GPT Metro Office Funds
ARSN 169 500 476
GPT Platform Limited
ABN 51 164 839 061
AFSL 442649
as Responsible Entity for
the GPT Metro Office Fund

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GPT | METRO OFFICE FUND

1 August 2016

Andrew Kabega
Adviser, Issuers (Sydney)
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000
By Electronic Lodgement

Dear Andrew

Re: Target's Statement

In accordance with ASX Listing Rules and section 633(1), item 14 of the Corporations Act 2001, attached is a copy of the Target's Statement issued by GPT Platform Limited (ABN 51 164 839 01)(AFSL 442649) as responsible entity of GPT Metro Office Fund (ARSN 169 500 476) in response to the offer by Growthpoint Properties Australia Limited (ABN 33 124 093 901) (AFSL 316409) in its capacity as responsible entity of Growthpoint Properties Australia Trust (ARSN 120 121 002).

Yours sincerely

Yasi Yoganathan
Company Secretary

GPT | METRO OFFICE FUND

TARGET'S STATEMENT

This Target's Statement has been issued by GPT Platform Limited (GMFRE) (ABN 51 164 839 061) (AFSL 442649) as responsible entity of GPT Metro Office Fund (ARSN 169 500 476) (GMF) in response to the offer by Growthpoint Properties Australia Limited (ABN 33 124 093 901) (AFSL 316409) (Growthpoint) in its capacity as responsible entity of Growthpoint Properties Australia Trust (ARSN 120 121 002) (Growthpoint Trust).

The Independent Directors of GMFRE unanimously recommend that you

ACCEPT

the Growthpoint Offer, in the absence of a superior proposal

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 consult your financial, legal, taxation or other professional adviser immediately.

GPT Platform Limited (ABN 51 164 839 061, AFSL 442 649) as responsible entity of GPT Metro Office Fund (ARSN 169 500 476)

FINANCIAL ADVISER

UBS

LEGAL ADVISER

ashurst

IMPORTANT NOTICES

NATURE OF THIS DOCUMENT

This Target's Statement has been issued by GPT Platform Limited (**GMFRE**) (ABN 51 164 839 061) (AFSL 442649) as responsible entity of GPT Metro Office Fund (ARSN 169 500 476) under Part 6.5 of the Corporations Act in response to the offer by Growthpoint to acquire all of the units in GMF made pursuant to the Growthpoint Bidder's Statement dated 1 July 2016.

ASIC AND ASX DISCLAIMER

A copy of this Target's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 1 August 2016 and provided to the Australian Securities Exchange (**ASX**) on 1 August 2016. Neither ASIC nor ASX, nor any of their respective officers, take any responsibility for the contents of this Target's Statement.

DATE OF THIS TARGET'S STATEMENT

This Target's Statement is dated 1 August 2016.

DEFINED TERMS

A number of terms are used in this Target's Statement which are defined in Section 9.1. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

Section 9.2 sets out some rules of interpretation that apply to this Target's Statement.

NO ACCOUNT OF PERSONAL CIRCUMSTANCES

This Target's Statement does not take into account the individual investment objectives, financial or tax situation or particular needs of any person. It does not contain personal financial advice. You should seek independent financial and taxation advice before making a decision as to whether or not to accept the Growthpoint Offer.

DISCLAIMER AS TO FORWARD LOOKING STATEMENTS

Some of the statements appearing in this Target's Statement may be in the nature of forward looking statements. Statements other than statements of historical facts may be forward looking statements. You should be aware that such statements are only predictions and are subject to both known and unknown risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of GMF, GMFRE, their respective officers, or any person named in this Target's Statement with their consent or any person involved in the preparation of this Target'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. You are cautioned not to place undue reliance on any forward looking statement.

The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

DISCLAIMER AS TO INFORMATION

The information on Growthpoint contained in this Target's Statement has been prepared by GMFRE from publicly available information, including the Growthpoint Bidder's Statement. Information in this Target's Statement about Growthpoint has not been independently verified by GMFRE. Accordingly, GMFRE does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

INDEPENDENT EXPERT'S REPORT

The Independent Expert's Report has been prepared by the Independent Expert for the purposes of this Target's Statement and the Independent Expert takes full responsibility for that report. Neither GMFRE nor any of its officers or advisers assumes any responsibility for the accuracy or completeness of the Independent Expert's Report, except, in the case of GMFRE, in relation to the information which it has provided to the Independent Expert.

RISK FACTORS

GMF Unitholders should note that there are a number of risk factors attached to their investment in GMF, and with becoming a GOZ Securityholder. Section 7 of this Target's Statement sets out further information on those risks.

CHARTS AND DIAGRAMS

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement.

FOREIGN JURISDICTIONS

The release, publication or distribution of this Target's Statement in jurisdictions outside Australia may be restricted by law and any person who comes into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Target's Statement has been prepared in accordance with Australian law and the nature of the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

PRIVACY

GMFRE has collected your information from the register of GMF Unitholders for the purposes of providing you with this Target's Statement. The type of information GMFRE has collected about you includes your name, contact details and information on your unitholdings in GMF. Without this information, GMFRE would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the names and addresses of GMF Unitholders to be held in a public register.

GMF UNITHOLDER INFORMATION LINE

If you have any questions in relation to the Growthpoint Offer, please contact the GMF Unitholder Information Line on 1300 657 159 (callers in Australia) or +61 1300 657 159 (callers outside Australia). Further information relating to the Growthpoint Offer can be obtained from GMF's website at www.gptmetroofficefund.com.au.

KEY DATES

Date of the Growthpoint Offer	18 July 2016
Date of this Target's Statement	1 August 2016
Close of the Growthpoint Offer Period (unless extended or withdrawn)	7:00pm (Melbourne time), 19 August 2016

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CHAIRMAN'S LETTER

ACCEPT THE GROWTHPOINT OFFER FOR YOUR GMF UNITS, IN THE ABSENCE OF A SUPERIOR PROPOSAL

1 August 2016

Dear GMF Unitholder,

ACCEPT the Growthpoint Offer for your GMF Units, in the absence of a superior proposal

On 1 July 2016, Growthpoint announced that it intended to make an off-market takeover offer for all of the issued units in GMF (**Growthpoint Offer**). Growthpoint has recently sent you the Growthpoint Bidder's Statement which includes details of the Growthpoint Offer.

Under the Growthpoint Offer, GMF Unitholders are being offered 0.3968 GOZ Securities[1] and $1.25 cash for each GMF Unit (**Mixed Consideration**).

As an alternative under the Growthpoint Offer, GMF Unitholders may elect to receive 100% cash consideration of approximately $2.50[2] per GMF Unit by participating in the Cash Alternative Facility offered by Growthpoint and Growthpoint SA (**Cash Alternative**).

Growthpoint initially approached the Board of GMFRE on 3 March 2016 with an unsolicited, confidential, conditional and non-binding proposal to acquire all of the issued units in GMF via a trust scheme. To consider the proposal from Growthpoint, the Board of GMFRE established an Independent Board Committee (**IBC**) comprising the Independent Directors John Atkin (Chairman), Justine Hickey and Paul Say. Since then, the Independent Directors engaged with Growthpoint as well as the competing bidder, Centuria (in respect of Centuria's Offer announced on 16 June 2016), in order to maximise value for GMF Unitholders, which has led to the receipt of a number of revised proposals from Growthpoint and Centuria.

The Independent Directors have carefully considered the Growthpoint Offer and unanimously recommend that GMF Unitholders **ACCEPT** the Growthpoint Offer, in the absence of a superior proposal.

The Independent Directors do not make a recommendation as to whether GMF Unitholders elect to receive the Cash Alternative. This will depend on each unitholder's individual circumstances and preference to gain exposure to the enlarged Merged Group (which will include GMF's assets) or receive cash consideration.

1. Each GOZ Security comprising one fully paid ordinary unit in Growthpoint Trust and one fully paid ordinary share in Growthpoint. The securities trade together on the ASX under the code 'GOZ'.
2. This price equates to the cash consideration received under the Growthpoint 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 × $3.15 = approximately $2.50). If this calculation results in an entitlement to a fraction of a GOZ Security or a fraction of a cent, that fraction will be rounded down to the next whole number of GOZ Securities or the nearest whole cent (as the case may be).

The Independent Directors appointed Grant Samuel & Associates Pty Limited to provide an Independent Expert's Report on the Growthpoint Offer. The Independent Expert's Report is contained in Appendix 2 to this Target's Statement. You are encouraged to read that report in full. In it, the Independent Expert has concluded that the Growthpoint Offer is fair and reasonable in the absence of a superior proposal.

This Target's Statement sets out the reasons for the Independent Directors' unanimous recommendation to **ACCEPT** the Growthpoint Offer. The Independent Directors recommend this because:

1. The Growthpoint Offer provides an attractive premium to GMF Unitholders for their GMF Units. The implied value of the Mixed Consideration under the Growthpoint Offer is $2.56[3], which represents:
   A. a premium of 24.4% to the closing price of GMF Units on 1 April 2016, the last trading day prior to the announcement of the receipt of an unsolicited, confidential and non-binding proposal;
   B. a premium of 10.0% to the last stated net tangible assets (NTA) per GMF Unit of $2.33 as at 30 June 2016;
   C. a premium of 24.2% to the one-month volume weighted average price (VWAP) of GMF Units, up to and including 1 April 2016; and
   D. a premium of 24.4% to the three-month VWAP of GMF Units, up to and including 1 April 2016.
2. The Growthpoint Offer provides GMF Unitholders with the ability to receive 100% cash for their GMF Units of approximately $2.50 per GMF Unit as an alternative to the Mixed Consideration by participating in the Cash Alternative, which represents:
   A. a premium of 21.4% to the closing price of GMF Units on 1 April 2016;
   B. a premium of 7.3% to the last stated NTA per GMF Unit of $2.33 as at 30 June 2016;
   C. a premium of 21.2% to the one-month VWAP of GMF Units, up to and including 1 April 2016; and
   D. a premium of 21.4% to the three-month VWAP of GMF Units, up to and including 1 April 2016.

   This provides value certainty for GMF Unitholders wishing to exit their investment.
3. The Independent Expert has concluded that the Growthpoint Offer is fair and reasonable, in the absence of a superior proposal.
4. For GMF Unitholders who do not elect to receive the Cash Alternative, the Growthpoint Offer provides an opportunity to participate in the enlarged Merged Group, with continued exposure to GMF assets.
5. The Growthpoint Offer is a superior offer to the Centuria Offer as at the date of this Target's Statement. The implied value of the Mixed Consideration under the Growthpoint Offer is higher than the Centuria Offer based on a number of trading metrics shown below:

Bidder securities valued at:	Last close price[4]	5-day VWAP[4]	1-month VWAP[4]	3-month VWAP[4]
Growthpoint Offer – Mixed Consideration	$2.56	$2.56	$2.53	$2.54
Growthpoint Offer – Cash Alternative	$2.50	$2.50	$2.50	$2.50
Centuria Offer	$2.55	$2.54	$2.49	$2.48

To accept the Growthpoint Offer, you should carefully follow the instructions in Sections 13.3 and 6.2 (if relevant) of the Growthpoint Bidder's Statement and complete the Acceptance Form enclosed within the Growthpoint Bidder's Statement (which allows GMF Unitholders to receive either the Mixed Consideration or Cash Alternative).

The Growthpoint Offer is due to close at 7:00pm (Melbourne time) on 19 August 2016 unless extended or withdrawn.

I urge you to read this Target's Statement in its entirety and carefully consider the Growthpoint Offer, having regard to your own personal risk profile, investment strategy and tax position. You should seek independent financial, legal, taxation or other professional advice if you are in any doubt as to what you should do in response to the Growthpoint Offer.

We will keep you fully informed should any other competing offer emerge, or if there are any material developments, through further ASX announcements or other supplementary documents.

John Atkin
Independent Non-Executive Director and Chairman

3. As at 29 July 2016 based on the 5 day VWAP of GOZ Securities of $3.31.

4. As at 29 July 2016.

1.0 EVALUATION OF THE GROWTHPOINT OFFER

The Independent Directors recommend that you **ACCEPT** the Growthpoint Offer, in the absence of a superior proposal. The reasons for this recommendation are:

1	**The implied value of the Growthpoint Offer represents an attractive premium for your GMF Units**
2	**The Growthpoint Offer provides choice and value certainty for GMF Unitholders by offering the Cash Alternative**
3	**The Independent Expert has concluded that the Growthpoint Offer is fair and reasonable, in the absence of a superior proposal**
4	**You will have an opportunity to participate in the enlarged Merged Group, which will include exposure to GMF assets**
5	**In the opinion of the IBC, the Growthpoint Offer is superior to the Centuria Offer and no superior proposal to the Growthpoint Offer has emerged**
6	**The trading price of GMF Units may fall if neither the Growthpoint Offer or the Centuria Offer is successful and there is no other offer for your GMF Units**
7	**There are risks in not accepting the Growthpoint Offer**

If you have any questions in relation to the Growthpoint Offer, please contact the GMF Unitholder Information Line on 1300 657 159 (callers in Australia) or +61 1300 657 159 (callers outside Australia).

1.1 BACKGROUND TO THE GROWTHPOINT OFFER

A. INITIAL APPROACH BY GROWTHPOINT

On 3 March 2016, GMFRE received from Growthpoint an unsolicited, confidential, conditional and non-binding proposal to acquire all of the GMF Units via a trust scheme. The proposed consideration was 0.3736 GOZ Securities and $1.15 cash per GMF Unit.

GMFRE established an Independent Board Committee (**IBC**), comprising the Independent Directors, to consider the Growthpoint proposal. On 4 April 2016, GMF announced that it had undertaken an independent revaluation of its property portfolio (resulting in a $26.4 million, or 6.4%, uplift as at 31 March 2016) following receipt of the Growthpoint proposal which was subsequently withdrawn, and transaction evidence from recent metropolitan office building sales.

In response, Growthpoint resubmitted its conditional, non-binding and indicative proposal on 5 April 2016, with the same GOZ Securities and cash consideration as the 3 March 2016 proposal.

Following a period of engagement with Growthpoint, GMFRE announced on 5 May 2016 that it had received a revised proposal from Growthpoint to acquire all of the GMF Units via a trust scheme. The proposed consideration was 0.3756 GOZ Securities plus $1.185 cash per GMF Unit. GMFRE and Growthpoint also entered into a non-binding preliminary term sheet to pursue the proposal, which the IBC intended to recommend to GMF Unitholders, subject to (amongst other things) no superior proposal being made. At this time, Growthpoint was provided four weeks of exclusive due diligence access on GMF and GMFRE also undertook limited due diligence in relation to Growthpoint.

B. INITIAL APPROACH BY CENTURIA

On 20 May 2016, Centuria and Centuria Capital announced that they had acquired a 15.2% strategic interest in GMF.

Subsequently, on 23 May 2016, GMFRE received a conditional, indicative, non-binding proposal from Centuria to acquire all of the GMF Units via a trust scheme. The proposed consideration under Centuria's initial approach was one CMA Security plus $0.27[1] cash per GMF Unit. On this date, Centuria and Centuria Capital announced that their combined interest in GMF was now 16.1%.

On 27 May 2016, Centuria was granted non-exclusive due diligence access on GMF and GMFRE also undertook limited due diligence in relation to Centuria.

C. CENTURIA OFFER

The IBC considered the proposal from Centuria and on 16 June 2016, following a period of due diligence, Centuria announced its intention to make an off-market takeover offer for all of the issued units in GMF (**Centuria Offer**).

Under the Centuria Offer, the offer consideration is one CMA Security plus $0.31[2] cash per GMF Unit. The Centuria Offer represents a $0.04 cash per GMF Unit increase to the consideration offered by Centuria in its initial proposal.

Also on 16 June 2016, Centuria announced that Centuria Capital had entered into a facilitation and property rights deed with GPT in relation to the transition of responsible entity management rights to Centuria, subject to the satisfaction of certain conditions, including Centuria holding at least a 50.1% relevant interest in GMF or the Centuria Offer being declared unconditional, and in return for payment of $9 million (**CNI Facilitation Agreement**).[3]

The IBC considered the Centuria Offer and on 22 June 2016 announced that it intended to recommend that GMF Unitholders accept the Centuria Offer, subject to there being no superior proposal and the Independent Expert opining that the Centuria Offer is fair and reasonable to GMF Unitholders (other than Centuria and Centuria Capital) and not withdrawing that opinion. The full details of the Centuria Offer will be set out in Centuria's bidder's statement.

D. GROWTHPOINT OFFER

On 1 July 2016, Growthpoint announced a proposal to acquire all of the outstanding units in GMF, by way of an off-market takeover offer, and lodged the Growthpoint Bidder's Statement with ASIC and ASX. On the same day Growthpoint acquired a 12.98% interest in GMF from GPT.

Under the Growthpoint Offer, GMF Unitholders are being offered the Mixed Consideration of 0.3968 GOZ Securities and $1.25 cash for each GMF Unit.

As an alternative to the Mixed Consideration, GMF Unitholders may elect to receive in the Cash Alternative, in which case the participating GMF Unitholder will receive approximately $2.50 cash per GMF Unit.[4]

1. Including a $0.04 contribution from Centuria Capital.
2. Including a $0.08 contribution from Centuria Capital.
3. Between 5 – 22 July 2016, Centuria and GPT have made announcements on ASX in relation to the status of the CNI Facilitation Agreement, where Centuria Capital has noted that it reserves all rights including a right to terminate the CNI Facilitation Agreement, and GPT has reserved its rights in relation to any such purported termination.
4. This price equates to the cash consideration received under the Growthpoint 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 × $3.15 = $2.50). If this calculation results in an entitlement to a fraction of a GOZ Security or a fraction of a cent, that fraction will be rounded down to the next whole number of GOZ Securities or the nearest whole cent (as the case may be).

The Growthpoint Offer represents a $0.18 per GMF Unit (7.4%) increase on the consideration offered by Growthpoint in its initial proposal on 3 March 2016[5], and is $0.02 per GMF Unit (1.0%) higher than the implied value of the Centuria Offer[6].

Also on 1 July 2016, Growthpoint announced that it had entered into a facilitation and property rights deed with GPTMH, in relation to the provision by GPTMH of certain services and the transition of management of GMF and rights over certain GPT owned properties in Sydney Olympic Park in return for a payment of $9 million payable by Growthpoint subject to the satisfaction of certain conditions, including Growthpoint holding a relevant interest of at least 50.1% in GMF or the Growthpoint Offer being declared unconditional (**GOZ Facilitation Agreement**).

The key events outlined above are shown in the timeline below:

	GROWTHPOINT	CENTURIA
3 MARCH 2016	GMFRE received a confidential, unsolicited proposal from Growthpoint to acquire all units in GMF via a trust scheme.	
4 APRIL 2016	GMFRE announced revaluation of property portfolio.	
5 APRIL 2016	Growthpoint announced proposal to acquire GMF for $1.15 cash plus 0.3736 GOZ Securities per GMF Unit.	
5 MAY 2016	Growthpoint announced revised proposal to acquire GMF via a trust scheme for $1.185 cash plus 0.3756 GOZ Securities per GMF Unit. IBC entered into a non-binding preliminary term sheet with Growthpoint, granted Growthpoint exclusive due diligence, and stated its intention to recommend the Growthpoint revised proposal subject to (amongst other things) no superior proposal being made.	
20 MAY 2016		Centuria and Centuria Capital announced the acquisition of a combined 15.2% strategic interest in GMF.
24 MAY 2016		Centuria announced proposal to acquire GMF via a trust scheme for $0.27 cash plus 1 CMA Security per GMF Unit. Centuria and Centuria Capital announced combined strategic interest in GMF increased to 16.1%.
16 JUNE 2016		Centuria announced off market takeover offer to acquire GMF for $0.31 cash plus 1 CMA Security per GMF Unit. CNI announced facilitation agreement with GPTMH.
22 JUNE 2016		IBC announced an intention to recommend the Centuria Offer in the absence of a superior offer.
1 JULY 2016	Growthpoint announced an off market takeover offer for GMF of $1.25 cash plus 0.3968 GOZ Securities per GMF Unit. Growthpoint also announced acquisition of 13.0% stake in GMF and facilitation agreement with GPTMH.	

1.2 WHY YOU SHOULD ACCEPT

A. THE IMPLIED VALUE OF THE GROWTHPOINT OFFER REPRESENTS AN ATTRACTIVE PREMIUM FOR YOUR GMF UNITS

The Mixed Consideration under the Growthpoint Offer is 0.3968 GOZ Securities and $1.25 cash per GMF Unit.

Based on the 5 day VWAP of GOZ Securities as at 29 July 2016 of $3.31 per GOZ Security, the implied value of the Mixed Consideration is $2.56 per GMF Unit.

The implied value of the Mixed Consideration represents the following premia to GMF's NTA per Unit as at 30 June 2016 and trading metrics as at 1 April 2016, being the last trading day prior to the announcement of an unsolicited, confidential and non-binding proposal for GMF.

GMF Valuation Metric	GMF Value ($)	Premium
NTA per Unit	2.33	10.0%
Last close	2.060	24.4%
1-month VWAP	2.063	24.2%
3-month VWAP	2.060	24.4%

During the Offer Period, the implied value of the Mixed Consideration will change based on changes in the ASX trading price of GOZ Securities. The value of the Mixed Consideration is dependent upon the trading price of GOZ Securities on the date of issue to GMF Unitholders.

5. Based on the Growthpoint 5-day VWAP of $3.31 per GOZ Security on 29 July 2016.
6. Based on the CMA 5-day VWAP of $2.23 per CMA Security on 29 July 2016.

B. THE GROWTHPOINT OFFER PROVIDES CHOICE AND VALUE CERTAINTY FOR GMF UNITHOLDERS BY OFFERING THE CASH ALTERNATIVE

If you prefer to receive 100% cash consideration for your GMF Units, you may elect to participate in the Cash Alternative, in which case you will receive approximately $2.50 cash per GMF Unit instead of the Mixed Consideration.

The implied value of the Cash Alternative represents the following premia to GMF's NTA per Unit as at 30 June 2016 and trading metrics as at 1 April 2016, being the last trading day prior to the announcement of an unsolicited, confidential and non-binding proposal.

GMF Valuation Metric	GMF Value ($)	Premium
NTA per Unit	2.33	7.3%
Last close	2.060	21.4%
1-month VWAP	2.063	21.2%
3-month VWAP	2.060	21.4%

The Cash Alternative provides value certainty for GMF Unitholders wishing to exit their investment, at an attractive premium to GMF's unaffected market price on 1 April 2016 of $2.06 and last stated NTA per GMF Unit of $2.33 as at 30 June 2016.

C. THE INDEPENDENT EXPERT HAS CONCLUDED THAT THE GROWTHPOINT OFFER IS FAIR AND REASONABLE, IN THE ABSENCE OF A SUPERIOR PROPOSAL

The Independent Directors appointed Grant Samuel & Associates Pty Limited to prepare an Independent Expert's Report.

The Independent Expert has concluded that the Growthpoint Offer is fair and reasonable, in the absence of a superior proposal.

GMF Unitholders are encouraged to read the entire Independent Expert's Report which is set out in full at Appendix 2.
The Independent Expert explains in the Independent Expert's Report the factors that it has taken into account in reaching the above conclusion.

D. YOU WILL HAVE AN OPPORTUNITY TO PARTICIPATE IN THE ENLARGED MERGED GROUP, WHICH WILL INCLUDE EXPOSURE TO GMF ASSETS

If you accept the Growthpoint Offer but do not elect to receive the Cash Alternative, you will receive GOZ Securities as part of the Mixed Consideration. This will provide GMF Unitholders who receive GOZ Securities with continuing exposure to GMF's assets and to any potential upside in the performance of Growthpoint, including as a result of the acquisition of GMF. As noted in the Growthpoint Bidder's Statement, receiving the GOZ Securities as part of the Mixed Consideration under the Growthpoint Offer provides the opportunity to gain exposure to a $3.2 billion portfolio with greater sector, tenant and geographic diversification and comparable portfolio attributes to the existing GMF portfolio.

E. THE GROWTHPOINT OFFER IS SUPERIOR TO THE CENTURIA OFFER AND NO SUPERIOR PROPOSAL TO THE GROWTHPOINT OFFER HAS EMERGED

The Independent Directors believe that the Growthpoint Offer is superior to the Centuria Offer as:

- the implied value of the Growthpoint Offer is higher than the Centuria Offer based on relevant trading prices of GOZ Securities and CMA Securities; and
- under the Growthpoint Offer, a GMF Unitholder may elect to receive the Cash Alternative if the GMF Unitholder wants to receive a 100% cash consideration.

The Independent Expert has also assessed the Centuria Offer and concludes that the Mixed Consideration under the Growthpoint Offer is above the midpoint, and the Cash Alternative in the upper half, of the value range for the consideration under the Centuria Offer.

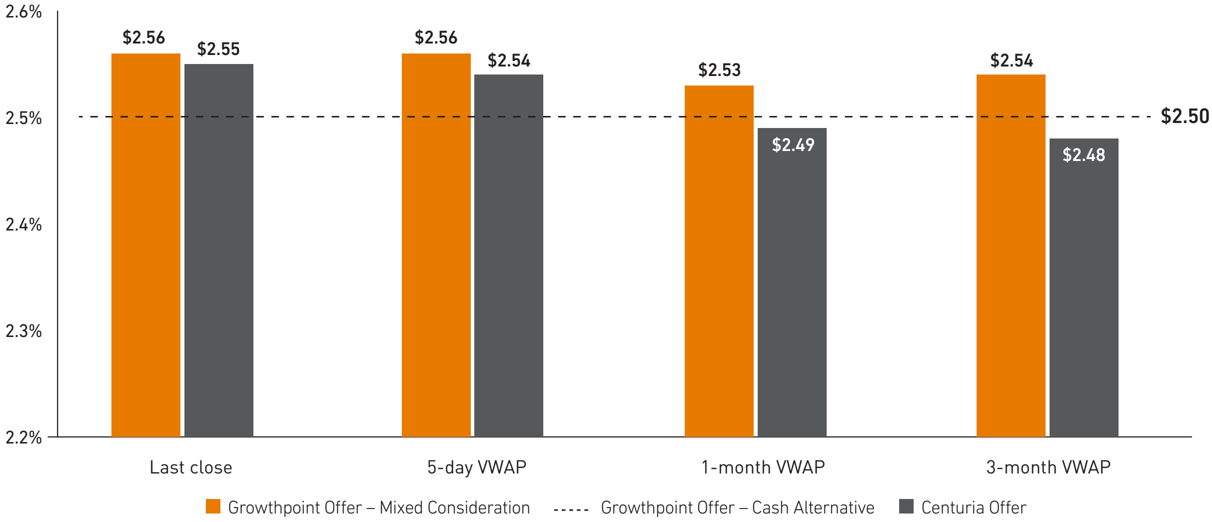
Implied value of the Growthpoint Offer and the Centuria Offer

The table below compares the implied value of the Growthpoint Offer and the Centuria Offer based on the respective 5 day VWAPs of GOZ Securities and CMA Securities as at 29 July 2016.

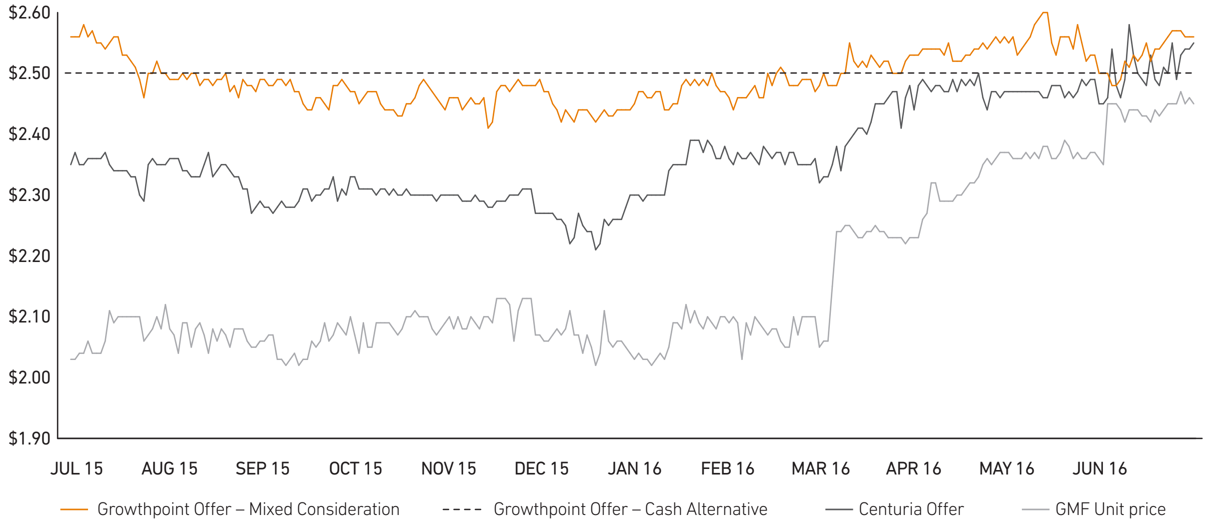
	Growthpoint Offer		
Per GMF Unit	Mixed Consideration	Cash Alternative	Centuria Offer
Merger ratio (securities)	0.3968	–	1.0000
Security price	$3.31	–	$2.23
Securities consideration	$1.31	–	$2.23
Cash consideration	$1.25	$2.50	$0.31
Implied value of offer	**$2.56**	**$2.50**	**$2.54**

This analysis shows that the implied value of the Mixed Consideration under the Growthpoint Offer is 1.0% greater than the implied value of the Centuria Offer.

The chart below compares the implied value of the Growthpoint Offer and Centuria Offer using a number of trading price metrics as at 29 July 2016.



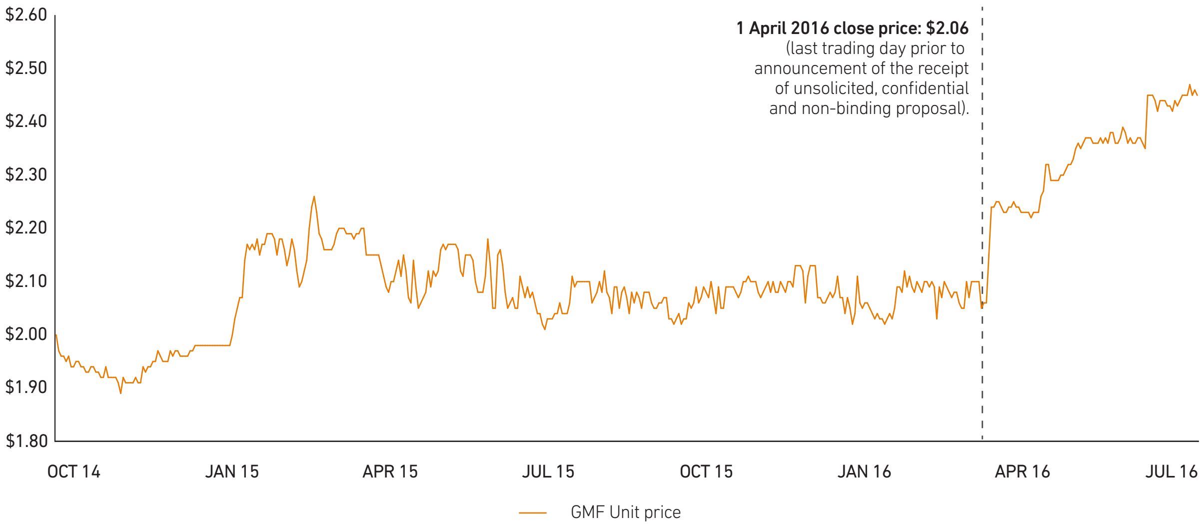
The chart below compares the implied value of the Growthpoint Offer and Centuria Offer over the last 12 months, showing that the Growthpoint Offer has had a higher implied value compared to the Centuria Offer based on close prices on 258 of the past 262 trading days.



As at the date of this Target's Statement, no superior proposal for GMF has emerged.

F. THE TRADING PRICE OF GMF UNITS MAY FALL IF NEITHER THE GROWTHPOINT OFFER OR THE CENTURIA OFFER IS SUCCESSFUL AND THERE IS NO OTHER OFFER FOR YOUR GMF UNITS

The closing price of GMF Units on 29 July 2016 was $2.45. This is well above the closing price of GMF Units on 1 April 2016, being the last trading day prior to announcement of the receipt of an unsolicited, confidential and non-binding proposal, which was $2.06, and the historic GMF Unit price as shown in the chart below.



If neither the Growthpoint Offer nor the Centuria Offer is successful and if no superior proposal emerges, the Independent Directors believe that it is likely that the GMF Unit price may trade below the implied value of the Growthpoint Offer and Centuria Offer. It is also possible for the GMF Unit price to trade at a discount to its NTA.

G. THERE ARE RISKS IN NOT ACCEPTING THE GROWTHPOINT OFFER

If the Growthpoint Offer becomes unconditional, after the Offer Period ends any GMF Unitholders who do not accept the Growthpoint Offer will be subject to the following risks associated with Growthpoint increasing its ownership of GMF:

- if Growthpoint is in a position to cast the majority of votes at a general meeting of GMF Unitholders, then that will enable Growthpoint to change the responsible entity of GMF, as well as control the strategic direction of GMF. A change in the responsible entity of GMF will result in the termination of a number of material contracts in relation to the management of GMF and will give rise to an event of default under the financing arrangements of GMF as further described in Section 6.9;
- if Growthpoint acquires control over more than 75% of GMF Units it will be able to pass a special resolution at a general meeting of GMF Unitholders. This would enable Growthpoint to, among other things, change GMF's Constitution;
- if Growthpoint acquires at least 90% of GMF Units, Growthpoint may become entitled to acquire your GMF Units through the implementation of compulsory acquisition procedures in accordance with section 661B of the Corporations Act. If this occurs, you will be compelled to sell your GMF Units to Growthpoint but may not receive your consideration for a number of months;
- the liquidity of GMF Units may be lower than at present, potentially impacting upon your ability to dispose of your GMF Units at a price in line with the implied value of the Mixed Consideration or Cash Alternative; and
- if the number of GMF Unitholders is less than that required by the ASX Listing Rules to maintain a listing on the ASX, Growthpoint may seek to have GMF removed from the official list of the ASX. If this occurs, GMF Units will not be able to be acquired or sold on ASX or any other licensed market on which GMF Units can currently be acquired or sold.

You should note that there are also risks associated with accepting the Growthpoint Offer. Details of the risks associated with accepting and not accepting the Growthpoint Offer are contained in Section 10 of the Growthpoint Bidder's Statement and Section 7 of this Target's Statement.

1.3 POSSIBLE REASONS FOR NOT FOLLOWING THE INDEPENDENT DIRECTORS' RECOMMENDATION

This section sets out some reasons why you may choose not to follow the unanimous recommendation of the Independent Directors to **ACCEPT** the Growthpoint Offer and instead reject the Growthpoint Offer.

A. YOU MAY WISH TO REMAIN A UNITHOLDER IN GMF

You may wish to remain a unitholder in GMF. If you accept the Growthpoint Offer, you will no longer be entitled to participate in the future financial performance of GMF or to exercise the rights of a GMF Unitholder.

B. YOU MAY DISAGREE WITH THE INDEPENDENT DIRECTORS' RECOMMENDATION AND THE INDEPENDENT EXPERT'S CONCLUSION

You may hold a different view to the Independent Directors and the Independent Expert and believe that the value of the Mixed Consideration or the Cash Alternative under the Growthpoint Offer is inadequate.

C. YOU MAY PREFER THE CENTURIA OFFER

You may consider that the Centuria Offer provides better value than the Growthpoint Offer and that the securities component of the consideration under the Centuria Offer provides you with scope for greater growth.

D. YOU MAY WANT TO SELL YOUR GMF UNITS ON MARKET AND RECEIVE AN ALL CASH PAYMENT FOR THEM

You may not wish to remain a unitholder in GMF, become a GOZ Securityholder pursuant to the Growthpoint Offer, or elect to receive the Cash Alternative under the Growthpoint Offer, and may instead wish to cash out your investment in GMF on market if you expect proceeds may be higher or more certain. If you sell your GMF Units on market, you:

- will lose the ability to accept the Growthpoint Offer or any other offer which may eventuate;
- will not be entitled to receive any increased consideration if the offer consideration is increased by Growthpoint;
- may receive more or less for your GMF Units than the Mixed Consideration or Cash Alternative;
- may incur a brokerage charge; and
- will receive the consideration for your GMF Units sooner than if you accept the Growthpoint Offer while it is still subject to the Offer Conditions.

E. THE TAX CONSEQUENCES OF THE GROWTHPOINT OFFER MAY NOT BE SUITABLE TO YOUR FINANCIAL POSITION

As set out in Appendix 1 of this Target's Statement, acceptance of the Growthpoint Offer by GMF Unitholders is likely to have tax implications. You should carefully read and consider the taxation consequences of accepting the Growthpoint Offer. GMF Unitholders should not rely on the disclosure of taxation considerations in Section 11 of the Growthpoint Bidder's Statement or the Taxation Report that is included in this Target's Statement as being advice on their own affairs.

GMF Unitholders should consult with their own independent taxation advisers regarding the taxation implications of accepting the Growthpoint Offer given their own particular circumstances.

2.0 INDEPENDENT DIRECTORS' RECOMMENDATION AND DIRECTORS' INTERESTS

2.1 DIRECTORS OF GMFRE

As at the date of this Target's Statement, the Directors of GMFRE, the responsible entity of GMF, are:

a. John Atkin, Independent Non-Executive Director and Chairman;
b. Justine Hickey, Independent Non-Executive Director;
c. Paul Say, Independent Non-Executive Director;
d. Nicholas Harris, Executive Director; and
e. James Coyne, Executive Director.

The Independent Directors are John Atkin (Chairman), Justine Hickey and Paul Say. They together comprise the IBC that was formed by GMFRE to consider the Growthpoint Offer and Centuria Offer.

Mr Harris and Mr Coyne are Senior Executives employed by GPT Management Holdings Limited (**GPTMH**), which wholly owns GMFRE, the responsible entity of GMF. GPTMH, together with the General Property Trust, together comprise the ASX listed GPT Group (**GPT**). GPT held a substantial holding of 12.98% in GMF prior to it being sold to Growthpoint on 1 July 2016.

Furthermore, GMFRE and GPTMH are parties to a Services Deed dated 1 September 2014 pursuant to which GMFRE benefits from the provision of services by GPTMH in respect of GMF, as well as other agreements such as the Mandate Deed, Property Services Agreement and the Development Management Agreement.

Given this pre-existing relationship and the potential for conflicts that may arise in this context, neither Mr Harris nor Mr Coyne is considered to be an independent director of GMFRE. Neither Mr Harris nor Mr Coyne participated in the consideration given by the IBC to the Growthpoint Offer.

For the reasons set out above, neither Mr Harris nor Mr Coyne gives a recommendation in relation to the Growthpoint Offer.

2.2 INDEPENDENT DIRECTORS' RECOMMENDATION AND INTENTIONS

Each Independent Director (John Atkin (Chairman), Justine Hickey and Paul Say) recommends that you **ACCEPT** the Growthpoint Offer in the absence of a superior proposal.

The reasons for this recommendation are set out in Section 1.2 of this Target's Statement.

Each director of GMFRE intends to accept the Growthpoint Offer in respect of GMF Units held on that director's behalf.

The Independent Directors do not make a recommendation as to whether GMF Unitholders should elect to receive the Cash Alternative. You may want to:

- receive the Mixed Consideration comprising 0.3968 GOZ Securities and $1.25 cash per GMF Unit if you prefer to participate in the enlarged Merged Group (which will include exposure to GMF assets); or
- elect to receive the Cash Alternative if you do not wish to be exposed to the risks (set out in Section 7 of this Target's Statement) of participation in the enlarged Merged Group or if you are seeking certainty of value for your GMF Units.

In evaluating the Growthpoint Offer, your Independent Directors encourage you to:

a. read the whole of this Target's Statement, including the Independent Expert's Report that is included in Appendix 2, together with the Growthpoint Bidder's Statement;
b. consider your alternatives as outlined in Section 4 of this Target's Statement; and
c. if you are in any doubt as to what you should do, seek independent financial, legal, taxation or other professional advice.

2.3 INTERESTS AND DEALINGS OF DIRECTORS IN GMF UNITS

As at the date immediately before the date of this Target's Statement, the Directors had the following relevant interest in GMF Units:

Director	Number of GMF Units
John Atkin	75,000[1]
James A Coyne	51,262[2]
Justine Hickey	50,000
Paul Say	50,000[3]
Nicholas Harris	550,000[4]

No Director has acquired or disposed of a relevant interest in any GMF Units in the 4 month period ending on the date immediately before the date of this Target's Statement.

2.4 INTERESTS AND DEALINGS OF DIRECTORS IN GOZ SECURITIES

As at the date immediately before the date of this Target's Statement, no Director had a relevant interest in any GOZ Securities.

No Director has acquired or disposed of a relevant interest in any GOZ Securities in the 4 month period ending on the date immediately before the date of this Target's Statement.

2.5 BENEFITS AND AGREEMENTS

a. **Benefits to Directors**

As a result of the Growthpoint Offer, no Director has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from the Board, managerial office or related body corporate of GMF.

No Director has agreed to receive, or is entitled to receive, any benefit from Growthpoint which is related to or conditional on the Offer, other than in their capacity as a holder of GMF Units.

b. **Agreements in connection with or conditional on the Growthpoint Offer**

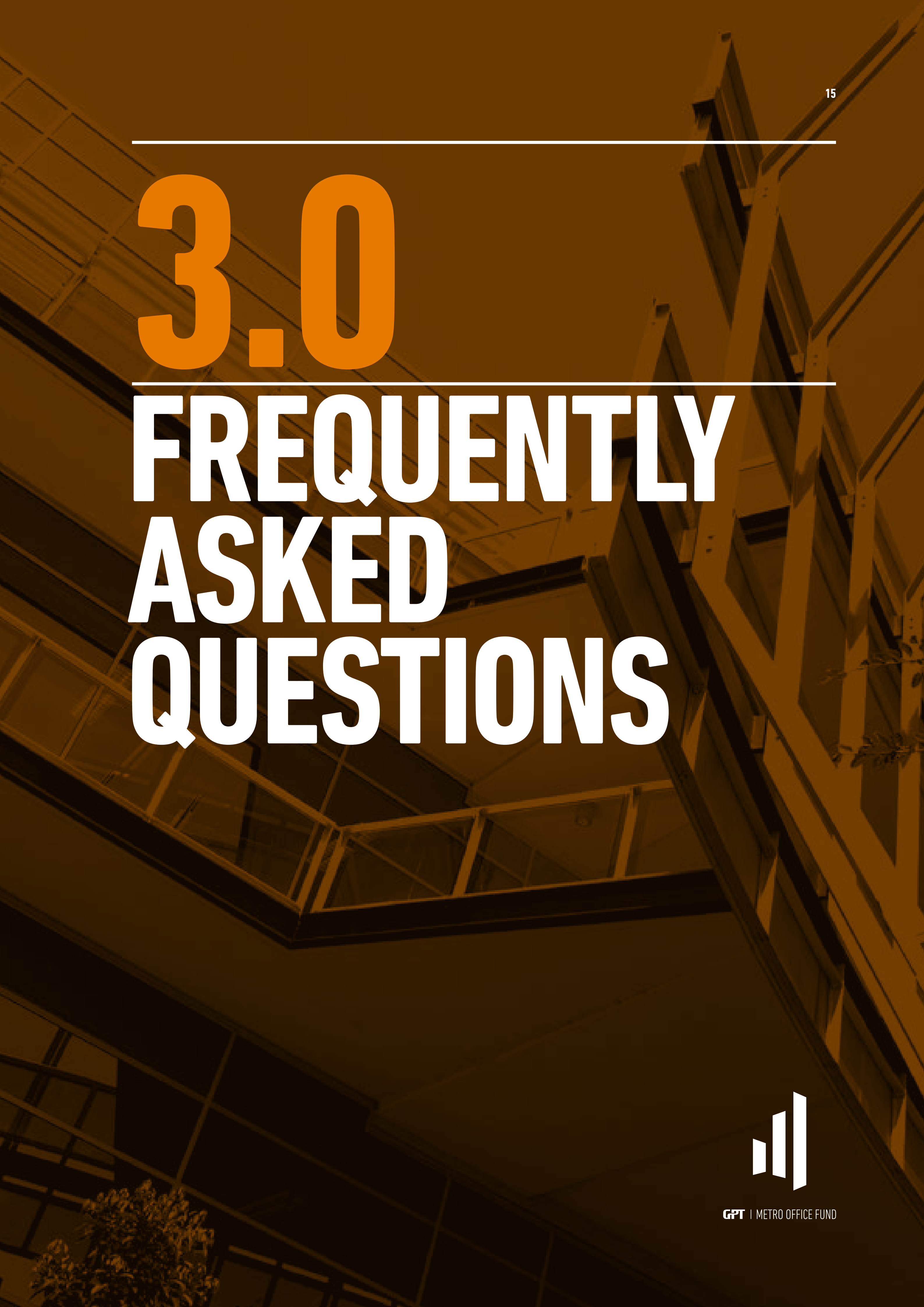
No agreement has been made between any Director and any other person in connection with, or conditional upon, the outcome of the Growthpoint Offer, other than in their capacity as a holder of GMF Units.

c. **Interests in contracts with Growthpoint**

No Director has any interest in any contract entered into by Growthpoint.

1. The units are held by Bond St. Custodians Limited as custodian for Maialee Pty Limited, as trustee of the Atkin Haddrick Family Super Fund. Mr Atkin is a director of the trustee and a beneficiary of the super fund.
2. The units are held by Jackah Pty Ltd as trustee of the Jackah Superannuation Fund. Mr Coyne is a director of the trustee and a beneficiary of the super fund.
3. The units are held by Stratum Pty Ltd. Mr Say is a director and shareholder of Stratum Pty Ltd.
4. The units are held by family unitholders (500,000 units) and directly (50,000 units).

3.0 FREQUENTLY ASKED QUESTIONS



You may have questions in relation to the Growthpoint Offer. The following set of questions and answers is intended to assist in your understanding of the Growthpoint Offer. They are qualified by, and should be read in conjunction with, all other parts of this Target's Statement.

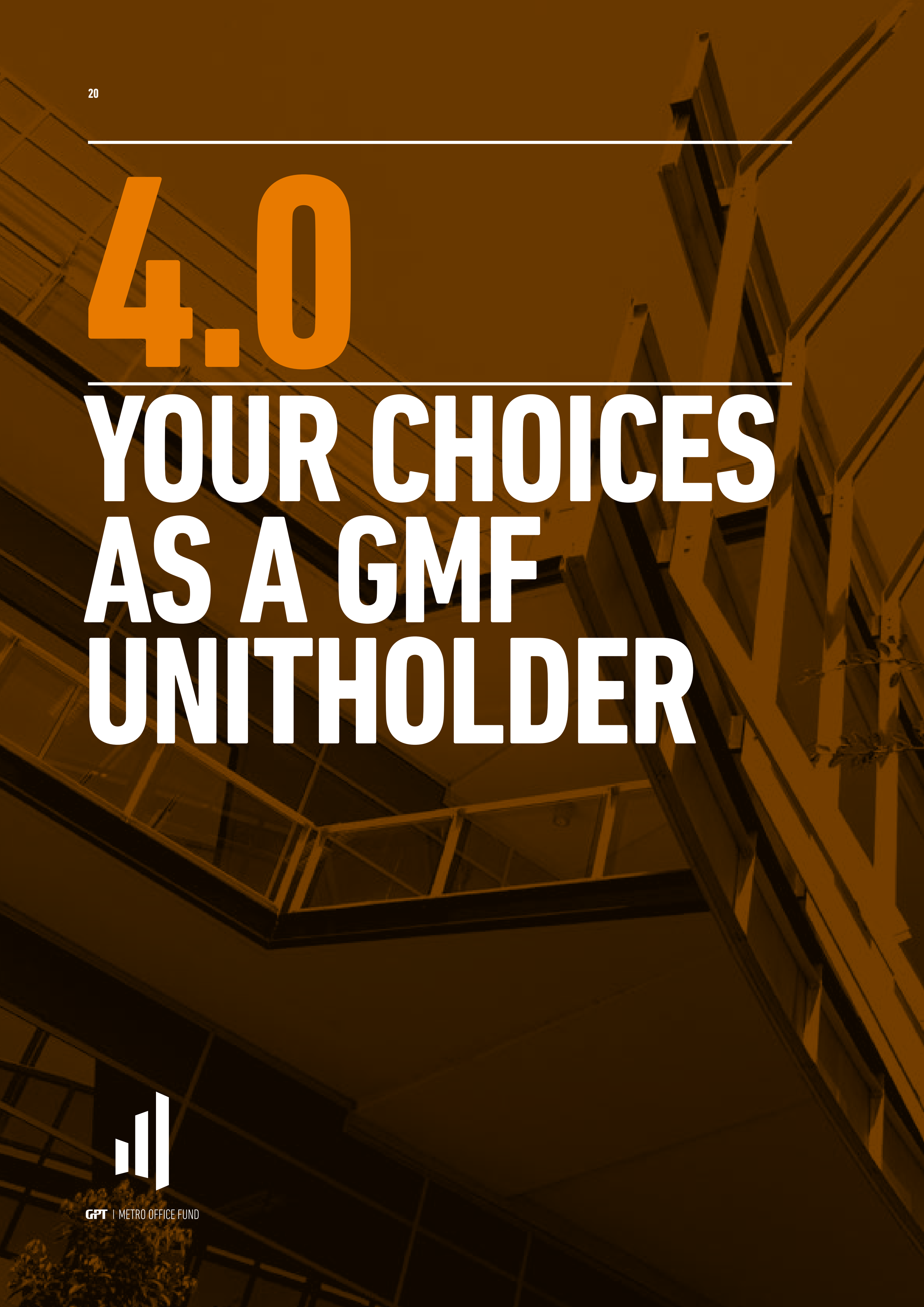
QUESTION	ANSWER
Who is making the Growthpoint Offer?	Growthpoint Properties Australia Limited (ABN 33 124 093 901) (AFSL 316409) in its capacity as responsible entity of Growthpoint Properties Australia Trust (ARSN 120 121 002), is making the Growthpoint Offer. *Refer to Section 5 of this Target's Statement for more information.*
What is Growthpoint offering for my GMF Units?	Growthpoint is offering Mixed Consideration of 0.3968 GOZ Securities and $1.25 cash per GMF Unit. Based on the 5 day VWAP of GOZ Securities on 29 July 2016 of $3.31 per GOZ Security, the implied value of the Mixed Consideration is $2.56 per GMF Unit. Alternatively, GMF Unitholders may elect to receive 100% cash consideration of approximately $2.50 per GMF Unit by electing to receive the Cash Alternative. *Refer to Sections 5.2 and 5.3 of this Target's Statement for more information.*
What is the Growthpoint Bidder's Statement?	The Growthpoint Bidder's Statement is the document prepared by Growthpoint which sets out the terms of the Growthpoint Offer, as required by the Corporations Act. The Growthpoint Bidder's Statement was lodged with ASIC and ASX on 1 July 2016. All GMF Unitholders should have recently received a copy of the Growthpoint Bidder's Statement in the post. The Growthpoint Bidder's Statement states that you can call the Growthpoint Offer Information Line on 1300 665 792 (callers in Australia) or +61 3 9415 4366 (callers outside Australia) for a replacement Acceptance Form or for any questions in relation to the Growthpoint Offer.
What is this Target's Statement?	This Target's Statement is the formal response by the Board of GMFRE to the Growthpoint Offer, as required by the Corporations Act. This document has been prepared by GMFRE and contains important information to help you decide whether to accept the Growthpoint Offer.
What choices do I have as a GMF Unitholder?	As a GMF Unitholder, you have the following choices in respect of your GMF Units: • **accept** the Growthpoint Offer; • **sell** all or part of your GMF Units, for example, on ASX; • **do nothing** and retain your GMF Units; or • **wait to accept** the Centuria Offer (noting that the Independent Directors **recommend that you do not accept** the Centuria Offer). A summary of the implications of each of the above choices is set out in Section 4 of this Target's Statement. You should seek independent financial, legal, taxation or other professional advice if you are in doubt as to what you should do in response to the Growthpoint Offer.
What are the Independent Directors of GMFRE recommending?	The Independent Directors unanimously recommend that you **ACCEPT** the Growthpoint Offer, in the absence of a superior proposal The reasons for the Independent Directors' recommendation are set out in Section 1.2 of this Target's Statement. *Refer to Sections 1.2 and 2.2 of this Target's Statement for more information.*
What do the Directors intend to do with their GMF Units?	Your Directors intend to **ACCEPT** the Growthpoint Offer for any GMF Units they own or control, in the absence of a superior proposal. The Directors' interests in GMF Units are set out in Section 2.3 of this Target's Statement.

QUESTION	ANSWER
What is the opinion of the Independent Expert?	The Independent Expert has concluded that the Growthpoint Offer is fair and reasonable, in the absence of a superior proposal. You are encouraged to read the Independent Expert's Report in full. *Refer to The Independent Expert's Report set out in full in Appendix 2 of this Target's Statement for more information.*
Why should I ACCEPT the Growthpoint Offer?	The Independent Directors have recommended that you **ACCEPT** the Growthpoint Offer, in the absence of a superior proposal, for the reasons stated in Section 1.2 of this Target's Statement.
Why might I not accept the Growthpoint Offer?	Possible reasons for not accepting the Growthpoint Offer are set out in Section 1.3 of this Target's Statement.
What are the risks of becoming a GOZ Securityholder?	If you accept the Growthpoint Offer and become a holder of GOZ Securities, you will be exposed to a range of risks, some of which you are already exposed to as a GMF Unitholder, but some of which are new or potentially have a greater impact. *Refer to Section 7 of this Target's Statement for more information.*
How do I accept the Growthpoint Offer?	Instructions on how to accept the Growthpoint Offer are set out in Section 13.3 of the Growthpoint Bidder's Statement. If you require assistance call the GMF Unitholder Information Line on 1300 657 159 (callers in Australia) or +61 1300 657 159 (callers outside Australia). *Refer to Section 13.3 of the Growthpoint Bidder's Statement for more information in relation to acceptance of the Growthpoint Offer.*
How do I reject the Growthpoint Offer?	To reject the Growthpoint Offer, you do not need to do anything.
If I accept the Growthpoint Offer, can I withdraw my acceptance?	You may only withdraw your acceptance if, while the Growthpoint Offer remains subject to the Offer Conditions, Growthpoint varies the Growthpoint Offer in a way that postpones the time when Growthpoint is required to satisfy its obligations by more than one month. *Refer to Section 5.13 of this Target's Statement for more information.*
When does the Growthpoint Offer close?	The Growthpoint Offer is currently scheduled to close at 7:00pm (Melbourne time) on 19 August 2016, but the Offer Period can be extended in certain circumstances. *Refer to Section 5.10 of this Target's Statement for more information.*
What happens if the consideration is increased under the Growthpoint Offer?	If Growthpoint raises the consideration under the Growthpoint Offer, all GMF Unitholders (whether or not they have accepted the Growthpoint Offer before that occurs) will be entitled to the benefit of the improved consideration. However, the improvement in consideration would not be available to GMF Unitholders who have already sold their GMF Units on ASX.
What happens if there is a superior proposal from a third party (including Centuria)?	If there is a superior proposal from a third party, including Centuria, the Independent Directors will reconsider their recommendation of the Growthpoint Offer and advise GMF Unitholders accordingly. If you have already accepted the Growthpoint Offer at that time, you will only be able to withdraw your acceptance in limited circumstances. Accordingly, you may be unable to accept a superior proposal if one arises. As at the date of the Target's Statement, Centuria has not made an offer for GMF Units which the Independent Directors consider is superior to the Growthpoint Offer. Centuria is required to send its bidder's statement under the Centuria Offer by 16 August 2016. *Refer to Section 5.13 of this Target's Statement for more information.*
What are the conditions of the Growthpoint Offer	The Growthpoint Offer is subject to a number of conditions, including (among others) 50.1% minimum acceptance, the receipt of all necessary regulatory approvals and several other conditions relating to GMF's business and assets. *Refer to Sections 5.7, 5.8 and 5.9 of this Target's Statement for more information.*

QUESTION	ANSWER
When will I receive the Mixed Consideration or Cash Alternative if I accept the Growthpoint Offer?	You will not receive the Mixed Consideration until after the Growthpoint Offer becomes unconditional. You will be paid the Mixed Consideration on or before the earlier of: • one month after the date of your acceptance, or if the offer is subject to a defeating condition when you accept the Growthpoint Offer, within one month after the Growthpoint Offer becomes unconditional; and • 21 days after the end of the Offer Period. If you elect to receive the Cash Alternative you will receive the Cash Alternative at or about the same time listed above for the Mixed Consideration. *Refer to Section 5.14 of this Target's Statement and Section 13.6 of the Growthpoint Bidder's Statement for more information.*
What happens if the Offer Conditions are not satisfied or waived?	If the Offer Conditions are not satisfied or waived by the end of the Offer Period, or in the case of the condition noted in Section 5.7(f), three Business Days after the end of the Offer Period, the Growthpoint Offer will lapse. If you had accepted the Growthpoint Offer you will not receive the offer consideration, but once the Growthpoint Offer lapses, you will be free to deal with your GMF Units. *Refer to Sections 5.7, 5.8 and 5.9 of this Target's Statement for more information.*
What happens if I am an Ineligible Foreign Unitholder or Unmarketable Parcel Unitholder?	If you are (or Growthpoint believes that you are) an Ineligible Foreign Unitholder or Unmarketable Parcel Unitholder and you accept the Growthpoint Offer, you will not receive GOZ Securities as part of the consideration for your GMF Units. Instead, Growthpoint will procure, within the period for providing the offer consideration set out above, the sale of the relevant GOZ Securities to which you and all other Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders would have been entitled, and pay the relevant proportion (as determined using the equation set out in Section 13.7 of the Growthpoint Bidder's Statement) of the net proceeds of sale to you thereafter. *Refer to Section 5.15 of this Target's Statement for more information.*
What are the tax implications of accepting the Growthpoint Offer?	A general outline of the tax implications of accepting the Growthpoint Offer is set out in the Taxation Report that is contained in Appendix 1 of this Target's Statement. There is also a separate taxation report in Section 11 of the Growthpoint Bidder's Statement. As the outline is general in nature and is not addressed to the personal circumstances of GMF Unitholders, you should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Growthpoint Offer. *General taxation information is set out in the Taxation Report in Appendix 1 of this Target's Statement and Section 11 of the Growthpoint Bidder's Statement.*
What happens if I don't accept the Growthpoint Offer but the Growthpoint Offer is ultimately successful?	*Can I be forced to sell my GMF Units?* You cannot be forced to sell your GMF Units, unless Growthpoint acquires a relevant interest in at least 90% of all GMF Units, in which case Growthpoint will be entitled, and intends, to compulsorily acquire any GMF Units it does not already own and you will receive the same consideration for your GMF Units that you would have received under the Growthpoint Offer. However, you cannot receive the Cash Alternative and you will receive the Mixed Consideration later than the GMF Unitholders who accept the Growthpoint Offer. *What if Growthpoint does not proceed to compulsory acquisition?* If Growthpoint has acquired at least 50.1% of GMF Units and does not become entitled to compulsorily acquire your GMF Units but all the Offer Conditions are either satisfied or waived, you will continue to hold your GMF Units and be exposed to the risks of being a unitholder in GMF whereby Growthpoint has control (by owning at least 50.1% of GMF Units). *Refer to Sections 5.17 and 5.19 of this Target's Statement for more information.*
Can I accept the Growthpoint Offer for only some of my GMF Units?	No. You cannot accept the Growthpoint Offer for only some of your GMF Units. You may only accept the Growthpoint Offer for all of your GMF Units.

QUESTION	ANSWER
When will Growthpoint advise as to the status of the Offer Conditions?	Section 630 of the Corporations Act requires Growthpoint to give a Notice of Status of Offer Conditions not more than 14 days and not less than 7 days before the end of the Offer Period. Growthpoint has indicated that it will give a Notice of Status of Offer Conditions on 11 August 2016. If the Offer Period is extended before this date, the Notice of Status of Offer Conditions will be given at a later date. If an Offer Condition is fulfilled before the date on which the Notice of Status of Offer Conditions is required to be given, Growthpoint must, as soon as practicable, give ASIC, ASX and GMF notice that states that the particular Offer Condition has been fulfilled. *Refer to Section 5.9 of this Target's Statement, and Section 13.12 of the Growthpoint Bidder's Statement for more information.*
Can I sell my GMF Units on market?	You can sell all or some of your GMF Units on market unless you have accepted the Growthpoint Offer or the Centuria Offer in respect of those GMF Units. There are certain consequences of selling your GMF Units on market which you should consider carefully. *Refer to Sections 1.3(d) and 4.3 of this Target's Statement for more information.*
Can Growthpoint vary the Growthpoint Offer?	Yes. Growthpoint can vary the Growthpoint Offer by extending the Offer Period, increasing the consideration offered (under either the Mixed Consideration or Cash Alternative) or waiving the Offer Conditions in accordance with the Corporations Act. However, Growthpoint has no obligation to do so.
Can Growthpoint withdraw the Growthpoint Offer?	Growthpoint can only withdraw the Growthpoint Offer with the consent of ASIC. However, if the Growthpoint Offer closes and some or all of the Offer Conditions are not satisfied (and have not been waived by Growthpoint), then the Growthpoint Offer will lapse and your acceptance will be void.
Will I need to pay brokerage or stamp duty if I accept the Growthpoint Offer?	No brokerage or stamp duty will be payable by you as a result of your acceptance of the Growthpoint Offer (unless you are an Ineligible Foreign Unitholder or an Unmarketable Parcel Unitholder, in which case the proceeds you will receive will be net of sale expenses). However, if you hold your GMF Units through a CHESS Holding or through a bank, custodian or other nominee, you should ask your Controlling Participant (normally your stockbroker) or nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Growthpoint Offer.
How can I get updates on the GMF Unit or GOZ Security prices?	It is likely that the market trading price of GMF Units and GOZ Securities will vary during the Offer Period. You can check the market price for all ASX listed securities by visiting www.asx.com.au. The ticker for GMF Units on ASX is GMF and the ticker for GOZ Securities on ASX is GOZ.
Is there a number that I can call if I have further queries in relation to the Growthpoint Offer?	If you have any further questions about the Growthpoint Offer, please contact the GMF Unitholder Information Line on 1300 657 159 (callers in Australia) or +61 1300 657 159 (callers outside Australia).
What is the Centuria Offer?	The Centuria Offer is the offer made by Centuria for all GMF Units, for consideration comprising one CMA Security plus $0.31[1] cash per GMF Unit. The implied value of the offer consideration under the Centuria Offer is $2.54 per GMF Unit, based on the 5 day VWAP of CMA Securities on ASX (ASX:CMA) on 29 July 2016 (namely $2.23 per CMA Security). *Refer to Section 1.1(c) of this Target's Statement for more information.*
Why should I NOT ACCEPT the Centuria Offer?	The Independent Directors consider that the Growthpoint Offer is superior to the Centuria Offer and therefore have recommended that you **DO NOT ACCEPT** the Centuria Offer. *Refer to Section 1.2(e) of this Target's Statement and the Independent Expert's Report in Appendix 2 of this Target's Statement for more information.*

1. Including a $0.08 contribution from Centuria Capital.



4.0

YOUR CHOICES AS A GMF UNITHOLDER

Under the Growthpoint Offer, Growthpoint is offering 0.3968 GOZ Securities and $1.25 cash per GMF Unit as the Mixed Consideration. Alternatively, GMF Unitholders may elect to receive a Cash Alternative of approximately $2.50 cash for each GMF Unit.

As a GMF Unitholder, you have several choices available to you. You are encouraged to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your GMF Units.

The Independent Directors unanimously recommend that you **ACCEPT** the Growthpoint Offer, subject to there being no superior proposal in relation to GMF. The reasons for this recommendation are set out in Section 1.2.

4.1 ACCEPT THE GROWTHPOINT OFFER

You may choose to accept the Growthpoint Offer. This is the course of action unanimously recommended by your Independent Directors.

Under the Growthpoint Offer, Growthpoint is offering 0.3968 GOZ Securities and $1.25 cash per GMF Unit as the offer consideration.

Alternatively, GMF Unitholders may elect to receive a Cash Alternative of approximately $2.50 cash for each GMF Unit.

The Independent Directors do not make a recommendation as to whether GMF Unitholders should elect to receive the Cash Alternative. This will depend on each unitholder's individual circumstance and preferences. You may want to:

- receive the Mixed Consideration comprising 0.3968 GOZ Securities and $1.25 cash per GMF Unit if you prefer to participate in the enlarged Merged Group (which will include exposure to GMF assets); or
- elect to receive the Cash Alternative if you do not wish to be exposed to the risks (set out in Section 7 of this Target's Statement) of participation in the enlarged Merged Group or if you are seeking certainty of value for your GMF Units.

Details of how to accept the Growthpoint Offer or elect the Cash Alternative are set out in Section 13.3 and Section 6.2 of the Growthpoint Bidder's Statement respectively.

If you accept the Growthpoint Offer, you will not be able to sell your GMF Units to anyone else, accept the Centuria Offer or any superior proposal that may emerge, or otherwise deal with your GMF Units, unless either:

- the Growthpoint Offer is unsuccessful (because for example not all of the Offer Conditions are satisfied or waived); or
- the Offer Period is extended by a period of more than one month while it is still conditional (refer to Section 5.10 of this Target's Statement for further information).

4.2 SELL YOUR GMF UNITS ON ASX

You remain free to sell your GMF Units on market, provided you have not already accepted the Growthpoint Offer or Centuria Offer.

On 29 July 2016 (the last practicable date prior to the finalisation of this Target's Statement), the closing unit price for GMF Units on ASX was $2.45. The latest price for GMF Units may be obtained from ASX's website at www.asx.com.au.

If you sell your GMF Units, you:

- will lose the ability to accept the Growthpoint Offer or any other offer which may eventuate;
- will not be entitled to receive any increased consideration if the offer consideration is increased by Growthpoint, Centuria or a third party;
- may receive more or less for your GMF Units than the Mixed Consideration or Cash Alternative;
- may incur a brokerage charge; and
- will receive the consideration for your GMF Units sooner than if you accept the Growthpoint Offer while it is still subject to the Offer Conditions.

If you wish to sell your GMF Units on market, you should contact your broker for information on how to effect that sale.

4.3 DO NOTHING AND RETAIN YOUR GMF UNITS

If you do not wish to accept the Growthpoint Offer and want to retain your GMF Units, you should simply do nothing.

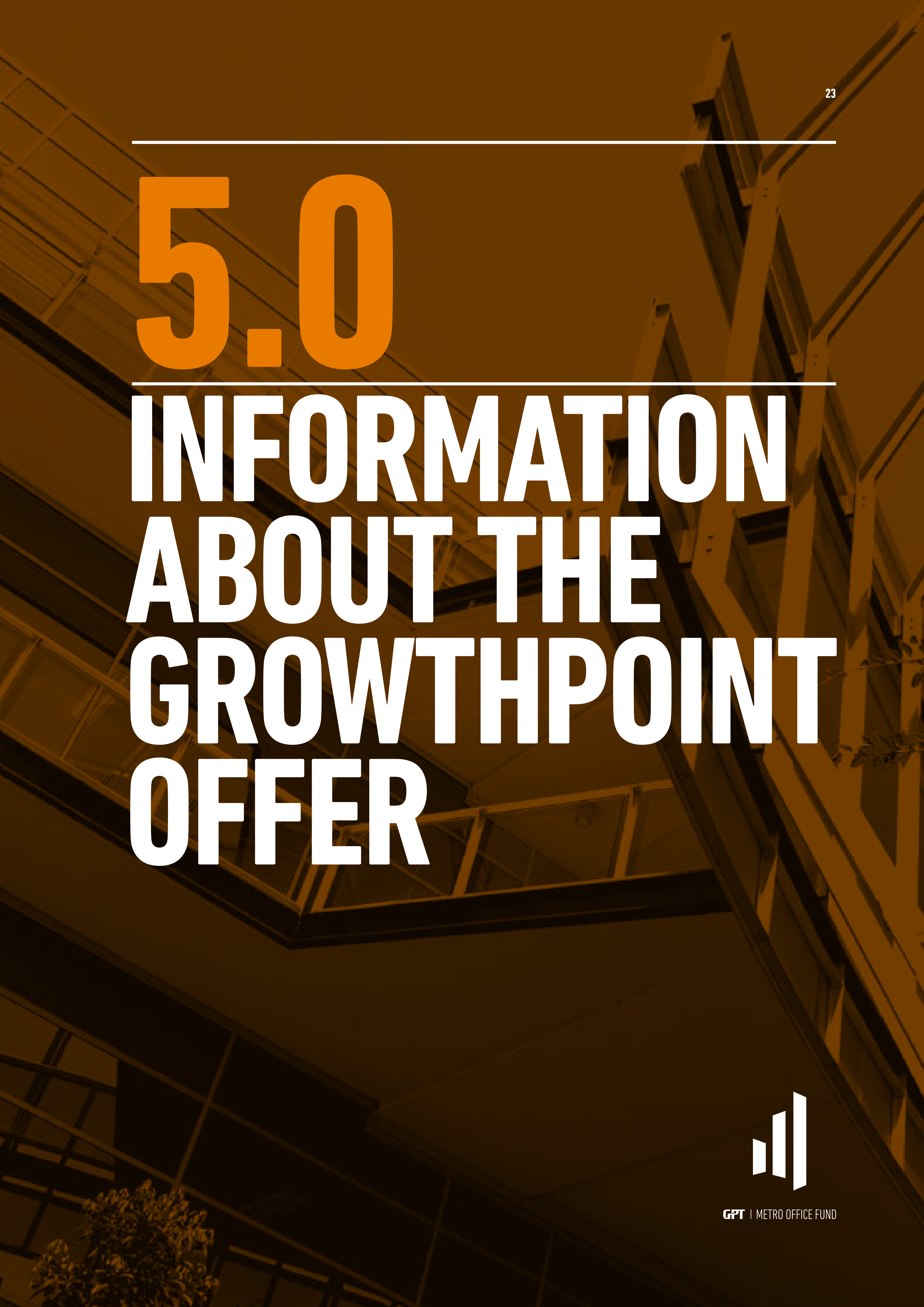
However, you should note that:

- if Growthpoint holds a relevant interest in at least 90% of all GMF Units during or at the end of the Offer Period, Growthpoint will be entitled to compulsorily acquire the GMF Units that it does not already own (as it intends to do: see Section 8.2 of the Growthpoint Bidder's Statement). Refer to Section 5.17 of this Target's Statement for details on compulsory acquisition; and
- if Growthpoint acquires at least 50.1% of all GMF Units and does not become entitled to compulsorily acquire your GMF Units, but all the conditions of the Growthpoint Offer are either satisfied or waived, you will be exposed to the risks of being a unitholder in GMF whereby Growthpoint has control (by owning at least 50.1% of GMF Units) (see Section 1.2(g) of this Target's Statement).

4.4 WAIT TO ACCEPT THE CENTURIA OFFER

You may choose to wait to accept the Centuria Offer. The Independent Directors recommend that you do not accept the Centuria Offer. As at the date of this Target's Statement, Centuria has not made an offer for GMF Units which the Independent Directors consider is superior to the Growthpoint Offer. Centuria is required to send its bidder's statement under the Centuria Offer by 16 August 2016.

If you accept the Centuria Offer, you will not be able to sell your GMF Units to anyone else, accept the Growthpoint Offer or any superior proposal that may emerge or otherwise deal with your GMF Units, unless the Centuria Offer is unsuccessful (because for example not all of the offer conditions under the Centuria Offer are satisfied or waived by the end of the Centuria offer period).



5.0
INFORMATION ABOUT THE GROWTHPOINT OFFER

The information on Growthpoint contained in this Target's Statement has been prepared by GMFRE from publicly available information that Growthpoint has lodged with ASX, including the Growthpoint Bidder's Statement, and has not independently been verified by GMFRE.

5.1 THE BIDDER

The bidder under the Offer is Growthpoint, acting in its capacity as the responsible entity of Growthpoint Trust, an ASX listed real estate investment trust. The directors of Growthpoint are listed in Section 3.2 of the Growthpoint Bidder's Statement.

Growthpoint and Growthpoint Trust together constitute Growthpoint Properties Australia, under a stapled entity structure whereby a share in Growthpoint and a unit in Growthpoint Trust trade together as a single GOZ Security. Growthpoint Properties Australia operates pursuant to an internalised management structure under which GOZ Securityholders own both the property trust (that is, Growthpoint Trust) and the manager/responsible entity of the property trust (that is, Growthpoint).

Growthpoint Properties Australia's portfolio comprises 57 properties with a value of $2,611.5 million[1] (book value as at 31 March 2016), 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.

Further information about Growthpoint Properties Australia and the Merged Group (if Growthpoint acquires all of the outstanding GMF Units) is set out in Section 3 and Section 9 of the Growthpoint Bidder's Statement respectively.

5.2 MIXED CONSIDERATION

The Mixed Consideration under the Growthpoint Offer comprises 0.3968 GOZ Securities and $1.25 cash per GMF Unit.

Based on the 5 day VWAP of GOZ Securities on 29 July 2016 of $3.31 per GOZ Security, this Mixed Consideration implies a value of approximately $2.56 per GMF Unit.

5.3 CASH ALTERNATIVE

A Cash Alternative of approximately $2.50 cash[2] for each GMF Unit is available for GMF Unitholders who elect to receive the Cash Alternative under the Cash Alternative Facility whereby Growthpoint SA is offering to acquire all GOZ Securities that would otherwise be issued to GMF Unitholders under the Growthpoint Offer at a price of $3.15 per GOZ Security.

For example, this means that if you hold 1,000 GMF Units, the total cash amount you will be entitled to receive is as follows:

396 GOZ Securities x $3.15 cash = $1,247.40 cash.

As a result, the total amount you will be entitled to receive through election to receive the Cash Alternative 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.

The cash amount for the Cash Alternative is being funded by Growthpoint SA and not Growthpoint.

You should carefully consider Section 6 of the Growthpoint Bidder's Statement which outlines the operation of the Cash Alternative Facility.

5.4 FACILITATION AND PROPERTY RIGHTS DEED BETWEEN GROWTHPOINT AND GPT

GPTMH has entered into an agreement with Growthpoint dated 1 July 2016 (**GOZ Facilitation Agreement**) for the transition of management of GMF and the provision of certain property rights to Growthpoint.

Under the GOZ Facilitation Agreement, GPTMH is entitled to receive $9 million for providing facilitation services and certain property rights to Growthpoint. This payment is conditional on Growthpoint having a Relevant Interest in at least 50.1% of GMF Units, two Business Days after the last day of the Growthpoint Offer Period, or the Growthpoint Offer being declared unconditional by Growthpoint, during the Offer Period.

The GOZ 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 GOZ Facilitation Agreement (at the non-defaulting party's election); or
- if a third party (other than Growthpoint or a related party) obtains a Relevant Interest in GMF of at least 50.1% (at Growthpoint's election).

See Annexure 2 of Growthpoint's ASX announcement dated 1 July 2016 in relation to the Growthpoint Offer for a copy of the GOZ Facilitation Agreement.

1. Includes Building C, 211 Wellington Road, Mulgrave, Victoria at its 'on completion' valuation.
2. This price equates to the cash consideration received under the Growthpoint 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 × $3.15 = $2.50). If this calculation results in an entitlement to a fraction of a GOZ Security or a fraction of a cent, that fraction will be rounded down to the next whole number of GOZ Securities or the nearest whole cent (as the case may be).

5.5 OFFER PERIOD

The Growthpoint Offer will be open for acceptance from 18 July 2016 until 7.00pm (Melbourne time) on 19 August 2016, unless extended or withdrawn.

The circumstances in which Growthpoint may extend or withdraw the Growthpoint Offer are set out in Section 5.10 and Section 5.11 respectively of this Target's Statement.

5.6 FUNDING OF THE GROWTHPOINT OFFER

Section 7 of the Growthpoint Bidder's Statement sets out Growthpoint's funding arrangements for the Mixed Consideration, and Growthpoint SA's funding arrangements for the Cash Alternative.

5.7 OFFER CONDITIONS

The Growthpoint Offer is subject to a number of Offer Conditions. In summary, the Offer Conditions which are yet to be satisfied or waived include the following:

a. (**Regulatory Approvals**) All necessary approvals that are required by law, or from any Government Agency have been approved on an unconditional basis before the end of the Offer Period.

b. (**No Regulatory Action**) No regulatory action is taken in consequence of or in connection with the Growthpoint Offer between 1 July 2016 and the end of the Offer Period.

c. (**Minimum Acceptance**) Growthpoint having a Relevant Interest in at least 50.1% of the GMF Units.

d. (**No material adverse change**) No material adverse change to GMF, its assets and business occurs.

e. (**No Distributions**) GMF not announcing, making, declaring or paying any distribution of profits or capital (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie), other than the Permitted Distributions, between 1 July 2016 and the end of the Offer Period.

f. (**No Prescribed Occurrences**) No Prescribed Occurrence between the Announcement Date and the date three Business Days after the end of the Offer Period.

g. (**No Persons entitled to exercise or exercising rights under certain agreements or instruments**) GMF is provided with all necessary consents set out in Section 13.8 (h) of the Growthpoint Bidder's Statement.

h. (**Conduct of business**) GMFRE conducting GMF's business in a certain manner between the Announcement Date and the end of the Offer Period.

i. (**No untrue statements to ASX or ASIC**) Growthpoint does not become aware of any document filed or lodged with ASX or ASIC by or on behalf of GMFRE, or by or on behalf of any person in relation to GMF which contains a statement which is incorrect, or misleading in a material particular, or from which there is a material omission.

j. (**No Break Fees**) GMFRE does not make or agree to make any break fee, or inducement fee, cost reimbursement or otherwise to any person other than Growthpoint or its associate between 1 July 2016 and the end of the Offer Period.

k. (**Order on 'net benefit'**) 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 GOZ Facilitation Agreement.

The above is only a summary of the Offer Conditions of the Growthpoint Offer. Please refer to Sections 13.8 and 13.11 of the Growthpoint Bidder's Statement for a full description of the conditions of the Growthpoint Offer.

5.8 EFFECT OF NON-SATISFACTION OF OFFER CONDITIONS

If any Offer Condition is not satisfied or waived by Growthpoint by the end of the Offer Period, or in the case of the condition noted in 5.7(f), three Business Days after the end of the Offer Period, then the Growthpoint Offer will lapse and not proceed, you will retain your GMF Units and you will not receive the Mixed Consideration or Cash Alternative.

In addition, there is a statutory condition relating to the ASX quotation of GOZ Securities to be issued under the Growthpoint Offer, that official quotation by ASX in respect of those securities be granted by no later than 7 days after the end of the Offer Period. If this condition is not satisfied, as noted in Section 13.11 of the Growthpoint Bidder's Statement, the Growthpoint Offer will lapse and not proceed, you will retain your GMF Units and you will not receive the Mixed Consideration or Cash Alternative.

You should be aware that, even if the Offer Conditions are not satisfied (or are triggered, as appropriate), Growthpoint has stated in the Growthpoint Bidder's Statement at Sections 12.3 and 13.10 that any or all of the Offer Conditions may be waived by Growthpoint.

If any Offer Condition is unsatisfied (or has been triggered) and has not been waived, Growthpoint will have an option as to whether to proceed with the acquisition of GMF Units under the Growthpoint Offer or allow the Growthpoint Offer to lapse with unsatisfied Offer Conditions. If the Growthpoint Offer lapses, all acceptances of the Growthpoint Offer will be void and of no effect.

5.9 STATUS OF OFFER CONDITIONS

Section 13.12 of the Growthpoint Bidder's Statement states that Growthpoint will give a notice to ASX and GMFRE on the status of the conditions of the Growthpoint Offer (**Notice of Status of Offer Conditions**) on 11 August 2016 (subject to extension in accordance with section 630(2), if the Offer Period is extended). Growthpoint is required to set out in its Notice of Status of Offer Conditions:

a. whether the Growthpoint Offer is free of any or all of the Offer Conditions;
b. whether, so far as Growthpoint knows, any of the Offer Conditions have been fulfilled; and
c. Growthpoint's voting power (including the voting power of Growthpoint's associates) in GMF at that time.

If the Offer Period is extended before the Notice of Status of Offer Conditions is to be given, the date for giving the Notice of Status of Offer Conditions will be taken to be postponed for the same period. In the event of such an extension, Growthpoint is required, as soon as practicable after the extension, to notify ASX and GMFRE of the new date for giving the Notice of Status of Offer Conditions.

If an Offer Condition is fulfilled during the Offer Period but before the date on which the Notice of Status of Offer Conditions is required to be given, Growthpoint must, as soon as practicable, give ASX and GMFRE a notice which states that a particular Offer Condition has been fulfilled.

5.10 EXTENSION OF OFFER PERIOD

Growthpoint may extend the Offer Period at any time before giving the Notice of Status of Offer Conditions while the Growthpoint Offer is subject to Offer Conditions. However, if the Growthpoint Offer is unconditional (that is, all the Offer Conditions are satisfied or waived), Growthpoint may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last seven days of the Offer Period, Growthpoint improves the consideration offered under the Growthpoint Offer. If this event occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurred.

5.11 WITHDRAWAL OF THE GROWTHPOINT OFFER

Growthpoint may not withdraw the Growthpoint Offer if you have already accepted it. However, if the Offer Conditions have not been satisfied or waived at the end of the Offer Period or in the case of the condition noted in Section 5.7(f) above, three Business Days after the end of the Offer Period, then all acceptances will be void. Before you accept the Growthpoint Offer, Growthpoint may withdraw the Growthpoint Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

5.12 EFFECT OF ACCEPTANCE OF THE GROWTHPOINT OFFER

The effect of acceptance of the Growthpoint Offer is set out in Section 13.5 of the Growthpoint Bidder's Statement. You should read these provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your GMF Units and the representations and warranties which you will be giving Growthpoint by accepting the Growthpoint Offer. In particular, accepting the Growthpoint Offer will prevent you from selling your GMF Units during the Offer Period (unless your acceptance can be withdrawn) and if the Growthpoint Offer is declared or becomes unconditional, Growthpoint will be able to exercise the rights attaching to your GMF Units.

Furthermore, as noted in Section 13.5 of the Growthpoint Bidder's Statement, by accepting the Growthpoint Offer you represent and warrant to Growthpoint that, at the time of your acceptance and at the time of the transfer of your GMF Units to Growthpoint:

a. you have paid to GMFRE all amounts which are due for payment in respect of your GMF Units;
b. all of your GMF Units are fully paid and free from all encumbrances (as defined in the Growthpoint Bidder's Statement) and restrictions on transfer of any nature; and
c. you have full power and capacity to sell and transfer those GMF Units.

5.13 WITHDRAWAL OF YOUR ACCEPTANCE OF THE GROWTHPOINT OFFER

If you accept the Growthpoint Offer, you will only be able to withdraw your acceptance in limited circumstances.

You may only withdraw your acceptance of the Growthpoint Offer if Growthpoint varies the Growthpoint Offer in a way that postpones, for more than one month, the time when Growthpoint needs to meet its obligations under the Growthpoint Offer. This will occur if Growthpoint extends the Offer Period by more than one month and the Growthpoint Offer is still subject to Offer Conditions.

5.14 WHEN YOU WILL RECEIVE THE MIXED CONSIDERATION OR CASH ALTERNATIVE

You will not receive the Mixed Consideration until after the Growthpoint Offer becomes unconditional. You will be paid the Mixed Consideration on or before the earlier of:

- one month after the date of your acceptance, or if the offer is subject to a defeating condition when you accept the Growthpoint Offer, within one month after the Growthpoint Offer becomes unconditional; and
- 21 days after the end of the Offer Period.

If you elect to receive the Cash Alternative you will receive the Cash Alternative at or about the same time listed above for the Mixed Consideration, and by no later than the deadlines for payment of offer consideration under section 620 of the Corporations Act.

See Sections 13.6 and 6.2 of the Growthpoint Bidder's Statement for further details regarding when you will be paid the Mixed Consideration and Cash Alternative by Growthpoint.

5.15 INELIGIBLE FOREIGN UNITHOLDER OR UNMARKETABLE PARCEL UNITHOLDER

If you are (or Growthpoint believes that you are) an Ineligible Foreign Unitholder or Unmarketable Parcel Unitholder and you accept the Growthpoint Offer, you will not be entitled to receive GOZ Securities as part of the consideration for your GMF Units. Instead, Growthpoint will procure within the period for providing offer consideration set out above the sale of the relevant GOZ Securities to which you and all other Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders would have been entitled, and pay the relevant proportion (as determined using the equation set out in Section 13.7 of the Growthpoint Bidder's Statement) of the net proceeds of sale to you thereafter.

5.16 EFFECT OF AN IMPROVEMENT IN THE OFFER CONSIDERATION

If Growthpoint improves the consideration offered under the Growthpoint Offer so that the form of consideration increases, all GMF Unitholders, whether or not they have accepted the Growthpoint Offer before that improvement in consideration, will be entitled to the benefit of that improved consideration.

5.17 COMPULSORY ACQUISITION

a. **Follow on compulsory acquisition**

Growthpoint has stated in Sections 8.2 and 8.3 of the Growthpoint Bidder's Statement that if it becomes entitled to proceed to compulsory acquisition in accordance with the Corporations Act, it intends to compulsorily acquire any outstanding GMF Units.

If you do not accept the Growthpoint Offer and your GMF Units are compulsorily acquired, you will face a delay in receiving the consideration for your GMF Units compared with GMF Unitholders who have accepted the Growthpoint Offer.

Under Part 6A.1 of the Corporations Act, Growthpoint will be entitled to compulsorily acquire any outstanding GMF Units for which it has not received acceptances on the same terms as the Growthpoint Offer if, during or at the end of, the Offer Period, Growthpoint (together with its Associates):

i. has relevant interests in at least 90% (by number) of the GMF Units; and
ii. has acquired at least 75% (by number) of the GMF Units that Growthpoint offered to acquire under the Growthpoint Offer (whether the acquisitions happened under the Growthpoint Offer or otherwise).

If these thresholds are met, Growthpoint will have up to one month after the end of the Offer Period within which to give compulsory acquisition notices to GMF Unitholders who have not accepted the Growthpoint Offer. The consideration payable by Growthpoint will be the Mixed Consideration last offered under the Growthpoint Offer.

GMF Unitholders have statutory rights to challenge compulsory acquisition, but a successful challenge will require GMF Unitholders to establish, to the satisfaction of a court, that the terms of the Growthpoint Offer do not represent 'fair value' for the GMF Units.

b. **General compulsory acquisition**

If Growthpoint does not become entitled to compulsorily acquire GMF Units in accordance with the follow on compulsory acquisition procedure, it may nevertheless subsequently become entitled to exercise general compulsory acquisition rights in relation to GMF Units under Part 6A.2 Division 1 of the Corporations Act.

Broadly, Growthpoint will be entitled to compulsorily acquire all outstanding GMF Units if Growthpoint acquires at least 90% of GMF Units.

Compulsory acquisition notices must be lodged within six months after Growthpoint becomes a 90% holder pursuant to these provisions. Growthpoint's price for compulsory acquisition under this procedure would have to be considered in a report by an independent expert. GMF Unitholders may challenge any compulsory acquisition, but this would require the court to be satisfied that the terms of the offer do not represent fair value for the GMF Units.

As a result, if you do not accept the Growthpoint Offer but Growthpoint subsequently becomes entitled to compulsorily acquire your GMF Units pursuant to the general compulsory acquisition procedure, you will not receive consideration for your GMF Units until a much later time.

5.18 LAPSE OF GROWTHPOINT OFFER

The Growthpoint Offer will lapse if the Offer Conditions are not waived or satisfied by the end of the Offer Period or in the case of the condition noted in Section 5.7(f) above, three Business Days after the end of the Offer Period, in which case, all contracts resulting from acceptance of the Growthpoint Offer and all acceptances that have not yet resulted in binding contracts are void. In that situation, you will be free to deal with your GMF Units as you see fit.

5.19 GROWTHPOINT'S INTENTIONS

Section 8 of the Growthpoint Bidder's Statement sets out Growthpoint's intentions in respect of the business and operations of GMF following the Growthpoint Offer. In summary, Growthpoint has stated that:

If Growthpoint acquires 90% or more of GMF Units, it will:

- proceed with compulsory acquisition of the outstanding GMF Units in accordance with Part 6A.1 of the Corporations Act and apply for termination of official quotation of the GMF Units on ASX and removal from the official list;
- retain GMF as a separate, wholly-owned sub-trust of Growthpoint;
- deregister GMF and require GMFRE to retire and be replaced with Growthpoint, or a nominee of Growthpoint, as responsible entity of GMF;
- conduct a broad based review of GMF's portfolio and management at both a strategic and financial level; and
- refinance GMF's indebtedness by replacing the NAB Facility with a new $150 million facility with two of Growthpoint's existing bank lenders.

If Growthpoint acquires 50.1% or more of GMF Units, it will:

- replace GMFRE as responsible entity of GMF with Growthpoint (or another entity nominated by Growthpoint) with the intention that the fee arrangements for acting as responsible entity of GMF would be similar to the fees currently charged by GMFRE unless and until GMF becomes wholly owned by Growthpoint (refer to Section 8.3(b) of the Growthpoint Bidder's Statement);
- maintain GMF's listing on ASX;
- make GMF a separate controlled sub-trust within the portfolio of assets of Growthpoint;
- encourage the responsible entity of GMF to conduct a broad based review of GMF's portfolio and management and seek to participate in that review; and
- refinance GMF's indebtedness by replacing the $145 million NAB Facility with a new $150 million facility with two of Growthpoint's existing bank lenders.

Growthpoint has stated that, if possible, it intends to rely on the 3% creep exception under item 9 of section 611 of the Corporations Act to reach 90% and commence general compulsory acquisition. The process for general compulsory acquisition is described in Section 5.17 of this Target's Statement.

If Growthpoint acquires less than 50.1% of GMF Units:

Growthpoint has no current intention of freeing the Growthpoint Offer from the 50.1% minimum acceptance condition (see Section 13.8(c) of the Growthpoint Bidder's Statement), but indicated that it reserves its right to declare the Offer free from that (and any other) condition to the Growthpoint Offer.

If Growthpoint frees the Growthpoint 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 which will be reviewed by Growthpoint in accordance with its investment policy, but GMF will otherwise continue to trade as a listed REIT on ASX.

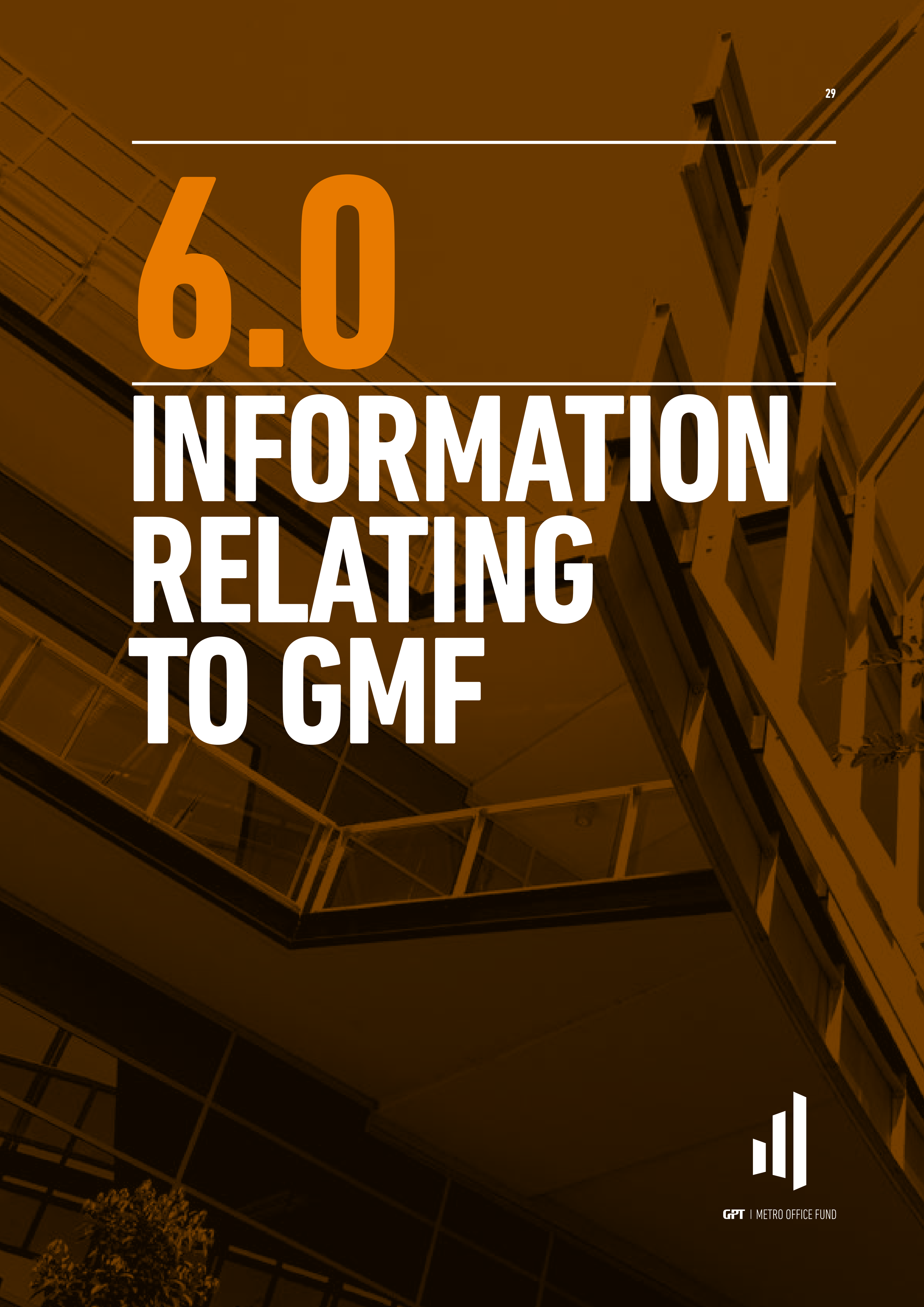
5.20 TAXATION CONSEQUENCES

GMFRE appointed Greenwoods & Herbert Smith Freehills to prepare the Taxation Report which is included in Appendix 1 to this Target's Statement.

Section 11 of the Growthpoint Bidder's Statement includes a separate taxation report, prepared by Grant Thornton Australia Limited.

The Taxation Report only provides a summary of, and general information on, the Australian income tax and GST consequences of accepting the Growthpoint Offer.

GMF Unitholders should seek independent professional advice on the consequences of their participation in the Growthpoint Offer based on their particular circumstances. GMF Unitholders who are not Australian residents must obtain advice on the taxation implications arising in their local jurisdiction of the proposed transaction.



6.0 INFORMATION RELATING TO GMF

6.1 OVERVIEW

GMF listed on ASX on 24 October 2014 and is an Australian real estate investment trust which offers investors an exposure to a quality portfolio of six A-grade metropolitan and business park office properties with a total asset value of $440 million, located across Sydney, Melbourne and Brisbane. As at 30 June 2016, GMF had a market capitalisation of $302 million (based on a closing price of $2.35).

GMF is externally managed by GPT and GMFRE is a wholly owned subsidiary of GPTMH.

6.2 STRATEGY

GMF owns a portfolio of quality Australian metropolitan and business park office properties that generate sustainable income returns with the potential for capital growth over time. GMF does not own property outside Australia or in any other property sub-sectors.

GMF's strategic objectives are to:

- own quality, Australian metropolitan and business park office properties;
- own properties that have a stable income profile, underpinned by leases to a range of reputable tenants with structured rental growth;
- construct a portfolio diversified by tenants, building types and geographical markets;
- provide unitholders with the potential for capital growth over time where the value of GMF's properties appreciate;
- maintain a conservative capital structure with target gearing of between 25-40%; and
- minimise development risk, with a focus on sustainable income returns. GMF does not undertake speculative development without significant income certainty. Development, redevelopment or refurbishment of properties may be undertaken with Board approval and with a requirement to adopt appropriate risk management strategies. These may include substantial tenant pre-commitments, rent guarantees, fixed price fund-through structures or fixed-price refurbishment contracts.

Geographically, GMF may invest in any Australian metropolitan office market excluding the core CBDs of Sydney, Melbourne and Brisbane. Markets within GMF's investment mandate include:

- properties in Australian metropolitan (non-CBD) office markets (GMF currently owns properties in Fortitude Valley in Brisbane, QLD and Hawthorn in Melbourne, VIC);
- properties in Australian business park precincts (GMF currently owns properties in Sydney Olympic Park, NSW); and
- properties in CBDs excluding Sydney, Melbourne and Brisbane, such as Canberra, Adelaide and Perth.

6.3 OVERVIEW OF GMF SINCE LISTING ON ASX

GMF has performed strongly since its listing on ASX on 24 October 2014, exhibited by:

- delivering a total return of 40.9%[1]; and
- increasing net tangible assets per GMF Unit by 22.0%.

This strong performance is a testament to the quality of the GMF portfolio and the active asset management approach undertaken by the GMF management team. Since the IPO, GMF management has executed 17 leases,[2] equating to 15% of the Portfolio at a weighted average lease expiry of 5.8 years.

GMF has always maintained a disciplined approach to asset acquisitions, consistent with GMF's stated investment mandate. This disciplined approach in conjunction with the competitive direct real estate market in which GMF invests has impacted GMF's ability to acquire assets in a financially attractive manner, to increase its scale and further diversify its Portfolio. GPT Group noted at its FY15 results that GMF "*has delivered solid returns, but has not been able to grow as quickly as expected…given current asset pricing.*" Further, in March 2016, as a result of the relatively low trading liquidity of GMF Units on ASX, GMF was removed from the S&P/ASX 300 Index.

Since receipt of the initial Growthpoint proposal on 3 March 2016, the IBC has focused on maximising value for GMF Unitholders. To date, GMF has been the subject of four revised proposals from Growthpoint and Centuria, with the implied value of the Mixed Consideration under the Growthpoint Offer representing a 7.4% premium to the implied value of the consideration under its initial proposal.[3] The Growthpoint Offer also provides a Cash Alternative, providing value certainty and an additional choice for GMF unitholders that was not available under the initial Growthpoint proposal. The IBC notes that this attractive outcome has been achieved for GMF Unitholders without GMFRE granting any deal protections, including break fees, in favour of Growthpoint or Centuria. The IBC believes that the implied value of the Growthpoint Offer provides an attractive premium over GMF's unaffected trading prices and NTA per Unit, reflecting the inherent value of the GMF Portfolio.

1. Based on the IPO price ($2.00), the implied value of the Growthpoint Offer ($2.56) and the total distributions received by GMF Unitholders ($0.26) assuming no re-investment of distributions.
2. Including Heads of Agreement.
3. Based on the GOZ 5 day VWAP on 29 July 2016 of $3.31 per GOZ Security.

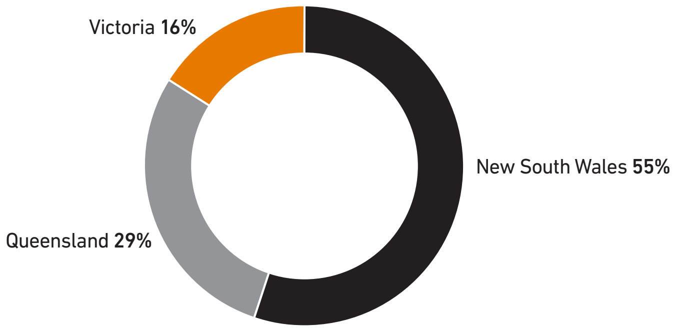
6.4 PORTFOLIO OVERVIEW

The GMF property portfolio as at 30 June 2016 is outlined below:

A. KEY PORTFOLIO METRICS

Number of assets	6
Portfolio value	$440.3 million
Weighted average capitalisation rate	6.70%
Net lettable area (office NLA)	64,500 sqm
WALE (by income)[4]	5.5 years
Office Occupancy (by area)[4]	94.9%

B. GEOGRAPHIC DIVERSIFICATION



C. TOP 10 TENANTS

GMF's portfolio is well diversified by tenant type, providing office accommodation for a range of reputable tenants including multi-national or ASX-listed groups and government bodies. Structured rental increases support revenue growth, with 98% of GMF's income subject to fixed rent reviews over the next 12 months at an average annual increase of 3.6% per annum.

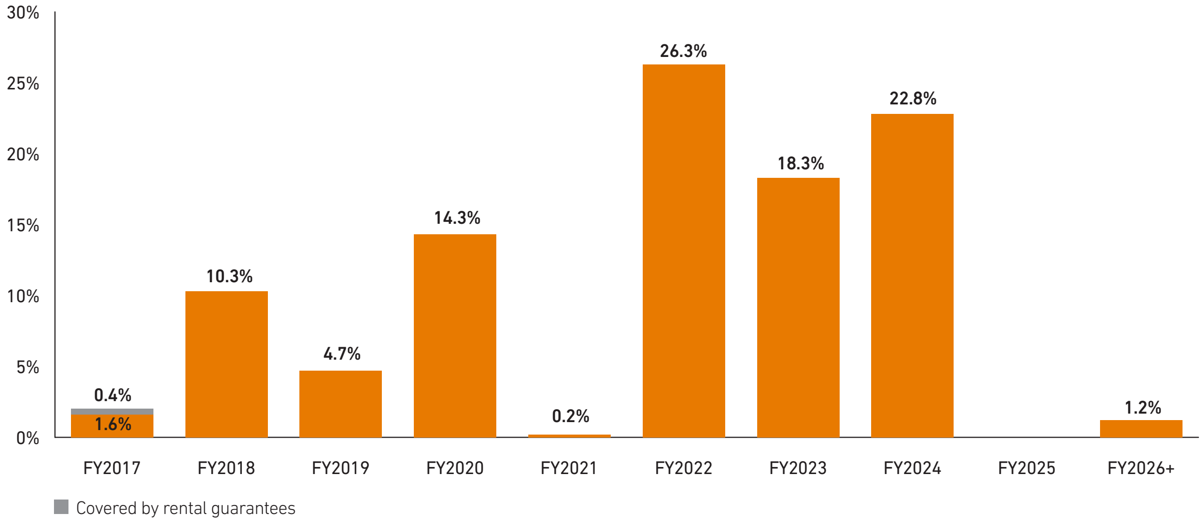
Top 10 Tenants	**% of income[5]**
Lion	20.0%
Samsung	16.5%
Queensland Urban Utilities	14.4%
Optus	11.9%
Orora	7.1%
McConnell Dowell	4.8%
Universities Admissions Centre	3.6%
Alstom Grid	3.4%
Papuan Oil Search	3.1%
BSA	2.9%
Top 10 Total	**87.6%**

4. Includes rental guarantees and signed leases.
5. Based on gross rent.

D. LEASE EXPIRY PROFILE[6]

GMF's portfolio is well leased with 69% of leases expiring in FY22 and beyond.

Lease Expiry Profile (by income)



E. PORTFOLIO OVERVIEW

Property	Location	Ownership	Office NLA (sqm)	Last Independent value ($m)	Date of last Independent valuation	30 Jun 16 Fair Value ($m)	30 Jun 16 Cap Rate (%)	Office Occupancy by area	WALE by income (years)
3 Murray Rose Avenue, Sydney Olympic Park	NSW	100%	13,400	91.5	31-Mar-16	91.5	6.50%	100.0%	5.7
5 Murray Rose Avenue, Sydney Olympic Park	NSW	100%	12,300	90.5	31-Mar-16	90.5	6.25%	100.0%	7.8
Quad 2, Sydney Olympic Park	NSW	100%	5,100	28.8	31-Mar-16	29.0	7.25%	100.0%	3.1
Quad 3, Sydney Olympic Park	NSW	100%	5,200	29.0	31-Mar-16	29.3	7.25%	100.0%[7]	2.9[7]
Vantage, 109 Burwood Road, Hawthorn	VIC	100%	12,300	72.5	31-Mar-16	72.9	7.00%	76.3%	4.7
Optus Centre, 15 Green Square Close, Fortitude Valley	QLD	100%	16,200	127.0	31-Mar-16	127.1	6.75%	97.8%	5.7
Total/Weighted Average			**64,500**	**439.3**		**440.3**	**6.70%**	**94.9%[8]**	**5.5[8]**

6. Based on gross rent and includes rental guarantees and signed leases.
7. Includes rental guarantees. Excluding rental guarantees, occupancy was 95.1% and WALE was 2.8 years.
8. Includes rental guarantees. Excluding rental guarantees, occupancy (including signed leases) was 94.5% and WALE remained at 5.5 years.

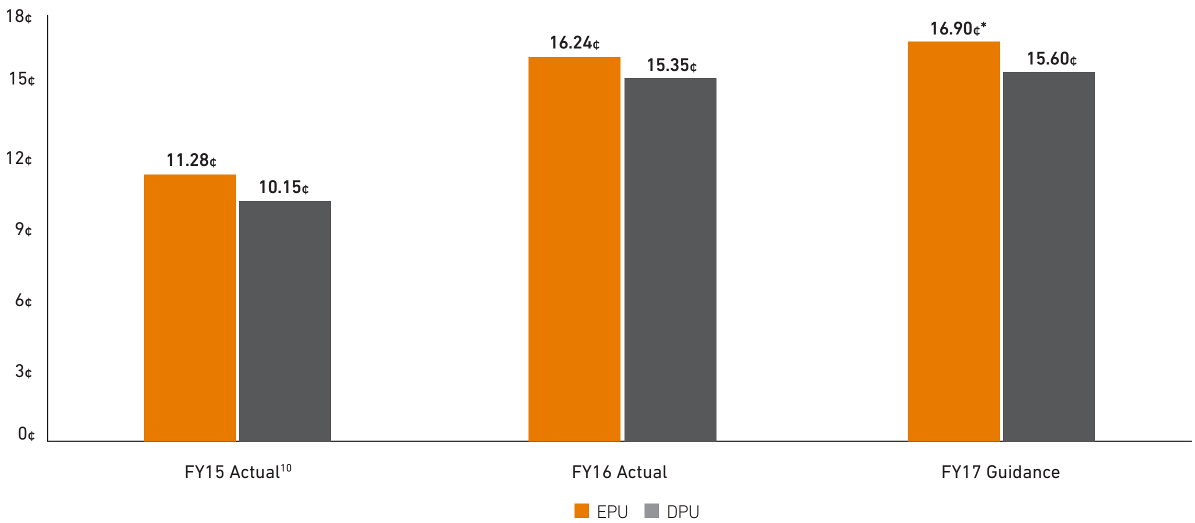
6.5 CAPITAL MANAGEMENT

Key Debt Statistics	
Facility limit	$145.0m
Debt drawn	$128.0m
Net gearing[9]	28.1%
Weighted average cost of debt	4.6%
Weighted average term to maturity	3.5 years
Interest cover ratio	4.6 times
Weighted average term on interest rate hedging	4.3 years
Average interest rate hedging over hedge term	67%

Debt Cost (average for the period ending 30 June 2016)	Average debt ($m)	% of average debt	Interest rate (%)
Hedged debt	100	81%	3.3%
Floating debt	24	19%	2.0%
Total debt	124	100%	**3.1%**
Margin			0.7%
Fees			0.8%
All-in cost of funds			**4.6%**

Debt Facilities	Outstanding ($m)	Maturity Date	Limit ($m)	Available ($m)
Bank bilateral	70	31-Oct-18	70	0
Bank bilateral	58	31-Oct-20	75	17
Total	**128**		**145**	**17**

6.6 EARNINGS AND DISTRIBUTION HISTORY AND GUIDANCE (PER UNIT)



* Includes negotiated heads of agreement and assumes a signed lease over approximately 1,600 square metres of the Level 1 space at Vantage in Hawthorn, where terms have been agreed.

9. Net gearing equals debt less cash divided by total tangible assets less cash.
10. FY15 represents the period from 29 October 2014 to 30 June 2015.

6.7 DIRECTORS OF GMFRE

There currently are five Directors of GMFRE, including three independent non-executive Directors:

John Atkin, Independent Non-Executive Director and Chairman (appointed August 2014)

John is a professional Non-Executive Director with over 30 years' experience in legal, professional and financial services.

John is a Non-Executive Director of IPH Limited and Integral Diagnostics Limited. John is also the Chairman of the Australian Outward Bound Foundation and a board member of the State Library of New South Wales Foundation.

In previous executive roles, John was the Chief Executive Officer of The Trust Company Limited from 2009 to 2013, Managing Partner of Blake Dawson (now Ashurst) from 2002 to 2008 and prior to that he had 15 years' experience as a mergers and acquisition and equity capital markets partner at Mallesons Stephen Jaques (now King & Wood Mallesons) from 1987 to 2002.

John's qualifications include a Bachelor of Arts (Hons) from the Australian National University, a Bachelor of Laws (Hons) from the University of Sydney and, completion of an Advanced Management Program – INSEAD. John is a Fellow of the Australian Institute of Company Directors.

Justine Hickey, Independent Non-Executive Director (appointed August 2014)

Justine is a professional Non-Executive Director with over 20 years' experience in investments, superannuation and corporate governance.

Justine is a Director of the Rio Tinto Staff Super Fund and chairs the advisory board of fund manager, DNR Capital Pty Ltd. Previously Justine was a Director of Australian Ethical Investment Ltd and Flagship Investments Ltd. Justine takes an active interest in the not-for-profit sector, chairing RSPCA QLD's Finance and Risk Committee and the YET Foundation.

In previous executive roles, Justine was Manager, Equities at Suncorp Investment Management until 2004 and prior to that a Portfolio Manager at Fleming Investment Management (now JP Morgan Chase) in London.

Justine has a Bachelor of Commerce from the University of Queensland, is a graduate of the Australian Institute of Company Directors and is a member of the CFA Institute.

Justine has been appointed by the Board to chair the Audit and Risk Management Committee.

Paul Say, Independent Non-Executive Director (appointed August 2014)

Paul has over 30 years' experience in commercial and residential asset management, development, and real estate broking with major multinational institutions. He currently maintains a strong network of relationships with the major REITs, broking firms, and pension/financial groups in Australia, Asia, and North America.

Paul is a Non-Executive Director of ALE Property Group, Frasers Logistics and Industrial Trust and Women's Community Shelters NFP.

In previous executive roles, Paul held senior management positions at major REITs, including Chief Investment Officer at DEXUS Property Group, Head of Corporate Finance at Lend Lease Corporation and National Director of Investments at Jones Lang LaSalle.

Paul is a Fellow of the Royal Institute of Chartered Surveyors and a Fellow of the Australian Property Institute. He is also a licensed real estate agent in NSW, VIC and QLD.

Paul's qualifications include a Graduate Diploma in Financial Planning and a Graduate Diploma in Finance and Investment from the Securities Institute of Australia and an Associate Diploma of Real Estate Valuation from the Sydney Technical and Further Education Institute.

James Coyne, Executive Director (appointed July 2013)

James is the General Counsel and Company Secretary of GPT and is responsible for GPT's legal, compliance and governance activities.

James joined GPT in 2004. James' 20 year involvement in the real estate industry has spanned the construction, development, infrastructure and the listed and unlisted funds management sectors. In the funds management sector, James has been involved in fund origination, asset management, developments, capital transactions and capital raisings (debt and equity) at GPT and at Lend Lease Corporation.

James is a member of GPT's Leadership Team, Investment Committee and Treasury Risk Management Committee.

James's qualifications include a Bachelor of Arts and a Bachelor of Laws (Hons) from the University of Sydney and a Diploma in Corporate Governance from the Governance Institute of Australia. James is a graduate of the Australian Institute of Company Directors.

Nicholas Harris, Executive Director (appointed July 2013)

Nicholas is responsible for GPT's funds management platform. He plays a key role in the development of The GPT Group's strategy and is responsible for the Group's research and transactions functions. Nicholas joined GPT in mid-2006. Nicholas has been involved in the Australian property and property funds management industry for over 25 years, including roles at BT Funds Management Limited and Lend Lease Corporation. During his career, Nicholas' roles have included property and asset management, portfolio management, capital transactions and business development.

Nicholas is an Executive Director of GPT Funds Management Limited, the responsible entity for the GPT Wholesale Office Fund and the GPT Wholesale Shopping Centre Fund. Nicholas is a member of the Executive Board of the Asian Association for Investors in Non-listed Real Estate Vehicles (ANREV) and a member of the Property Council of Australia's International and Capital Markets Division Council. He is also a Fellow of the Financial Services Institute of Australasia.

Nicholas is a member of GPT's Leadership Team, Investment Committee and Valuation Committee.

Nicholas' qualifications include a Bachelor of Land Economics (University Medal and First Class Honours) from the University of Technology Sydney, a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia and completion of both the Advanced Management Program and Investment Management Workshop at Harvard Business School.

6.8 MANAGEMENT TEAM

Chris Blackmore, Fund Manager, GPT Metro Office Fund

Chris is responsible for the overall performance of GMF and has over 20 years' experience in the UK and Australian property markets, with 14 years in Australia. During his career, Chris' experience has covered funds and asset management, capital transactions, leasing, development and valuations.

Chris joined GPT in 2004 as Office Investment Manager and has been responsible for the financial performance, asset management and leasing of office investments across Sydney, Melbourne and Brisbane for both GPT and the GPT Wholesale Office Fund (GWOF). As a Divisional Director he was also responsible for team leadership and the management of several property teams. In relation to GMF, Chris has been responsible for acquiring all of GMF's assets, with oversight of their management.

Prior to joining GPT, Chris worked for companies including Macquarie Bank, Legal & General and DTZ. Chris has a NSW Real Estate Agent's Licence and is a Member of the Royal Institution of Chartered Surveyors. Chris has a Bachelor of Science (Honours) in Estate Management from Oxford Brookes University, an Investment Management Certificate (as required by the UK Financial Conduct Authority) from the Chartered Financial Analyst Society of the UK (previously the UK Society of Investment Professionals) and is a graduate, Australian Institute of Company Directors.

Wendy Jenkins, Head of Finance

Wendy is Head of Finance of GPT, responsible for managing all financial reporting for GPT including property finance, group reporting and development finance. Wendy's experience includes 20 years in financial and commercial roles across multiple regulatory environments.

Wendy joined GPT in September 2009 as Head of Investor Relations responsible for driving GPT's interactions with the market, analysts and investors before moving to Finance in 2014. Her past roles include being Head of Product Development for Valad Property Group, Associate Director for Paterson's Securities and an Executive with Close Brothers Corporate Finance in London. Wendy commenced her career as an Accountant at Deloitte Touche Tohmatsu in Auckland.

Yasothara Yoganathan, Company Secretary

As company secretary, Yasothara is responsible for communication with the Board, the coordination of Board and Committee meetings and corporate governance issues. Yasothara is also Senior Legal Counsel for GPT and is responsible for all of GMF's legal requirements. Yasothara joined GPT in 2002 and has over 15 years' experience in private practice and in-house legal roles.

Yasothara has a Bachelor of Laws (Hons) and Diploma in Practical Legal Training from Bond University and a Master of Laws from the University of New South Wales. Yasothara is a Fellow of the Governance Institute of Australia.

Brett Ward, Head of Investor Relations

Brett serves as the Head of Investor Relations at GPT, responsible for developing investor communications and strategy and dealing with key GPT stakeholders and investors. Brett has worked in the real estate and funds management industry for the past 18 years.

Brett joined GPT in 2014. Prior to joining GPT, Brett worked for Brookfield Investment Management in Chicago, where he served as a Managing Director and Global Portfolio Manager of Global REITs. Brett also worked at AMP Capital Investors Limited in Australia and London, as an Investment Analyst and subsequently becoming Global Head of Real Estate Securities and Global Portfolio Manager. Prior to joining AMP, Brett worked in the property team at BT Funds Management, and was in Research Sales and Sales Trading at Deutsche Bank Property Group. Brett commenced his career as an Accountant at Ernst & Young. Brett's qualifications include a Bachelor of Economics from Macquarie University, Sydney and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia.

Jonathan Johnstone, Head of Transactions

Jonathan is the Head of Transactions at GPT and is responsible for the acquisition and disposal of assets consistent with GPT's strategy and building capital relationships to complement the capital available through GPT and its wholesale funds.

Jonathan joined GPT in June 2005 and was appointed to his current position in January 2010. He has over 30 years' experience in the property industry both in Europe and Australia with Lend Lease Corporation, Jones Lang LaSalle and DTZ.

Jonathan has a Bachelor of Science in Urban Estate Management from The Polytechnic of Central London, a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia and is a Fellow of the Royal Institution of Chartered Surveyors.

David Copley, Divisional Director, Office and Logistics

David is the Divisional Director of Office and Logistics at GPT and is responsible for the asset management of GPT's Logistics and Business Parks portfolio, which comprises 30 assets across New South Wales, Queensland and Victoria. David has over 15 years' experience in the property and finance sectors, including asset and property management, leasing and business finance.

David joined GPT in 2012 in the role of General Manager and was responsible for overseeing the internalisation of the property management platform for the Logistics and Business Parks portfolio. Since joining GPT, David has been responsible for the management and leadership of the property management team across the portfolio. Prior to joining GPT, David gained extensive property and finance experience working for Colliers International and National Australia Bank.

David's qualifications include a Masters of Property from Curtin University, Western Australia and a Bachelor of Business from Edith Cowan University, Western Australia.

6.9 IMPACT OF THE GROWTHPOINT'S INTENTIONS UNDER THE GROWTHPOINT OFFER

Growthpoint's intentions in respect of the Growthpoint Offer will have several consequences in respect of existing arrangements between GMFRE and third parties. The impact on those arrangements is set out below.

A. **Change in control of GMF**

If Growthpoint acquires voting power in more than 50% of GMF, a change of control occurs in respect of GMF, a review event will occur under the NAB Facility and NAB will have the right to review the terms of or terminate the NAB Facility and require all monies owing to be due and payable within 90 days of the change of control occurring. In this regard, in Section 8.2(e) of the Growthpoint Bidder's Statement, Growthpoint has stated that it intends that the NAB Facility will be replaced with a new facility once a 50.1% ownership of GMF Units is secured.

In connection with the acquisition of control of GMF by Growthpoint, no "Relevant Releases" are required under a "Material Contract" (as those terms are defined in paragraph 13.8(h)(5) of the Growthpoint Bidder's Statement).

B. **Change of Responsible Entity**

Growthpoint has stated in Section 8 of the Growthpoint Bidder's Statement that if it is in a position to do so, it proposes to change the responsible entity of GMF.

If Growthpoint replaces GMFRE as the responsible entity of GMF, then:

i. each of the following material contracts will be automatically terminated:
   - Mandate Deed;
   - Services Deed;
   - Property Services Agreement; and
   - Development Management Agreement; and

ii. consent of the existing lender (NAB) will be required, which cannot be withheld if certain conditions are met. Failure to obtain NAB consent prior to the change of responsible entity occurring will result in an event of default under the NAB Facility, as a result of which NAB will be entitled to cancel the commitment under the facility and/or declare all or part of the monies owing to be immediately due and payable. However, it is Growthpoint's intention to replace the NAB Facility as outlined in Section 8.2(e) of the Growthpoint Bidder's Statement.

   In relation to the "Material Interest" of a "Consenting Caveator" (as those terms are defined in paragraph 13.8(h)(6) of the Growthpoint Bidder's Statement), GMFRE intends to contact the relevant parties to procure the relevant consents.

C. **Delisting of GMF**

If after the Growthpoint Offer GMF is removed from the official list of ASX (as Growthpoint intends: see Section 8.2 of the Growthpoint Bidder's Statement), GMF Units will not be able to be bought or sold on ASX, thereby eroding liquidity of the GMF Units which may impact on GMF's unit price.

In addition, a delisting of GMF will result in an automatic termination of the Mandate Deed and also trigger an event of default under the NAB Facility as a result of which NAB will be entitled to cancel the commitment under the facility and/or declare all or part of the monies owing to be immediately due and payable. Although, it is Growthpoint's intention to replace the NAB Facility as outlined in Section 8.2(e) of the Growthpoint Bidder's Statement.

6.10 RECENT ASX ANNOUNCEMENTS

On 1 August 2016 GMF announced its FY2016 financial results and released the Appendix 4E for the period ending 30 June 2016. The relevant GMF disclosures are available on GMF's website at www.gptmetroofficefund.com.au and on the ASX website at www.asx.com.au.

7.0
RISK FACTORS

In considering this Target's Statement and the Growthpoint Offer, GMF Unitholders should be aware that there are a number of risks which may affect the future operating and financial performance of GMF. Some of the risks can be adequately mitigated by the use of safeguards and appropriate systems but many are beyond the control of relevant funds, responsible entities and directors and cannot be mitigated.

Many of these risks currently exist in relation to your investment in GMF Units. A comprehensive list of risks to which a GMF Unitholder may be exposed is set out in the product disclosure statement of GMF lodged with ASIC and ASX on 1 October 2014. The product disclosure statement is available on www.gptmetroofficefund.com.au.

If you accept the Growthpoint Offer and do not elect to participate in the Cash Alternative, part of the consideration you will receive includes GOZ Securities. You will therefore be exposed to risks associated with Growthpoint's business activities.

7.1 RISKS RELATING TO GMF

As a GMF Unitholder, you are already exposed to certain general risks associated with your investment in GMF, including the following:

a. (**Leasing and vacancy risk**) a risk that GMF may not be able to negotiate suitable lease renewals with existing tenants, maintain existing lease terms, or replace outgoing tenants with new tenants on substantially the same terms. GMF could also incur additional costs associated with re-leasing any properties. The ability to lease or re-lease tenancies upon expiry of the current lease, and the rent achievable, will depend on the prevailing market conditions at the relevant time and these may be affected by economic, competitive or other factors.

b. (**Development risks**) risks involved with any developments which may be undertaken by GMF or a development manager appointed by GMF.

c. (**Capital expenditure risk**) a risk that due to unforeseen circumstances (for example, changes to regulations and unforeseen property defects or damage), GMF may have to make additional capital expenditure on properties in its portfolio, which is not taken into account in GMF's best estimates or otherwise covered by GMF's insurance policy.

d. (**Finance risk**) GMF's ability to comply with covenants in its debt facilities (including gearing or interest cover ratios) and to refinance or repay its debt facilities as they fall due, which will be impacted by numerous factors, most notably being: market conditions and the financial status of GMF, including for example a decline in property values or reduction in rental income. Please see Section 6.5 of this Target's Statement for further information regarding details of GMF's gearing and debt facilities.

e. (**Interest rate risk**) fluctuations on the interest rate payable on GMF's debt facilities, which comprise a fixed or variable base interest rate plus a margin. To the extent that variable interest rates change, this will impact earnings and GMF will be required to mark to market the fair value of its interest rate swaps which may result in an asset or liability being recognised on GMF's balance sheet, thereby changing the NTA per GMF Unit.

f. (**Investment risk**) the general risks associated with the property sector, particularly in metropolitan office, including rental income risk, environmental risk and the risks relating to property values and liquidity. A reduction in the value of any property may adversely affect the value of units in GMF.

g. (**Compliance risk**) strict regulatory and compliance arrangements which apply to GMFRE under the Corporations Act and ASIC policy, currently managed through a compliance plan setting out the key processes that GMFRE will apply in operating GMF. If GMFRE breaches the Corporations Act or the terms of its AFSL, ASIC may take action to suspend or revoke the licence, which in turn would adversely impact the ability of GMFRE to operate GMF.

h. (**Management conflicts**) the potential for conflicts of interest with GPTMH, the external manager of GMF who also manages GPT's portfolio as well as two other wholesale funds. GMFRE has sought to mitigate this conflict by entering into the Conflicts Deed with GPTMH which sets out, among other things, the protocol for managing between the parties related party transactions and certain proposals giving rise to conflicts that are not otherwise the subject of agreement between GPTMH and GMFRE.

7.2 OTHER SPECIFIC RISKS IN RELATION TO GMF IN LIGHT OF THE GROWTHPOINT OFFER

In addition to the above, there are certain risks specific to GMF set out below which should be taken into account in considering whether to accept the Growthpoint Offer or not.

a. **Trust taxation status**

Section 10.4(d) of the Growthpoint Bidder's Statement sets out the details about potential risks around taxation law and unit trust rules. Please refer also to Appendix 1 of this Target's Statement for further information on the taxation consequences under the Growthpoint Offer.

b. **Control by Growthpoint**

If Growthpoint acquires some but not all of the GMF Units under the Growthpoint Offer (or acquires more GMF Units pursuant to item 9 of section 611 of the Corporations Act) so that it has voting power in GMF exceeding 50%, Growthpoint will be the majority holder of GMF Units.

In this circumstance Growthpoint will effectively control GMF, having an ability to remove and replace GMFRE as responsible entity and having significant influence over the outcome of GMF Unitholder resolutions. However, changes to the business of GMF which are initiated or influenced by Growthpoint may result in GMF Unitholders subsequently disposing of GMF Units at a time when the position of GMF is less favourable than that prevailing at the date of this Target's Statement.

c. **Liquidity risk**

If Growthpoint acquires some but not all of the GMF Units under the Growthpoint Offer, the number of GMF Units publicly traded on ASX could be significantly reduced. In addition, under item 9 of section 611 of the Corporations Act, Growthpoint is entitled to acquire up to an additional 3% interest in GMF every six months without needing to make a further takeover offer.

In light of these factors, there is a risk to GMF Unitholders who do not accept the Growthpoint Offer becoming unitholders in GMF whereby Growthpoint has control (by owning at least 50.1% of GMF Units) with reduced unit trading liquidity. This may result in downward pressure on the trading prices of GMF Units and make it more difficult for GMF Unitholders to sell their units.

7.3 RISKS RELATING TO THE GROWTHPOINT OFFER AND THE MERGED GROUP

There are risks associated with accepting the Growthpoint Offer as set out below.

Section 10 of the Growthpoint Bidder's Statement sets out in further detail the risks and uncertainties, both specific to Growthpoint and of a more general nature, which you may be exposed to as a result of accepting the Growthpoint Offer.

a. **GOZ Securities as consideration**

GMF Unitholders who accept the Growthpoint Offer and do not elect to receive the Cash Alternative will receive a combination of GOZ Securities and cash. This will be a specified number of GOZ Securities, rather than a number of GOZ Securities with a specified market value.

As a result, the value of the consideration will fluctuate depending upon the market value of GOZ Securities. Accordingly, the market value of GOZ Securities at the time you receive them, and therefore the implied value of the Mixed Consideration, may vary significantly from their market value on the date of your acceptance of the Growthpoint Offer, and the tax treatment of GOZ Securities you receive may be different from your GMF Units.

Furthermore, future sales or issuances of a significant number of GOZ Securities (including under the Growthpoint Offer) could depress the short to medium term trading price of, and demand for, GOZ Securities.

b. **Gearing risk**

As noted in Section 10.3(g) of the Growthpoint Bidder's Statement, while Growthpoint proposes to refinance its debt facilities, there is a risk that Growthpoint will not be able to refinance this debt on commercially acceptable terms, in which case Growthpoint may need to raise capital to maintain gearing within its target gearing range of 35-45%. Furthermore, Growthpoint's standalone pro forma gearing[1] is 42.3%, and the resulting gearing of the Merged Group is expected to be 46.8% (as stated in Section 9.4 of the Growthpoint Bidder's Statement), both of which are higher than GMF's current net gearing[2] of 28.1% as at 30 June 2016. While Growthpoint has noted that it intends to reduce the gearing of the Merged Group to within the target range, there is a risk that the Merged Group may be exposed to the higher gearing levels until the reduction is successfully achieved.

c. **Availability of financing**

As stated in Section 7 of the Growthpoint Bidder's Statement, Growthpoint has financing commitments in place to fund the acquisition of GMF. If any of this financing becomes unavailable for any reason and Growthpoint cannot put in place alternative sources of financing under similar terms, Growthpoint may not be able to complete the acquisition of GMF as planned.

d. **Settlement risk on the Cash Alternative**

As disclosed in Section 7.4 of the Growthpoint Bidder's Statement, Growthpoint SA has given an irrevocable undertaking to Growthpoint that, upon request by Growthpoint, it will pay, in immediately available funds, to Growthpoint (or as directed by Growthpoint) any cash payments due to GMF Unitholders who elect to receive the Cash Alternative. Growthpoint SA has unutilised facilities well in excess of its maximum obligation under the Cash Alternative and has undertaken to Growthpoint that it will not utilise this portion of the unutilised facilities for any other purpose.

However, there is settlement risk for GMF Unitholders who elect to receive the Cash Alternative that, should Growthpoint SA fail (for whatever reason) to provide the relevant cash consideration to fund the Cash Alternative, the relevant GMF Unitholders may not receive the relevant cash amount required to be provided under the Cash Alternative Facility within the time period stated in the Growthpoint Bidder's Statement (or at all), and will in this instance have no direct recourse to Growthpoint SA which has no direct obligations to a GMF Unitholder and is a foreign entity. GMF Unitholders should consider this risk against the size and financial substance of Growthpoint SA which has gross assets of $9.6 billion (as at 31 December 2015), net tangible assets of $6.0 billion (as at 31 December 2015), and a market capitalisation of approximately $6.4 billion (as at 30 June 2016). Please see Section 3.3(c) of the Growthpoint Bidder's Statement for further information on Growthpoint SA.

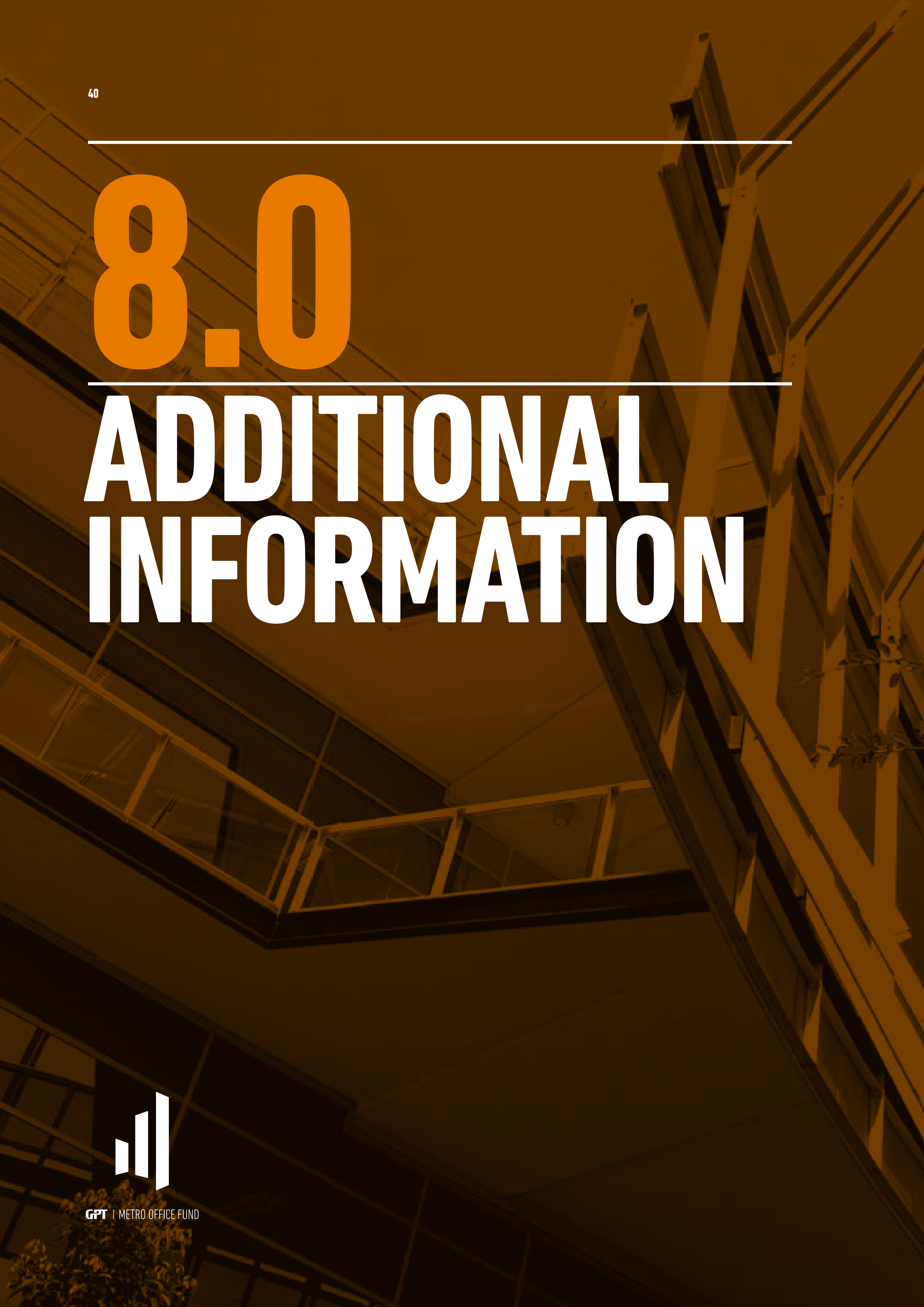
e. **Integration of GMF**

There is a risk that implementation and other one-off costs of integration may be substantial or greater than reasonably anticipated. This could have a material adverse impact on the Merged Group's financial position and performance.

The transition of information systems and data, technical, financial and legal information and resources may not proceed smoothly and may divert management's attention from managing the Merged Group's business. There is a risk that revenue streams or operations could be disrupted or that costs associated with the transition may be greater than expected, which could adversely affect the Merged Group's financial position and performance.

However, GMFRE has agreed to assist Growthpoint in transitioning management of GMF to Growthpoint. Growthpoint has entered into the GOZ Facilitation Agreement which should assist Growthpoint to mitigate this risk to some extent.

1. Gearing equals interest bearing liabilities divided by total assets (as defined in the Growthpoint Bidder's Statement).
2. Net gearing equals debt less cash divided by total tangible assets less cash (GMF definition).



8.0
ADDITIONAL INFORMATION

8.1 ISSUED CAPITAL

As at the date of this Target's Statement, GMF's issued capital consisted of 128,533,501 GMF Units.

Section 13.1(f) of the Growthpoint Bidder's Statement states that the Growthpoint Offer is made in relation to GMF Units that exist or will exist as at open of business (Melbourne, Australia time) on the Register Date.

8.2 SUBSTANTIAL HOLDERS

As at 29 July 2016, based on the substantial unitholder notices provided to GMF, the substantial unitholders of GMF Units are set out in the table below.

Substantial unitholder	Number of GMF Units	Relevant Interest
APN Property Group Limited and other entities	8,623,942	6.71%
Centuria Capital Limited and Centuria Property Funds Limited*	20,676,669	16.09%
Growthpoint and related entities	18,612,228	14.48%

* Centuria Property Funds Limited is the holder of 16,195,760 GMF Units and has a relevant interest in a further 4,480,909 GMF Units held by Australian Executor Trustees Limited as custodian. Centuria Capital's relevant interest arises by virtue of it being the holding company of Centuria Property Funds Limited.

GPT does not have a direct interest in any GMF Units as it has sold to Growthpoint all of the GMF Units which were held by it pursuant to a Unit Sale Deed dated 1 July 2016 (as disclosed to ASX on 4 July 2016). However, GPT has a technical substantial holding in 30.57% of GMF Units as indicated in its notice of change of interests of substantial holder lodged on 29 July 2016 arising from its association with (1) Centuria Capital (which has relevant interests in 20,676,669 GMF Units as noted above) as a result of the CNI Facilitation Agreement and (2) Growthpoint (where Growthpoint has relevant interests in 18,612,228 GMF Units as noted above) as a result of the GOZ Facilitation Agreement.

8.3 LATEST FINANCIAL RESULTS AND FINANCIAL POSITION

On 1 August 2016 GMF announced its FY2016 financial results and released the Appendix 4E for the period ending 30 June 2016. The relevant GMF disclosures are available on GMF's website at www.gptmetroofficefund.com.au and on the ASX website at www.asx.com.au.

8.4 CONSENT TO INCLUSION OF A STATEMENT

Greenwoods & Herbert Smith Freehills has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn its written consent to the inclusion of the Taxation Report in Appendix 1 and statements based on the Taxation Report in the form and context in which the statements are included and to the inclusion of all references in this Target's Statement to those statements in the form and context in which they are included.

Grant Samuel & Associates Pty Limited has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn its written consent to the inclusion of the Independent Expert's Report in Appendix 2 and statements based on the Independent Expert's Report in the form and context in which the statements are included and to the inclusion of all references in this Target's Statement to those statements in the form and context in which they are included.

8.5 CONSENT TO BE NAMED

Ashurst Australia has given, and has not withdrawn before lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as the Australian legal adviser to GMFRE.

UBS AG, Australia Branch, has given, and has not withdrawn before lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as the financial adviser to GMFRE.

8.6 DISCLAIMER REGARDING NAMED PERSONS AND STATEMENTS MADE

Each person named in Sections 8.4 and 8.5 as having given their consent to the inclusion of a statement or being named in this Target's Statement:

- does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than those statements which have been included in this Target's Statement with the consent of that person, and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name and any statements or report which have been included in this Target's Statement with the consent of that party.

ASIC has published various Class Orders that modify or exempt parties from compliance with the operation of various provisions of Chapter 6 of the Corporations Act. GMF has relied on that ASIC Class Order relief.

As permitted by ASIC Class Order 13/521, this Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or given to ASX. Pursuant to this ASIC Class Order, the consent of persons to whom such statements are attributed is not required for the inclusion of these statements in this Target's Statement.

Any GMF Unitholder who would like to receive a copy of any of those documents may make a request to obtain a copy during the Offer Period by contacting the GMF Unitholder Information Line on 1300 657 159 (callers in Australia) or +61 1300 657 159 (callers outside Australia). GMFRE will provide a copy of the document or part of the document within two Business Days of the request free of charge.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement 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.

Pursuant to this ASIC Class Order, the consent of such persons to whom statements or documents are attributed is not required for the inclusion of those statements in this Target's Statement.

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement contains unit price trading data sourced from IRESS without its consent.

8.7 CONTINUOUS DISCLOSURE

GMF is a disclosing entity as defined in the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules.

Copies of documents filed with ASX may be obtained from the ASX website at www.asx.com.au and, for announcements made by GMF, GMF's website at www.gptmetroofficefund.com.au.

Copies of documents lodged with ASIC in relation to GMF may be obtained from, or inspected at, an ASIC office.

GMF Unitholders may obtain a copy of:

- GMF's annual report;
- the GMF Constitution; and
- any document lodged by GMF with ASX between the release of GMF's annual report and the date of this Target's Statement,

free of charge upon request by contacting the GMF Unitholder Information Line on 1300 657 159 (callers in Australia) or +61 1300 657 159 (callers outside Australia) or from the ASX website at www.asx.com.au. GMF's annual report and this Target's Statement are also available on GMF's website at www.gptmetroofficefund.com.au.

8.8 NO OTHER MATERIAL INFORMATION

This Target's Statement is required to include all the information that GMF Unitholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Growthpoint Offer, but:

- only to the extent to which it is reasonable for GMF Unitholders and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any Director.

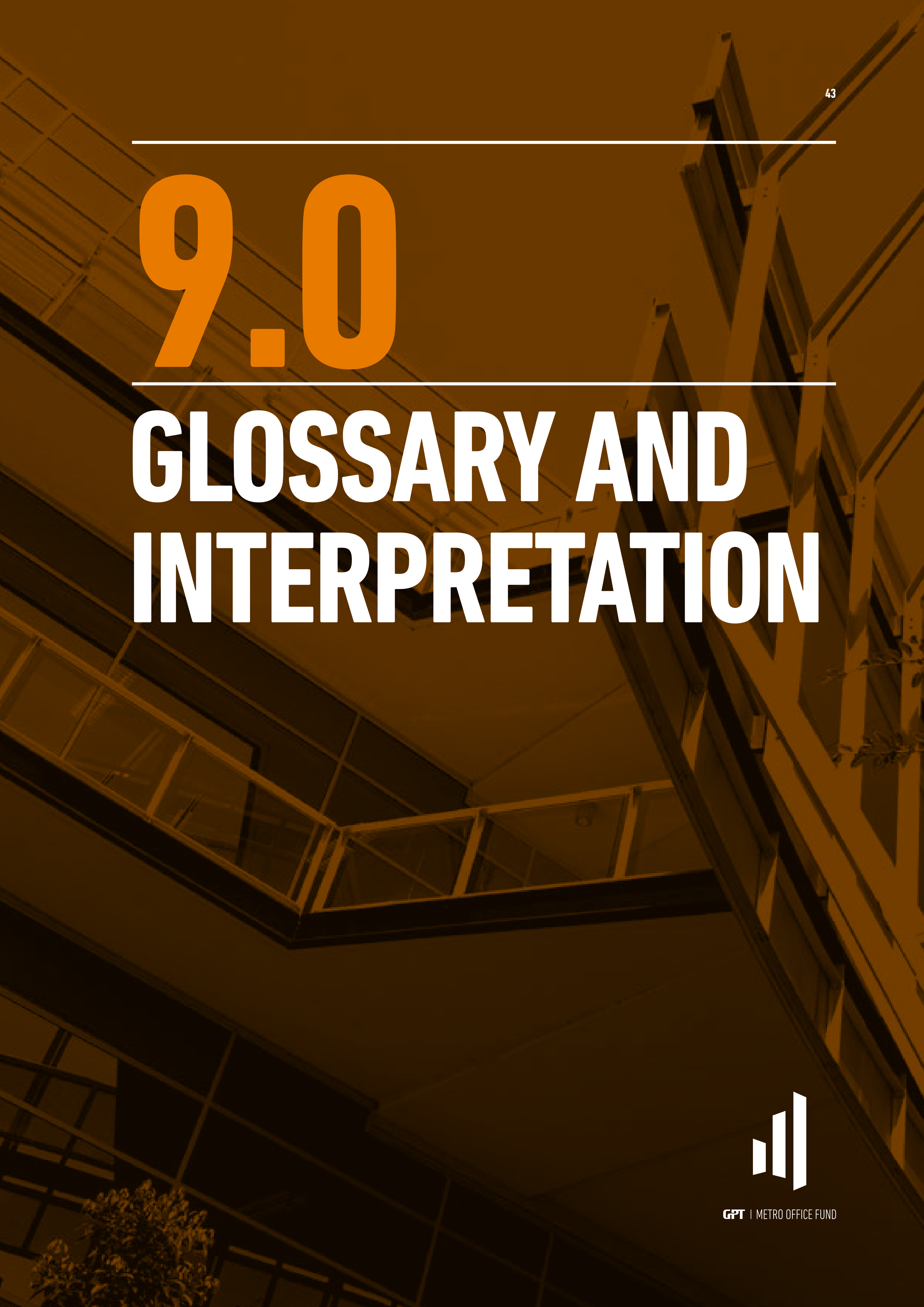
The Independent Directors are of the opinion that the information that GMF Unitholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Growthpoint Offer is:

a. the information contained in the Growthpoint Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
b. the information contained in GMF's releases to ASX, and in the documents lodged by GMF with ASIC, before the date of this Target's Statement; and
c. the information contained in this Target's Statement.

The Independent Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Growthpoint Bidder's Statement is accurate in all material respects (unless they have expressly indicated otherwise in this Target's Statement). However, the Directors do not take any responsibility for the contents of the Growthpoint Bidder's Statement and are not to be taken as endorsing, in any way, any or all of the statements contained in it.

In deciding what information should be included in this Target's Statement, the Independent Directors have had regard to:

a. the nature of the GMF Units;
b. the matters that GMF Unitholders may reasonably be expected to know;
c. the fact that certain matters may reasonably be expected to be known to GMF Unitholders' professional advisers; and
d. the time available to GMF to prepare this Target's Statement.



9.0

GLOSSARY AND INTERPRETATION

9.1 DEFINITIONS

Term	Definition
Acceptance Form	means the acceptance form enclosed with the Growthpoint Bidder's Statement dated 1 July 2016.
AFSL	means Australian Financial Services Licence issued by ASIC under section 913B of the Corporations Act.
Announcement Date	means 1 July 2016 (being the date on which Growthpoint announced the Growthpoint Offer).
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires.
ASX Listing Rules	means the official listing rules of ASX.
ASX Settlement	means ASX Settlement Pty Limited (ABN 49 008 504 532).
ASX Settlement Operating Rules	means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532).
Board	means the board of directors of GMFRE.
Business Day	means a day on which banks are open for general banking business in Sydney (not being a Saturday, Sunday or public holiday in that place), except in Section 5 of this Target's Statement where Business Day has the same meaning given to it in Section 14 of the Growthpoint Bidder's Statement.
Capitalisation Rate	means the assessed net income from a property expressed as a percentage of the market value of the property.
Cash Alternative	means an all cash alternative which GMF Unitholders may elect to receive under the Growthpoint Offer, consisting of approximately $2.50 cash[1] for each GMF Unit.
Cash Alternative Facility	is the facility described in Section 6 of the Growthpoint Bidder's Statement, by which GMF Unitholders can elect to receive the Cash Alternative comprising $2.50 for each GMF Unit, which is being provided by Growthpoint and Growthpoint SA, instead of the Mixed Consideration.
Centuria	means Centuria Property Funds Limited (ABN 11 086 553 639) in its capacity as responsible entity of CMA.
Centuria Capital	means Centuria Capital Limited (ABN 22 095 454 336).
Centuria Offer	means the proposal by Centuria to acquire all of the outstanding GMF Units by way of an off-market takeover bid, announced to ASX on 16 June 2016.
CGT	means Australian capital gains tax.
CHESS Holding	means a holding of units on the CHESS Subregister.
CHESS Subregister	has the meaning given in the ASX Settlement Operating Rules.
CMA	means Centuria Metropolitan REIT, a stapled entity comprising Centuria Metropolitan REIT No.1 (ARSN 124 364 718) and Centuria Metropolitan REIT No.2 (ARSN 124 364 656).
CMA Security	means a fully paid ordinary unit in Centuria Metropolitan REIT No.1 and a fully paid ordinary unit in Centuria Metropolitan REIT No.2
CNI Facilitation Agreement	means the facilitation and property rights deed entered into between Centuria Capital and GPTMH as announced to ASX by Centuria Capital on 16 June 2016.
Conflicts Deed	means the conflicts deed between GMFRE and GPTMH which sets out relevant arrangements to identify and manage conflicts of interests as between GMFRE and GPT Group.

1. This price equates to the cash consideration received under the Growthpoint 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 × $3.15 = $2.50). If this calculation results in an entitlement to a fraction of a GOZ Security or a fraction of a cent, that fraction will be rounded down to the next whole number of GOZ Securities or the nearest whole cent (as the case may be).

Term	Definition
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: a. 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 b. 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	has the meaning given in the ASX Settlement Operating Rules. Usually your Controlling Participant is a person, such as a broker, with whom you have a sponsorship agreement (within the meaning of the ASX Settlement Operating Rules).
Corporations Act	means the *Corporations Act 2001* (Cth).
Corporations Regulations	means *Corporations Regulations 2001* (Cth).
Development Management Agreement	means the development management agreement between GPTPM and GMFRE pursuant to which GMFRE exclusively appoints GPTPM to provide development planning and development management services in respect of all properties in GMF.
Directors	means the current directors of GMFRE.
Dollars and **$**	means, unless the context requires otherwise, Australian currency.
Entity	has the meaning given to it in section 64A of the Corporations Act.
GMF	means GPT Metro Office Fund (ARSN 169 500 476).
GMF Constitution	means the constitution establishing GMF dated 1 October 2013 as amended from time to time.
GMF Unit	means a fully paid ordinary unit in GMF.
GMF Unitholder	means a registered unitholder of a GMF Unit.
GMFRE	means GPT Platform Limited (ABN 51 164 839 061) (AFSL 442649) in its capacity as responsible entity for GMF.
GOZ Facilitation Agreement	means the facilitation and property rights deed between Growthpoint and GPTMH dated 1 July 2016, as announced to ASX by Growthpoint on the same date and described in Section 5.4 of this Target's Statement.
GOZ Security	means a stapled security consisting of a fully paid ordinary unit in Growthpoint Trust and a fully paid ordinary share in Growthpoint.
GOZ Securityholder	means a holder of GOZ Securities.
GPT	means The GPT Group, a stapled group comprising GPTMH and General Property Trust.
GPTMH	means GPT Management Holdings Limited (ABN 67 113 510 188).
GPTPM	means GPT Property Management Pty Limited (ABN 29 116 099 631).
GPTRE	means GPTRE Limited (ABN 27 107 426 504) (AFSL 286511) in its capacity as responsible entity for the General Property Trust.
Growthpoint	means Growthpoint Properties Australia Limited (ABN 33 124 093 901) (AFSL 316409) in its capacity as responsible entity of Growthpoint Trust unless otherwise noted.
Growthpoint Bidder's Statement	means the bidder's statement received by GMFRE from Growthpoint under Part 6.5 of the Corporations Act dated 1 July 2016.
Growthpoint Offer	means the off-market takeover offer by Growthpoint for all GMF Units, as described in the Growthpoint Bidder's Statement.
Growthpoint SA	means Growthpoint Properties Limited of South Africa.
Growthpoint Trust	means the Growthpoint Properties Australia Trust (ARSN 120 121 002).
GST	has the same meaning as in the GST Law.

Term	Definition
GST Law	has the meaning given to that term in A New Tax System (Goods and Services Tax) Act 1999 (Cth) and any other Act or regulation relating to the imposition or administration of GST.
IBC	means the independent board committee, being the committee established by the Board comprising the Independent Directors.
Independent Directors	means John Atkin (Chairman), Justine Hickey and Paul Say.
Independent Expert	means Grant Samuel & Associates Pty Limited.
Independent Expert's Report	means the report prepared by the Independent Expert dated 1 August 2016 set out in Appendix 2 of this Target's Statement.
Ineligible Foreign Unitholder	means a GMF Unitholder whose address as shown in the register of members of GMF is in a jurisdiction other than Australia or its external territories, New Zealand or Singapore, unless Growthpoint otherwise determines (in its absolute discretion) that it is: 1. not unlawful, onerous or impracticable to make the Growthpoint Offer to a GMF Unitholder in the relevant jurisdiction and to issue GOZ Securities to such a GMF Unitholder on acceptance of the Growthpoint Offer; and 2. not unlawful for such a GMF Unitholder to accept the Growthpoint Offer in such circumstances in the relevant jurisdiction.
Listing Rules	means the official listing rules of ASX, as amended or replaced from time to time except to the extent of any express written waiver by ASX.
Mandate Deed	means the mandate deed between GPTRE, GPTMH and GMFRE under which GPT RE has agreed to appoint GPTMH as the sole procurer of all acquisition opportunities for GMF.
Marketable Parcel	has the meaning given under the ASX Operating Rules which, among other things, includes a parcel of securities, the value of which is not less than $500.
Merged Group	means the group of Entities resulting from the combination of Growthpoint and GMF following acquisition of control by Growthpoint of GMF.
Mixed Consideration	means 0.3968 GOZ Securities and $1.25 cash per GMF Unit. If this calculation results in an entitlement to a fraction of a GOZ Security or a fraction of a cent, that fraction will be rounded down to the next whole number of GOZ Securities or the nearest whole cent (as the case may be).
NAB Facility	means the unsecured revolving debt facility from National Australia Bank Limited to GMFRE 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.
Notice of Status of Offer Conditions	means Growthpoint's notice disclosing the status of the Offer Conditions required to be given under section 630(3) of the Corporations Act.
NTA	means net tangible asset value.
Occupancy	means the proportion of total commercial premises area that is subject to a tenancy agreement for a property or portfolio.
Offer Conditions	means the conditions of the Growthpoint Offer, as described in Sections 13.8 and 13.11 of the Growthpoint Bidder's Statement and summarised in Section 5.7 of this Target's Statement.
Offer Period	means the period during which the Growthpoint Offer will remain open for acceptance in accordance with Section 13.2 of the Growthpoint Bidder's Statement.
Permitted Distribution	means a cash distribution from GMF to be paid to GMF Unitholders: a. in respect of the calendar quarter ending 30 June 2016 of up to $3.85 cents per GMF Unit; and b. in respect of the calendar quarter ending 30 September 2016 of up to $3.90 cents per GMF Unit.

Term	Definition
Prescribed Occurrence	means any of the following events, as described in Section 13.8(g) of the Growthpoint Bidder's Statement: a. GMF (acting through GMFRE) converting all or any of its units into a larger or smaller number of units; b. GMFRE resolves to reduce GMF's capital in any way; c. GMF (acting through GMFRE): i. entering into a buy-back agreement; or ii. resolving to approve the terms of a buy-back agreement; d. GMF (acting through GMFRE) issuing units, or granting an option over its units, or agreeing to make such an issue or grant such an option; e. GMF (acting through GMFRE) issuing, or agreeing to issue, convertible notes; f. GMFRE or GMF being deregistered as a company, registered scheme, or being otherwise dissolved; g. GMF (acting through GMFRE) disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property (including any of its properties); h. GMF (acting through GMFRE) granting a security interest, or agreeing to grant a security interest, in the whole, or a substantial part, of its business or property; i. GMFRE resolving that GMF be wound up; j. the appointment of a liquidator or provisional liquidator of GMFRE or GMF; k. the making of an order by a court for the winding up of GMFRE or GMF; or l. 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 GMFRE or GMF.
Property Services Agreement	means the property services agreement between GPTPM and GMFRE pursuant to which GPTPM has agreed to provide certain property management services to GMFRE.
Register	means the register of Unitholders.
Register Date	means Wednesday 6 July 2016 as announced on ASX by Growthpoint on 4 July 2016.
REIT	means real estate investment trust.
Related Body Corporate	has the meaning given in section 50 of the Corporations Act, interpreted so that the definition given to Subsidiary in this Target's Statement applies.
Relevant Interest	has the meaning given by sections 608 and 609 of the Corporations Act.
Services Deed	means the services deed between GMFRE and GPTMH under which GPTMH has agreed to provide certain services and equipment to GMFRE, including office premises, resources, equipment and certain services, to enable GMFRE to carry out its obligations as responsible entity of GMF.
Subsidiary	has the meaning given in section 9 of the Corporations Act, interpreted so that a trust may be a subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share and a corporation or trust may be a subsidiary of a trust if it would have been a subsidiary if that trust were a corporation.
Target's Statement	means this document (including any attachments), being the statement of GMFRE under Part 6.5 of the Corporations Act in respect of the Growthpoint Offer.
Taxation Report	means the report prepared by Greenwoods & Herbert Smith Freehills dated 1 August 2016.
Third Party	means a person other than Growthpoint and its associates.
Trading Day	has the meaning given in the Listing Rules.
Unmarketable Parcel Unitholder	means a GMF Unitholder to whom, if they accept the Growthpoint Offer, GOZ Securities would be issued which would not constitute a Marketable Parcel.
VWAP	means volume weighted average price of the relevant security as traded on ASX.
WALE	means weighted average lease expiry.

9.2 INTERPRETATION

In this Target's Statement, unless the context requires otherwise:

a. headings are inserted for convenience and do not affect the interpretation of this Target's Statement;
b. words and phrases in this Target's Statement have the same meaning given to them (if any) in the Corporations Act;
c. the singular includes the plural and vice versa;
d. a gender includes all genders;
e. a reference to a person includes a corporation, partnership, joint venture, association, unincorporated body or other body corporate and vice versa;
f. if a word is defined, another part of speech has a corresponding meaning;
g. a reference to a Section or Appendix is a reference to a section or appendix of this Target's Statement;
h. a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
i. unless expressly stated otherwise, a reference to time is a reference to Australian Eastern Standard Time; and
j. unless expressly stated otherwise, a reference to dollars, $, A$ or AUD is a reference to the lawful currency of Australia.

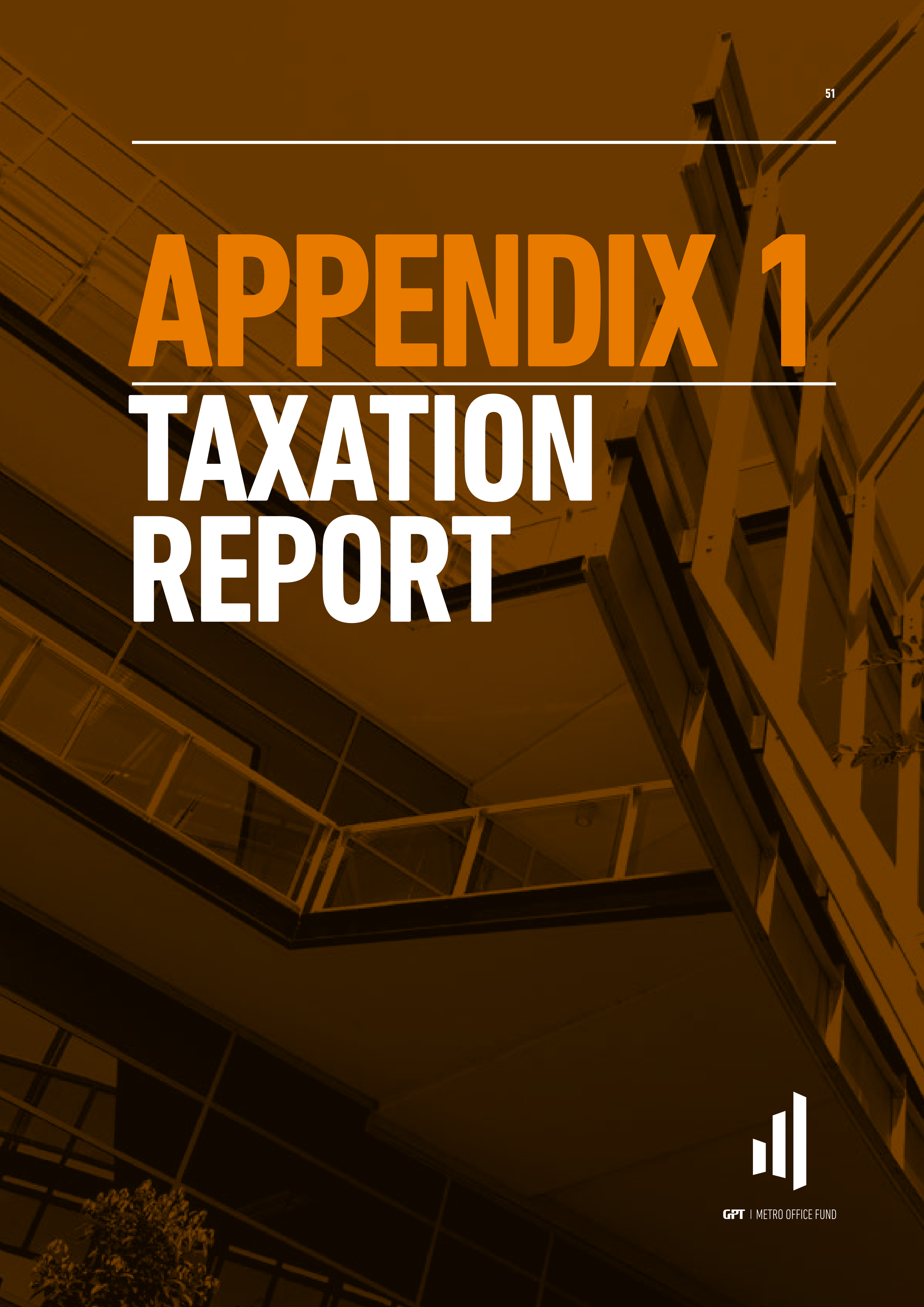
10.0 AUTHORISATION

This Target's Statement is dated 1 August 2016 and has been approved by a resolution passed by the Directors of GMFRE.

Signed for and on behalf of GMFRE:

John Atkin
Independent Non-Executive Director and Chairman

GPT Platform Limited



APPENDIX 1

TAXATION REPORT

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Committee Members
Independent Board Committee
GPT Platform Limited as responsible entity
of GPT Metro Office Fund
Level 51, MLC Centre
19 Martin Place
SYDNEY NSW 2000

1 August 2016

Dear Committee Members

Growthpoint Offer
Australian Taxation Report

We have been requested by GPT Platform Limited as responsible entity of GPT Metro Office Fund (**GMF**) to prepare an Australian Taxation Report to be included in its Target's Statement dated 1 August 2016 in relation to the Growthpoint Offer from Growthpoint Properties Australia Limited (**Growthpoint**) dated 1 July 2016 in its capacity as responsible entity for the Growthpoint Properties Australia Trust.

The information contained in this report is of a general nature only. It does not constitute tax advice and should not be relied upon as such. This report outlines the general Australian income tax and goods and services tax (**GST**) implications for GMF Unitholders in respect of the Growthpoint Offer.

We have only dealt with the tax implications for GMF Unitholders who are Australian resident individuals and hold their GMF Units on capital account. This letter does not deal with GMF Unitholders who:

- hold their GMF Units as trading stock or otherwise as revenue assets;
- acquired their interests in their GMF Units pursuant to an employee share, option or rights plan;
- are subject to the taxation of financial arrangement rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) (**1997 Act**);
- are not individuals such as superannuation funds and companies or are acting as trustee of a trust; or
- are tax residents of a country other than Australia.

All investors should seek independent professional advice on the consequences of their participation in the Growthpoint Offer, based on their particular circumstances. GMF Unitholders who are tax residents of a country other than Australia (whether or not they are also residents or temporary residents of Australia for tax purposes) should obtain advice on the taxation implications arising in their local jurisdiction of the proposed transaction.

Terms used in this report, unless stated otherwise, are defined in the same way as they are in section 9 of GMF's Target's Statement.

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This report is based on the provisions of the *Income Tax Assessment Act 1936* (Cth), the 1997 Act, the *A New Tax System (Goods and Services Tax) Act 199*9 (Cth) and related acts, regulations and Australian Taxation Office (**ATO**) rulings and determinations applicable as at the date of this Taxation Report.

1 Growthpoint Offer

The Growthpoint Offer is described in section 1.1(d) of GMF's Target's Statement.

2 Tax consequences of the Growthpoint Offer

2.1 CGT event

Under the Growthpoint Offer, GMF Unitholders may elect either to receive the Mixed Consideration or participate in the Cash Alternative Facility.

Mixed Consideration

For GMF Unitholders who receive the Mixed Consideration, CGT Event A1 will occur for GMF Unitholders upon exchange of their GMF Units for GOZ Securities and cash consideration.

The time of the CGT event should be either:

- where a GMF Unitholder accepts the Growthpoint Offer - the time when the GMF Unitholder accepts the Growthpoint Offer; or
- where the GMF Units are compulsorily acquired - the time when GMF Units are compulsorily acquired.

To the extent that the sum of the cash consideration and the market value of GOZ Securities under the Mixed Consideration (**Capital Proceeds**) received by a GMF Unitholder is greater than the cost base of their GMF Units, the GMF Unitholder will realise a capital gain. To the extent that the Capital Proceeds received by a GMF Unitholder is less than the reduced cost base of their GMF Units, the GMF Unitholder will realise a capital loss.

The GOZ Securities are listed on the Australian Securities Exchange (**ASX**). The ATO considers in its publication *Market valuation for tax purposes* on its website that if a listed stock is relatively liquid and does not exhibit significant price volatility, one way of determining its market value is to use the closing price of the security at the time of the CGT event.

Investors must include any capital gain or loss on disposal of their GMF Units in the calculation of their net capital gain or net capital loss for the income year in which the CGT event occurs.

Where a GMF Unitholder has held its GMF Units for 12 months or more and the GMF Unitholder is an Australian resident individual, the GMF Unitholder should be entitled to a 50% discount on any capital gain that they make on the disposal of their GMF Units that is included in their net capital gain for the income year.

In addition, a portion of any capital gain arising for GMF Unitholders as a result of the Growthpoint Offer may be disregarded to the extent that scrip for scrip rollover relief is available and chosen by GMF Unitholders in respect of their units. The availability of scrip for scrip rollover is discussed at 2.2 below.

In the event that Growthpoint is not the registered holder of the GMF Units by the record date in respect of GMF's Permitted Distribution in relation to the quarter ending 30 September 2016, the cash component of the Mixed Consideration will be reduced by the amount of the GMF distribution paid to the GMF Unitholder (based on the terms of the Growthpoint Offer as described in the Growthpoint Bidder's Statement). The CGT consequences of GMF's Permitted Distribution in relation to the quarter ending 30 September 2016 are discussed at 3 below.

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Cash Alternative Facility

For GMF Unitholders who elect to participate in the Cash Alternative Facility, CGT Event A1 will occur for GMF Unitholders upon disposal of their GMF Units.

The time of the CGT event should be the date when a GMF Unitholder accepts the Growthpoint Offer.

To the extent that the cash received by a GMF Unitholder is greater than the cost base of their GMF Units, the GMF Unitholder will realise a capital gain. To the extent that the cash received by a GMF Unitholder is less than the reduced cost base of their GMF Units, the GMF Unitholder will realise a capital loss.

Investors must include any capital gain or loss on disposal of their GMF Units in the calculation of their net capital gain or net capital loss for the income year in which the CGT event occurs.

Where a GMF Unitholder has held its GMF Units for 12 months or more and the GMF Unitholder is an Australian resident individual, the GMF Unitholder should be entitled to a 50% discount on any capital gain that they make on the disposal of their GMF Units that is included in their net capital gain for the income year.

In the event that Growthpoint is not the registered holder of the GMF Units by the record date in respect of GMF's Permitted Distribution in relation to the quarter ending 30 September 2016, the cash received under the Cash Alternative Facility will be reduced by the amount of the GMF distribution paid to the GMF Unitholder (based on the terms of the Growthpoint Offer as described in the Growthpoint Bidder's Statement). The CGT consequences of GMF's Permitted Distribution in relation to the quarter ending 30 September 2016 are discussed at 3 below.

2.2 Scrip for scrip rollover

This section is only relevant for GMF Unitholders who receive the Mixed Consideration under the Growthpoint Offer.

The Mixed Consideration received by GMF Unitholders for their GMF Units will comprise of both GOZ Securities and cash consideration.

GMF Unitholders who exchange their GMF Units for Units in the Growthpoint Trust, may be eligible for partial scrip for scrip rollover relief. The availability of scrip for scrip rollover is dependent on Growthpoint acquiring at least 80% of the GMF Units and Growthpoint and GMF being fixed trusts. On the basis that Growthpoint and GMF are eligible for and elect to be attribution managed investment trusts (**AMITs**) from 1 July 2016, they should be fixed trusts.

If they do not qualify as AMITs, then we would expect that the ATO would exercise its discretion to treat the trusts as fixed trusts.

Under scrip for scrip rollover relief, GMF Unitholders should be entitled to disregard part of a capital gain arising on their GMF Units from the Growthpoint Offer to the extent their GMF Units are exchanged for Units in the Growthpoint Trust. No scrip for scrip rollover is available to the extent that GMF Units are exchanged for cash or ordinary shares in Growthpoint. More detail regarding the extent to which rollover will be available to GMF Unitholders will be published on the GMF website in due course.

If a GMF Unitholder chooses scrip for scrip rollover in respect of (and to the extent that) GMF Units that are exchanged for Units in the Growthpoint Trust, the cost base and reduced cost base of each Unit in the Growthpoint Trust acquired by a GMF Unitholder will be equal to the amount which is reasonably attributable to the cost base of each GMF Unit for which the Unit in the Growthpoint Trust was exchanged and for which scrip for scrip rollover relief is chosen.

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2.3 Nominee sale

GMF Unitholders who have their GMF Units sold by a nominee under the Growthpoint Offer will be treated as:

- having received the GOZ Securities that would have otherwise been provided to them as part of their Mixed Consideration; and
- disposed of those GOZ Securities.

The taxation consequences of the receipt of the GOZ Securities as part of the Mixed Consideration should be in accordance with sections 2.1 and 2.2 of this Taxation Report. The taxation consequences of the disposal of those GOZ Securities should be in accordance with section 5 of this Taxation Report.

3 GMF Permitted Distribution

Under the terms of the Growthpoint Offer, GMF is entitled to pay its Permitted Distribution in relation to the quarter ending 30 June 2016 without a commensurate reduction in the consideration under the Growthpoint Offer. The tax profile of GMF's Permitted Distribution for the quarter ending 30 June 2016 distribution will be advised to GMF Unitholders in due course.

In relation to GMF's Permitted Distribution for the quarter ending 30 September 2016 (based on the terms of the Growthpoint Offer as described in the Growthpoint Bidder's Statement):

- If Growthpoint becomes the registered holder of the GMF Units by the record date in respect of that distribution, the amount of the Growthpoint Offer consideration will not be reduced by the amount of that distribution; and
- If Growthpoint is not the registered holder of the GMF Units by the record date in respect of that distribution, the amount of the Growthpoint Offer consideration will be reduced by the amount of that distribution.

The tax profile of GMF's Permitted Distribution for the quarter ending 30 September 2016 will be advised by GMF in due course.

The ATO, in Taxation Ruling TR 2010/4, takes the view that in certain circumstances a dividend declared or paid by a company to a shareholder who has disposed of shares in that company will constitute additional capital proceeds from the disposal of the shares for CGT purposes. Although TR 2010/4 deals with companies, the ATO would likely apply the same principle to trusts.

GMF's Permitted Distributions do not exhibit any of the characteristics identified in TR 2010/4 as indicia of the distribution being additional capital proceeds. On this basis, GMF's Permitted Distributions should not be treated as additional capital proceeds and therefore should not have any impact on the CGT consequences of the disposal.

4 Holding of GOZ Securities

This section is only relevant for GMF Unitholders who receive the Mixed Consideration.

Following the completion of the Growthpoint Offer, GMF Unitholders who will cease to hold GMF Units and may instead hold GOZ Securities.

The GOZ Securities will be stapled securities comprising a Unit in the Growthpoint Trust and an ordinary share in Growthpoint. GOZ Securityholders will need to treat each component security making up the GOZ Security separately for tax purposes. That is:

- GOZ Securityholders will receive, and separately deal with the tax consequences of distributions from the Growthpoint Trust and dividends from Growthpoint; and
- on disposal of their GOZ Securities, the GOZ Securityholders will have to separately consider the tax issues associated with the disposal of Units in the Growthpoint Trust and ordinary shares in Growthpoint.

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4.1 Income Distributions from Growthpoint Trust

We understand that Growthpoint Trust will be an AMIT and will be managed such that the RE should not be liable to tax on its taxable income but rather the taxable income of the trust will be subject to tax in the hands of GOZ Securityholders.

Many of the measures included in the new AMIT regime aim to effectively codify previous industry practice and it is not expected that they will result in significant practical changes for unitholders. In summary, the AMIT regime includes the following measures:

- An attribution method that provides a formal mechanism to allocate taxable income to unitholders;
- The ability to carry forward prior year taxable income adjustments to subsequent years;
- Both upwards and downwards adjustments to unitholders' cost bases in specified circumstances; and
- An arm's length rule that will apply to transactions that result in income being derived by an AMIT.

Under the AMIT regime, GOZ Securityholders will include in their assessable income the taxable component of Growthpoint Trust distributions attributed to them even if the distributions are reinvested or are lower than the attributed amount. This amount will be taxed to the securityholder in the income year to which the attribution relates irrespective of the timing of the cash payments made in respect of distributions.

If a net capital gain is included in the taxable income of the trust (for example, on disposal of an asset), GOZ Securityholders will be regarded as having derived a capital gain equal to the net capital gain attributed to them (before the CGT discount). Therefore, where discount capital gains treatment has been applied in calculating the net capital gain for the trust, GOZ Securityholders will be required to recognise the gross capital gain in their assessable income. GOZ Securityholders can then apply any available capital losses from other sources to offset the capital gain and then apply their CGT discount factor, if applicable. As above, a CGT discount of 50% is applicable to Australian resident individuals who have held their securities for 12 months of more.

If the total cash distributions that a GOZ Securityholder receives in an income year exceeds his or her attributed share of the taxable income of the trust, the excess should represent a "tax deferred" distribution. The tax deferred component of a distribution a GOZ Securityholder receives should generally not be included in a GOZ Securityholder's assessable income. However, the tax deferred component will reduce the cost base of the GOZ Securityholder's units in the trust. If the total cash distributions that a GOZ Securityholder receives in an income year is less than his or her attributed share of the taxable income of the trust, then this component will increase the cost base of the GOZ Securityholder's units in the trust.

Where the cost base of a unit has been reduced to zero, any further receipts of tax deferred distributions in respect of that unit will be assessable to the GOZ Securityholder on receipt as a capital gain. The CGT discount may be applied to this capital gain where the units have been held for 12 months or more.

Where scrip for scrip rollover was not available or was not chosen, a securityholder's acquisition date for its Units in the Growthpoint Trust should be either the date when the GMF Unitholder accepts the Growthpoint Offer or the date when the GMF Units are compulsorily acquired. Where, in respect of a GMF Unit, scrip for scrip rollover relief was available and was chosen, for the purposes of applying the CGT discount, a securityholder's acquisition date for their Unit in the Growthpoint Trust should be taken to be the date they acquired their original GMF Unit (refer 2.2 above).

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4.2 Dividends from Growthpoint

Distributions from Growthpoint should be treated as dividends for tax purposes and GOZ Securityholders should include dividends paid by Growthpoint in their assessable income. In addition to the amount of the dividends, GOZ Securityholders who are residents will generally include any franking credits attached to the dividends in their assessable income. Where franking credits are included in a GOZ Securityholder's assessable income, the GOZ Securityholder will generally be entitled to a corresponding tax offset.

Relevantly, to be eligible for the franking credit and tax offset, the GOZ Securityholder must have held the units "at risk" for at least 45 days (not including the date of the unit's acquisition or disposal). This rule should not apply to a GOZ Securityholder if the GOZ Securityholder is an individual whose tax offset entitlement (on all shares and interests in shares held) does not exceed $5,000 for the income year in which the franked dividend is paid.

GOZ Securityholders who are individuals may be entitled to a refund to the extent that the franking credits attached to the GOZ Securityholder's dividends exceed the GOZ Securityholder's tax liability for the income year.

4.3 New foreign resident CGT withholding

A new non-final foreign resident CGT withholding tax has been introduced for transactions occurring on or after 1 July 2016.

Broadly the new rules require purchasers of certain CGT assets to withhold 10% of the first element of the cost base (usually the sales proceeds) to the ATO where they know or reasonably believe that the vendor is a foreign resident, unless they are excluded transactions.

Growthpoint should not be required to withhold an amount from the consideration it pays to GMF Unitholders for their GMF Units under the Growthpoint Offer where it has reasonable grounds to believe that the GMF Unitholders are Australian residents.

GMF Unitholders who acquire GOZ Securities under the Growthpoint Offer should also not be required to withhold an amount.

5 Disposal of GOZ Securities

As a consequence of stapling, the Unit in the Growthpoint Trust and the ordinary share in Growthpoint constituting a GOZ Security may not be traded separately. However, each unit and share constituting a GOZ Security is a separate CGT asset. Accordingly, where there is a disposal of a GOZ Security, there will for CGT purposes be a separate disposal of the Unit in the Growthpoint Trust and the ordinary share in Growthpoint.

Where consideration is received in connection with a transaction that relates to more than one CGT asset, the capital proceeds for each asset is so much of the total consideration as is reasonably attributable to that asset.

Accordingly, the capital proceeds referable to the disposal of each individual unit and share constituting a GOZ Security will be determined by apportioning the total capital proceeds received in respect of the disposal of the GOZ Security between the individual unit and share on a reasonable basis.

Upon disposal of a GOZ Security, a GOZ Securityholder will make a capital gain if the portion of the consideration reasonably attributable to an individual Unit in the Growthpoint Trust and ordinary share in Growthpoint exceeds the cost base of the unit and share.

A GOZ Securityholder will make a capital loss if the portion of the consideration reasonably attributable to an individual Unit in the Growthpoint Trust and ordinary share in Growthpoint is less than the reduced cost base of the unit and share.

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For GMF Unitholders who chose scrip for scrip rollover, the way in which the cost base of the Unit in the Growthpoint Trust will be calculated is outlined in section 2.2 of this Taxation Report.

GOZ Securityholders who realise a capital gain from the disposal of GOZ Securities may be entitled to a CGT discount provided that they have held their GOZ Securities for 12 months or more. A CGT discount of 50% is applicable to Australian-resident individuals.

A securityholder's acquisition date for its ordinary share in Growthpoint should be either the date when the GMF Unitholder accepts the Growthpoint Offer or the date when the GMF Units are compulsorily acquired (as relevant). Where scrip for scrip rollover was not available or was not chosen, a securityholder's acquisition date for its Units in the Growthpoint Trust should also be either the date when the GMF Unitholder accepts the Growthpoint Offer or the date when the Units in the Growthpoint Trust are compulsorily acquired (as relevant). Where, in respect of a GMF Unit, scrip for scrip rollover relief was available and was chosen, for the purposes of applying the CGT discount, a securityholder's acquisition date for their Unit in the Growthpoint Trust should be taken to be the date they acquired their original GMF Unit (refer 2.2 above).

6 Goods and Services Tax (GST)

No GST will be charged to GMF Unitholders nor will any GST liability arise for GMF Unitholders (whether resident or non-resident) on any of the steps in the proposed transaction:

- the issue of GOZ Securities will not be subject to GST as they will be input taxed supplies to resident GMF Unitholders; and
- the current and future distributions and dividends on GOZ Securities will not be consideration for supplies for GST purposes.

7 Other Issues

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

* * * *

Yours sincerely

Greenwoods & Herbert Smith Freehills Pty Ltd

per: M Malan

APPENDIX 2

INDEPENDENT EXPERT'S REPORT

GRANT SAMUEL

GRANT SAMUEL & ASSOCIATES

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1 August 2016

The Directors
GPT Platform Limited
as responsible entity for GPT Metro Office Fund
Level 51 MLC Centre
19 Martin Place
Sydney NSW 2000

Dear Directors

Growthpoint Offer

1 Introduction

GPT Metro Office Fund ("GPT Metro") is an externally managed Australian office sector specific real estate investment trust ("REIT") with a $440 million investment portfolio. It is listed on the Australian Securities Exchange ("ASX"). It operates under a constitution by which GPT Platform Limited ("GPL") is appointed as responsible entity[1]. GPL is a wholly owned subsidiary of GPT Management Holdings Limited ("GPTMH") which, together with General Property Trust, constitute The GPT Group ("GPT"), an ASX listed integrated property group with a market capitalisation of approximately $10 billion.

On 4 April 2016, GPL announced a 6.4% increase in the value of the GPT Metro property portfolio following an independent property revaluation process. The revaluation process followed the receipt of a confidential unsolicited proposal from Growthpoint Properties Australia ("Growthpoint") to acquire all of the issued units in GPT Metro.

On 5 April 2016, Growthpoint announced that, having reviewed GPT Metro's announcement of 4 April 2016, it had re-submitted its acquisition proposal to GPL. On the same day, GPL announced that it had established an independent board committee ("the independent directors") to consider Growthpoint's re-submitted proposal on behalf of GPT Metro unitholders.

Since then, GPT Metro has been the subject of takeover activity involving its Australian listed REIT peers, Growthpoint and Centuria Metropolitan REIT ("Centuria Metro"). In particular, over the period 17-23 May 2016 Centuria Property Funds Limited ("CPFL") obtained a 16.09% relevant interest in GPT Metro[2]. The corporate activity has culminated in concurrent takeover offers for GPT Metro (namely, the Growthpoint Offer and the Centuria Offer) as described below.

Growthpoint Offer

Growthpoint is an ASX listed internally managed REIT. It is a stapled entity comprising Growthpoint Properties Australia Trust ("Growthpoint Trust") and Growthpoint Properties Australia Limited ("GPAL"), the responsible entity for Growthpoint Trust. Growthpoint owns an investment portfolio comprising interests in 58 Australian office and industrial properties with a total value of around $2.8 billion. It has a market capitalisation of approximately $1.9 billion. Johannesburg Stock Exchange listed company Growthpoint Properties Limited ("GRT") owns 65.47% of the stapled securities in Growthpoint.

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1 All references to GPL in this report are in relation to its capacity as responsible entity of GPT Metro.

2 CPFL's relevant interest in GPT Metro comprises 4,480,909 units owned in its capacity as responsible entity of Centuria Metro (3.49%) and 16,195,760 units owned in its capacity as trustee for Centuria Special Opportunities Fund (12.6%). By virtue of CPFL being its wholly owned subsidiary, Centuria Capital also has a relevant interest in these units.

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The Growthpoint Offer is being made by GPAL. GPAL is offering 0.3968 Growthpoint stapled securities and $1.25 cash for every GPT Metro unit[3] ("Mixed Consideration"). However, eligible GPT Metro unitholders can elect to receive 100% cash consideration by participating in the cash alternative facility being made available by Growthpoint and GRT ("Cash Alternative Facility"). Under the Cash Alternative Facility, GRT is offering to acquire all of the Growthpoint stapled securities that a GPT Metro unitholder would otherwise be entitled to on acceptance of the Growthpoint Offer at a price of $3.15 per Growthpoint security[4]. On this basis, GPT Metro unitholders will receive approximately $2.50 cash per GPT Metro unit[5] ("Cash Consideration").

The Growthpoint Offer is subject to a number of conditions (including a 50.1% minimum acceptance condition) which are set out in full in the Growthpoint Bidder's Statement. In addition, Growthpoint has advised that:

- Growthpoint stapled securities issued to GPT Metro unitholders will rank equally with all other Growthpoint securities on issue. However, if Growthpoint is not the registered holder of GPT Metro units by the record date for GPT Metro's distribution for the quarter ending 30 September 2016, the cash component of the Mixed Consideration will be reduced by the amount of any distribution paid;
- it acquired GPT's 16,686,827 units in GPT Metro (a 12.98% interest) on 1 July 2016 at a price of $2.45 cash per unit;
- GPAL entered into a Facilitation and Property Rights Deed with GPTMH on 1 July 2016 ("Growthpoint Facilitation Agreement") under which GPTMH will receive a payment of $9 million for providing facilitation services and certain property rights to GPAL. This payment is conditional on Growthpoint holding a relevant interest in at least 50.1% in GPT Metro two business days after the end of the offer period or the Growthpoint Offer being declared unconditional; and
- GRT has appointed a custodian to hold the Growthpoint stapled securities that would otherwise be issued to GPT Metro unitholders who elect to participate in the Cash Alternative Facility. GRT and eligible Growthpoint securityholders[6] as at 30 June 2016 will have the opportunity to acquire these securities after the end of the offer period at a price of $3.15 per stapled security (adjusted to take into account the economic effect of any distributions paid on the Growthpoint securities). Eligible Growthpoint securityholders will be entitled to acquire, in aggregate, up to 34.53% of these securities with GRT entitled to the remaining 65.47% plus any securities not acquired by eligible Growthpoint securityholders.

The Growthpoint Offer opened on 18 July 2016 and is scheduled to close on 19 August 2016, unless extended.

Centuria Offer

Centuria Metro is an ASX listed externally managed REIT. It is a stapled entity (comprising Centuria Metropolitan REIT No. 1 and Centuria Metropolitan REIT No. 2) and owns an investment portfolio comprising interests in 13 Australian office and industrial properties with a total value of around $397 million. It has a market capitalisation of approximately $267 million. The responsible entity for Centuria Metro is CPFL, a wholly owned subsidiary of Centuria Capital Limited ("Centuria Capital"). Centuria

[3] GPT Metro unitholders with registered addresses outside Australia (or its external territories), New Zealand and Singapore, unless Growthpoint determines otherwise, ("ineligible foreign unitholders") or who would be entitled to receive a parcel of less than $500 of Growthpoint securities ("unmarketable parcel unitholders") will not receive Growthpoint stapled securities. Such unitholders will receive in cash the net proceeds (i.e. after brokerage and transaction costs) of the sale on the ASX of the Growthpoint stapled securities to which they would otherwise have been entitled. Fractional entitlements to Growthpoint stapled securities will be rounded down to the nearest whole number of Growthpoint securities.

[4] As ineligible foreign unitholders and unmarketable parcel unitholders will not receive Growthpoint stapled securities, they are not able to participate in the Cash Alternative Facility. In addition, GPT Metro unitholders will not be able to participate in the Cash Alternative Facility in respect of any units compulsorily acquired by Growthpoint.

[5] GPT Metro unitholders may only participate in the Cash Alternative Facility in respect of all of the Growthpoint stapled securities that would otherwise be issued to them under the Growthpoint Offer. As fractional entitlements to Growthpoint stapled securities will be rounded down to the nearest whole number of Growthpoint securities, GPT Metro unitholders who elect to participate in the Cash Alternative Facility may not receive exactly $2.50 per unit.

[6] Growthpoint securityholders with a registered address in Australia or New Zealand unless GPAL, in its absolute discretion, determines securityholders in other jurisdictions may participate.

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Capital is an ASX listed investment manager with $1.9 billion in funds under management. It has a market capitalisation of approximately $82 million.

The Centuria Offer will be made by CPFL. The Bidder's Statement in relation to the Centuria Offer has not yet been released[7]. The following summary of the Centuria Offer is based on ASX announcements by Centuria Metro and Centuria Capital.

CPFL is offering one Centuria Metro stapled security plus $0.31 cash[8] for every GPT Metro unit. The Centuria Offer is subject to a number of conditions (including a 50.1% minimum acceptance condition) which will be set out in full in the Centuria Bidder's Statement. In addition, Centuria Metro has advised that:

- CPFL will reduce the responsible entity fee to 0.55% of gross asset value per annum;
- Centuria Capital will provide a rental guarantee of $1.3 million per annum over all current vacant areas within 109 Burwood Road, Hawthorn, Victoria for a period of two years;
- existing income guarantees or rental support provided to GPT Metro by GPT will continue post closing of the Centuria Offer;
- GPT Metro unitholders will be entitled to Centuria Metro distributions with a record date after issue of Centuria Metro stapled securities under the Centuria Offer;
- Centuria Metro intends to put an institutional and retail acceptance facility in place;
- Centuria Capital intends to accept the Centuria Offer; and
- Centuria Capital entered into a Facilitation and Property Rights Deed with GPTMH on 16 June 2016 ("Centuria Facilitation Agreement") under which GPTMH will receive a payment of $9 million for providing facilitation services and certain property rights to CPFL. This payment is conditional on either Centuria Metro obtaining a relevant interest in at least 50.1% in GPT Metro or the Centuria Offer being declared unconditional during the offer period[9].

The Centuria Offer is "live" but it is not yet capable of acceptance by GPT Metro unitholders.

Offer Status and Report Requirement

At the date of this report, the independent directors have assessed the Growthpoint Offer to be superior to the Centuria Offer and, accordingly, have unanimously recommended that GPT Metro unitholders accept the Growthpoint Offer, in the absence of a superior proposal.

Although there is no requirement in the present circumstances for an independent expert's report pursuant to the Corporations Act, 2001 ("Corporations Act") or the ASX Listing Rules, the directors of GPL have engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report setting out whether, in its opinion, the Growthpoint Offer is fair and reasonable and to state reasons for that opinion. A copy of the report (including this letter) will accompany the Target's Statement to be despatched to unitholders of GPT Metro in relation to the Growthpoint Offer. This letter contains a summary of Grant Samuel's opinion and main conclusions.

7 CPFL must lodge a Bidder's Statement in relation to the Centuria Offer by 2 August 2016.

8 Centuria Metro will contribute $0.23 cash and Centuria Capital will contribute $0.08 cash to the cash component of the consideration.

9 On 5 July 2016, Centuria Capital announced that, by entering into the Growthpoint Facilitation Agreement, GPTMH has breached the Centuria Facilitation Agreement and, if the breach is not remedied within five business days, it is entitled to terminate that agreement. On 6 July 2016, GPT announced that it does not agree that the Centuria Facilitation Agreement has been breached. On 21 July 2016, Centuria Capital announced that it had written to GPTMH noting the expiration of the notice period and reserving all of its rights, including the right to terminate the Centuria Facilitation Agreement. On 22 July 2016, GPT announced that it maintains that it has not breached its obligations under the Centuria Facilitation Agreement and has notified Centuria Capital that it reserves all its rights in relation to any purported termination of that agreement.

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2 **Opinion**

In Grant Samuel's opinion, the Growthpoint Offer is fair and reasonable, in the absence of a superior proposal.

3 **Key Conclusions**

3.1 Fairness

REITs are commonly valued by reference to net asset values. For such entities, investment properties are generally carried on the balance sheet at market value and the appropriate valuation methodology is to aggregate the market value of the individual properties. Other assets or liabilities that are not carried at market value are adjusted to reflect market value.

Grant Samuel has estimated the adjusted NTA of GPT Metro to be $2.21-2.25 per unit (rounded to two decimal places). This estimate is based on GPT Metro's NTA as at 30 June 2016 of $299.9 million ($2.33 per unit). Various adjustments have been made to derive adjusted NTA as at 30 June 2016 including a deduction for capitalised corporate overheads after allowing for a material amount of cost savings available to a range of acquirers of GPT Metro. As adjusted NTA is based on estimates of the full underlying value of each property in the portfolio, it is already a "control" value for GPT Metro.

Under the Growthpoint Offer, GPT Metro unitholders will receive the Mixed Consideration but eligible unitholders can elect to receive the Cash Consideration. In Grant Samuel's opinion, the value of the Mixed Consideration is in the range of $2.46-2.58 per GPT Metro unit (rounded to two decimal places) based on a market value for Growthpoint stapled securities in the range $3.05-3.35 (refer Section 5 of the full report). The value of the scrip component of the Mixed Consideration will vary with movements in the Growthpoint stapled security price. Accordingly, until the securities under the Growthpoint Offer are issued, GPT Metro unitholders are exposed to events or other factors that impact the Growthpoint security price. The actual value of the Mixed Consideration could therefore ultimately exceed, or be less than, $2.46-2.58 per GPT Metro unit. Alternatively, eligible GPT Metro unitholders who accept the Growthpoint Offer and participate in the Cash Alternative Facility will receive approximately $2.50 cash for every GPT Metro unit (albeit they will not benefit from any increase in the Growthpoint security price above $3.15). The Cash Consideration of $2.50 per GPT Metro unit falls within the value range attributed to the Mixed Consideration under the Growthpoint Offer.

There is evidence that acquisitions of REITs often take place at premiums to NTA, reflecting a range of factors including instant diversification, structural savings, economies of scale, scarcity value of large portfolios, increases in property values since last valuation, the inherent value of development pipelines and related operating businesses. The value attributed to the consideration under the Growthpoint Offer ($2.46-2.58 per unit) exceeds Grant Samuel's estimate of GPT Metro's adjusted NTA of $2.21-2.25 per unit by 9.3-16.7% (or a premium of 5.6-10.7% over reported NTA). In Grant Samuel's opinion, the premium over adjusted NTA offered under the Growthpoint Offer more than adequately compensates GPT Metro unitholders for the attributes of the GPT Metro property portfolio, particularly as:

- there is no latent value upside in the property portfolio (its property valuations are up to date and there is no major development pipeline);
- an adjustment has been made to NTA to allow for a material amount of cost savings available to a range of acquirers of GPT Metro; and
- GPT Metro is a passive property owner with no operating businesses.

In competitive bidding scenarios, high premiums over adjusted NTA will reflect factors relevant to the bidder in addition to the attributes of the property portfolio.

Accordingly, in Grant Samuel's opinion, the Growthpoint Offer is fair.

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3.2 Reasonableness

As the Growthpoint Offer is fair, it is also reasonable. In any event, there are a number of other factors that support the reasonableness of the Growthpoint Offer and which GPT Metro unitholders should consider in determining whether or not to accept the Growthpoint Offer. In particular:

- the Growthpoint Offer delivers a premium of around 19-25% to GPT Metro unit prices prior to the announcement of the property portfolio revaluation on 4 April 2016. This premium is significant given GPT Metro is an externally managed, passive owner of metropolitan office properties with no operating businesses. The premium reflects:
  - the latent value upside in GPT Metro's investment property portfolio and financial derivative instruments prior to 4 April 2016 (as reflected in the 9.3% increase in NTA announced on 4 April 2016); and
  - the competitive bidding process to acquire GPT Metro since April 2016;
- in the absence of the Growthpoint Offer or a similar offer, it is likely that GPT Metro units under current market conditions and its current ownership and operating structure would trade at prices below the value of the Growthpoint Offer ($2.46-2.58 per unit, which represents a premium over reported NTA of 5.6-10.7%). However, the unit price is unlikely to decline to the levels prevailing prior to 4 April 2016 due to the increase in reported NTA to $2.33 per unit since that date. Furthermore, the liquidity of GPT Metro units would come under further pressure if:
  - Growthpoint acquires in excess of 50.1% but fails to be able to proceed to compulsory acquisition of GPT Metro; or
  - the Growthpoint Offer lapses and Growthpoint is left with its 12.98% interest in GPT Metro. It is unlikely that Growthpoint would be prepared to hold a minority interest in a controlled stock for the long term; and
- the 50.1% minimum acceptance condition of the Growthpoint Offer has implications for remaining unitholders if Growthpoint acquires less than 90% of GPT Metro's units, including:
  - control of GPT Metro will pass and GPAL will replace GPL as responsible entity;
  - there will be a dramatic further reduction in the liquidity of the market for GPT Metro units, the extent of which depends upon the interest acquired by Growthpoint and which unitholders accept the Growthpoint Offer;
  - GPT Metro will meet transaction costs in relation to the Growthpoint Offer and the Centuria Offer of around $4.7 million (excluding GST) as a standalone entity (3.6 cents per unit);
  - the prospects of receiving a fully priced offer in the future for their investment in GPT Metro would be greatly reduced; and
  - if GPT Metro is delisted from the ASX, remaining unitholders would hold unlisted units reducing their ability to realise value.

3.3 Alternative Proposals

Although the Centuria Offer is not yet capable of acceptance and the independent directors have assessed the Growthpoint Offer to be superior to the Centuria Offer, it is a "live" alternative for GPT Metro unitholders. Based on the information currently available, Grant Samuel has attributed a value to the consideration under the Centuria Offer of $2.36-2.56 per GPT Metro unit based on a market value for Centuria Metro stapled securities in the range $2.05-2.25 (refer Section 7.3.1 of the full report).

Therefore, Grant Samuel's estimates of the value of the consideration under the Growthpoint Offer and under the Centuria Offer overlap but the Mixed Consideration under the Growthpoint Offer is above the midpoint, and the Cash Consideration in the upper half, of the value range for the consideration under the Centuria Offer:

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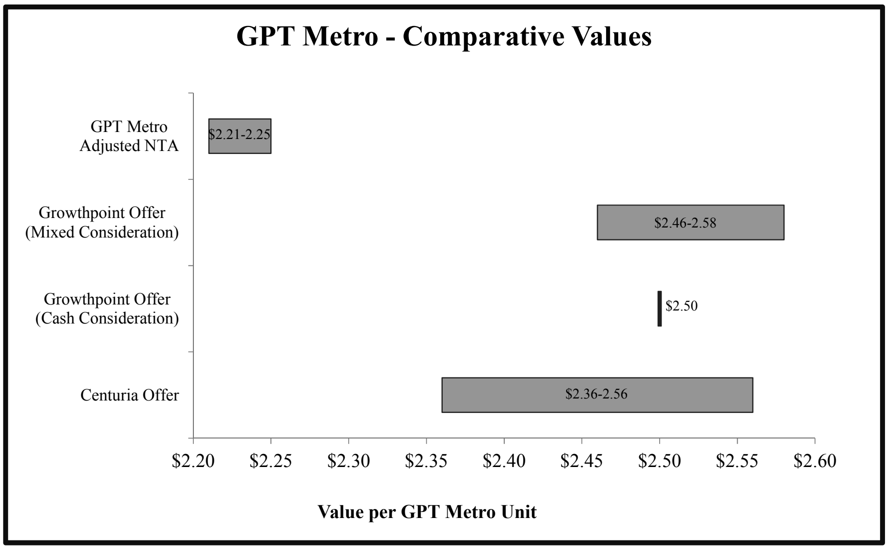

As both offers involve a significant proportion of scrip consideration, the values attributable to each will vary with movements in the market prices of the securities offered (Growthpoint and Centuria Metro). Therefore, the decision for GPT Metro unitholders will turn on:

- the likelihood of either offer becoming unconditional;
- the relative merits of Growthpoint and Centuria Metro securities; and
- movements in the respective security prices,

although this choice will depend on the preferences and circumstances of individual GPT Metro unitholders.

In relation to the likelihood of completion:

- both offers have a 50.1% minimum acceptance condition and both bidders have significant interests in GPT Metro which could prevent the other from reaching compulsory acquisition and makes meeting their minimum acceptance conditions more difficult;
- the bidders have both shown a commitment to acquiring GPT Metro by acquiring units, incurring costs, announcing offers and entering into facilitation arrangements with GPTMH; and
- the Growthpoint Offer is open for acceptances while the Centuria Offer is not yet capable of acceptance (although the Bidder's Statement must be lodged by 2 August 2016).

The relative merits of securities in Growthpoint and Centuria Metro cannot be fully analysed until the Bidder's Statement in relation to the Centuria Offer is released as it will contain important information (such as proforma financial information, distribution guidance and Centuria Metro's intentions if it acquires less than 100%) to enable GPT Metro unitholders to make an informed decision.

When considering the Centuria Offer, GPT Metro unitholders should also note that:

- although the values attributed by Grant Samuel to the respective considerations overlap, the value range for the consideration under the Centuria Offer is wider as scrip represents around 88% of the value of the consideration (50% under the Growthpoint Offer) and, as a consequence, the impact of movements in security prices on value will be magnified under the Centuria Offer;
- there is no full cash alternative under the Centuria Offer and cash only represents around 12% of the value of the consideration;

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- Centuria Metro securities are thinly traded while Growthpoint securities are moderately liquid and it is a member of key market indices;
- if Centuria Metro acquires 100% of GPT Metro, it will remain a relatively small listed externally managed REIT. It will own an $836 million property portfolio (predominantly metropolitan office assets) and have a market capitalisation of around $530 million. Centuria Metro would expect to be included in the S&P/ASX 300 A-REIT Index and it would be reasonable to assume improved market liquidity (although that remains to be seen). In contrast, Growthpoint will remain a relatively large, internally managed REIT with a $3.2 billion property portfolio diversified across metropolitan office and industrial assets. While Growthpoint will remain controlled by GRT, the market for its securities is expected to remain moderately liquid; and
- under both offers, if the bidder becomes the owner of 80% or more of the units in GPT Metro, unitholders would be expected to be eligible to receive partial capital gains tax rollover relief in respect of the scrip component of the consideration received.

3.4 Potential for Further Offers

It would be open to unitholders to reject the Growthpoint Offer in anticipation of a higher offer from Growthpoint or Centuria Metro. There is no evidence that either party would be prepared to pay a higher price, particularly given the competitive bidding process that has taken place over the last four months, but it is possible. Nevertheless, as:

- neither offer has yet been declared unconditional or final;
- the relative values of the two offers may shift; and
- there may be further developments (e.g. changes to offer terms),

it may be prudent for GPT Metro unitholders to wait until further information on the Centuria Offer is available or one or both of the offers are declared unconditional or final, prior to acceptance.

On the other hand:

- the independent directors have assessed the Growthpoint Offer to be superior to the Centuria Offer and have recommended GPT Metro unitholders accept the Growthpoint Offer, in the absence of a superior proposal; and
- control of GPT Metro may pass under the Growthpoint Offer which is currently open for acceptance.

There has been ample opportunity for an interested party other than Growthpoint or Centuria Metro to make a competing offer for GPT Metro. No such offer has been made at the date of this report but the opportunity to do so remains during the offer period (currently until 19 August 2016 for the Growthpoint Offer).

4 Other Matters

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual GPT Metro unitholders. Accordingly, before acting in relation to their investment, unitholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Unitholders should read the Bidder's Statement issued by GPAL and the Target's Statement issued by GPL in relation to the Growthpoint Offer.

Grant Samuel has not been engaged to provide a recommendation to unitholders in relation to the Growthpoint Offer, the responsibility for which lies with the directors of GPL. In any event, the decision whether to accept or reject the Growthpoint Offer (or to participate in the Cash Alternative Facility) is a matter for individual unitholders, based on their own views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference,

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investment strategy, portfolio structure and tax position. Unitholders who are in doubt as to the action they should take in relation to the Growthpoint Offer should consult their own professional adviser.

Similarly, it is a matter for individual unitholders as to whether to buy, hold or sell securities in GPT Metro or Growthpoint. These are investment decisions upon which Grant Samuel does not offer an opinion and independent of a decision on whether to accept or reject the Growthpoint Offer. Unitholders should consult their own professional adviser in this regard.

Grant Samuel has prepared a Financial Services Guide as required by the Corporations Act. The Financial Services Guide is included at the beginning of the full report.

This letter is a summary of Grant Samuel's opinion. The full report from which this summary has been extracted is attached and should be read in conjunction with this summary.

The opinion is made as at the date of this letter and reflects circumstances and conditions as at that date.

Yours faithfully
GRANT SAMUEL & ASSOCIATES PTY LIMITED

Grant Samuel & Associates

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GPT | METRO OFFICE FUND

Financial Services Guide
and
Independent Expert's Report
in relation to the takeover offer by
Growthpoint Properties Australia

Grant Samuel & Associates Pty Limited
(ABN 28 050 036 372)

1 August 2016

Financial Services Guide

Grant Samuel & Associates Pty Limited ("Grant Samuel") holds Australian Financial Services Licence No. 240985 authorising it to provide financial product advice on securities and interests in managed investments schemes to wholesale and retail clients.

The Corporations Act, 2001 requires Grant Samuel to provide this Financial Services Guide ("FSG") in connection with its provision of an independent expert's report ("Report") which is included in a document ("Disclosure Document") provided to members by the company or other entity ("Entity") for which Grant Samuel prepares the Report.

Grant Samuel does not accept instructions from retail clients. Grant Samuel provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Samuel does not provide any personal retail financial product advice to retail investors nor does it provide market-related advice to retail investors.

When providing Reports, Grant Samuel's client is the Entity to which it provides the Report. Grant Samuel receives its remuneration from the Entity. In respect of the Report for GPT Platform Limited as responsible entity for GPT Metro Office Fund ("GPT Metro") in relation to a takeover offer by Growthpoint Properties Australia ("the GPT Metro Report"), Grant Samuel will receive a fixed fee of $350,000 plus reimbursement of out-of-pocket expenses for the preparation of the Report (as stated in Section 8.3 of the GPT Metro Report).

No related body corporate of Grant Samuel, or any of the directors or employees of Grant Samuel or of any of those related bodies or any associate receives any remuneration or other benefit attributable to the preparation and provision of the GPT Metro Report.

Grant Samuel is required to be independent of the Entity in order to provide a Report. The guidelines for independence in the preparation of Reports are set out in Regulatory Guide 112 issued by the Australian Securities & Investments Commission on 30 March 2011. The following information in relation to the independence of Grant Samuel is stated in Section 8.3 of the GPT Metro Report:

> *"Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any business or professional relationship with GPL, GPT Metro, GPT, GPAL, Growthpoint, GRT, CPFL, Centuria Metro or Centuria Capital or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Growthpoint Offer.*
>
> *Grant Samuel advises that Grant Samuel Corporate Finance Pty Limited ("GS Corporate Finance"), a related party of Grant Samuel, was engaged to provide advice to the independent directors of GPT Funds Management Limited as responsible entity of GPT Wholesale Office Fund in relation to a proposal from GPT involving changes to management fees and other governance matters. This assignment completed in June 2016 and GS Corporate Finance received a fixed fee of $250,000.*
>
> *Grant Samuel commenced analysis for the purposes of this report in mid May 2016. This work did not involve Grant Samuel participating in setting the terms of, or any negotiations leading to, the Growthpoint Offer or the Centuria Offer.*
>
> *Grant Samuel had no part in the formulation of the Growthpoint Offer or the Centuria Offer. Its only role has been the preparation of this report.*
>
> *Grant Samuel will receive a fixed fee of $350,000 for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Growthpoint Offer. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.*
>
> *Grant Samuel considers itself to be independent in terms of Regulatory Guide 112 issued by the ASIC on 30 March 2011."*

Grant Samuel has internal complaints-handling mechanisms and is a member of the Financial Ombudsman Service, No. 11929. If you have any concerns regarding the GPT Metro Report, please contact the Compliance Officer in writing at Level 19, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000. If you are not satisfied with how we respond, you may contact the Financial Ombudsman Service at GPO Box 3 Melbourne VIC 3001 or 1300 780 808. This service is provided free of charge.

Grant Samuel holds professional indemnity insurance which satisfies the compensation requirements of the Corporations Act, 2001.

Grant Samuel is only responsible for the GPT Metro Report and this FSG. Complaints or questions about the Disclosure Document should not be directed to Grant Samuel which is not responsible for that document. Grant Samuel will not respond in any way that might involve any provision of financial product advice to any retail investor.

Table of Contents

1 Terms of the Growthpoint Offer

Background

GPT Metro Office Fund ("GPT Metro") is an externally managed Australian office sector specific real estate investment trust ("REIT") with an investment portfolio with a value of $440.3 million. It is listed on the Australian Securities Exchange ("ASX"). It operates under a constitution by which GPT Platform Limited ("GPL") is appointed as responsible entity[1]. GPL is a wholly owned subsidiary of GPT Management Holdings Limited ("GPTMH") which, together with General Property Trust, constitute The GPT Group ("GPT"), an ASX listed integrated property group with a market capitalisation of approximately $10 billion.

On 4 April 2016, GPL announced a 6.4% increase in the value of the GPT Metro property portfolio following an independent property revaluation process undertaken as at 31 March 2016. The revaluation process followed the receipt of a confidential unsolicited proposal to acquire all of the issued units in GPT Metro.

On 5 April 2016, Growthpoint Properties Australia ("Growthpoint")[2] confirmed that, on 3 March 2016, it had submitted a proposal to acquire all of the issued units in GPT Metro and, having been advised by GPL of its intention to undertake a revaluation of the GPT Metro property portfolio, formally withdrew its proposal on 18 March 2016. It also announced that, having reviewed GPT Metro's announcement of 4 April 2016, it had re-submitted its proposal to GPL. The consideration under the proposal was 0.3736 Growthpoint stapled securities and $1.15 cash for every GPT Metro unit. On the same day, GPL confirmed that it had received a re-submitted conditional, non-binding and indicative proposal from Growthpoint and announced that it had established an independent board committee ("the independent directors") to consider the proposal on behalf of GPT Metro unitholders.

The independent directors engaged with Growthpoint and, on 5 May 2016, announced that Growthpoint had agreed to improve the consideration under its proposal to 0.3756 Growthpoint stapled securities and $1.185 cash for every GPT Metro unit. On this basis, a non-binding preliminary term sheet was entered into by the parties and Growthpoint was granted four weeks exclusive due diligence. Since that announcement, GPT Metro has been the subject of takeover activity as summarised below:

20-24 May 2016	Centuria Capital Limited ("Centuria Capital")[3] announced that Centuria Property Funds Limited ("CPFL")[4], as trustee for the unlisted Centuria Special Opportunities Fund, had acquired a 12.6% interest in GPT Metro on 19 May 2016 and that CPFL, as responsible entity for Centuria Metropolitan REIT ("Centuria Metro")[5], had acquired a 2.6% interest in GPT Metro on 20 May 2016. As a result, CPFL had a combined 15.2% interest in GPT Metro.
24 May 2016	GPL announced that it had been advised that, on 23 May 2016, CPFL as responsible entity of Centuria Metro had increased its interest in GPT Metro to 3.5% (increasing its combined interest to 16.09%) and that it had received an indicative, conditional and non-binding proposal from Centuria Metro to acquire all of the units in GPT Metro. The consideration under the proposal was one Centuria Metro stapled security and $0.27 cash for every GPT Metro unit. The cash component of the consideration includes a $0.04 contribution from Centuria Capital.
27 May 2016	Centuria Metro announced that it had signed a confidentiality agreement with GPL and been provided a 15 business day non-exclusive period of due diligence.

1 All references to GPL in this report are in relation to its capacity as responsible entity of GPT Metro.

2 Growthpoint is an ASX listed internally managed REIT. It is a stapled entity comprising Growthpoint Properties Australia Trust ("Growthpoint Trust") and Growthpoint Properties Australia Limited ("GPAL"), the responsible entity for Growthpoint Trust. Johannesburg Stock Exchange listed company Growthpoint Properties Limited ("GRT") owns 65.47% of the stapled securities in Growthpoint. Growthpoint owns an investment portfolio comprising interests in 58 Australian office and industrial properties with a total value of around $2.8 billion. It has a market capitalisation of approximately $1.9 billion.

3 Centuria Capital is an ASX listed investment manager with $1.9 billion in funds under management (including property funds and tax effective bonds). It has a market capitalisation of approximately $82 million.

4 CPFL is a wholly owned subsidiary of Centuria Capital.

5 Centuria Metro is an ASX listed externally managed office REIT. It is a stapled entity (comprising Centuria Metropolitan REIT No. 1 and Centuria Metropolitan REIT No. 2) and owns an investment portfolio comprising interests in 13 Australian office and industrial properties with a total value of around $397 million. It has a market capitalisation of approximately $267 million.

16 June 2016	Centuria Metro announced its intention to make an off market takeover offer for all of the units in GPT Metro ("Centuria Offer"). Under the Centuria Offer, unitholders would receive one Centuria Metro stapled security and $0.31 cash for every GPT Metro unit (with the cash component including a $0.08 contribution from Centuria Capital). The Centuria Offer would be subject to a number of conditions including a 50.1% minimum acceptance condition. Centuria Capital announced that it had entered into a number of agreements (including a Facilitation and Property Rights Deed) with GPTMH to ensure an orderly transition of the management of GPT Metro.
22 June 2016	GPL announced that the independent directors had considered the Centuria Offer and intended to recommend acceptance subject to no superior proposal and an independent expert opining that the offer is fair and reasonable to GPT Metro unitholders (other than Centuria Metro and Centuria Capital) and not withdrawing that recommendation.
1 July 2016	Growthpoint announced an off market takeover offer for all of the units in GPT Metro ("Growthpoint Offer"). Under the Growthpoint Offer, unitholders would receive 0.3968 Growthpoint securities and $1.25 cash for every GPT Metro unit. Alternatively, eligible unitholders could elect to receive 100% cash consideration of approximately $2.50 per GPT Metro unit under a cash alternative facility. The Growthpoint Offer would be subject to a number of conditions, including a 50.1% minimum acceptance condition. Growthpoint also announced that it had acquired GPT's 12.98% interest in GPT Metro (at a price of $2.45 per unit) and had entered into a Facilitation and Property Rights Deed with GPTMH to ensure an orderly transition of the management of GPT Metro.

At the date of this report, the independent directors have assessed the Growthpoint Offer to be superior to the Centuria Offer and, accordingly, have unanimously recommended that GPT Metro unitholders accept the Growthpoint Offer, in the absence of a superior proposal.

The Centuria Offer is "live" but, as CPFL has not yet released a Bidder's Statement[6], is not yet capable of acceptance. Grant Samuel has reviewed the Centuria Offer in Section 7 of this report.

Growthpoint Offer

The Growthpoint Offer is being made by GPAL as the responsible entity for the Growthpoint Trust. Under the terms of the Growthpoint Offer, GPT Metro unitholders will receive 0.3968 Growthpoint stapled securities and $1.25 cash for every GPT Metro unit[7] ("Mixed Consideration")[8]. However, eligible GPT Metro unitholders can elect to receive 100% cash consideration by participating in the cash alternative facility being made available by Growthpoint and GRT ("Cash Alternative Facility"). Under the Cash Alternative Facility, GRT is offering to acquire all of the Growthpoint stapled securities that a GPT Metro unitholder would otherwise be entitled to on acceptance of the Growthpoint Offer at a price of $3.15 per Growthpoint security[9]. On this basis, GPT Metro unitholders will receive approximately $2.50 cash per GPT Metro unit[10] ("Cash Consideration").

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6 CPFL must lodge a Bidder's Statement in relation to the Centuria Offer by 2 August 2016.

7 GPT Metro unitholders with registered addresses outside Australia (or its external territories), New Zealand and Singapore, unless Growthpoint determines otherwise, ("ineligible foreign unitholders") or who would be entitled to receive a parcel of less than $500 of Growthpoint securities ("unmarketable parcel unitholders") will not receive Growthpoint stapled securities. Such unitholders will receive in cash the net proceeds (i.e. after brokerage and transaction costs) of the sale on the ASX of the Growthpoint stapled securities to which they would otherwise have been entitled. Fractional entitlements to Growthpoint stapled securities will be rounded down to the nearest whole number of Growthpoint securities.

8 If Growthpoint acquires 100% of GPT Metro and no GPT Metro unitholders elect to participate in the Cash Alternative Facility, existing GPT Metro unitholders will, in aggregate, hold around 7.1% of Growthpoint.

9 As ineligible foreign unitholders and unmarketable parcel unitholders will not receive Growthpoint stapled securities, they are not able to participate in the Cash Alternative Facility. In addition, unitholders whose units are compulsorily acquired by Growthpoint under Part 6A.1 of the Corporations Act will not be able to participate in the Cash Alternative Facility.

10 GPT Metro unitholders may only participate in the Cash Alternative Facility in respect of all of the Growthpoint stapled securities that would otherwise be issued to them under the Growthpoint Offer. As fractional entitlements to Growthpoint stapled securities will be rounded down to the nearest whole number of Growthpoint securities, GPT Metro unitholders who elect to participate in the Cash Alternative Facility may not receive exactly $2.50 per unit.

The Growthpoint Offer is subject to a number of conditions which are set out in full in the Growthpoint Bidder's Statement. In summary, the conditions not currently satisfied or waived are that:

- before the end of the offer period[11]:
  - Growthpoint obtains a relevant interest in at least 50.1% of all GPT Metro units;
  - all regulatory approvals necessary to permit the Growthpoint Offer to complete and the Cash Alternative Facility to be made to GPT Metro unitholders are granted and remain in force;
  - no regulatory actions are taken that restrain, prohibit or impede the Growthpoint Offer;
  - no material adverse change to GPT Metro, its assets, liabilities, business or prospects occurs;
  - 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 a result of any of the arrangements contained in the Growthpoint Facilitation Agreement;
  - GPT Metro does not announce or pay any distribution exceeding 3.85 cents per unit for the quarter ending 30 June 2016 and 3.90 cents for the quarter ending 30 September 2016;
  - all consents, waivers or releases (as appropriate) for a change of control of GPT Metro are obtained from any person with a right under five specified material contracts and two specified material interests;
  - no material acquisitions, disposals or changes in the conduct of the business;
  - no specified matters occur in relation to GPT Metro's properties;
  - no changes to the responsible entity arrangements or a change of control in respect of GPL;
  - no litigation which may reasonably result in a judgement of $100,000 or more is commenced, threatened in writing, announced or made known to GPL or GPAL;
  - GPT Metro does not incur, increase or guarantee any financial indebtedness;
  - GPAL does not become aware that any document filed or lodged with the ASX or ASIC contains a statement which is incorrect or misleading or from which there is a material omission; and
  - GPL does not make or agree any payment by way of break fee, inducement fee or cost reimbursement to anyone other than GPAL or forgo any such amount; and
- no prescribed occurrences as set out in Sections 652C of the Corporations Act, 2001 ("Corporations Act") occur before three business days after the end of the offer period.

In addition, Growthpoint has advised that:

- Growthpoint stapled securities issued to GPT Metro unitholders will rank equally with all other Growthpoint securities on issue. However, if Growthpoint is not the registered holder of GPT Metro units by the record date for GPT Metro's distribution for the quarter ending 30 September 2016, the cash component of the Mixed Consideration will be reduced by the amount of any distribution paid;
- it acquired GPT's 16,686,827 units in GPT Metro (a 12.98% interest) on 1 July 2016 at a price of $2.45 cash per unit;
- GPAL entered into a Facilitation and Property Rights Deed with GPTMH on 1 July 2016 ("Growthpoint Facilitation Agreement") under which GPTMH will receive a payment of $9 million for providing facilitation services and certain property rights to GPAL. This payment is conditional on Growthpoint holding a relevant interest in at least 50.1% in GPT Metro two business days after the end of the offer period or the Growthpoint Offer being declared unconditional; and
- GRT has appointed a custodian to hold the Growthpoint stapled securities that would otherwise be issued to GPT Metro unitholders who elect to participate in the Cash Alternative Facility ("Cashout Securities"). GRT and eligible Growthpoint securityholders[12] as at 30 June 2016 will have the opportunity to acquire Cashout Securities after the end of the offer period at a price of $3.15 per stapled security (adjusted to take into account the economic effect of any distributions paid on the Growthpoint securities[13]). Eligible Growthpoint securityholders will be entitled to acquire, in aggregate, up to 34.53% of the Cashout Securities with GRT entitled to the remaining 65.47% plus any securities not acquired by eligible Growthpoint securityholders.

[11] The Growthpoint Offer is currently scheduled to close on 19 August 2016, unless extended.

[12] Growthpoint securityholders with a registered address in Australia or New Zealand unless GPAL, in its absolute discretion, determines securityholders in other jurisdictions may participate.

[13] GRT will be entitled to the benefit of those distributions.

2 Scope of the Report

2.1 Purpose of the Report

Section 640 of the Corporations Act states that a Target's Statement made in response to a takeover offer for securities in an Australian listed entity must be accompanied by an independent expert's report if:

- the bidder's voting power in the target is 30% or more; or
- a director of the bidder is also a director of the target.

Although there is no requirement in the present circumstances for an independent expert's report pursuant to the Corporations Act or the ASX Listing Rules, the independent directors of GPL have engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report setting out whether, in its opinion, the Growthpoint Offer is fair and reasonable to GPT Metro unitholders and to state reasons for that opinion. A copy of the report is to accompany the Target's Statement to be despatched to unitholders by GPT Metro in relation to the Growthpoint Offer.

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual GPT Metro unitholders. Accordingly, before acting in relation to their investment, unitholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Unitholders should read the Target's Statement issued by GPL in relation to the Growthpoint Offer.

Whether or not to accept the Growthpoint Offer is a matter for individual unitholders based on their views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Unitholders who are in doubt as to the action they should take in relation to the Growthpoint Offer should consult their own professional adviser.

Similarly, it is a matter for individual unitholders as to whether to buy, hold or sell securities in GPT Metro or Growthpoint. These are investment decisions upon which Grant Samuel does not offer an opinion and are independent of a decision on whether to accept or reject the Growthpoint Offer. Unitholders should consult their own professional adviser in this regard.

2.2 Basis of Evaluation

The term "fair and reasonable" has no legal definition although over time a commonly accepted interpretation has evolved. However, the Australian Securities & Investments Commission ("ASIC") has issued Regulatory Guide 111 ("RG111") which establishes guidelines in respect of independent expert's reports. RG111 differentiates between the analysis required for control transactions and other transactions. In the context of control transactions (whether by takeover bid, by scheme of arrangement, by the issue of securities or by selective capital reduction or buyback), the expert is required to distinguish between "fair" and "reasonable".

Fairness involves a comparison of the offer price with the value that may be attributed to the securities that are the subject of the offer based on the value of the underlying businesses and assets. For this comparison, value is determined assuming 100% ownership of the target and a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Reasonableness involves an analysis of other factors that securityholders might consider prior to accepting an offer such as:

- the offeror's existing securityholding;
- other significant securityholdings;
- the probability of an alternative offer; and
- the liquidity of the market for the target's securities.

An offer could be considered "reasonable" if there were valid reasons to accept the offer notwithstanding that it was not "fair".

Fairness is a more demanding criteria. A "fair" offer will always be "reasonable" but a "reasonable" offer will not necessarily be "fair". A fair offer is one that reflects the full market value of an entity's businesses and assets. An offer that is in excess of the pre-bid market prices but less than full value will not be fair but may be reasonable if securityholders are otherwise unlikely in the foreseeable future to realise an amount for their securities in excess of the offer price. This is commonly the case where the bidder already controls the target entity. In that situation the minority securityholders have little prospect of receiving full value from a third party offeror unless the controlling securityholder is prepared to sell its controlling securityholding.

Grant Samuel has determined whether the Growthpoint Offer is fair by comparing the estimated underlying value range of GPT Metro with the assessed value of the consideration to be received by GPT Metro unitholders under the offer. The Growthpoint Offer will be fair if it falls within or exceeds the estimated underlying value range. In considering whether the Growthpoint Offer is reasonable, the factors that have been considered include:

- the existing unitholding structure of GPT Metro;
- the likelihood of an alternative offer and alternative transactions that could realise fair value;
- the likely market price and liquidity of GPT Metro units in the absence of the Growthpoint Offer; and
- other advantages and disadvantages for GPT Metro unitholders of accepting the Growthpoint Offer.

2.3 Sources of the Information

The following information was utilised and relied upon, without independent verification, in preparing this report:

Publicly Available Information

- the Bidder's Statement dated 1 July 2016 issued by GPAL in relation to the Growthpoint Offer ("Growthpoint Bidder's Statement");
- the Target's Statement issued by GPL in relation to the Growthpoint Offer dated 1 August 2016 ("Target's Statement");
- the annual report of GPT Metro for the period ended 30 June 2015 and the half year announcement of GPT Metro for the six months ended 31 December 2015;
- the annual financial report of GPT Metro for the year ended 30 June 2016;
- annual reports of Growthpoint for the six years ended 30 June 2015 and the half year announcement of Growthpoint for the six months ended 31 December 2015;
- the annual report of Centuria Metro for the period ended 30 June 2015 and the half year announcement of Centuria Metro for the six months ended 31 December 2015;
- press releases, public announcements, media and analyst presentation material and other public filings by GPT Metro, Growthpoint, Centuria Metro and Centuria Capital including information available on their websites;
- brokers' reports and recent press articles on GPT Metro, Growthpoint and Centuria Metro and the Australian REIT sector; and
- sharemarket data and related information on Australian listed REITs and on acquisitions of Australian listed REITs.

Non Public Information provided by GPT Metro

- independent property valuations commissioned by GPL in relation to GPT Metro's property assets; and
- other confidential documents, board papers, presentations and working papers.

In preparing this report, Grant Samuel has held discussions with, and obtained information from, senior management of GPT Metro and its advisers.

2.4 Limitations and Reliance on Information

Grant Samuel believes that its opinion must be considered as a whole and that selecting portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process employed and the conclusions reached. Any attempt to do so could lead to undue emphasis on a particular factor or analysis. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary.

Grant Samuel's opinion is based on economic, sharemarket, business trading, financial and other conditions and expectations prevailing at the date of this report. These conditions can change significantly over relatively short periods of time. If they did change materially, subsequent to the date of this report, the opinion could be different in these changed circumstances.

This report is also based upon financial and other information provided by GPL and its advisers. Grant Samuel has considered and relied upon this information. GPL, in its capacity as responsible entity for GPT Metro, has represented in writing to Grant Samuel that to its knowledge the information provided by it was then, and is now, complete and not incorrect or misleading in any material respect. Grant Samuel has no reason to believe that any material facts have been withheld.

The information provided to Grant Samuel has been evaluated through analysis, inquiry and review to the extent that it considers necessary or appropriate for the purposes of forming an opinion as to whether the Growthpoint Offer is fair and reasonable to GPT Metro unitholders. However, Grant Samuel does not warrant that its inquiries have identified or verified all of the matters that an audit, extensive examination or "due diligence" investigation might disclose. While Grant Samuel has made what it considers to be appropriate inquiries for the purposes of forming its opinion, "due diligence" of the type undertaken by companies and their advisers in relation to, for example, prospectuses or profit forecasts, is beyond the scope of an independent expert.

Accordingly, this report and the opinions expressed in it should be considered more in the nature of an overall review of the anticipated commercial and financial implications rather than a comprehensive audit or investigation of detailed matters.

An important part of the information used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

Preparation of this report does not imply that Grant Samuel has audited in any way the management accounts or other records of GPT Metro. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles and in a manner consistent with the method of accounting in previous years (except where noted).

Grant Samuel has not undertaken any valuations of the properties owned by GPT Metro and, for the purposes of this report, has relied on the independent property valuations commissioned by GPL for those properties in determining the underlying net asset value of investments in property assets. Grant Samuel has undertaken an analysis of a sample of the independent valuations and notes that:

- the external valuers have accepted instructions only from GPL and have confirmed that they satisfy the requirements in the Corporations Act that:
  - they are suitably qualified individuals with the requisite five years of appropriate experience;
  - they are authorised by law to practice as a valuer; and
  - they regard themselves as independent;

- the external valuers have been given appropriate instructions consistently;
- there were no restrictions in the scope of the independent valuers' engagements or other terms which may have impacted on the quality of the valuations;
- the external valuers have prepared their valuations in accordance with Australian Property Institute standards; and
- the external valuers have utilised standard property valuation methodologies (i.e. discounted cash flow, capitalisation of income and direct comparison) with the value conclusion selected having regard to the results of each methodology.

The information provided to Grant Samuel by GPL included distribution projections to FY19[14] based on the GPT Metro fund model. GPL is responsible for this forward looking information. Grant Samuel has used the distribution projections for analytical purposes. In this context, Grant Samuel notes that the GPT Metro fund model is used in the management of GPT Metro and supports the FY17 distribution guidance. While GPL has made guidance statements for GPT Metro in relation to distributions for FY17, no distribution guidance has been provided for subsequent years in the Target's Statement and therefore this information has not been included in this report.

Grant Samuel has also had regard to the information set out in the Growthpoint Bidder's Statement including forecasts for Growthpoint on a standalone basis and assuming the Growthpoint Offer is successful for FY16 and FY17 and the proforma financial position of Growthpoint on a standalone basis and assuming the Growthpoint Offer is successful. GPAL is responsible for this financial information. Grant Samuel has used this financial information for analytical purposes.

Grant Samuel has no reason to believe that the GPT Metro forward looking information and Growthpoint financial information reflects any material bias, either positive or negative. However, the achievability of forward looking information is not warranted or guaranteed by Grant Samuel. Future profits and cash flows are inherently uncertain. They are predictions by management of future events that cannot be assured and are necessarily based on assumptions, many of which are beyond the control of the management of GPL, GPT Metro, GPAL and Growthpoint. Actual results may be significantly more or less favourable.

In forming its opinion, Grant Samuel has also assumed that:

- matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the information set out in the Growthpoint Bidder's Statement and the Target's Statement is complete, accurate and fairly presented in all material respects; and
- the publicly available information relied on by Grant Samuel in its analysis was accurate and not misleading.

To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations, and policies, Grant Samuel assumes no responsibility and offers no legal opinion or interpretation on any issue.

14 FYXX = financial year end 30 June 20XX

3 Profile of GPT Metro Office Fund

3.1 Background

GPT Metro was established by GPT under a trust deed dated 1 October 2013 and registered as a managed investment scheme on 26 May 2014. It was listed on the ASX on 24 October 2014 offering investors exposure to a portfolio of six A grade metropolitan and business park office properties located in Sydney, Melbourne and Brisbane.

GPT Metro's mandate is to invest in Australian metropolitan and business park office properties. Specifically, it invests in Australian metropolitan office markets excluding the central business districts of Sydney, Melbourne and Brisbane. GPT Metro's objective is to own properties with a stable income profile with a conservative capital structure such that it provides unitholders with stable growing distributions. It does not undertake speculative development.

Prior to the announcement of the results of the property revaluation process on 4 April 2016, GPT Metro had a market capitalisation of around $265 million.

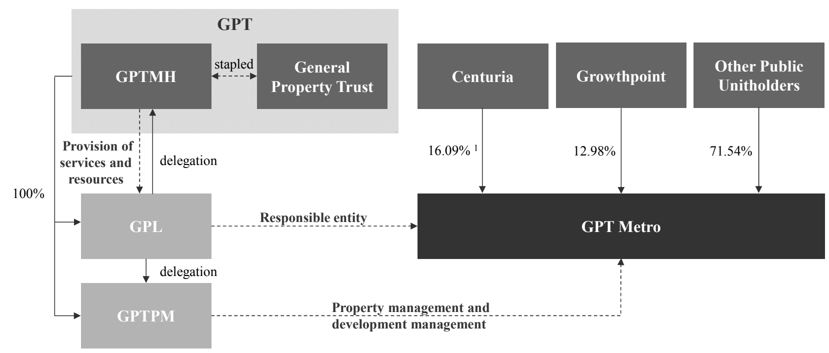
3.2 Operating Structure

GPT Metro is a registered managed investment scheme established by a constitution under which GPL is appointed responsible entity. GPL is a wholly owned subsidiary of GPTMH. GPL has a board of five directors (three of which are independent of GPT, including the Chairman) and no employees. Under the constitution, GPL is entitled to delegate exercise of any of its powers and performance of its obligations (including to related entities). In this regard, it has:

- entered into a Services Deed which identifies the services and resources that GPTMH will provide to GPL. These include the provision of executive directors and the fund manager as well as financial, legal, secretarial, information technology, investor relations services;
- entered into a Mandate Deed under which (amongst other matters) GPTMH is designated the sole procurer of acquisition opportunities for GPT Metro and GPT Metro agreed to invest only in metropolitan office markets excluding the central business districts of Sydney, Melbourne and Brisbane; and
- appointed GPT Property Management Pty Limited ("GPTPM"), a wholly owned subsidiary of GPTMH, to act as property manager and development manager for the GPT Metro property portfolio.

The ownership and operating structure of GPT Metro is summarised below:

GPT Metro – Ownership and Operating Structure



Source: GPT Metro
Notes: 1. Comprising 16,195,760 units owned by Centuria Special Opportunities Fund (12.6%) and 4,480,909 units owned by Centuria Metro (3.49%).

GPT Metro pays the following fees for services provided by GPL, GPTMH and GPTPM:

GPT Metro – Fee Structure	
Fee Type	**Basis**
Responsible Entity (GPL)	
▪ Management fee	▪ 0.3% per half year of gross asset value. Calculated and paid half yearly in arrears
Services Deed (GPTMH)	
▪ Services fee	▪ no fee while GPL and GPTMH are part of the same corporate group and GPL is entitled to the management fee ▪ reimbursement of certain expenses
Property Services Agreement (GPTPM)	
▪ Property management fee	▪ for the initial term (three years from 26 September 2014) an annual fee equal to the greater of: ▪ 2% of the gross annual income of the portfolio; and ▪ 85% of the fee that would be payable if the portfolio had no vacancies. The agreement is automatically renewed subject to the fees, scope and terms being independently benchmarked to market ▪ reimbursement of facilities management staff costs
▪ Leasing fee	▪ based on a percentage of lease income achieved
Development Management Agreement (GPTPM)	
▪ Development management fee	▪ fees as agreed for each project during the development proposal process ▪ reimbursement of certain expenses under the agreed project budget

Source: GPT Metro

GPL's role as responsible entity is subject to the provisions of the Corporations Act relating to the retirement and removal of responsible entities for listed managed investment schemes. GPL effectively has indefinite tenure unless it wants to retire or is removed. Either of these changes can only occur following an ordinary resolution of unitholders (i.e. approval by at least 50% of votes cast).

The agreements underlying GPT Metro's operating structure contain a range of termination triggers. However, all will terminate if GPL is replaced as responsible entity of GPT Metro by an entity which is not a member of the GPT group.

In addition, GPL has entered into an agreement with GPT Development Pty Limited ("GPTDM"), a wholly owned subsidiary of GPTMH and the developer of the 3 Murray Rose Avenue property. Under this agreement, GPTDM pays GPL an amount equal to the tenant incentive for this property for the term of the seven year lease ("3 Murray Rose Avenue rent receivable"). This agreement does not terminate if GPL is replaced as responsible entity of GPT Metro by an entity which is not a member of the GPT group. The benefit of the obligation of GPTDM to fund the incentives is transferable by GPL to any future acquirer of the property.

3.3 Investment Property Portfolio

GPT Metro's investment property portfolio comprises six A grade metropolitan and business park office properties located in Sydney, Melbourne and Brisbane. All properties are 100% owned and were acquired fully developed except for 3 Murray Rose Avenue which was completed in March 2015. Two of the properties (Optus Centre and Vantage) are owned freehold while the others are located at Sydney Olympic Park and are owned under long term leases which expire in the period 2096 to 2103 (in excess of 80 years).

The portfolio is 94.9% occupied with a weighted average lease expiry of 5.5 years. Except for Vantage (which GPT Metro expects to be fully leased by July 2017), the properties are almost fully occupied with minimal vacancies. The portfolio has a diversified tenant mix with the top five tenants (Lion, Samsung, Queensland Urban Utilities, Optus and Orora) accounting for around 70% of gross rental income.

GPT Metro's property portfolio was independently valued by CIVAS (NSW) Pty Limited (Colliers International) at 31 March 2016 at $439.3 million. The portfolio at 30 June 2016 is summarised below:

GPT Metro – Investment Property Portfolio							
Property	Office NLA[15] (m^2)	Occupancy[16]	WALE[17] (years)	Fair Value 30 June 2016 ($ million)	Portfolio Composition (book value)	Independent Valuation 31 Mar 2016 ($ million)	Capital-isation Rate
New South Wales							
3 Murray Rose Avenue, Sydney Olympic Park	13,400	100%	5.7	91.5	20.8%	91.5	6.50%
5 Murray Rose Avenue, Sydney Olympic Park	12,300	100%	7.8	90.5	20.6%	90.5	6.25%
Quad 2, Sydney Olympic Park	5,100	100%	3.1	29.0	6.7%	28.8	7.25%
Quad 3, Sydney Olympic Park	5,200	100%[18]	2.9[18]	29.3	6.6%	29.0	7.25%
Queensland							
Optus Centre, Fortitude Valley	16,200	97.8%	5.7	127.1	28.8%	127.0	6.75%
Victoria							
Vantage, Hawthorn	12,300	69.6%	4.7	72.9	16.5%	72.5	7.00%
Total	**64,500**	**94.9%[16]**	**5.5[16]**	**440.3**	**100.0%**	**439.3**	**6.70%**

Source: GPT Metro

3.4 Financial Performance

GPT Metro is recently created and FY16 is its first full year of operation as an ASX listed REIT. The financial performance of GPT Metro since 26 May 2014 (registration date) to 30 June 2016 is summarised below together with the GPT Metro FY17 Guidance:

GPT Metro - Financial Performance ($ millions)				
	26 May 2014 to 30 June 2015 actual	Six months ended 31 Dec 2015 actual	Year end 30 June	
			2016 actual	2017 guidance
Number of properties (period end)	*6*	*6*	*6*	*6*
Net property income[19]				
Rent from properties	29.5	16.8	33.8	
Property expenses and outgoings	(5.1)	(2.9)	(5.5)	
Net property income	**24.4**	**13.9**	**28.3**	
Straight lining of rent	3.3	(0.1)	0.5	
Responsible entity fee	(1.6)	(1.3)	(2.6)	
Management and other costs	(0.7)	(0.5)	(0.9)	
EBIT[20]	**25.4**	**12.0**	**25.3**	
Finance costs	(2.5)	(2.9)	(5.7)	
Interest income	0.2	0.2	0.5	
Changes in fair value of properties	23.9	10.1	35.3	
Changes in fair value of derivatives	(3.5)	(1.1)	(3.4)	
Non recurring items	(2.0)	-	(0.7)	
Profit attributable to unitholders	**41.5**	**18.3**	**51.3**	

15 NLA = net lettable area

16 Including rental guarantees (where applicable) and signed leases. Excluding rental guarantees, occupancy was 94.5% and WALE remains 5.5 years.

17 WALE = average lease expiry weighted by income. WALE includes signed leases.

18 Excluding rental guarantee, occupancy was 95.1% and WALE was 2.8 years

19 Net property income is rent from properties (before net of straight lining of rent and fair value adjustments) less property expenses.

20 EBIT is earnings before net finance costs, tax, fair value adjustments and non-recurring items.

GPT Metro - Financial Performance ($ millions)	26 May 2014 to 30 June 2015 actual	Six months ended 31 Dec 2015 actual	Year end 30 June 2016 actual	Year end 30 June 2017 guidance
Profit attributable to unitholders	**41.5**	**18.3**	**51.3**	
Changes in fair value of properties	(23.9)	(10.1)	(35.3)	
Changes in fair value of derivatives	3.5	1.1	3.4	
Other items (inc. rent straight lining)	(1.0)	0.9	1.5	
Earnings/FFO[21]	**20.1**	**10.2**	**20.9**	
Distributions	**19.4[22]**	**9.8**	**19.7**	
Statistics				
FFO per unit		*7.97¢*	*16.24¢*	*16.9¢*
Distribution per unit		*7.65¢*	*15.35¢*	*15.6¢*
Payout ratio		*96%*	*95%*	*92%*
Management expense ratio[23]		*0.85%[24]*	*0.82%*	
Interest cover[25]		*4.2x[26]*	*4.4x[26]*	

Source: GPT Metro and Grant Samuel analysis

Although established on 1 October 2013, GPT Metro was required to report financial results for the period from registration (26 May 2014) to 30 June 2015. However, analysis of FY15 results is not meaningful as they are distorted by a number of factors including:

- the property portfolio was formed in two transactions prior to allotment of units in the initial public offering on 29 October 2014. In particular, two properties (Optus Centre and Vantage) were acquired before 26 May 2014 and the remaining properties were acquired after 26 May 2014 but before 29 October 2014;
- 3 Murray Rose Avenue was under development at acquisition and reached practical completion in March 2015; and
- prior to 29 October 2014, GPT Metro was funded by a non-interest bearing loan from GPT.

The responsible entity fee paid to GPL is 0.3% per half year of gross asset value and is calculated on gross asset value on the last day of the relevant period. Management and other administration costs include directors' fees, listed company costs, valuation fees and tax, legal and audit fees. Non recurring items in the period ended 30 June 2015 include costs associated with the initial public offering and in FY16 include costs associated with the current corporate activity.

GPT Metro is exposed to interest rate risk in respect of its borrowings. It utilises derivative financial instruments to hedge that risk.

The GPT Metro FY17 Guidance has been prepared by GPL. It indicates an increase in distribution per unit of 1.6%. FFO guidance for FY17 is based on a number of assumptions including signing a lease in relation to vacant space at Level 1 at Vantage. In the event that this lease is not entered into, FY17 FFO per unit could be lower but no change is expected in relation to the guidance for distribution per unit. GPL has not publicly provided guidance for GPT Metro for periods beyond FY17.

21 Earnings is funds from operations ("FFO") which is determined by adjusting statutory net profit for certain non-cash and other items including fair value movements to investment properties and derivatives, rent straight lining and non-recurring items.

22 Including $6.4 million paid to GPT as sole unitholder prior to allotment on 29 October 2014 and $13.0 million (10.15 cents per unit) paid to all unitholders relating to the period from 29 October 2014 to 30 June 2015.

23 Calculated by GPL as responsible entity fee plus management and other administration costs (excluding non-recurring items) divided by total assets at each half year end. This gives a result marginally lower than the definition used by Grant Samuel for Growthpoint and Centuria Metro.

24 Calculated by reference to management expenses for the six months to 31 December 2015 annualised.

25 Interest cover is EBIT divided by finance costs.

26 This metric differs to that disclosed by GPT Metro. GPL adopts a different definition of EBIT as required under its borrowing facility.

Under current Australian taxation legislation, GPT Metro is a "pass through" vehicle and is not liable for income tax (including capital gains tax) provided its distributable income is distributed to unitholders in respect of each income year. GPT Metro currently pays distributions quarterly for the periods ending 30 September, 31 December, 31 March and 30 June. It aims to distribute between 90% and 100% of FFO each year, subject to cash available when determining the distribution.

GPL has announced an estimated distribution of 3.85 cents per unit for the quarter ending 30 June 2016. The record date for this distribution was 30 June 2016 and it is to be paid on 31 August 2016. GPT Metro units commenced trading ex distribution on 29 June 2016.

3.5 Financial Position

The financial position of GPT Metro as at 30 June 2015, 31 December 2015 and 30 June 2016 is summarised below:

GPT Metro - Financial Position ($ '000)

	30 June 2015 actual	31 December 2015 actual	30 June 2016 actual
Cash	2.6	2.0	3.3
Trade and other receivables and prepayments	2.2	2.4	1.9
Investment property portfolio[27]	401.8	412.9	440.3
Total assets	**406.6**	**417.3**	**445.5**
Trade and other payables	(3.0)	(5.4)	(5.0)
Responsible entity fee payable	(1.2)	(1.2)	(1.3)
Distributions payable	(13.0)	(9.8)	(4.9)
Borrowings (net of capitalised borrowing costs)	(119.5)	(119.4)	(127.5)
Derivative financial instruments	(3.5)	(4.7)	(6.9)
Total liabilities	**(140.2)**	**(140.5)**	**(145.6)**
Net assets	**266.4**	**276.8**	**299.9**
Statistics			
Units on issue at period end (million)	*127.6*	*128.5*	*128.5*
NTA[28] per unit	*$2.09*	*$2.15*	*$2.33*
Gearing[29]	*28.9%*	*28.3%*	*28.1%*

Source: GPT Metro and Grant Samuel analysis

Other receivables include the balance remaining under the Quads rental guarantee provided by GPT at the initial public offering. The outstanding amount under this arrangement will be received during FY17.

GPT Metro's investment properties are initially recognised at cost and subsequently stated at fair value. Fair value is assessed at each reporting date. Lease incentives provided by GPT Metro are included in fair value and amortised over the lease term on a straight line basis. Each property is required to be valued at least once annually by independent, registered valuers. The entire portfolio was independently valued at 31 March 2016 at $439.3 million.

Responsible entity fees are payable half yearly in arrears. Distributions to unitholders are declared prior to period end and paid in the following period.

GPT Metro's borrowings comprise an unsecured revolving bank debt facility in three tranches and, at 30 June 2016, had a weighted average maturity of approximately 3.5 years:

27 Including the 3 Murray Rose Avenue rent receivable provided by GPT at the initial public offering (see Section 3.2).
28 NTA is net tangible assets, which is calculated as net assets less intangibles (if any).
29 Calculated as borrowings less cash divided by total tangible assets less cash.

GPT Metro – Borrowings ($ millions)					
Facility	**Facility Limit**	**Amount Drawn**			**Maturity Date**
		30 June 2015	**31 Dec 2015**	**30 June 2016**	
Bank debt (unsecured):					
- Tranche A	70.0	70.0	70.0	70.0	31 October 2018
- Tranche B and C	75.0	50.0	50.0	58.0	31 October 2020
	145.0	**120.0**	**120.0**	**128.0**	
Capitalised borrowing costs	-	(0.5)	(0.6)	(0.5)	
Total	**145.0**	**119.5**	**119.4**	**127.5**	

Source: GPT Metro and Grant Samuel analysis

GPT Metro targets gearing of between 25% and 40%. Under its constitution, GPT Metro's total borrowings are not to exceed 55% of gross asset value.

To manage interest rate risk, GPT Metro's policy is to fix interest rates for between 50% and 100% of borrowings over a range of maturity dates. At 30 June 2016, it had hedged $100 million of borrowings at a weighted average hedge term of 4.3 years (78% of drawn debt). The fair value of derivative financial instruments at that date is negative $6.9 million.

A change of control for GPT Metro or GPL or replacement of GPL as responsible entity of GPT Metro, are review events under GPT Metro's bank debt facility. This may result in a change in facility terms or the repayment of all amounts owing under the debt facility and derivative arrangements within 90 days of the change of control occurring.

At 30 June 2016, GPT Metro had contracted capital expenditure commitments of $1.7 million which are not recognised in the financial position.

3.6 Capital Structure and Ownership

GPT Metro has 128,533,501 ordinary units on issue. At 13 July 2016 there were 1,847 registered unitholders in GPT Metro. The top 20 registered unitholders account for approximately 76% of the units on issue and, other than Growthpoint and Centuria Metro, are principally institutional nominee or custodian companies. GPT Metro has a large retail investor base with 62% of unitholders holding 10,000 or fewer units although this represents less than 4.3% of units on issue. GPT Metro unitholders are predominantly Australian based investors.

GPT Metro has received notices from the following substantial unitholders:

GPT Metro – Substantial Unitholders			
Unitholder	**Date of Notice**	**Number of Units**	**Percentage**
CPFL and Centuria Capital[30]	5 July 2016	20,676,669	16.09%
Growthpoint and GRT[31]	29 July 2016	18,612,228	14.48%
GPT	29 July 2016	39,288,897[32]	29.07%
APN Property Group Limited	11 Dec 2015	8,623,942	6.71%

Source: IRESS

Centuria Capital and CPFL's 16.09% voting power comprises a direct interest in 4,480,909 units owned by Centuria Metro (3.49%) and 16,195,760 units owned by Centuria Special Opportunities Fund (12.6%). These units were acquired on market primarily in the period 17-23 May 2016.

Growthpoint and GRT's 14.48% voting power comprises the 16,686,827 units Growthpoint acquired from GPT on 1 July 2016 for $2.45 per unit (12.98%) and 1,925,401 acceptances under the Growthpoint Offer (1.5%), albeit the offer has not yet been declared unconditional.

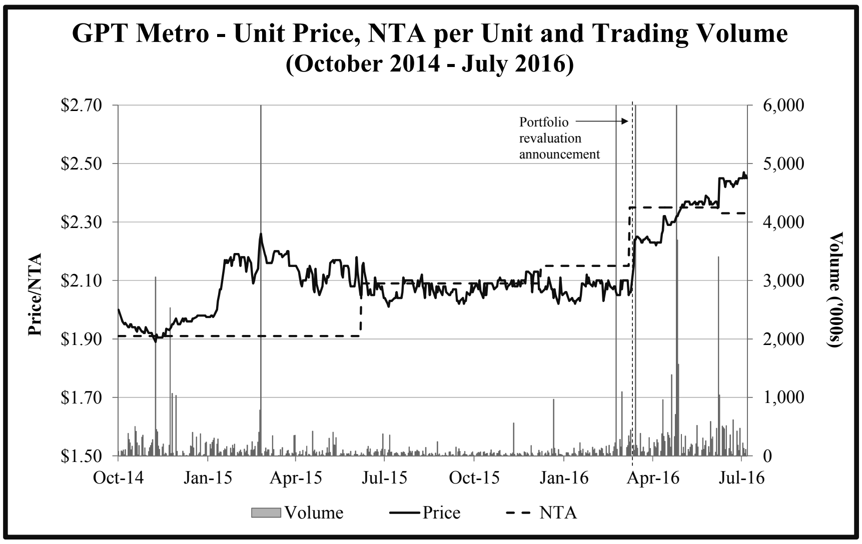
30 Centuria Capital has a relevant interest in 16.09% of GPT Metro by virtue of owning 100% of CPFL.

31 GRT has a relevant interest in Growthpoint's 14.48% relevant interest in GPT Metro by virtue of its 65.47% interest in Growthpoint.

32 Comprising the 20,676,669 units in which CPFL and Centuria Capital have a relevant interest and the 18,612,228 units in Growthpoint and GRT have a relevant interest. GPT has a relevant interest in these units as a consequence of GPTMH entering into Centuria Facilitation Agreement and the Growthpoint Facilitation Agreement.

3.7 Unit Price Performance

The following graph illustrates the movement in the GPT Metro unit price, NTA per unit and trading volumes since it commenced trading on the ASX in October 2014:



Source: IRESS
Notes:
(1) From 31 March 2016, NTA per unit is proforma NTA as announced on 4 April 2016.
(2) On four days in this period more than six million units traded but this is not shown on this graph. The days are:
- 20 March 2015 following announcement of inclusion in the S&P/ASX 300 Index and completion of the 3 Murray Rose Avenue development (6.2 million units);
- 18 March 2016 following exclusion from the S&P/ASX 300 Index and ahead of the record date for the March 2016 distribution (9.4 million units);
- 7 April 2016 following announcement of the Growthpoint's original proposal (7.1 million units); and
- 19 May 2016 as units were acquired on market ahead of Centuria Metro's acquisition proposal (15.8 million units).

Units in GPT Metro were issued at $2.00 per unit (a 4.9% premium to NTA of $1.91) and traded down to around NTA in December 2014. After recovering to $2.00 in late December 2014, the unit price rose steeply (in line with the market generally) to around $2.15 by February 2015. GPT Metro units then traded generally above $2.10 (at a premium to NTA of 10-13%) until July 2015. For the rest of 2015, the units traded in a narrow range of $2.06-2.15, at a VWAP[33] of $2.07 compared to NTA of $2.08 per unit. During 2016, until announcement of the revaluation of the property portfolio on 4 April 2016, GPT Metro units continued to trade at around that level, albeit that this represented a larger discount to NTA (circa 4%).

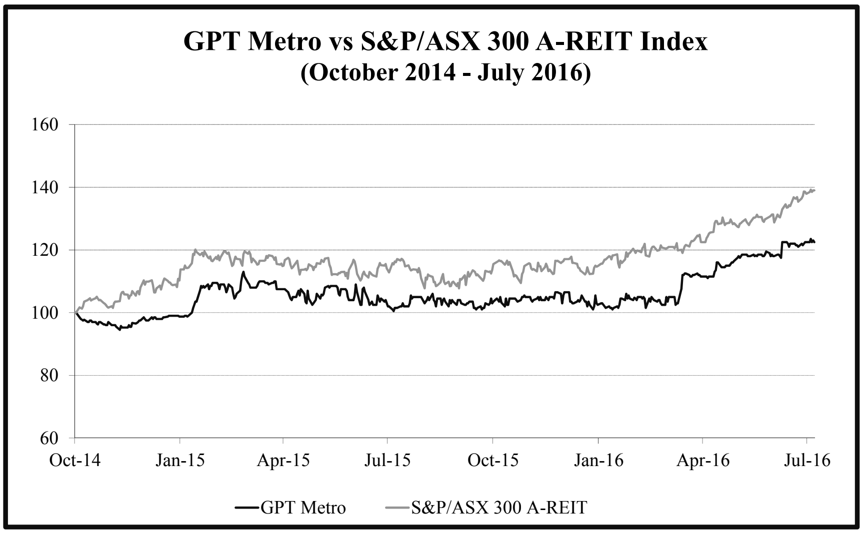
Following the announcement of the original Growthpoint proposal on 5 April 2016, the units jumped to above $2.20 (reflecting the terms of the offer) and traded in the range of $2.19-2.26 until the end of April. During May 2016 until Centuria Metro and its associates and commenced acquiring units on 17 May 2016, the unit price crept up to around $2.30. Following Centuria Metro's acquisitions in the period 17-23 May 2016 and proposal on 23 May 2016, the unit price has traded at a VWAP of $2.41, 3.4% above reported NTA per unit. The closing price on 29 July 2016 was $2.45, a 5.2% premium to reported NTA per unit.

GPT Metro has been a thinly traded stock with average weekly volume over the twelve months prior to the announcement of the revaluation of the property portfolio on 4 April 2016 representing

[33] VWAP = volume weighted average price

approximately 0.45% of average units on issue or annual turnover of around 23% of total average issued capital. However, since listing in October 2014 close to 30% of GPT Metro's units have been held by three unitholders (GPT[34], Morgan Stanley[35] and APN Property Group Limited). If these interests are treated as restrictions on free float, liquidity of GPT Metro units improves albeit not substantially (annual turnover represents around 33% of free float).

GPT Metro is a member only of the S&P/ASX All Ordinaries Index[36]. Nevertheless, the performance of GPT Metro's unit price since listing has generally mirrored the S&P/ASX 300 A-REIT Index as illustrated below:



Source: IRESS

After initially underperforming, GPT Metro units generally performed in line with the S&P/ASX 300 A-REIT Index during 2015 but it underperformed until the announcement in April 2016. Since then, it has outperformed on corporate activity announcements, but has generally mirrored the index.

Including the impact of distributions, GPT Metro has delivered a total return of 23.1%[37] in the year to 30 June 2016 compared to a 24.6% total return from the S&P/ASX 300 A-REIT Accumulation Index. However, GPT Metro's FY16 return reflects the appreciation in the unit price due to the corporate activity since March 2016. In comparison, in the year to 31 March 2016, GPT Metro delivered a total return of 5.1%[37] compared to the S&P/ASX 300 A-REIT Accumulation Index return of 11.4%.

34 GPT's interest in GPT Metro was sold to Growthpoint on 1 July 2016.

35 Morgan Stanley's substantial unitholding in GPT Metro was sold down during the period in which CPFL acquired its 16.09% relevant interest.

36 GPT Metro was admitted to the S&P/ASX 300 Index in March 2015 but excluded from the index again in March 2016.

37 GPL analysis. GPT Metro total return based on reinvestment of dividends declared in the period.

4 Profile of Growthpoint Properties Australia

4.1 Background

The Orchard Industrial Property Fund ("Orchard") was established under a constitution dated 25 May 2006 and registered as a managed investment scheme on 20 June 2006. It listed on the ASX in July 2007 as an externally managed REIT with an $815 million portfolio of 28 industrial properties located across Australia.

Orchard was highly geared and challenged by the capital constrained environment following the global financial crisis. As a consequence, a proposal to recapitalise and restructure the entity was announced in May 2009. This proposal involved a $200 million capital raising (comprising a placement to GRT and rights issue underwritten by GRT), the internalisation of management (achieved by stapling the responsible entity to the property owning trust) and the broadening of the entity's investment mandate to include the office, retail and industrial property markets. Following implementation of the proposal, the entity recommenced trading on 25 September 2009 as Growthpoint with GRT holding a 76.2% interest in its stapled securities.

Since then Growthpoint has grown substantially through capital recycling, asset acquisitions funded by both debt and equity (placements, entitlement offers and distribution reinvestment) raisings and the 2011 scrip takeover of ASX listed Rabinov Property Trust ("Rabinov"). Today, Growthpoint owns a $2.8 billion portfolio of 58 properties located across Australia and GRT holds a 65.47% interest.

Growthpoint's mandate is to invest in Australian industrial, office and retail properties with the objective of providing consistent growth in income returns and long term capital appreciation. It does not undertake speculative property development or develop properties for sale to third parties.

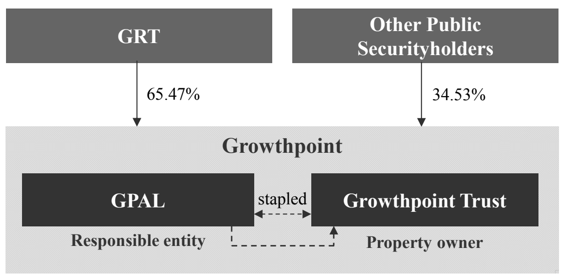
Prior to the announcement of its proposal to acquire GPT Metro on 5 April 2016, Growthpoint had a market capitalisation of around $1.8 billion.

4.2 Operating Structure

Growthpoint is an internally managed stapled entity comprising Growthpoint Trust and GPAL (the responsible entity of Growthpoint Trust). GPAL has a board of seven directors (including one executive director and six non-executive directors, four of which are independent of GRT) and, at 30 June 2015, 16 employees.

The ownership and operating structure of Growthpoint is summarised below:

Growthpoint – Ownership and Operating Structure



Source: Growthpoint

GPAL outsources the day to day property and facilities management of the property portfolio to the Australian operations of Jones Lang LaSalle Inc. and CBRE Inc. However, being internally managed, on a consolidated basis no fees are paid to external parties to manage the stapled entity itself. Nevertheless, Growthpoint Trust's constitution provides that the responsible entity (GPAL) is entitled to the following fees:

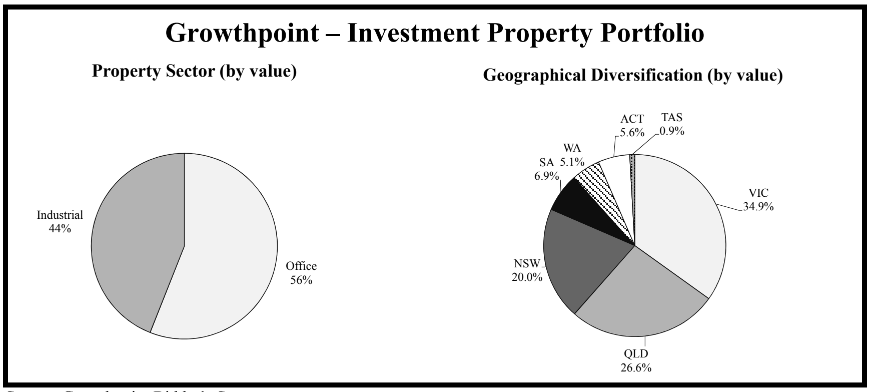
Growthpoint – Responsible Entity Fees	
Fee Type	**Basis**
▪ Management fee	▪ 0.40% of gross asset value. Accrued daily and payable monthly in arrears
▪ Performance fee	▪ 15% of the amount by which the accumulation index of Growthpoint Trust exceeds the return in respect of the S&P/ASX 300 Property Accumulation Index multiplied by the market capitalisation of the entity. Calculated annually and paid in arrears within one month of the financial year end
▪ Cost reimbursement	▪ reimbursement of administration and management costs properly incurred
▪ Foreign asset acquisition fee	▪ 1% of the value of any foreign asset acquired payable on completion
▪ Debt placement fee	▪ 1% of any amount drawn down under any new or refinanced debt facility
▪ Custodial fee	▪ up to 0.05% per annum of the value of any assets held in a custodial capacity. Calculated and payable monthly in arrears

Source: Growthpoint

GPAL has waived its right to receive these fees and charges Growthpoint Trust for its actual costs in managing the trust plus 2.5%. On this basis, the total management costs of Growthpoint are estimated to be 0.40% per annum of the gross asset value of Growthpoint Trust.

4.3 Investment Property Portfolio

Growthpoint's investment property portfolio comprises 58 properties located across Australia (20 of which are office properties and 38 of which are industrial properties). All properties are 100% owned. The portfolio composition at 20 June 2016 is illustrated below:



Source: Growthpoint Bidder's Statement

Growthpoint's property portfolio has a diversified tenant mix with the top five tenants accounting for around 48% of passing rent. The portfolio metrics are summarised below:

Growthpoint – Investment Property Portfolio			
	Industrial	**Office**	**Total**
Number of properties	38	20	58
Value ($ million)	1,222.1	1,555.4[38]	2,777.5
% of portfolio	44%	56%	100%
WALE (years)			6.2
NLA (m^2)			1,108,852
Capitalisation rate			7.0%
Occupancy			99%

Source: Growthpoint Bidder's Statement

38 Including Building C, 211 Wellington Road, Mulgrave, Victoria at its "on completion" valuation.

4.4 Financial Performance

The financial performance of Growthpoint for the four years ended 30 June 2015 and the six months ended 31 December 2015 is summarised below together with the Growthpoint FY16 and FY17 Forecasts:

Growthpoint - Financial Performance ($ millions)						
	Year end 30 June					
	2012 actual	2013 actual	2014 actual	2015 actual	2016 forecast	2017 forecast
Number of properties (period end)						
Industrial	*27*	*29*	*35*	*36*	*38*	*33*
Office	*15*	*15*	*16*	*17*	*20*	*20*
Total	*42*	*44*	*51*	*53*	*58*	*53*
Net property income						
Rent from investment properties	124.0	153.8	172.2	197.2		
Property expenses and outgoings	(15.1)	(20.5)	(23.6)	(25.4)		
Net property income	**108.9**	**133.3**	**148.6**	**171.8**	**180.1**	**190.6**
Straight lining of rent	3.0	5.8	5.4	5.3	-	-
Other expenses	(5.6)	(6.4)	(8.9)	(9.1)	(9.7)	(10.6)
EBIT	**106.3**	**132.7**	**145.1**	**168.0**	**170.4**	**180.0**
Finance costs	(50.1)	(56.3)	(49.0)	(44.3)	(44.5)	(46.7)
Interest income	4.7	5.8	0.7	0.8		
Changes in fair value of properties	30.1	6.0	23.8	169.8		
Changes in fair value of derivatives	(28.0)	5.6	12.8	1.5		
Non-recurring items	(13.2)	0.3	(15.8)	(12.4)		
Profit before tax	**49.8**	**94.1**	**117.6**	**283.4**	**125.9**	**133.3**
Income tax expense	(0.3)	(0.1)	(0.3)	(0.4)	(0.4)	(0.4)
Profit attributable to securityholders	**49.5**	**94.0**	**117.3**	**283.0**	**125.5**	**132.9**
Change in fair value of properties	(30.1)	(6.0)	(23.8)	(169.8)		
Profit on sale of investment properties	0.1	(0.3)	-	(0.4)		
Net loss on derivatives	41.2	(5.6)	3.0	11.3		
Other items	(3.0)	(5.7)	(5.2)	(5.2)		
Distributable income/FFO	**57.7**	**76.4**	**91.3**	**118.9**	**125.5**	**132.9**
Statistics						
Net property income growth	*37.5%*	*22.4%*	*11.4%*	*15.6%*	*4.8%*	*5.8%*
FFO per security	*17.7¢*	*19.3¢*	*20.0¢*	*21.2¢*	*21.8¢*	*22.3¢*
Distribution per security	*17.6¢*	*18.3¢*	*19.0¢*	*19.7¢*	*20.5¢*	*21.3¢*
Payout ratio	*99%*	*95%*	*95%*	*93%*	*94%*	*96%*
Proportion tax deferred	*84%*	*70%*	*77%*	*71%*		
Management expense ratio[39]	*0.40%*	*0.39%*	*0.47%*[40]	*0.40%*	*0.40%*	*0.40%*
Interest cover[25]	*2.1x*	*2.4x*	*3.0x*	*3.8x*	*3.8x*	*3.9x*

Source: Growthpoint and Grant Samuel analysis

The Growthpoint FY16 and FY17 Forecasts (including underlying assumptions) are set out in Section 9.3 of the Growthpoint Bidder's Statement. The Growthpoint FY16 and FY17 Forecasts have been prepared by GPAL and reviewed by Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton"). Grant Thornton's Independent Limited Assurance Report is attached as Attachment 3 to the Growthpoint Bidder's Statement. In particular, the Growthpoint FY17 Forecast assumes the sale of five properties in July/August 2016, the issue of 13.1 million securities under the distribution reinvestment plan for the 30 June 2016 distribution and a 3.9% increase in distribution per security. Growthpoint has not publicly provided earnings guidance for periods beyond FY17.

39 Calculated as responsible entity fee plus management and other administration costs (excluding non-recurring items) divided by total average assets. Total average assets is calculated as the average of total assets at the beginning and the end of the period. This is different to the definition adopted by GPL for GPT Metro.

40 The increase in management expense ratio in FY14 reflects recurring expenses commencing before acquired properties were included in Growthpoint's balance sheet as well as some one-off items not separately recognised as non-recurring.

Since 30 June 2010 (the financial year end following implementation of the recapitalisation/ restructure proposal) Growthpoint's investment property portfolio has grown from 32 properties to 58 properties at 30 June 2016. As a result, Growthpoint has experienced average growth of 20.3% per annum in net property income over the six years to 30 June 2016 (in absolute terms). Over the same period, other expenses (which include staff costs, professional fees and insurance costs) have doubled to around $10 million per annum reflecting the increased size of the property portfolio and an associated increase in employee numbers. Over the long term, the management expense ratio is expected to be at or below 0.40%. Non-recurring items include profits/losses on sale of investment properties, settlement of derivatives and distributions receivable.

Growthpoint is exposed to interest rate risk in respect of its borrowings. It utilises derivative financial instruments to hedge that risk.

Under current Australian taxation legislation, Growthpoint Trust is not liable for income tax (including capital gains tax) provided its distributable income is distributed to securityholders in respect of each income year or the securityholders become presently entitled to all the taxable income. However, GPAL is liable for income tax.

Growthpoint pays distributions half yearly for the periods ending 31 December and 30 June. Growthpoint estimates that given the requirements of the current portfolio the payout ratio should remain above 90% over the medium term. Distributions may include income, capital gains, tax deferred amounts (i.e. the excess of distributable income over taxable income), capital gains tax concessional amounts and franked dividends.

Growthpoint has announced a distribution for the six months ended 30 June 2016 of 10.3 cents per stapled security. The record date for the distribution was 30 June 2016 and it is to be paid on 31 August 2016. Growthpoint securities commenced trading ex-distribution on 29 June 2016.

4.5 Financial Position

The financial position of Growthpoint as at 30 June 2015 and 31 December 2015 and the proforma financial position at 31 December 2015 is summarised below:

Growthpoint - Financial Position ($ millions)			
	30 June 2015 actual	31 December 2015 actual	31 December 2015 proforma
Cash	26.8	40.1	38.4
Trade and other receivables	35.7	42.1	42.1
Plant and equipment (net)	0.3	0.2	0.2
Investment property portfolio[41]	2,343.8	2,567.4	2,619.4
Deferred tax assets	0.5	0.6	0.6
Total assets	**2,407.1**	**2,650.4**	**2,700.7**
Trade and other payables	(28.9)	(37.0)	(37.0)
Acquisition payables	-	(70.2)	(3.8)
Distributions payable	(56.3)	(58.1)	-
Borrowings (net of capitalised borrowing costs)	(890.4)	(995.3)	(1,142.8)
Derivative financial instruments	(20.0)	(10.0)	(10.0)
Total liabilities	**(995.6)**	**(1,170.6)**	**(1,193.6)**
Net assets	**1,411.5**	**1,479.8**	**1,507.1**
Statistics			
Securities on issue at period end (million)	*569.0*	*569.3*	*583.1*
NTA per security	*$2.48*	*$2.60*	*$2.58*
Capital expenditure / average portfolio value	*0.3%*	*0.3%*[42]	*0.3%*[42]
Gearing (borrowings/total assets)	*37.0%*	*37.6%*	*42.3%*
Gearing (GPT Metro definition)[29]	*36.3%*	*36.6%*	*41.5%*

Source: Growthpoint and Grant Samuel analysis

41 Inclusive of rental income recognised on a straight line basis.

42 Calculated by reference to capital expenditure for the six months to 31 December 2015 annualised.

The proforma financial position at 31 December 2015 (including underlying assumptions) is set out in Section 9.4 of the Growthpoint Bidder's Statement. It recognises material events between 1 January 2016 and 30 June 2016 including property acquisition and disposals (including five properties in July-August 2016) and payment of the distribution for the six months ended 31 December 2015 net of the issue of new securities under the distribution reinvestment plan. The proforma financial position at 31 December 2015 has been prepared by GPAL and reviewed by Grant Thornton. Grant Thornton's Independent Limited Assurance Report is attached as Attachment 3 to the Growthpoint Bidder's Statement.

Growthpoint's investment properties are initially recorded at cost including transaction costs. Subsequently, the properties are recognised at fair value. Directors revalue the properties on the basis of valuations determined by them or independent valuations on a periodic basis. Each property is independently valued at least once every three years. In this regard, independent valuations have been undertaken for all properties in the portfolio in the twelve months to 31 December 2015 (31 properties were valued at 31 December 2015). The total independently assessed value for the portfolio at 31 December 2015 was $2.6 billion. The carrying value for the property portfolio at 31 December 2015 (proforma) of $2.6 billion includes components relating to deferred rent, lease incentives and leasing fees.

Acquisition payables relate to the settlement of contracts to acquire investment properties. At 31 December 2015, $66.5 million related to the purchase of 255 London Circuit, Canberra which completed on 22 January 2016.

Growthpoint targets gearing of between 35% and 45% and has a Moody's Investor Services senior secured debt rating of Baa2 (stable outlook). Growthpoint's borrowings comprise a syndicated bank facility (in five tranches) and debt capital market issuances all of which are secured by first mortgages over freehold land and buildings. At 31 December 2015, Growthpoint's borrowings had a weighted average maturity of 4.7 years:

Growthpoint – Borrowings ($ millions)

Facility Type	Facility Limit	Amount Drawn 30 June 2015 actual	Amount Drawn 31 Dec 2015 actual	Amount Drawn 31 Dec 2015 proforma	Maturity Date
Syndicated bank facility:					
- Tranche A	255.0	255.0	255.0		December 2017
- Tranche B	255.0	255.0	196.7		December 2018
- Tranche C	245.0	86.8	-		December 2019
- Tranche D	70.0	-	-		December 2019
- Tranche E	100.0	100.0	100.0		June 2019
	925.0	**696.8**	**551.7**		
Debt capital market issuances:					
Loan Note 1	200.0	200.0	200.0		March 2025
Loan Note 2	100.0	-	100.0		December 2022
Loan Note 3	60.0	-	60.0		December 2022
Facility 1	90.0	-	90.0		December 2022
	450.0	**200.0**	**450.0**		
Total interest bearing liabilities	**1,375.0**	**896.8**	**1,001.7**		
Capitalised borrowing costs	-	(6.4)	(6.4)		
Total borrowings	**1,375.0**	**890.4**	**995.3**	**1,142.8**	

Source: Growthpoint and Grant Samuel analysis

To manage interest rate risk, Growthpoint's policy is to fix the interest rate on between 75% and 100% of drawn borrowings. At 31 December 2015, 81% of Growthpoint's borrowings was fixed and these borrowings had a weighted average maturity of 6.2 years (compared to a weighted average maturity of total debt of 4.7 years). The fair value of derivative financial instruments at that date is negative $10.0 million.

At 31 December 2015, Growthpoint disclosed the following contractual obligations which were not otherwise reflected in the investment properties:

- under three current leases, the tenant can require Growthpoint fund an expansion of the property. Each expansion clause has different terms but, for Growthpoint, these obligations exist until April 2016, June 2017 and December 2028. Growthpoint estimates that the aggregate cost of these expansions to be no more than $15 million;
- under a current lease, Growthpoint has an obligation until June 2019 to make available $6 million to the tenant upon request for refurbishment at the property; and
- Growthpoint has entered into a contract and other documents to acquire Building C, 211 Wellington Road, Mulgrave, Victoria on a fund through basis. Practical completion of this office building is expected to be in late 2016. A further $43.9 million is payable under the fund through agreement for this property.

Growthpoint did not disclose any other contingent assets and liabilities as at 31 December 2015.

4.6 Capital Structure and Ownership

Growthpoint has 583,125,744 stapled securities on issue[43]. At 31 December 2015, there were 3,433 registered securityholders in Growthpoint. The top ten registered securityholders at that date accounted for approximately 91% of the securities on issue and, other than GRT and Emira Property Fund (a diversified REIT listed on the Johannesburg Stock Exchange), are principally institutional or custodian companies.

The only substantial securityholder in Growthpoint is GRT with 381,773,404 stapled securities (65.47% interest). Approximately 75% of the beneficial securityholders are domiciled in South Africa (including GRT). Growthpoint has assessed that, excluding GRT, around 27% of beneficial securityholders are institutional investors, 7% are retail investors and 1% are directors and employees.

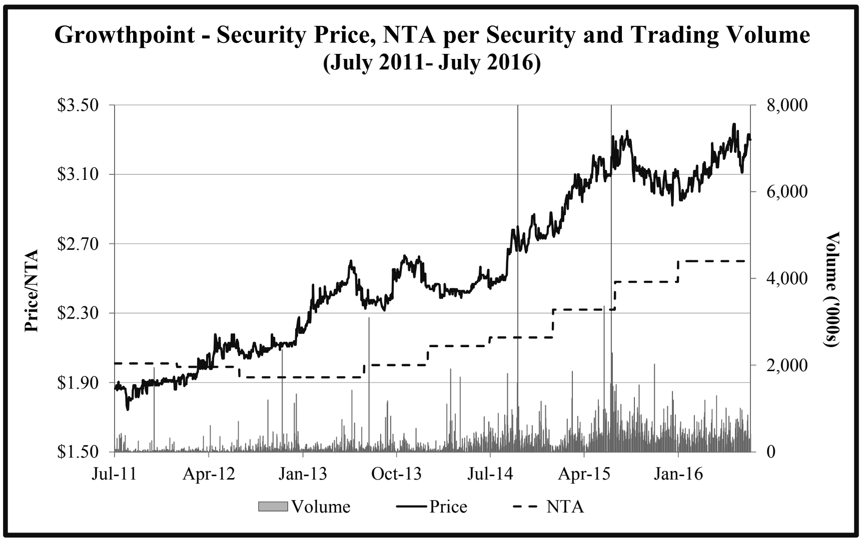
A distribution reinvestment plan was introduced in June 2008. It was active for the 30 June 2008 and 30 September 2008 distributions and then suspended until the 30 June 2012 distribution. It was suspended for the 30 June 2015 distribution but is currently active. Participation in the plan has averaged 74% for the seven distributions for which it has been active since 2012. This high rate reflects GRT's participation.

Growthpoint operates a long term incentive plan for all employees, including its Managing Director. The plan involves the annual grant of performance rights to participating eligible employees based on a percentage of their base salary determined by the percentage of the measures under each years' plan that are achieved. Subject to remaining employed by Growthpoint, the employee will receive 25% of their performance rights by the issue of stapled securities based on the VWAP over the first 20 trading days of September prior to (for plans after FY13) the vesting date of the first tranche of each plan and (for FY13 and earlier plans) each vesting date. The performance rights are cumulative and, subject to some exceptions, vest in the case of a takeover of Growthpoint or redundancy. As the number of securities to be issued cannot be determined until performance rights vest, it is not possible to fully assess the dilutive impact of outstanding performance rights.

4.7 Security Price Performance

The following graph illustrates the movement in the Growthpoint security price, NTA per stapled security and trading volumes since July 2011:

[43] On 18 July 2016, Growthpoint announced a 74.5% take up of the dividend distribution plan in relation to the distribution for the six months ended 30 June 2016, which is to be paid on or around 31 August 2016. As a result, Growthpoint will issue approximately 14.4 million new stapled securities on or around 31 August 2016.



Source: IRESS

Notes:

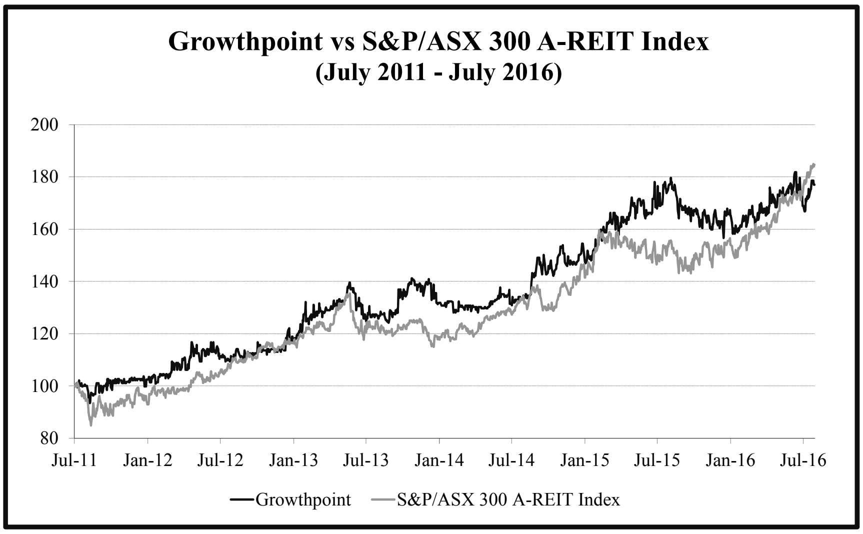
(1) Stapled security prices on an adjusted basis reflecting four entitlement offers undertaken between June 2011 and June 2014. NTA per security not adjusted for these entitlement offers.

(2) On two days in this period more than eight million securities traded but this is not shown on this graph. The days are:
- 19 September 2014 after being assigned an investment grade credit rating and being included in the S&P/ASX 300 Index (18.9 million securities); and
- 19 June 2015 following inclusion in the MSCI Global Small Cap Index and the S&P/ASX 200 Index (10.5 million securities).

From 25 September 2009 (after implementation of the recapitalisation and restructure transaction) until April 2012, Growthpoint stapled securities traded at a discount to reported NTA in line with passive REIT peers. However, with the growth in its property portfolio following the acquisition of Rabinov in 2011 and better market conditions, Growthpoint securities commenced trading at a premium to NTA. The security price has increased steadily since 2012 reflecting growth in distributions in line with growth in the investment portfolio, a relatively high payout ratio, inclusion in key market indices and a restricted free float (although the free float has increased as GRT has reduced its interest from 76.2% in 2009 to 65.5% today). Growthpoint securities have traded at a median premium to NTA of 24% since 2012, with the premium ranging from 13% to 43% in the period. The closing price on 29 July 2016 was $3.30, a 26.9% premium to reported NTA.

Growthpoint is a moderately liquid stock notwithstanding its restricted free float (34.5% of total securities). Average weekly volume over the twelve months prior to the announcement of its initial proposal to acquire GPT Metro on 5 April 2016 represented approximately 0.48% of average securities on issue (1.4% of free float) or annual turnover of around 25% of total average issued capital but 71% of free float.

Growthpoint is included in various key indices including the S&P/ASX 200 Index, S&P/ASX 200 A-REIT Index and the S&P/ASX 300 A-REIT Index. At 30 June 2016, its weighting in these indices was approximately 0.12%, 1.41% and 1.36% respectively. The performance of Growthpoint's security price since July 2011 relative to the S&P/ASX 300 A-REIT Index is illustrated in the following chart:



Source: IRESS

The Growthpoint security price has generally performed in line with the index with two periods of outperformance in September-October 2013 (on relatively low trading volumes) and April-June 2015 reflecting increasing investor interest and a period of underperformance from October 2015 until the announcement of Growthpoint's initial acquisition proposal for GPT Metro on 5 April 2016. Growthpoint securities underperformed at the beginning of July 2016 following the ex-distribution date for the June 2016 distribution and announcement of the Growthpoint Offer.

Including the impact of distributions, over three and five years Growthpoint has broadly performed in line with the S&P/ASX 300 A-REIT Accumulation Index but underperformed over one year:

Growthpoint – Comparison of Accumulation Indices			
	Returns to 30 June 2016		
	1 year	**3 years**	**5 years**
Growthpoint[44]	7.4%	17.6%	19.6%
S&P/ASX 300 A-REIT Accumulation Index	24.6%	18.5%	18.0%

Source: Grant Samuel analysis

44 GPL and Grant Samuel analysis. Growthpoint total return based on reinvestment of dividends declared in the period.

5 Value of the Consideration under the Growthpoint Offer

5.1 Summary

Under the Growthpoint Offer, GPT Metro unitholders will receive the Mixed Consideration but eligible unitholders can elect to receive the Cash Consideration.

Grant Samuel has attributed a value to the scrip component of the Mixed Consideration based on a value range for Growthpoint stapled securities of $3.05-3.35. Together with the cash component of the consideration, the value of the consideration to GPT Metro unitholders under the Mixed Consideration is $2.46-2.58 per unit (rounded to two decimal places) as follows:

Growthpoint Offer - Value of Mixed Consideration	
Component	**Mixed Consideration**
Value per Growthpoint stapled security	$3.05-3.35
Exchange ratio	0.3968
Value of scrip component	$1.2102-1.3293
Cash component	$1.25
Total value per GPT Metro unit	**$2.4602-2.5793**

The value of the Mixed Consideration will vary with movements in the Growthpoint stapled security price. Accordingly, until the securities under the Growthpoint Offer are issued, GPT Metro unitholders are exposed to events or other factors that impact the Growthpoint security price. The actual value of the Mixed Consideration could therefore ultimately exceed, or be less than, $2.46-2.58 per GPT Metro unit. Depending on the circumstances, significant (and sustained) movements in the Growthpoint stapled security price could change the evaluation of the Growthpoint Offer.

Alternatively, eligible GPT Metro unitholders who accept the Growthpoint Offer can elect to participate in the Cash Alternative Facility and receive 100% cash for their GPT Metro units. By doing so, unitholders will receive $3.15[45] cash for every Growthpoint security that would otherwise have been issued to them under the Mixed Consideration (equivalent to approximately $1.25 cash for every GPT Metro unit). Accordingly, GPT Metro unitholders that elect this alternative will receive approximately $2.50 cash for every GPT Metro unit[46]. As a result, GPT Metro unitholders will be able to fix the value of the consideration under the Growthpoint Offer and not be exposed to downward movements in the Growthpoint security price. On the other hand, they will also not benefit from any increase in the Growthpoint security price above $3.15 from 30 June 2016.

The Cash Consideration of $2.50 per GPT Metro unit falls within the value range attributed to the Mixed Consideration and could be seen to provide a floor (minimum value) for the consideration under the Growthpoint Offer. However, the Cash Consideration will only be available to GPT Metro unitholders if they make valid elections to participate in the Cash Alternative Facility. Accordingly, in Grant Samuel's opinion, the value of the consideration under the Growthpoint Offer is $2.46-2.58 per GPT Metro unit (i.e. the Mixed Consideration).

[45] This represents the closing price of Growthpoint stapled securities on 30 June 2016 (being the day prior to announcement of the Growthpoint Offer). This price is ex entitlement to Growthpoint's distribution for the six months ended 30 June 2016.

[46] As fractional entitlements to Growthpoint stapled securities under the Mixed Consideration will be rounded down, the actual cash amount received per GPT Metro unit may be less than $2.50 but the difference will be de minimus. For example, if a unitholder holds 1,000 GPT Metro units and elects to participate in the Cash Alternative Facility they will receive $2,497.40 cash ($2.4974 per GPT Metro unit) calculated as follows:

- cash component of $1,250.00 (1,000 x $1.25 cash); plus
- scrip component of $1,247.40 (396 x $3.15 cash, being 1,000 x 0.3968 = 396.8 Growthpoint securities rounded down to 396 securities).

5.2 Approach

The Growthpoint Offer involves a change of control of GPT Metro. For the purposes of takeover analysis, the relevant test for GPT Metro unitholders under the Mixed Consideration is the expected market value of the Growthpoint stapled securities plus cash received as consideration. This involves an estimation of the trading price for Growthpoint after the Growthpoint Offer is implemented (rather than a pre bid price).

It is normal practice to use the post announcement market price as the starting point for estimating the value of an offer with a scrip component. An alternative method is to estimate the underlying value of the combined entity and then to apply a discount to reflect a portfolio interest. However, access to the detailed financial and operational information (such as earnings and operational forecasts or asset plans) of both parties is required to undertake such a fundamental analysis of the value of the consideration. Furthermore, the consensus view of a well traded market is likely to be a more reliable estimate than that of a single external observer. Market prices (particularly for entities such as Growthpoint that enjoy moderate levels of market liquidity and are followed by a number of market analysts) usually incorporate the influence of all publicly available information on an entity's prospects, future earnings and risks.

Grant Samuel has had regard to the market price of Growthpoint and addressed the following questions:

- is there any reason why the market price is not a true reflection of the fair market value of Growthpoint stapled securities? For example, there could be:
  - important information about the entity and its business/assets which would affect the security price but is not in the public domain;
  - mispricing by the market; and/or
  - abnormal trading activity in Growthpoint stapled securities; and
- will the proposed transaction, if implemented, have a material impact on Growthpoint's financial metrics, growth prospects, risk profile or other factors that would be likely to result in a change in the security price?

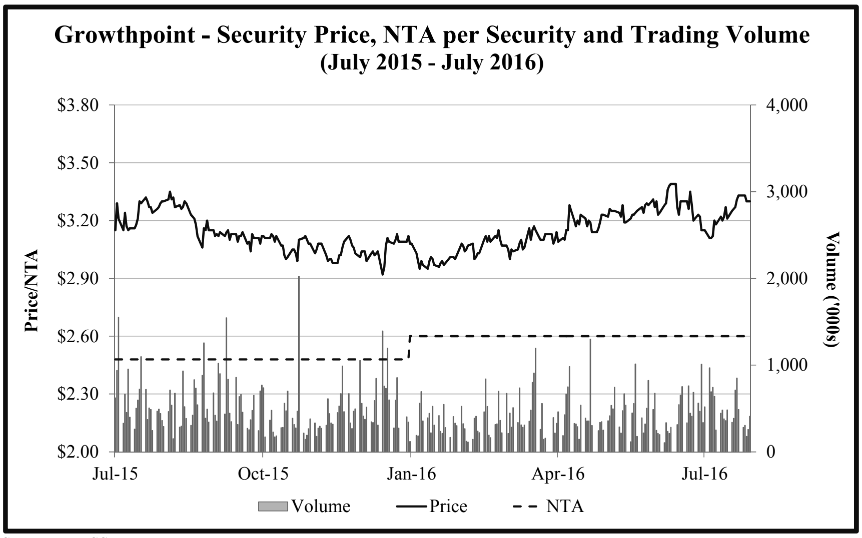
In considering these questions, Grant Samuel has:

- analysed the recent trading in Growthpoint stapled securities;
- compared key value metrics for Growthpoint to those of its peers;
- reviewed broker analyst research on Growthpoint;
- analysed the impact of the Growthpoint Offer on Growthpoint's key financial metrics; and
- considered the implications for Growthpoint's security price of acquiring less than 100% of GPT Metro.

5.3 Analysis of Sharemarket Trading in Growthpoint Securities

Growthpoint is a reasonably liquid stock despite its restricted free float (34.5% of issued securities). It is a member of major stockmarket indices including the S&P/ASX 200 Index and the S&P/ASX 200 A-REIT Index and is the 14th largest REIT listed on the ASX (by market capitalisation). Growthpoint's security price performance since July 2011 is discussed in Section 4.7 of this report.

Trading in Growthpoint stapled securities between 1 July 2015 and 4 April 2016 (being the last day prior to announcement of its proposal to acquire GPT Metro) was in the range $2.92-3.49 at a VWAP of $3.11. Throughout this period Growthpoint has traded at a substantial premium to NTA (range of 13-35%, median 23%). The closing price on 4 April 2016 was $3.11, a 19.6% premium to reported NTA per security:



Source: IRESS

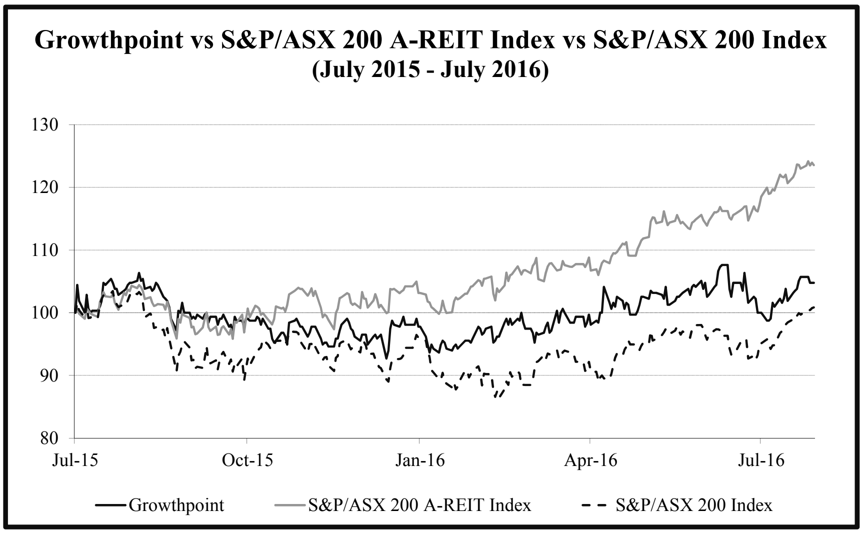
Since announcement of its initial proposal to acquire GPT Metro on 5 April 2016, Growthpoint securities have traded in the range of $3.03-3.43, a VWAP of $3.23, and closed at $3.30 on 29 July 2016, a 26.9% premium to reported NTA per security. Over the shorter period since announcement of the Growthpoint Offer on 1 July 2016, Growthpoint securities have traded in the range of $3.10-3.39, at a VWAP of $3.22. This narrower trading range reflects that Growthpoint securities commenced trading ex-distribution on 29 June 2016 (10.3 cents per security for the six months ended 30 June 2016).

The important question is whether the recent performance and current price reflect the rational view of a well informed market or, alternatively, whether Growthpoint is out of line with its peers or the market.

In addressing this issue the following factors have been considered.

Growthpoint Compared to its Peers and the Market

The following graph illustrates the performance of Growthpoint stapled securities since 1 July 2015 relative to the S&P/ASX 200 A-REIT Index and S&P/ASX 200 Index:

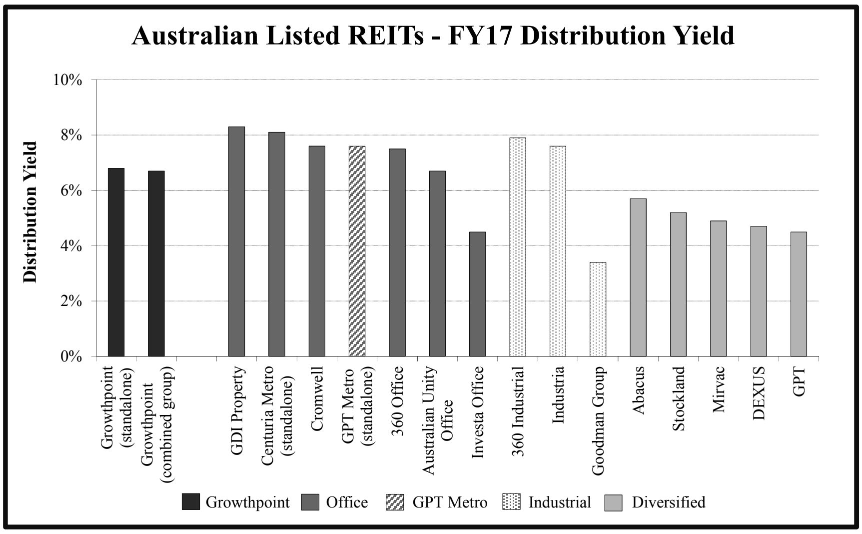


Source: IRESS

This graph shows that:

- the S&P/ASX 200 A-REIT Index has consistently outperformed the overall market since July 2015 (i.e. up 23.5% compared to a 1% increase) but, while the Growthpoint security price has also outperformed the overall market, it has been flat over the period;
- from October 2015 Growthpoint's securities have underperformed the REIT sector (particularly in the period from 1 April to 1 July 2016); and
- since announcement of the Growthpoint Offer on 1 July 2016 Growthpoint securities have traded slightly above the REIT sector (4.8% increase compared to 4.2%) but both have traded below the overall market (6% increase).

Growthpoint's market rating relative to its REIT peers (recognising that if Growthpoint acquires 100% of GPT Metro its portfolio composition would be approximately 60% office and 40% industrial) can be illustrated as follows:

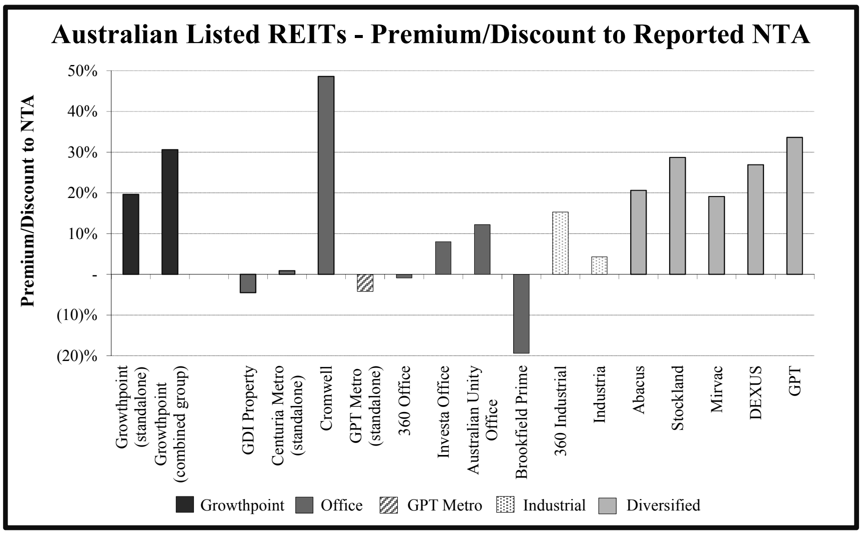


Source: Grant Samuel analysis (see Appendix 1)

Notes: (1) Based on sharemarket prices as at 22 July 2016 except for GPT Metro (standalone) which is shown on 1 April 2016 (the day prior to the announcement of the portfolio revaluation), Growthpoint (standalone) which is shown on 4 April 2016 (the day prior to the announcement of its initial proposal to acquire GPT Metro) and Centuria Metro (standalone) which is shown on 19 May 2016 (the day prior to the announcement of the acquisition of a 16.09% interest in GPT Metro).

(2) All of the listed entities have a 30 June year end, except GPT which has a 31 December year end (i.e. FY17 equates to year ending 31 December 2017).

(3) REITs grouped by sector. BPPF has been excluded from the graph as there are no distribution forecasts.



Source: Grant Samuel analysis (see Appendix 1)

Notes: (1) NTA based on last reported balance sheets at 31 December 2015 (except where property revaluations announced) excluding deferred tax liabilities but including provision for distribution. Adjustments made for acquisitions, disposals, capital raisings and share buybacks as appropriate.

(2) Goodman Group has been excluded from graph as it is trading at a substantial premium to NTA (~82%) reflecting its relatively small property investment portfolio and the size of its third party management activities, development activities and international operations as well as its position as a global industrial sector leader.

Growthpoint is an internally managed REIT with a property portfolio of metropolitan office (60% of value) and industrial (40% of value) properties. None of the listed REITs is directly comparable to Growthpoint:

- all but two of the office sector REITs (Cromwell Property Group ("Cromwell") and GDI Property Group ("GDI")) are externally managed:
  - Investa Office Fund ("IOF") owns a $3.5 billion portfolio of 22 investment grade office properties in central business districts. It has a low distribution yield reflecting both a lower payout ratio (on a FFO basis) and market expectations of corporate activity;
  - Brookfield Prime Property Fund ("BPPF") owns interests in three prime office properties, is highly geared and has a low payout ratio. Its unit price is not a good indication of fair value as it has a restricted free float (19.5%) and unit trading is illiquid;
  - Australian Unity Office Fund ("AOF"), Centuria Metro (standalone) and 360 Capital Office Fund ("360 Office") primarily invest in metropolitan office properties. All have been listed on the ASX since April 2014, with AOF only listed in June 2016;

  Cromwell owns a $2.2 billion property portfolio of office properties (central business districts and metropolitan) and operates a substantial third party funds management business ($7.6 billion of assets) in Australia, New Zealand and Europe. It is trading at a substantial premium to NTA (~49%) reflecting the value attributed to its third party management business, its active property transformation pipeline and market expectations of increasing distributions and NTA.

  GDI also has an active third party asset management business but is trading at a discount to reported NTA.

  Excluding the active asset managers (Cromwell and GDI) and the REITs focussed on investment grade office properties (IOF and BPPF), passive office sector REITs are trading on FY17 distribution yields in the range of 6.7-8.1% and premiums to NTA in the range of (0.9%)-12.2%;
- of the industrial REITs, only Goodman Group is internally managed. It trades at a substantial premium to NTA (~91%) reflecting the small size of its property investment portfolio ($5.1 billion) relative to the size of its third party industrial property and development management activities ($28.1 billion) and its extensive international operations as well as its position as a global industrial sector leader;
- the externally managed industrial REITs (360 Capital Industrial Fund ("360 Industrial") and Industria REIT ("Industria")) are relatively small and are trading at FY17 distribution yields around 7.8%. Industria is trading at a premium to NTA of 4.3% while 360 Industrial is trading at a premium of 15.3% reflecting its relatively high gearing (43.4%); and
- all of the diversified REITs are internally managed but have substantial third party fund and property management and/or development activities and also cover a range of property categories. They are trading on FY17 distribution yields in the range of 4.5-5.7% and at premiums to NTA of 19.1-33.6% reflecting the value attributable to their third party management and other activities.

Given the composition of Growthpoint's property portfolio, sector specific REITs are less directly relevant comparable entities. Nevertheless, the above analysis suggests that in relation to distribution yield Growthpoint is trading on a basis not inconsistent with office and industrial peers, albeit at the low (i.e. higher rated) end of evidence. It is trading at higher yields (i.e. lower rated) than the diversified REITs that provide stronger growth through their property management and/or development activities.

On the other hand, Growthpoint is trading at a substantial (20-30%) premium to NTA, higher than any of the passive REITs. This premium may be the consequence of:

- a lag in property valuations. Growthpoint's NTA is based on independent property valuations predominantly prepared between 30 June 2015 and 31 December 2015. There may be an expectation of an increase in the value of Growthpoint's property portfolio following recent revaluations announced by a number of REIT peers (including GPT Metro, Centuria Metro, 360 Office and 360 Industrial). Growthpoint has stated, in the Growthpoint Bidder's Statement, that it anticipates a net increase in the value of its portfolio at 30 June 2016 following independent and director valuations; and

- relatively high gearing. Growthpoint's gearing is 36.6% (standalone) and 46.1% (combined group assuming 100% acquisition of GPT Metro) compared to around 30% for most peers (except 360 Industrial (43%) as a result of its acquisition of Australian Industrial REIT in December 2015).

However, markets tend to value REITs primarily on yield (and yield growth) rather than NTA as NTA does not reflect the extent to which investors may attribute value to factors such as distribution growth potential, tax shield, scale, portfolio diversity and potential alternatives uses for properties. In this regard, brokers are forecasting Growthpoint (standalone basis) distributions to grow at an average 3.9% per annum from FY15 to FY18.

Based on the above analysis, there is no evidence to suggest that Growthpoint is trading on a basis materially out of line with the market or its peer group.

Broker Target Prices

At its closing price on 29 July 2016 of $3.30, Growthpoint is trading above broker estimates of its 12 month target price:

Growthpoint – Broker Target Prices as at 29 July 2016[47]

Broker	Date of Last Report	Target Price[48]
Broker 1	5 April 2016	Restricted
Broker 2	5 April 2016	$3.20
Broker 3	4 April 2016	$3.14
Broker 4	26 May 2016	$2.96[49]
Broker 5	5 April 2016	$2.97
Low		*$2.96*
High		*$3.20*
Median		***$3.06***

Source: Brokers' reports and Grant Samuel analysis

This review is made difficult by the small number of brokers that follow Growthpoint and research restrictions that are in place. Furthermore, none of the brokers have published research reports since the Growthpoint Offer was announced on 1 July 2016 (when FY17 guidance was provided) and none of the existing research reports assume acquisition of GPT Metro.

While Growthpoint is currently trading above the broker target prices, it must be noted that the target prices do not assume GPT Metro is acquired and there is an expectation of an increase in the value of Growthpoint's property portfolio at 30 June 2016.

Liquidity

Growthpoint is a moderately liquid stock despite its restricted free float (34.5% of issued securities). Average weekly volume over the twelve months prior to announcement of its initial proposal to acquire GPT Metro represented annual turnover of around 25% of total average issued capital (71% of free float). Average weekly volume and transactions for Growthpoint securities since announcement of its initial proposal on 5 April 2016 and prior periods is summarised below:

47 Growthpoint is followed by six brokers, five of which are available to Grant Samuel. As far as it is possible to identify from a review of the broker reports, Grant Samuel believes that the target prices presented are for Growthpoint standalone and do not assume acquisition of GPT Metro.

48 Brokers with research activity restricted as they are acting as advisers to GPT Metro, Growthpoint or Centuria Metro.

49 Referred to a "fair value" rather than "target price" by this broker.

Growthpoint – Stapled Security Trading			
Period	**Average Weekly Volume ('000 units)**	**Average Weekly Transactions**	**Average Transaction Parcel (units)**
5 April 2015 to 4 April 2016 (year prior to announcement of initial proposal)	2,718	6,725	404
1 January 2016 to 4 April 2016	1,783	5,873	304
5 March 2016 to 4 April 2016 (four weeks prior to announcement of initial proposal)	2,107	7,422	284
5 April 2016 to 29 July 2016	2,261	7,000	323

Source: IRESS and Grant Samuel analysis

While the average weekly volume of securities traded has increased following the announcement of Growthpoint's initial proposal, this is to be expected when a transaction is anticipated. Since 5 April 2016, average weekly volumes in Growthpoint securities are around 27% higher than trading during 2016 prior to the announcement but lower than in the prior year. In addition, average weekly transactions are around 19% higher than in 2016 and 4% higher than the prior year. This is explained by increased trading volumes and transactions in mid 2015 as Growthpoint became a member of key stockmarket indices and institutions rebalanced investment portfolios.

While the volume of trading activity in Growthpoint securities has increased since the initial acquisition proposal for GPT Metro (albeit lower than in the year prior to the announcement), there is nothing to indicate any specific abnormal trading in Growthpoint stapled securities.

Non Public Information

Under ASX Listing Rules, Growthpoint is required to keep the market informed of events and developments in a timely manner as they occur. Once Growthpoint becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of its securities, it must inform the market of that information.

Growthpoint announced its financial results for the six months ended 31 December 2015 (which incorporated disclosure of subsequent events of note and FY16 guidance) on 22 February 2016, provided FY17 guidance (on a standalone basis) on 17 June 2016, provided a market update (including an acquisition, leasing transactions and a disposal) on 20 June 2016 and provided FY17 guidance under a range of ownership levels for GPT Metro in the Growthpoint Bidder's Statement. In addition, in its Bidder's Statement, Growthpoint has disclosed that it anticipates a net increase in the value of its portfolio at 30 June 2016 following independent and director valuations. Although Growthpoint has not quantified the expected value increment, the current security price appears to also anticipate an increase in in NTA.

Consequently, there is no reason to consider that any information relating to Growthpoint's existing business that would have a material impact on its security price has not been publicly disclosed.

5.4 Impact of Growthpoint Offer on Growthpoint

Financial Implications

The proforma operational and financial implications for Growthpoint of the acquisition of GPT Metro (including underlying assumptions) are set out in Section 9 of the Growthpoint Bidder's Statement. Analysis is provided assuming 100% and 50.1% ownership interests in GPT Metro following the Growthpoint Offer as summarised below:

Proforma Impact of Growthpoint Offer on Financial Parameters of Growthpoint[50]			
	Growthpoint proforma	Growthpoint Ownership Case	
		100%	50.1%
Stapled securities on issue (period end)(million)	***583.1***	***627.5***	***602.0***
Weighted average securities (million)	***596.2***	***640.6***	***615.1***
Proforma financial position at 31 December 2015 ($ million)			
Total assets	2,700.7	3,144.4	3,144.4
Total liabilities	(1,193.6)	(1,544.1)	(1,461.5)
Net assets	**1,507.1**	**1,600.3**	**1,682.9**
Outside equity interests	-	-	(150.8)
Net assets attributable to Growthpoint securityholders	**1,507.1**	**1,600.3**	**1,532.1**
NTA	1,507.1	1,600.3	1,532.1
NTA per stapled security	*$2.58*	*$2.55*	*$2.54*
Gearing (Borrowings/Total Assets)	*42.3%*	*46.8%*	*45.5%*
Gearing (GPT Metro definition)[29]	*41.5%*	*46.1%*	*44.7%*
Proforma FFO per security guidance (FY17) ($ million)			
Net property income	190.6	218.8	218.8
Other income	-	1.8	1.8
Other expenses	(10.6)	(12.3)	(12.3)
Interest expense	(46.7)	(58.2)	(55.5)
Tax	(0.4)	(0.4)	(1.0)
Distributable income	**132.9**	**149.7**	**151.8**
Outside equity interest	-	-	(9.2)
Distributable income/FFO	**132.9**	**149.7**	**142.7**
FFO per stapled security	*22.3¢*	*23.4¢*	*23.2¢*
Distribution per stapled security	*21.3¢*	*22.3¢*	*22.2¢*
Payout ratio	*96%*	*96%*	*96%*

Source: Growthpoint Bidder's Statement and Grant Samuel analysis

This proforma information indicates that the acquisition of GPT Metro (whether on a 100% or 50.1% basis) expands but does not materially change Growthpoint's operations with its property portfolio increasing by around 17% (in terms of value). The acquisition has strategic benefits for Growthpoint in that it:

- strengthens Growthpoint's position as a leading owner and manager of A grade office assets in Australia, consolidates its asset base in New South Wales and increased tenant diversification across the portfolio;
- provides the opportunity to generate efficiencies and cost savings; and
- supports growth in earnings and distributions.

The proforma analysis indicates that the acquisition has the following impacts on Growthpoint:

- the acquisition is accretive to FFO per security and distribution per security under both ownership cases (in the order of 4-5%). However, Growthpoint's guidance assumes that the acquisition of GPT Metro occurs on 1 July 2016 and, therefore, actual FY17 FFO per security and distribution per security will be less than presented;
- gearing increases from 41.5% and, in both ownership cases, exceeds Growthpoint's target gearing range of 35-45%. Growthpoint intends to reduce gearing to within the target range through a combination of capital management initiatives such as operation of its dividend reinvestment plan, sale of non core assets and equity raisings. In addition, Growthpoint is anticipating a net increase in the value of its property portfolio at 30 June 2016; and
- NTA per security decreases by 1.2% (100% case) and 1.6% (50.1% case). The actual impact on NTA per security will reflect any net increase in the value of Growthpoint's property portfolio at 30 June 2016.

50 The financial impact of the Growthpoint Offer is the same under either the Mixed Consideration or the Cash Consideration.

Under the Growthpoint Offer, it is possible that Growthpoint could acquire an interest in GPT Metro anywhere in the range of 50.1-100%. However, if the Growthpoint Offer is withdrawn or lapses, Growthpoint will still hold a 12.98% direct interest in GPT Metro and retain significant influence in securityholder meetings. Growthpoint could also waive the 50.1% minimum acceptance condition.

Other Consequences

At any ownership level in GPT Metro above 50.1%, the Growthpoint Offer may trigger change of responsible entity/change of control provisions in GPT Metro's existing borrowings arrangements (including derivative financial instruments) which could lead to repricing of GPT Metro's debt or changes to key terms. Such provisions are typical of borrowing documentation for REITs and, in any event, Growthpoint has stated that it has funding commitments such that it can refinance GPT Metro's existing debt.

The Growthpoint Offer may also trigger third party consent and other contractual provisions relating to GPT Metro's properties. However, under the Growthpoint Facilitation Agreement, GPT has agreed to:

- assist Growthpoint in obtaining required third party consents; and
- continue to be responsible for, on the same terms, all rental guarantee, income support, incentive payments and similar arrangements in relation to GPT Metro's existing properties, if the Growthpoint Offer closes and Growthpoint holds voting power of at least 50.1% in GPT Metro or during the offer period the Growthpoint Offer is declared unconditional.

Partial Ownership of GPT Metro

Under the Growthpoint Offer, Growthpoint could ultimately acquire an interest in GPT Metro anywhere in the range of 50.1-100%. At these ownership levels, Growthpoint would control GPT Metro and consolidate it for accounting purposes, recognising as outside equity interests any third party securityholder interests.

The operational and financial implications for Growthpoint of partial ownership of GPT Metro will depend on the actual level of ownership interest and whether GPL is replaced as responsible entity by a Growthpoint entity. In this regard, at less than 100% ownership, Growthpoint may experience inefficiencies and additional costs (particularly if GPT Metro remains an ASX listed entity) although the Growthpoint Facilitation Agreement ensures that GPT would be available to assist reduce integration and transition risks. Nevertheless, there may be unanticipated issues or costs.

5.5 Conclusion

Grant Samuel's judgement is that a Growthpoint stapled security price of $3.05-3.35 is a reasonable estimate in current market conditions of the security price if Growthpoint succeeds in acquiring 100% of GPT Metro. This range takes into account the recent performance of Growthpoint stapled securities and the financial impact of the acquisition of GPT Metro.

There are some aspects of Growthpoint's sharemarket rating that suggest a degree of caution is warranted, namely:

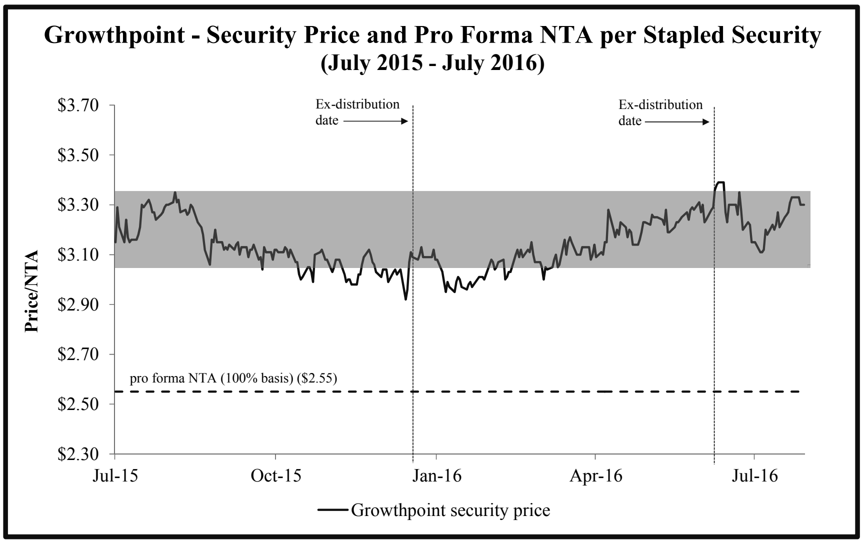
- with regard to its security price and market rating:
  - its distribution yield is towards the low end of market evidence for passive office and industrial REITs; and
  - it trades at a substantial premium to NTA notwithstanding that it is an passive property owner without any third party property management or other activities;
- the market for Growthpoint securities is only moderately liquid and Growthpoint is followed by a relatively small number of brokers; and

- the period since the announcement of the Growthpoint Offer is relatively short (four weeks). In this period trading has been impacted by:
  - trading post the record date for the June 2016 distribution (10.3 cents per security);
  - market uncertainty following the Federal election on 2 July 2016; and
  - speculative market activity given the competitive bidding process for GPT Metro.

On the other hand:

- there are reasons for Growthpoint's sharemarket rating:
  - with a $2.8 billion property portfolio, it is substantially larger than the passive office and industrial REITs listed on the ASX (except for IOF which owns a $3.5 billion property portfolio and also trades at lower distribution yields and at a premium to NTA);
  - as an internally managed REIT a premium to its externally managed peers could be expected;
  - there appears to a lag in the value of its property portfolio relative to its peers (which have recently undertaken independent valuation processes);
  - it is geared higher than its peers;
  - brokers are projecting distributions to grow at 3.9% per annum to FY18 compared to growth in the range of nil-2.5% for its peers; and
  - its restricted free float may result in higher security prices depending on investor demand for the securities. In this context, it is a member of the key S&P/ASX 200 A-REIT Index;
- there is an uplift in FFO and distribution per security if Growthpoint acquires control of GPT Metro (in the order of 4-5%) although NTA decreases by around 1%;
- there is no specific evidence to suggest that the Growthpoint stapled security price does not reflect the rational view of a well informed market or that Growthpoint is trading materially out of line with its peers or the market; and
- REITs such as GPT Metro and Growthpoint are relatively transparent entities and sufficient information has been disclosed to enable analysis of the impact of the acquisition on Growthpoint. As the market has had sufficient opportunity to absorb that information, the impact of the acquisition of GPT Metro should be reflected in Growthpoint's security price although uncertainty remains as whether Growthpoint will succeed in acquiring GPT Metro and, if it does, whether it will achieve full or partial ownership.

The selected value range relative to recent Growthpoint stapled security prices is show below:



Source: IRESS

In Grant Samuel's opinion, the value range of $3.05-3.35 is appropriate as it:

- reflects the range of trading prices since July 2015 ($2.92-3.49, at a VWAP of $3.14) and, more particularly, since the announcement of the Growthpoint Offer on 1 July 2016 ($3.10-3.39, at a VWAP of $3.22); and
- represents a premium to proforma NTA (100% basis) ($2.55) in the range 19.6-31.4% and a FY17 distribution yield (100% basis) of 6.7-7.3%.

The value range assumes continuation of current market conditions and GRT's majority interest in Growthpoint[51].

Whether the Growthpoint stapled security price will be different if it acquires an interest in GPT Metro of less than 100% is difficult to judge. However:

- the financial consequences for Growthpoint at different ownership levels above 50.1% are not materially different; and
- other implications of partial ownership of GPT Metro are not materially adverse.

On balance, it is reasonable to assume that the selected value range for Growthpoint stapled securities of $3.05-3.35 is appropriate for any ownership outcome under the Growthpoint Offer.

[51] In 2009 GRT indicated an intention to hold no less than a 60% interest in Growthpoint. Following the recapitalisation/restructure transaction, GRT held a 76.2% interest but since then it has generally been around 65%.

6 Evaluation of the Growthpoint Offer

6.1 Conclusion

In Grant Samuel's opinion, the Growthpoint Offer is fair and reasonable, in the absence of a superior proposal.

The value attributed to the consideration under the Growthpoint Offer ($2.46-2.58 per GPT Metro unit) exceeds Grant Samuel's estimate of adjusted NTA of $2.21-2.25 per GPT Metro unit by 9.3-16.7% (or a premium of 5.6-10.7% over reported NTA). In Grant Samuel's opinion, this level of premium more than adequately compensates GPT Metro unitholders for the attributes of the GPT Metro property portfolio, particularly as there is no material latent value upside. In competitive bidding scenarios, high premiums over adjusted NTA will reflect factors relevant to the bidder as well as the attributes of the GPT Metro property portfolio. Accordingly, in Grant Samuel's opinion, the Growthpoint Offer is fair.

The value of the Mixed Consideration under the Growthpoint Offer will vary with movements in the Growthpoint security price. Accordingly, until the Growthpoint securities are issued, GPT Metro unitholders who accept the Growthpoint Offer but do not elect to participate in the Cash Alternative Facility are exposed to changes in overall equity market conditions and specific events that could impact the Growthpoint security price. The actual value received could therefore ultimately exceed, or be less than, $2.46-2.58 per GPT Metro unit. Alternatively, eligible GPT Metro unitholders who accept the Growthpoint Offer and participate in the Cash Alternative Facility will receive approximately $2.50 cash for every GPT Metro unit (albeit they will not benefit from any increase in the Growthpoint security price above $3.15).

As the Growthpoint Offer is fair, it is also reasonable. In any event, there are a number of other factors that support the reasonableness of the Growthpoint Offer and which GPT Metro unitholders should consider in determining whether or not to accept the offer. In particular:

- the Growthpoint Offer delivers a premium of around 19-25% to GPT Metro unit prices prior to the announcement of the property portfolio revaluation on 4 April 2016. This premium is significant given GPT Metro is an externally managed, passive owner of metropolitan office properties with no operating businesses. The premium reflects:
  - the latent value upside in GPT Metro's investment property portfolio and financial derivative instruments prior to 4 April 2016 (as reflected in the 9.3% increase in NTA announced on 4 April 2016); and
  - the competitive bidding process to acquire GPT Metro since April 2016;
- in the absence of the Growthpoint Offer or a similar offer, it is likely that GPT Metro units under current market conditions and its current ownership and operating structure would trade at prices below the value of the Growthpoint Offer ($2.46-2.58 per unit). However, the unit price is unlikely to decline to the levels prevailing prior to 4 April 2016 due to the increase in reported NTA per unit to $2.33 since that date; and
- the 50.1% minimum acceptance condition has implications for remaining unitholders if Growthpoint acquires less than 90% of GPT Metro's units, including:
  - control of GPT Metro will pass and GPAL will replace GPL as responsible entity;
  - there will be a dramatic further reduction in the liquidity of the market for GPT Metro units, the extent of which depends upon the interest acquired by Growthpoint and which unitholders accept the offer;
  - the prospects of receiving a fully priced offer in the future for their investment in GPT Metro would be greatly reduced; and
  - if GPT Metro is delisted from the ASX, remaining unitholders would hold unlisted units reducing their ability to realise value.

The Centuria Offer is "live" but, as CPFL has not yet released a Bidder's Statement, is not yet capable of acceptance. Nevertheless, based on information currently available, Grant Samuel has attributed a value to the consideration under the Centuria Offer in the range $2.36-2.56 per GPT Metro unit (see Section 7.3.1).

Therefore, Grant Samuel's estimates of the value of the consideration under the Growthpoint Offer and the Centuria Offer overlap. However:

- the value of the Mixed Consideration under the Growthpoint Offer ($2.46-2.58) is above the midpoint of the value of the consideration under the Centuria Offer ($2.46); and
- the Cash Consideration under the Growthpoint Offer ($2.50) is in the upper half of the value range of the consideration under the Centuria Offer ($2.36-2.56).

Moreover, as both offers involve a significant proportion of scrip consideration, the values attributable to each will vary with movements in the respective market prices of the securities offered. Therefore, the decision for GPT Metro unitholders will turn on the likelihood of either offer becoming unconditional, the relative merits of Growthpoint and Centuria Metro securities and movements in the respective security prices. This choice will depend on the preferences and circumstances of individual GPT Metro unitholders.

In any event, there are a number of factors that GPT Metro unitholders should take into account when considering the Centuria Offer including:

- scrip represents around 88% of the value of the consideration;
- there is no full cash alternative offered;
- if Centuria Metro acquires 100% of GPT Metro, it will remain a relatively small listed externally managed REIT; and
- Centuria Metro securities are thinly traded, although there is an expectation of improved market liquidity following the acquisition of GPT Metro.

It would be open to unitholders to reject the Growthpoint Offer in anticipation of a higher offer from Growthpoint or Centuria Metro. There is no evidence that either party would be prepared to pay a higher price, particularly in light of the competitive bidding process that has taken place over the last four months, but it is possible. Accordingly, it may be prudent for GPT Metro unitholders to wait until further information on the Centuria Offer is available or the respective offers are declared unconditional prior to acceptance. On the other hand:

- the independent directors have recommended GPT Metro unitholders accept the Growthpoint Offer, in the absence of a superior proposal; and
- in any event, control of GPT Metro may pass under the Growthpoint Offer.

There has been ample opportunity for an interested party other than Growthpoint or Centuria Metro to make a competing offer for GPT Metro. No such offer has been made at the date of this report but the opportunity to do so remains during the offer period (currently until 19 August 2016).

6.2 Fairness

6.2.1 Net Asset Value

REITs are commonly valued by reference to net asset values. For such entities, investment properties are generally carried on the balance sheet at market value and the appropriate valuation methodology is to aggregate the market value of the individual properties. Other assets or liabilities are adjusted to reflect market value. This approach represents a measure of the market value of underlying assets and does not purport to represent the net proceeds derived on a winding up of an entity (i.e. it does not reflect costs associated with winding up including potential capital gains tax on realisation of individual properties in the portfolio). Other valuation methodologies (such as capitalisation of earnings and discounting of cash flows of the entity as a whole) are generally not used in the valuation of REITs passively holding portfolios of properties. However, it should be noted that property valuers typically use a number of methodologies including discounted cash flow, capitalisation of income and direct comparison (i.e. value per square metre of net lettable area) to determine individual property values.

Grant Samuel has estimated the adjusted NTA for GPT Metro to be $2.21-2.25 per unit (rounded to two decimal places). This estimate is based on GPT Metro's reported NTA as at 30 June 2016 of $299.9 million ($2.33 per unit) (see Section 3.5 of this report). Various adjustments have been made to derive adjusted NTA which is more appropriate for the purposes of evaluating the Growthpoint Offer. These adjustments are summarised below:

GPT Metro – Adjusted NTA ($ millions)		
	Low	**High**
NTA as at 30 June 2016	299.9	299.9
Capitalised corporate overheads (net of savings)	(15.0)	(10.0)
Capitalised borrowing costs	(0.5)	(0.5)
Adjusted NTA	**284.4**	**289.4**
Units on issue (millions)	128.5	
Adjusted NTA per unit	**$2.2127**	**$2.2516**

Adjusted NTA represents the aggregate full underlying value of GPT Metro after allowing for the distribution for the quarter ended 30 June 2016. As it is based on estimates of the full underlying value of each property in the portfolio, it is already a "control" value (i.e. it assumes 100% ownership of the assets). It is therefore not appropriate to add any additional "premium for control", although premiums for other reasons may be appropriate. The adjustments made are discussed below:

- **Investment Property Portfolio**

  NTA as at 30 June 2016 is based on book values for each of GPT Metro's properties which reflect the latest valuations undertaken by independent valuers plus capital expenditure and payments for incentives net of amortisation since the valuation date (see Section 3.5). All properties in the investment property portfolio were independently valued as at 31 March 2016 and have been reviewed by GPL to 30 June 2016.

  Grant Samuel has relied on the independent valuations for the purposes of its report and did not undertake its own valuations of the properties. Given the nature of the evaluation, Grant Samuel does not have any reason to believe that it is not reasonable to rely on these valuations for this purpose. Grant Samuel has undertaken a review of the independent valuations given current market conditions and notes that:

  - the external valuers have accepted instructions only from GPL and have confirmed that they satisfy the requirements in the Corporations Act that:
    - they are suitably qualified individuals with the requisite five years of appropriate experience;
    - they are authorised by law to practice as a valuer; and
    - they regard themselves as independent;
  - the external valuers have been given appropriate instructions consistently;
  - there were no restrictions in the scope of the independent valuers' engagements or other terms which may have impacted on the quality of the valuations;
  - the external valuers have prepared their valuations in accordance with the standards of the Australian Property Institute; and
  - the external valuers have utilised standard property valuation methodologies (i.e. discounted cash flow, capitalisation of net income and direct comparison (i.e. value per square metre of net lettable area)) with the value conclusion selected having regard to the results of each methodology.

  This review does not, however, imply that the valuations have been subject to any form of audit or due diligence by Grant Samuel.

The valuations for GPT Metro's investment property portfolio were undertaken on a going concern basis in accordance with current use. In addition, the valuations:

- assume the properties are sold on an individual basis (i.e. the valuers have not had regard to the potential effect of selling the properties in one line);
- deduct the net present value of unexpired tenant incentives;
- allow for the existing property management arrangements and, if necessary, the valuer adjusts property management fees to bring them into line with market averages;
- allow for selling costs (i.e. cash flows used in the discounted cash flow approach are net of selling costs and yields utilised in the capitalisation of earnings approach implicitly incorporate selling costs) in accordance with normal property valuation methodologies; and
- do not reflect any other costs for the owner on realisation of the asset (e.g. taxes).

Given the short time that has elapsed since 31 March 2016 (4 months), the nature of the assets being valued (i.e. passive investments in office property assets for which there is no liquid market) and that fair value has been reviewed by GPL as at 30 June 2016, there is unlikely to have been any material change in the market value of these assets since they were valued.

- **Capitalised Corporate Overheads**

NTA does not reflect the cost structure associated with being a listed investment vehicle. Corporate overheads are a cost of GPT Metro's operating structure and include:

- responsible entity fees;
- listed entity costs (such as directors fees, annual reports, unitholder communications, unit registry and listing fees etc.); and
- other administration expenses (e.g. audit).

GPT Metro incurs recurring corporate overheads of around \$3.6 million per annum including the responsible entity fee (\$2.7 million) and other expenses (\$0.9 million, including approximately \$0.5 million in costs associated with being a publicly listed entity).

On a standalone (internally managed) basis, GPT Metro would incur corporate overheads although these would likely be less than the costs incurred under the current externally managed structure. However, an acquirer of 100% of GPT Metro with an existing property management platform in Australia could save substantially more of the overhead costs depending on their business model. In this context, Growthpoint has disclosed that post acquisition, management expenses relating to GPT Metro would reduce to around 0.4% of gross asset value (or overheads of \$1.8 million per annum). However, it is possible that almost all corporate overheads could be eliminated by an acquirer with an existing property management platform.

For the purposes of assessing adjusted NTA for GPT Metro, Grant Samuel has assumed residual corporate overheads of \$0.5-1.0 million per annum (i.e. corporate overheads remaining after savings available to acquirers). These residual costs have been attributed a capitalised value of \$10-15 million having regard to the weighted average capitalisation rate of GPT Metro's property portfolio at 31 March 2016 of 6.7%. This approach is appropriate as the residual costs are an integral component of owning the property portfolio. It is not appropriate to capitalise the residual costs by reference to recent transactions involving property funds management rights as these transactions generally reflect payment to the manager to terminate management rights or for the acquisition of combined property funds and asset management businesses and reflect other factors such as strength of entrenchment of the manager.

GPT Metro also pays property management and development management fees to GPTPM, a wholly owned subsidiary of GPT. Property management fees are reflected in GPT Metro's net property income and development fees are capitalised or expensed as appropriate. An acquirer with an existing office property management and development management platform in Australia may be able to save some of these costs. However, to the extent that fees paid are not in line with market rates, independent valuers adjust them for the purposes of valuation (i.e. NTA based on the property valuations reflect market rates of property management fees). Therefore, even if an acquirer could reduce these costs due to economies of scale, the independent property values would not necessarily change. Therefore, Grant Samuel has made no separate adjustment to reflect the potential for savings in property management and development management fees.

- **Capitalised Borrowing Costs**

  Proforma NTA at 30 June 2016 includes a $0.5 million asset representing the unamortised balance of certain borrowing costs which have been capitalised for accounting purposes (see Section 3.5). These are not assets that are realisable and therefore have been excluded in deriving adjusted NTA.

No adjustment has been made for the 3 Murray Rose Avenue rent receivable or the balance remaining under the Quads rental guarantee both of which were provided by GPT at the initial public offering, as they are appropriately recognised in GPT Metro's NTA at 30 June 2016.

6.2.2 Premium over NTA

As a matter of principle, there should be no "premium for control" above adjusted NTA as it is based on independent valuations for each property in the portfolio which are already "control values". There is no higher value for these assets as each independent valuation is for 100% of the asset. However, portfolios of properties sometimes change hands at premiums to valuation. The reasons for these premiums vary from case to case but typically reflect one or more of the following factors:

- the value of a portfolio to an acquirer in terms of instant diversification and efficiency (both in time and cost) when compared to accumulating an equivalent portfolio on a piecemeal basis over time. In addition, there is a structural saving (i.e. reduced stamp duty costs) in acquiring a portfolio of properties via the acquisition of a listed REIT;
- economies of scale and synergies that can be achieved by the acquirer's existing operations, particularly funds management, property management and development management activities;
- larger portfolios of quality properties have scarcity value and may represent a strategic acquisition for some buyers;
- increases in the value of individual properties since the latest valuations;
- value inherent in development pipelines (either refurbishment or expansion potential or greenfield opportunities); and
- related operating businesses that contribute to earnings (such as property funds management and asset management services).

Equally, property portfolios may change hands at a discount to valuation because:

- not all properties in a portfolio may be equally attractive to acquirers and a discount would be applied to non-core assets;
- of weak market conditions with declining property values and limited access to finance; and
- material cost synergies are not available (e.g. due to geographic spread of portfolio).

In the case of GPT Metro:

- there is no material latent value upside in the property portfolio as property valuations are up to date and there is no major development pipeline;
- an adjustment has been made to NTA to allow for a material amount of cost savings available to a range of acquirers of GPT Metro; and
- it is a passive owner of property with no operating businesses.

On the other hand, GPT Metro's property portfolio of six A grade metropolitan office properties (four of which are located within Sydney Olympic Park) would be difficult to replicate. The attractiveness of GPT Metro's property portfolio is evident from the competing bids from Growthpoint and Centuria Metro. Furthermore, the opportunity to purchase the property portfolio by acquiring GPT Metro provides a stamp duty saving of around $24 million to the purchaser (assuming a stamp duty rate of 5.5%).

In Grant Samuel's view, there is some justification for a premium for GPT Metro's property portfolio. However, the level of any premium is inherently subjective. In this regard:

- in the period prior to 2008, acquisition transactions (particularly after 2002) occurred at significant premiums to reported NTA (see Appendix 1). However, a number of these transactions involved entities with significant operating businesses (in which case the premium to NTA is not comparable) and in some of these transactions a significant part of the premium was due to lags in property valuations (particularly prior to the introduction of international financial reporting standards in FY06). Nonetheless, some premium was paid by acquirers which can be attributed to diversification and scale benefits of acquiring a large portfolio in a single line as well as the relative scarcity value of such opportunities in an increasingly concentrated environment;
- in the period 2008 to 2012, control transactions involving REITs generally took place at discounts to reported NTA as shown below:

Australian REIT Transactions (2008-2012)

Date	Target	Consideration ($ millions)	Premium/(Discount) to Reported NTA
Apr 12	Thakral Holdings Group	507	(15.6)%[52]
Jan 12	Charter Hall Office REIT	1,228	(3.9)%
Jan 12	Abacus Storage Fund	132	(8.2)%
Apr 11	Valad Property Group	209	(22.1)%
Apr 11	Rabinov Property Trust	50	(4.3)%
Dec 10	ING Industrial Fund	1,395	(1.5)%
Jul 10	MacarthurCook Industrial Property Fund	43	(32.1)%
Apr 10	Westpac Office Trust	417	3.1%
Oct 09	Mirvac Real Estate Investment Trust	373	(29.9)%
May 09	Orchard Industrial Property Fund	255	(11.9)%

Source: Grant Samuel analysis (see Appendix 1)

These transaction metrics reflect the challenging market conditions during this period and the particular circumstances of the REITs at the time of transaction. For example:

- Valad Property Group, MacarthurCook Industrial Property Fund, Mirvac Real Estate Investment Trust, Orchard Industrial Property Fund and Rabinov were arguably in some financial distress;
- the earlier transactions generally took place prior to the write down of the book value of assets in the entity's accounts, implying a greater discount to NTA than might have been the case;

52 Based on NTA adjusted for partly paid securities and the fair value of operating leasehold land and valuation surplus not recognised for hotel properties under accounting standards. On an unadjusted basis, the discount to NTA is 8.6%.

- the Abacus Storage Fund and Rabinov transactions involved scrip consideration enabling securityholders to retain their exposure to any general recovery in property markets; and
- the relatively high discount to NTA implied by the Thakral Holdings Group transaction likely reflects the bidder's existing relevant interest in 38.6% voting power (although it had no actual securityholding).

The remaining three transactions involved externally managed REITs and took place at close to reported NTA. In relation to these transactions:

- although Westpac Office Trust's $1.1 billion property portfolio was primarily A-grade property (84% of book value), it had substantial exposure (94%) to the New South Wales office property market, was highly geared (62%) and was facing significant near term funding challenges. Unitholders were offered scrip or cash consideration;
- ING Industrial Fund did not have exposure to the office property sector. Unitholders were offered cash consideration; and
- Charter Hall Office REIT's $1.85 billion property portfolio was predominantly premium and A-grade office properties (94% of book value) and it had an active development pipeline (albeit scaled back relative to prior periods). Unitholders were offered cash consideration. Charter Hall Group was a major unitholder (13.6%), a member of the bidding consortium and was to retain the management of the fund;

▪ since 2012, as REITs refocussed (e.g. by sale of non-core assets, divestments of overseas portfolios) and market conditions stabilised, investor interest and corporate activity in the sector has increased. In this period, control transactions involving REITs have taken place at premiums to reported NTA as shown below:

Australian REIT Transactions since 2012

Date	Target	Consider-ation ($ millions)	Premium/ (Discount) to Reported NTA	Premium/ (Discount) to Ungeared NTA
Sep 15	Aspen Property Parks Fund	147	60.7%	34.2%
Feb 15	Novion Property Group	7,847	29.4%	20.2%
Dec 14	Australian Industrial REIT	233	13.8%	8.8%
Nov 14	Folkestone Social Infrastructure Trust	89	4.8%	3.5%
Sept 14	Mirvac Industrial Trust	78	3.4%	1.5%
Jun 14	Australand Property Group	2,606	22.5%	13.0%
Apr 14	Challenger Diversified Property Group	587	0.7%	0.5%
Dec 13	Commonwealth Property Office Fund	3,107	4.0%	3.1%
Dec 13	Westfield ANZ	8,133-8,779[53]	40.6-51.7%	18.1-23.1%

Source: Grant Samuel analysis (see Appendix 1)

The following points are relevant to consideration of these recent transaction metrics:

- transactions involving REITs with significant active third party business operations in addition to property investment (Australand Property Group, Westfield ANZ, Novion Property Group) have premiums to reported NTA at the top end of the observed range (between 22-52%). These transactions provide no meaningful insight into the value attributed to the respective investment property portfolios;
- the extremely high premium for the unlisted Aspen Parks Property Fund reflects both a competitive bidding process (the premium increased from 25.5% based on

53 Based on the value attributed to the consideration (i.e. securities in Scentre Group) by the independent expert for Westfield Group.

the initial offer to 60.7% during the bid period) and the entity's focus on the specialist holiday park accommodation sector;

- the hostile takeover for Australian Industrial REIT was vigorously defended over a prolonged period. During the offer period the premium increased from 5.2% (based on the initial offer) to 13.8%;
- the transaction metrics reflect the nature of the assets and/or circumstances of the target REIT. For example:
  - Folkestone Social Infrastructure Trust and Aspen Parks Property Fund were focussed on specialist property categories (social infrastructure and holiday park accommodation, respectively);
  - Westfield ANZ and Novion Property Group were focussed on the retail property sector;
  - Mirvac Industrial Trust invested in industrial assets in the greater Chicago areas of United States and was not paying distributions; and
  - interests associated with the bidder (Challenger Limited) already held a 58.7% interest of Challenger Diversified Property Group which had the impact of depressing the premium paid (0.7%);
- the transactions for Novion Property Group, Australian Industrial REIT, Folkestone Social Infrastructure Trust and Commonwealth Property Office Fund ("CPA") involved scrip (or part scrip) consideration which enabled securityholders to retain exposure to the property sector generally as well as the target property sector assets; and
- the acquisition of CPA by the DEXUS/CPPIB Consortium is the only transaction completed since 2012 involving a REIT focussed on passive investment in the office property sector. In this regard:
  - CPA's $3.8 billion property portfolio comprised interests in 25 office properties located in central business districts and major suburban markets in Australia. The portfolio was predominantly prime (premium and A) grade office properties and was weighted to the Sydney and Melbourne markets;
  - at acquisition CPA's development pipeline was focussed on property refurbishment with the exception of the development of a premium office property in Sydney for which development risk remained (only 33% complete);
  - CPA unitholders were offered two consideration alternatives both including a combination of cash and scrip (DEXUS stapled securities) with the cash component representing around 65-70% of the consideration offered; and
  - the premium to reported NTA implied by the transaction (4.0%) (5-6% over adjusted NTA) is the result of a competitive bidding process between GPT and the DEXUS/CPPIB Consortium (the initial recommended offer for CPA implied a premium to reported NTA of 1.9%).

Since 2012 there have also been two transactions involving listed REITs focussed on the office property sector which have failed to complete:

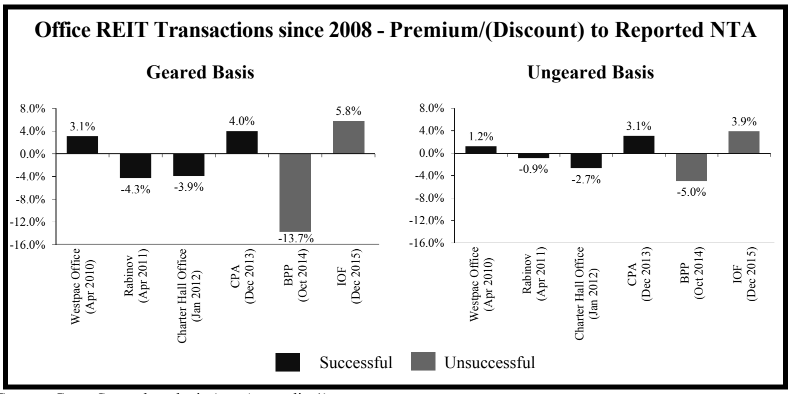
- in October 2014, Brookfield Group proposed to acquire the remaining 19.5% of BPPF that it did not already own via a trust scheme. Unitholders were offered $5.50 cash per unit which represented a 20.6% premium to the closing price but a 13.7% discount to NTA. BPPF owned a $895 million portfolio comprising interests in five prime grade central business district office properties in Sydney, Melbourne and Perth. It was facing significant vacancies in two of its properties, was highly geared (67%) and had a low payout ratio as it was reserving cash to meet major future capital requirements. BPPF unitholders did not approve the proposal; and
- in December 2015 DEXUS announced a proposal to acquire 100% of the issued securities in IOF. IOF owned a $3.5 billion property portfolio comprising

interests in 22 predominantly prime (premium and A) grade office properties located in central business districts across Australia. IOF securityholders were able to select between three consideration options: the standard consideration ($0.8229 cash plus 0.424 DEXUS stapled securities per IOF unit); maximum cash consideration ($4.1147 per IOF unit) or maximum scrip consideration (0.53 DEXUS securities per IOF unit) (with the maximum cash and maximum scrip options subject to scale back).

Based on the last DEXUS security price prior to announcement, the standard consideration was valued at $4.07 per IOF unit, implying a 4.1% premium to reported NTA. On 30 March 2016, DEXUS improved the offer to $4.14 per unit by adding a $0.07 per unit special distribution payable by IOF if the transaction was approved. This offer implied a premium to NTA (adjusted only for the special distribution) of 5.8% with the cash component representing around 20% of the standard consideration. Furthermore, the DEXUS security price increased by around 3% in the period from announcement to the IOF unitholder meeting on the proposal, effectively increasing the value of the offer to $4.24 per IOF unit.

On 12 April 2015, ASX listed Cromwell announced that it had acquired a 9.83% interest in IOF (increasing its interest to 9.99%) and would not support the DEXUS proposal. IOF unitholders did not approve the proposal on 15 April 2016.

As GPT Metro is a passive, externally managed office property REIT, Grant Samuel has had specific regard to those transactions involving office REITs. The following chart summarises the premiums to reported NTA implied by acquisitions of, and unsuccessful offers for, passive office REITs since 2008:



Source: Grant Samuel analysis (see Appendix 1)

In relation to these transactions the following points should be noted:

- all of the REITs were externally managed;
- except for Rabinov, the REITs owned substantial (> $0.9 billion) property portfolios primarily comprising prime (premium or A) grade assets located in Australian central business districts. These large property portfolios had scarcity value and development pipelines and provided potential economies of scale for the acquirers. In comparison, Rabinov's $235 million portfolio comprised 12 properties in the office (70% of value), industrial (28%) and retail (2%) sectors in Victoria, South Australia, Tasmania and Queensland;
- Charter Hall Office REIT had an active development pipeline and its major unitholder (13.6%), Charter Hall Group, was a member of the bidding consortium and was to retain the management of the fund;

- Westpac Office Trust, Rabinov and BPPF were all highly geared (62%, 77% and 67% respectively);
- Rabinov was controlled by Rabinov Holdings Pty Limited (83.4%) (associates of which also provided around 30% of the trust's borrowings) which had indicated its intention to vote for the proposal. In any event, unitholders were being offered scrip in Growthpoint enabling them to retain exposure to the property sector generally and the Rabinov assets specifically;
- Brookfield Group already owned 80.5% of BPPF and offered unitholders a 20.6% premium to the closing unit prices but a significant discount to reported NTA (equivalent to a 5% discount to ungeared NTA). This transaction did not complete;
- while the offers for both CPA and IOF comprised a combination of cash and scrip and reflected competitive processes, cash represented around 65-70% of the consideration for CPA but only 20% of the consideration for IOF. The IOF transaction did not complete;
- on an ungeared basis, the metrics range from a discount of 5% (for BPPF) to a premium of 3.9% (for IOF). However, if these two unsuccessful offers are excluded, the premiums range from a discount of 2.7% (for Charter Hall Office REIT) to a premium of 3.1% (for CPA).

Furthermore, the premiums/(discounts) are calculated relative to last reported NTA rather than adjusted NTA. This would reduce the size of the discount or increase the premium.

In Grant Samuel's opinion, having regard to the market evidence, the currency of the property valuations and the nature of its investment properties, any premium for GPT Metro's property portfolio would be relatively modest.

The Growthpoint Offer implies premiums of 6.1-10.8% over GPT Metro's property portfolio as shown below:

Premium over Property Portfolio Implied by Growthpoint Offer	
Value of Growthpoint Offer (Section 5.1)	$2.46-2.58 per GPT Metro unit
Adjusted NTA (Section 6.2.1)	$2.21-2.25 per GPT Metro unit
Therefore, premium over adjusted NTA	**$0.21-0.37 per GPT Metro unit**[54]
GPT Metro units on issue	128.5 million
Amount of premium implied by Growthpoint Offer	**$27.0-47.6 million**
GPT Metro property portfolio	**$440.3 million**
Implied Premium over Property Portfolio	**6.1-10.8%**

These premiums are equivalent to 9.3-16.7% over adjusted NTA of GPT Metro at 30 June 2016 (9.0-15.9% over reported NTA). In considering the premium over adjusted NTA it should be noted that substantial overhead cost savings have been allowed for in deriving adjusted NTA.

In Grant Samuel's opinion, this level of premium is substantial and more than adequately reflects the attributes of the GPT Metro property portfolio. In the absence of the competitive bidding scenario that GPT Metro finds itself, premiums of this level would not be expected as there is no material latent value upside. To the extent that acquirers are willing to pay high premiums, this largely reflects factors relevant to that acquirer (e.g. economies of scale with existing operations, strategic positioning) rather than the attributes of the GPT Metro property portfolio.

54 Calculated as high value of Growthpoint Offer less low adjusted NTA (i.e. $2.58 less $2.21 per security) and low value of Growthpoint Offer less high adjusted NTA (i.e. $2.46 less $2.25 per security).

6.2.3 Comparison to Market Parameters

The calculation of adjusted NTA per GPT Metro unit is a limited form of analysis insofar as it depends on the assumptions underlying the asset valuations and does not reflect the extent to which investors may attribute value to factors such as distribution growth potential, tax shield, scale and portfolio diversity or have different return requirements. Markets tend to value REITs primarily on yield (and yield growth) rather than NTA. Consequently, the estimated value of a REIT is typically cross checked against evidence as to premiums/(discounts) to NTA and distribution yields implied by the market rating of comparable listed REITs and by acquisitions of such entities.

The value attributed to the Growthpoint Offer of $2.46-2.58 per GPT Metro unit implies FY17 forecast exit yields of 6.0-6.3% (based on FY17 distribution guidance of 15.6 cents per unit). The implied yields have been reviewed by reference to the distribution yields implied by the trading prices of other listed office REITs and the exit yields implied by recent control transactions involving listed REITs as set out in Appendix 1. This evidence shows that:

- Australian listed REITs with a primary focus on passive property investment and substantial exposure to the metropolitan office and industrial sectors are trading at forecast distribution yields generally in the range 7.0-8.0%. GPT Metro's distribution yield based on the unit price prior to the announcement of the property portfolio revaluation on 4 April 2016 was consistent with this evidence at 7.6%; and
- forecast exit yields for recent Australian control transactions involving listed office REITs have been in a range of 5.3-8.6%. The top of this range reflects the acquisitions of Rabinov (8.6%) which was a controlled highly geared REIT and Westpac Office Trust (7.7%) which was highly geared and facing short term funding challenges. Excluding these transactions (which also occurred prior to 2012), the range of forecast exit yields for completed transactions narrows to 5.3-6.5% with the CPA transaction having been completed at a 5.5% forecast yield[55]. An exit yield towards the top end of this range would be appropriate for a quality metropolitan office property portfolio such as owned by GPT Metro (as compared to a central business district based office portfolio).

In Grant Samuel's opinion, the forecast exit yields implied by the value attributed to the Growthpoint Offer are reasonable having regard to the market evidence and the quality of GPT Metro's property portfolio.

6.2.4 Conclusion as to Fairness

Grant Samuel has estimated the adjusted NTA of GPT Metro to be $2.21-2.25 per unit (see Section 6.2.1).

The value attributed to the consideration under the Growthpoint Offer is $2.46-2.58 per GPT Metro unit based on a market value for Growthpoint securities of $3.05-3.35. The value of the consideration is reviewed in Section 5 of this report.

The value attributed to the consideration exceeds Grant Samuel's estimate of GPT Metro's adjusted NTA of $2.21-2.25 per unit by 9.3-16.7% (or a premium of 5.6-10.7% over reported NTA). In Grant Samuel's opinion, the premium over adjusted NTA offered under the Growthpoint Offer more than adequately compensates GPT Metro unitholders for the attributes of the GPT Metro property portfolio, particularly as there is no material latent value upside. In competitive bidding scenarios, high premiums over adjusted NTA will reflect factors relevant to the bidder in addition to the attributes of the property portfolio. Accordingly, in Grant Samuel's opinion, the Growthpoint Offer is fair.

The Cash Consideration of $2.50 per GPT Metro unit falls within the value range attributed

55 It is noted that the unsuccessful IOF transaction implied a forecast exit yield of 4.7%.

to the consideration under the Growthpoint Offer ($2.46-2.58 per unit) as do the value parameters implied by it (e.g. premium's to adjusted NTA of 11.1-13.1% and to reported NTA of 7.3%).

The value of the Mixed Consideration under the Growthpoint Offer will vary with movements in the Growthpoint security price. Accordingly, until the Growthpoint securities are issued, GPT Metro unitholders who accept the Growthpoint Offer but do not participate in the Cash Alternative Facility are exposed to changes in overall equity market conditions and specific events that could impact the Growthpoint security price. The actual value received could therefore ultimately exceed, or be less than, $2.46-2.58 per GPT Metro unit. Alternatively, GPT Metro unitholders who accept the Growthpoint Offer and participate in the Cash Alternative Facility will receive approximately $2.50 in cash for every GPT Metro unit (albeit they will not benefit from any increase in the Growthpoint security price above $3.15).

6.3 Reasonableness

As the Growthpoint Offer is fair, it is also reasonable. In any event, there are a number of other factors that support the reasonableness of the Growthpoint Offer and which GPT Metro unitholders should consider in determining whether or not to accept the Growthpoint Offer. These factors are set out in the following sections.

6.3.1 Premium for Control

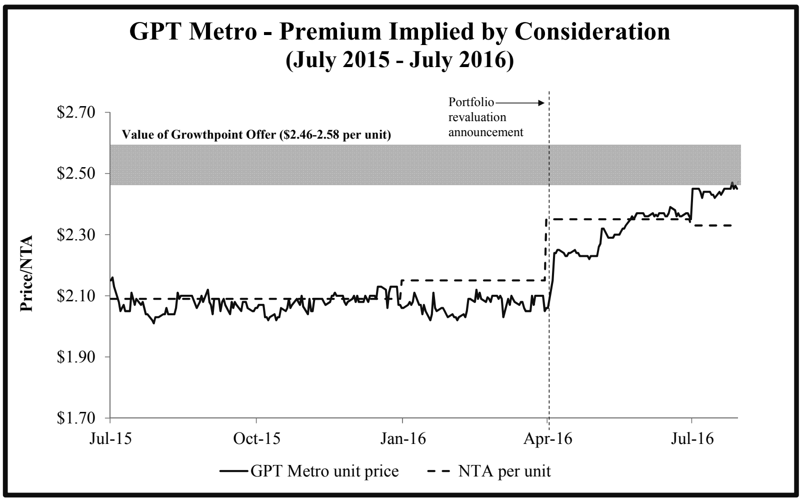
The Growthpoint Offer represents the following premiums over pre announcement prices when measured relative to the value attributed to the consideration by Grant Samuel ($2.46-2.58 per GPT Metro unit):

GPT Metro – Premium Implied by Value of Consideration

Period	Value of Growthpoint Offer Consideration	GPT Metro Price/VWAP	Premium
1 April 2016 – Pre-Growthpoint initial proposal	$2.46-2.58	$2.06	19.4-25.2%
1 week prior to 1 April 2016 (VWAP)	$2.46-2.58	$2.06	19.4-25.2%
1 month prior to 1 April 2016 (VWAP)	$2.46-2.58	$2.06	19.4-25.2%
3 months prior to 1 April 2016 (VWAP)	$2.46-2.58	$2.06	19.4-25.2%
6 months prior to 1 April 2016 (VWAP)	$2.46-2.58	$2.06	19.4-25.2%
12 months prior to 1 April 2016 (VWAP)	$2.46-2.58	$2.07	18.8-24.6%

Source: IRESS and Grant Samuel analysis
Note: The GPT Metro price at 1 April 2016 was ex-distribution for the March 2016 quarter (3.85 cents per unit).

The announcement of the property portfolio revaluation and increase in NTA to $2.35 per unit on 4 April 2016 followed by re-submission of Growthpoint's acquisition proposal the next day resulted in an 8.7% increase in the GPT Metro unit price. The subsequent corporate takeover activity has further positively impacted GPT Metro's unit price. Consequently, the relevant benchmarks for the implied premium are the unaffected GPT Metro unit prices prior to 4 April 2016 as illustrated in the following graph:



Source: IRESS and Grant Samuel analysis

The level of premiums observed in takeovers varies depending on the circumstances of the target and other factors (such as the potential for competing offers) but for industrial companies tends to fall in the range 20-35%. However, in the case of REITs with a primary focus on passive property investment there is little scope for large premiums over pre-bid prices as property cash flows are stable and predictable with security prices underpinned by distribution yield and, typically, there are limited synergies available to a purchaser.

The Growthpoint Offer represents premiums of around 19-25% to unaffected GPT Metro unit prices. The premium is significant given GPT Metro is an externally managed, passive owner of metropolitan office properties with no operating businesses. The premium reflects:

- the latent value upside in GPT Metro's investment property portfolio. On 4 April 2016 GPL announced a 6.4% increase in the value of GPT Metro's property portfolio which, together with an update on the fair value of derivative financial instruments, resulted in a 9.3% increase in proforma NTA to $2.35 per unit;
- that, despite a limited history and thin trading, the GPT Metro unit price has been a reasonable indicator of underlying value (e.g. at 1 April 2016 GPT Metro was trading at a discount to reported NTA of around 4%, broadly similar to with other externally managed office and industrial REITs of similar size); and
- the competitive bidding process to acquire GPT Metro.

6.3.2 Unit Trading in the absence of any Takeover Offer

In the absence of the Growthpoint Offer or a similar offer, GPT Metro unitholders could only realise their investment by selling on market at a price which does not include any premium and would incur transaction costs (e.g. brokerage). In these circumstances (assuming no speculation as to an alternative or revised offer), it is likely that GPT Metro units, under current market conditions and its current ownership and operating structure, would trade at prices below the value of the Growthpoint Offer ($2.46-2.58 per unit).

The unit price is unlikely to decline to the levels prevailing prior to 4 April 2016 given the increase in reported NTA per unit since that date. Nevertheless, in current market conditions, as an externally managed metropolitan office sector REIT with a $440 million property portfolio, GPT Metro would be expected to trade in a small range around reported

NTA ($2.33) and, therefore, at prices below the Growthpoint Offer (which represents a premium over reported NTA of 5.6-10.7%). Furthermore, the liquidity of GPT Metro units will come under further pressure if:

- Growthpoint acquires in excess of 50.1% but fails to be able to proceed to compulsory acquisition of GPT Metro; or
- the Growthpoint Offer lapses and Growthpoint is left with its 12.98% interest in GPT Metro. It is unlikely that Growthpoint would be prepared to hold a minority interest in a controlled stock for the long term.

6.3.3 Minimum Acceptance Condition

The Growthpoint Offer has a 50.1% minimum acceptance condition indicating that Growthpoint is not currently prepared to own less than 50.1% of GPT Metro (although it reserves the right to waive this condition). If Growthpoint acquires 50.1% or more but less than 90% of GPT Metro's units, the implications for remaining GPT Metro unitholders include:

- Growthpoint will control GPT Metro, being able to determine the outcome of resolutions requiring approval of at least 50% of the votes cast by unitholders entitled to vote on a resolution (including removal of the responsible entity). At 75% or more Growthpoint would also be able to determine the outcome of special resolutions.

  In this context, Growthpoint intends to:
  - replace GPL as responsible entity with GPAL and maintain the fee arrangements for acting as responsible entity at levels similar to those charged by GPL (i.e. no management cost savings would result);
  - operate GPT Metro as a separate controlled sub-trust within its portfolio of assets;
  - maintain GPT Metro's listing on the ASX, subject to meeting the requirements for listing (including a sufficient spread of investors); and
  - refinance GPT Metro's existing bank debt facility.

  However, Growthpoint's control of the ongoing management of GPT Metro, means it could seek changes to GPT Metro's investment mandate, distribution policy and gearing levels. Furthermore, if GPT Metro is delisted from the ASX, remaining unitholders would hold unlisted units reducing their ability to realise value;
- GPT Metro will meet transaction costs in relation to the Growthpoint Offer and the Centuria Offer (including legal and other adviser's fees as well as printing and mailing costs) of around $4.7 million (excluding GST) as a standalone entity (3.6 cents per unit);
- a dramatic further reduction in the liquidity of the market for GPT Metro units. GPT Metro's current free float is around 70% and will reduce to around, at best, 49% under the Growthpoint Offer (depending which unitholders accept the offer); and
- the prospects of receiving a fully priced offer in the future for their investment in GPT Metro would be greatly reduced.

6.3.4 Other Advantages, Disadvantages and Risks

Unitholders who accept the Growthpoint Offer and who are:

- eligible unitholders and elect to participate in the Cash Alternative Facility:
  - will realise their investment in GPT Metro at a value that incorporates a meaningful premium over adjusted NTA and receive all of that value in cash; and
  - will not be able to be defer the capital gains consequences of accepting the Growthpoint Offer as capital gains tax rollover relief will not be available (see Section 6.3.6). However, the cash consideration will be available to meet any capital gains tax liability;
- eligible unitholders and do not elect to participate in the Cash Alternative Facility:
  - will realise their investment in GPT Metro at a value that incorporates a meaningful premium over adjusted NTA but the actual value received will only be determined when the Growthpoint stapled securities are issued. They will also be able to sell into the moderately liquid market for Growthpoint stapled securities, although there is no certainty that they will be able to realise the scrip received for an amount equivalent to the value attributed to the consideration (e.g. due to transaction costs and the risks associated with any stockmarket investment);
  - will incur no transaction costs (i.e. brokerage) to acquire Growthpoint stapled securities. Moreover, as the exchange ratio under the Growthpoint Offer reflects a premium, their interest in Growthpoint will be greater than if they had realised their GPT Metro units on market and used the sale proceeds (net of transaction costs) to acquire Growthpoint stapled securities on market (also net of transaction costs); and
  - may be able to be defer part of the capital gains consequences of accepting the Growthpoint Offer if capital gains tax rollover relief is available (see Section 6.3.6). However, the cash component of the consideration may offset some or all of any capital gains tax liability; and
- ineligible foreign unitholders or unmarketable parcel unitholders (see Section 6.3.6) or holders of units compulsorily acquired by Growthpoint under Part 6A.1 of the Corporations Act:
  - will receive the cash component of the Mixed Consideration ($1.25 cash per GPT Metro unit) plus the net cash proceeds from the sale of the Growthpoint securities they would otherwise have received; and
  - will not be able to be defer the capital gains consequences of accepting the Growthpoint Offer. However, the net cash proceeds will be available to meet any capital gains tax liability.

For eligible unitholders, the decision to not participate in the Cash Alternative Facility and to hold Growthpoint stapled securities received is independent of a decision to accept the Growthpoint Offer. However, if Growthpoint stapled securities are retained, GPT Metro unitholders will:

- retain an economic interest in the GPT Metro assets, albeit on a diluted basis. The eventual interest of GPT Metro unitholders in Growthpoint will depend both on ownership level outcome under the Growthpoint Offer and GPT Metro unitholder elections in relation to the Cash Alternative Facility. Assuming all unitholders receive the Mixed Consideration and Growthpoint acquires 100% of GPT Metro, GPT Metro unitholders will, an aggregate, hold around 7.1% of Growthpoint;
- gain exposure to Growthpoint, a top 200 ASX listed entity, the 14th largest Australian REIT and a member of key stockmarket indices. GPT Metro unitholders will:
  - no longer be invested in an externally managed passive metropolitan office sector specific REIT but in an internally managed passive property REIT with a

mandate to invest in the office, industrial and retail sectors and a diversified property portfolio;

- be exposed to the property sector expertise of Growthpoint. In this regard, since 30 June 2010 Growthpoint's property portfolio has grown to 58 properties (value of $2.8 billion) and Growthpoint has experienced average growth in net property income of 20.3% per annum (albeit the rate of growth slowed during FY16); and
- be invested in an entity controlled by GRT, the largest South African listed REIT with a market capitalisation at 21 July 2016 of R71 billion ($6.7 billion, at $1.00:R0.09399). Depending on the ownership level outcome under the Growthpoint Offer and GPT Metro unitholder elections as the Cash Alternative Facility, GRT's post transaction interest in Growthpoint could be in the range of 60.8-67.9%. As a result, the prospects of receiving a fully price offer in the future for their investment in Growthpoint is low;

▪ be entitled to Growthpoint distributions on a pari passu basis with Growthpoint securityholders (i.e. they will be entitled to all distributions paid by Growthpoint after the date of issue of the stapled securities under the Growthpoint Offer);

▪ be exposed to integration risk, although these risks may be mitigated by the due diligence review undertaken by Growthpoint and by the arrangements with GPT under the Growthpoint Facilitation Agreement. Nevertheless, there may be unanticipated issues or costs that arise on integration; and

▪ based on a Growthpoint security price in the range $3.05-3.35 and the proforma analysis (100% basis) set out in the Growthpoint Bidder's Statement, GPT Metro unitholders would experience an increase in FFO per unit and distribution per unit but a decrease in NTA per unit (on an equivalent basis) and a substantial increase in gearing as shown below:

Proforma Impact per Equivalent GPT Metro Unit (100% Basis)

	GPT Metro Standalone	Growth-point (combined) Proforma	Value of Growthpoint Offer per Unit					
			$3.05			$3.35		
			Equivalent GPT Metro Unit[56]	Change		Equivalent GPT Metro Unit[56]	Change	
				Absolute	%		Absolute	%
FFO	16.9¢[57]	23.4¢[58]	18.9¢	*2.0¢*	*+11.5*	18.0¢	*1.1¢*	*+6.5*
Distribution	15.6¢[57]	22.3¢[58]	18.0¢	*2.4¢*	*+15.5*	17.2¢	*1.6¢*	*+10.3*
NTA	$2.33[59]	$2.55[58]	$2.06	*($0.27)*	*-11.7*	$1.96	*($0.37)*	*-15.7*
Gearing	28.1%[59]	46.1%[58]						

Source: Growthpoint Bidder's Statement and Grant Samuel analysis

For an ownership level of 50.1%, the uplift in FFO per unit and distribution unit (on an equivalent basis) is marginally lower while the decline in NTA (on an equivalent basis) is marginally higher. The increase in gearing is also lower to 44.7%.

However, this proforma impact per equivalent GPT Metro unit is based on the assumptions underlying Growthpoint's proforma acquisition analysis and will also vary with movements in the Growthpoint security price. Therefore, the actual impact on FFO, distribution and NTA backing (on an equivalent basis) and gearing for GPT Metro unitholders may lie outside the ranges presented above.

56 Calculated at 0.770-0.807 Growthpoint securities for every GPT Metro unit, being the sum of the scrip consideration of 0.3968 Growthpoint stapled securities plus $1.25 cash reinvested in Growthpoint securities at a price of $3.00-3.35.

57 GPT Metro FY17 guidance.

58 Growthpoint (combined group) FY17 guidance.

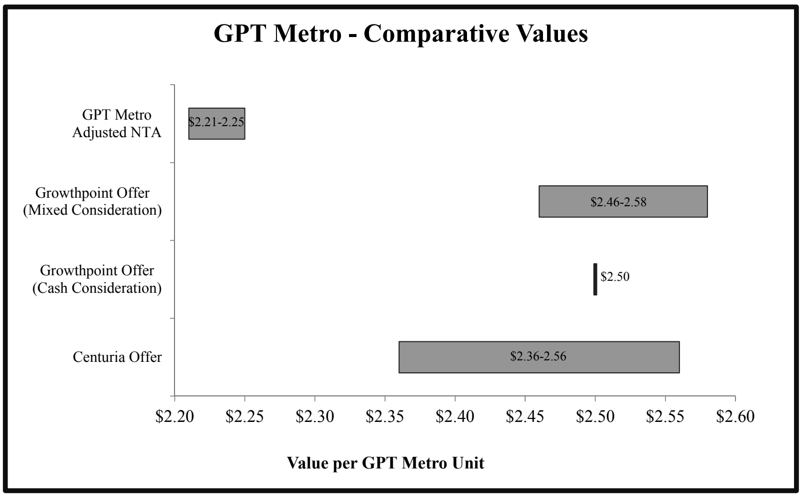
59 Actual as at 30 June 2016.

6.3.5 Alternative Proposals

Centuria Offer

Although the Centuria Offer is not yet capable of acceptance (as a Bidder's Statement has not been issued) and the independent directors have assessed the Growthpoint Offer to be superior to the Centuria Offer, it is a "live" alternative for GPT Metro unitholders. Based on the information currently available, Grant Samuel has attributed a value to the consideration under the Centuria Offer of $2.36-2.56 per GPT Metro unit based on a market value for Centuria Metro stapled securities in the range $2.05-2.25 (see Section 7.3.1).

Therefore, Grant Samuel's estimates of the value of the consideration under the Growthpoint Offer and Centuria Offer overlap but the value of the Mixed Consideration under the Growthpoint Offer is above the midpoint of the value of the Centuria Offer ($2.46) and the Cash Consideration is in the upper half of the value of the consideration under the Centuria Offer:



As both offers involve a significant proportion of scrip consideration, the values attributable to each will vary with movements in the respective market prices of the securities offered (Growthpoint and Centuria Metro). Therefore, the decision for GPT Metro unitholders will turn on:

- the likelihood of either offer becoming unconditional;
- the relative merits of Growthpoint and Centuria Metro securities; and
- movements in the respective security prices.

This choice will depend on the preferences of individual GPT Metro unitholders and will reflect their own circumstances including risk profile, liquidity preference, investment preference, investment strategy, portfolio structure and tax position.

In relation to the likelihood of completion:

- both offers have a 50.1% minimum acceptance condition indicating that, while prepared to acquire less than 100%, both bidders are seeking control of GPT Metro. In addition, both bidders have significant interests in GPT Metro which could prevent the other from reaching compulsory acquisition and makes meeting their minimum acceptance conditions more difficult. Growthpoint would need to gain acceptances from over half of the remaining units (circa 52% of 71%) to meet its minimum acceptance condition while Centuria Metro would need to gain just under half of the remaining units (circa 48% of 71%);

- the bidders have both shown a commitment to acquiring GPT Metro by acquiring units, incurring the cost of due diligence, announcing their offers and entering into facilitation arrangements with GPTMH. Growthpoint has also increased its offer (including in response to the Centuria Offer) and offered a full cash consideration alternative; and
- the Growthpoint Offer is open for acceptances and is scheduled to close on 19 August 2016 (unless extended). In comparison, the Centuria Offer is not yet capable of acceptance although the Bidder's Statement must be lodged by 2 August 2016.

The relative merits of securities in Growthpoint and Centuria Metro cannot be fully analysed until the Bidder's Statement in relation to the Centuria Offer is released as it will contain important information (such as proforma financial information, distribution guidance, Centuria Metro intentions if it acquires less than 100%) to enable GPT Metro unitholders to make an informed decision. While Grant Samuel has prepared some indicative proforma analysis of the impact of the Centuria Offer on Centuria Metro, caution is warranted in reviewing that analysis (see Section 7.3.3).

When considering the Centuria Offer, GPT Metro unitholders should also note that:

- although the value attributed by Grant Samuel to the Centuria Offer currently overlaps the value attributed to the Mixed Consideration of the Growthpoint Offer, the value range is wider and the low end is well below the value of the Growthpoint Offer. While the relative values of the two offers may shift with movements in the respective market prices of the securities offered:
  - scrip represents around 88% of the consideration under the Centuria Offer (50% under the Growthpoint Offer) and therefore the impact of movements in security prices on value will be magnified under the Centuria Offer; and
  - Growthpoint securities trade at a significant premium over proforma NTA while Centuria Metro trades close to NTA. However, there are reasons for Growthpoint's rating (including an apparent lag in the value of its property portfolio, higher gearing and relatively higher distribution growth expectations). Moreover, a premium to externally managed peers (such as Centuria Metro) could be expected;
- there is no full cash alternative under the Centuria Offer and cash represents only around 12% of the value of the consideration. In contrast, cash represents 50% of the Growthpoint Offer and Growthpoint has provided a full cash consideration alternative. This will be important to unitholders concerned about holding scrip in either of the bidding entities;
- although the markets for the securities of both Growthpoint or Centuria Metro are not deep and liquid, the market for Centuria Metro securities is thin and its market following is limited. In comparison, while Growthpoint securities are only moderately liquid, it is a member of key market indices and followed by six brokers (despite its restricted free float);
- if Centuria Metro acquires 100% of GPT Metro, it will remain a relatively small listed externally managed REIT. It will own an $836 million property portfolio (predominantly metropolitan office assets) and have a market capitalisation of around $530 million. Centuria Metro would expect to be included in the S&P/ASX 300 A-REIT Index and it would be reasonable to assume that there would be improved market liquidity (although that remains to be seen). In contrast, if Growthpoint acquires 100% of GPT Metro, it will remain a relatively large, internally managed REIT with a $3.2 billion property portfolio diversified across metropolitan office and industrial assets. While Growthpoint will remain controlled by GRT, the market for its securities is expected to remain moderately liquid; and
- if Centuria Metro becomes the owner of 80% or more of the units in GPT Metro, unitholders would be expected to be eligible to receive partial capital gains tax rollover relief in respect of the scrip component of the consideration. This is also the

situation for the scrip component of the consideration under the Growthpoint Offer but the proportion of scrip in the Growthpoint Offer is lower.

Further Developments

It would be open to unitholders to reject the Growthpoint Offer in anticipation of a higher offer from Growthpoint or Centuria Metro. There is no evidence that either party would be prepared to pay a higher price, particularly given the competitive bidding process that has taken place over the last four months, but it is possible. Nevertheless, as:

- neither the Growthpoint Offer nor the Centuria Offer have been declared unconditional or final;
- the relative values of the two offers may shift; and
- there may be further developments (e.g. changes to offer terms),

it may be prudent for GPT Metro unitholders to wait until further information on the Centuria Offer is available or one or both of the offers are declared unconditional or final, prior to acceptance. On the other hand:

- the independent directors have assessed the Growthpoint Offer to be superior to the Centuria Offer and, accordingly, have recommended GPT Metro unitholders accept the Growthpoint Offer, in the absence of a superior proposal; and
- control of GPT Metro may pass under the Growthpoint Offer which is currently open for acceptance.

There has been ample opportunity for an interested party other than Growthpoint or Centuria Metro to make a competing offer for GPT Metro. No such offer has been made at the date of this report but the opportunity to do so remains during the offer period (currently until 19 August 2016).

6.3.6 Other Matters

Potential Consideration Adjustment

Growthpoint stapled securities issued to GPT Metro unitholders will rank equally with all other Growthpoint securities on issue. However, if Growthpoint is not the registered holder of the relevant GPT Metro units by the record date for GPT Metro's distribution for the quarter ending 30 September 2016 (which typically would be 30 September 2016), then the cash component of the Mixed Consideration ($1.25 per GPT Metro unit) will be reduced by the amount of any distribution. This adjustment is a consequence of GPT Metro paying quarterly distributions while Growthpoint pays six monthly distributions. In any event:

- consideration adjustments for dividends/distributions paid by the target are common in takeover offers; and
- the Growthpoint Offer is currently scheduled to close on 19 August 2016.

Growthpoint Facilitation Agreement

Growthpoint has entered into the Growthpoint Facilitation Agreement whereby if the Growthpoint Offer is declared unconditional or, two business days after the end of the offer period, Growthpoint has a relevant interest in at least 50.1% of GPT Metro, Growthpoint will pay $9 million to GPTMH in return for:

- forgoing its rights to receive revenue for responsible entity and property management services provided to GPT Metro ($7.2 million of payment); and
- providing services to assist in transitioning the management of GPT Metro to GPAL as well as providing certain property rights ($1.8 million of the payment). The property rights to be provided are:
  - GPT will continue to be responsible for, on the same terms, all existing rental guarantees, income support, incentive payments and other similar arrangements

currently provided by any GPT group member (namely, the Quads rental guarantee and the 3 Murray Rose Avenue rent receivable which have been recognised as assets by GPT Metro at 30 June 2016, total of $7.2 million); and

- until the date three years from the date of $9 million payment, GPT must give GPAL the first opportunity to submit an offer to purchase one or any of three properties owned by the GPT group (Quad 1, Quad 4 and 4 Murray Rose Avenue at Sydney Olympic Park).

A payment to GPTMH is not necessary as:

- GPL can be removed as responsible entity by way of an ordinary resolution of unitholders and the operating agreements with GPTMH and GPTPM fall away if GPL is replaced as responsible entity of GPT Metro by an entity which is not a member of the GPT group; and
- GPT Metro's assets do not require a high level of operational expertise (say, in comparison to retail property assets),

On this basis, the $9 million payment to GPTMH represents an amount that Growthpoint is willing to pay to acquire GPT Metro which could have been added to the consideration under the Growthpoint Offer (7 cents per GPT Metro unit). However:

- Growthpoint has formed the view that (in addition to a due diligence review) the payment is warranted to reduce integration risk;
- the payment encompasses an amount for the provision of certain property rights which, in Growthpoint's opinion, have value;
- the amount is the same as that which Centuria Capital has agreed to pay GPTMH under the Centuria Facilitation Agreement[60];
- it does not automatically follow, that if no payment was made to GPTMH, then Growthpoint would increase the consideration under the Growthpoint Offer; and
- in any event, the Growthpoint Offer as it stands is fair and includes a premium over adjusted NTA that more than adequately compensates GPT Metro unitholders for the attributes of the GPT Metro property portfolio.

Taxation Consequences

If the Growthpoint Offer becomes unconditional, accepting unitholders will be treated as having disposed of their GPT Metro units for tax purposes. A capital gain or loss may arise on disposal depending on the cost base for the GPT Metro units, the length of time held, whether the units are held on capital or revenue account and whether the unitholder is an Australian resident for tax purposes.

Details of the Australian taxation consequences for GPT Metro unitholders who are Australian resident individuals and hold their units on capital account are set out in Appendix 1 of the Target's Statement and Section 11 of the Growthpoint Bidder's Statement. The taxation consequences are similar whether or not a unitholder elects to participate in the Cash Alternative Facility. However, if Growthpoint becomes the owner of 80% or more of the units in GPT Metro, unitholders who do not participate in the Cash Alternative Facility are expected to be eligible to receive partial capital gains tax rollover relief if a gain would otherwise have been made. Unitholders should consult their own professional adviser in relation to the taxation consequences.

[60] On 5 July 2016, Centuria Capital announced that, by entering into the Growthpoint Facilitation Agreement, GPTMH has breached the Centuria Facilitation Agreement and, if the breach is not remedied within five business days, it is entitled to terminate that agreement. On 6 July 2016, GPT announced that it does not agree that the Centuria Facilitation Agreement has been breached. On 21 July 2016, Centuria Capital announced that it had written to GPTMH noting the expiration of the notice period and reserving all of its rights, including the right to terminate the Centuria Facilitation Agreement. On 22 July 2016, GPT announced that it maintains that it has not breached its obligations under the Centuria Facilitation Agreement and has notified Centuria Capital that it reserves all its rights in relation to any purported termination of that agreement.

Transaction Costs

If both the Growthpoint Offer and the Centuria Offer are unsuccessful and lapse, it is estimated that GPT Metro will meet transaction costs associated with the offers (including legal and other adviser's fees as well as printing and mailing costs) of around $1.4 million (excluding GST) as a standalone entity (1.1 cents per unit). On the other hand, if either bidder acquires more than 50.1% but less than 90% of GPT Metro's units, it is estimated that GPT Metro will meet transaction costs of around $4.7 million (excluding GST) as a standalone entity (3.6 cents per unit).

Ineligible Foreign Unitholders

Ineligible foreign unitholders (i.e. GPT Metro unitholders with registered addresses outside of Australia and its external territories, New Zealand and Singapore) are not entitled to receive Growthpoint stapled securities. However:

- the Growthpoint securities which they would otherwise receive will be sold on market and they will receive the cash proceeds of sale (after payment of any applicable brokerage, taxes and costs) in Australian dollars;
- they can acquire Growthpoint securities through the ASX if they wish to retain an exposure to the combined entity; and
- unitholders representing less than 3% of GPT Metro's issued units are expected to be impacted by these provisions.

Unmarketable Parcel Unitholders

GPT Metro unitholders who accept the Growthpoint Offer and do not elect to participate in the Cash Alternative Facility will receive 0.3968 Growthpoint securities for every GPT Metro unit. Based on the closing Growthpoint security price on 29 July 2016 of $3.30, unitholders holding less than 384 GPT Metro units will receive a less than marketable parcel of Growthpoint securities (i.e. a parcel of Growthpoint securities with a market value of less than $500). Unitholders who will receive a less than marketable parcel should note that Growthpoint intends to sell those securities and remit the net proceeds to the unitholder. In this context:

- they can acquire Growthpoint securities through the ASX if they wish to retain an exposure to the combined entity; and
- GPT Metro unitholders representing less than 0.05% of issued units are expected to be impacted.

6.4 Unitholder Decision

Grant Samuel has been engaged to prepare an independent expert's report setting out whether in its opinion the Growthpoint Offer is fair and reasonable and to state reasons for that opinion. Grant Samuel has not been engaged to provide a recommendation to unitholders in relation to the Growthpoint Offer, the responsibility for which lies with the directors of GPL.

In any event, the decision to accept or reject the Growthpoint Offer (and to participate in the Cash Alternative Facility) is a matter for individual unitholders based on each unitholder's views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. In particular, taxation consequences may vary from unitholder to unitholder. If in any doubt as to the action they should take in relation to the Growthpoint Offer, unitholders should consult their own professional adviser.

Similarly, it is a matter for individual unitholders as to whether to buy, hold or sell securities in GPT Metro or Growthpoint. These are investment decisions upon which Grant Samuel does not offer an opinion and independent of a decision on whether to accept or reject the Growthpoint Offer. Unitholders should consult their own professional adviser in this regard.

7 The Centuria Offer

7.1 Profile of Centuria Metro

7.1.1 Background

Centuria Metro was formed in 2007 when two existing unlisted registered managed investment schemes were stapled. In October 2014, existing securityholders voted to facilitate a public listing. Centuria Metro's initial public offering raised $114.3 million which was used to acquire three properties (increasing the portfolio to eight properties), reduce debt, redeem certain investors' securities and to pay transaction costs. It commenced trading on the ASX on 10 December 2014.

Centuria Metro invests in office and industrial assets in metropolitan markets across Australia. Its objective is to provide investors with income returns via quarterly distributions and the potential for capital growth through active management activities (such as property repositioning and leasing) and further property investment. It does not undertake speculative property development.

Since listing, Centuria Metro has acquired five additional properties funded by a combination of debt and new equity and now owns a portfolio of 13 properties with a total value of around $397 million. Prior to the announcement of CPFL's relevant interest in GPT Metro on 20 May 2016, Centuria Metro had a market capitalisation of approximately $260 million.

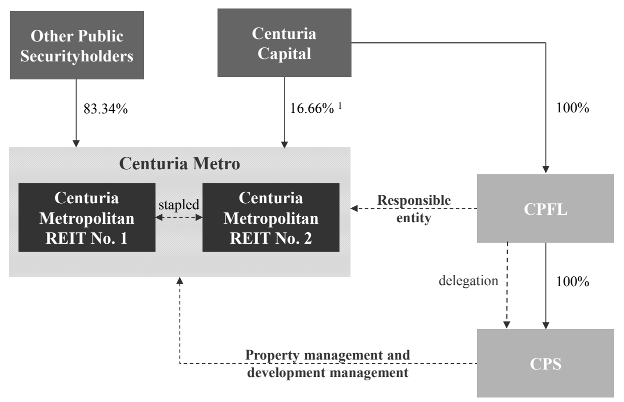
7.1.2 Operating Structure

Centuria Metro is a stapled entity comprising two registered management investment schemes (Centuria Metropolitan REIT No.1 and Centuria Metropolitan REIT No.2) which were established by constitutions under which CPFL is appointed responsible entity. CPFL is a wholly owned subsidiary of Centuria Capital, a specialist investment manager listed on the ASX. CPFL has a board of four directors, one an executive director of Centuria Capital, one an independent non-executive director of Centuria Capital and two who are independent of Centuria Capital.

Under the constitutions, CPFL is entitled to delegate exercise of any of its powers and performance of its obligations (including to related entities). In this regard, it has appointed Centuria Property Services Pty Limited ("CPS"), a wholly owned subsidiary, to provide property management, development management and facilities management services for the Centuria Metro property portfolio.

The ownership and operating structure of Centuria Metro is summarised below:

Centuria Metro – Ownership and Operating Structure



Source: Centuria Metro

Notes: 1. Comprising securities held by Centuria Capital (directly and indirectly as well as for investors) and securities owned by employees and directors of Centuria Capital.

Centuria Metro pays the following major fees for services provided by CPFL and CPS:

Centuria Metro – Fee Structure	
Fee Type	**Basis**
Responsible Entity (CPFL)	
▪ Management fee	▪ 0.55% per annum of gross asset value calculated and paid monthly[61] ▪ reimbursement of certain expenses
Management Services Agreement (CPS)	
▪ Property management fee	▪ a base property management fee and facilities management fee for each property which increases 3% each 1 July
▪ Leasing administration fee	▪ maximum fee based on a scale varying from 11% to 15% of first year gross rental according to lease duration ▪ surrender fee of 5% of gross income surrender value; ▪ project management fee of 5% of the value of building works greater than $5,000 ▪ engineering/operation services charges on an ad hoc basis
▪ Market review fee	▪ $500
Development and Project Management Services Agreement (CPS)	
▪ Development planning fee	▪ base hourly rate increased on 1 July by the greater of 3% and the rate of inflation
▪ Development services fee	▪ 5% of the estimated project costs paid monthly in arrears during the term of the project. If project scope changes resulting in revised costs exceeding the initial estimated project costs, a fee of 5% of the excess is payable ▪ reimbursement of certain expenses

Source: Centuria Metro

CPFL's role as responsible entity is subject to the provisions of the Corporations Act relating to the retirement and removal of responsible entities for listed managed investment schemes. CPFL effectively has indefinite tenure unless it wants to retire or is removed. Either of these changes can only occur following an ordinary resolution of unitholders (i.e. approval by at least 50% of votes cast).

The agreements underlying Centuria Metro's operating structure contain a range of termination triggers. Although these agreements do not appear to terminate if CPFL is replaced as responsible entity of Centuria Metro by an entity which is not a member of the Centuria group, they are terminable by the responsible entity at any time by giving written notice (30 days for the Management Services Agreement and 90 days for the Development and Project Management Services Agreement).

7.1.3 Investment Property Portfolio

Centuria Metro's investment property portfolio comprises interests in 13 properties, ten of which are office properties and three of which are industrial properties. The properties are located across Australia with six in New South Wales, three in Queensland, two in the Australian Capital Territory and two in South Australia. All are 100% owned by Centuria Metro, except for 203 Pacific Highway, St Leonards, NSW which is 50% owned. Eleven of the properties are owned freehold (one under strata freehold title) while two are owned under long term leases which expire in the period 2088 to 2114 (in excess of 70 years).

[61] Under the constitutions, CPFL is entitled to charge a management fee of 0.60% per annum of gross asset value but has reduced the fee to 0.55% per annum of gross asset value while the Centuria Metro stapled securities are quoted on the ASX.

In addition, if the stapled securities are ever not quoted, CPFL is entitled to charge certain other fees:

- incentive/performance fee: if a property's sale price (after sales costs) exceeds its acquisition price by 15% or more (adjusted acquisition price), a fee equal to 15% of the amount exceeding the adjusted acquisition price is payable;
- acquisition fee: equal to 5% of the purchase price of any property;
- transfer fee: equal to 3% of the gross transfer value for the transfer of trust units either to an existing member or a third party; and
- redemption fee: equal to 3% of the redemption amount for investments held for less than three years, 2% for investments held for more than three years, 1% for investments held for more than four years and nil for investments held for more than five years.

If this circumstance occurs and CPFL determines to charge any of these fees, it would give investors 30 days' notice.

At 31 December 2015, Centuria Metro's investment property portfolio had a book value of $379.2 million and was 97.3% occupied with a weighted average lease expiry of 4.3 years. Approximately 76% of rental revenue is derived from ASX listed, multinational, national and government tenants. The top five tenants account for around 36% of gross rental income. The portfolio was independently valued at 15 May 2016 at $396.7 million and is summarised below:

Centuria Metro – Investment Property Portfolio

Property	As at 31 December 2015			Book Value 31 Dec 2015 ($ million)	Portfolio Composition (book value)	Independent Valuation 15 May 2016 ($ million)	Capital-isation Rate
	NLA (m^2)	Occupancy	WALE (years)				
Office							
9 Help Street, Chatswood, NSW	9,401	93.8%	2.7	52.0	13.7%	55.0	7.25%
203 Pacific Highway, St Leonards, NSW	11,737	100.0%	4.7	43.5	11.5%	45.5	7.50%
3 Carlingford Road, Epping, NSW	4,702	96.8%	3.0	25.0	6.6%	27.0	6.25%
44 Hampden Road, Artarmon, NSW	2,339	95.3%	3.1	8.0	2.1%	8.5	8.50%
54 Marcus Clarke, Canberra, ACT	5,161	80.2%	2.9	14.8	3.9%	16.3	9.25%
60 Marcus Clarke, Canberra, ACT	12,215	90%	3.5	49.2	13.0%	51.7	8.25%
35 Robina Town Centre Drive, Robina, QLD	9,814	100.0%	7.8	47.3	12.5%	48.8	7.50%
555 Coronation Drive, Brisbane, QLD	5,591	100.0%	2.9	33.8	8.9%	33.1	8.25%
1 Richmond Road, Keswick, SA	8,135	100.0%	3.1	25.2	6.6%	26.5	9.25%
131-139 Grenfell Street, Adelaide, SA	4,052	100.0%	3.9	20.4	5.4%	20.5	8.75%
Total Office	**73,147**			**319.2**	**84.2%**	**332.9**	
Industrial							
149 Kerry Road, Archerfield, QLD	13,774	100.0%	9.0	23.6	6.2%	24.5	7.50%
14 Mars Road, Lane Cove, NSW	10,601	100.0%	6.0	19.3	5.1%	21.5	8.00%
13 Ferndell Street, Granville, NSW	15,301	100.0%	4.3	17.1	4.5%	17.8	7.75%
Total Industrial	**39,676**			**60.0**	**15.8%**	**63.8**	
Total	**112,822**	**97.3%**	**4.3**	**379.2**	**100.0%**	**396.7**	**7.85%**

Source: Centuria Metro

7.1.4 Financial Performance

Centuria Metro was formed in 2007 and listed on the ASX in December 2014. The capital raised in its initial public offering was used to grow the property portfolio, reduce debt, redeem certain investors' securities and pay transaction costs. As a consequence, analysis of FY15 results is not meaningful and FY16 is Centuria Metro's first full year of operation as an ASX listed REIT.

Summarised below is the financial performance of Centuria Metro since 1 July 2014 to 31 December 2015 together with the Centuria Metro FY16 Guidance (prepared by CPFL):

Centuria Metro - Financial Performance ($ millions)			
	Year ended 30 June 2015 actual	**Six months ended 31 December 2015** actual	**Year ending 30 June 2016** guidance
Number of properties (period end)			
Office	*9*	*10*	*10*
Industrial	*3*	*3*	*3*
Total	*12*	*13*	*13*
Net property income			
Rent from properties	18.6	16.9	
Property expenses and outgoings	(4.1)	(3.5)	
Net property income	**14.5**	**13.3**	
Straight lining of rent	0.2	0.8	
Management fees	(1.0)	(0.9)	
Other expenses	(0.5)	(0.5)	
EBIT	**13.2**	**12.7**	
Finance costs	(3.9)	(1.8)	
Interest income	0.1	-	
Changes in fair value of properties	(0.5)	9.3	
Changes in fair value of derivatives	0.5	(0.9)	
Non-recurring items	(0.5)	-	
Profit attributable to securityholders	**8.9**	**19.3**	
Changes in fair value of properties	0.5	(9.3)	
Changes in fair value of derivatives	(0.5)	0.9	
Other items (inc. rent straight lining)	0.8	-	
Distributable earnings/FFO	**9.7**	**10.9**	
Distributions	**9.6**[62]	**10.1**	
Statistics			
FFO per security		*9.10¢*	*17.90¢*
Distribution per security		*8.50¢*	*17.00¢*
Payout ratio		*93%*	*95%*
Management expense ratio[40]		*0.78%*[63]	
Interest cover[25]		*7.0x*	

Source: Centuria Metro and Grant Samuel analysis

Management fees are paid to CPFL and since 9 December 2014 have been set at 0.55% of gross asset value per annum (previously 0.60% of gross asset value) calculated monthly. Other expenses include professional services fees including audit, legal and taxation fees. Non-recurring items in FY15 primarily relate to transaction costs and incentive fees relating to periods prior to the initial public offering.

Centuria Metro is exposed to interest rate risk in respect of its borrowings. It utilises derivative financial instruments to hedge that risk.

Under current Australian taxation legislation, Centuria Metro is a "pass through" vehicle and is not liable for income tax (including capital gains tax) provided its distributable income is distributed to unitholders in respect of each income year. Centuria Metro pays distributions quarterly for the periods ending 30 September, 31 December, 31 March and 30 June. It aims to distribute between 90% and 100% of distributable earnings each year. Distributions may include income, capital gains, tax deferred amounts (i.e. the excess of distributable income over taxable income) and capital gains tax concessional amounts.

Centuria Metro has announced a distribution for the quarter ended 30 June 2016 of 4.25 cents per unit. The record date for the distribution was 30 June 2016 and it is to be paid on 12 August 2016. Centuria Metro securities commenced trading ex-distribution on 29 June 2016.

62 Including $1.0 million paid to securityholders prior to allotment under the initial public offering in December 2014.
63 Calculated by reference to management expenses for the six months ended 31 December 2015 annualised.

7.1.5 Financial Position

The financial position of Centuria Metro as at 30 June 2015 and 31 December 2015and the proforma financial position at 31 December 2015[64] is summarised below:

Centuria Metro - Financial Position ($ millions)			
	30 June 2015 actual	**31 December 2015 actual**	**31 December 2015 proforma[64]**
Cash	6.3	5.7	5.7
Trade, other receivables and prepayments	0.6	0.8	0.8
Investment property portfolio	323.1	379.2	396.7
Total assets	**330.0**	**385.7**	**403.2**
Trade and other payables	(4.9)	(6.6)	(6.6)
Management fee payable	(0.2)	(0.2)	(0.2)
Distributions payable	(5.0)	(5.1)	(5.1)
Borrowings (net of capitalised borrowing costs)	(83.9)	(127.4)	(129.9)
Derivative financial instruments	(0.7)	(1.6)	(4.7)
Total liabilities	**(94.7)**	**(140.9)**	**(146.5)**
Net assets	**235.3**	**244.8**	**256.7**
Statistics			
Securities on issue at period end (million)	*119.2*	*119.4*	*119.4*
NTA per unit	*$1.97*	*$2.05*	*$2.15*
Gearing (GPT Metro definition)[29]	*24.0%*	*32.0%*	*31.2%*

Source: Centuria Metro and Grant Samuel analysis

Centuria Metro's investment properties are initially recorded at cost. Subsequently, the properties are recognised at fair value. Fair value of each property is reviewed by the directors at each reporting date and periodically confirmed by engaging an independent expert valuer. Independent valuations are expected to occur at least once every two calendar years but market conditions may require more frequent independent valuations. The carrying value includes components relating to deferred rent, lease incentives and leasing fees. The entire portfolio was independently valued at 15 May 2016 at $396.7 million.

Management fees are calculated and paid monthly in arrears. Distributions to securityholders are declared prior to period end and paid in the following period.

Centuria Metro targets gearing of between 25% and 35%. Its borrowings comprise a secured bank debt facility in three tranches and, at 31 December 2015, had a weighted average maturity of approximately 4.4 years:

Centuria Metro – Borrowings ($ millions)				
Facility	**Facility Limit**	**Amount Drawn**		**Maturity Date**
		30 June 2015	**31 Dec 2015**	
Bank debt (secured):				
- Tranche A	55.0	53.5	53.5	31 December 2019
- Tranche B	40.0	31.1	35.3	31 May 2020
- Tranche C	45.0	-	39.6	22 December 2020
Total bank loans	**140.0**	**84.6**	**128.3**	
Capitalised borrowing costs	-	(0.7)	(1.0)	
Total interest bearing liabilities	**140.0**	**83.9**	**127.4**	

Source: Centuria Metro and Grant Samuel analysis

64 Proforma financial position at 31 December 2015 as calculated by Grant Samuel based upon Centuria Metro announcement of 19 May 2016. The financial position recognises the independent valuation at 15 May 2016, payments for capital expenditure and a mark to market of interest rate swaps which resulted in an increase in NTA to $2.15 per security. The acquisition of a 3.5% interest in GPT Metro is not recognised.

To manage interest rate risk, Centuria Metro's policy is to fix interest rates in respect of 50% and 100% of drawn borrowings over a range of maturity dates. At 31 December 2015, 65% of total debt was hedged with a weighted average hedge maturity of 4.2 years. The fair value of derivative financial instruments at that date is negative $1.6 million.

At 30 June 2015 and 31 December 2015, Centuria Metro had no contracted capital expenditure commitments for which no provision has been made.

The responsible entity is entitled to receive an incentive/performance fee when an investment property is sold (see Section 7.1.2). The fee is equal to 15% of the excess if the net sale price exceeds the total acquisition cost by 15% or more. CPFL has waived its entitlement to this fee for so long as Centuria Metro remains listed on the ASX. CPFL has disclosed that, in the event that Centuria Metro is de-listed, the entitlement to the fee will resume from the date of de-listing with the acquisition costs of each property being reset to the valuation at the time of de-listing.

7.1.6 Capital Structure and Ownership

Centuria Metro has 119,407,764 stapled securities on issue. At 5 August 2015, there were 1,187 registered securityholders. At that date, the top 20 registered securityholders accounted for approximately 68% of the securities on issue and, other than Centuria Capital, were principally institutional nominee or custodian companies. Around 37.5% of registered securityholders held 10,000 or fewer securities representing less than 2% of securities on issue.

Centuria Metro has received notices from the following substantial securityholders:

Centuria Metro – Substantial Securityholders			
Securityholder	**Date of Notice**	**Number of Securities**	**Percentage[65]**
Centuria Capital	2 June 2015	19,887,626	16.66%
Westpac Banking Corporation	5 February 2016	8,705,639[66]	7.29%
PEJR Investments Pty Ltd	24 December 2014	7,000,000	5.86%
APN Property Group Limited	29 May 2015	6,508,424	5.45%
BT Investment Management Limited	5 February 2016	6,387,962	5.35%

Source: IRESS

Centuria Capital's 16.66% relevant interest in Centuria Metro comprises securities held by Centuria Capital (directly and indirectly as well as for investors) and securities owned by employees and directors.

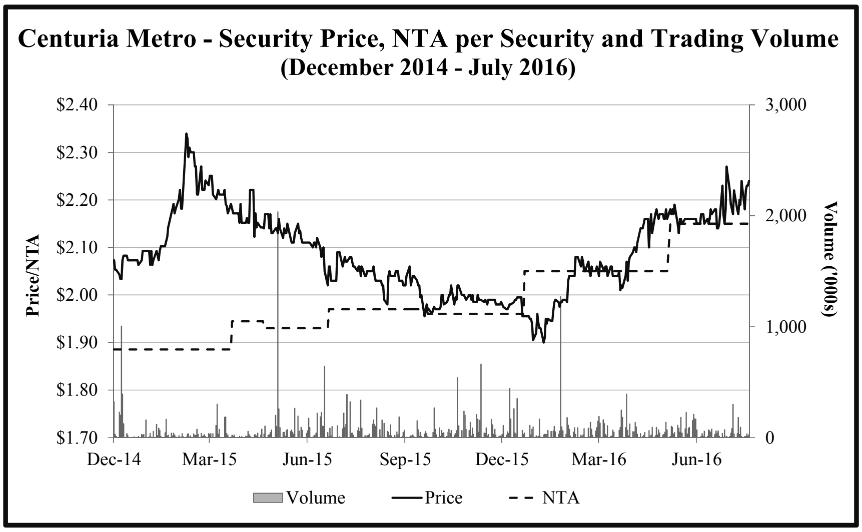
Centuria Metro introduced a distribution reinvestment plan in March 2015. It was activated for the distribution for the quarter ended 30 June 2015 but has since been suspended.

7.1.7 Security Price Performance

Stapled securities in Centuria Metro were issued at $2.00 per security (a 4.9% premium to then NTA of $1.91) and commenced trading on the ASX on 10 December 2014, closing on that day at $2.10 (unadjusted basis), a premium of 10% to NTA. The following graph illustrates the movement in the Centuria Metro stapled security price, NTA per security and trading volumes since it commenced trading on the ASX in December 2014:

65 Calculated based on 119,407,764 stapled securities.

66 Westpac Banking Corporation's relevant interest in Centuria Metro includes the relevant interest of BT Investment Management Limited ("BTIM") in Centuria Metro by virtue of it holding more than 20% of the shares in BTIM.



Source: IRESS

Notes:

(1) Stapled security prices and NTA per security on an adjusted basis reflecting the 2 for 3 non-renounceable entitlement offer announced on 29 April 2015.

(2) Following the revaluation of a property NTA increased on 31 March 2015 but decreased on 29 April 2015 reflecting the impact of the non-renounceable entitlement offer.

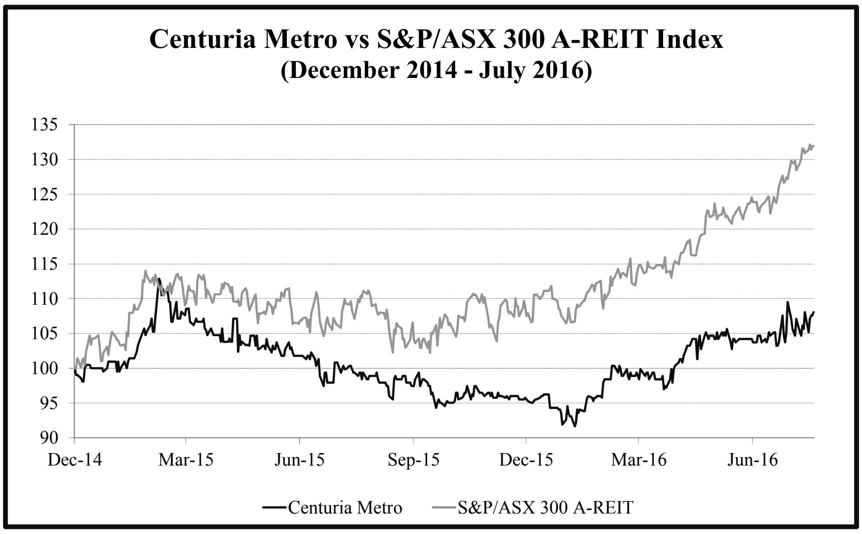
(3) From 15 May 2016, NTA per security is proforma NTA as announced on 19 May 2016.

Until mid July 2015, the Centuria Metro security price generally traded above the $2.00 issue price, at a premium to NTA. However, this was based on thin trading with an average of 55 transactions and 397,500 securities traded per week. Nevertheless, during this period the security price rose steeply in line with the market, reaching a record high of $2.35 (adjusted basis) in mid February 2015. Subsequently, the security price declined gradually to around NTA in late September 2015. Since then, trading in Centuria Metro securities has generally moved to reflect announced NTA. For example, the price rose from $1.95 to $2.05 following the announcement on 9 February 2016 of NTA at 31 December 2015 ($2.05).

Following GPT Metro's announcement on 4 April 2016 of a 6.4% increase in the value of its property portfolio and an earlier unsolicited acquisition proposal, the Centuria Metro security price rose by around 6% ahead of announcements in relation to an independent revaluation of its portfolio at 15 May 2016 (on 19 May 2016), CPFL's acquisition of a relevant interest in GPT Metro (20 May 2016) and its acquisition proposal for GPT Metro (24 May 2016). Since 24 May 2016, the security price has traded in the range of $2.10-2.27 (a VWAP of $2.17), marginally above reported NTA per security ($2.15). The closing price on 29 July 2016 was $2.24, a 4.2% premium to reported NTA per unit.

Centuria Metro has been a thinly traded stock with average weekly volume over the twelve months prior to the announcement of its acquisition proposal for GPT Metro on 24 May 2016 representing approximately 0.34% of average securities on issue or annual turnover of around 17.9% of total average issued capital (notwithstanding that average weekly transactions and trading volume broadly doubled following the trading update on 28 January 2016). Since listing in December 2014 around 17% of Centuria Metro's securities have been held by interests associated with Centuria Capital. If these interests are treated as restrictions on free float, liquidity of Centuria Metro securities improves marginally (annual turnover of around 21.5% of free float).

Centuria Metro is a member only of the S&P/ASX All Ordinaries Index. From listing to early February 2016, Centuria Metro's security price generally underperformed the S&P/ASX 300 A-REIT Index, albeit mirroring the index trends (with the underperformance increasing post September 2015). Subsequently, Centuria Metro's security price performance closely mirrored the index until the end of April 2016 but has since underperformed with greater volatility after announcement of the Growthpoint Offer on 1 July 2016 as illustrated below:



Source: IRESS

Including the impact of distributions, Centuria Metro has delivered a total return of 12.9% in the year to 30 June 2016 compared to a 24.6% total return from the S&P/ASX 300 A-REIT Accumulation Index[67].

7.2 Details of the Centuria Offer

The Centuria Offer will be made by CPFL as the responsible entity for Centuria Metro. The Bidder's Statement in relation to the Centuria Offer has not yet been released[6]. The following summary is based on ASX announcements by Centuria Metro and Centuria Capital.

CPFL is offering one Centuria Metro stapled security plus $0.31 cash[68] for every GPT Metro unit[69]. The Centuria Offer is subject to a number of conditions which will be set out in full in the Bidder's Statement. In summary, they are that before the end of the offer period:

- Centuria Metro obtains a relevant interest in at least 50.1% of all GPT Metro units (inclusive of CPFL's existing 16.09% relevant interest);
- no material adverse change to GPT Metro, its assets and business occurs;
- the independent directors of GPL announce to the ASX that they recommend that GPT Metro unitholders accept the Centuria Offer and that they will be accepting it in respect of any units they hold (and that such statements are included in the Target's Statement), subject to an independent expert opining that the Centuria Offer is fair and reasonable to GPT Metro unitholders (other than Centuria Metro and Centuria Capital) and no superior proposal for GPT Metro is made;
- consent is obtained from any person with a right under a material contract for the change of control of GPT Metro;
- no regulatory actions are taken that restrain, prohibit or impede the Centuria Offer;

[67] GPL analysis. Centuria Metro total return based on reinvestment of dividends declared during the year.
[68] Centuria Metro will contribute $0.23 cash and Centuria Capital will contribute $0.08 cash to the cash component of the consideration.
[69] If the offer is successful, Centuria Metro will acquire GPT Metro and existing GPT Metro unitholders will, in aggregate, hold approximately 51% of Centuria Metro.

- no material acquisitions, disposals or changes in the conduct of the business;
- GPT Metro does not announce or pay any distribution exceeding 3.85 cents per unit for the quarter ending 30 June 2016 and 3.85 cents for the quarter ending 30 September 2016;
- none of the prescribed occurrences as set out in Sections 652C(1) and (2) of the Corporations Act occur; and
- the VWAP of Centuria Metro stapled securities in the ordinary course of trading on the ASX ending five trading days prior to the date of the takeover bid is not less than $2.09 per security.

In addition, Centuria Metro has advised that:

- if CPFL is appointed the responsible entity of GPT Metro it will reduce the responsible entity fee to 0.55% of gross asset value per annum, in line with the fee charged to Centuria Metro;
- Centuria Capital will provide a rental guarantee (equating to $1.3 million per annum) over all current vacant areas within 109 Burwood Road, Hawthorn, Victoria (one of GPT Metro's properties) for a period of two years from the date that the Centuria Offer becomes unconditional or closes successfully;
- subject to the terms of the relevant agreements, existing income guarantees or rental support provided to GPT Metro by GPT will continue post closing of the Centuria Offer until the expiry of such agreements and any related party receivables will remain;
- GPT Metro unitholders will be entitled to Centuria Metro distributions with a record date after issue of Centuria Metro stapled securities under the Centuria Offer;
- Centuria Metro intends to put an institutional and retail acceptance facility in place;
- Centuria Capital intends to accept the Centuria Offer; and
- Centuria Capital entered into the Centuria Facilitation Agreement under which GPTMH will receive a payment of $9 million for providing facilitation services and giving certain property rights to CPFL. This payment is conditional on either Centuria Metro obtaining a relevant interest in at least 50.1% in GPT Metro or the Centuria Offer being declared unconditional[60] during the offer period.

The Centuria Offer is "live" but, as CPFL has not released a Bidder's Statement, it is not yet capable of acceptance.

7.3 Value of the Consideration under the Centuria Offer

7.3.1 Summary

Grant Samuel has attributed a value to the scrip component of the Centuria Offer based on a value range for Centuria Metro stapled securities of $2.05-2.25. Including the cash component of the consideration, the value of the consideration to GPT Metro unitholders under the Centuria Offer is $2.36-2.56 per unit (rounded to two decimal places) as follows:

Centuria Offer - Value of Consideration	
Component	**Consideration**
Value per Centuria Metro stapled security	$2.05-2.25
Exchange ratio	1.0000
Value of scrip component	$2.0500-2.2500
Cash component	$0.31
Total value per GPT Metro unit	**$2.3600-2.5600**

The value of the scrip component of the consideration will vary with movements in the Centuria Metro stapled security price. Accordingly, until the securities under the Centuria Offer are issued, GPT Metro unitholders are exposed to events or other factors that impact the Centuria Metro security price. The actual value of the consideration could therefore ultimately exceed, or be less than $2.36-

2.56 per GPT Metro unit. Depending on the circumstances, significant (and sustained) movements in the Centuria Metro stapled security price could change the evaluation of the Centuria Offer.

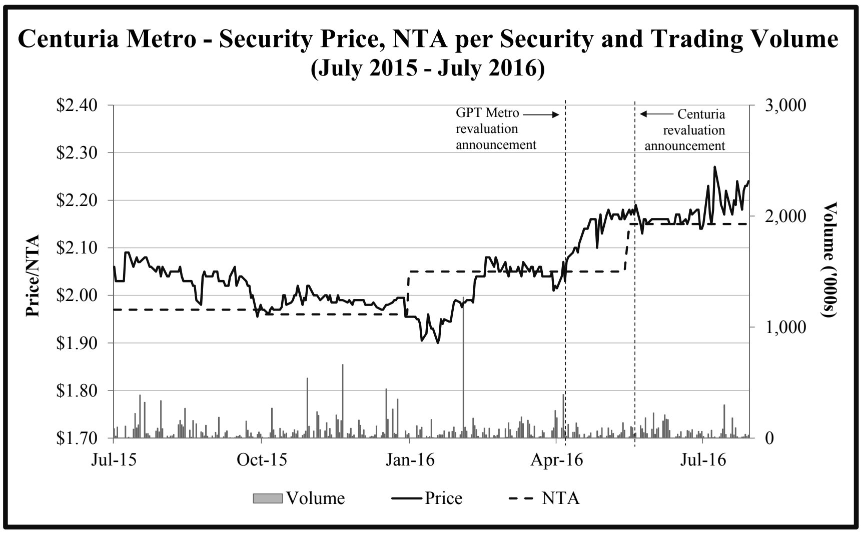
For the purposes of assessing the value of the Centuria Metro stapled securities under the Centuria Offer, Grant Samuel has adopted the same approach as used in assessing the value of the Growthpoint stapled securities under the Growthpoint Offer as described in Section 5.2 of this report.

7.3.2 Analysis of Sharemarket Trading in Centuria Metro Securities

Centuria Metro is a thinly traded stock with a restricted free float of around 80% of issued securities. It is a member only of the S&P/ASX All Ordinaries Index. Centuria Metro's security price performance since it commenced trading on the ASX in December 2014 is discussed in Section 7.1.7 of this report.

Trading in Centuria Metro stapled securities between 1 July 2015 and 19 May 2016 (being the day Centuria Metro announced a 4.6% increase in the value of its property portfolio and the day prior to announcement of CPFL's acquisition of a relevant interest in GPT Metro) was in the range $1.90-2.20 at a VWAP of $2.02.

In the six months to 31 December 2015, Centuria Metro generally traded at a small premium to NTA (although in a range of (4.6%)-6.1%, median 2%). However, during 2016 it traded at a discount to NTA until the release of its half year results for FY16 on 9 February 2016 when it recovered to trade around NTA. The Centuria Metro security price then rose 6% in the two weeks following GPT Metro's 4 April 2016 announcement of a 6.4% increase in the value of its broadly comparable metropolitan office portfolio. This rise was supported by Centuria Metro's revaluation announcement of 19 May 2016 (which increased NTA to $2.15). The closing price on 19 May 2016 was $2.18, a 1.4% premium to reported NTA per security:



Source: IRESS

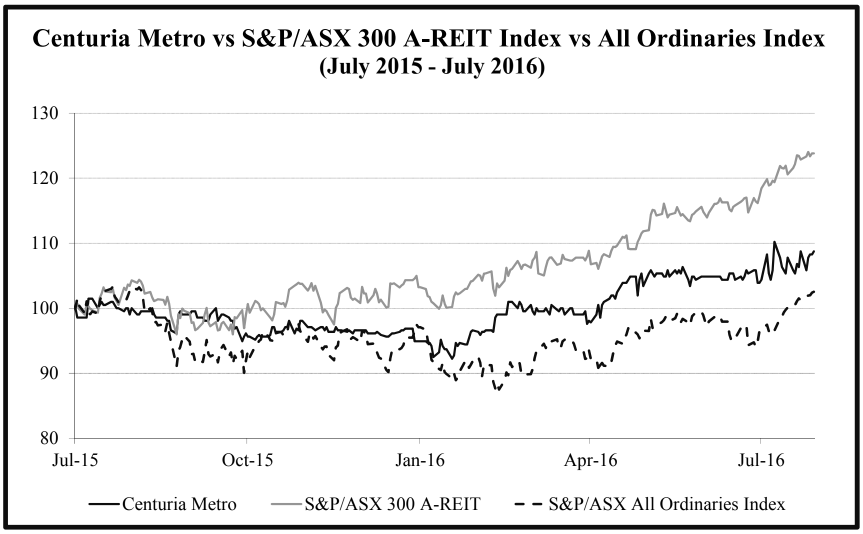
Since announcement of its proposal to acquire GPT Metro on 24 May 2016, Centuria Metro securities have traded in the range of $2.10-2.27, a VWAP of $2.17, and closed at $2.24 on 29 July 2016, a 4.2% premium to reported NTA per security. Over the shorter period since announcement of the Growthpoint Offer on 1 July 2016, Centuria Metro securities have traded in the range of $2.14-2.27, at a VWAP of $2.17, with increased volatility.

The important question is whether the recent performance and current price reflect the rational view of a well informed market or, alternatively, whether Centuria Metro is out of line with its peers or the market.

In addressing this issue the following factors have been considered.

Centuria Metro Compared to its Peers and the Market

The following graph illustrates the performance of Centuria Metro stapled securities since 1 July 2015 relative to the S&P/ASX 300 A-REIT Index and S&P/ASX All Ordinaries Index:

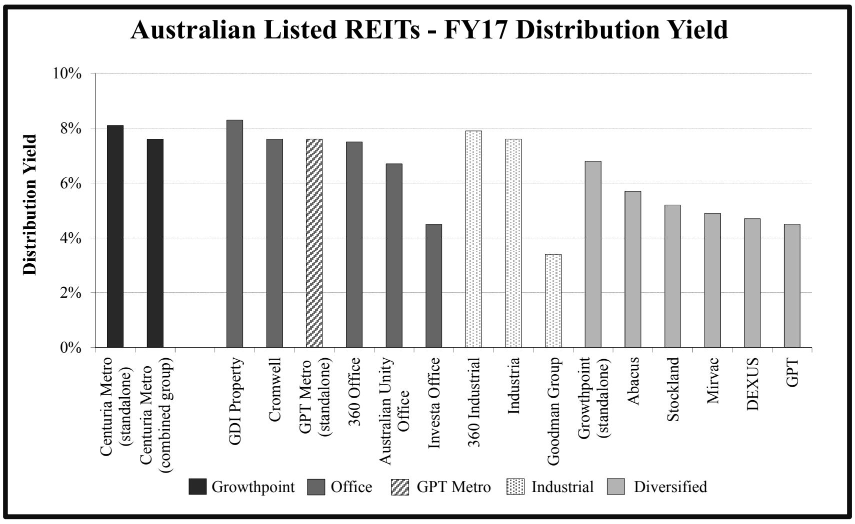


Source: IRESS

This graph shows that:

- the S&P/ASX 300 A-REIT Index has consistently outperformed the overall market since July 2015 (i.e. up 23.8% compared to a 2.5% increase) and particularly during 2016 but, while the Centuria Metro security price has also outperformed the overall market, it has underperformed the sector (8.7% increase); and
- during the quarter ended 31 March 2016, Centuria Metro's securities performed in line with its REIT peers but has since underperformed; and
- since announcement of the Growthpoint Offer on 1 July 2016, Centuria securities have performed in line with the REIT sector but below the overall market (5.9% increase).

Centuria Metro's market rating relative to its REIT peers (recognising that if Centuria Metro acquires 100% of GPT Metro its portfolio composition would be approximately 92% metropolitan office and 8% industrial) can be illustrated as follows:



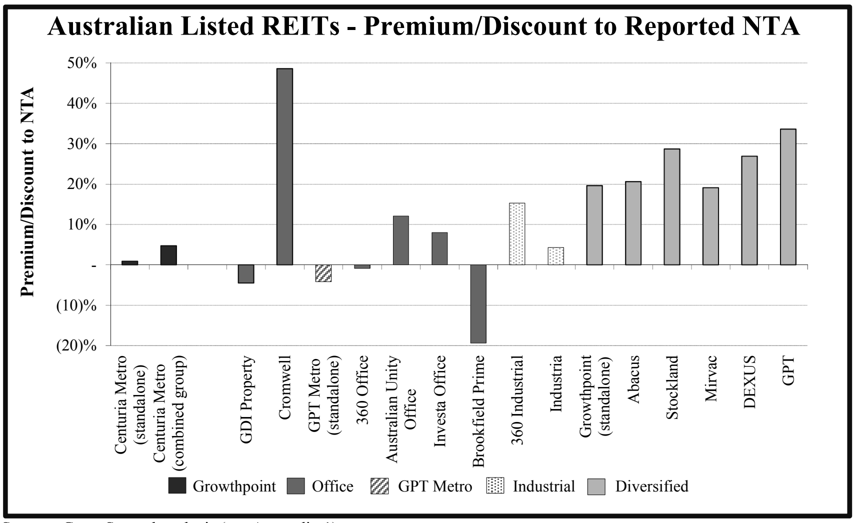
Source: Grant Samuel analysis (see Appendix 1)

Notes: (1) Based on sharemarket prices as at 22 July 2016 except for GPT Metro (standalone) which is shown on 1 April 2016 (the day prior to the announcement of the portfolio revaluation), Growthpoint (standalone) which is shown on 4 April 2016 (the day prior to the announcement of its initial proposal to acquire GPT Metro) and Centuria Metro (standalone) which is shown on 19 May 2016 (the day prior to the announcement of the acquisition of a 16.09% interest in GPT Metro).

(2) All of the listed entities have a 30 June year end, except GPT which has a 31 December year end (i.e. FY17 equates to year ending 31 December 2017).

(3) REITs grouped by sector. BPPF has been excluded from the graph as there are no distribution forecasts.

(4) The distribution yield for Centuria Metro (combined group) is based on indicative proforma financial information prepared by Grant Samuel (see Section 7.3.3). It represents FY16 distribution not FY17.



Source: Grant Samuel analysis (see Appendix 1)

Notes: (1) NTA based on last reported balance sheets at 31 December 2015 (except where property revaluations announced) excluding deferred tax liabilities but including provision for distribution. Adjustments made for acquisitions, disposals, capital raisings and share buybacks as appropriate.

(2) Goodman Group has been excluded from graph as it is trading at a substantial premium to NTA (~91%) reflecting its relatively small property investment portfolio and the size of its third party management activities, development activities and international operations as well as its position as a global industrial sector leader.

(3) The premium to NTA for Centuria Metro (combined group) is based on indicative proforma financial information prepared by Grant Samuel (see Section 7.3.3).

Centuria Metro is an externally managed REIT with a $397 million property portfolio predominantly invested in metropolitan office assets. It is relatively small with a market capitalisation of around $260 million. None of the listed REITs is directly comparable to Centuria Metro. In this context:

- all but two of the office sector REITs (Cromwell and GDI) are externally managed. However, IOF and BPPF are focussed on investment grade central business district office properties while AOF and 360 Office primarily invest in metropolitan office properties. Cromwell and GDI are internally managed and have third party management businesses;
- the externally managed industrial REITs (360 Industrial and Industria) are relatively small (market capitalisations of around $580 million and $270 million respectively) while Goodman Group is internally managed, has substantial third party property and development management activities and a market capitalisation of around $13.2 billion; and
- all of the diversified REITs are internally managed and, with the exception of Growthpoint, have substantial third party fund and property management activities.

Given the composition of Centuria Metro's property portfolio, its external management business model and its relative size, the most comparable REITS are AOF, 360 Office, 360 Industrial and Industria. These externally managed passive REITs are trading on:

- FY17 distribution yields of 6.7-7.9%. Excluding AOF (which was listed only on 20 June 2016), the REITs are trading on yields in the range of 7.5-7.9%; and
- premiums to reported NTA in the range of (0.9%)-15.3%. Excluding AOF and 360 Industrial (which has relatively high gearing of 43.4% as a result of its acquisition of Australian Industrial REIT in December 2015), the premium to NTA range narrows to (0.9%)-4.3%.

Based on the above analysis, in relation to both distribution yield and premium to NTA, Centuria Metro is trading on a basis not inconsistent with its most comparable peers. It should, however, be noted that metrics for Centuria Metro (combined group) are based on indicative proforma financial information prepared by Grant Samuel. Accordingly, caution is warranted in reviewing these market rating metrics.

Based on the above analysis, there is no evidence to suggest that Centuria Metro is trading on a basis out of line with the market or its peer group.

Broker Target Prices

At its closing price on 29 July 2016 of $2.24, Centuria Metro is trading above broker estimates of its 12 month target price:

Centuria Metro – Broker Target Prices as at 29 July 2016		
Broker	**Date of Last Report**	**Target Price**
Broker 1	9 February 2016	Restricted
Broker 2	24 May 2016	$2.19

Source: Brokers' reports and Grant Samuel analysis

This review is of limited value as only two brokers follow Centuria Metro and research restrictions are in place for one of them. None of the brokers have published research reports since the Centuria Offer was announced on 16 June 2016 and none of the research reports assume acquisition of GPT Metro.

Liquidity

Centuria Metro is a thinly traded stock even allowing for its restricted free float (around 80% of issued securities). Average weekly volume over the twelve months prior to announcement of its acquisition proposal for GPT Metro on 24 May 2014 represented annual turnover of around 18% of total average issued capital (22% of free float). Average weekly volume and transactions for Centuria Metro securities since announcement of its acquisition proposal on 24 May 2016 and prior periods is summarised below:

Centuria Metro – Stapled Security Trading			
Period	**Average Weekly Volume ('000)**	**Average Weekly Transactions**	**Average Transaction Size (units)**
22 May 2015 to 23 May 2016 (year prior to announcement of acquisition proposal)	413	93	4,436
1 January 2016 to 23 May 2016	377	115	3,289
22 April 2016 to 23 May 2016 (four weeks prior to announcement of acquisition proposal)	271	192	1,415
24 May 2016 to 29 July 2016	337	183	1,843

Source: IRESS and Grant Samuel analysis

Although average weekly volumes have remained similar across the period presented, the average number of transactions has doubled reflecting smaller average transaction sizes. The increase in the number of transactions which followed the announcement of Centuria Metro's acquisition proposal is to be expected when a transaction is anticipated.

While Centuria Metro is thinly traded, it does trade daily and there is nothing to indicate any specific abnormal trading in Centuria Metro stapled securities.

Non Public Information

Under ASX Listing Rules, Centuria Metro is required to keep the market informed of events and developments in a timely manner as they occur. Once Centuria Metro becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of its securities, it must inform the market of that information.

Centuria Metro announced its financial results for the six months ended 31 December 2015 (which incorporated disclosure of subsequent events of note and reaffirmation of its FY16 guidance) on 9 February 2016, provided a leasing update on 5 May 2016, provided details of a revaluation of its property portfolio on 19 May 2016, announced its acquisition of GPT Metro units on 20 May 2016 and announced an indicative proposal to merge with GPT Metro on 24 May 2016. It subsequently announced the Centuria Offer on 16 June 2016 and provided summary analysis of that offer on 22 June 2016. However, at the date of this report, Centuria Metro has not provided FY17 guidance (on a standalone basis) nor has a Bidder's Statement been released in relation to the Centuria Offer (which would be expected to present financial information for the combined group under a range of ownership levels for GPT Metro).

There is no reason to consider that any information relating to Centuria Metro's existing business that would have a material impact on its security price has not been publicly disclosed. However, some uncertainty will remain until FY17 guidance (on a standalone basis) and the Bidder's Statement in relation to the Centuria Offer are available.

7.3.3 Impact of Centuria Offer on Centuria Metro

Financial Implications

The acquisition of GPT Metro has a material impact on Centuria Metro's operations and financial metrics as it more than doubles the size of the REIT. The acquisition has strategic benefits for Centuria Metro in that it:

- strengthens Centuria Metro's position as an owner of metropolitan office assets in Australia (particularly in New South Wales) and increases tenant diversification and lease tenor;
- provides the opportunity to generate efficiencies and cost savings; and
- supports growth in earnings and distributions.

However, at the date of this report, the market has been provided with almost no financial information on the combined group. Limited financial data was released on announcement of the

Centuria Offer on 16 June 2016 with some additional information was provided on 22 June 2016. The Bidder's Statement in relation to the Centuria Offer has not yet been released.

On the other hand, analysis of the Centuria Offer is reasonably straightforward and REITs, such as Centuria Metro and GPT Metro, are relatively transparent entities. Therefore, based on information currently available, Grant Samuel has prepared an indicative analysis of the proforma financial impact of the Centuria Offer on Centuria Metro. This analysis has been prepared on the following basis:

- the proforma financial performance is based on Centuria Metro (FY16 guidance) and GPT Metro FY16 (actual) and assumes:
  - in the 100% case, the cost savings which are expected in relation to responsible entity fees (from the reduction in fee from 0.6% of gross asset value to 0.55% of gross asset value) and listed entity costs are offset by an increase in finance costs (due to an increase in net borrowings albeit at a lower cost of debt). On the 50.1% basis, operating costs increase by $0.5 million;
  - $1.3 million of other income being the rental guarantee from Centuria Capital; and
  - a 95% payout ratio; and
- the financial position has been prepared assuming the Centuria Offer completed on 31 December 2015. It is based on the proforma Centuria Metro financial position (see Section 7.1.5) and the proforma GPT Metro financial position at 31 December 2015 (including the property revaluation as at 31 March 2016) and reflects:
  - Centuria Metro's acquisition of a 3.5% interest in GPT Metro in May 2016 ($10.8 million);
  - a $65 million increase in net borrowings (on 100% basis) to allow for the acquisition of the 3.5% interest in GPT Metro, the Centuria Offer and associated transaction costs. On a 50.1% basis, a $50 million increase in net borrowings is assumed;
  - recognition of the Centuria Capital rental guarantee receivable ($2.6 million); and
  - the excess of Centuria Metro's acquisition cost over GPT Metro's NTA has been reflected in equity.

Grant Samuel's analysis is provided assuming a range of ownership interests in GPT Metro following the Centuria Offer (on a 100% and 50.1% basis) as summarised below:

Proforma Impact of Centuria Offer on Financial Parameters on Centuria Metro

	Centuria Metro proforma[64]	Centuria Metro Ownership Case	
		100%	50.1%
Stapled securities on issue at period end (million)	***119.4***	***243.5***	***179.3***
Securityholder interests:			
- Centuria Metro securityholders	*100%*	*49%*	*67%*
- GPT Metro unitholders	*-*	*51%*	*33%*
	100%	*100%*	*100%*
Proforma financial position at 31 December 2015 ($ million)			
Total assets	403	850	850
Total liabilities	(146)	(342)	(313)
Net assets	**257**	**507**	**537**
Outside equity interests	-	-	(151)
Net assets attributable to Centuria Metro securityholders	**257**	**507**	**386**
Investment property portfolio ($ million)	397	836	836
Number of properties	*13*	*19*	*19*
Portfolio composition:			
- metropolitan office	*84%*	*92%*	*92%*
- industrial	*16%*	*8%*	*8%*
NTA (after outside equity interests)	**257**	**507**	**386**
NTA per stapled security	*$2.15*	*$2.08*	*$2.15*
Gearing (GPT Metro definition)[29]	*31.2%*	*37%*	*32%*

Proforma Impact of Centuria Offer on Financial Parameters on Centuria Metro			
	Centuria Metro proforma[64]	Centuria Metro Ownership Case	
		100%	50.1%
Proforma financial performance (FY16) ($ million)			
Distributable income	**21**	**44**	**44**
Outside equity interest	-	-	(11)
Distributable income/FFO	**21**	**44**	**33**
FFO per stapled security	*17.9¢*	*17.9¢*	*18.2¢*
Distribution per stapled security	*17.0¢*	*17.0¢*	*17.3¢*
Payout ratio	*95%*	*95%*	*95%*

Source: Centuria Metro announcements and Grant Samuel analysis

This proforma analysis indicates that the acquisition has the following impacts on Centuria Metro:

- existing GPT Metro unitholders will hold around 51% of the combined group if 100% of GPT Metro is acquired (33% if 50.1% acquired);
- Centuria Metro's portfolio becomes more heavily weighted to metropolitan office properties;
- the acquisition is neutral to FFO per security and distribution per security under the 100% case and marginally accretive in the 50.1% case;
- gearing increases from 31.2% to 37%[70] (in the 100% case) and 32% (in the 50.1% case), in comparison to Centuria Metro's target gearing range of 25-35%; and
- NTA per security decreases by 3% (100% case) and is neutral in the 50.1% case.

Caution is warranted in reviewing this proforma analysis as it is based on limited financial information released by Centuria Metro, FY16 financial performance information (as compared to the analysis for the Growthpoint Offer which is based on FY17) and a number of simplifying assumptions. Nevertheless, this analysis provides an indication of the impact of the Centuria Offer on Centuria Metro.

Other Consequences

Under the Centuria Offer, it is possible that Centuria Metro could acquire an interest in GPT Metro in the range of 50.1-100%. If the Centuria Offer is withdrawn or lapses, Centuria Metro will still hold a 3.5% direct interest in GPT Metro. Centuria Metro could also waive the 50.1% minimum acceptance condition.

At any ownership level in GPT Metro above 50.1%, the Centuria Offer may trigger change of responsible entity/change of control provisions in GPT Metro's existing borrowings documentation (including derivative financial instruments) which could lead to repricing of the debt or changes to key terms. Such provisions are typical of borrowing documentation for REITs. Centuria Metro has made no statements of its intentions in relation to this matter.

The Centuria Offer may also trigger third party consent and other contractual provisions relating to GPT Metro's properties. In this regard, under the Centuria Facilitation Agreement[60], GPTMH has agreed to assist Centuria Metro in obtaining required third party consents. Centuria Metro has also stated that, following the Centuria Offer, GPT will continue to be responsible for, on the same terms, all rental guarantee, income support, incentive payments and similar arrangements in relation to GPT Metro's existing properties.

Partial Ownership of GPT Metro

Under the Centuria Offer, Centuria Metro could acquire an interest in GPT Metro in the range of 50.1-100%. At these ownership levels, Centuria Metro would control GPT Metro and consolidate it for accounting purposes, recognising as outside equity interests any third party securityholder interests.

[70] CPFL announced on 22 June 2016 that the transaction increases Centuria Metro's gearing to 37% (100% basis).

If Centuria Metro waived the 50.1% minimum acceptance condition of the Centuria Offer, could acquire an interest in GPT Metro in the range of 3.5%-100% (given its existing 3.5% direct unitholding).

The proforma operational and financial implications for Centuria Metro of partial ownership of GPT Metro depend on the actual level of ownership interest and whether GPL is replaced as responsible entity by a Centuria Metro entity. In this regard, at less than 100% ownership, Centuria Metro may experience inefficiencies and additional costs (particularly if GPT Metro remains an ASX listed entity) although the Centuria Facilitation Agreement[60] ensures that GPTMH would be available to assist reduce integration and transition risks. Nevertheless, there may be unanticipated issues or costs.

7.3.4 Conclusion

Grant Samuel's judgement is that a Centuria Metro stapled security price of $2.05-2.25 is a reasonable estimate in current market conditions of the security price if Centuria Metro succeeds in acquiring 100% of GPT Metro. This range takes into account the recent performance of Centuria Metro stapled securities and the indicative financial impact of the acquisition of GPT Metro.

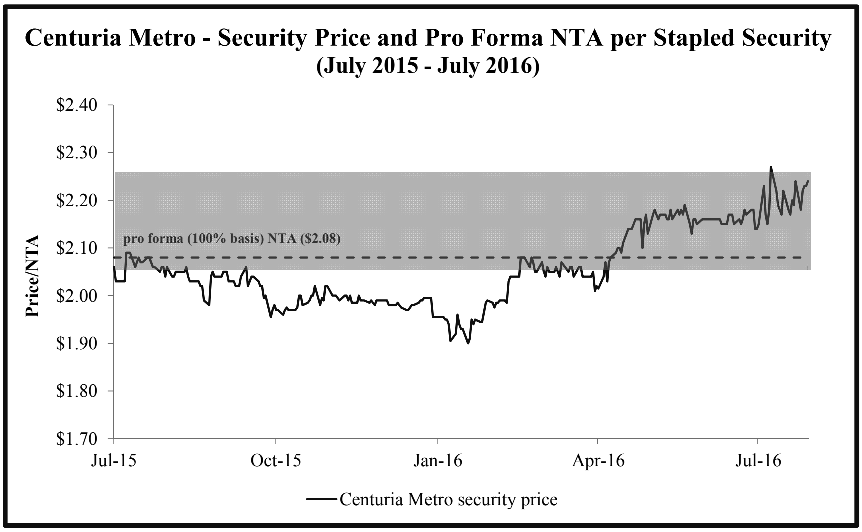
There are some aspects of Centuria Metro's sharemarket rating that suggest a degree of caution is warranted, namely:

- the market for Centuria Metro securities is not deep and it is followed only by two brokers;
- full details of the Centuria Offer and key financial information in relation to the combined entity are not yet available; and
- the period since the announcement of the Centuria Offer is relatively short (six weeks). In this period trading has been impacted by:
  - trading post the record date for the June 2016 distribution (4.25 cents per security);
  - market uncertainty following the Federal election on 2 July 2016;
  - speculative market activity given the competitive bidding process for GPT Metro. In particular, since announcement of the Growthpoint Offer on 1 July 2016 there has been volatility in the security price; and
  - no apparent uplift in FFO and distribution per security as a consequence of the acquisition of GPT Metro and a decrease in NTA per security.

On the other hand:

- although Centuria Metro securities are thinly traded, there is no evidence to suggest that:
  - the Centuria Metro stapled security price does not reflect the rational view of an informed market; or
  - Centuria Metro is trading materially out of line with its peers or the market. Its rating reflects:
    - it is a relatively small passive metropolitan office REIT;
    - as an externally managed REIT, a discount to internally managed peers could be expected; and
    - it is not a member of any of the property sector indices;
- REITs such as Centuria Metro and GPT Metro are relatively transparent entities and, although detailed information is yet to be been disclosed, sufficient information is available to enable indicative analysis of the impact of the acquisition on Centuria Metro to be undertaken. The market has had sufficient opportunity to absorb that information and, therefore, it is reasonable to assume that the acquisition of GPT Metro is reflected in Centuria Metro's security price. However, uncertainty remains whether Centuria Metro will succeed in acquiring GPT Metro and, if it does, whether it will achieve full or partial ownership.

The selected value range relative to recent Centuria Metro stapled security prices is show below:



Source: IRESS
Note: Proforma NTA (100% basis) as calculated by Grant Samuel (see Section 7.3.3)

In Grant Samuel's opinion, the value range of $2.05-2.25 is appropriate as it:

- generally reflects the range of trading prices since April 2016 and therefore the increase in proforma NTA that was confirmed on 19 May 2016; and
- represents a range around proforma NTA ($2.08) of (1.4%)-8.2% and a FY16 distribution yield (100% basis) of 7.6-8.3%.

The value range assumes continuation of current market conditions.

Whether the Centuria Metro stapled security price will be different if it acquires an interest in GPT Metro of less than 100% is difficult to judge. However:

- the financial consequences for Centuria Metro at different ownership levels above 50.1% are not materially different; and
- other implications of partial ownership of GPT Metro are not materially adverse.

On balance, it is reasonable to assume that the selected value range for Centuria stapled securities of $2.05-2.25 is appropriate for any ownership outcome under the Centuria Offer.

8 Qualifications, Declarations and Consents

8.1 Qualifications

The Grant Samuel group of companies provide corporate advisory services (in relation to mergers and acquisitions, capital raisings, debt raisings, corporate restructurings and financial matters generally) and provides marketing and distribution services to fund managers. The primary activity of Grant Samuel & Associates Pty Limited is the preparation of corporate and business valuations and the provision of independent advice and expert's reports in connection with mergers and acquisitions, takeovers and capital reconstructions. Since inception in 1988, Grant Samuel and its related companies have prepared more than 525 public independent expert and appraisal reports.

The persons responsible for preparing this report on behalf of Grant Samuel are Caleena Stilwell BBus FCA F Fin and Stephen Wilson BCom MCom(Hons) CA(NZ) SF Fin. Each has a significant number of years of experience in relevant corporate advisory matters. Sarah Stevens BSc CivEng (Hons) PGradDipAcc assisted in the preparation of the report. Each of the above persons is a representative of Grant Samuel pursuant to its Australian Financial Services Licence under Part 7.6 of the Corporations Act.

8.2 Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Grant Samuel's opinion as to whether the Growthpoint Offer is fair and reasonable to GPT Metro unitholders. Grant Samuel expressly disclaims any liability to any GPT Metro unitholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Grant Samuel has had no involvement in the preparation of the Target's Statement issued by GPL and has not verified or approved any of the contents of the Target's Statement. Grant Samuel does not accept any responsibility for the contents of the Target's Statement (except for this report).

8.3 Independence

Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any business or professional relationship with GPL, GPT Metro, GPT, GPAL, Growthpoint, GRT, CPFL, Centuria Metro or Centuria Capital or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Growthpoint Offer.

Grant Samuel advises that Grant Samuel Corporate Finance Pty Limited ("GS Corporate Finance"), a related party of Grant Samuel, was engaged to provide advice to the independent directors of GPT Funds Management Limited as responsible entity of GPT Wholesale Office Fund in relation to a proposal from GPT involving changes to management fees and other governance matters. This assignment completed in June 2016 and GS Corporate Finance received a fixed fee of $250,000.

Grant Samuel commenced analysis for the purposes of this report in mid May 2016. This work did not involve Grant Samuel participating in setting the terms of, or any negotiations leading to, the Growthpoint Offer or the Centuria Offer.

Grant Samuel had no part in the formulation of the Growthpoint Offer or the Centuria Offer. Its only role has been the preparation of this report.

Grant Samuel will receive a fixed fee of $350,000 for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Growthpoint Offer. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.

Grant Samuel considers itself to be independent in terms of Regulatory Guide 112 issued by the ASIC on 30 March 2011.

8.4 Declarations

GPL has agreed that it will indemnify Grant Samuel and its employees and officers in respect of any liability suffered or incurred as a result of or in connection with the preparation of the report. This indemnity will not apply in respect of the proportion of any liability found by a court to be primarily caused by any conduct involving gross negligence, wilful misconduct or breach of law by Grant Samuel. GPL has also agreed to indemnify Grant Samuel and its employees and officers for time spent and legal costs and expenses incurred in relation to any inquiry or proceeding initiated by any person. Any claims by GPT Metro are limited to an amount three times the fees paid to Grant Samuel. Where Grant Samuel or its employees and officers are found to have been grossly negligent, engaged in wilful misconduct or to have breached the law Grant Samuel shall bear the proportion of such costs caused by its action.

Advance drafts of this report were provided to GPT Metro and its advisers. Certain changes were made to the drafting of the report as a result of the circulation of the draft report. There was no alteration to the methodology, evaluation or conclusions as a result of issuing the drafts.

8.5 Consents

Grant Samuel consents to the issuing of this report in the form and context in which it is to be included in the Target's Statement to be sent to unitholders of GPT Metro. Neither the whole nor any part of this report nor any reference thereto may be included in any other document without the prior written consent of Grant Samuel as to the form and context in which it appears.

8.6 Other

The accompanying letter dated 1 August 2016 and the Appendix form part of this report.

Grant Samuel has prepared a Financial Services Guide as required by the Corporations Act. The Financial Services Guide is set out at the beginning of this report.

GRANT SAMUEL & ASSOCIATES PTY LIMITED
1 August 2016

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Appendix 1

Market Evidence

1 Valuation Evidence from Transactions

Prior to 2008 there was significant consolidation in the listed real estate investment trust ("REIT") sector in Australia, the rationale for which was to access the benefits of size and scale (i.e. increased liquidity, greater diversification and a lower cost of capital). During this period, the availability of funds for growth increased the number of listed property groups (including investment, development, funds management and asset management activities) and, due to the limitations of the relatively small Australian market, resulted in the development of Australian domiciled REITs holding international real estate assets and fund managers managing REITs with international assets. This period witnessed a significant level of corporate activity and transaction metrics were relatively high. In particular, transactions involving entities with active real estate asset management, property development and/or funds management activities or were undertaken at higher metrics than those for passive real estate investors.

The global economic downturn (which commenced with the global financial crisis in late 2007) had a significant impact on the Australian property sector. Market conditions were challenging with limited access to debt and equity funding, declining property values and weaker economic conditions with most transactions in the 2008-2011 period reflecting a level of financial distress for the target. However, since 2012 as REITs refocused (e.g. by sale of non-core assets, divestment of overseas portfolios) and market conditions stabilised, investor interest and corporate activity in the sector has increased. In particular, since late 2013 capital raisings and initial public offerings have increased to fund acquisitions while strategic merger and acquisition activity has also increased.

(a) Transactions since 2012

The premiums/(discounts) to NTA[1] and exit yields for control transactions involving listed REITs and integrated property groups since 2012 for which there is sufficient information to calculate meaningful valuation parameters are set out in the table below:

Australian REIT Transactions since 2012

Date	Target	Property Category[2]	Management Basis[3]	Acquirer	Consideration[4] ($ millions)	Premium/ (Discount) to reported NTA	Premium/ (Discount) to Ungeared NTA[5]	Exit Yield[6] Historical	Exit Yield[6] Forecast
Sep 15	Aspen Property Parks Fund	S	E	Discovery Parks Group	147	60.7%	34.2%	6.3%	6.3%
Feb 15	Novion Property Group	R	I	Federation Centres	7,847	29.4%	20.2%	5.3%	5.4%
Dec 14	Australian Industrial REIT	I	E	360 Capital Industrial Fund	233	13.8%	8.8%	7.5%	7.9%
Nov 14	Folkestone Social Infrastructure Trust	S	E	Folkestone Education Trust	89	4.8%	3.5%	6.4%	6.7%
Sept 14	Mirvac Industrial Trust	I	E	The Goldman Sachs Group	78	3.4%	1.5%	na[7]	na
Jun 14	Australand Property Group	I/C/Resi	I	Frasers Centrepoint Limited	2,606	22.5%	13.0%	4.8%	5.7%
Apr 14	Challenger Diversified Property Group	D	E	Challenger Australia Listed Property Holding Trust	587	0.7%	0.5%	6.5%	6.8%
Dec 13	Commonwealth Property Office Fund	O	E	DEXUS/CPPIB Consortium	3,107[8]	4.0%[9]	3.1%	5.3%	5.5%
Dec 13	Westfield ANZ	R	I	Westfield Retail Trust	8,133-8,779[10]	40.6-51.7%	18.1-23.1%	na	na

Source: Grant Samuel analysis[11]

1 NTA is net tangible assets. NTA is as last reported and includes provision for distribution.
2 I = Industrial; C = Commercial; R = Retail; O = Office; Resi = Residential; D = Diversified; H = Hotels; S = Specialised.
3 E = externally managed; I = internally managed.
4 Implied value of 100% of entity acquired.
5 Ungeared NTA is net tangible assets before borrowings.
6 Exit yield has been calculated as distribution per unit divided by consideration per unit.
7 na = not available
8 Based on fully diluted units on issue (i.e. conversion of convertible notes) and DEXUS security price on 10 December 2013 of $1.015.
9 Based on NTA adjusted for conversion of convertible notes.
10 Based on the value attributed to the consideration received for Westfield ANZ (i.e. securities in Scentre Group) by the independent expert for Westfield Group ($8.0-8.7 billion based on a price range of $3.10-3.35 per Scentre Group security). The consideration represents portfolio interests and therefore does not incorporate any premium for control.
11 Grant Samuel analysis based on data obtained from IRESS, S&P Capital IQ, REIT announcements, transaction documentation and, in the absence of published distribution forecasts, brokers' reports. Where distribution forecasts are not available, the median of the forecasts prepared by a range of brokers has generally been used to derive distribution forecasts. The source, date and number of broker reports utilised for each transaction depends on analyst coverage, availability and corporate activity.

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The REIT transactions since 2012 have occurred at premiums to NTA in the range 0.7-60.7% and at forecast exit yields of 5.4-7.9%. The following points are relevant to consideration of this transaction evidence:

- transactions with premiums to NTA at the top end of the observed range reflect a range of factors including:
  - significant active business operations in addition to property investment. For example:
    - Australand Property Group ("Australand") was a diversified property group with substantial development and construction activities in addition to passive property investment;
    - Westfield Group's Australia and New Zealand business operations ("Westfield ANZ") comprised a $14.4 billion retail property investment portfolio and an integrated operating platform with capabilities in property management, design, development, construction and leasing and funds management with $38.6 billion of retail assets under management (including its own portfolio); and
    - Novion Property Group ("Novion") was an integrated retail property group with $14.9 billion of retail assets under management, including a $9.1 billion directly owned investment portfolio and $5.7 billion of third party funds management.

    Consequently, the premiums implied by these transactions provide no meaningful insight into the value attributed to the respective investment property portfolios; and
  - the consequence of competitive bidding processes (e.g. between Discovery Parks Group ("Discovery") and Aspen Group for Aspen Parks Property Fund ("Aspen Parks")) and strong defence of an unsolicited offer (e.g. 360 Capital Industrial Fund's ("360 Industrial") offer for Australian Industrial REIT ("ANI"));
- the transaction metrics reflect the assets and/or circumstances of the target REIT. For example, Folkestone Social Infrastructure Trust ("FST") invested in social infrastructure (particularly early education, government and healthcare sectors), Aspen Parks invested in the holiday park accommodation sector and Mirvac Industrial Trust ("MIX") invested in industrial assets in the greater Chicago areas of United States and was not paying distributions;
- the premium to reported NTA implied by the offer for Commonwealth Property Office Fund ("CPA") (4.0%) (or 5-6% over adjusted NTA) is the result of a competitive bidding process between the DEXUS Property Group ("DEXUS") and Canada Pension Plan Investment Board ("CPPIB") consortium ("DEXUS/CPPIB Consortium") and The GPT Group ("GPT");
- the transactions for Novion, ANI, FST and CPA involve scrip (or part scrip) consideration which enabled securityholders to retain exposure to the property sector generally as well as the target property sector assets; and
- as interests associated with Challenger Limited already held a 58.7% interest of Challenger Diversified Property Group ("CDI"), the premium to NTA implied by the acquisition (0.7%) is at the low end of the transaction evidence.

Nevertheless, it is clear that some premium over reported NTA has been paid by acquirers of REITs in recent years (albeit generally less than 5%). In this regard, it should be noted that since 2012 there have been two transactions involving REITs focussed on the office property sector that have failed to complete:

- in October 2014, Brookfield Group proposed to acquire the remaining 19.5% of units in Brookfield Prime Property Fund ("BPPF") that it did not already own via a trust scheme. Unitholders were offered $5.50 cash per unit which represented a 20.6% premium to the closing price but a 13.7% discount to NTA (a 5% discount on an ungeared basis). At the time of the offer, BPPF owned an $895 million portfolio comprising interests in five prime grade central business district office properties in Sydney, Melbourne and Perth. It was facing significant vacancies in two of its properties, was highly geared (67%) and had a low payout ratio in order to reserve cash to meet major future capital requirements. The transaction did not complete as BPPF unitholders voted against the proposal; and
- in December 2015 DEXUS announced a proposal to acquire 100% of the issued securities in Investa Office Fund ("IOF"). IOF owned a $3.5 billion property portfolio comprising interests in 22 predominantly prime (premium and A) grade office properties located in central business districts across Australia. IOF securityholders were able to select between three consideration options: the standard consideration ($0.8229 cash plus 0.424 DEXUS stapled securities per IOF unit); maximum cash consideration ($4.1147 per IOF unit) or maximum scrip consideration (0.53 DEXUS securities per IOF unit) (with the maximum cash and maximum scrip options subject to scale back).

  Based on the last DEXUS security price prior to announcement, the standard consideration was valued at $4.07 per IOF unit, implying a 4.1% premium to NTA. On 30 March 2016, DEXUS improved the offer to

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$4.14 per unit by adding a $0.07 per unit special distribution payable by IOF if the transaction was approved. This offer implied a premium to NTA (adjusted only for the special distribution) of 5.8% (3.9% on an ungeared basis) with the cash component representing around 20% of the standard consideration. Furthermore, the DEXUS security price increased by around 3% in the period from announcement to the IOF unitholder meeting on the proposal, effectively increasing the value of the offer to $4.24 per IOF unit.

On 12 April 2015, ASX listed Cromwell Property Group ("Cromwell") announced that it had acquired a 9.83% interest in IOF (to increase its interest to 9.99%) and would not support the DEXUS proposal. The transaction did not complete as IOF securityholders voted against the proposal on 15 April 2016.

A brief summary of each of the completed transactions since 2012 is set out below:

Acquisition of Aspen Parks Property Fund by Discovery Parks Group

On 14 September 2015, Aspen Group and Aspen Parks announced that they had entered into an agreement to merge the two groups. The consideration under the merger was $0.50 per Aspen Parks security with Aspen Parks securityholders able to select to receive the consideration in cash, merged entity securities or a combination of cash and scrip. Aspen Parks is an unlisted investment fund which owns 26 accommodation and holiday parks including cabins, caravan parks, camping parks and self-contained facilities. Aspen Group is an ASX listed property investment and funds management group, a wholly owned subsidiary of which is responsible entity for Aspen Parks. Aspen Group is also the largest securityholder in Aspen Parks with a 42% interest.

On 26 October 2015, Discovery Parks Group ("Discovery"), one of the largest owners and operators of park accommodation in Australia and owned 95.32% by Sunsuper Superannuation Fund, launched a takeover offer for Aspen Parks at $0.58 cash per security. Over the next five weeks there was competitive bidding by the parties with Discovery's final offer of $0.63 cash per security made on 20 November 2015. On 23 December 2015, Aspen Group accepted that offer and agreed to terminate its management rights for $5 million cash. The transaction was completed in February 2016 and implies a high premium to NTA (60.7%) reflecting both the competitive bidding process (the initial merger consideration implied a 28% premium to NTA) as well as the specialist nature of the unlisted REIT.

Merger of Novion Property Group and Federation Centres

On 3 February 2015, Novion and Federation Centres ("Federation") announced that they had entered into a merger implementation agreement. Under the agreement, Novion securityholders will receive 0.8225 Federation stapled securities for each Novion stapled security held. As a result, Federation will acquire Novion and existing Novion securityholders will, in aggregate, hold approximately 63.9% of the merged entity (now known as Vicinity Centres). Novion is an internally managed integrated retail property group with $14.9 billion of retail assets under management, including a $9.1 billion directly owned investment portfolio and $5.7 billion of third party funds management. Federation is an internally managed integrated retail property group with $7.4 billion of retail assets under management, including a $4.9 billion directly owned investment portfolio.

Although a control transaction from the perspective of Novion securityholders (Federation is acquiring Novion), the commercial reality is that it is a merger. The transaction implied a premium of 9.9% over the Novion security price at announcement and a premium over NTA of 29.4%. The high premium to NTA reflects Novion's extensive third party property and fund management activities as well as its focus on the retail sector.

Acquisition of Australian Industrial REIT by 360 Capital Industrial Fund

On 19 December 2014, ANI announced that it had received an unsolicited conditional scrip takeover offer from 360 Industrial by way of a trust scheme. The consideration under this offer was 0.89 360 Industrial units for each ANI unit plus 3 cents cash per unit if before the end of the offer period a 360 Capital Group[12] entity is appointed responsible entity for ANI or in excess of 50% if ANI unitholders accept the offer. 360 Industrial announced that it will waive all conditions if, during the offer period, it receives acceptances for more than 50% of ANI units or a member of the 360 Capital Group is appointed as responsible entity for ANI.

[12] 360 Capital Group is an ASX listed property investment and funds management group, a subsidiary of which is responsible entity of 360 Industrial.

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360 Industrial's offer was rejected by ANI. Over the next nine months 360 Industrial improved its offer a number of times while ANI actively solicited other bidders. On 22 September 2015, 360 Industrial proposed consideration of 0.9 360 Industrial units plus 14.5 cents for each ANI unit plus an additional 10 cents cash per unit to be paid by 360 Capital Group. In addition, if ANI unitholders accepted 360 Industrial's offer by 12 October 2015, they would be entitled to receive 360 Industrial's September quarter distribution (equal to 4.84 cents per ANI unit). By 23 October 2015, 360 Industrial had accumulated a relevant interest in ANI of more than 90.1% and completed the transaction in December 2015.

As at 30 June 2015, ANI owned a portfolio of 16 industrial properties with a total value of $330 million located across Sydney, Melbourne and Perth. Given the passage of time since 360 Industrial's initial offer, the transaction metrics are based on the 360 Industrial unit price as at 22 September 2015 and NTA as at 30 June 2015. The premium to NTA of 13.8% is largely attributable to the 12% improvement to the consideration over the period of the transaction.

Acquisition of Folkestone Social Infrastructure Trust by Folkestone Education Trust

On 13 November 2014, FST announced that it had entered into a merger implementation agreement with Folkestone Education Trust ("FET") under which FET would acquire FST. The consideration under the proposal was 1.32 FET units plus $0.675 cash for every FST unit, implying a value of $3.14 per FST unit. FST invests in social infrastructure property (e.g. early learning centres, medical centres and storage facilities) (79%) and property securities (21%). It was formed in 2000 and has a portfolio of 49 properties with a book value of $93.2 million. FET was formed in 2002 and invests in early learning centres in Australia and New Zealand. At 31 October 2014, it owned 354 properties (303 in Australia) with a value of $472 million.

Acquisition of Mirvac Industrial Trust by The Goldman Sachs Group

On 19 September 2014, MIX announced that it had entered into a scheme implementation agreement with a wholly owned subsidiary of The Goldman Sachs Group under which all MIX units would be acquired for cash consideration of $0.214 per unit (based on an A$/US$ exchange rate of 0.8973). MIX was formed in 2005 to invest in industrial property in the greater Chicago area of the United States and at the time of the transaction MIX owned a portfolio of 24 properties. The global financial crisis had adverse consequences for MIX and a number of initiatives were undertaken to stabilise its capital structure. On 28 May 2014, a process commenced seeking formal expressions of interest in relation to the realisation of 100% of MIX. This transaction was the culmination of that process.

Acquisition of Australand Property Group by Frasers Centrepoint Limited

On 4 June 2014, Australand announced that it had received a conditional proposal from Frasers Centrepoint Limited ("Frasers") to acquire all of its stapled securities via an off-market takeover offer. On 1 July 2014, Australand announced that it had entered into a bid implementation agreement whereby securityholders would receive cash consideration of $4.48 cash for each Australand security. Australand is an internally managed diversified property group with three core operating divisions: Investment Property which generates passive investment income and management fees from a portfolio of 68 industrial and office properties, valued at $2.4 billion; Commercial and Industrial which designs, develops and constructs commercial and industrial properties primarily in Sydney, Melbourne and Brisbane and contributed approximately 10% of Australand's EBIT in 2013; and Residential which develops, constructs, manages and sells residential lots for medium to high density apartments and housing (32% of EBIT). The high premium to NTA (22.5%) reflects Australand's significant development and construction activities and therefore provides no meaningful insight into the value attributed to the investment property portfolio itself.

Acquisition of Challenger Diversified Property Group by Challenger Australia Listed Property Holding Trust

On 11 April 2014, Challenger Australia Listed Property Holding Trust (a related entity of Challenger Life Company Limited, a subsidiary of ASX listed Challenger Limited) announced an unconditional off-market takeover offer to acquire all of the units in CDI. At that date, interests associated with Challenger Limited held approximately 58.7% of CDI's issued units. The consideration under the offer was $2.74 cash per CDI unit. CDI held a diversified portfolio of 27 office, retail and industrial properties with a value of $888 million, 93% of which was located in Australia with the balance in France.

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Acquisition of Commonwealth Property Office Fund by DEXUS/CPPIB Consortium

On 11 December 2013, the DEXUS/CPPIB Consortium announced a conditional cash and scrip off-market takeover offer for all issued units in CPA. This offer was the culmination of corporate activity (involving GPT and the DEXUS/CPPIB Consortium) which had commenced in July 2013 following the announcement by Commonwealth Bank of Australia of a proposal to internalise the management of CPA. Under the offer CPA unitholders could choose between two cash and scrip mix consideration alternatives, both of which implied a value of approximately $1.23 per unit at the date of announcement. CPA is an externally managed office sector specific REIT which owns a portfolio of 25 office properties in central business districts and major suburban markets in Australia with a book value at 31 October 2013 of $3.8 billion.

Restructure of Westfield Group and Westfield Retail Trust

On 4 December 2013 Westfield Group and Westfield Retail Trust announced a restructure under which Westfield ANZ was to be merged with Westfield Retail Trust to form a new entity, Scentre Group, and the remainder of Westfield Group's operations (its international business) would become Westfield Corporation. Both entities were listed on the ASX and remain so. Westfield ANZ comprised a $14.4 billion retail property investment portfolio in Australia and New Zealand (predominantly 50% interests where the other 50% share was owned by Westfield Retail Trust) and an integrated operating platform with capabilities in property management, design, development, construction and leasing and funds management. Assets under management totalled $38.6 billion including its owned property portfolio. The terms of the transaction had the effect that:

- Westfield Group securityholders received 1,000 securities in Westfield Corporation and 1,246 securities in Scentre Group for every 1,000 Westfield Group securities held; and
- Westfield Retail Trust securityholders received $285 and 918 securities in Scentre Group for every 1,000 Westfield Retail Trust securities held.

Due to the nature of the restructure, transaction metrics are difficult to assess precisely and vary depending on how the consideration for the transaction is determined and various other assumptions. The consideration shown in the table is based on the value attributed by the independent expert for Westfield Group to the consideration received for Westfield ANZ (i.e. securities in Scentre Group) ($8.1-8.8 billion based on a price range of $3.15-3.40 per Scentre Group security). In this context, it should be noted that:

- the consideration represents portfolio interests and does not incorporate a premium for control; and
- the implied premiums over NTA are high (40.6-51.7%) reflecting both Westfield ANZ's substantial and high quality retail real estate platform as well as its relatively high gearing. On an ungeared basis, the premium remains high at 18.1-23.1%. On both bases the premium over NTA provides no meaningful insight into the value of Westfield ANZ's investment property portfolio.

The transaction also implies historical EBIT multiples of 14.3-14.9 times and forecast EBIT multiples of 13.4-14.0 times (or historical multiples of 13.0-13.6 times and forecast multiples of 12.7-13.2 times "economic EBIT"[13]). These are blended multiples reflecting the mix of earnings derived by Westfield ANZ including from property investment and the real estate management platform less corporate overheads. In this regard, around 75-80% of Westfield ANZ's earnings are derived from property investment.

(b) Transactions in the period 2008 to 2012

In the period between 2008 and 2012 control transactions generally occurred at quite significant discounts to NTA and at a range of exit yields as set out in the table below:

[13] "Economic EBIT" includes income from internally owned assets. It is a better reflection of the "true" earnings of the operating platform.

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Australian REIT Transactions from 2008 to 2012

Date	Target	Property Category	Management Basis	Acquirer	Consideration ($ millions)	Premium/ (Discount) to reported NTA	Exit Yield	
							Historical	Forecast
Apr 12	Thakral Holdings Group	H/R/C	I	Brookfield Asset Management Inc	507	(15.6)%[14]	na	na
Feb 12	Tishman Speyer Office Fund	C	E	Sale of US REIT / wind up	309[15]	18.5%	na	na
Jan 12	Charter Hall Office REIT	O	E	Consortium including Charter Hall Group	1,228	(3.9)%	na[16]	5.3-6.5%[17]
Jan 12	Abacus Storage Fund	S	I	Abacus Property Group	132	(8.2)%	7.4%	na[18]
Apr 11	Valad Property Group	D	I	Blackstone Real Estate Advisers	209	(22.1)%	na	na
Apr 11	Rabinov Property Trust	O/I	E	Growthpoint	50	(4.3)%	10.0%	8.6%
Dec 10	ING Industrial Fund	I	E	Goodman Group consortium	1,395	(1.5)%	3.0%	6.0%
Jul 10	MacarthurCook Industrial Property	I	E	CommonWealth REIT	43	(32.1)%	4.1%	4.1%
Apr 10	Westpac Office Trust	O	E	Mirvac	417	3.1%	7.7%	7.7%
Oct 09	Mirvac Real Estate Investment Trust	R/I/H	E	Mirvac	373	(29.9)%	5.5%	5.4%
May 09	Orchard Industrial Property Fund	I	E	Growthpoint	255	(11.9)%	na[19]	8.8%[19]

Source: Grant Samuel analysis

The following factors are relevant to consideration of the transaction evidence in this period:

- Valad Property Group ("Valad"), MacarthurCook Industrial Property Fund, Mirvac Real Estate Investment Trust and Orchard Industrial Property Fund were arguably in some financial distress at the time of their transactions;
- the timing of the transactions has an impact on the premium/(discount) to NTA as the earlier transactions took place prior to the write down of the book value of assets in the entity's accounts, implying a greater discount to NTA than might have been the case;
- the transaction metrics reflect the assets and/or circumstances of the target REIT. For example, Tishman Speyer Office Fund ("Tishman") invested in commercial complexes in major centres in the United States and Tishman, Thakral Holdings Group ("Thakral") and Valad were not paying distributions;
- the Abacus Storage Fund and Rabinov Property Trust transactions involved scrip consideration which enabled securityholders to retain their exposure to any general recovery in property markets as well as the target assets;
- the discount to adjusted NTA implied by the Thakral transaction is relatively high at 15.6% and likely reflects that other parties may have been dissuaded from making alternative offers by Brookfield's existing relevant interest in 38.6% voting power in Thakral (although it had no actual securityholding); and
- the premium to NTA (18.5%) implied by the Tishman transaction is high as it is calculated after allowing for the full amount of tax payable if the properties underlying the US REIT were sold and the net proceeds distributed to Tishman. In certain circumstances the amount of tax ultimately paid could be less and therefore the implied premium would be lower.

The remaining three transactions in this period (Charter Hall Office REIT, ING Industrial Fund and Westpac Office Trust) took place at around NTA in the range (3.9)-3.1% and at forecast exit yields in the range of 5.3-7.7%. In relation to these transactions:

- ING Industrial Fund did not have an exposure to the office property sector;

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14 Based on NTA adjusted for partly paid securities and the fair value of operating leasehold land and valuation surplus not recognised for hotel properties under accounting standards. On an unadjusted basis, the discount to NTA is 8.6%.

15 Based on A$/US$ exchange rate of 1.08 at announcement date.

16 Charter Hall Office REIT's historical distribution reflected the earnings of the United States property portfolio that was in the process of being sold at the time of the transaction and therefore the historical exit yield is not meaningful.

17 Based on management guidance for operating earnings of 17.5-18.0 cents per unit and the target distribution payout ratio of 75-90%.

18 As a result of Abacus' need to meet debt covenants, its ability to pay a future distribution was uncertain.

19 Orchard Industrial Property Fund's historical distribution per unit represented securities on issue at that time and therefore the historical exit yield is not meaningful. The forecast exit yield is based on the expected distribution for the first full year following the recapitalisation.

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- Charter Hall Office REIT had an active development pipeline (albeit scaled back relative to prior periods) and
- Westpac Office Trust was a highly geared REIT (62% at 31 December 2009) and the transaction took place at a time of great market uncertainty following the global financial crisis.

(c) Transactions in the period 2000 to 2007

The premiums/(discounts) to NTA and exit yields for control transactions in the period from 2000 to 2007 are set out in the table below:

Australian REIT Transactions 2000 to 2007								
Date	Target	Property Category	Manage-ment Basis	Acquirer	Consid-eration ($ millions)	Premium/ (Discount) to reported NTA	Exit Yield	
							Historical	Forecast
Jun 07	Multiplex Group	D	I	Brookfield Asset Management Inc	4,229	61.3%	5.0%	3.7%
May 07	Investa Property Group	D	I	Morgan Stanley	4,699	56.2%	5.0%	5.2%
Apr 07	Macquarie ProLogis Trust	I	E	Pro Logis	1,239	12.4%	5.9%	5.9%
Oct 04	James Fielding Group	D	I	Mirvac Group	499	38.6%	7.1%	7.8%
Sep 04	Ronin Property Group	O	I	Multiplex Group	1,308	16.5%	7.4%	7.4%
Jul 04	Principal America Office Trust	O	E	Macquarie Office Trust	857	25.3%	8.6%	8.8%
Jul 04	Prime Retail Group	R	E	Centro Properties Group	393	9.3%	10.2%	8.9%
Aug 03	Principal Office Fund	O	E	Investa Property Trust	1,504	2.4%	6.8%	6.8%
Jul 03	AMP Industrial Trust	I	E	Macquarie Goodman Industrial Trust	450	22.8%	7.8%	7.9%
May 03	AMP Diversified Property Trust	D	E	Stockland	1,648	26.1%	6.5%	6.6%
May 03	AMP Shopping Centre Trust	R	E	Westfield Trust	1,460	28.6%	6.2%	6.3%
Jul 02	Colonial First State Property Group	D	E	CPA/Fund/Gandel Retail Trust	1,658	28.4%	6.8%	7.1%
Aug 00	Macquarie Industrial Trust	I	E	Goodman Hardie Industrial Property Trust	291	9.9%	9.3%	9.5%
Jul 00	BT Property Trust	O/R	E	BT Office Trust	501	(0.2)%	8.0%	8.2%
Jul 00	Paladin Commercial Trust	I/R	E	Commercial Investment Trust	508	6.3%	7.9%	8.0%
May 00	Flinders Industrial Trust	I	E	Stockland	289	12.1%	8.9%	9.0%

Source: Grant Samuel analysis

In the period prior to 2008, acquisition transactions (particularly after 2002) occurred at significant premiums to NTA. In particular, the larger transactions with values in excess of $1 billion occurred at premiums of between 2.4% and 61.3%, but generally well above 10%. However, it should be noted that:

- several of the transactions implying high premiums involved entities with significant operating businesses in which case the premium to NTA is not meaningful. This particularly applies to the acquisition of Multiplex Group (which had a development and construction business, a passive property investment portfolio and a property funds management business) by Brookfield Asset Management Inc, Investa Property Group (which had both a substantial residential land development business and manages wholesale property investment funds) by Morgan Stanley Real Estate and Mirvac's acquisition of James Fielding. In these cases, the implied premiums to NTA provide no meaningful insight into the value attributed to the property portfolio itself; and
- part of the premium may also be due to the lag that previously existed in the valuation of properties. For example, the acquisition of AMP Shopping Centre Trust was at a premium to NTA of 28.6% based on last valuations. However, the portfolio was revalued shortly after the acquisition which resulted in an increase in NTA by 23 cents per unit. The premium would have been 12.4% if based on this revised NTA. The introduction of International Financial Reporting Standards in FY06 removed this valuation lag and was expected to result in lower premiums to NTA for passive property portfolios.

Nevertheless, clearly some premium was paid by acquirers which would appear to be attributable to diversification and scale benefits of acquiring a large portfolio in a single line as well as the relative scarcity of such opportunities in an increasingly concentrated environment.

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2 Valuation Evidence from Sharemarket Prices

The sharemarket ratings of selected publicly listed REITs in Australia are set out below by sector. For the purposes of this report, REITs focussed on the retail property sector have been excluded.

Sharemarket Ratings of Selected Australian Listed REITs

Entity	Manage-ment Basis	Market Capitalsation ($ millions)	Premium/ (Discount) to NTA[20]	Distribution Yield[21]				Distribution Growth 3 Year CAGR[22]	Gearing[23]
				FY15	FY16F	FY17F	FY18F		
GPT Metro (standalone)[24]	***E***	***265***	***(4.2%)[25]***	***na***	***7.5%***	***7.6%***	***8.0%***	***na***	***28.3%***
Office REITs									
Investa Office Fund	E	2,763	8.0%	4.3%	4.4%	4.5%	4.5%	2.0%	29.0%
Cromwell Property Group	I	1,901	48.6%	7.3%	7.6%	7.6%	7.8%	2.5%	44.2%
GDI Property Group	I	509	(4.5%)	7.9%	8.2%	8.3%	8.4%	1.7%	27.9%
Brookfield Prime Property	E	297	(19.4%)	1.3%	na	na	na	na	37.2%
Australian Unity Office Fund	E	309	12.2%	na[26]	na[26]	6.7%	7.1%[26]	na	29.8%
Centuria Metro (standalone)	E	259	0.9%	na[27]	7.8%	8.1%	8.5%	4.3%[27]	32.0%
360 Capital Office Fund	E	166	(0.9%)	7.5%	7.5%	7.5%	7.5%	-	18.1%
Industrial REITs									
Goodman Group	I	13,248	91.0%	3.0%	3.2%	3.4%	3.6%	6.7%	22.4%
360 Capital Industrial Fund	E	577	15.3%	7.7%	7.9%	7.9%	8.3%	2.3%	43.4%
Industria REIT	E	273	4.3%	7.3%	7.0%	7.6%	7.9%	2.6%	32.5%
Diversified REITs									
Stockland Group	I	11,912	28.7%	4.8%	4.9%	5.2%	5.4%	3.7%	21.0%
GPT	I	10,015	33.6%	4.0%	4.1%	4.5%	4.6%	4.5%	26.4%
DEXUS	I	9,186	26.9%	4.4%	4.6%	4.7%	4.9%	3.8%	29.5%
Mirvac Group	I	8,070	19.1%	4.3%	4.5%	4.9%	5.0%	5.1%	28.8%
Growthpoint (standalone)	I	1,814	19.6%	6.3%	6.6%	6.8%	7.1%	3.9%	36.6%
Abacus Property Group	I	1,753	20.6%	5.4%	5.4%	5.7%	5.9%	2.9%	30.0%
GPT Metro Bidders									
Centuria Metro (Combined Group)	E	545	7.7%	na	7.6%	7.8%	na	na	33.4%
Growthpoint (Combined Group)	I	2,090	30.6%	na	na	6.7%	na	na	46.1%

Source: Grant Samuel analysis[28]

All of the listed entities have a 30 June year end except for GPT which has a 31 December year end (i.e. FY15 equates to year ending 31 December 2015). The last reported balance sheet for all entities is 31 December 2015. The multiples shown are based on sharemarket prices as at 22 July 2016 except for:

- GPT Metro Office Fund ("GPT Metro (standalone)") which is shown on 1 April 2016, the day prior to the announcement of the results of an independent property revaluation process in response to an unsolicited acquisition proposal;
- Growthpoint (standalone) which is shown on 4 April 2016, the day prior to the announcement of its initial proposal to acquire GPT Metro; and
- Centuria Metropolitan REIT ("Centuria Metro") (standalone) which is shown on 19 May 2016, the day prior to the announcement of the acquisition of a 16.09% relevant interest in GPT Metro by Centuria.

20 NTA is based on the last reported balance sheet, except where property revaluations have been announced publically. NTA excludes deferred tax liabilities and is after providing for the latest distribution to the extent that it was not provided for in the reported balance sheet. Adjustments have also been made for acquisitions, disposals, capital raisings and share buybacks as appropriate.

21 Distribution yield has been calculated as distribution per unit divided by security price.

22 CAGR = compound annual growth rate.

23 Book gearing is net debt (borrowings less cash) divided by total tangible assets less cash.

24 Based on unit price on 1 April 2016 (the last trading day before announcement of the results of an independent property revaluation process in response to an unsolicited acquisition proposal).

25 Based on NTA as at 31 December 2015 (i.e. prior to property portfolio revaluation announced on 4 April 2016).

26 Australian Unity Office Fund was publicly listed on 20 June 2016 and therefore distributions for FY15 and FY16 are not available. In addition, FY18 distribution based on guidance for six months ended 31 December 2017 annualised.

27 Centuria Metropolitan REIT was publicly listed on 10 December 2014 and therefore the FY15 does not reflect a full year. Therefore, distribution growth is calculated over two years.

28 Grant Samuel analysis based on data obtained from IRESS, Capital IQ, REIT announcements and, in the absence of published distribution forecasts, brokers' reports. Where distribution forecasts are not available, the median of the forecasts prepared by a range of brokers has generally been used to derive relevant derive distribution forecasts. The source, date and number of broker reports utilised for each REIT depends on analyst coverage, availability and recent corporate activity.

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A brief description of each REIT is set out below:

Office REITs

Investa Office Fund

IOF is an externally managed stapled entity which invests in office properties with a focus on A grade and premium Australian properties. At 31 December 2015, its portfolio comprised 22 investment grade office properties (gross asset value of $3.5 billion) located in central business districts across Australia in Sydney, Brisbane, Melbourne, Perth and Canberra. The occupancy rate is 94% and the weighted average lease expiry is 5.0 years. On 7 December 2015, IOF announced that it had entered into a process deed with DEXUS under which DEXUS would acquire 100% of the issued securities in IOF. In April 2016, securityholders did not approve the transaction and the agreement was terminated. IOF's distribution yield is low in comparison to the other office REITs. It is trading at a premium to NTA notwithstanding it is an externally managed passive property investor possibly reflecting the market's expectation for further corporate activity (particularly following the Cromwell acquisition of a 9.8% interest in April 2016). Property revaluations at 30 June 2016 for 10 of the 22 assets in the portfolio resulted in a value uplift of $116 million equating in an increase in NTA of $0.19 per unit.

Cromwell Property Group

Cromwell is an internally managed stapled entity which owns a $2.2 billion property portfolio and operates a fund management business with $9.8 billion of assets under management (including Cromwell's portfolio). Third party funds management includes $5.6 billion of wholesale funds in Australia and Europe and $1.5 billion of retail funds in Australia and New Zealand. Cromwell's property portfolio is primarily consists of office properties (central business district and metropolitan) located across Australia (98% by value) and retail properties (2%). At 31 December 2015, the portfolio had an occupancy rate of 94% and a weighted average lease expiry of 5.7 years. Cromwell is an active manager of assets and has a number of transformation projects in train within its investment portfolio. Cromwell is trading at a substantial premium to NTA reflecting the value attributed to its third party fund management activities (including the integration of the European business operations) but also its active transformation pipeline and an expectation of increasing distributions (brokers are projecting growth of 2.5% per annum over the next three years) and an uplift in NTA due to property revaluations. In addition, the security price may reflect an expectation of corporate activity following Cromwell's acquisition of a 9.83% interest in IOF in April 2016 (increasing its interest in IOF to 9.99%). Broker forecast distributions do not yet include distributions from IOF.

GDI Property Group

GDI Property Group ("GDI") is an internally managed stapled entity which at 31 December 2015 owned a $736 million investment property portfolio in Australia and had $380 million in third party assets under management. At this date the investment portfolio comprised four office properties (including an A grade property and three B grade properties in central business districts in Perth, Sydney, Brisbane, Adelaide) with an occupancy rate of 88% and a weighted average lease expiry of 3.4 years. The properties in Perth and Brisbane have experienced challenging leasing conditions as a result of decreased mining activity. On 1 February 2016 GDI completed the acquisition of an A grade office property in Surfers Paradise for $48.75 million with occupancy of 54%. GDI intends to undertake a capital works program over three years on this property at a cost of around $10 million. On 16 June 2016, GDI announced the establishment of GDI No. 42 Office Trust in which GDI will hold an approximate 45% interest. This trust is not yet reflected in broker forecast distributions.

Brookfield Prime Property Fund

BPPF is an externally managed unit trust which invests in prime commercial office properties. At 30 June 2016, BPPF's property portfolio was valued at $645 million and comprised interests in two properties in Sydney (74% of the portfolio) and one in Perth (26%). The occupancy rate is 92% and the weighted average lease expiry is 3.4 years. BPPF is 80.47% owned by Brookfield and its responsible entity is a subsidiary of Brookfield. In December 2015 BPPF completed the sale of interests in two properties, the proceeds from which were applied to the repayment of borrowings and a capital return of $2.50 per unit. The unit price for BPPF is not a good indication of fair value as it has a restricted free float and the market in its securities is not liquid (it regularly does not trade on a daily basis). BPPF is also highly geared and has a low payout ratio relative to its peers.

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Australian Unity Office Fund

Australian Unity Office Fund ("AUOF") is an externally managed REIT which invests primarily in office properties located in metropolitan and central business district markets across Australia. It was listed on 20 June 2016. AUOF owns eight properties valued at $391.1 million located in New South Wales (45% by value), South Australia (30%), Victoria (11%), Queensland (9%) and the Australian Capital Territory (5%). Two of the properties have an industrial component. The portfolio has occupancy of 96.5% and weighted average lease expiry of 4.7 years. AUOF was established in 2005 as an unlisted managed investment scheme but prior to listing its capital was restructured and therefore historical distributions are not relevant for analytical purposes.

Centuria Metropolitan REIT

Centuria Metropolitan REIT ("Centuria Metro") is an externally managed stapled entity which invests in office and industrial assets in metropolitan markets across Australia. It was listed on 10 December 2014. Centuria Metro's portfolio is valued at $396.7 million and comprises ten office and three industrial properties in Sydney, Brisbane, Canberra and Adelaide. It has an occupancy rate of 97.4% and weighted average lease expiry of 4.8 years. In May 2016, it announced property revaluations which increased NTA to $2.15 per unit. On 20 May 2016, Centuria Metro announced a 16.09% relevant interest in GPT Metro and on 23 May 2015 submitted an acquisition proposal for GPT Metro. It entered into a confidentiality agreement and was provided access to undertake due diligence. On 16 June 2016 Centuria Metro announced an improved offer for GPT Metro. The valuation metrics for Centuria Metro (standalone) are based on the security price on 19 May 2016, the day prior to the announcement of the 16.09% relevant interest in GPT Metro. The metrics for Centuria Metro (Combined Group) are based on indicative pro forma financial information for Centuria Metro assuming 100% acquisition of GPT Metro prepared by Grant Samuel (as the Bidder's Statement has not yet been released).

360 Capital Office Fund

360 Capital Office Fund ("360 Office") is an externally managed office REIT with a $212 million investment property portfolio. The portfolio has an occupancy rate of 98.7%, a weighted average lease expiry of 5.1 years and consists of three metropolitan properties, two in Queensland and one in Victoria. Two properties were revalued at 31 March 2016 (63% of the portfolio by value) and the remaining property will be revalued when current lease negotiations are concluded. As a result, 360 Office's NTA increased from $2.11 per unit as at 31 December 2015 to $2.28 per unit.

Industrial REITs

Goodman Group

Goodman Group is an internally managed integrated property group with operations throughout Australia, New Zealand, Asia, Europe, the United Kingdom, North America and Brazil. As at 31 December 2015, Goodman Group had $33.2 billion in industrial assets under management including a $5.1 billion investment property portfolio and $28.1 billion third party assets under management. 57% of earnings are currently derived from active development / management operations and the development activities had a book value at 31 March 2016 of $3.2 billion (represented by 72 projects). At 31 March 2016, Goodman Group's property portfolio had 96% occupancy and a weighted average lease expiry of 5.1 years. Goodman Group is trading at a substantial premium to NTA (~91%) reflecting its relatively small property investment portfolio and the scale of its third party management activities, development activities and international operations as well as its position as a global industrial sector leader.

360 Capital Industrial Fund

360 Capital Industrial Fund ("360 Industrial") is an externally managed industrial REIT. On 2 December 2015, 360 Industrial completed the acquisition of ANI and now owns an investment property portfolio of 37 properties with a current value of $906 million located across Australia. 360 Industrial is relatively highly geared (43.4% post ANI acquisition) and proposes to sell $50 million of assets in FY17 depending on current leasing negotiations.

Industria REIT

Industria REIT ("Industria") is an externally managed REIT. APN Funds Management Limited, a subsidiary of ASX listed fund manager APN Property Group Limited, is the responsible entity of Industria. Industria owns a $418 million portfolio of 17 industrial and business park properties located in Queensland (40.8%), New South Wales (43.6%), Victoria (21.5%) and South Australia (3.1%).

Diversified REITs

Stockland Group

Stockland Group ("Stockland") is an internally managed stapled entity. It is a diversified property group which develops, owns and manages retail shopping centres, office buildings, industrial sites, residential communities and retirement living villages. At 31 December 2015 its commercial portfolio was valued at $9.2 billion and comprised 42 retail centres ($6.6 billion), 25 logistics and business parks ($1.8 billion) and 9 office buildings ($0.8 billion). Stockland is the largest residential developer in Australia and a top three retirement living operator in Australia.

The GPT Group

GPT is an internally managed stapled entity. It is a diversified property group engaged in property investment, selective property development and property funds management. GPT's property portfolio was valued at $10.1 billion at 31 December 2015 and comprised retail (50%), office (37%) and logistics (13%) properties and has a further $10 billion of third party funds under management. The $3.7 billion office portfolio includes wholly owned properties and an investment in the unlisted GPT Wholesale Office Fund and comprises properties located in the Sydney, Melbourne and Brisbane central business districts. GPT has a development pipeline of $3.5 billion of projects underway and planned.

DEXUS Property Group

DEXUS is an internally managed stapled entity which invests in and manages office and industrial properties within Australia in addition to developing and managing Australian properties on behalf of third parties. As at 30 June 2016, its property portfolio was valued at $10.7 billion and comprised 84% office and 16% industrial properties. Approximately 91% of DEXUS's $8.9 billion office portfolio is classed as premium or A grade. Its office sector exposure is spread across all major capital cities in Australia and has a total occupancy of 94% and a weighted average lease expiry of 4.4 years. Third party funds under management were $10.6 billion with assets across the office (50%), retail (38%) and industrial (11%) sectors. In December 2015, DEXUS entered into a process deed under which it would acquire 100% of IOF but, in April 2016, IOF securityholders did not approve the transaction and the agreement was terminated.

Mirvac Group

Mirvac Group ("Mirvac") is an internally managed stapled entity engaged in property investment, property development and funds management. As at 31 December 2015, Mirvac owned a $7.8 billion property portfolio (of which $7.1 billion is investment properties and $0.7 billion is development assets) and $15 billion of assets under management (including around $9 billion of Mirvac assets). Mirvac's property portfolio consists of 58% office, 30% retail, 9% industrial and 3% other properties (e.g. carparks, a hotel). Approximately 96% the office portfolio is classified premium or A grade and the portfolio is mainly concentrated in the Sydney and Melbourne central business districts. Mirvac has recently sold several properties which are expected to settle by the end of June 2016. Distributions are projected to grow at a faster rate than its diversified peers over the next three years.

Growthpoint Properties Australia

Growthpoint is an internally managed stapled entity that invests in office, industrial and retail properties in Australia. It is 65% owned by Growthpoint Properties Limited. Growthpoint's property portfolio comprised 58 properties located across Australia with a total value of $2.8 billion. The portfolio is invested in office properties (56%) and industrial properties (44%). On 5 April 2016, Growthpoint announced the resubmission of an acquisition proposal for GPT Metro. Following discussions, on 5 May 2016, Growthpoint improved its proposal and was provided access to undertake due diligence after which Growthpoint reaffirmed its proposal on 6 June 2016. On 1 July 2016, Growthpoint announced a takeover bid to acquire GPT Metro, that it had acquired a 13% interest in GPT Metro and that it had entered into a facilitation agreement with GPT. The metrics for Growthpoint (standalone) are based on the security price on 4 April 2016, the day prior to the announcement of the acquisition proposal. For Growthpoint (Combined Group) the metrics are based on the proforma financials for Growthpoint assuming 100% acquisition of GPT Metro as set out in the Growthpoint Bidder's Statement.

Abacus Property Group

Abacus Property Group ("Abacus") is an internally managed diversified REIT with $2.2 billion of assets under management, consisting of $1.5 billion investment properties and $0.6 billion third assets. Abacus' investment portfolio comprises commercial properties (66% by value) and self storage facility assets (34%). Third party funds under management are primarily in the retail sector.

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CORPORATE DIRECTORY

ASX TRADING CODE
GMF

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