia Limited acquires all of the GMF Units under the Offer), and that the price of a Growthpoint Security is \$3.15.

section 9.3(d) and the pro forma historical statement of financial position of the Merged Group as at 31 December 2015 in section 9.4 each contemplate two different ownership scenarios:

- Growthpoint Properties Australia Limited acquires 100% of the GMF Units (**Full Ownership Scenario**); and
- Growthpoint Properties Australia Limited acquires 50.1% of the GMF Units (**50.1% Ownership Scenario**).

The pro forma financial information is presented to provide GMF Unitholders with an indication of the profile and performance of the Merged Group. The actual financial information for the Merged Group may differ materially from that outlined in this Bidder's Statement as the information is presented on a pro forma basis and the future is subject to inherent uncertainties (including the various risks set out in section 10). Accordingly, you are cautioned not to place undue reliance on such financial information.

The Growthpoint Properties Australia Limited Directors are responsible for the preparation and presentation of the financial information (including the pro forma financial information).

The forecast financial information relating to Growthpoint and the Merged Group has been prepared based on Growthpoint's accounting policies and in compliance with the AAS effective at the time of preparation of this Bidder's Statement with the exception of the following items that will be reflected in the periodic financial reports of Growthpoint:

- any unrealised profit or loss arising from the revaluation of investment properties (net of the effect of straight lining of rental income);
- any unrealised profit or loss arising from the revaluation of financial instruments used to hedge interest rate risk; and
- any realised profit or loss on the settlement of financial instruments used to hedge interest rate risk.

The above items are not included in the forecast financial information as they are dependent on a number of external market conditions such as interest rates and property capitalisation rates that are not able to be reliably estimated by Growthpoint Properties Australia Limited.

Growthpoint Properties Australia Limited has prepared the forecast income statements relating to GMF based on GMF's disclosed accounting policies and in compliance with the AAS effective at the time of preparation of this Bidder's Statement with the exception of the following items that are expected to be reflected in the periodic financial reports of GMF:

- any unrealised profit or loss arising from the revaluation of investment properties (net of the effect of straight lining of rental income); and
- any unrealised profit or loss arising from the revaluation of financial instruments used to hedge interest rate risk.

The above items are not included in the forecast financial information as they are dependent on a number of external market conditions such as interest rates and property capitalisation rates that are not able to be reliably estimated by Growthpoint Properties Australia Limited.

It is noted that some of the numbers, and totals, appearing in this section 9 have been affected by rounding.

9.3 Forecast income statements

(a) Basis of preparation

The forecast financial information in this section 9.3 has been derived from:

- the Growthpoint stand alone forecast income statement prepared on a business-as-usual basis, assuming the Offer does not proceed;
- the GMF stand alone forecast income statement prepared on a business-as-usual basis, assuming the Offer does not proceed; and
- the pro-forma adjustments as set out in section 9.3(g).

The forecast financial information and other forward looking statements (including the information in this section 9.3 and in section 9.5) involve known and unknown risks, uncertainties and other important factors which may materially impact on actual outcomes, many of which are outside the control of Growthpoint Properties Australia Limited (and, where appropriate, GPTPL). These factors may cause the actual results, performance or achievements of Growthpoint, GMF and the Merged Group to materially differ from the results, performance or achievements expressed or implied by those forecasts or forward looking statements. Such risks, uncertainties and other important factors include, among other things, those matters set out in section 10. Accordingly, you are cautioned not to place undue reliance on such financial information.

The forecast financial information and other forward looking statements (including the information in this section 9.3 and in section 9.5) do not constitute an express or implied representation that future financial performance or distributions (or any other matter) will be achieved in the amounts or by the dates indicated and are presented merely as a guide to assist GMF Unitholders in assessing the Offer.

The forecast financial information and other forward looking statements are based on information available to Growthpoint Properties Australia Limited at the date of this Bidder's Statement and should be read in conjunction with the best estimate assumptions and pro forma adjustments underlying their preparation as set out in sections 9.3(e), 9.3(f) and 9.3(g).

The financial information has been presented in a summarised format. It does not contain all the disclosures that are usually provided in an annual report (or half yearly report) prepared in accordance with the Corporations Act.

(b) Forecast income statement of Growthpoint for the year ending 30 June 2016

The following forecast income statement has been prepared on a business-as-usual basis, assuming the Offer does not proceed and excludes any transaction costs associated with the Offer. Refer to section 9.3(e) for best estimate assumptions underlying the Growthpoint forecasts for the year ending 30 June 2016.

| | GOZ |
|---|----------------|
| A\$m | Jun-16F |
| NPI | 180.1 |
| Other income | - |
| RE base fees | - |
| Other expenses | (9.7) |
| Interest expense | (44.5) |
| Tax | (0.4) |
| Distributable income | 125.5 |
| Weighted average units outstanding | 576.2 |
| Distributable income per security (DIPS) (cents) | 21.77 |
| Payout ratio | 94.1 % |
| DPS (cents) | 20.50 |

(c) **Forecast income statement of GMF for the year ending 30 June 2016**

The following forecast income statement has been prepared on a business-as-usual basis, assuming the Offer does not proceed and excludes any transaction costs associated with the Offer. Refer to section 9.3(f) for best estimate assumptions underlying the GMF forecasts for the year ending 30 June 2016.

| | GMF |
|---|----------------|
| A\$m | Jun-16F |
| NPI | 28.4 |
| Other income | 1.2 |
| RE base fees | (2.6) |
| Other expenses | (1.0) |
| Interest expense | (5.2) |
| Tax | - |
| Distributable income | 20.9 |
| Weighted average units outstanding | 128.5 |
| Distributable income per security (DIPS) (cents) | 16.24 |
| Payout ratio | 94.5 % |
| DPS (cents) | 15.35 |

(d) **Forecast income statements of Growthpoint and GMF, and pro forma forecast income statement for the Merged Group, each for the year ending 30 June 2017**

The income statements in this section 9.3(d) have:

- in respect of the stand alone forecasts for each Growthpoint and GMF, been prepared on a business-as-usual basis, assuming the Offer does not proceed and excludes any transaction costs associated with the Offer; and
- in respect of the pro forma Merged Group forecast, been prepared on the assumption that the Offer is implemented on 1 July 2016 (noting that the accounting treatment of the transaction costs associated with the Offer does not impact on the pro forma Merged Group forecast for the year ending 30 June 2017 as such costs are capitalised).

Reference should also be made to:

- section 9.3(e) and section 9.3(f) for further key assumptions underlying the stand alone forecasts for each of Growthpoint and GMF; and

- section 9.3(g) for further key assumptions underlying the pro forma Merged Group forecast.

A pro forma financial forecast income statement of the Merged Group for the year ending 30 June 2016 has not been included in this Bidder's Statement as the Offer Period will not open until after the balance date for that year. Accordingly, the Growthpoint Properties Australia Limited Directors have presented a pro forma financial forecast income statement of the Merged Group for the year ending 30 June 2017.

(1) Full Ownership Scenario

| A\$m | GOZ | GMF | Adj. | Pro forma |
|---|--------------|--------------|-------|--------------|
| | Jun-17F | Jun-17F | | |
| NPI | 190.6 | 28.2 | - | 218.8 |
| Other income | - | 1.8 | - | 1.8 |
| RE base fees | - | (2.7) | 2.7 | - |
| Other expenses | (10.6) | (0.9) | (0.8) | (12.3) |
| Interest expense | (46.7) | (5.3) | (6.1) | (58.2) |
| Tax | (0.4) | - | - | (0.4) |
| Minority interest | - | - | - | - |
| Distributable income | 132.9 | 21.1 | | 149.7 |
| Weighted average units outstanding | 596.2 | 128.5 | 44.4 | 640.6 |
| Distributable income per security (DIPS) (cents) | 22.28 | 16.39 | | 23.37 |
| Payout ratio | 95.6 % | | | 95.6 % |
| DPS (cents) | 21.30 | 15.60 | | 22.34 |

(2) 50.1% Ownership Scenario

| A\$m | GOZ | GMF | Adj. | Pro forma |
|---|--------------|--------------|-------|--------------|
| | Jun-17F | Jun-17F | | |
| NPI | 190.6 | 28.2 | - | 218.8 |
| Other income | - | 1.8 | - | 1.8 |
| RE base fees | - | (2.7) | 2.7 | - |
| Other expenses | (10.6) | (0.9) | (0.8) | (12.3) |
| Interest expense | (46.7) | (5.3) | (3.4) | (55.5) |
| Tax | (0.4) | - | (0.6) | (1.0) |
| Minority interest | - | - | (9.2) | (9.2) |
| Distributable income | 132.9 | 21.1 | | 142.7 |
| Weighted average units outstanding | 596.2 | 128.5 | 18.9 | 615.1 |
| Distributable income per security (DIPS) (cents) | 22.28 | 16.39 | | 23.19 |
| Payout ratio | 95.6 % | | | 95.6 % |
| DPS (cents) | 21.30 | 15.60 | | 22.17 |

(e) Best estimate assumptions and significant accounting policies underlying the stand alone forecast financial information on Growthpoint

(1) Actual and forecast information

The material and best estimate assumptions made by the Growthpoint Properties Australia Limited Directors in preparing the Growthpoint stand alone forecast income statements for the years ending 30 June 2016 and 30 June 2017 are outlined below.

(2) Net property income (NPI)

Forecast net property income (or NPI) comprises property rental revenue and recoverable outgoings charged to tenants after deducting property expenses, but excluding the effects attributable to straight line adjustment to property revenue. Forecast net property income

is based on current leases and Growthpoint management forecasts and a small number of assumptions for future occupancy rates, tenant turnover and market rentals, none of which are considered to be material to performance in the financial years ending 30 June 2016 and 30 June 2017.

For the forecast period ending 30 June 2017, 3.3% (by income) of Growthpoint leases expire. Appropriate allowances have been made in the forecasts for a possible vacancy period, incentives and leasing commissions in re-letting the properties.

For the year ending 30 June 2017, it is assumed that five properties are sold. Growthpoint ceases to receive net property income from the date of settlement of these properties (refer to section 9.3(e)(7) for further details).

(3) Operating costs (other expenses)

Forecast operating costs include staff costs, professional fees, insurance costs, as well as other miscellaneous expenses. Operating costs are forecast to equal 0.4% of the average gross asset value of Growthpoint for the years ending 30 June 2016 and 30 June 2017.

(4) Interest income, borrowing costs and interest rate derivatives (interest expense)

Growthpoint is expected to derive interest income from cash deposits during the forecast periods.

The stand alone borrowing cost assumptions are based on Growthpoint's existing debt facilities, none of which have maturities during the forecast period. These estimates factor into account existing interest rate derivatives and existing bank debt margins, forecast levels of drawn debt and forecast BBSY rates for that portion of debt that is at a floating rate.

The forecast level of debt for the year ending 30 June 2017 is impacted by the assumption that five properties are sold. Growthpoint ceases to pay borrowing costs on the debt it repays from the date of settlement of these properties (refer to section 9.3(e)(7) for further details).

The stand alone forecasts assume a weighted average amount of debt fixed or hedged for the year ending 30 June 2016 and year ending 30 June 2017 of approximately \$753.8 million and \$810.0 million, respectively. The fixed debt and interest rate derivatives are at fixed rates, with no maturities during the forecast period.

(5) Taxation (tax)

Growthpoint Trust is not liable to pay Australian income tax on the basis that unitholders will be presently entitled to net income of the Growthpoint Trust during the forecast periods. Hence, no allowance for income tax has been made by the Growthpoint Trust.

Growthpoint Properties Australia Limited is required to pay Australian income tax on its net taxable income.

(6) Future capital raisings

These stand alone forecasts assume that Growthpoint has its DRP operative in respect of its 30 June 2016 distribution. It is expected that a further 13.1 million Growthpoint Securities are issued as a result of an assumed 75% of Growthpoint Securityholders reinvesting their distributions through the DRP. Those Growthpoint Securities will rank pari passu with regards to distributions payable for FY2017. No other capital raisings are undertaken by Growthpoint Properties Australia Limited for the remainder of the forecast period ending 30 June 2017.

(7) Investment property, disposals and acquisitions

During the year ending 30 June 2016, Growthpoint made the following acquisitions which are reflected in the stand alone forecasts:

- 1-3 Pope Court, Beverley, South Australia on 17 July 2015 for \$20.8 million;
- 34 Reddalls Road, Kembla Grange, New South Wales on 14 October 2015 for \$20.3 million;
- 255 London Circuit, Canberra, Australian Capital Territory on 22 January 2016 for \$70.0 million;
- 75 Dorcas Street, South Melbourne, Victoria for \$166.0 million on 22 June 2016; and
- Building C, 211 Wellington Road, Mulgrave, Victoria, which is a property under construction. This property is expected to complete construction and settle to Growthpoint in September 2016 for a total cost of \$50.9 million.

During the year ending 30 June 2016, Growthpoint did not dispose of any properties.

It is assumed that, during the year ending 30 June 2017, Growthpoint will dispose of the following properties which are reflected in the stand alone forecasts (and the Merged Group forecasts):

- 670 Macarthur Avenue, Pinkemba, Queensland for net \$9.9 million on 1 July 2016; and
- a portfolio of four assets for net \$145.9 million on 31 August 2016, with the assets being:
 - 28 Bilston Drive, Wodonga, Victoria;
 - 213-215 Robisons Road, Ravenhall, Victoria;
 - 101-103 William Angliss Drive, Laverton North, Victoria; and
 - 365 Fitzgerald Road, Derrimut, Victoria,

but that, otherwise than for these disposals, no further properties will be acquired or disposed of during the year ending 30 June 2017. However, it should be noted that Growthpoint continually explores investment opportunities to expand and diversify its property portfolio via direct property acquisitions, property portfolio purchases and merger and acquisition opportunities where these transactions are expected to add value to holders of Growthpoint Securities. Where Growthpoint Properties Australia Limited believes that an acquisition or disposal of one or more properties is in the best interests of Growthpoint Securityholders, Growthpoint may proceed with such an acquisition or disposal.

(8) **Capital expenditure**

Allowance has been made for capital expenditure of \$10.7 million for the year ending 30 June 2017.

(f) **Best estimate assumptions and significant accounting policies underlying the stand alone forecast financial information on GMF**

(1) **Actual and forecast information**

The material and best estimate assumptions made by the Growthpoint Properties Australia Limited Directors in preparing GMF stand alone forecast income statements for the years ending 30 June 2016 and 30 June 2017 are outlined below. These have been formulated using publicly available information regarding GMF, and are qualified accordingly.

(2) **Net property income (NPI)**

Forecast net property income (or NPI) comprises property rental revenue and recoverable outgoings charged to tenants after deducting property expenses but excluding the effects attributable to straight line adjustment to property revenue. Forecast net property income

is based on current leases and GMF management forecasts and assumptions for future occupancy rates, tenant turnover and market rentals, none of which are considered to be material to performance in the financial years ending 30 June 2016 and 30 June 2017.

For the forecast period ending 30 June 2017, up to 3% (by income) of GMF leases expire. Appropriate allowances have been made in the forecasts for a possible vacancy period, incentives and leasing commissions in re-letting the properties.

(3) Management fees (RE base fees)

Management fees are calculated as 0.6% per year of the gross value of GMF's assets. The value of GMF's assets are assumed to remain unchanged throughout the forecast period and are based on the reported book values as per the ASX release by GMF on 4 April 2016 relating to the revaluation of the investment property portfolio.

(4) Expenses other than management fees (other expenses)

Other expenses relate to compliance, valuation, legal and leasing, as well as other miscellaneous expenses. These are forecast to remain constant during the forecast period. Expenses relating to the transaction will not be included in GMF's distributable income, even if they are included in the statutory expenses of GMF at 30 June 2016 or 30 June 2017.

(5) Interest income, borrowing costs and interest rate derivatives (interest expense)

GMF is expected to derive interest income from cash deposits during the forecast periods.

The stand alone borrowing cost assumptions are based on GMF's existing NAB Facility. These estimates take into account existing interest rate derivatives and existing debt margins.

GMF's stand alone forecasts assume an average amount of debt hedged in for the year ending 30 June 2016 and 30 June 2017 of \$100 million.

(6) Taxation (tax)

GMF is not liable to pay Australian income tax on the basis that GMF Unitholders will be presently entitled to net income of GMF during the periods covered by the forecasts. Hence, no allowance for income tax has been made for GMF.

(7) Future capital raisings

These stand alone forecasts assume that no capital raisings will be undertaken by GMF for the forecast periods ending 30 June 2016 and 30 June 2017.

(g) Best estimate assumptions, pro forma adjustments and significant accounting policies underlying the pro forma forecast financial information for the Merged Group

(1) Introduction

The best estimate assumptions and material pro forma adjustments made by the Growthpoint Properties Australia Limited Directors in preparing the Merged Group's forecast income statement for the year ending 30 June 2017 are summarised below.

(2) Enlarged and extended debt facilities

Growthpoint uses existing debt headroom only in the base case assumptions to acquire the GMF Units (in both the Full Ownership Scenario and the 50.1% Ownership Scenario). If there are unexpected delays in the sale or settlement of Growthpoint's industrial portfolio that is proposed to be sold (see section 9.3(e)(7)), then new debt facilities may be required. In this regard, Growthpoint has a credit approved terms sheet from one of its existing Australian bank lenders for a new \$150 million facility. The terms of this facility

would be governed by the existing Common Terms Deed where all current lenders to Growthpoint have the same key terms, except pricing and maturity. The all-in cost of this facility would be 1.05% above BBSY with a maturity of 31 September 2017. The facility is extendable for a further four years beyond this date at agreed margins and at Growthpoint's option, as long as balance sheet gearing is below 45% and Growthpoint is in compliance with its obligations under the Common Terms Deed.

If Growthpoint reaches 50.1% ownership of GMF, a 'review event' is likely to occur under GMF's existing NAB Facility at that point. If this occurs, this could lead to repricing of the debt or changes to other key terms. If required, Growthpoint expects to be able to replace that existing facility with a new \$150 million facility with two of its existing Australian bank lenders. Growthpoint expects the new facility would be on similar terms as Growthpoint's Common Terms Deed. Growthpoint also expects that, if this new facility is entered into, upon Growthpoint reaching 100% ownership of GMF, it would transfer and become a Growthpoint facility under the Common Terms Deed. Based on credit approved term sheets received from financiers, Growthpoint Property Australia Limited expects that the new facility will have an all-in cost of 1.65% above BBSY, with a maturity date of four years from the date the facility is entered into.

(3) Interest rate derivatives

If Growthpoint reaches 50.1% ownership of GMF then it currently intends to seek to terminate GMF's existing interest rate derivatives with a face value of \$100 million at an assumed cost of \$4.7 million (the book value of the derivatives at 31 December 2015). GMF would then enter new interest rate derivatives with the new lenders to GMF (see section 9.3(f)(5)). The existing weighted average interest rate on the derivatives is 3.30% per annum, and this is assumed to reduce to 2.15% per annum.

(4) Borrowing costs

Borrowing costs reflect the additional debt that the Merged Group would incur in connection with the Offer, as well the effect of GMF's NAB Facility being replaced (see section 8.2(e)) and the acquisition of a 13.0% interest in GMF by Growthpoint on 1 July 2016 for \$40.9 million utilising Growthpoint's existing debt facilities.

Borrowing costs are expected to increase by \$6.1 million as a result of the acquisition of the GMF Units on 1 July 2016 and the following best estimate assumptions and pro forma adjustments impacting interest bearing liabilities:

- debt funding all transaction costs of \$23.6 million (including costs incurred by Growthpoint Properties Australia Limited, GMF, stamp duty and the facilitation payment of \$9 million from Growthpoint Properties Australia Limited to GPTPL);
- debt funding the termination of GMF interest rate derivatives of \$4.7 million (see section 9.3(g)(3); and
- debt funding the cash consideration for the transaction, being \$139.8 million.

(5) Potential cost savings and synergies

Net cost savings and synergies are assumed to be approximately \$1.9 million per annum, reflecting cost savings associated with not paying external management fees to GPTPL (the current external manager and responsible entity of GMF), and other recurrent cost savings due to the economies of scale of the Merged Group. This is net of additional ongoing costs incurred by Growthpoint as a result of the Offer. There is a risk that not all of these potential cost savings and synergies will be realised. Accordingly, you are cautioned not to place undue reliance on this information.

(6) Number of Growthpoint Securities on issue

It has been assumed that the number of Growthpoint Securities on issue will increase from 583,125,744 to 627,506,504 (in the Full Ownership Scenario), as a result of the

issue of 44,380,760 Growthpoint Securities under the Offer (or a corresponding smaller amount in the 50.1% Ownership Scenario).

9.4 Pro forma historical statement of financial position for the Merged Group

(a) Basis of preparation

The pro forma historical statement of financial position for the Merged Group in section 9.4(d) has been compiled from:

- the statement of financial position of Growthpoint as at 31 December 2015 as filed with the ASX on 22 February 2016, with noted adjustments for material events between 1 January 2016 and 30 June 2016 as set out in section 9.4(b);
- the statement of financial position of GMF as at 31 December 2015 as filed with the ASX on 10 February 2016, with noted adjustments for material events that are publically disclosed between 1 January 2016 and 30 June 2016 as set out in section 9.4(c); and
- the best estimate assumptions and pro forma adjustments as set out in section 9.4(e).

The pro forma historical statement of financial position for the Merged Group has been prepared on the basis that the acquisition of GMF is not treated as a business combination under the AAS.

(b) Growthpoint statement of financial position as at 31 December 2015 and material event adjustments

| \$m | Balance date | Adjustments | | | | | | Pro forma |
|--------------------------|----------------|----------------------|---|----------------------|------------------------|--------------------------|------------------------------|----------------|
| | 12/31/2015 | Canberra Acquisition | 31-Dec-15 Distribution Payable (Net of DRP) | Pinkemba Disposition | Dorcas St. Acquisition | Development Fund Through | Sale of industrial portfolio | Pro forma |
| Notes | | 1 | 2 | 3 | 4 | 5 | 6 | |
| Assets | | | | | | | | |
| Cash | 40.1 | | (1.8) | | | | | 38.4 |
| Investment properties | 2,567.4 | | | (9.8) | 166.0 | 43.3 | (147.5) | 2,619.4 |
| Other assets | 42.9 | | | | | | | 42.9 |
| Total assets | 2,650.5 | | | | | | | 2,700.7 |
| Liabilities | | | | | | | | |
| Borrowings | 995.3 | 66.5 | 18.0 | (9.9) | 175.5 | 43.3 | (145.9) | 1,142.8 |
| Other liabilities | 175.3 | (66.5) | (58.1) | | | | | 50.7 |
| Total liabilities | 1,170.6 | | | | | | | 1,193.6 |
| Equity | | | | | | | | |
| Issued capital | 1,376.0 | | 38.3 | | | | | 1,414.3 |
| Reserves | 4.4 | | | | | | | 4.4 |
| Retained earnings | 99.4 | | | 0.1 | (9.5) | | (1.6) | 88.4 |
| Minority interest | - | | | | | | | - |
| Total equity | 1,479.8 | | | | | | | 1,507.1 |
| Securities O/S | 569.3 | | 13.8 | | | | | 583.1 |
| NTA (\$ per security) | 2.60 | | | | | | | 2.58 |
| Gearing (D/TA) | 37.6% | | | | | | | 42.3% |

Notes:

The material event adjustments are:

1. Settlement of the property at 255 London Circuit, Canberra, Australian Capital Territory, as announced to the ASX on 22 January 2016 (see Attachment 2).
2. Payment of distribution for the 6 months to 31 December 2015 and issue of new securities relating to the DRP for the period, as announced to the ASX on 20 January 2016 and 29 February 2016 (see Attachment 2).

3. Sale of property at 670 Macarthur Avenue, Pinkenba, Queensland as announced to the ASX on 20 June 2016 (see Attachment 2).
4. Acquisition of 75 Dorcas Street, South Melbourne, Victoria as announced to the ASX on 20 June 2016 (see Attachment 2).
5. Payments to acquire the property at Building C, 211 Wellington Road, Mulgrave, Victoria on a fund through basis. This figure represents the amount left to pay as at 31 December 2015. This was announced to the ASX on 18 November 2015 (see Attachment 2).
6. Assumed sale of a four property portfolio – refer to section 9.3(e)(7) for details.

(c) **GMF statement of financial position as at 31 December 2015 and material event adjustments**

| \$m | GMF 12/31/2015 | Adj. March revaluation | Pro forma Pro forma |
|--------------------------|-------------------|---------------------------|------------------------|
| Notes | | 1 | |
| Assets | | | |
| Cash | 2.0 | | 2.0 |
| Investment properties | 412.9 | 26.4 | 439.3 |
| Other assets | 2.4 | | 2.4 |
| Total assets | 417.3 | | 443.7 |
| Liabilities | | | |
| Borrowings | 119.4 | | 119.4 |
| Other liabilities | 21.1 | 1.0 | 22.1 |
| Total liabilities | 140.5 | | 141.5 |
| Equity | | | |
| Issued capital | 251.5 | | 251.5 |
| Retained earnings | 25.3 | 25.4 | 50.7 |
| Total equity | 276.8 | | 302.2 |
| Units O/S | 128.5 | | 128.5 |
| NTA (\$ per unit) | 2.15 | | 2.35 |
| Gearing (D/TA) | 28.6% | | 26.9% |

Notes:

The material event adjustments are:

1. Revaluation of investment properties and interest rate derivatives as announced to the ASX on 4 April 2016.

(d) **Pro forma historical statement of financial position for the Merged Group as at 31 December 2015**

(1) **Full Ownership Scenario**

| \$m | GOZ | GMF | Adj. | Proforma |
|---------------------------|----------------|--------------|--------|----------------|
| | Pro forma | Pro forma | | Pro Forma |
| Assets | | | | |
| Cash | 38.4 | 2.0 | | 40.4 |
| Investment properties | 2,619.4 | 439.3 | - | 3,058.7 |
| Other assets | 42.9 | 2.4 | | 45.3 |
| Total assets | 2,700.7 | 443.7 | | 3,144.4 |
| Liabilities | | | | |
| Borrowings | 1,142.8 | 119.4 | 209.0 | 1,471.2 |
| Other liabilities | 50.7 | 22.1 | - | 72.9 |
| Total liabilities | 1,193.6 | 141.5 | | 1,544.1 |
| Equity | | | | |
| Issued capital | 1,414.3 | 251.5 | 139.8 | 1,554.1 |
| Reserves | 4.4 | - | | 4.4 |
| Retained earnings | 88.4 | 50.7 | (46.6) | 41.8 |
| Parent Interests | - | - | | 1,600.3 |
| Non Controlling Interests | - | - | - | - |
| Total equity | 1,507.1 | 302.2 | | 1,600.3 |
| Securities O/S | 583.1 | 128.5 | 44.4 | 627.5 |
| NTA (\$ per security) | 2.58 | 2.35 | | 2.55 |
| Gearing (D/TA) | 42.3% | 26.9% | | 46.8% |

Growthpoint has a target Gearing range of 35% to 45%. The pro forma balance sheet for the Merged Group calculates Gearing at 46.8% if 100% of the GMF Units are acquired. Growthpoint intends to reduce the Gearing of the Merged Group to within the target range through a combination of potential capital management initiatives, such as:

- Dividend Reinvestment Plan (DRP) – Growthpoint maintains a DRP, whereby Growthpoint Securityholders can reinvest their distributions into newly issued Growthpoint Securities, typically at a discount to the market price. The historic average take-up for Growthpoint's seven prior DRP's has been 74%. Assuming this continues and considering the FY 2017 Merged Group annual distribution of approximately \$140.4 million, approximately \$104.2 million could be raised for FY 2017 alone. Growthpoint could also arrange underwriting 100% of the DRP, if appropriate;
- Property disposals – Growthpoint could sell non-core assets and repay debt, thereby reducing Gearing;
- Equity raising – Growthpoint has raised \$1,113.1 million of equity since August 2009 which has funded the growth of its business and the property portfolio. Should circumstances be opportune, Growthpoint could reduce Gearing by

raising equity solely for that purpose or in conjunction with future property acquisitions; and

- Valuations – Growthpoint will obtain external valuations, and undertake internal valuations, for its property portfolio as at 30 June 2016. It is anticipated that there will be a net increase in the value of Growthpoint's property portfolio as a result of these valuations, thereby reducing Gearing.

(2) **50.1% Ownership Scenario**

| \$m | GOZ | GMF | Adj. | Proforma |
|---------------------------|----------------|--------------|--------|----------------|
| | Pro forma | Pro forma | | Pro Forma |
| Assets | | | | |
| Cash | 38.4 | 2.0 | | 40.4 |
| Investment properties | 2,619.4 | 439.3 | - | 3,058.7 |
| Other assets | 42.9 | 2.4 | | 45.3 |
| Total assets | 2,700.7 | 443.7 | | 3,144.4 |
| Liabilities | | | | |
| Borrowings | 1,142.8 | 119.4 | 126.4 | 1,388.6 |
| Other liabilities | 50.7 | 22.1 | - | 72.9 |
| Total liabilities | 1,193.6 | 141.5 | | 1,461.5 |
| Equity | | | | |
| Issued capital | 1,414.3 | 251.5 | 59.6 | 1,474.0 |
| Reserves | 4.4 | - | | 4.4 |
| Retained earnings | 88.4 | 50.7 | (34.6) | 53.7 |
| Parent Interests | - | - | | 1,532.1 |
| Non Controlling Interests | - | - | 150.8 | 150.8 |
| Total equity | 1,507.1 | 302.2 | | 1,682.9 |
| Securities O/S | 583.1 | 128.5 | 18.9 | 602.1 |
| NTA (\$ per security) | 2.58 | 2.35 | | 2.54 |
| Gearing (D/TA) | 42.3% | 26.9% | | 45.5% |

The NTA and gearing figures in the Proforma column above have been calculated excluding the portion of GMF assets and liabilities attributable to non-controlling interests.

(e) **Best estimate assumptions and pro forma adjustments underlying the pro forma historical statement of financial position for the Merged Group**

(1) **Introduction**

The material and best estimate assumptions and pro forma adjustments made by the Growthpoint Properties Australia Limited Directors to the 31 December 2015 historical statements of financial position for the Merged Group are summarised below.

(2) **Investment properties**

The investment properties of Growthpoint and GMF (each on a stand alone basis) have been presented as per their most recent publicly disclosed book values. The values are presented prior to deducting any straight line adjustment from the asset value and include any property that may otherwise be classified as an asset held for sale. These are presentation adjustments only and the total assets figures are as per statutory accounts.

Growthpoint has adopted an independent valuation of the properties of GMF that are being acquired. These valuations were undertaken by Urbis Valuations Pty Ltd and Valuations Services (QLD) Pty Ltd trading under licence as Knight Frank Valuations Queensland and are dated as at 30 June 2016. The total value of the properties being acquired was determined to be \$439.3 million, which is consistent with the last reported GMF book values of these properties as at 31 March 2016, as reported to the ASX on 4 April 2016.

(3) **Interest bearing liabilities**

Key adjustments to interest bearing liabilities include the acquisition of 13.0% of GMF Units by Growthpoint at a price of \$2.45 per GMF Unit. This transaction was funded by \$40.9 million of debt. Further, if the Offer is successful and Growthpoint Properties Australia Limited acquires all the remaining GMF Units that it does not already own, approximately \$168.1 million of existing borrowing capacity will be utilised to pay for the transaction (refer to section 9.3(g)(4) for details).

(4) **Issued capital**

Issued capital reflects an increase due to the issue of 44,380,760 new Growthpoint Securities as consideration for GMF Units acquired.

Retained earnings reflects transaction costs capitalised.

9.5 Forecast distribution guidance for the Merged Group

Distributions to Growthpoint Securityholders, to the extent they are paid, are expected to be payable six monthly in arrears for the periods ending 30 June and 31 December. Growthpoint Securityholders will be entitled to the distributions if they are on the register of Growthpoint Securityholders on the record date in respect of the relevant distributions. Distributions are expected to be paid within two months following the end of each half year period.

| | Actual 1H FY16 (Growthpoint stand alone) | Actual 2H FY16 (Growthpoint stand alone) | Actual FY16 (Growthpoint stand alone) | Expected FY17 (Growthpoint stand alone) | Forecast FY17 (Merged Group) |
|---|---|---|--|--|---|
| Distribution per Growthpoint Security (cents) | 10.2 | 10.3 | 20.5 | 21.3 | 22.3 |

Notes:

- Growthpoint Properties Australia Limited (in its own capacity and in its capacity as responsible entity for Growthpoint Trust) has announced that the distribution per Growthpoint Security for the 6 month period ending 30 June 2016 is 10.3 cents, resulting in a total distribution for the 12 month period ending 30 June 2016 of 20.5 cents. This distribution does not include the impact of any transaction costs associated with the Offer. If the Offer is unsuccessful, the board of Growthpoint Properties Australia Limited (in its own capacity and in its capacity as responsible entity for Growthpoint Trust) will need to take the transaction costs into account in determining the actual amount of the distribution per Growthpoint Security for the 6 month period ending 31 December 2016 (or the applicable later period). If the Offer is successful, the transaction costs will be capitalised.
- The distribution per Growthpoint Security for the Merged Group for the year ending 30 June 2017 is forecast to be 22.3 cents per Growthpoint Security. This assumes a payout ratio of 95.6% of distributable income, in line with the payout ratio of the stand alone forecast for Growthpoint.

- The Forecast FY17 (Merged Group) number is based on the Full Ownership Scenario (see section 9.3(d)).

9.6 Sensitivity analysis

(a) Introduction

A summary of the possible impacts of movements in certain key assumptions on the pro forma Merged Group forecast income statement for the year ending 30 June 2017 and the pro forma Merged Group balance sheet as at 31 December 2015 are set out below. However, it should be noted that the disclosed changes in the key assumptions are not intended to be indicative of the complete range of variations that may occur.

Care should be taken in interpreting these sensitivities as they consider movements on an isolated basis, whereas in reality the effects of movements may be offset or compounded by movements in other variables. Furthermore, in the normal course of business, management would be expected to respond to any adverse changes in these key variables to minimise the net effect on financial performance.

(b) Pro forma forecast income statement for the Merged Group sensitivities

Below is a summary of the impact on the Merged Group's distributable income from movements in key forecast assumptions.

| | Distributable income \$m | Distributable income per security cents |
|---|--------------------------------|---|
| Pro forma metrics presented in 9.3 (d) (1) | 149.7 | 23.37 |
| Net Property Income +/- 5% | 160.7 / 138.8 | 25.08 / 21.67 |
| Change in interest rates +/- 25 basis points | 149.1 / 150.4 | 23.27 / 23.47 |
| Delay in sale of four property portfolio by 3 months (i.e. to 30 November 2016) | 151.7 | 23.68 |
| + / - three months' time on assumed leasing | 149.1 / 150.4 | 23.28 / 23.48 |

(c) Pro forma historical statement of financial position for the Merged Group sensitivities

Below is a summary of the impact on the Merged Group's net assets and Gearing from movements in key forecast assumptions.

| | Net assets \$m | Net tangible assets per security \$ | Balance Sheet gearing % |
|--|-------------------|--|-------------------------------|
| Pro forma metrics presented in 9.4(d)(1) | 1,600.3 | 2.55 | 46.8 |
| Fair value of investment property +/- 5% | 1,753.3 / 1,447.4 | 2.79 / 2.31 | 44.6 / 49.2 |

9.7 Future prospects of the Merged Group beyond 30 June 2017

The stand alone forecast income statements for Growthpoint and GMF for the years ending 30 June 2016 and 30 June 2017, and the pro forma forecast income statement of the Merged Group for the year ending 30 June 2017, as set out in this section 9, do not necessarily represent the likely future financial performance of Growthpoint or GMF (both on a stand alone basis) or the Merged Group beyond the financial year ending 30 June 2017.

The Growthpoint Properties Australia Limited Directors have determined that there is not a reasonable basis to produce reliable and meaningful forecast financial information for Growthpoint or GMF (on a stand alone basis) or for the Merged Group beyond 30 June 2017.

9.8 Investigating Accountant's Report

The stand alone historical financial information in section 3.5, the pro forma historical financial information in section 9.4, and the forecast financial information for Growthpoint and GMF, and the pro forma forecast financial information for the Merged Group, in section 9.3, have been reviewed by Grant Thornton Corporate Finance Pty Ltd and its investigating accountant's report is set out in Attachment 3 of this Bidder's Statement. GMF Unitholders should read that report in full before deciding whether to accept the Offer.

9.9 Substantial holders of Growthpoint Securities following compulsory acquisition

So far as known to Growthpoint Properties Australia Limited based on publicly available information as at the Last Practical Date, if Growthpoint Properties Australia Limited acquires 100% of the GMF Units the substantial holders of Growthpoint Securities, will be as follows (this assumes that no GMF Unitholder elects to participate in the Cash Alternative Facility):

| Substantial holder | Number of Growthpoint Securities held | Voting power (assuming there are 627,506,504 Growthpoint Securities on issue) |
|--------------------|---------------------------------------|---|
| Growthpoint SA | 381,773,404 | 60.84% |

10 Potential risk factors

10.1 Introduction

If the Offer becomes or is declared unconditional, GMF Unitholders who accept the Offer will, subject to the terms of the Offer, be entitled to receive a combination of Growthpoint Securities and cash for their GMF Units.

The value of Growthpoint Securities is influenced by a range of factors, many of which will be beyond the control of the Merged Group. These risk factors are divided into:

- specific risks relating to Growthpoint's business and the Merged Group;
- property investment and valuation risks;
- the A-REIT sector; and
- other general risks.

Some of these risks are either related to A-REITs generally, or already relate to GMF's assets which will form part of the Merged Group and are therefore risks to which GMF Unitholders already have some exposure. However, a number of the risks will be new or potentially greater in impact than is currently the case in relation to GMF.

These risk factors do not take into account the investment objectives, financial and tax situation or the particular needs of individual GMF Unitholders.

10.2 Specific risks relating to Growthpoint's business and the Merged Group

(a) Acquisitions

A key element of Growthpoint's future strategy involves the acquisition of properties, companies or trusts to add to its property portfolio. Whilst it is Growthpoint's policy to conduct a thorough due diligence process in relation to any such acquisition, these transactions involve inherent risks, including:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated synergies;
- unanticipated costs and problems or latent liabilities such as the existence of asbestos or other hazardous material or environmental liabilities on the acquired properties;
- diversion of management attention from existing business;
- potential loss of its key employees or the key employees of any business it acquires;
- unanticipated changes in business industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause Growthpoint not to realise the benefits anticipated to result from the acquisition of properties, companies or trusts and could have a material adverse effect on its ability to grow and on its financial position and financial performance.

(b) **Change in risk and investment profile**

GMF Unitholders who accept the Offer will be exposed to risk factors relating to Growthpoint, and to certain additional risks relating to the Merged Group and the integration of the two property groups.

These include risks relating to the operation of a broader suite of assets (both in nature and scale) than GMF owns. In particular, Growthpoint's assets include industrial real estate assets whereas GMF does not currently have exposure to this sector.

(c) **Issue of Growthpoint Securities as consideration**

GMF Unitholders who accept the Offer will receive, subject to the terms of the Offer, a combination of Growthpoint Securities and cash (except those GMF Unitholders who validly elect to participate in the Cash Alternative Facility). This will be a specified number of Growthpoint Securities, rather than a number of Growthpoint Securities with a specified market value.

As a result, the implied value of the consideration under the Offer (except those GMF Unitholders who validly elect to participate in the Cash Alternative Facility) will fluctuate depending upon the market value of Growthpoint Securities. The market value of Growthpoint Securities may be affected by a variety of factors, including the various risks set out in this section 10 (see, in particular, the "market risks" risk factor in section 10.5(f)).

Also, if all (or a significant number) of GMF Unitholders accept the Offer and Growthpoint issues a large number of new Growthpoint Securities, some of the GMF Unitholders who accept the Offer may not intend to continue to hold Growthpoint Securities. Future sales or issuances of a significant number of Growthpoint Securities (including under the Offer) could depress the short to medium term trading price of, and demand for, Growthpoint Securities.

(d) **Integration risks**

There are risks that any integration between the businesses of Growthpoint and GMF may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated.

(e) **Due diligence**

Growthpoint has conducted limited due diligence on GMF and its assets. There is a risk that Growthpoint may not have conducted due diligence on all material information and that any assumptions made during the due diligence period may prove to be false or incorrect. Further, the Merged Group will be subject to any unknown liabilities of GMF that may have an adverse effect on the Merged Group's performance and financial condition.

(f) **Financial forecasts and other forward looking statements**

There is a risk that the assumptions and contingencies used in the preparation of the forward looking financial information in section 9 (or other forward looking statements) may not ultimately prove to be valid or accurate, with the result that actual results (including earnings and distributions) may differ materially from those set out in section 9 (or in other forward looking statements, as applicable). The financial forecasts and other forward looking statements contained in this Bidder's Statement depend on various factors, many of which are outside the control of Growthpoint.

(g) **Availability of capital**

Real estate investment is very capital intensive. The Merged Group's ability to raise funds in the future on favourable terms depends on a number of factors including general economic conditions, political, capital and credit market conditions and the reputation, performance and financial strength of the Merged Group's business. Many of these factors will be outside the control of the Merged Group.

Any downgrade to the Merged Group's credit rating may impact the Merged Group's access to capital.

If the Merged Group is unable to raise funds in the future on commercially acceptable terms, this will impact upon its strategy of acquiring more properties, and adversely affect the Merged Group's ability to grow and its financial position and financial performance.

10.3 Property investment and valuation risk

(a) Risks from investments

The value of properties held by Growthpoint may fluctuate from time to time due to fluctuations in the property market and to other conditions. Factors relevant to determining the value of the properties held by Growthpoint include the rental income generated from the properties, the occupancy levels at the properties and the property yield from Growthpoint's properties. The valuations performed by Growthpoint's directors and externally by experts represent only the analysis and opinion of such persons at a certain date and do not guarantee present or future property values. The value of the properties are also affected by the expenses that are incurred by Growthpoint in managing and maintaining the properties.

Factors which may adversely impact upon returns generated by the properties include:

- the overall conditions in the national and local economy, such as changes to growth in gross domestic product, employment, inflation and interest rates;
- local real estate conditions, such as changes in the demand and supply for industrial, carpark or office rental space;
- the perception of prospective tenants regarding the attractiveness and convenience of the properties;
- changes in property laws and/or taxes;
- external factors including floods, fires, earthquakes, war, terrorist activities or other force majeure events;
- unforeseen capital expenditure;
- supply of new properties and other investment assets; and
- investor demand and liquidity in investments.

The values of the properties held by Growthpoint may materially impact the value of Growthpoint.

(b) Buildings condition and defects

There is a risk that latent defects in the properties held by Growthpoint may prevent the properties from being used for their intended purposes. If there are any latent defects in the properties, additional capital expenditure may be required, which may adversely affect the returns of Growthpoint.

(c) Property illiquidity risks

The nature of investments in property assets may make it difficult to generate liquidity in the short term if there is a need to respond to changes in economic or other conditions. For example, if there are only a limited number of potential buyers for the properties, the realisable value of those properties may be less than the book value of those properties. This may adversely impact the value of Growthpoint.

(d) Tenant risk

There is a risk that one or more tenants may default on their rental or other obligations under leases with Growthpoint, including as a result of insolvency or financial distress.

This may lead to a material reduction in income, which may adversely impact the income value of the properties owned by Growthpoint.

In the above regard, it is noted that Peabody Energy Australia Pty Limited (**PEA**) is a tenant of Growthpoint, with some leases that expire in 2024 and which in aggregate represent 2% of Growthpoint's total rent revenue. PEA's ultimate parent entity is Peabody Energy Corporation (**PEC**). On 13 April 2016, PEC, together with a majority of PEC's wholly-owned US subsidiaries and a Gibraltar entity, voluntarily filed petitions under Chapter 11 of the US Bankruptcy Code in the US Bankruptcy Court for the eastern District of Missouri. Growthpoint understands that neither PEA nor any of its subsidiaries are part of the voluntary filing. However, if PEA (or, for that matter, any of Growthpoint's other tenants) were to become financially distressed and stop paying its rent, Growthpoint is of the view that this would reasonably be likely to have an adverse effect on Growthpoint's financial performance. Following the above mentioned entities entering bankruptcy protection under Chapter 11 of the United States Bankruptcy Code, PEA transferred cash equal to 6 months' rent and outgoings plus GST into an escrow account as a security deposit. Growthpoint believes that this security deposit should reduce any financial impact to Growthpoint if PEA does not comply with the terms of its leases.

PEA has informed Growthpoint Properties Australia Limited that, following the above mentioned entities entering bankruptcy protection under Chapter 11 of the United States Bankruptcy Code, in accordance with the lease terms PEA transferred cash equal to 6 months' rent and outgoings plus GST into an escrow account held by a major Australian law firm as a security deposit. This security deposit should reduce any financial impact to Growthpoint if PEA does not comply with the terms of its lease.

There is also a risk that Growthpoint will be unable to negotiate lease extensions from existing tenants or replace current leases with new tenants on economically favourable commercial terms once the leases end, or are terminated on their terms. Tenant defaults and the inability to replace current tenants on economically favourable terms will impact upon the financial performance of Growthpoint.

Growthpoint relies on a number of key tenants for a large portion of its revenue. Insolvency or financial distress of a key tenant, or a breach of lease by a key tenant, could have a material adverse effect on the income received by Growthpoint from its properties.

(e) **Capital expenditure**

There is a risk that unforeseen and unexpected capital expenditure on the properties may be required, including expenditure on remedial works. Any capital expenditure that is required will reduce the cash that is available to Growthpoint to service its debt or other obligations and may materially affect Growthpoint's earnings and distributions.

(f) **Environmental**

The properties held by Growthpoint may, from time to time, be exposed to a range of environmental risks, including, natural disasters (such as floods, fires, cyclones and earthquakes) and the existence of asbestos or other hazardous materials on the properties. If these hazardous materials are present on the properties, Growthpoint may be required to perform remedial work on the properties. The environmental risks, if realised, may potentially expose Growthpoint to third party liability. The environmental risks (including any such third party liability) could materially impact upon the earnings, distributions and property values of Growthpoint.

(g) **Funding and refinancing risk**

Growthpoint currently anticipates that it will be required to refinance its debt facilities referred to in section 7.2 when the facilities mature. However, there is a risk that Growthpoint will not be able to refinance this debt on commercially acceptable terms. Growthpoint's ability to refinance this debt will depend on a number of factors including general economic, political and capital and credit market conditions.

Growthpoint's financial forecast assumptions include the sale of approximately \$157 million of industrial property. If this sale does not proceed, Growthpoint may be required to raise capital to maintain Gearing within its target Gearing range of 35%-45%.

If Growthpoint is unable to raise additional funds on commercially acceptable and favourable terms, this could adversely affect its financial position, its ability to remain within targeted levels of Gearing and also its ability to acquire new properties or to refinance its debt in a timely manner.

(h) **Interest rates**

Growthpoint is currently required by its financiers to hedge or fix at least 75% of its interest rate exposure.

To the extent that interest rate exposure has not been hedged or fixed or where existing interest rate hedges expire, increases in long-term interest rates may have adverse implications on the funding costs of Growthpoint, resulting in a decrease in Growthpoint's distributable income. Fluctuations in long-term interest rates may also impact the earnings before interest of Growthpoint as this may affect the property markets in which Growthpoint operates.

(i) **Insurance**

Growthpoint currently maintains insurance cover that is customarily maintained by property owners and managers. Growthpoint's insurance provides a degree of protection for Growthpoint's assets, liabilities, officers and employees.

No assurance can be given that any insurance that Growthpoint currently maintains will:

- be available in the future on a commercially reasonable basis; or
- provide adequate cover against claims made against or by Growthpoint, noting that there are some risks that are uninsurable (such as nuclear, chemical and biological incidents) or risks where the insurance coverage is reduced (such as cyclone, earthquake, flood and fire).

Growthpoint also faces risks associated with the financial strength of its insurers to meet indemnity obligations when called upon which could have an adverse effect on Growthpoint's earnings.

If Growthpoint incurs uninsured losses or liabilities, its assets, profits and prospects may be adversely affected.

(j) **Property market risks**

Growthpoint will be subject to the prevailing property market conditions in the sectors in which it operates. Adverse changes in market sentiment or market conditions may impact Growthpoint's ability to acquire, manage or develop assets, as well as the value of Growthpoint's properties and other assets. These could materially adversely impact upon Growthpoint's value, earnings, gearing levels and the carrying value of its assets.

(k) **Debt covenants**

Growthpoint's debt facilities are subject to a number of covenants including interest coverage ratios and loan to value ratios. In the event of unforeseen fluctuations in rental income or a fall in property values, Growthpoint may be in breach of its loan covenants and be required to repay amounts outstanding under the debt facilities immediately and to sell properties at uneconomical prices. There is also a risk that unforeseen capital expenditure may be required under the terms of Growthpoint's current leases, which may reduce the cash available to Growthpoint to service its debt obligations. Additionally, it may adversely affect Growthpoint's distributable income.

(l) **Loss of key directors and employees**

Growthpoint depends on the talent and experience of its directors, senior executives and employees. It is essential that appropriately skilled people be available in sufficient numbers to support Growthpoint. The loss of the services of any key director, executive or other employee could adversely impact upon Growthpoint's operations and accordingly its earning and returns.

10.4 A-REIT sector risks

(a) **Counterparty/credit risk**

A-REITS are exposed to the risk that third parties, such as tenants, developers, service providers and financial counterparties to derivatives (including interest rate hedging instruments) and other contracts may not be willing or able to perform their obligations.

(b) **Fixed nature of costs**

Many costs associated with the ownership and management of property assets are fixed in nature. The value of properties (and the value attributed to Growthpoint) may be adversely affected if the income from the asset declines and these fixed costs remain unchanged.

(c) **Land values**

Events may occur from time to time that affect the value of land which may then impact the financial returns generated from particular property related investment businesses or projects. For example, unanticipated environmental issues may impact on the future earnings of Growthpoint. Such events may materially affect Growthpoint's earnings and value.

(d) **Trust taxation status**

Changes in taxation law (including goods and services taxes and stamp duties), or changes in the way tax laws are interpreted in the various jurisdictions in which Growthpoint operates, may impact the tax liabilities of Growthpoint, as well as the tax liabilities of Growthpoint Securityholders, due to the flow-through treatment associated with trusts (see below).

Under current income tax legislation, "flow-through" trusts are generally not liable for Australian income tax, including CGT, provided securityholders are presently entitled to all of the income of those trusts each year. Should the actions or activities of a "flow-through" trust (their controlled entities or other trusts in which they hold an interest) result in the relevant trust being treated as a corporate unit trust or public trading trust for the purposes of Divisions 6B or 6C of the Tax Act respectively, the relevant trust would be taxed on its taxable income at a rate which is currently equivalent to the corporate income tax rate of 30 per cent.

We note however, that the unit trust rules in Division 6B of the Tax Act will be repealed with effect from 1 July 2016.

Further, from 1 July 2016, the trustee of a managed investment trust (**MIT**) will be able to make an irrevocable election to apply the new attribution MIT (**AMIT**) rules (with the option of applying the rules retrospectively, with effect from 1 July 2015).

If Growthpoint (a MIT) chooses to apply the new rules, broadly:

- it will be treated as a fixed trust for income tax purposes;
- it will use an attribution methodology in lieu of the existing present entitlement to income methodology (i.e. components of income and offsets will be attributed to members on a fair and reasonable basis, in accordance with their interests as set out in the trust's constituent documents);

- unders and overs of a trust component may be reconciled in the income year they are discovered;
- an administrative penalty may apply to the responsible entity where an under or over arises due to the intentional disregard of a taxation law or recklessness by the responsible entity;
- the responsible entity may be liable to pay tax at the top marginal rate, where for a particular income year:
 - there is an under attribution of the determined income components; or
 - there is an over attribution of the determined tax offsets; and
- members will be taxed on the parts of the trust components that are attributed to them as if they derived those amounts in their own right and in the same circumstances as Growthpoint.

As noted above however, the new AMIT rules will only apply if the responsible entity elects to apply the new regime. Accordingly, the responsible entity will consider the benefits and costs of the new rules, before making a decision in this regard.

10.5 General risks

(a) General economic conditions

Growthpoint's operating and financial performance is influenced by a variety of general economic and business conditions, including the level of inflation, interest rates, ability to access funding, oversupply and demand conditions and government fiscal, monetary and regulatory policies, changes in gross domestic product and economic growth. Prolonged deterioration in these conditions, including an increase in interest rates and an increase in the cost of capital could have a material adverse impact on Growthpoint's operating and financial performance and financial position.

(b) Changes in accounting policy

Growthpoint must report and prepare financial statements in accordance with prevailing accounting standards and policies. There may be changes in these accounting standards and policies in the future which may have an adverse impact on Growthpoint's financial performance and financial position as reported in its financial statements.

(c) Litigation and disputes

Legal and other disputes (including industrial disputes) may arise from time to time in the ordinary course of operations. There is a risk that material or costly disputes or litigation could impact on the Merged Group's financial performance and the value of Growthpoint.

(d) Regulatory risk

Growthpoint may be affected by government legislation and regulations (including environmental and industrial relations legislation).

Changes in legislation and regulations pertaining to, but not limited to, stamp duty and taxation laws, environmental laws and industrial relations laws may have a material adverse effect on the forecast capital expenditure of Growthpoint or on Growthpoint's financial position or financial performance (such as by directly or indirectly reducing its income from its properties, or increasing its costs in relation to the properties).

(e) Inflation

Higher than expected inflation rates generally or specific to the property sector could be expected to increase operating costs.

(f) **Market risks**

The price that Growthpoint Securities trade on the ASX may be determined by a range of factors, including:

- changes to local and international stock markets;
- inflation;
- changes in interest rates;
- general economic conditions;
- changes to the relevant indices in which Growthpoint may participate, the weighting that Growthpoint has in the indices and the implication of those matters for institutional investors that impact their investment holdings in Growthpoint Securities;
- global geo-political events, terrorist activities, hostilities and natural disasters;
- continuation of inclusion in key indexes including maintenance of sufficient liquidity, freefloat and market capitalisation;
- investor perceptions;
- changes in government, fiscal, monetary and regulatory policies; and
- demand and supply of listed property trust securities.

In the future, one or more of these factors may cause Growthpoint Securities to trade below current prices and may affect the revenue and expenses of Growthpoint. In addition, the stock market can experience price and volume fluctuations that may be unrelated or disproportionate to the operating performance of the Growthpoint.

(g) **Work, health and safety risk**

Growthpoint is subject to extensive laws and regulations governing health and safety matters, protecting both the public and its employees. Any breach of these obligations could adversely affect the results of Growthpoint and its reputation, and expose it to claims for financial compensation or adverse regulatory consequences. There is also risk associated with incidents relating to health and safety that do not result from any breach of obligations. For example, the risk of terrorist activity at a property owned by Growthpoint.

(h) **Foreign exchange/currency risk**

All information in this Bidder's Statement is presented in Australian dollars. Growthpoint Securityholders who reside outside of Australia, or who rely on funding denominated in a currency other than the Australian dollar, should be aware of the impact that fluctuations in exchange rates may have on the value of their investments in, and returns from, Growthpoint.

(i) **Other factors**

Other factors that may impact on Growthpoint's performance including changes or disruptions to political, regulatory, legal or economic conditions or to the national or international financial markets (including as a result of terrorist attacks, war or natural disasters).

Additional risks and uncertainties not currently known to Growthpoint may also have a material adverse effect on Growthpoint's business and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting Growthpoint.

10.6 Application to the Merged Group

All of the risks detailed in this section 10 also apply to the Merged Group.

Accordingly, references in this section 10 to potential risks affecting Growthpoint will, in most cases, also be relevant to the Merged Group.

11 Tax considerations



Grant Thornton

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Private and Confidential

1 July 2016

Dear Directors

As requested by Growthpoint Properties Australia Limited in its capacity as Responsible Entity of Growthpoint Trust we provide this taxation report to be included in the Bidder's Statement to be dated on or around 1 July 2016. Terms defined in section 14 of the Bidder's Statement have the same meaning in this letter, unless the context otherwise requires.

INTRODUCTION

This taxation information has been prepared to provide a broad summary of the Australian income tax and goods and services tax considerations for GMF Unitholders that dispose of their GMF Units and are Australian individual unitholders. The taxation information provided below is intended only as a guide. The Australian taxation consequences for GMF Unitholders will ultimately depend upon their individual circumstances. Accordingly, it is recommended that GMF Unitholders seek professional taxation advice in relation to their own position. The information applies only to individuals who hold their GMF Units on capital account.

The comments below do not address any taxation implications which might arise in countries other than Australia.

Non-resident for Australian taxation purposes

Non-residents are broadly not entitled to claim any capital gains tax ("CGT") discount on disposal of a CGT asset where they are subject to Australian taxes. The capital gains discount is explained further below.

New non-resident withholding tax rules in relation to the acquisition of Australian real property were enacted on 25 February 2016. Broadly, the purpose of the new withholding tax rules is to assist in the collection of a non-resident's capital gains tax liability. The new rules apply to contracts entered into on or after 1 July 2016.

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The new rules impose a 10% non-final withholding obligation on the purchasers of certain Australian assets where they acquire it from a relevant foreign resident. The obligation does not require withholding as such, but does require the purchaser to pay 10% of the first element of the cost base (usually, the purchase price) to the Commissioner. This amount may be withheld from the payment the purchaser makes to the vendor. The obligation will apply to the acquisition of an asset that is:

- taxable Australian real property;
- an indirect Australian real property interest; or
- an option or right to acquire such property or such an interest.

In relation to indirect Australian real property interests, broadly, the GMF Units held by a GMF Unitholder should not be considered to be indirect Australian real property interests unless either:

- the GMF Unitholder, together with its associates (as defined in the Tax Act), holds at the time of accepting the Offer, or have held for at least a 12 month period in the 24 month period prior to accepting the Offer, 10% or more of the total number of GMF Units on issue; or
- the GMF Unitholder holds the GMF Units in carrying on a business through a permanent establishment in Australia.

Growthpoint Properties Australia Limited will need to assess whether the relevant GMF Units constitute indirect Australian real property interests where:

- it purchases the GMF Units from a person it knows or reasonably believes is a foreign resident;
- it purchases the GMF Units from a GMF Unitholder with a registered address outside of Australia; or
- it is required to pay the relevant consideration overseas.

Where Growthpoint Properties Australia Limited considers that it will be required to withhold under these rules, it will contact the relevant GMF Unitholder to confirm that withholding is required. In such circumstances, Growthpoint Properties Australia Limited may request that the relevant GMF Unitholder provides a declaration that the GMF Units they are disposing of are not indirect Australian real property interests as at the date of the transaction. Where such a declaration is requested, Growthpoint Properties Australia Limited can provide a draft declaration for the GMF Unitholder to complete.

GMF Unitholders that are not Australian tax residents should seek their own taxation advice on the consequences of the disposal of their GMF Units and ongoing interest in Growthpoint Securities under any relevant foreign tax laws and Australian tax legislation.

* * * * *

The information below is based on existing tax law and established interpretations as at the date of this letter and may be subject to change over time.

Proposal

The proposed transaction is set out in the Bidder's Statement.

Taxation consequences for resident GMF Unitholders

GMF Unitholders that elect to participate in the Cash Alternative Facility per Section 6 of the Bidder's Statement

GMF Unitholders that elect to participate in the Cash Alternative Facility will receive cash consideration (only) for the disposal of their GMF Units. The total cash consideration will be paid to the GMF Unitholder from both Growthpoint Properties Australia Limited (in respect of the cash component of the standard consideration) and Growthpoint SA (under the Cash Alternative Facility).

The disposal of GMF Units will have CGT implications for the GMF Unitholders. Broadly, the GMF Unitholders must include any realised capital gain or loss on the disposal of their GMF Units in the calculation of their net capital gain or loss for the year. The date of disposal of the GMF Units will generally be taken to be the latter of:

- the date which GMF Unitholders accept the Offer; or
- the date when GMF Units are compulsorily acquired.

A GMF Unitholder who is an individual and will derive a capital gain on the disposal of their GMF Units to the extent that the capital proceeds (ie. the total cash received) on disposal exceeds the CGT cost base of the GMF Units. A GMF Unitholder will incur a capital loss on the disposal of the GMF Units to the extent that the capital proceeds on disposal are less than the CGT reduced cost base of the GMF Units.

GMF Unitholders that do NOT elect to participate in the Cash Alternative Facility

As above, the disposal of GMF Units in accordance with Section 7 of the Bidder's Statement will similarly have CGT implications. However, in connection with the disposal of GMF Units, the cash received and market value of the Growthpoint Securities (i.e. each Growthpoint Security consists of a unit in Growthpoint Trust and a share in Growthpoint Properties Australia Limited stapled together) will be the capital proceeds for the purposes of calculating the capital gain or loss. Given that Growthpoint Securities are listed on the ASX, one basis for determining the market value of the Growthpoint Securities received is to use its closing price on the ASX on the date of disposal. For further information regarding valuation, GMF Unitholders should seek specific advice or refer to the ATO website for guidance at <https://www.ato.gov.au/general/capital-gains-tax/in-detail/calculating-a-capital-gain-or-loss/market-valuation-for-tax-purposes/>

Generally, the CGT cost base of each GMF Unit will include the amount paid by each GMF Unitholder to acquire their GMF Units, together with any capital costs of acquisition or disposal, reduced by any tax deferred distributions (see below for further detail) or returns of capital made by GMF whilst each GMF Unitholder held their GMF Units.

Possible reduction in capital gain

CGT discount

Most GMF Units were allotted on 29 October 2014 under the GMF IPO and GMF also commenced trading on this date. Where a GMF Unitholder has held GMF Units for 12 months or more at the time of disposal, being the time of acceptance of the Offer, and there is a net capital gain, a discount factor of 50% ("CGT discount") may be available to that individual. For information purposes we note that a trust and superannuation fund may also be entitled to a CGT discount of 50% and 33% respectively should certain conditions be satisfied. The CGT discount is not available to Australian companies.

In applying the CGT discount, any available capital losses will firstly be deducted from the gross capital gain before the discount is applied. GMF Unitholders should seek their own independent advice in this respect.

Partial scrip for scrip roll-over

If you elect to participate in the Cash Alternative Facility (Section 6) then the following comments will not apply to you.

Scrip for scrip roll-over relief may be available to defer the capital gains resulting from a disposal of GMF Units. This roll-over relief does not apply where a GMF Unitholder would make a capital loss on disposal. However, this is generally conditional on Growthpoint Properties Australia Limited, on behalf of Growthpoint Trust, becoming the owner of 80% or more of the voting units in GMF as part of the arrangement.

The proposed transaction involves GMF Units being exchanged for Growthpoint Securities. Only the portion of the GMF Units exchanged for Growthpoint Units will be eligible for the scrip for scrip roll-over relief. Accordingly, only partial scrip for scrip roll-over relief may be available to defer any potential capital gains realised on the disposal of GMF Units. The value of the GPAL Shares and cash would still be subject to CGT. For further assistance regarding valuation see above. Additionally, Growthpoint has provided some guidance on its website in connection with the value split between Growthpoint Trust and Growthpoint Properties Australia Limited (and therefore, their respective securities comprising the components of Growthpoint Securities) at the following link: <http://growthpoint.com.au/investor-centre/securityholder-information/distributions/>

Where scrip for scrip roll-over does apply, GMF Unitholders will broadly retain the historical cost base of their former GMF Units apportioned across the new Growthpoint Units that they hold. The cost base of the GPAL Shares will be equal to the market value on the date of disposal for CGT purposes.

Scrip for scrip roll-over is a choice that each GMF Unitholder makes. There is no requirement for all GMF Unitholders to elect to apply this roll-over. GMF Unitholders should seek their own independent advice in this respect.

Taxation of Growthpoint Securities

Future Distributions

Growthpoint Trust

As with GMF, Growthpoint Trust is a Managed Investment Trust (“MIT”) for tax purposes. Growthpoint Trust will provide all Growthpoint Unitholders with an annual taxation statement that outlines the distributions from Growthpoint Trust. Income will retain its character passing through Growthpoint Trust to the unitholders.

From time to time distributions will include tax-deferred distributions. Broadly, these are non-assessable distributions in the hands of the Growthpoint Unitholders when received unless and until the total tax deferred amounts received by a Growthpoint Unitholder exceed the cost base of the Growthpoint Units. For CGT purposes, amounts of tax deferred distributions received reduce the cost base of the Growthpoint Units for Growthpoint Unitholders and therefore affect the unitholder's capital gain/loss on subsequent disposal of the units. A Growthpoint Unitholder will make an immediate capital gain to the extent a tax deferred distribution is more than the Growthpoint Unitholder's cost base of the Growthpoint Units. It is therefore imperative that Growthpoint Unitholders monitor their Growthpoint Units' cost base for CGT purposes.

Growthpoint Properties Australia Limited

Growthpoint Properties Australia Limited may distribute a dividend in accordance with Corporations Act requirements and Income Tax rules. Dividends may be franked up to 30% where Growthpoint Properties Australia Limited is distributing after tax dividends. A franking credit represents a tax credit in the hands of the ultimate beneficiary of the dividend (where that beneficiary is an Australian tax resident).

Goods and Services Tax ("GST")

The acquisition and disposal of GMF Units is not subject to GST. However, GMF Unitholders may incur GST on costs that relate to their participation in the Offer and should seek their own independent advice in relation to the GST implications.

Other issues

GMF Unitholders will be invited to quote their Tax File Number ("**TFN**") or Australian Business Number ("**ABN**") in respect of the acquisition of Growthpoint Securities. GMF Unitholders are not obliged to provide the TFN or ABN. However, if a GMF Unitholder does not provide their TFN or ABN or an exemption, tax may be withheld at a rate of 49% on any gross distributions made to them on their Growthpoint Securities (with entitlement to claim an income tax credit in respect of the tax withheld).

* * * * *

Yours sincerely



Aryk Bechler
Partner - Taxation

12 Additional information

12.1 Foreign Investment Review Board approval

Growthpoint Properties Australia Limited is a foreign person under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**). The Treasurer of the Commonwealth of Australia has provided a statement of no objection to the Offer and the Cash Alternative Facility under FATA. Accordingly, neither the Offer nor the Cash Alternative Facility is conditional on the approval of the Treasurer of the Commonwealth of Australia under FATA.

12.2 Status of defeating conditions

The Offer is subject to a number of conditions set out in section 13.8. Growthpoint Properties Australia Limited will provide updates on any material developments relating to the status of these conditions through announcements to the ASX.

As at the Last Practical Date, Growthpoint Properties Australia Limited is not aware of any events or circumstances which would result in the non-fulfilment of any of the defeating conditions.

12.3 Potential for waiver of defeating conditions

The Offer is subject to a number of defeating conditions set out in section 13.8. Under the terms of the Offer and the Corporations Act, any or all of those defeating conditions may be waived by Growthpoint Properties Australia Limited.

If an event occurs which results (or would result) in the non-fulfilment of a defeating condition, Growthpoint Properties Australia Limited might not make a decision as to whether it will either rely on that occurrence, or instead waive the defeating condition in respect of that occurrence, until the date for giving notice as to the status of the conditions of the Offer under section 630(3) of the Corporations Act (see section 12.2).

If Growthpoint Properties Australia Limited decides that it will waive a defeating condition it will announce that decision to the ASX in accordance with section 650F of the Corporations Act.

If any of the defeating conditions are not fulfilled, and Growthpoint Properties Australia Limited decides to rely on that non-fulfilment, then any contract resulting from acceptance of the Offer will become void at (or, in some cases, shortly after) the end of the Offer Period, and the relevant GMF Units will be returned to the holder.

12.4 Date for determining holders of GMF Units

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date.

12.5 Facilitation Agreement

(a) Overview

Growthpoint Properties Australia Limited has entered into an agreement with GPT Management Holdings Limited (**GPT Management**) dated 1 July 2016 for the provision of

transitional facilitation services in relation to the management of GMF (**Facilitation Agreement**).

Under the Facilitation Agreement, GPT Management will receive a payment of \$9 million for providing facilitation services and certain property rights to Growthpoint Properties Australia Limited. This payment is conditional on Growthpoint Properties Australia Limited having a Relevant Interest in at least 50.1% of the GMF Units 2 business days after the last day of the Offer Period or the Offer being declared unconditional by Growthpoint Properties Australia Limited.

(b) **Facilitation services and property rights**

Amongst other things, GPT Management has agreed to:

- terminate or novate to Growthpoint Properties Australia Limited, all management, property management and development agreements between GMF and GPT Management;
- facilitate the transition of management of the Properties to Growthpoint Properties Australia Limited;
- assist with the appointment of Growthpoint Properties Australia Limited (or a nominee) as the responsible entity of GMF;
- assist Growthpoint Properties Australia Limited in preparing financial reports and tax returns for GMF for the financial years ended 30 June 2016 and 30 June 2017;
- continue to provide existing rental guarantees, income support, incentive payments and other similar arrangements currently provided by GPT Management in respect of the Properties; and
- give Growthpoint Properties Australia Limited a first right of refusal in relation to the sale of certain properties.

(c) **Termination**

The Facilitation Agreement can be terminated in certain circumstances, including:

- if an insolvency event occurs (at the other party's election);
- for material breach of the Facilitation Agreement (at the non-defaulting party's election); or
- if a third party (other than Growthpoint Properties Australia Limited or a related party) obtains a Relevant Interest in GMF of at least 50.1% (at Growthpoint Properties Australia Limited's election).

(d) **Copy of the Facilitation Agreement**

See Growthpoint Properties Australia Limited's ASX announcement dated 1 July 2016 for further details in relation to, and a copy of, the Facilitation Agreement.

12.6 Consents

This Bidder's Statement contains statements made by, or statements said to be based on statements made by, GPAL. GPAL has consented to the inclusion of:

- each statement it has made; and
- each statement which is said to be based on a statement it has made,

in the form and context in which the statements appear and has not withdrawn that consent at the date of this Bidder's Statement.

This Bidder's Statement contains statements made by, or statements said to be based on statements made by, Growthpoint SA. Growthpoint SA has consented to the inclusion of:

- each statement it has made; and
- each statement which is said to be based on a statement it has made,

in the form and context in which the statements appear and has not withdrawn that consent at the date of this Bidder's Statement.

This Bidder's Statement contains statements made by, or statements said to be based on statements made by, Urbis Valuations Pty Ltd (**Urbis**). Urbis has consented to the inclusion of:

- each statement it has made; and
- each statement which is said to be based on a statement it has made,

in the form and context in which the statements appear and has not withdrawn that consent at the date of this Bidder's Statement.

This Bidder's Statement contains statements made by, or statements said to be based on statements made by, Valuations Services (QLD) Pty Ltd trading under licence as Knight Frank Valuations Queensland (**Knight Frank**). Knight Frank has consented to the inclusion of:

- each statement it has made; and
- each statement which is said to be based on a statement it has made,

in the form and context in which the statements appear and has not withdrawn that consent at the date of this Bidder's Statement.

This Bidder's Statement contains statements made by, or statements said to be based on statements made by, Peabody Energy Australia Pty Limited. Peabody Energy Australia Pty Limited has consented to the inclusion of:

- each statement it has made; and
- each statement which is said to be based on a statement it has made,

in the form and context in which the statements appear and has not withdrawn that consent at the date of this Bidder's Statement.

Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897) (**Goldman Sachs**) has given, and not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as Growthpoint Properties Australia Limited's financial adviser in the form and context in which it is so named. Goldman Sachs has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Herbert Smith Freehills has given, and not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as Growthpoint Properties Australia Limited's Australian legal adviser (other than in relation to taxation) in the form and context in which it is so named. Herbert Smith Freehills has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Computershare Investor Services Pty Limited has given, and not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as Growthpoint Properties Australia Limited's security registrar in the

form and context in which it is so named. Computershare Investor Services Pty Limited has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Grant Thornton Corporate Finance Pty Ltd has given, and not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to:

- be named in this Bidder's Statement as Investigating Accountant in the form and context in which it is so named; and
- the inclusion in this Bidder's Statement of its Investigating Accountant's Report and to references to the document in the form and context in which it is included in this Bidder's Statement.

Grant Thornton Australia Limited has given, and not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to:

- be named in this Bidder's Statement as preparer of the Tax Considerations Letter in the form and context in which it is so named; and
- the inclusion in this Bidder's Statement of its Tax Considerations Letter, and to references to the document in the form and context in which it is included in this Bidder's Statement.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to the ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, within 2 business days of your request (and free of charge) during the Bid Period, please contact the Growthpoint Offer Information Line on 1300 665 792 (for callers within Australia) and +61 3 9415 4366 (for callers outside Australia), Monday to Friday between 9:00am and 5:00pm (Melbourne time). This line will only be open from the date the Offer opens until 1 week after it closes. Calls to these numbers may be recorded.

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Bidder's Statement contains security price trading data sourced from IRESS and Bloomberg without their consent and may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

12.7 Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders

GMF Unitholders who are Ineligible Foreign Unitholders or Unmarketable Parcel Unitholders will not be entitled to receive Growthpoint Securities as consideration for their GMF Units pursuant to the Offer, unless Growthpoint Properties Australia Limited otherwise determines in its absolute discretion.

A GMF Unitholder is an Ineligible Foreign Unitholder for the purposes of the Offer if their address as shown in the register of unitholders of GMF is in a jurisdiction other than Australia or its external territories, New Zealand or Singapore. However, such a GMF Unitholder will not be a Foreign Unitholder if Growthpoint Properties Australia Limited otherwise determines (in its absolute discretion) that it is:

- not unlawful, onerous or impracticable to make the Offer to a GMF Unitholder in the relevant jurisdiction and to issue Growthpoint Securities to such a GMF Unitholder on acceptance of the Offer; and
- not unlawful for such a GMF Unitholder to accept the Offer in such circumstances in the relevant jurisdiction.

Notwithstanding anything else in this Bidder's Statement, Growthpoint Properties Australia Limited is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

A GMF Unitholder is an Unmarketable Parcel Unitholder for the purposes of the Offer if, were they to accept the Offer, Growthpoint Securities would be issued to them which would not constitute a Marketable Parcel. A Marketable Parcel is a parcel of securities that (among other things) has a value of not less than \$500.

The Growthpoint Securities which would otherwise have been issued to any such Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders will instead be issued to a nominee approved by ASIC, who will sell these Growthpoint Securities. The net proceeds of the sale of such securities will then be remitted to the relevant Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders. See section 13.7 for further details.

12.8 Institutional acceptance facility and broker handling fees

Growthpoint Properties Australia Limited reserves the right to introduce an institutional acceptance facility. If it does so, it will announce details of the facility in a supplementary bidder's statement.

Growthpoint Properties Australia Limited does not intend to pay a commission to brokers for acceptances of the Offer by GMF Unitholders. However, Growthpoint Properties Australia Limited reserves its rights in this regard.

12.9 Social security and superannuation implications of Offer

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

12.10 Disclosure of interests of certain persons

Other than as set out elsewhere in this Bidder's Statement, no:

- GPAL Director or proposed GPAL Director;
- Growthpoint Properties Australia Limited Director or proposed Growthpoint Properties Australia Limited Director;
- person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- promoter of Growthpoint Properties Australia Limited or GPAL; or
- underwriter to the issue of Growthpoint Securities (if any) or financial services licensee named in this Bidder's Statement as being involved in the issue of Growthpoint Securities (if any),

(together, the **Interested Persons**) holds at the date of this Bidder's Statement or held at any time during the last two years, any interest in:

- the formation or promotion of Growthpoint Properties Australia Limited or GPAL;

- property acquired or proposed to be acquired by Growthpoint Properties Australia Limited in connection with its formation or promotion, or the offer of Growthpoint Securities under the Offer; or
- the offer of Growthpoint Securities under the Offer.

12.11 Disclosure of fees and benefits received by certain persons

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- to a Growthpoint Properties Australia Limited Director or proposed Growthpoint Properties Australia Limited Director to induce them to become, or to qualify as, a Growthpoint Properties Australia Limited Director;
- to a GPAL Director or proposed GPAL Director to induce them to become, or to qualify as, a GPAL Director; or
- for services provided by an Interested Person in connection with the formation or promotion of Growthpoint Properties Australia Limited or the offer of Growthpoint Securities under the Offer.

In relation to the Offer, Goldman Sachs has acted as financial adviser, Herbert Smith Freehills has acted as Australian legal adviser and Grant Thornton Corporate Finance Pty Ltd has acted as investigating accountant (including preparing the Investigating Accountant's Report) and Grant Thornton Australia Limited as preparer of the Tax Considerations Letter, in relation to the Offer. Each of these advisers is entitled to receive the usual professional fees in accordance with either time-based or success-based charges. These fees are included in the total estimated transaction costs referred to in section 9.3(g)(4).

12.12 Disclosure of interests of Growthpoint Properties Australia Limited Directors

(a) Interests in Growthpoint Securities

As at the date of this Bidder's Statement, the Growthpoint Properties Australia Limited Directors had the following Relevant Interests in Growthpoint Securities:

| Director | Number of Growthpoint Securities |
|--------------------|----------------------------------|
| Geoffrey Tomlinson | 59,323 |
| Timothy Collyer | 625,612 |
| Maxine Brenner | 7,245 |
| Estienne de Klerk | 1,354,592 |
| Grant Jackson | 144,707 |

Francois Marais 134,451

Norbert Sasse 1,293,762

(b) Interests in GMF Units

As at the date of this Bidder's Statement, no Growthpoint Properties Australia Limited Director had a Relevant Interest in any GMF Units.

(c) Indemnity and insurance

The GPAL Constitution permits the grant of an indemnity (to the maximum extent permitted by law) in favour of each director, the company secretary, past directors and secretaries and all past and present executive officers.

Growthpoint Properties Australia Limited has entered into deeds of indemnity and access with all of the current Growthpoint Properties Australia Limited Directors and each of the executives listed in section 3.2. This indemnity is against liability to third parties by such officers unless the liability arises out of conduct which Growthpoint Properties Australia Limited is prohibited in indemnifying against at law. The indemnity also covers costs or expenses incurred by an officer in unsuccessfully defending proceedings relating to that person's position.

Growthpoint Properties Australia Limited maintains an insurance policy in respect of certain present and future officers against certain liability incurred in that capacity.

12.13 No pre-Offer benefits

During the period of 4 months before the date of this Bidder's Statement, neither Growthpoint Properties Australia Limited nor any Associate of Growthpoint Properties Australia Limited gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- accept the Offer; or
- dispose of GMF Units,

and which is not offered to all holders of GMF Units under the Offer.

[During the period from the date of this Bidder's Statement to the date before the date of the Offer, neither Growthpoint Properties Australia Limited nor any Associate of Growthpoint Properties Australia Limited gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- accept the Offer; or
- dispose of GMF Units,

and which is not offered to all holders of GMF Units under the Offer.]

12.14 Foreign selling restrictions

(a) Hong Kong

This Bidder's Statement has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Growthpoint Securities have not

been and will not be offered or sold in Hong Kong by means of any document, other than to “professional investors” (as defined in the SFO). No advertisement, invitation or document relating to the Growthpoint Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Growthpoint Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

(b) The Netherlands

Growthpoint Properties Australia Limited has established and agreed to observe the procedures in connection with the offer and sale of the Growthpoint Securities in such manner as is contemplated hereby. No offer of Growthpoint Securities which are the subject of the Offer shall be made in the Netherlands, unless in reliance on Article 3(2) of the Prospectus Directive and provided:

- such offer is made exclusively to legal entities which are qualified investors (as defined in the Prospectus Directive) in the Netherlands; or
- standard exemption logo and wording are disclosed as required by article 5:20(5) of the Dutch Financial Supervision Act and the rules promulgated thereunder (*Wet op het financieel toezicht*, the **FSA**); or
- such offer is otherwise made in circumstances in which article 5:20(5) of the FSA is not applicable,

and furthermore provided that no such offer of Growthpoint Securities shall require Growthpoint Properties Australia Limited to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

(c) New Zealand

It is a term of the Offer that the offer of securities to the public in New Zealand is made in compliance with the laws of Australia and any code, rules and requirements relating to the offer that apply in Australia.

This Bidder’s Statement is not a New Zealand prospectus, investment statement or product disclosure statement and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978, Financial Markets Conduct Act 2013 or any other relevant New Zealand law. The offer of Growthpoint Securities under the Offer is being made to existing GMF Unitholders in reliance upon an exemption from the relevant New Zealand securities regime, and, accordingly, this Bidder’s Statement may not contain all the information that an investment statement, prospectus or product disclosure statement under New Zealand law is required to contain.

(d) Singapore

This Bidder’s Statement is personal to you and may not be shared with anyone else. Neither this Bidder’s Statement nor any copy of it may be taken or transmitted into any country where the distribution or dissemination is prohibited. This Bidder’s Statement is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person. The information, tools and materials represented in this Bidder’s Statement are provided to you for information purposes only, and on the basis that you are an existing GMF Unitholder. In the event

that you are not an existing GMF Unitholder, please return this document immediately. Nothing in this Bidder's Statement constitutes investment, legal, accounting or tax advice or a representation that your approval of the Offer is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

This Bidder's Statement and any other document or material relating to Growthpoint Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore and the offering made under this Bidder's Statement is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the Securities and Futures Act, Cap. 289 (the **SFA**) will not apply.

This Bidder's Statement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Growthpoint Securities may not be issued, circulated or distributed, nor may Growthpoint Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in the SFA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA. Any offer is not made to you with a view to Growthpoint Securities being subsequently offered for sale to any other party. There may be on-sale restrictions in Singapore that may be applicable to investors who acquire Growthpoint Securities. As such, you are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(e) **The United States**

No action has been taken to register or qualify Growthpoint Properties Australia Limited or to otherwise permit a public offering of Growthpoint Securities outside Australia. Growthpoint Securities have not been, and will not be, registered under the United States Securities Act of 1933 (**Securities Act**) and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act and applicable United States state securities laws.

12.15 No escalation agreements

Neither Growthpoint Properties Australia Limited nor any Associate of Growthpoint Properties Australia Limited has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

12.16 Expiry date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

12.17 ASIC declaration and ASX waiver

ASIC has granted an exemption to Growthpoint Properties Australia Limited, GPAL and Growthpoint SA from the operation of the Division 5A of Part 7.9 of the Corporations Act in connection with the operation of the Cash Alternative Facility.

The ASX has granted Growthpoint Properties Australia Limited and Growthpoint SA a waiver from Listing Rule 10.11 to the extent necessary in connection with the operation of the Cash Alternative Facility to allow Growthpoint SA to receive Growthpoint Securities under the Cash Alternative Facility.

12.18 Fees

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay administration fees where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities & Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

(a) Fees and other costs

This section shows fees and other costs that you may be charged in respect of Growthpoint Securities. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of Growthpoint as a whole

Except as otherwise stated, the fees and costs set out below are inclusive of GST and take into account expected input tax credits or reduced input tax credits for GST on fees and charges where applicable.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

| Type of fee or cost | Amount | How and when paid |
|--|---|--|
| Fees when your money moves in or out of the fund | | |
| <i>Establishment fee</i> The fee to open your investment | Nil | N/A |
| <i>Contribution fee</i> The fee on each amount contributed to your investment | Nil | N/A |
| <i>Withdrawal fee</i> The fee on each amount you take out of your investment | Nil | N/A |
| <i>Exit fee</i> The fee to close your investment | Nil | N/A |
| Management costs | | |
| <i>The fees and costs for managing your investment</i> | GPAL is entitled to a management fee of up to 0.4% per annum of the value of Growthpoint Trust's gross assets, plus a performance fee | The GPAL management fee accrues daily and is payable monthly in arrears out of the |

| Type of fee or cost | Amount | How and when paid |
|---|---|--|
| | <p>of 15% of the Growthpoint Trust's performance in excess of a benchmark index multiplied by the market capitalisation of the trust (capped at an amount that would result in GPAL being paid an amount of management fees and performance fees in aggregate equal to 1% per annum of the value of Growthpoint Trust's gross assets). Due to the internalised management structure of Growthpoint, these fees do not represent a cost to Growthpoint Securityholders.</p> <p>GPAL is also entitled to reimbursement of the administration and management costs that it properly incurs in respect of Growthpoint Trust.</p> <p>GPAL has waived its right to receive the fees to which it is entitled and instead, currently charges Growthpoint Trust for its actual costs in managing the trust plus 2.5%. On this basis, the total management costs are estimated to be 0.4% per annum of the gross asset value of Growthpoint Trust. Actual expenses vary and may be higher than this estimate.</p> | <p>assets of Growthpoint Trust.</p> <p>The GPAL performance fee (if applicable) in respect of a financial year is calculated and paid in arrears within one month of the end of that financial year, and is paid out of the assets of the Growthpoint Trust, GPAL is entitled to be reimbursed for its costs when they are incurred.</p> |
| Service fees | | |
| <i>Switching fee</i> The fee for changing investment options | Nil | N/A |

(b) **Example of annual fees and costs⁶⁹**

The following table gives an example of how the fees and costs can affect your investment over a one year period. You should use these tables to compare this product with other managed investment products.

| Example | Amount | Balance of \$50,000 with a contribution of \$5,000 during the year |
|------------------|--------|--|
| Contribution fee | Nil | For every additional \$5,000 you invest, you will be |

⁶⁹ Balanced investment option.

| | | |
|------------------------------|---|---|
| | | charged \$0.00 |
| PLUS Management Costs | 0.4% per annum of the gross assets of Growthpoint Trust | And, for every \$50,000 you have invested you will be charged \$200 each year ⁷⁰ |
| EQUALS cost of fund | | If you had an investment of \$50,000 at the beginning of the year and you invested an additional \$5,000 during that year, you would be charged and expenses of between \$200 ⁷¹ and \$220 ⁷² for that year |

(c) **Additional explanation of fees and costs**

(1) Management costs

The management costs in the tables above are the fees and costs paid for general administration of Growthpoint Trust and comprise an estimate of all fees and expenses recoverable by GPAL.

As set out above, GPAL is not currently charging any of the fees to which it is entitled under the Growthpoint Trust Constitution and, instead, charges the Growthpoint Trust for its actual costs in managing the trust plus 2.5%. Even if it was to charge those fees, they would not represent a cost to Growthpoint Securityholders due to the internalised management structure of Growthpoint.

GPAL does not intend to charge any fee, other than its costs (plus 2.5% margin) of operating Growthpoint Trust, while it remains responsible entity of that trust. However, it is possible for fees and expenses to increase up to the maximums outlined below.

(2) Management fee

Under the Growthpoint Trust Constitution, GPAL is entitled to a management fee of up to 0.4% per annum of the value of Growthpoint Trust's gross assets for its role in managing and administering Growthpoint Trust, payable monthly in arrears.

(3) Performance fee

Under the Growthpoint Trust Constitution, GPAL is entitled to a performance fee of 15% of amount by which the accumulation index of Growthpoint Trust exceeds the return in respect of the S&P/ASX 300 Property Accumulation index multiplied by the market capitalisation of Growthpoint Trust. This fee is capped at an amount that would result in GPAL being paid an amount of management fees and performance fees in aggregate equal to 1% per annum of the value of Growthpoint Trust's gross assets. Performance in excess of the benchmark index that would result in this cap being exceeded, as well as any shortfall in performance as against the benchmark index, may be carried forward for up to three years.

(4) Expense recoveries

Under the Growthpoint Trust Constitution, GPAL is entitled to recover all costs and expenses properly incurred in managing and administering Growthpoint Trust, including in relation to the following:

⁷⁰ This calculation assumes investment for a full year and does not include any finance costs such as interest on debt.

⁷¹ Assumes investment occurs at the end of the year.

⁷² Assume investment occurs at the start of the year.

- fundraising costs;
- the appointment of any consultant, agent or broker;
- asset acquisition, custody, management and disposal expenses; and
- bank fees, government fees and taxes.

As noted above, GPAL currently charges Growthpoint Trust its costs and expenses plus 2.5% in lieu of the fees that GPAL is otherwise entitled to under the Growthpoint Constitution. On this basis, GPAL estimates that Growthpoint Trust will incur expenses of approximately 0.4% of the gross asset value of Growthpoint Trust per annum. This estimate has been included in the tables set out above in this section 12.18.

(5) Foreign asset acquisition fee

Under the Growthpoint Trust Constitution, GPAL is entitled to a fee of 1% of the value of any foreign asset acquired by Growthpoint Trust, payable on completion of that acquisition.

(6) Debt placement fee

Under the Growthpoint Trust Constitution, GPAL is entitled to a fee of 1% of any amount drawn down under any new or refinanced debt facility that it enters into on behalf of the Growthpoint Trust.

(7) Custodial fee

Under the Growthpoint Trust Constitution, GPAL is entitled to a fee of up to 0.05% per annum of the value of any assets of the Growthpoint Trust that it holds in a custodial capacity, calculated at the end of each month and payable within seven days of the end of each month.

(8) GST

Unless otherwise stated, all fees in this section 12.18 show the net effect of GST (that is, are inclusive of GST less any input tax credits including reduced input tax credits). For additional information in relation to the taxation implications of an investment in Growthpoint please see section 11.

(9) Taxation

Taxation information is set out in section 11.

12.19 Ethical considerations

Growthpoint does not take into account labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or realising Growthpoint's investments. However, sometimes these matters may indirectly affect the economic factors upon which investment decisions are based.

12.20 Cooling off period

Cooling off rights **do not** apply to acceptances made under the Offer.

12.21 Complaints

Growthpoint Properties Australia Limited aims to provide each Growthpoint Securityholder with a professional and high level of client service in managing the Growthpoint Trust. If you have a complaint, you may contact Growthpoint Properties Australia Limited in writing to its registered address or by email (complaints@growthpoint.com.au), detailing the complaint. A response will normally be

provided within 15 working days. All complaints should be addressed to the Complaints Manager.

Growthpoint Properties Australia Limited is a member of the Financial Ombudsman Service Limited (**FOS**), an external, independent complaints handling organisation. FOS can be contacted on 1300 78 08 08 (within Australia) or +61 3 9613 7366 (from outside Australia), by email (info@fos.org.au) or post (GPO Box 3, Melbourne VIC 3001) should your complaint not be resolved by Growthpoint Properties Australia Limited.

12.22 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- material to the making of a decision by a GMF Unitholder whether or not to accept the Offer; and
- known to Growthpoint Properties Australia Limited,

which has not previously been disclosed to GMF Unitholders.

13 The terms and conditions of the Offer

13.1 Offer

- (a) Growthpoint Properties Australia Limited offers to acquire all (but not some only) of Your Units on and subject to the terms and conditions set out in this section 13 of this Bidder's Statement.
- (b) The consideration under the Offer is \$1.25 and 0.3968 Growthpoint Securities for each of Your Units. If this calculation results in an entitlement to a fraction of a Growthpoint Security or a fraction of a cent, that fraction will be rounded down to the next whole number of Growthpoint Securities or the nearest whole cent (as the case may be).
- (c) If, at the time the Offer is made to you, you are an Ineligible Foreign Unitholder, you will not receive Growthpoint Securities. Instead, you are offered and will be sent a cash amount determined in accordance with section 13.7 of this Bidder's Statement.
- (d) The Growthpoint Securities to be issued under the Offer will be credited as fully paid.
- (e) By accepting the Offer, you undertake to transfer to Growthpoint Properties Australia Limited not only the GMF Units to which the Offer relates, but also all Rights attached to those GMF Units (see section 13.5(c)(6) and section 13.6(c)).
- (f) The Offer is being made to each person registered as the holder of GMF Units in the register of GMF Unitholders at open of business (Melbourne, Australia time) on the Register Date. It also extends to:
 - (1) holders of securities that come to be GMF Unitholders during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, such securities and which are on issue as at the Register Date; and
 - (2) any person who becomes registered as the holder of Your Units during the Offer Period.
- (g) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of Your Units, then:
 - (1) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to that other person in respect of those GMF Units;
 - (2) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to you in respect of any other GMF Units you hold to which the Offer relates; and
 - (3) the Offer will be deemed to have been withdrawn immediately at that time.
- (h) If at any time during the Offer Period you are registered as the holder of one or more parcels of GMF Units as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate offer on the same terms and conditions as the Offer had been made in relation to each of those distinct parcels and any parcel you hold in your own right. To validly accept the Offer for

each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Growthpoint Offer Information Line to request those additional copies.

- (i) If Your Units are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.
- (j) The Offer is dated [BLANK IN LODGED VERSION].

13.2 Offer Period

- (a) Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of the Offer and ending at 7.00pm (Melbourne, Australia time) on the later of:
 - (1) [BLANK IN LODGED VERSION]; or
 - (2) any date to which the Offer Period is extended.
- (b) Growthpoint Properties Australia Limited reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last 7 days of the Offer Period, either of the following events occurs:
 - (1) the Offer is varied to improve the consideration offered; or
 - (2) Growthpoint Properties Australia Limited's voting power in GMF increases to more than 50%,then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

13.3 How to accept the Offer

- (a) **General**
 - (1) Subject to section 13.1(g) and section 13.1(h), you may accept the Offer for all (but not some only) of Your Units.
 - (2) You may accept the Offer at any time during the Offer Period.
- (b) **GMF Units held in your name on GMF's issuer sponsored subregister**

To accept the Offer for GMF Units held in your name on GMF's issuer sponsored sub-register (in which case your Security-holder Reference Number will commence with 'I'), you must:

 - (1) complete and sign the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form; and
 - (2) ensure that the Acceptance Form (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period at the address specified on the Acceptance Form.
- (c) **GMF Units held in your name in a CHES Holding**
 - (1) If Your Units are held in your name in a CHES Holding (in which case your Holder Identification Number will commence with 'X') and

you are not a Participant, you should instruct your Controlling Participant (for GMF Unitholders who are not institutions, this is normally the stockbroker either through whom you bought Your Units or through whom you ordinarily acquire securities on the ASX) to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for them to accept the Offer on your behalf before the end of the Offer Period.

- (2) If Your Units are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (3) Alternatively, to accept the Offer for GMF Units held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you may complete and sign the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form, and ensure that it (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address specified on the Acceptance Form.
- (4) If Your Units are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

(d) **GMF Units of which you are entitled to be registered as holder**

To accept this Offer for GMF Units which are not held in your name, but of which you are entitled to be registered as holder, you must call the Growthpoint Offer Information Line and Computershare Investor Services Pty Limited will arrange for an Acceptance Form to be sent to you once you become the registered holder of those GMF Units.

(e) **Acceptance Form and other documents**

- (1) The Acceptance Form forms part of the Offer.
- (2) If your Acceptance Form (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by Growthpoint Properties Australia Limited at the address specified on the Acceptance Form before the end of the Offer Period.
- (3) When using the Acceptance Form to accept the Offer in respect of GMF Units in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of the Offer and the instruction on the Acceptance Form) are received by Growthpoint Properties Australia Limited in time for Growthpoint Properties Australia Limited to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (4) The postage of the Acceptance Form and other documents is at your own risk.

13.4 Validity of acceptances

- (a) Subject to this section 13.4, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in section 13.3.
- (b) Growthpoint Properties Australia Limited will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. Growthpoint Properties Australia Limited is not required to communicate with you prior to or after making this determination. The determination of Growthpoint Properties Australia Limited will be final and binding on all parties.
- (c) Notwithstanding sections 13.3(b), 13.3(c), 13.3(d) and 13.3(e), Growthpoint Properties Australia Limited may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your Units, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Growthpoint Properties Australia Limited.
- (d) Where you have satisfied the requirements for acceptance in respect of only some of Your Units, Growthpoint Properties Australia Limited may, in its sole discretion, regard the Offer to be accepted in respect of those of Your Units but not the remainder.
- (e) Growthpoint Properties Australia Limited will provide the consideration to you in accordance with section 13.6, in respect of any part of an acceptance determined by Growthpoint Properties Australia Limited to be valid.

13.5 The effect of acceptance

- (a) Once you have accepted the Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Units from the Offer or otherwise dispose of Your Units, except as follows:
 - (1) if, by the relevant times specified in section 13.5(b), the conditions in section 13.8 have not all been fulfilled or freed, the Offer will automatically terminate and Your Units will be returned to you; or
 - (2) if the Offer Period is extended for more than one month and the obligations of Growthpoint Properties Australia Limited to deliver the consideration are postponed for more than 1 month and, at the time, the Offer is subject to one or more of the conditions in section 13.8, you may be able to withdraw your acceptance and Your Units in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.
- (b) The relevant times for the purposes of section 13.5(a)(1) are:
 - (1) in relation to the condition in section 13.8(g), the end of the third business day after the end of the Offer Period; and
 - (2) in relation to all other conditions in section 13.8, the end of the Offer Period.
- (c) By signing and returning the Acceptance Form, or otherwise accepting the Offer pursuant to section 13.3, you will be deemed to have:
 - (1) accepted the Offer (and any variation of it) in respect of, and, subject to all of the conditions to the Offer in section 13.8 being fulfilled or

freed, agreed to transfer to Growthpoint Properties Australia Limited, Your Units (even if the number of GMF Units specified on the Acceptance Form differs from the number of Your Units), subject to section 13.1(g) and section 13.1(h);

- (2) represented and warranted to Growthpoint Properties Australia Limited, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of Your Units (including any Rights) to Growthpoint Properties Australia Limited is registered, that Your Units are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership in Your Units (including any Rights) to Growthpoint Properties Australia Limited, and that you have paid to GPTPL all amounts which at the time of acceptance have fallen due for payment to GPTPL in respect of Your Units;
- (3) irrevocably authorised Growthpoint Properties Australia Limited (and any director, secretary, nominee or agent of Growthpoint Properties Australia Limited) to alter the Acceptance Form on your behalf by inserting correct details relating to Your Units, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by Growthpoint Properties Australia Limited to make it an effective acceptance of the Offer or to enable registration of Your Units in the name of Growthpoint Properties Australia Limited;
- (4) if you signed the Acceptance Form in respect of GMF Units which are held in a CHESS Holding, irrevocably authorised Growthpoint Properties Australia Limited (or any director, secretary, nominee or agent of Growthpoint Properties Australia Limited) to instruct your Controlling Participant to initiate acceptance of the Offer in respect of Your Units in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
- (5) if you signed the Acceptance Form in respect of GMF Units which are held in a CHESS Holding, irrevocably authorised Growthpoint Properties Australia Limited (or any director, secretary, nominee or agent of Growthpoint Properties Australia Limited) to give any other instructions in relation to Your Units to your Controlling Participant, as determined by Growthpoint Properties Australia Limited or its nominee acting in its own interests as a beneficial owner and intended registered holder of those GMF Units;
- (6) irrevocably authorised and directed GPTPL to pay to Growthpoint Properties Australia Limited, or to account to Growthpoint Properties Australia Limited for, all Rights in respect of Your Units, subject, if the Offer is withdrawn and the contract arising from your acceptance of the Offer had not become or been declared unconditional before the Offer was withdrawn, to Growthpoint Properties Australia Limited accounting to you for any such Rights received by Growthpoint Properties Australia Limited;
- (7) irrevocably authorised Growthpoint Properties Australia Limited to notify GPTPL on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Units is the

address specified by Growthpoint Properties Australia Limited in the notification;

- (8) with effect from the time and date on which all the conditions to the Offer in section 13.8 have been fulfilled or freed, to have irrevocably appointed Growthpoint Properties Australia Limited (and any director, secretary or nominee of Growthpoint Properties Australia Limited severally from time to time) as your true and lawful attorney to exercise all your powers and rights in relation to Your Units, including (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings and all court-convened meetings of GMF and to request GPTPL to register, in the name of Growthpoint Properties Australia Limited or its nominee, Your Units, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
- (9) with effect from the date on which all the conditions to the Offer in section 13.8 have been fulfilled or freed, to have agreed not to attend or vote in person, by proxy or by body corporate representative at any general meeting or any court-convened meeting of GMF or to exercise or purport to exercise any of the powers and rights conferred on Growthpoint Properties Australia Limited (and the directors, secretaries and nominees of Growthpoint Properties Australia Limited) in section 13.5(c)(8);
- (10) agreed that in exercising the powers and rights conferred by the powers of attorney granted under section 13.5(c)(8), the attorney will be entitled to act in the interests of Growthpoint Properties Australia Limited or its nominee as the beneficial owner and intended registered holder of Your Units;
- (11) agreed to do all such acts, matters and things that Growthpoint Properties Australia Limited may require to give effect to the matters the subject of this section 13.5(c) (including the execution of a written form of proxy to the same effect as this section 13.5(c) which complies in all respects with the requirements of the GMF Constitution) if requested by Growthpoint Properties Australia Limited;
- (12) agreed to indemnify Growthpoint Properties Australia Limited in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Security holder Reference Number or in consequence of the transfer of Your Units to Growthpoint Properties Australia Limited being registered by GPTPL without production of your Holder Identification Number or your Security holder Reference Number for Your Units;
- (13) represented and warranted to Growthpoint Properties Australia Limited that, unless you have notified it in accordance with section 13.1(h), Your Units do not consist of separate parcels of GMF Units;
- (14) irrevocably authorised Growthpoint Properties Australia Limited (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer Your Units to Growthpoint Properties Australia Limited's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under the Offer;

- (15) agreed, subject to the conditions of the Offer in section 13.8 being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Growthpoint Properties Australia Limited may consider necessary or desirable to convey Your Units registered in your name and Rights to Growthpoint Properties Australia Limited; and
 - (16) agreed to accept the Growthpoint Securities to which you have become entitled by acceptance of the Offer subject to the GPAL Constitution and have authorised Growthpoint Properties Australia Limited to place your name on its register of shareholders and on Growthpoint Trust's register of unitholders in respect of those Growthpoint Securities.
- (d) The undertakings and authorities referred to in section 13.5(c) will remain in force after you receive the consideration for Your Units and after Growthpoint Properties Australia Limited becomes registered as the holder of Your Units.

13.6 Payment of consideration

- (a) Subject to sections 13.4(b), 13.6 and 13.7 and the Corporations Act, Growthpoint Properties Australia Limited will provide the consideration due to you for Your Units on or before the earlier of:
 - (1) one month after the date of your acceptance or, if the Offer is subject to a defeating condition when you accept the Offer, within one month after the Offer becomes unconditional; and
 - (2) 21 days after the end of the Offer Period.
- (b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
 - (1) if that document is given with your Acceptance Form, Growthpoint Properties Australia Limited will provide the consideration in accordance with section 13.6(a);
 - (2) if that document is given after your Acceptance Form and before the end of the Offer Period while the Offer is subject to a defeating condition, Growthpoint Properties Australia Limited will provide the consideration due to you on or before the earlier of one month after the Offer becomes unconditional and 21 days after the end of the Offer Period;
 - (3) if that document is given after your Acceptance Form and before the end of the Offer Period while the Offer is not subject to a defeating condition, Growthpoint Properties Australia Limited will provide the consideration due to you on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period;
 - (4) if that document is given after the end of the Offer Period, and the Offer is not subject to a defeating condition, Growthpoint Properties Australia Limited will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, Growthpoint Properties Australia Limited will provide the consideration due to you within 21 days after the Offer becomes unconditional.

- (c) If you accept the Offer, Growthpoint Properties Australia Limited is entitled to all Rights in respect of Your Units. Growthpoint Properties Australia Limited may require you to provide all documents necessary to vest title to those Rights in Growthpoint Properties Australia Limited, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to Growthpoint Properties Australia Limited, or if you have (or any previous owner of Your Units has) received the benefit of those Rights, Growthpoint Properties Australia Limited will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Growthpoint Properties Australia Limited) of those Rights, excluding the value of any franking credits attached to the Rights. Any such deduction will be made, first, from any cash amount that is due to you and, to the extent that such cash amount is insufficient, then from any Growthpoint Securities otherwise due to you on the basis that one Growthpoint Security has a value of \$3.15.
- (d) If you have accepted the Offer and you are an Ineligible Foreign Unitholder or an Unmarketable Parcel Unitholder, you will receive your share of the proceeds from the sale of the Growthpoint Securities in accordance with section 13.7.
- (e) Payment of any cash amount to which you are entitled under the Offer will be made by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas unitholders, by airmail) to either (at the discretion of Growthpoint Properties Australia Limited):
- (1) the address as shown on your Acceptance Form; or
 - (2) the address as shown on the latest version of the GMF's register of unitholders as requested and obtained by Growthpoint Properties Australia Limited (the **Relevant Register**).
- (f) The obligation of Growthpoint Properties Australia Limited to issue and allot any Growthpoint Securities to which you are entitled will be satisfied by Growthpoint Properties Australia Limited:
- (1) entering your name on the register of members of Growthpoint Properties Australia Limited and the register of unitholders of Growthpoint Trust; and
 - (2) dispatching or procuring the dispatch to you by pre-paid post to either your address as shown on your Acceptance Form or your address as recorded in the Relevant Register (at the discretion of Growthpoint Properties Australia Limited), an uncertificated holding statement in your name. If Your Units are held in a joint name, an uncertificated holding statement will be issued in the name of, and forwarded to, the holder whose name appears first in the Relevant Register.
- (g) If at the time you accept the Offer, any authority, clearance or approval is required for you to receive any consideration for Your Units, including (but not limited to) any authority, clearance or approval of:
- (1) the Reserve Bank of Australia (whether under the *Banking (Foreign) Exchange Regulations 1959* (Cth) or otherwise);
 - (2) the Minister for Foreign Affairs (whether under the *Charter of the United Nations Act 1945* (Cth), the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth) or any other regulations made thereunder, or otherwise);
 - (3) the ATO; or
 - (4) any other person as required by any other law of Australia that would make it unlawful for Growthpoint Properties Australia Limited to provide any consideration for Your Units,

then you will not be entitled to receive any consideration for Your Units until all requisite authorities, clearances or approvals have been received by Growthpoint Properties Australia Limited.

13.7 Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders

- (a) If you are an Ineligible Foreign Unitholder or an Unmarketable Parcel Unitholder, you will not be entitled to receive Growthpoint Securities as part of the consideration for Your Units as a result of accepting the Offer, and Growthpoint Properties Australia Limited will:
- (1) arrange for the issue to a nominee approved by ASIC (the **Nominee**) of the number of Growthpoint Securities to which all Ineligible Foreign Unitholders and all Unmarketable Parcel Unitholders (including you) would have been entitled but for section 13.1(c) and the equivalent provision in each other offer under the Offer. Growthpoint Properties Australia Limited may arrange for the Growthpoint Securities to be issued to the Nominee in tranches. Growthpoint Properties Australia Limited has the sole and complete discretion as to when and in how many tranches to aggregate the Growthpoint Securities to be issued as a result of acceptances of the Offer;
 - (2) cause the Growthpoint Securities so issued to be offered for sale by the Nominee (in one or more tranches) on the ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee, and the Nominee will remit the proceeds of such sale to Growthpoint Properties Australia Limited; and
 - (3) pay to you the amount ascertained in accordance with the following formula, being your pro rata share of the proceeds from the Growthpoint Securities sold in the relevant sale tranche, less brokerage and sale expenses:

$$\frac{N \times YS}{TS}$$

where:

'**N**' is the amount which is received by the Nominee upon the sale of the Growthpoint Securities in the relevant tranche under this section 13.7 less brokerage and sale expenses;

'**YS**' is the number of Growthpoint Securities which would, but for section 13.1(c), otherwise have been allotted to you; and

'**TS**' is the total number of Growthpoint Securities allotted to the Nominee in the relevant tranche under this section 13.7.

- (b) You will be sent your share of the proceeds of the sale of Growthpoint Securities by Growthpoint Properties Australia Limited in Australian currency, by cheque drawn on an Australian bank.
- (c) Payment will be made by cheque posted to you at your risk by ordinary mail (or in the case of overseas unitholders, by airmail) at either the address as shown on your Acceptance Form or the address shown on the Relevant Register within the period required by the Corporations Act.
- (d) Under no circumstances will interest be paid on your share of the proceeds of the sale of Growthpoint Securities by Growthpoint Properties Australia Limited or the Nominee, regardless of any delay in remitting these proceeds to you.

- (e) The Nominee may sell the Growthpoint Securities in such manner, at such price or prices and on such terms as the Nominee determines, and at the risk of the Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders. The Nominee will sell the Growthpoint Securities on ASX following the issue of those securities to it and the Nominee has sole and complete discretion with regards to the number of tranches in which to sell the Growthpoint Securities that are issued to it.
- (f) As the market price of Growthpoint Securities will be subject to change from time to time, the sale price of the Growthpoint Securities sold by the Nominee and the proceeds of those sales cannot be guaranteed. Neither Growthpoint Properties Australia Limited or the Nominee gives any assurance as to the price that will be achieved for the sale of the Growthpoint Securities by the Nominee.
- (g) The Nominee will be appointed by, and will provide the Nominee services to, Growthpoint Properties Australia Limited. In acting as Nominee, the Nominee will not be acting as agent or sub-agent of any Ineligible Foreign Unitholder or Unmarketable Parcel Unitholder, does not have duties or obligations (fiduciary or otherwise) to any Ineligible Foreign Unitholder or Unmarketable Parcel Unitholder and does not underwrite the sale of the Growthpoint Securities.

13.8 Conditions of the Offer

Subject to section 13.9, the completion of the Offer and any contract that results from an acceptance of the Offer, are subject to the fulfilment of the conditions set out below:

(a) **Regulatory approvals**

Before the end of the Offer Period, all approvals, waivers, exemptions, declarations or consents that are required by law, or by or from any Government Agency, as are necessary to permit:

- (1) the Offer to be lawfully made to and accepted by GMF Unitholders;
- (2) the Takeover Bid to be completed;
- (3) the Cash Alternative Facility to be made available to GMF Unitholders and for Growthpoint SA and other Growthpoint Securityholders to acquire Growthpoint Securities under the Cash Alternative and / or the Minority Facility,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(b) **No regulatory action**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (1) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (2) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (3) no application is made to any Government Agency (other than by Growthpoint Properties Australia Limited or GPAL or any Associate of Growthpoint Properties Australia Limited or GPAL),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel, under or relating to a

breach of Chapters 6, 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act in consequence of, or in connection with, the Offer) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offer (and / or the Cash Alternative) and the completion of Takeover Bid or which requires the divestiture by Growthpoint Properties Australia Limited of any GMF Units or any material assets of GMF.

(c) **Minimum acceptance**

At the end of the Offer Period, Growthpoint Properties Australia Limited has a Relevant Interest in at least 50.1% of the GMF Units.

(d) **No material adverse change**

(1) Between the Announcement Date and the end of the Offer Period (each inclusive), none of the following occurs:

- (A) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (B) information is disclosed or announced by GMF (acting through GPTPL) concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (C) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to Growthpoint Properties Australia Limited or GPAL (whether or not becoming public),

(each of (A), (B) and (C), a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

- (D) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of GMF taken as a whole; or
- (E) without limiting the generality of clause 13.8(d)(1)(D):
 - (i) the effect of a diminution in the value of the consolidated net assets of GMF (acting through GPTPL), taken as a whole, by at least \$13,840,000 against what it would reasonably have been expected to have been but for such Specified Event;
 - (ii) the effect of a diminution in the consolidated earnings before interest and tax of GMF (acting through GPTPL), taken as a whole, by at least \$4,196,000 in any financial year for GMF (acting through GPTPL) against what they would reasonably have been expected to have been but for such Specified Event;
 - (iii) the effect of a diminution in the consolidated net profits after tax for GMF (acting through GPTPL), taken as a whole, of at least \$3,665,000 in any financial year for GMF (acting through GPTPL) against what they would reasonably have been expected to have been but for such Specified Event; or

- (iv) the effect of a diminution in the distributable earnings / funds from operations of at least \$2,082,000 in any financial year for GMF (acting through GPTPL) against what they would reasonably have been expected to have been but for such Specified Event.
 - (2) For the purposes of section 13.8(d), Growthpoint Properties Australia Limited and GPAL shall not be taken to know of information concerning any event, change, condition, matter or thing before the Announcement Date, unless the information has been fully and fairly disclosed by GMF (acting through GPTPL) in its public filings with the ASX before the Announcement Date.
- (e) **Independent expert report – determinations in relation to the Offer**
 - (1) Before the end of the Offer Period, GMF (acting through GPTPL) obtains a report from an independent expert and, in that report, the independent expert opines (and does not alter, vary or amend that opinion before the end of the Offer Period) to the effect that:
 - (A) the Offer is fair and reasonable; and
 - (B) no GPT Group Member will obtain a 'net benefit' (as that term is used in the Takeovers Panel Guidance Note 21: Collateral Benefits) as a result of any of the arrangements contained in the Facilitation Agreement.
 - (2) Before the end of the Offer Period, no Government Agency makes any preliminary or final decision, order or decree to the effect that a GPT Group Member will obtain a 'net benefit' (as that term is used in the Takeovers Panel Guidance Note 21: Collateral Benefits) as a result of any of the arrangements contained in the Facilitation Agreement.
- (f) **No distributions**

Between the Announcement Date and the end of the Offer Period (each inclusive), GMF (acting through GPTPL) does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) to GMF Unitholders, other than the Permitted Distributions.
- (g) **No prescribed occurrences**

Between the Announcement Date and the date 3 Business Days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences happen:

 - (1) GMF (acting through GPTPL) converting all or any of its units into a larger or smaller number of units;
 - (2) GPTPL resolves to reduce GMF's capital in any way;
 - (3) GMF (acting through GPTPL):
 - (A) entering into a buy-back agreement; or
 - (B) resolving to approve the terms of a buy-back agreement;
 - (4) GMF (acting through GPTPL) issuing units, or granting an option over its units, or agreeing to make such an issue or grant such an option;
 - (5) GMF (acting through GPTPL) issuing, or agreeing to issue, convertible notes;

- (6) GPTPL or GMF being deregistered as a company, registered scheme, or being otherwise dissolved;
- (7) GMF (acting through GPTPL) disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property (including any of its Properties);
- (8) GMF (acting through GPTPL) granting a Security Interest, or agreeing to grant a Security Interest, in the whole, or a substantial part, of its business or property;
- (9) GPTPL resolving that GMF be wound up;
- (10) the appointment of a liquidator or provisional liquidator of GPTPL or GMF;
- (11) the making of an order by a court for the winding up of GPTPL or GMF; or
- (12) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of GPTPL or GMF.

(h) **No persons entitled to exercise or exercising rights under certain agreements or instruments**

Before the end of the Offer Period:

- (1) the Consenting Party in respect of each Material Contract provides to GMF (acting through GPTPL) in writing a binding, irrevocable and unconditional:
 - (A) consent to Growthpoint Properties Australia Limited acquiring control of GMF; and
 - (B) waiver or release (as applicable) of any rights that it may have, or any effects, under the Material Contract, including to:
 - terminate, cancel or rescind that Material Contract or any part of it;
 - vary, amend or modify that Material Contract;
 - exercise, enforce or accelerate any right under that Material Contract (including rights of pre-emption); or
 - benefit from the operation of a provision which automatically terminates, varies, amends or modifies that Material Contract,

(including where any such right or effect is subject to (x) the satisfaction or failure of a contingency or condition, (y) one or more Bid Conditions being fulfilled or freed or (z) the effluxion of time) as a direct or indirect result of a Growthpoint Properties Australia Limited acquiring control of GMF, announcing or making the Offer or acquiring, or acquiring a Relevant Interest in, any GMF Units,

under and in accordance with the relevant Material Contract **(Relevant Release)**;
- (2) the Consenting Caveator in respect of each Material Interest provides to GMF (acting through GPTPL) in writing a binding, irrevocable and

unconditional consent to the transfer of the Material Interest from GMF (acting through GPTPL) to Growthpoint Properties Australia Limited (or its Controlled Entity, nominee or custodian) upon a change of responsible entity of GMF, in a form sufficient to permit the registration of that transfer (**Relevant Consent**);

- (3) no Relevant Release or Relevant Consent is varied, revoked or qualified; and
- (4) GMF (acting through GPTPL) provides details of each Relevant Release and Relevant Consent in the Target's Statement in response to the Offer or in an announcement to ASX, which statement is expressed to be made with the approval of the directors of GPTPL,

and in this clause 13.8(h):

- (5) the Material Contracts and their respective Consenting Party are as follows

| Material Contract | Consenting Party |
|--|-------------------------|
| Lease between Sydney Olympic Park Authority (a statutory body established under the <i>Sydney Olympic Park Authority Act 2001</i> (NSW)) (SOPA) and GPT RE Limited (ACN 107 426 504) (GPTRE) (transferred to GPT Platform Limited pursuant to Transfer of Lease no. AI944038) dated 15 April 2014 in respect of the property at 3 Murray Rose Avenue, Sydney Olympic Park, NSW 2127 at Lot 3 in Deposited Plan 1185060 | SOPA |
| Lease between SOPA and Samsung Electronics Australia Pty Limited (002 915 648) (transferred to GPT Platform Limited pursuant to Transfer of Lease no. AI944040) dated 29 October 1997 in respect of the property at 5 Murray Rose Avenue, Sydney Olympic Park, NSW 2127 at Lot 5 in Deposited Plan 1185060 | SOPA |
| Lease between SOPA and GPT Management Limited (ACN 000 335 473) (GPTML) (transferred to GPT Platform Limited pursuant to Transfer of Lease no. AI873135) dated 14 February 2002 in respect of the property at Quad 2, Parkview Drive, Sydney Olympic Park, NSW 2127 at Lot 814 in Deposited Plan 1030022 | SOPA |
| Lease between SOPA and GPTML (transferred to GPT Platform Limited pursuant to Transfer of Lease no. AI873101) dated 29 December 2003 in respect of the property at Quad 3, Parkview Drive, Sydney Olympic Park, NSW 2127 at Lot 815 in Deposited Plan 1030022 | SOPA |
| Lease between Central SEQ Distributor Retailer Authority (ABN 86 673 835 011) (Central SEQ) and City of Brisbane Investment Corporation Pty Ltd (ACN 066 022 455) (the predecessor to GPT Platform Limited pursuant to Dealing No: 715491894) dated 22 March 2012 in respect of the property at Optus Centre, 15 Green Square Close, Fortitude Valley, QLD 4066 at Lot 3 on Survey Plan 195250 | Central SEQ |

and

- (6) the Material Interests and their respective Consenting Caveator are as follows:

| Material Interest | Consenting Caveator |
|---|--|
| The properties at 3 Murray Rose Avenue, Sydney Olympic Park, NSW 2127 at Lot 3 in Deposited Plan 1185060 and 5 Murray Rose Avenue, Sydney Olympic Park, NSW 2127 at Lot 5 in Deposited Plan 1185060 | Ausgrid (ABN 67 505 337 385) |
| The Vantage property at 109 Burwood Road, Hawthorn, Victoria 3122 Title Volume 10934 Folio 800 | Citipower Pty Ltd (ABN 76 064 651 056) |

(i) **No material acquisitions, disposals or changes in the conduct of business**

Between the Announcement Date and the end of the Offer Period (each inclusive), GMF (acting through GPTPL) does not:

- (1) acquire or dispose of, or enter into or agree to enter into or announce any agreement for the acquisition or disposal of, any asset or business, or enter into any corporate transaction, which would or would be likely to involve a material change in:
 - (A) the manner in which GMF (acting through GPTPL) conducts its business; or
 - (B) the nature (including balance sheet classification), extent or value of the assets or liabilities of GMF (acting through GPTPL);
- (2) without limiting section 13.8(i)(1), enter into or agree to enter into or announce any transaction which would, or would be likely to, involve GMF (acting through GPTPL):
 - (A) acquiring or disposing of one or more companies, trusts, businesses or real property (or any interest therein);
 - (B) acquiring or disposing of any asset (excluding real property) which has a value in excess of \$50,000 on an individual basis or which when aggregated with all other acquisitions or disposals (as applicable) permitted by this section 13.8(i)(2)(B) would exceed \$200,000; or
 - (C) entering into any contract or commitment (including the acquisition of, or agreement to acquire, any asset (excluding real property)) that:
 - requires payments by GMF (acting through GPTPL) of an amount in excess of \$1,043,000 when aggregated with all other expenses incurred that are permitted by this section 13.8(i)(2)(C);
 - cannot be terminated on less than 12 months' notice without penalty; or
 - is not in the ordinary course of business; or
- (3) make or agree to make any change to its constitutional documents or pass or agree to pass any special or extraordinary resolutions.

(j) **Properties**

Between the Announcement Date and the end of the Offer Period (each inclusive), none of the following occur:

- (1) any of the Properties cease to be owned by GPTPL;
- (2) a Security Interest is created or arises over any of the Properties;
- (3) GMF (acting through GPTPL) enters into any commitment (including a lease or agreement for lease) in relation to any development, redevelopment or refurbishment project for a new or existing GMF asset where the total project cost exceeds \$1,043,000 (including incentives) whether or not previously contemplated;
- (4) any of the Properties (or any interest in any of them) is disposed of, sold or transferred, or is agreed to be disposed of, sold or transferred;
- (5) any of the Properties are destroyed or there is any physical damage to any Property such that the amount or value of the destruction or damage exceeds or would reasonably be expected to exceed \$100,000 after recovery of any insured amounts;
- (6) there is a material amendment or variation of any term in any lease relating to any Property;
- (7) any tenant of any Property gives notice that it intends to terminate its lease in respect of that Property or will not renew its lease in respect of that Property;
- (8) any tenant of a Property surrenders or threatens to surrender its lease in respect of that Property;
- (9) any party to a lease of Property is in default or potential default under the applicable lease, and that default, which if remediable is not remedied within any applicable grace periods, would or would be likely to give rise to a right of termination by the non-defaulting party;
- (10) any tenant of a Property fails to make any payment due under the applicable lease and such payment is outstanding for a period in excess of 30 days;
- (11) any tenant of any Property suffers an Insolvency Event; or
- (12) GMF (acting through GPTPL) incurring or agreeing to incur an amount of capital expenditure in excess of \$100,000 (in aggregate across all the Properties), other than capital expenditure that has been fully and fairly announced by GMF (acting through GPTPL) to ASX before the Announcement Date as intended to be incurred or committed or capital expenditure in the day to day operating activities of the business of GMF (acting through GPTPL) conducted in the same manner as before the Announcement Date.

(k) **Responsible entity changes**

Between the Announcement Date and the end of Offer Period (each inclusive), none of the following occurs:

- (1) GPTPL implements, or agrees or proposes to implement, any transaction or proposal under which the management of GMF is 'internalised';
- (2) GPTPL is removed or replaced as responsible entity of GMF or an agreement is entered into to remove or replace GPTPL as responsible entity of GMF;
- (3) a change of Control occurs or is agreed to occur in respect of GPTPL.

(l) **No litigation on foot or pending**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (1) no litigation against GPTPL which may reasonably result in a judgement of \$100,000 or more is commenced, is threatened in writing to be commenced, is announced, or is made known to Growthpoint Properties Australia Limited (whether or not becoming public) or GPTPL, other than that which has been fully and fairly publicly disclosed to the ASX prior to the Announcement Date; and
- (2) neither:
 - (A) the consideration under the Offer is required to be increased from the amount stipulated in this Bidder's Statement; nor
 - (B) Growthpoint Properties Australia Limited or an Associate of Growthpoint Properties Australia Limited is required or reasonably likely to be required to pay any amount to any one or more GMF Unitholders in connection with the Offer, as a result of:
 - (C) any litigation that is commenced, is threatened to be commenced, announced or is make known to Growthpoint Properties Australia Limited (whether or not becoming public); or
 - (D) any preliminary or final decision or order of any Government Agency, other than as a result of Growthpoint Properties Australia Limited publicly undertaking to increase the consideration under the Offer or Growthpoint Properties Australia Limited lodging a notice of variation under section 650D of the Corporations Act relating to an increase of the consideration under the Offer.

(m) **Financial indebtedness**

Except for any transaction fully and fairly disclosed by GMF (acting through GPTPL) in its public filings with the ASX prior to the Announcement Date, during the period from the Announcement Date to the end of the Offer Period (each inclusive), GMF (acting through GPTPL) does not incur, increase or guarantee any Financial Indebtedness of any kind or provide any financial accommodation to any Entity.

(n) **No untrue statements to ASX or ASIC**

Between the Announcement Date and the end of the Offer Period (each inclusive), Growthpoint Properties Australia Limited does not become aware that any document filed or lodged by or on behalf of GPTPL, or by or on behalf of any person in relation to GMF, with ASX or ASIC:

- (1) contains a statement which is incorrect or misleading in a material particular; or
- (2) from which there is a material omission.

(o) **No break fees**

Between the Announcement Date and the end of the Offer Period (each inclusive), GPTPL does not make or agree (whether conditionally or unconditionally) to make any payment by way of break fee, inducement fee, cost reimbursement or otherwise, to any person other than Growthpoint

Properties Australia Limited or an Associate, or forgo any amount to which it would otherwise be entitled, in connection with a proposal by that person (or any Associate of that person) for:

- (1) a takeover bid for the GMF Units;
- (2) a trust scheme proposed by GPTPL or otherwise involving GMF;
- (3) the acquisition by that person or an Associate of substantially all the assets and operations of GMF; or
- (4) any transaction having a similar economic effect to any of the transactions referred to above.

(p) **Growthpoint Security price**

The value of a Growthpoint Security (when valued for the purposes of the Offer for the purposes of section 621(3) of the Corporations Act, as modified by *ASIC Corporations (Minimum Bid Price) Instrument 2015/1068* does not fall below \$3.03.

13.9 Nature and benefit of conditions

- (a) The conditions in section 13.8 are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period (or in the case of the conditions in section 13.8(g), until the end of the third business day after the end of the Offer Period), prevent a contract to sell Your Units from arising, but entitles Growthpoint Properties Australia Limited by written notice to you, to rescind the contract resulting from your acceptance of the Offer.
- (b) Subject to the Corporations Act, Growthpoint Properties Australia Limited alone is entitled to the benefit of the conditions in section 13.8, or to rely on any non-fulfilment of any of them.
- (c) Each condition in section 13.8 is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

13.10 Freeing the Offer of conditions

- (a) Growthpoint Properties Australia Limited may free the Offer, and any contract resulting from its acceptance, from all or any of the conditions subsequent in section 13.8, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to GMF and to the ASX declaring the Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:
 - (1) in the case of the condition in section 13.8(g), not later than 3 business days after the end of the Offer Period; and
 - (2) in the case of all the other conditions in section 13.8, not less than 7 days before the end of the Offer Period.
- (b) If, at the end of the Offer Period (or in the case of the condition in section 13.8(g), at the end of the third business day after the end of the Offer Period), the conditions in section 13.8 have not been fulfilled and Growthpoint Properties Australia Limited has not declared the Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

13.11 Official quotation of Growthpoint Securities

- (a) Growthpoint Properties Australia Limited and GPAL have been admitted to the official list of the ASX. Growthpoint Securities of the same class as those to be issued as consideration have been granted official quotation by the ASX.
- (b) An application will be made within 7 days after the start of the Bid Period to the ASX for the granting of official quotation of the Growthpoint Securities to be issued in accordance with the Offer. However, official quotation is not granted automatically on application.
- (c) Pursuant to the Corporations Act, the Offer and any contract that results from your acceptance of it are subject to a condition that permission for admission to official quotation by the ASX of the Growthpoint Securities to be issued pursuant to the Offer being granted no later than 7 days after the end of the Bid Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offer will be automatically void.

13.12 Notice on status of conditions

The date for giving the notice on the status of the conditions required by section 630(1) of the Corporations Act is [BLANK IN LODGED VERSION] (subject to extension in accordance with section 630(2) if the Offer Period is extended).

13.13 Withdrawal of the Offer

- (a) The Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, Growthpoint Properties Australia Limited will give notice of the withdrawal to the ASX and to GMF and will comply with any other conditions imposed by ASIC.
- (b) If, at the time the Offer is withdrawn, all the conditions in section 13.8 have been freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) If, at the time the Offer is withdrawn, the Offer remains subject to one or more of the conditions in section 13.8, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).
- (d) A withdrawal pursuant to section 13.13 will be deemed to take effect:
 - (1) if the withdrawal is not subject to conditions imposed by ASIC, on and after the date on which that consent in writing is given by ASIC; or
 - (2) if the withdrawal is subject to conditions imposed by ASIC, on and after the date on which those conditions are satisfied.

13.14 Variation of the Offer

Growthpoint Properties Australia Limited may vary the Offer in accordance with the Corporations Act.

13.15 No stamp duty

Growthpoint Properties Australia Limited will pay any stamp duty on the transfer of Your Units to it.

13.16 Withholding required by law

- (a) Despite any other provision in this section 13, if:
- (1) Growthpoint Properties Australia Limited receives professional advice that any withholding or other tax is, or is reasonably likely to be, required by law to be withheld from a payment to a GMF Unitholder whose address as shown in the register of unitholders of GMF is in a jurisdiction other than Australia; or
 - (2) Growthpoint Properties Australia Limited receives professional advice that it is, or is reasonably likely to be, required to pay an amount under section 14-200 of Schedule 1 to the *Taxation Administration Act 1953* (Cth),
- (in either case, a **Relevant Foreign Unitholder**), Growthpoint Properties Australia Limited is entitled to withhold the relevant amount before making the payment to the Relevant Foreign Unitholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Offer). Any such deduction will be made, first from any cash amount that is due to the Relevant Foreign Unitholder and, to the extent that cash amount is less than the amount that Growthpoint Properties Australia Limited is required to withhold, then from any Growthpoint Securities otherwise due to the Relevant Foreign Unitholder on the basis that one Growthpoint Security has a value of \$3.15.
- (b) Growthpoint Properties Australia Limited must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the Relevant Foreign Unitholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the Relevant Foreign Unitholder.

13.17 Governing laws

The Offer and any contract that results from your acceptance of it are to be governed by the laws in force in Victoria, Australia.

14 Definitions and interpretation

14.1 Definitions

In this Bidder's Statement and in the Acceptance Form unless the context otherwise appears, the following terms have the meanings shown below:

| Term | Meaning |
|---------------------------------|--|
| \$ or A\$ | Australian dollars, the lawful currency of the Commonwealth of Australia. |
| 50.1% Ownership Scenario | has the meaning given in section 9.2. |
| AAS | the accounting standards required under the Corporations Act, including the Approved Accounting Standards issued by the Australian Accounting Standards Board. |
| Acceptance Form | the acceptance form enclosed with this Bidder's Statement. |
| AFM | The Netherlands Authority for the Financial Markets. |
| Announcement Date | 1 July 2016 (being the date on which Growthpoint Properties Australia Limited announced the Offer). |
| A-REITS | Australian real estate investment trusts. |
| ASIC | the Australian Securities and Investments Commission. |
| Associate | has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this Bidder's Statement. |
| ASX | ASX Limited ABN 98 008 624 691 or the market conducted by it, as the context requires. |
| ASX Settlement | ASX Settlement Pty Limited ABN 49 008 504 532. |

| Term | Meaning |
|---------------------------------------|---|
| ASX Settlement Operating Rules | the operating rules of the ASX Settlement which govern the administration of the Clearing House Electronic Sub-register System. |
| BBSY | the rate designated as the average “bid” rate displayed at or about 10:15 a.m. on the initial or subsequent roll date on the Reuters screen BBSY page for a term equivalent to the interest period. |
| Bid Conditions | the conditions to the Takeover Bid included in section 13.8. |
| Bid Period | has the meaning given in section 9 of the Corporations Act. |
| Bidder’s Statement | this document, being the statement of Growthpoint Properties Australia Limited in relation to the Takeover Bid. |
| Business Day | a day other than a Saturday, Sunday or public holiday, on which banks are open for business in Melbourne, Australia and the ASX is open for trading. |
| Cash Alternative | has the meaning given in section 6.1. |
| Cash Alternative Custodian | has the meaning given in section 6.3. |
| Cash Alternative Election | has the meaning given in section 6.1 |
| Cash Alternative Facility | has the meaning given in section 6.1. |
| Centuria | Centuria Property Funds Limited ABN 11 086 553 639 in its capacity as responsible entity of Centuria Metropolitan REIT. |
| Centuria Takeover Bid | the public proposal by Centuria Property Funds Limited in its capacity as responsible entity of Centuria Metropolitan REIT to make a takeover bid for GMF, as announced to the ASX on 16 June 2016. |
| CHESS Holding | a holding of GMF Units that are registered on the GMF register of unitholders, which is administered by ASX Settlement and which records uncertificated |

| Term | Meaning |
|--------------------------------|---|
| | holdings of GMF Units. |
| CMA | Centuria Metropolitan REIT, comprising Centuria Metropolitan REIT No. 1 ARSN 124 364 718 and Centuria Metropolitan REIT No. 2 ARSN 124 364 656. |
| CMA Security | a stapled security comprising a unit in Centuria Metropolitan REIT No 1 ARSN 124 34 718 stapled to a unit in Centuria Metropolitan REIT No 2 ARSN 124 364 656. |
| Common Terms Deed | the deed between Growthpoint Properties Australia Limited, National Australia Bank Limited and others dated 25 September 2014 (as amended). |
| Control | has the meaning given in section 50AA of the Corporations Act. |
| Controlled Entities | means, in relation to an Entity, another Entity which is a Subsidiary of it, or which is Controlled by it, and, without limitation: <ol style="list-style-type: none"> 1 a trust may be a 'Subsidiary' of an Entity, for the purpose of which a unit or other beneficial interest will be regarded as a share; and 2 an Entity may be a 'Subsidiary' of a trust if it would have been a Subsidiary if that trust were a body corporate. |
| Controlling Participant | in relation to Your Units, has the same meaning as in the ASX Settlement Operating Rules. |
| Corporations Act | the <i>Corporations Act 2001</i> (Cth). |
| CPFL or Centuria | Centuria Property Funds Limited in its capacity as responsible entity for CMA. |
| DIPS | distributable income per security. |
| DPS | distribution per security. |
| DRP | distribution reinvestment plan. |
| Entity | has the meaning set out in section 64A of the Corporations Act. |

| Term | Meaning |
|--------------------------------|---|
| Facilitation Agreement | the Facilitation and Property Rights Deed between Growthpoint Properties Australia Limited in its capacity as responsible entity of the Growthpoint Trust and GPT Management Holdings Limited dated 1 July 2016. |
| FATA | the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth). |
| FIRB | the Foreign Investment Review Board. |
| Full Ownership Scenario | has the meaning given in section 9.2. |
| Gearing | interest bearing liabilities divided by total assets. |
| GMF | GPT Metro Office Fund ARSN 169 500 476. |
| GMF Constitution | the current constitution of GMF (including any amendments). |
| GMF Unitholder | a holder of one or more GMF Units. |
| GMF Unit or Unit | a fully paid ordinary unit in GMF. |
| Government Agency | any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including FIRB, ASIC, the Australian Competition and Consumer Commission and the SARB), or any minister of the Crown in right of the Commonwealth of Australia or any State, any other federal, state, provincial, or local government, and including any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and the ASX or any other stock exchange. |
| GPAL | Growthpoint Properties Australia Limited (ABN 33 124 093 901) in its personal capacity only. |
| GPAL Board | the board of directors of GPAL. |
| GPAL Constitution | the constitution of GPAL, as amended. |

| Term | Meaning |
|--|---|
| GPAL Director | a director of GPAL. |
| GPAL Share | a fully paid ordinary share in the capital of GPAL. |
| GPAL Shareholder | a holder of one or more GPAL Shares. |
| GPT Group | General Property Trust and each of its Subsidiaries, GPT RE and each of its Subsidiaries and GPT Management and each of its Subsidiaries, and a reference to a GPT Group Member is to any of them. |
| GPT Management | GPT Management Holdings Limited (ABN 67 113 510 188). |
| GPT RE | GPT RE Limited (ABN 27 107 426 504) in its capacity as responsible entity of the General Property Trust. |
| GPTPL | GPT Platform Limited (ACN 164 839 061) in its own capacity and as Responsible Entity of the GPT Metro Office Fund. |
| Growthpoint | Growthpoint Properties Australia Limited and / or Growthpoint Trust, as the context requires. |
| Growthpoint Properties Australia | Growthpoint Properties Australia Limited, each Growthpoint Properties Australia Limited Subsidiary, Growthpoint Trust and Growthpoint Trust's Controlled Entities. |
| Growthpoint Properties Australia Limited | Growthpoint Properties Australia Limited (ABN 33 124 093 901) in its capacity as responsible entity of Growthpoint Trust. |
| Growthpoint Properties Australia Limited Director | a director of Growthpoint Properties Australia Limited. |
| Growthpoint Properties Australia Limited Board | the board of directors of Growthpoint Properties Australia Limited. |
| Growthpoint SA | Growthpoint Properties Limited of South Africa. |

| Term | Meaning |
|---------------------------------------|---|
| Growthpoint Security | a GPAL Share stapled to a Growthpoint Unit in accordance with the provisions of the Stapling Deed, the GPAL Constitution and the Growthpoint Trust Constitution. |
| Growthpoint Securityholder | a registered holder of Growthpoint Securities. |
| Growthpoint Trust | Growthpoint Properties Australia Trust (ARSN 120 121 002). |
| Growthpoint Trust Constitution | the trust deed that established Growthpoint Trust dated 25 May 2006, as amended. |
| Growthpoint Unit | a fully paid ordinary unit in the Growthpoint Trust. |
| Growthpoint Unitholder | a holder of one or more Growthpoint Units. |
| Holder Identification Number | has the same meaning as in the ASX Settlement Operating Rules. |
| Ineligible Foreign Unitholder | <p>a GMF Unitholder whose address as shown in the register of unitholders of GMF is in a jurisdiction other than Australia or its external territories, New Zealand or Singapore, unless Growthpoint Properties Australia Limited otherwise determines (in its absolute discretion) that it is:</p> <ol style="list-style-type: none"> 1 not unlawful, onerous or impracticable to make the Offer to a GMF Unitholder in the relevant jurisdiction and to issue Growthpoint Securities to such a GMF Unitholder on acceptance of the Offer; and 2 not unlawful for such a GMF Unitholder to accept the Offer in such circumstances in the relevant jurisdiction. |
| Insolvency Event | <p>an Insolvency Event shall occur in relation to an entity if:</p> <ol style="list-style-type: none"> 1 it is a company, an administrator, liquidator or provisional liquidator is appointed to the entity or a resolution is passed or any steps are taken to appoint, or to pass a resolution to appoint, any of those persons to the entity ; 2 it is a company, an application or order is made for the winding up or dissolution of the entity or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the entity; 3 it is a company, a receiver, receiver and manager, trustee, other controller or similar officer is appointed over the assets or undertaking of the entity or any steps are taken to appoint, or to pass a resolution to appoint, any of those persons to the entity; |

| Term | Meaning |
|----------------------------------|---|
| | <p>4 it is not a company, any application is made to a court for an order that the entity be declared bankrupt, unless the application is withdrawn, struck out or dismissed within 20 days of it being made; or</p> <p>5 the entity suspends payment of its debts generally or is unable to pay its debts as and when they fall due or is presumed to be insolvent under applicable law, or enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them.</p> |
| Interested Person | has the meaning in section 12.10. |
| Issuer Sponsored Holdings | a holding of GMF Units on the GMF issuer sponsored subregister. |
| Investigating Accountant | Grant Thornton Corporate Finance Pty Ltd. |
| JSE | Johannesburg Securities Exchange Limited. |
| Last Practical Date | 30 June 2016. |
| Listing Rules | the Official Listing Rules of the ASX, as amended and waived by the ASX from time to time. |
| Marketable Parcel | has the meaning given in the ASX Operating Rules Procedures which, among other things, includes a parcel of securities, the value of which is not less than \$500. |
| Merged Group | the group of Entities resulting from the combination of Growthpoint and GMF following acquisition of control by Growthpoint Properties Australia Limited of GMF. |
| Minority Facility | has the meaning given in section 6.3. |
| Mixed Consideration | the consideration proposed to be paid under the Offer as set out in section 13.1(b). |
| NAB Facility | has the meaning given in section 8.2(e). |

| Term | Meaning |
|-----------------------------------|--|
| NPI | net property income. |
| Nominee | has the meaning in section 13.7. |
| NTA | net tangible assets. |
| Offer or Growthpoint Offer | each offer to acquire GMF Units made in connection with the Takeover Bid. |
| Offer Period | the period during which the Offer is open for acceptance. |
| Participant | an entity admitted to participate in the Clearing House Electronic Sub-register System under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules. |
| Permitted Distribution | <p>a cash distribution from GMF to be paid to GMF Unitholders:</p> <ol style="list-style-type: none"> 1 in respect of the calendar quarter ending 30 June 2016 of up to 3.85 cents per GMF Unit; and 2 in respect of the calendar quarter ending 30 September 2016 of up to 3.90 cents per GMF Unit. |
| Properties | <ol style="list-style-type: none"> 1 3 Murray Rose Avenue, Sydney Olympic Park, NSW (Folio identifier 3/1185060); 2 5 Murray Rose Avenue, Sydney Olympic Park, NSW (Folio identifier 5/1185060); 3 Quad 2, Parkview Drive, Sydney Olympic Park, NSW (Folio identifier 814/1030022); 4 Quad 3, Parkview Drive, Sydney Olympic Park, NSW (Folio identifier 815/1030022); 5 109 Burwood Road, Hawthorn, Victoria (Certificate of Title Volume 10934, Folio 800); and 6 Optus Centre, 15 Green Square Close, Fortitude Valley, Queensland (Lot 3 on Survey Plan 195250, Title Reference 50664186), <p>and Property means any of them.</p> |
| Register Date | the date set by Growthpoint Properties Australia Limited pursuant to section 633(2) of the Corporations Act. |

| Term | Meaning |
|--|---|
| Related Body Corporate | has the meaning given in section 50 of the Corporations Act. |
| Related Person | <p>in relation to an Entity means:</p> <ol style="list-style-type: none"> 1 a Related Body Corporate of that Entity; 2 an Entity that Controls that Entity (in the first mentioned Entity's capacity as controller of the second mentioned Entity); 3 an adviser of that Entity or an adviser of a Related Body Corporate of that Entity; 4 a director, officer or employee of any Entity referred to in items 1, 2 or 3 of this definition. |
| Relevant Date | has the meaning given in section 4.2. |
| Relevant Interest | has the meaning given in sections 608 and 609 of the Corporations Act. |
| Rights | all accreditations, rights or benefits of whatever kind attaching or arising from GMF Units directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends or other distributions and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by GMF (acting through GPTPL), other than in respect of a cash distribution from GMF to be paid to GMF Unitholders in respect of the calendar quarter ending 30 June 2016 of up to 3.85 cents per GMF Unit. |
| SARB | the South African Reserve Bank. |
| Security holder Reference Number or SRN | has the same meaning as in the ASX Settlement Operating Rules. |
| Security Interest | has the meaning given in section 51A of the Corporations Act. |
| Stapling Deed | the stapling deed dated 24 June 2009 between Orchard Property Pty Limited (formerly Orchard Property Limited) in its capacity as the responsible entity of Growthpoint Trust (formerly Orchard Industrial Property Fund) and Growthpoint Properties Australia Limited (formerly Orchard Management Limited). |
| Subsidiary | in relation to an Entity, has the meaning given to that term in the Corporations Act and for the purposes of this Bidder's Statement: |

| Term | Meaning |
|---------------------------------------|--|
| | <ol style="list-style-type: none"> 1 an Entity will be deemed to be a 'Subsidiary' of an Entity if the first mentioned Entity is required by accounting standards to be consolidated with second mentioned Entity; 2 a trust may be a 'Subsidiary', for the purposes of which any units or other beneficial interests in that trust will be deemed to be shares; 3 a corporation will be a 'Subsidiary' of a trust if the corporation would have been a subsidiary (as defined in the Corporations Act) if that trust were a body corporate; or 4 a trust will be a 'Subsidiary' of a trust if the first mentioned trust would have been a subsidiary (as defined in the Corporations Act) if both trusts were bodies corporate. |
| Takeover Bid | the off-market takeover bid made by Growthpoint Properties Australia Limited for the GMF Units. |
| Takeover Transferee Holding | has the same meaning as in the ASX Settlement Operating Rules. |
| Target's Statement | the target's statement that will be issued by GPTPL in relation to the Takeover Bid. |
| Tax Act | the <i>Income Tax Assessment Act 1997</i> (Cth) or the <i>Income Tax Assessment Act 1936</i> (Cth), as the context requires. |
| Tax Considerations Letter | the letter prepared by Grant Thornton Australia Limited setting out taxation considerations associated with the Offer and Growthpoint Securities, reproduced in section 11. |
| Units or GMF Units | fully paid ordinary units in GMF. |
| Unmarketable Parcel Unitholder | a GMF Unitholder to whom, if they accept the Offer, Growthpoint Securities would be issued which would not constitute a Marketable Parcel. |
| VWAP | volume weighted average price. |
| WALE | weighted average lease expiry. |
| Your Units | subject to section 13.1(g) and section 13.1(h), the GMF Units (a) in respect of which you are registered as holder in the register of unitholders of GMF at the open of business (Melbourne, Australia time) on the Register Date, or (b) to which |

| Term | Meaning |
|------|---|
| | you are able to give good title at the time you accept the Offer during the Offer Period. |

14.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise requires:


- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section, attachment and schedule is a reference to a section of and an attachment and schedule to this Bidder's Statement as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances, or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (h) a reference to time is a reference to time in Melbourne, Australia;
- (i) a reference to writing includes facsimile transmissions; and
- (j) a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

15 Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution passed by the Growthpoint Properties Australia Limited Directors.

date 1 July 2016

Signed for and on behalf of
Growthpoint Properties Australia Limited
by

sign here ▶ 

Director

print name Timothy James Collyer

Attachment 1

Announcement in relation to the Offer

ASX ANNOUNCEMENT GROWTHPOINT PROPERTIES AUSTRALIA (ASX Code: GOZ)

1 July 2016

GROWTHPOINT TAKEOVER BID TO ACQUIRE GPT METRO OFFICE FUND

Summary:

- Growthpoint announces takeover bid to acquire GPT Metro Office Fund
- Offer consideration comprises \$1.25 cash and 0.3968 Growthpoint securities per GMF unit, giving an implied value of approximately \$2.50 per GMF unit
- Alternatively, GMF unitholders can elect to receive 100% cash consideration of approximately \$2.50 per GMF unit under the Cash Alternative Facility
- Growthpoint has acquired a 13% interest in GMF and has entered into a Facilitation Agreement with GPT

Growthpoint takeover bid and Bidder's Statement

Growthpoint Properties Australia Limited as responsible entity for the Growthpoint Properties Australia Trust ("Growthpoint" or "GOZ") today announced a proposal to acquire all of the outstanding units in GPT Metro Office Fund ("GMF" or "GPT Metro") by way of an off-market takeover bid (the "Offer" or "Growthpoint Takeover Bid"). The Offer is conditional on, among other things, a 50.1% minimum acceptance condition.

In addition, Growthpoint today lodged its Bidder's Statement with the Australian Securities and Investments Commission, a copy of which is attached to this announcement as Annexure 1. The Bidder's Statement contains the full terms and conditions of the Offer. It is anticipated that the Offer will open in mid-to-late July 2016 and close approximately 1 month after it opens (unless extended).

Mixed Consideration

The Offer provides for GMF unitholders to receive the following consideration per GMF unit (the "Mixed Consideration"):

- \$1.25 cash; and
- 0.3968 Growthpoint securities.¹

Based on the closing price of a Growthpoint security of \$3.15 on 30 June 2016, the Offer implies consideration of approximately \$2.50 per GMF unit. The table below outlines the implied premia based on the implied value of the Offer.

Cash Alternative Facility

Alternatively, instead of receiving the Mixed Consideration, GMF unitholders may elect to receive 100% cash consideration for all their GMF units, by electing to participate in the Cash Alternative Facility.²

Under the Cash Alternative Facility, Growthpoint Properties Limited ("Growthpoint SA") is offering to acquire all the Growthpoint securities that would otherwise be issued to GMF unitholders under the Offer at a price of \$3.15 per

¹ Each Growthpoint security comprises a share in Growthpoint Properties Australia Limited stapled to a unit in Growthpoint Properties Australia Trust. As described in further detail in the Bidder's Statement, Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders (each as defined in the Bidder's Statement) who accept the Offer will not be entitled to receive Growthpoint securities. Fractional entitlements will be rounded down.

² Details of the Cash Alternative Facility are set out in section 6 of the Bidder's Statement. Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders are not eligible to participate in the Cash Alternative Facility.



Growthpoint security. This means that any GMF unitholder who participates in the Cash Alternative Facility will receive approximately \$2.50 cash for each of their GMF units.³

The Growthpoint Takeover Bid is at a significant premium

| | | <u>Growthpoint Takeover Bid</u> |
|---|---------------------|---------------------------------|
| GOZ scrip consideration | | \$1.25 ⁴ |
| Total cash consideration | | \$1.25 |
| Implied Offer consideration per GMF unit | | \$2.50 |
| | | <u>Offer premium</u> |
| GPT Metro's undisturbed ⁵ closing price | \$2.06 | 21.4% |
| GPT Metro's undisturbed 1-month VWAP ⁶ (rounded) | \$2.06 | 21.2% |
| GPT Metro's undisturbed 3-month VWAP (rounded) | \$2.06 | 21.2% |
| GPT Metro's stated NTA (31 December 2015) | \$2.15 | 16.3% |
| GPT Metro's stated NTA (31 March 2016) | \$2.35 | 6.4% |
| Centuria Takeover Bid | \$2.45 ⁷ | 2.0% |

The Growthpoint Takeover Bid is superior to the Centuria Takeover Bid

Growthpoint believes that Growthpoint Takeover Bid is superior to the takeover bid that is being made by Centuria Property Funds Limited in its capacity as responsible entity for the Centuria Metropolitan REIT ("**CMA**") ("**Centuria Takeover Bid**") as announced to ASX on 16 June 2016. The table below highlights the relative benefits of the Growthpoint Takeover Bid, clearly demonstrating a superior outcome for GMF unitholders.

³ This price equates to the cash consideration received under the Offer of \$1.25 per GMF unit plus the value of 0.3968 Growthpoint securities acquired by Growthpoint SA at a price of \$3.15 ($\$1.25 + 0.3968 \times \$3.15 = \2.50).

⁴ 0.3968 Growthpoint securities per GMF unit and based on Growthpoint's closing price on 30 June 2016.

⁵ As at 1 April 2016, being the last trading day prior to the GMF announcement of the receipt of an unsolicited, confidential and non-binding proposal.

⁶ Volume Weighted Average Price. The 1 month and 3 month VWAP calculations in this table are to 30 June 2016.

⁷ Centuria Takeover Bid as announced to ASX on 16 June 2016, comprising 1 CMA security and \$0.31 cash consideration per GMF unit and based on CMA's closing price on 30 June 2016.



| | Growthpoint Takeover Bid | Centuria Takeover Bid |
|-----------------------------|--|--|
| Implied offer consideration | ✓ \$2.50 | \$2.45 |
| Value certainty | ✓ Minimum 50% cash consideration, with option to receive 100% cash under the Cash Alternative Facility | ~13% cash consideration |
| Portfolio quality | ✓ Complimentary portfolio with comparable metrics | Lower grade portfolio |
| Scale and relevance | ✓ \$2.0bn pro forma market capitalisation ⁸ | \$0.5bn pro forma market capitalisation ⁹ |
| Index inclusion | ✓ S&P / ASX 200 Index | Not included in index |
| Corporate governance | ✓ Internalised management | External management |
| Track record | ✓ 30.9% TSR since CMA listing ✓ Operating since 2009 | 17.1% TSR since CMA listing Operating since 2014 |

Acquisition of 13% of the units in GPT Metro

Growthpoint also announced today it has acquired approximately 16.7 million GMF units from GPT RE Limited in its capacity as responsible entity of the General Property Trust representing an approximate 13% relevant interest, for consideration of \$2.45 per GMF unit.

Facilitation Agreement

Growthpoint and GPT Management Holdings Limited (“GPT”) have today entered into a facilitation and property rights deed relating to the provision of services and the transition of management of GMF and rights over certain GPT owned properties in Sydney Olympic Park (the “Facilitation Agreement”).

Under the Facilitation Agreement, and in return for the services and rights provided, Growthpoint has agreed to pay GPT \$9 million, conditional on Growthpoint either holding at least a 50.1% relevant interest in GMF or declaring the Offer unconditional.

A copy of the Facilitation Agreement is attached to this announcement as Annexure 2.

Growthpoint Managing Director, Timothy Collyer, said: “The proposed merger of Growthpoint and GPT Metro Fund continues to represent a compelling value proposition for GMF unitholders. Growthpoint is firmly of the view that the Growthpoint Takeover Bid is superior to the Centuria Takeover Bid, offering a higher implied offer value, exposure to a larger, higher quality and more diversified portfolio, enhanced governance through Growthpoint’s internalised management structure and the increased value certainty afforded by the Growthpoint Takeover Bid, given the higher proportion of cash consideration, the relative liquidity of Growthpoint securities and the ability to receive 100% cash consideration under the Cash Alternative Facility from Growthpoint SA.

We are pleased to have agreed the Facilitation Agreement with GPT, which will be invaluable in reducing risk for current and new Growthpoint securityholders, ensuring an orderly and cost efficient transition of management and potential strategic portfolio benefits in the Sydney Olympic Park precinct.”

⁸ This market capitalisation figure is based on there being 583,125,744 Growthpoint securities currently on issue and 44,380,760 new Growthpoint securities being issued as a result of the Offer (assuming that Growthpoint acquires all of the GMF units under the Offer that it does not already own), and that the price of a Growthpoint security is \$3.15

⁹ This market capitalisation figure is based on there being 119,407,764 CMA securities currently on issue and 128,533,501 new CMA Securities being issued as a result of the CMA Takeover Bid (assuming that CMA acquires all of the GMF units under the Centuria Takeover Bid that it does not already own), and that the price of a CMA security is \$2.14.



Timothy Collyer, Managing Director www.growthpoint.com.au

Media enquiries should be directed to:

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Investor enquiries should be directed to:

Timothy Collyer, Managing Director, Growthpoint Properties Australia

Telephone: +61 3 8681 2900

Growthpoint Properties Australia

Growthpoint Properties Australia is a publicly traded ASX listed A-REIT (ASX Code: GOZ) that specialises in the ownership and management of quality investment property. GOZ owns interests in a diversified portfolio of 58 office and industrial properties throughout Australia valued at approximately \$2.8 billion and has an investment mandate to invest in office, industrial and retail property sectors.

Growthpoint is included in the S&P/ASX 200 Index and has been issued with an investment grade rating of Baa2 for senior secured debt by Moody's.

GOZ aims to grow its portfolio over time and diversify its property investment by asset class, geography and tenant exposure through individual property acquisitions, portfolio transactions and corporate activity (M&A transactions) as opportunities arise.

Attachment 2

ASX announcements by Growthpoint since 17 August 2015

| Date | Announcement |
|-------------|---|
| 20/06/2016 | Acquisition of office building and business update |
| 20/06/2016 | Dividend/Distribution - GOZ |
| 20/06/2016 | Correction to FY 2017 distribution guidance payment amounts |
| 17/06/2016 | Declared distribution, DRP and FY17 guidance |
| 06/06/2016 | Update on proposal to acquire GMF |
| 05/05/2016 | Proposed Merger with GPT Metro Office Fund |
| 08/04/2016 | GOZ overview at 31 March 2016 |
| 05/04/2016 | Proposal to acquire GMF |
| 02/03/2016 | Appendix 3Y - Estienne de Klerk |
| 02/03/2016 | Notice of change of interests of substantial holder |
| 02/03/2016 | Appendix 3Y - Norbert Sasse |
| 02/03/2016 | Appendix 3Y - Francois Marais |
| 01/03/2016 | Appendix 3Y- Grant Jackson |
| 01/03/2016 | Appendix 3Y- Maxine Brenner |

| Date | Announcement |
|-------------|---|
| 01/03/2016 | Appendix 3Y- Geoffrey Tomlinson |
| 29/02/2016 | Appendix 3B |
| 22/02/2016 | Fund payment details (for foreign holders) |
| 22/02/2016 | Half Year Results Presentation |
| 22/02/2016 | Half Yearly Report and Accounts |
| 22/02/2016 | Half Year Results and Appendix 4D |
| 02/02/2016 | Leasing update |
| 01/02/2016 | Advance Notice Half-year Results Briefing |
| 22/01/2016 | Completion of acquisition of office building in Canberra |
| 20/01/2016 | Update - Dividend/Distribution - GOZ |
| 19/01/2016 | GOZ Half Year December 2015 DRP price |
| 21/12/2015 | New long term fixed rate debt issuance |
| 14/12/2015 | Dividend/Distribution - GOZ |
| 14/12/2015 | Declared distribution for half year ending 31 December 2015 |
| 27/11/2015 | Response to ASX Appendix 3Y Query |
| 27/11/2015 | Appendix 3Y- Tim Collyer |

| Date | Announcement |
|-------------|---|
| 27/11/2015 | Appendix 3B |
| 26/11/2015 | Acquisition of modern Canberra office building |
| 25/11/2015 | Results of 2015 Annual General Meeting |
| 25/11/2015 | Chairman and Managing Director's 2015 AGM address |
| 25/11/2015 | Managing Director's AGM presentation 2015 |
| 18/11/2015 | Investor Update, November 2015 |
| 18/11/2015 | Acquisition and development of suburban office building |
| 06/11/2015 | Baa2 credit rating confirmed |
| 22/10/2015 | Notice of Annual General Meeting/Proxy Form |
| 09/10/2015 | Appendix 3B |
| 09/10/2015 | Appendix 4G |
| 30/09/2015 | NSW Industrial Property Acquisition |
| 16/09/2015 | Major Brisbane office lease extension |
| 19/08/2015 | Fund payment (relevant for foreign holders) |

Attachment 3

Investigating Accountant's Report



Grant Thornton

An instinct for growth™

The Board of Directors
Growthpoint Properties Australia Limited in its own capacity and
as responsible entity of the Growthpoint Properties Australia Trust
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1 July 2016

PRIVATE AND CONFIDENTIAL

Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL AND FORECAST FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the Directors (“**the Directors**”) of Growthpoint Properties Australia Limited in its own capacity and as responsible entity of the Growthpoint Properties Australia Trust (“**Growthpoint**”) to be included in the Bidder’s Statement in respect of the proposed acquisition of the units in GPT Metro Office Fund (“**GMF**”) (“**the Offer**”).

Grant Thornton Corporate Finance Pty Ltd (“**Grant Thornton Corporate Finance**”) holds Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at **Appendix A**.

Expressions defined in the Bidder’s Statement have the same meaning in this report, unless otherwise specified.

Scope

You have requested Grant Thornton Corporate Finance to review the following financial information of Growthpoint and GMF included in the Bidder’s Statement:

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Holder of Australian Financial Services Licence No. 247140

‘Grant Thornton’ refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another’s acts or omissions. In the Australian context only, the use of the term ‘Grant Thornton’ may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Historical Financial Information

The historical financial information, as set out in the Bidder's Statement comprises:

- The historical financial performance of Growthpoint for the years ended 30 June 2014 and 30 June 2015, and the six months ended 31 December 2014 and 31 December 2015;
- The historical statement of cashflows of Growthpoint for the years ended 30 June 2014 and 30 June 2015, and the six months ended 31 December 2014 and 31 December 2015; and
- The historical financial position of Growthpoint as at 30 June 2014, 31 December 2014, 30 June 2015 and 31 December 2015

(hereafter, the "**Growthpoint Historical Financial Information**").

- The summary historical financial metrics of GMF as described in **Section 5.5** of the Bidder's Statement for the period ended 30 June 2015 and the six months ended 31 December 2015

(hereafter, the "**GMF Historical Financial Information**");

(collectively hereafter, the "**Historical Financial Information**").

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information.

The Historical Financial Information has been extracted from the audited financial reports of Growthpoint and GMF for the years ended 30 June 2015 which were audited by KPMG, and the reviewed financial report of Growthpoint and GMF for the 6 months ended 31 December 2015. KPMG issued unmodified opinions on all of the financial reports. The Historical Financial Information is presented in the Bidder's Statement in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth).

Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information, as set out in the Bidder's Statement comprises:

- The pro forma financial position of the Merged Group as at 31 December 2015

(hereafter, the “**Pro Forma Historical Financial Information**”).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Pro Forma Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in **Section 9.4** of the Bidder's Statement, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Merged Group's actual or prospective financial position.

Forecast Financial Information

The forecast financial information, as set out in the Bidder's Statement comprises:

- the Growthpoint stand alone forecast income statement for the years ending 30 June 2016 and 30 June 2017 (“**Growthpoint Forecast Financial Information**”); and
- the GMF stand alone forecast income statement for the years ending 30 June 2016 and 30 June 2017 (“**GMF Forecast Financial Information**”)

(hereafter, the “**Forecast Financial Information**”).

The directors' best-estimate assumptions underlying the Forecast Financial Information are described in **Sections 9.3** of the Bidder's Statement. The stated basis of preparation used in the preparation of the Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards and the accounting policies adopted by Growthpoint and GMF (included in **Section 9.3** of the Bidder's Statement).

Pro Forma Forecast Financial Information

- The Pro Forma Forecast income statement of the Merged Group for the year ending 30 June 2017.

(hereafter, the “**Pro forma Forecast Financial Information**”).

The Pro forma Forecast Financial Information has been derived from the Growthpoint Forecast Financial Information and the GMF Forecast Financial Information, after adjusting for the effects of the pro forma transactions and/or adjustments described in **Section 9.3(g)** of the Bidder's Statement (“**the Pro forma Adjustments**”). The stated basis of preparation used in the preparation of the Pro forma Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards

applied to the Growthpoint Forecast Financial Information and the GMF Forecast Financial Information and the events or transactions to which the Pro forma Adjustments relate, as if those events or transactions had occurred as at 1 July 2016. Due to its nature, the Pro forma Forecast Financial Information does not represent the Merged Group's actual or prospective financial performance for the year ending 30 June 2017. The Forecast Financial Information and Pro forma Forecast Financial Information has been prepared by management and adopted by the Directors in order to provide a guide to the potential financial performance of Growthpoint, GMF and the Merged Group for the year ending 30 June 2017. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be difference from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material.

The Directors' best estimate assumptions on which the Forecast Financial Information and Pro forma Forecast Financial Information is based relate to future events or transactions that management expect to occur and action that management expects to take and are also subject to uncertainties and contingencies, which are often outside the control of Growthpoint, GMF and the Merged Group. Evidence may be available to support the assumptions on which the Forecast Financial Information and Pro forma Forecast Financial Information is based, however such evidence is generally future oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best estimate assumptions, and accordingly provide a lesser level of assurance on the reasonableness of the Directors' best estimate assumptions. We do not express any opinion on the achievability of the results. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Merged Group, which are detailed in the Bidder's Statement, and the inherent uncertainty relating to the prospective financial information. Accordingly, prospective investors should have regard to the investment risks and sensitivities set out in **Section 10** of the Bidder's Statement. The sensitivity analysis set out in **Section 9.6** of the Bidder's Statement demonstrates the impacts on the Pro Forma Historical Information, Forecast Financial Information and Pro Forma Forecast Financial Information of changes in key assumptions. The Pro Forma Historical Information, Forecast Financial Information and Pro forma Forecast Financial Information is therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed, and relied on representations from certain members of management of Growthpoint that all material information concerning the prospects and proposed operations of the Merged Group has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Directors Responsibility for the Financial Information

The Directors are responsible for:

- the preparation and presentation of the Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and including in the Pro Forma Historical Financial Information;
- the preparation of the Forecast Financial Information, including the best estimate assumptions underlying the Forecast Financial Information and the selection and determination of the pro forma adjustments made to the Forecast Financial Information and included in the Pro Forma Forecast Financial Information; and
- the information contained within the Bidder's Statement.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information, Pro Forma Historical Financial Information, and Forecast Financial Information and Pro Forma Forecast Financial Information, based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Australian Standard on Assurance Engagement (ASAE) 3450: *“Assurance Engagements involving Corporate Fundraisings and/ or Prospective Financial Information”*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Review conclusion on the Financial Information

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information is not presented fairly, in all material respects, in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the accounting policies adopted by Growthpoint as disclosed in **Sections 3.5** and **5.5** of the Bidder's Statement.

Pro forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro forma Historical Financial Information, is not presented fairly, in all material respects, on the basis of the pro forma adjustments described in **Section 9.4** of the Bidder's Statement and in accordance with the recognition and measurement principles contained in Australian Accounting Standards and the accounting policies adopted by the Merged Group as disclosed in **Section 9.4** of the Bidder's Statement.

Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- i. the Directors' best estimate assumptions used in the preparation of the Forecast Financial Information do not provide reasonable grounds for Forecast Financial Information, and
- ii. in all material respects, the Forecast Financial Information:
 - a. is not properly prepared on the basis of the Directors' best estimate assumptions as described in **Section 9.3** of the Bidder's Statement; and
 - b. is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in the Australian Accounting Standards and the accounting policies adopted by Growthpoint as disclosed in **Section 9.3** of the Bidder's Statement; and
- iii. the Forecast Financial Information itself is unreasonable.

Pro Forma Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- i. the Directors' best estimate assumptions used in the preparation of the Pro Forma Forecast Information do not provide reasonable grounds for the Pro Forma Forecast Financial Information, and
- ii. in all material respects, the Pro Forma Forecast Financial Information:
 - a. is not properly prepared on the basis of the Directors' best estimate assumptions as described in **Section 9.3** of the Bidder's Statement; and
 - b. is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in the Australian Accounting Standards and the accounting policies adopted by Merged Group as disclosed in **Section 9.3** of the Bidder's Statement, applied to the Pro forma Forecast Financial Information and the Pro forma Adjustments as if those adjustments had occurred as at 1 July 2016; and
- iii. the Pro Forma Forecast Financial Information itself is unreasonable.

Restriction on Use

Without modifying our conclusions, we draw attention to **Section 9** of the Bidder's Statement, which describes the purpose of the Financial Information, being for inclusion in the Bidder's Statement. As a result, the Financial Information may not be suitable for use for another purpose.

Consent

Grant Thornton Corporate Finance has consented to the inclusion of this Independent Limited Assurance Report in the Bidder's Statement in the form and context in which it is included.

Liability

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in Bidder's Statement. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Bidder's Statement.

Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD



Cameron Bacon
Partner



Peter Thornely
Partner



The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Appendix A (Financial Services Guide)

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

This Financial Services Guide is dated 1 July 2016.

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) (Grant Thornton Corporate Finance) has been engaged by Growthpoint Properties Australia Limited (Growthpoint) or (the Company) to provide general financial product advice in the form of an Independent Limited Assurance Report (the Report) on the financial information comprising the Historical Pro forma and Forecast Financial Information included in **Section 9** of the Bidder's Statement dated on or about 1 July 2016 (the Bidder's Statement). You have not engaged us directly but have been provided with a copy of the report as a retail client because of your connection to the matters set out in the report.

2 This Financial Services Guide

This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

3 Financial services we are licensed to provide

Our Australian Financial Services Licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Holder of Australian Financial Services Licence No. 247140

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

4 General financial product advice

The report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail finance product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the report. These fees are negotiated and agreed with the entity who engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report, Grant Thornton Corporate Finance will receive from the Company a fee of \$127,000 plus GST, which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, and related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd.

None of those persons or entities receive non-monetary benefits in respect of, or that is attributable to the provision of the services described in this FSG.

6 Referrals

Grant Thornton Corporate Finance including its Partners, Directors, employees or associates and related bodies corporate, does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licenced to provide.

7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

8 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the National Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 367 287

Grant Thornton Corporate Finance is only responsible for the report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

9 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

10 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

National Head of Corporate Finance
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, NSW, 2000

Growthpoint property portfolio (as at 31 December 2015)

Office portfolio

| Address | | Book Value (\$'000) | Valuer | Cap rate (%) | Discount rate (%) | Major tenant | WALE (years) | Lettable area (m ²) | Site area (m ²) |
|--|----------|------------------------|-----------|-----------------|----------------------|--------------------------------------|-----------------|---------------------------------------|--------------------------------|
| Victoria | | | | | | | | | |
| Building 2, 572-576 Swan St | Richmond | 79,200 | Directors | 7.25 | 8.25 | GE Capital Finance Australasia | 2.2 | 14,660 | 7,201 |
| Building B, 211 Wellington Rd | Mulgrave | 66,600 | Urbis | 7.25 | 8.00 | Monash University | 4.9 | 12,780 | 11,040 |
| Buildings 1 & 3, 572-576 Swan St | Richmond | 55,400 | Directors | 7.25 | 8.25 | GE Capital Finance Australasia | 2.2 | 10,250 | 16,819 |
| Building C, 211 Wellington Rd ⁷³ | Mulgrave | 50,875 | Directors | 7.25 | 8.25 | BMW Australia Finance | 5.0 | 10,295 | 11,070 |

⁷³ Includes Building C, 211 Wellington Rd, Mulgrave, Victoria at its 'on completion' valuation.

| Address | | Book Value (\$'000) | Valuer | Cap rate (%) | Discount rate (%) | Major tenant | WALE (years) | Lettable area (m ²) | Site area (m ²) |
|---------------------------------|----------------|------------------------|--------------|-----------------|----------------------|--|-----------------|---------------------------------------|--------------------------------|
| Car Park, 572-576 Swan St | Richmond | 1,200 | Directors | 12.00 | – | GE Capital Finance Australasia | 2.2 | - | 3,756 |
| Queensland | | | | | | | | | |
| 1231-1241 Sandgate Rd | Nundah | 99,000 | Knight Frank | 6.50 | 7.25 | Energex | 10.8 | 12,980 | 5,597 |
| 333 Ann St | Brisbane | 92,500 | Directors | 7.75 | 8.25 | QLD Local Government Super Board | 5.2 | 16,490 | 1,563 |
| CB1, 22 Cordelia St | South Brisbane | 88,750 | Knight Frank | 6.75 | 8.25 | Downer EDI Mining | 6.4 | 11,529 | 5,772 |
| A1, 32 Cordelia St | South Brisbane | 71,000 | Knight Frank | 6.50 | 8.25 | Jacobs Engineering | 7.8 | 10,052 | 2,667 |
| A4, 52 Merivale St | South Brisbane | 67,500 | Knight Frank | 6.75 | 8.25 | University of the Sunshine Coast | 4.5 | 9,405 | 2,331 |
| CB2, 42 Merivale St | South Brisbane | 52,250 | Knight Frank | 6.50 | 8.25 | Peabody Energy | 8.9 | 6,598 | 3,158 |
| Car Park, 32 | South Brisbane | 18,000 | Knight Frank | 6.25 | 8.00 | Secure Parking | 3.9 | - | 9,319 |

| Address | | Book Value (\$'000) | Valuer | Cap rate (%) | Discount rate (%) | Major tenant | WALE (years) | Lettable area (m ²) | Site area (m ²) |
|---------------------------------------|--------------|------------------------|-----------|-----------------|----------------------|-----------------------------------|-----------------|---------------------------------------|--------------------------------|
| Cordelia St & 52 Merivale St | | | | | | | | | |
| South Australia | | | | | | | | | |
| 33-39 Richmond Rd | Keswick | 61,000 | Directors | 8.00 | 9.00 | Coffey Corporate | 7.5 | 11,835 | 4,169 |
| 7 Laffer Dr | Bedford Park | 16,000 | Directors | 10.00 | 10.00 | Westpac Banking Corporation | 2.6 | 6,639 | 33,090 |
| New South Wales | | | | | | | | | |
| 1 Charles St | Parramatta | 277,500 | Urbis | 6.25 | 7.75 | NSW Police | 8.4 | 32,314 | 6,460 |
| Building C, 219-247 Pacific Hwy | Artarmon | 108,500 | Savills | 6.75 | 8.00 | Fox Sports | 6.2 | 14,496 | 4,212 |
| Tasmania | | | | | | | | | |
| 89 Cambridge Park Dr | Cambridge | 27,000 | JLL | 8.25 | 8.25 | Hydro Tasmania Consulting | 8.3 | 6,876 | 28,080 |

| Address | | Book Value (\$'000) | Valuer | Cap rate (%) | Discount rate (%) | Major tenant | WALE (years) | Lettable area (m ²) | Site area (m ²) |
|---------|--|---------------------|--------|--------------|-------------------|--------------|--------------|---------------------------------|-----------------------------|
|---------|--|---------------------|--------|--------------|-------------------|--------------|--------------|---------------------------------|-----------------------------|

Australian Capital Territory

| | | | | | | | | | |
|--------------------|----------|--------|-----------|------|------|---------------------------|------|--------|-------|
| 10-12 Mort St | Canberra | 86,700 | Directors | 6.75 | 7.75 | Commonwealth of Australia | 9.2 | 15,398 | 3,064 |
| 255 London Circuit | Canberra | 70,025 | Directors | 6.00 | 6.75 | Commonwealth of Australia | 11.7 | 8,972 | 2,945 |

Industrial portfolio

| Address | | Book Value (\$'000) | Valuer | Cap rate (%) | Discount rate (%) | Major tenant | WALE (years) | Lettable area (m ²) | Site area (m ²) |
|---------|--|---------------------|--------|--------------|-------------------|--------------|--------------|---------------------------------|-----------------------------|
|---------|--|---------------------|--------|--------------|-------------------|--------------|--------------|---------------------------------|-----------------------------|

Victoria

| | | | | | | | | | |
|-----------------------|--------------|--------|------------|------|------|------------|-----|--------|---------|
| 28 Bilston Dr | Wodonga | 72,500 | Savills | 8.75 | 9.25 | Woolworths | 5.6 | 57,440 | 250,000 |
| 120 Northcorp Blvd | Broadmeadows | 75,200 | Directors | 7.25 | 8.25 | Woolworths | 5.6 | 58,320 | 250,000 |
| 522-550 Wellington Rd | Mulgrave | 63,000 | m3property | 7.25 | 8.00 | Woolworths | 5.6 | 68,144 | 191,200 |
| 40 Annandale | Melbourne | 35,700 | Directors | 9.00 | 9.00 | Star Track | 3.5 | 44,424 | 75,325 |

| Address | | Book Value (\$'000) | Valuer | Cap rate (%) | Discount rate (%) | Major tenant | WALE (years) | Lettable area (m ²) | Site area (m ²) |
|--|----------------------|------------------------|------------|-----------------|----------------------|--|-----------------|------------------------------------|--------------------------------|
| Rd | Airport | | | | | Express | | | |
| 1500 Ferntree Gully Rd & 8 Henderson Rd | Knoxfield | 37,300 | Directors | 7.00 | 8.25 | Brown & Watson International | 7.7 | 22,009 | 40,844 |
| 9-11 Drake Blvd | Altona | 30,900 | Savills | 6.75 | 8.00 | Peter Stevens Motorcycles | 5.7 | 25,743 | 41,730 |
| 213-215 Robinsons Rd | Ravenhall | 27,250 | Directors | 6.75 | 8.25 | Fuji Xerox | 9.5 | 21,092 | 45,020 |
| 130 Sharps Rd | Melbourne Airport | 21,500 | CBRE | 8.00 | 8.50 | Laminex Group | 6.5 | 28,100 | 47,446 |
| 101-103 William Angliss Dr | Laverton North | 28,000 | m3property | 6.75 | 8.25 | Scott's Refrigerated Freightways | 13.2 | 8,871 | 37,350 |
| Lots 2, 3 & 4, 44-54 Raglan St | Preston | 21,650 | CBRE | 8.25 | 8.50 | Paper Australia | 3.7 | 26,980 | 42,280 |
| 120-132 Atlantic Dr | Keysborough | 22,350 | Savills | 6.25 | 8.00 | Symbion | 13.0 | 12,864 | 26,181 |
| 365 | Derrimut | 18,000 | Directors | 7.00 | 8.25 | Bridgestone | 4.2 | 16,114 | 29,860 |

| Address | | Book Value (\$'000) | Valuer | Cap rate (%) | Discount rate (%) | Major tenant | WALE (years) | Lettable area (m ²) | Site area (m ²) |
|--------------------------|----------------------|------------------------|------------|-----------------|----------------------|--------------------------|-----------------|------------------------------------|--------------------------------|
| Fitzgerald Rd | | | | | | Australia | | | |
| 120 Link Rd | Melbourne Airport | 14,000 | CBRE | 8.75 | 8.75 | The Reject Shop | 1.1 | 26,517 | 51,434 |
| 20 Southern Crt | Keysborough | 13,900 | Directors | 7.00 | 8.25 | Sales Force National | 7.0 | 11,430 | 19,210 |
| 60 Annandale Rd | Melbourne Airport | 12,500 | Directors | 9.50 | 9.00 | Willow Ware Australia | 2.3 | 16,276 | 34,726 |
| 6 Kingston Park Crt | Knoxfield | 11,450 | Directors | 7.00 | 8.25 | NGK Spark Plug | 6.4 | 7,645 | 12,795 |
| 3 Millennium Crt | Knoxfield | 10,450 | CBRE | 7.25 | 7.75 | Orora | 5.2 | 8,040 | 14,750 |
| 31 Garden St | Kilsyth | 9,600 | m3property | 7.75 | 8.25 | Cummins Filtration | 2.9 | 8,919 | 17,610 |
| 45-55 South Centre Rd | Melbourne Airport | 8,550 | Savills | 8.75 | 9.75 | Willow Ware Australia | 1.2 | 14,082 | 24,799 |
| 19 Southern Crt | Keysborough | 8,000 | Directors | 7.25 | 8.25 | Transms | 3.3 | 6,455 | 11,650 |
| 75 Annandale | Melbourne | 7,200 | Directors | 9.00 | 9.00 | Neovia Logistics | 0.8 | 10,280 | 16,930 |

| Address | | Book Value (\$'000) | Valuer | Cap rate (%) | Discount rate (%) | Major tenant | WALE (years) | Lettable area (m ²) | Site area (m ²) |
|--------------------|------------------|------------------------|-----------|-----------------|----------------------|-------------------------|-----------------|------------------------------------|--------------------------------|
| Rd | Airport | | | | | Services | | | |
| Queensland | | | | | | | | | |
| 70 Distribution St | Larapinta | 198,500 | JLL | 7.10 | 8.25 | Woolworths | 6.2 | 75,425 | 250,900 |
| 13 Business St | Yatala | 14,850 | Urbis | 7.75 | 8.50 | Reward Supply Co. | 3.7 | 8,951 | 18,630 |
| 29 Business St | Yatala | 11,000 | Directors | 8.00 | 8.75 | CMC Coil Steels | 1.3 | 8,680 | 16,460 |
| 670 Macarthur Ave | Pinkenba | 9,750 | Directors | 7.25 | 8.50 | Reliance Worldwide Corp | 3.8 | 5,578 | 10,360 |
| 5 Viola Pl | Brisbane Airport | 8,500 | Directors | 9.75 | 9.00 | GPC Asia Pacific | 1.5 | 14,726 | 35,166 |
| 10 Gassman Dr | Yatala | 4,650 | Directors | 7.75 | 8.75 | Norman Ellison Carpets | 1.8 | 3,188 | 6,480 |
| 3 Viola Pl | Brisbane Airport | 1,950 | JLL | 9.00 | 8.25 | Cargo Transport Systems | 7.2 | 3,431 | 12,483 |

| Address | | Book Value (\$'000) | Valuer | Cap rate (%) | Discount rate (%) | Major tenant | WALE (years) | Lettable area (m ²) | Site area (m ²) |
|--------------------------|---------------|------------------------|-----------|-----------------|----------------------|---------------------|-----------------|------------------------------------|--------------------------------|
| Western Australia | | | | | | | | | |
| 20 Colquhoun Rd | Perth Airport | 141,000 | Savills | 6.75 | 8.25 | Woolworths | 9.8 | 80,374 | 193,936 |
| New South Wales | | | | | | | | | |
| 27-49 Lenore Dr | Erskine Park | 60,000 | Directors | 6.25 | 8.00 | Linfox | 7.7 | 29,476 | 76,490 |
| 6-7 John Morphett Pl | Erskine Park | 44,500 | Savills | 6.50 | 8.00 | Linfox | 4.3 | 24,881 | 82,280 |
| 51-65 Lenore Dr | Erskine Park | 29,500 | Savills | 6.25 | 8.00 | Linfox | 12.2 | 3,720 | 36,720 |
| 34 Reddalls Rd | Kembla Grange | 20,317 | Directors | 7.00 | 8.50 | Patrick Autocare | 14.8 | 355 | 141,100 |
| 81 Derby St | Silverwater | 15,500 | Savills | 7.25 | 8.25 | IVE Group Australia | 1.7 | 7,984 | 13,490 |
| South Australia | | | | | | | | | |
| 599 Main North Rd | Gepps Cross | 70,000 | Urbis | 7.25 | 8.25 | Woolworths | 5.6 | 67,238 | 233,500 |

| Address | | Book Value (\$'000) | Valuer | Cap rate (%) | Discount rate (%) | Major tenant | WALE (years) | Lettable area (m ²) | Site area (m ²) |
|----------------------|---------------------|------------------------|------------|-----------------|----------------------|-----------------------------------|-----------------|------------------------------------|--------------------------------|
| 1-3 Pope Crt | Beverley | 20,815 | Directors | 7.75 | 8.75 | Aluminium Specialties Group | 4.9 | 14,459 | 25,660 |
| 12-16 Butler Blvd | Adelaide Airport | 14,100 | m3property | 8.50 | 8.75 | Cheap as Chips | 4.9 | 16,800 | 30,621 |
| 10 Butler Blvd | Adelaide Airport | 8,600 | Urbis | 8.75 | 8.75 | Toll Transport | 2.1 | 8,461 | 16,100 |

Note: See section 9.3(e)(7) for details of certain properties that have been acquired during the year ending 30 June 2016 and for details of certain properties that are expected to be sold during the year ending 30 June 2017.



Growthpoint Properties Australia

Growthpoint Properties Australia Limited (ACN 124 093 901, AFSL No. 316409)
Growthpoint Properties Australia Trust (ARSN 120 121 002)

Return your Form:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:

Phone:



(within Australia) 1300 665 792
(outside Australia) +61 3 9415 4366

GMFTKO

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Takeover Acceptance Form

ISSUER

Your form must be received before the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Growthpoint Properties Australia Limited (ABN 33 124 093 901) as responsible entity for Growthpoint Properties Australia Trust (ARSN 120 121 002) ("Growthpoint") to acquire all of your ordinary units in GPT Metro Office Fund (ARSN 120 121 002) ("GMF") the terms and conditions of which are set out in the Bidder's Statement from Growthpoint dated 1 July 2016 as may be replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the GMF register, as provided to Growthpoint. The current address recorded by Growthpoint is printed above and overleaf. If you have recently bought or sold GMF Units your holding may differ from that shown. If you have already sold all your GMF Units, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your GMF Units.

Step 3: Participation in the Cash Alternative Facility

If you wish to participate in the Cash Alternative Facility (the terms and conditions of which are described in section 6 of the Bidder's Statement), please tick the box in section 3 overleaf. If you do not participate in the Cash Alternative Facility or your instructions are not clear, you will receive the Mixed Consideration for ALL of your GMF Units.

Step 4: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney ("POA"), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

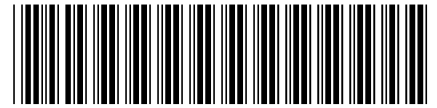
Overseas Companies: Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →





I 1111111111 I ND

Takeover Acceptance Form

For your security keep your SRN/
HIN confidential.

STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Offer Details: Securityholding as at Register Date:

2000

By accepting the Offer for ALL of your GMF Units, you are accepting the Offer for ALL the GMF Units recorded as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your GMF Units. The consideration applicable is set out in the terms of Growthpoint's Offer.

STEP 3 Participation in the Cash Alternative Facility

Please tick or otherwise mark the following box if you wish to participate in the Cash Alternative Facility (see section 6 of the Bidder's Statement for further information).

If you do not participate in the Cash Alternative Facility or your instructions are not clear, you will receive the Mixed Consideration for ALL of your GMF Units.

STEP 4 Signature of securityholder(s) *This section must be completed.*

I/We accept the Offer made by Growthpoint for GMF Units and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our GMF Units as per the above instruction.

Individual or Securityholder 1

**Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)**

Securityholder 2

Director

Securityholder 3

**Director/Company Secretary
(cross out titles as applicable)**

**Contact
Name** _____

**Contact
Daytime
Telephone** _____

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Growthpoint Properties Australia Limited. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Growthpoint Properties Australia Limited or to third parties upon direction by Growthpoint Properties Australia Limited where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.



Growthpoint Properties Australia

Growthpoint Properties Australia Limited (ACN 124 093 901, AFSL No. 316409)
Growthpoint Properties Australia Trust (ARSN 120 121 002)

GMFTKO
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Return your Form:



To Your Controlling Participant:
Return this form directly to your stockbroker



By Mail:
Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:



Phone:
(within Australia) 1300 665 792
(outside Australia) +61 3 9415 4366

Takeover Acceptance Form

CHESS

Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Growthpoint Properties Australia Limited (ABN 33 124 093 901) as responsible entity for Growthpoint Properties Australia Trust (ARSN 120 121 002) ("Growthpoint") to acquire all of your ordinary units in GPT Metro Office Fund (ARSN 120 121 002) ("GMF") the terms and conditions of which are set out in the Bidder's Statement from Growthpoint dated 1 July 2016 as may be replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the GMF register, as provided to Growthpoint. The current address recorded by Growthpoint is printed above and overleaf. If you have recently bought or sold GMF Units your holding may differ from that shown. If you have already sold all your GMF Units, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your GMF Units. As your GMF Units are in a CHES holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want Growthpoint to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon before the close of the Offer Period. This will authorise Growthpoint and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to Growthpoint (and authorise Growthpoint to warrant on your behalf) that you have full legal and

beneficial ownership of the GMF Units to which this form relates and that Growthpoint will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

You should allow sufficient time for your Controlling Participant or Growthpoint to initiate the acceptance of the Offer on your behalf. Neither Growthpoint or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 3: Participation in the Cash Alternative Facility

If you wish to participate in the Cash Alternative Facility (the terms and conditions of which are described in section 6 of the Bidder's Statement), please tick the box in section 3 overleaf. If you do not participate in the Cash Alternative Facility or your instructions are not clear, you will receive the Mixed Consideration for ALL of your GMF Units.

Step 4: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney ("POA"), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →





X 2222222222 I ND

Takeover Acceptance Form

For your security keep your SRN/
HIN confidential.

STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

Offer Details: Securityholding as at Register Date:

2000

By accepting the Offer for ALL of your GMF Units, you are accepting the Offer for ALL the GMF Units recorded as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your GMF Units. The consideration applicable is set out in the terms of Growthpoint's Offer.

STEP 3 Participation in the Cash Alternative Facility

Please tick or otherwise mark the following box if you wish to participate in the Cash Alternative Facility (see section 6 of the Bidder's Statement for further information).

If you do not participate in the Cash Alternative Facility or your instructions are not clear, you will receive the Mixed Consideration for ALL of your GMF Units.

STEP 4 Signature of securityholder(s) *This section must be completed.*

I/We accept the Offer made by Growthpoint for GMF Units and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our GMF Units as per the above instruction.

Individual or Securityholder 1

**Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)**

Securityholder 2

Director

Securityholder 3

**Director/Company Secretary
(cross out titles as applicable)**

**Contact
Name** _____

**Contact
Daytime
Telephone** _____

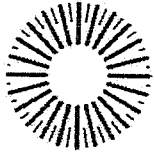
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Annexure 2

[Attached]



HERBERT
SMITH
FREEHILLS

Facilitation and Property Rights Deed

Growthpoint Properties Australia Limited in its
capacity as responsible entity of the Growthpoint
Properties Australia Trust

GPT Management Holdings Limited



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Facilitation and Property Rights Deed

Date ► 1 July 2016

Between the parties

| | |
|------|--|
| GPAL | Growthpoint Properties Australia Limited (ABN 33 124 093 901) in its capacity as responsible entity of the Growthpoint Properties Australia Trust of Level 22, 357 Collins Street, Melbourne, VIC 3000 |
|------|--|

| | |
|----------------|---|
| GPT Management | GPT Management Holdings Limited (ABN 67 113 510 188) of Level 51, MLC Centre, 19 Martin Place, Sydney, NSW 2000 |
|----------------|---|

| | |
|----------|---|
| Recitals | <ol style="list-style-type: none">1 In consideration for the Fee to be paid by GPAL to GPT Management, GPAL requests GPT Management to forgo its rights to receive revenue in respect of GPTMOF for responsible entity and property management services and to provide, or procure the provision of, the Facilitation and Property Rights Services to GPAL on the terms set out in this deed.2 GPT Management agrees to forgo its rights to receive revenue in respect of GPTMOF for responsible entity and property management services, and to provide, or procure the GPT Group Members to provide, the Facilitation and Property Rights Services to GPAL on the terms and conditions set out in this deed. |
|----------|---|

This deed witnesses as follows:

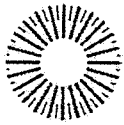


1 Definitions and interpretation

1.1 Definitions

The following definitions apply unless the context requires otherwise.

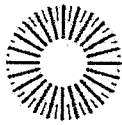
| Term | Meaning |
|--------------------|---|
| Associate | has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this deed. |
| Business Day | means a day which is not a Saturday, Sunday or a public holiday in Sydney. |
| Changeover Date | means the date that GPAL (or any related body corporate of GPAL who is nominated by GPAL) becomes the responsible entity of GPTMOF. |
| Competing Proposal | means any offer, proposal or expression of interest from any person in relation to a transaction for the management of GPTMOF, including any transaction under which any entity that currently provides responsible entity or management services to GPTMOF: <ol style="list-style-type: none">1 is acquired; or2 sub-delegates its obligations to a third party that is not, or is not intended to remain, a GPT Group Member; or3 any transaction having an economically similar effect. |
| Control | has the meaning given in section 50AA of the Corporations Act. |
| Corporations Act | means the <i>Corporations Act 2001</i> (Cth). |
| Duty | means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them, but excludes any Tax. |
| End Date | means 31 December 2016. |



| Term | Meaning |
|--|--|
| Entity | has the meaning set out in section 64A of the Corporations Act. |
| Facilitation and Property Rights Services | means the services to be provided by, and obligations undertaken by GPT Management or other relevant GPT Group Members, as set out in Schedule 1. |
| Fee | means \$9,000,000. |
| Government Agency | means any government or governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity. |
| GPT Group or GPT Group Member | means GPT RE Limited (ABN 27 107 426 504) in its capacity as responsible entity of the General Property Trust (ARSN 090 110 357) and each of its Subsidiaries, and GPT Management and each of its Subsidiaries, and a reference to a GPT Group Member is to any of them. |
| GPT RE Limited | means GPT RE Limited (ABN 27 107 426 504) in its capacity as responsible entity of the General Property Trust. |
| GPAT | means Growthpoint Properties Australia Trust (ARSN 120 121 002). |
| GPTMOF | means GPT Metro Office Fund (ARSN 169 500 476). |
| GPTMOF Register | means the unit register of GPTMOF. |
| GPTMOF Unit | means a fully paid ordinary unit in GPTMOF. |
| GPTMOF Unitholder | means a person who is registered in the GPTMOF Register as a holder of GPTMOF Units from time to time. |
| GPTPL | means GPT Platform Limited (ABN 51 164 839 061). |
| Immediately Available Funds | means cash, bank cheque or telegraphic or other electronic means of transfer of cleared funds into a bank account nominated in advance by the payee. |



| Term | Meaning |
|-------------------------|--|
| Insolvency Event | <p>is an event that will occur in relation to an entity if:</p> <ol style="list-style-type: none">1 it is a company, an administrator, liquidator or provisional liquidator is appointed to the entity or a resolution is passed or any steps are taken to appoint, or to pass a resolution to appoint, any of those persons to the entity;2 it is a company, an application or order is made for the winding up or dissolution of the entity or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the entity;3 it is a company, a receiver, receiver and manager, trustee, other controller or similar officer is appointed over the assets or undertaking of the entity or any steps are taken to appoint, or to pass a resolution to appoint, any of those persons to the entity;4 it is not a company, any application is made to a court for an order that the entity be declared bankrupt, unless the application is withdrawn, struck out or dismissed within 20 days of it being made; or5 the entity suspends payment of its debts generally or is unable to pay its debts as and when they fall due or is presumed to be insolvent under applicable law, or enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them. |
| No-shop Period | <p>means the period commencing from the execution of this deed and ending on the earlier of:</p> <ol style="list-style-type: none">1 the date of termination of this deed;2 the End Date; or3 the Changeover Date. |
| Offer | <p>means each offer to acquire a GPTMOF Unit to be made in connection with the Takeover Bid.</p> |
| Offer Period | <p>means the period that the Offer will be open for acceptance under the Takeover Bid.</p> |
| Payment Date | <p>means the second Business Day after the close of the Offer Period.</p> |
| Properties | <p>means:</p> <ol style="list-style-type: none">1 3 Murray Rose Avenue, Sydney Olympic Park, NSW (Folio identifier 3/1185060);2 5 Murray Rose Avenue, Sydney Olympic Park, NSW (Folio identifier 5/1185060);3 Quad 2, Parkview Drive, Sydney Olympic Park, NSW (Folio |



| Term | Meaning |
|-------------------------------|--|
| | identifier 814/1030022); 4 Quad 3, Parkview Drive, Sydney Olympic Park, NSW (Folio identifier 815/1030022); 5 109 Burwood Road, Hawthorn, Victoria (Certificate of Title Volume 10934 Folio 800); and 6 Optus Centre, 15 Green Square Close, Fortitude Valley, Queensland (Lot 3 on Survey Plan 195250, Title Reference 50664186), and Property means any one of them. |
| Related Body Corporate | has the meaning given in the Corporations Act, interpreted so that 'subsidiary' has the meaning given to that term in this deed. |
| Relevant Interest | has the meaning given in sections 608 and 609 of the Corporations Act. |
| Quad 1 | the premises located at Quad 1, 8 Parkview Drive, Sydney Olympic Park, New South Wales 2127. |
| Quad 4 | the premises located at Quad 4, 8 Parkview Drive, Sydney Olympic Park, New South Wales 2127. |
| Subsidiary | in relation to an Entity, has the meaning given to that term in the Corporations Act and for the purposes of this deed: <ol style="list-style-type: none">1 an Entity will be deemed to be a 'Subsidiary' of an Entity if the first mentioned Entity is required by accounting standards to be consolidated with the second mentioned Entity;2 a trust may be a 'Subsidiary', for the purposes of which any units or other beneficial interests in that trust will be deemed to be shares;3 a corporation will be a 'Subsidiary' of a trust if the corporation would have been a subsidiary (as defined in the Corporations Act) if that trust were a body corporate; or4 a trust will be a 'Subsidiary' of a trust if the first mentioned trust would have been a subsidiary (as defined in the Corporations Act) if both trusts were bodies corporate. |
| Takeover Bid | means an off-market takeover bid under Chapter 6 of the Corporations Act to be made by GPAL for all of the GPTMOF Units. |
| Tax | means all past, present and future taxes of any name, kind or description imposed by the Commonwealth of Australia, or any of |



| Term | Meaning |
|----------------------|---|
| | its States or Territories and includes any interest, fine, penalty, charge or additional amount payable in relation to a tax. |
| Third Party | means a person other than GPAL and its Associates. |
| Voting Power | has the meaning given to it in the Corporations Act. |
| 4 Murray Rose | the property located at 4 Murray Rose Drive, Sydney Olympic Park, New South Wales 2127. |

1.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
- (c) Nothing in this deed is to be interpreted against a party on the ground that the party put forward this deed or a relevant part of it.
- (d) The following rules apply unless the context requires otherwise.
 - (1) The singular includes the plural, and the converse also applies.
 - (2) A gender includes all genders.
 - (3) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
 - (4) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
 - (5) A reference to a clause or Schedule is a reference to a clause of, or Schedule to, this deed.
 - (6) A reference to an agreement or document (including a reference to this deed) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this deed or that other agreement or document.
 - (7) A reference to writing includes any method of representing or reproducing words, figures, drawings, or symbols in a visible and tangible form.
 - (8) A reference to a party to this deed or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).



- (9) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (10) A reference to dollars and \$is to Australian currency.

2 Conditions Precedent

2.1 Conditions Precedent

Clauses 3 and 4 will not bind the parties unless and until the following conditions (the **Conditions Precedent**) are fulfilled:

- (a) GPAL announces the Takeover Bid; and
- (b) either:
 - (1) 2 Business Days after the end of the Offer Period, GPAL has a Relevant Interest in at least 50.1% of the GPTMOF Units; or
 - (2) during the Offer Period the Offer is declared unconditional by GPAL, provided that the Facilitation and Property Rights Services to be provided or procured by GPT Management specified in clauses 5 and 7 of Schedule 1 are conditional only on the announcement of the Takeover Bid by GPAL.

2.2 Termination if Condition Precedent not satisfied by the End Date

Despite any other provision of this deed, either party may terminate this deed in accordance with clause 10 if the Condition Precedent in clause 2.1(b) has not been satisfied by the End Date.

3 Fee

- (a) The Fee is payable by GPAL to GPT Management in consideration for:
 - (1) as to 80% of the Fee, GPT Management giving up its rights to receive revenue in respect of GPTMOF for responsible entity and property management services as referred to in clause 1(a) of Schedule 1; and
 - (2) as to the balance of the Fee, the provision of the Facilitation and Property Rights Services.
- (b) The Fee is payable in Immediately Available Funds without counterclaim or set off on the Payment Date.
- (c) On and from the date that the Condition Precedent in clause 2.1(b) is satisfied, the parties agree to use all best endeavours to, as soon as reasonably practicable after that date, enter into a formal legally binding agreement containing detailed provisions reflecting the terms in clause 4(c) of Schedule 1 and other provisions that are mutually acceptable to the parties.



4 Facilitation and Property Rights Services

- (a) GPT Management agrees to provide, and procure the provision by the relevant GPT Group Members of, the Facilitation and Property Rights Services to GPAL.
- (b) GPT Management and each GPT Group Member (as relevant) will:
 - (1) accrue all fee streams and benefits derived from the management of GPTMOF and the Properties (**Fee Streams**) up until the Changeover Date (**PreChangeover Date Fee Streams**) and will retain and be entitled to the PreChangeover Date Fee Streams for their own benefit; and
 - (2) be responsible for all expenses and costs associated with the management of GPTMOF and the Properties up until the Changeover Date.

5 Consultation

From the date of this deed, GPT Management must, and must procure that any relevant GPT Group Members appoint a representative for the purposes of them meeting with GPAL from time to time to consider and provide reasonable assistance in respect of:

- (a) issues identified by GPAL in relation to the management of GPTMOF;
- (b) the development of any transition plans relating to GPTMOF or the management or arrangements in respect of the Properties; and
- (c) the implementation of any transition plans on the Changeover Date.

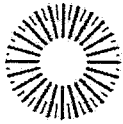
6 Acquisition by way of Trust Scheme

If GPAL enters into a scheme implementation agreement (or similar arrangement) with GPTPL for the acquisition of 100% of the issued GPTMOF Units (**Trust Scheme**), the obligations set out in this deed will continue to apply, but interpreted so that:

- (a) references to 'Offer' are read as references to the offer to acquire GPTMOF Units under the Trust Scheme; and
- (b) references to 'the close or end of the Offer Period' (or similar statements) are read as references to the effective date of the Trust Scheme.

7 GPT RE Limited and GPTPL

- (a) This clause 7 applies notwithstanding any other provision of the deed.
- (b) Nothing in this deed requires GPT Management to procure any action, omission or decision by:
 - (1) GPT RE Limited (acting in its capacity as responsible entity of the General Property Trust);
 - (2) GPTPL (acting in its capacity as responsible entity of GPTMOF);



- (3) any other GPT Group Member acting in its capacity as a trustee or responsible entity; or
- (4) any entity Controlled by those entities (acting in the capacities referred to above).

8 No-shop

Subject to clause 7, during the No-shop Period, GPT Management must not, and must ensure that any GPT Group Member does not, directly or indirectly solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or communicate to any person an intention to do anything referred to in this clause, but nothing in this clause prevents GPT Management or any GPT Group Member from making normal presentations to brokers, portfolio investors and analysts in the ordinary course of business.

9 GPT Management warranties

GPT Management on behalf of itself and in respect of each GPT Group Member represents and warrants that:

- (a) there are no rights that GPT Management or any GPT Group Member has which will be triggered or operate by reason of a change in control of GPTMOF or a change of responsible entity, or if there are, that such rights will not be exercised and will be waived; and
- (b) the agreements referred to in clause 1(a) of Schedule 1 are capable of being novated, terminated or surrendered by the relevant GPT Group Member in accordance with that clause.

10 Termination

10.1 Termination by GPAL

GPAL may terminate this deed by notice in writing to GPT Management:

- (a) if GPT Management suffers an Insolvency Event;
- (b) if GPT Management is in material breach of this deed and the breach (if capable of remedy) has not been remedied within 5 Business Days of notice in writing from GPAL specifying the breach;
- (c) if GPAL is entitled to withdraw any takeover offer made by it for GPTMOF and withdraws that offer in accordance with section 652A of the *Corporations Act 2001* (Cth);
- (d) if a Third Party becomes responsible entity of GPTMOF;
- (e) if a Third Party's Voting Power in GPTMOF is greater than 50.1%; or
- (f) if permitted to do so under clause 2.2.



10.2 Termination by GPT Management

GPT Management may terminate this deed by notice in writing to GPAL:

- (a) if the Takeover Bid has not been announced within 5 Business Days after the date of this deed;
- (b) if GPAL suffers an Insolvency Event;
- (c) if GPAL is in material breach of this deed and the breach (if capable of remedy) has not been remedied within 5 Business Days of notice in writing from GPT Management specifying the breach;
- (d) if GPAL is entitled to withdraw any takeover offer made by it for GPTMOF and withdraws that offer in accordance with section 652A of the *Corporations Act 2001* (Cth);
- (e) if a Third Party becomes responsible entity of GPTMOF;
- (f) if a Third Party's Voting Power in GPTMOF is greater than 50.1 %; or
- (g) if permitted to do so under clause 2.2.

10.3 Termination by agreement

This deed is terminable if agreed to in writing by the parties.

10.4 Effect of termination

If this deed is terminated by either party under clauses 2.2, 10.1, 10.2 or 10.3:

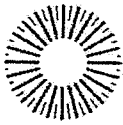
- (a) each party will be released from its obligations under this deed, except that clauses 1, 10.4, 11, 13, 17, 22, 23 and 26, will survive termination and remain in force;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this deed; and
- (c) in all other respects, all future obligations of the parties under this deed will immediately terminate and be of no further force and effect including any further obligations in respect of the Facilitation and Property Rights Services or Fee.

11 Responsible entity limitation of liability

11.1 GPAL limitation of liability

Subject to clause 11.2:

- (a) the liability of GPAL to GPT Management for any liability, loss, expense or damage suffered or incurred by GPT Management in connection with this deed (whether in contract or tort or under statute or otherwise) is limited to the extent GPAL is actually indemnified, or would if it exercised its entitlement to be indemnified, actually be indemnified, out of the assets of GPAT;
- (b) the rights of GPT Management in contract, tort or under statute in connection with this deed are exercisable against GPAL only in its capacity as trustee of GPAT;



- (c) GPAL is bound by this deed only in its capacity as trustee of GPAT, and in no other capacity; and
- (d) GPT Management must not make any demand, or commence any action or proceeding of any nature (including (without limitation) appoint a liquidator, administrator, receiver or similar person to GPAL or prove in any liquidation, administration or similar arrangement affecting GPAL) which is inconsistent with the limitation of liability of GPAL under this clause 11.

11.2 GPAL breach

Clause 11.1 does not apply to the extent that the liability of GPAL to GPT Management is not recoverable because, under the terms of the constitution of GPAT or by operation of law, the entitlement of GPAL to be indemnified out of the assets of GPAT is reduced as a result of its:

- (a) negligence, deceit, breach of duty, fraud or breach of trust; or
- (b) failure to properly perform its duties.

11.3 Operation of law

Nothing in this clause 11 is to be construed as excluding, restricting or modifying the application of any liability of any of the parties to the extent that it cannot by operation of law be excluded, restricted or modified.

12 GST

12.1 Recovery of GST

If GST is payable, or notionally payable, on a supply made under or in connection with this deed, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable, or notionally payable, on that supply (the GST Amount). Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time that the other consideration for the supply is provided. This clause does not apply to the extent that the consideration for the supply is expressly stated to be GST inclusive or the supply is subject to reverse charge.

12.2 Liability net of GST

Where any indemnity, reimbursement or similar payment under this deed is based on any cost, expense or other liability, it will be reduced by any input tax credit entitlement, or notional input tax credit entitlement, in relation to the relevant cost, expense or other liability.

12.3 Tax invoice

A party need not make a payment for a taxable supply made under or in connection with this deed until it receives a tax invoice for the supply to which the payment relates.



12.4 Adjustment events

If an adjustment event occurs in relation to a supply made under or in connection with this deed, the GST Amount will be recalculated to reflect that adjustment and an appropriate payment will be made between the parties.

12.5 Survival

This clause will not merge upon completion and will continue to apply after the expiration or termination of this deed.

12.6 Definitions

Unless the context requires otherwise, words and phrases used in this clause that have a specific meaning in the GST law (as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth)) will have the same meaning in this clause.

13 Costs and Duty

- (a) Each party must bear its own costs arising out of the negotiation, preparation and execution of this deed.
- (b) GPAL must pay all Duty (including stamp duty and any fines, penalties and interest) that may be payable on or in connection with this deed, any transaction evidenced by this deed and any instrument or transaction entered into under this deed.

14 No Merger

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any such transaction.

15 Assignment

Neither party can assign, charge, create a security interest over, encumber or otherwise deal with any rights and obligations under this deed, or attempt or purport to do so, without the prior written consent of any other party.

16 Further assurances

Each party must do anything (including executing agreements and documents) necessary to give full effect to this deed and the transactions contemplated by it.



17 Entire agreement

This deed contains the entire agreement between the parties with respect to its subject matter. It sets out the only conduct, representations, warranties, covenants, conditions, agreements or understandings (collectively **Conduct**) relied on by the parties and supersedes all earlier Conduct by or between the parties in connection with its subject matter. Neither party has relied on or is relying on any other Conduct in entering into this deed and completing the transactions contemplated by it.

18 No waiver

No failure to exercise or any delay in exercising any right, power or remedy under this deed operates as a waiver. A single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.

19 Variation

A variation of any term of this deed must be in writing and signed by the parties.

20 No reliance

No party has relied on any statement by any other party not expressly included in this deed.

21 Severability of provisions

Any provision of this deed that is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of this deed nor affect the validity or enforceability of that provision in any other jurisdiction.

22 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made under this deed:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender (or in the case of email, set out the full name and position or title of the sender or a person duly authorised by the sender);
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or fax or to the



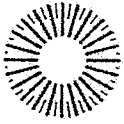
address or fax number or email address below or the address or fax number or email address last notified by the intended recipient to the sender:

- (1) to GPT Management:
GPT Management Holdings Limited
Address: Level 51 , MLC Centre, 19 Martin Place, Sydney NSW 2000
Email: Dean.McGuire@gpt.com.au
Attention: Dean McGuire
with a copy to: Lisa.Bau@gpt.com.au
Attention: Lisa Bau
- (2) to GPAL:
Growthpoint Properties Australia Limited
Address: Level 22, 357 Collins Street, Melbourne VIC 3000
Email: aaron.hockly@growthpoint.com.au
Attention: Aaron Hockly
- (c) will be conclusively taken to be duly given or made:
 - (1) in the case of delivery in person, when delivered;
 - (2) in the case of delivery by post two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and
 - (3) in the case of email, the earlier of:
 - (A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;
 - (B) the time that the email is first opened or read by the intended recipient, or an employee or officer of the intended recipient; and
 - (C) two hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that two hour period, an automated message that the email has not been delivered,

but if the result is that a Notice would be taken to be given or made on a day that is not a business day in the place to which the Notice is sent or at a time that is later than 5pm in the place to which the Notice is sent, it will be conclusively taken to have been duly given or made at the start of business on the next business day in that place.

23 Governing Law and Jurisdiction

This deed and, to the extent permitted by law, all related matters including non-contractual matters is governed by the laws New South Wales. In relation to such matters each party irrevocably accepts the non-exclusive jurisdiction of courts with jurisdiction there and waives any right to object to the venue on any ground.



24 Service of process

Without preventing any other mode of service, any document in an action (including any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party at its address for service of Notices under clause 22.

25 Counterparts

This deed may be executed in any number of counterparts. All counterparts will be taken to constitute one instrument.

26 Relationship of the parties

- (a) Nothing in this deed gives a party authority to bind any other party in any way. For the avoidance of doubt, this clause 26(a) does not limit express obligations on the parties to this deed.
- (b) Nothing in this deed imposes any fiduciary duties on a party in relation to any other party.

27 Exercise of rights

- (a) Unless expressly required by the terms of this deed, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this deed.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this deed. Any conditions must be complied with by the party relying on the consent, approval or waiver.



Schedule 1

Facilitation and Property Rights Services

1 Property and management rights

- (a) From the Changeover Date, terminate or novate (at the election of GPAL), so that there are no residual losses, liabilities, costs or expenses owed by GPAL or GPTMOF (acting through its responsible entity) which relate to the period prior to the Changeover Date, all management, property management, development and any other rights in relation to GPTMOF, including the development management agreement dated 14 August 2014 between GPTPL and GPT Development Pty Limited, and such other agreements that entitle any GPT Group Member to receive any fee or benefit in relation to GPTMOF or the Properties, notwithstanding that by doing so, GPT Management and any relevant GPT Group Member will forego revenue or capital receipts (or both), which it would otherwise be entitled to.
- (b) Take all reasonable steps to facilitate the transition of the management of GPTMOF and the Properties to, or as directed by, GPAL and its representatives, including by promptly responding to queries in relation to GPTMOF or the Properties until 31 December 2017.
- (c) As soon as reasonably practicable following the end of the Offer Period, remove all GPT Group Member signage (including any GPTMOF signage) from the Properties (and ensure that any damage done to the Properties as a result of such removal is immediately made good to the satisfaction of GPAL (acting reasonably)), and where a GPT Group Member has the right to install or remove signage on the Properties and that right is not dealt with in accordance with clause 1(a) of this Schedule 1, either:
 - (1) use reasonable endeavours to ensure the rights are dealt with in accordance with clause 1(a) of this Schedule 1 as soon as possible thereafter; or
 - (2) exercise the rights at the direction of GPAL until the expiry of those rights.

2 Retirement and appointment of GPAL as responsible entity

Take all actions reasonably requested by GPAL that is reasonably practicable for any GPT Group Member to do, to assist GPAL in connection with the appointment of GPAL (or any related body corporate of GPAL who is nominated by GPAL) as the responsible entity of GPTMOF, noting that such actions must not require any GPT Group Member to take on payment obligations to Third Parties.



3 Books, records and financial reports

- (a) Upon the appointment contemplated in clause 2 of this Schedule 1, the transfer to the new responsible entity of know-how, books and records as they relate to GPTMOF, including original records prepared by GPTPL such as financial reports, accounting records (including any records maintained on accounting software and other systems), taxation returns, taxation statements and other taxation reporting requirements relating to GPTMOF, provided that:
 - (1) in circumstances where GPTPL is required to hold the original records by reason of law, copies of such records must be provided to GPAL; and
 - (2) such records may be redacted to the extent legally necessary or to the extent it discloses matters unrelated to GPTMOF.
- (b) Provide GPAL with all reasonable assistance in preparing outgoing audits and reconciliations with tenants of the Properties for the financial years ended 30 June 2016 and 30 June 2017.
- (c) Provide GPAL will all reasonable assistance in preparing financial reports, taxation returns, taxation statements and other taxation reporting requirements relating to GPTMOF for the financial years ended 30 June 2016 and 30 June 2017.
- (d) Upon the appointment contemplated in clause 2 of this Schedule 1, provide to GPAL all original documents pertaining to the Properties in possession of any GPT Group Member, including but not limited to, any lease documentation with respect to the Properties.

4 Property Rights

- (a) Continue to be responsible for, on the same terms, all existing rental guarantees, income support, incentive payments and other similar arrangements provided by any GPT Group Member in respect of any of the Properties.
- (b) Until the date 3 years from the Payment Date, before entering into any discussions, negotiations, agreements, arrangements or understandings (whether in writing or otherwise or expressed to be non-binding, conditional or otherwise) with any Third Party regarding the purchase any of the following GPT Group properties:
 - (1) Quad 1;
 - (2) Quad 4; and
 - (3) 4 Murray Rose,(together the **Relevant Premises**)

GPAL must be given the first opportunity to submit, on behalf of itself or its nominee, an offer to purchase one or any of the Relevant Premises.



5 ASX announcement

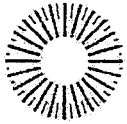
At a time mutually agreed between the parties, release an ASX announcement to the market, the contents of which having been mutually agreed between the parties, which advises that this deed has been executed by the parties.

6 Fees

- (a) On and after the Changeover Date, each GPT Group Member must:
 - (1) cause all Fee Streams (**Post-Changeover Date Fee Streams**) to accrue for the benefit of GPAL directly; and
 - (2) pay all Post-Changeover Date Fee Streams for the benefit of GPAL within 5 Business Days of receipt of any Post-Changeover Date Fee Streams by the relevant GPT Group Member.
- (b) From the Changeover Date, GPAL must, as far as reasonably practicable, assume full responsibility for the performance of all obligations required under relevant agreements or arrangements in order to earn the Post-Changeover Date Fee Streams. For this purpose, the parties will, in good faith, seek to agree arrangements for ensuring that on, or as soon as possible after, the Changeover Date, GPAL will be responsible for performing such obligations.
- (c) GPAL must pay, on a cost recovery basis, any costs or expenses reasonably incurred by any GPT Group Member that continues to perform any obligations required under relevant agreements or arrangements for any period in which GPAL is entitled to the Post-Changeover Date Fee Streams, for the performance of such obligations under clause 6(b) of this Schedule 1. To the extent that any such cost recovery payment relates to the period from the Changeover Date to the Payment Date, the obligation to make that cost recovery payment will arise on the Payment Date.

7 Third party consents

From the date of this deed, provide reasonable assistance to GPAL and advise it in connection with obtaining any required Third Party consents or waivers in relation to GPTMOF or the Properties, including from the Sydney Olympic Park Authority, any Government Agency, any tenant of a Property, any person who holds an interest in a Property (for example, a caveator) and any financier.



HERBERT
SMITH
FREEHILLS

Signing page

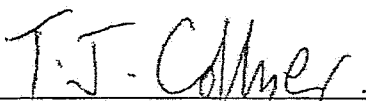
Executed and delivered as a deed

Executed as a deed in
accordance with section 127 of the
Corporations Act 2001 by
**Growthpoint Properties
Australia Limited in its capacity
as responsible entity of the
Growthpoint Properties
Australia Trust**
by

sign here ▶ 

Company Secretary/Director

print name Dion Michael Andrews

sign here ▶ 

Director

print name Timothy James Collyer



HERBERT
SMITH
FREEHILLS

Signing page

Executed as a deed in
accordance with section 127 of the
Corporations Act 2001 by
**GPT Management Holdings
Limited**
by

sign here ▶



~~Company Secretary~~/Director

print name

Robert William Johnston

sign here ▶



~~Director~~ Secretary

print name

Lisa Bau