

# Commonwealth Managed Investments Limited

Commonwealth Managed Investments Limited  
ABN 33 084 098 180



24 December 2013

The Manager  
Company Announcements Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**Commonwealth Property Office Fund (ASX: CPA) – Takeover bid by GPT Management Limited and GPT RE Limited as Responsible Entity of the General Property Trust**

Please find enclosed, in accordance with section 633(1) item 14 of the Corporations Act 2001 (Cth), a copy of the Target's Statement prepared by Commonwealth Managed Investments Limited as Responsible Entity of Commonwealth Property Office Fund (CPA) in response to the off-market takeover bid by GPT Management Limited and GPT RE Limited as Responsible Entity of the General Property Trust (GPT) for all the units in CPA.

The Target's Statement was lodged with the Australian Securities and Investments Commission and provided to GPT earlier today.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'MBrady'.

Michelle Brady  
Company Secretary  
Commonwealth Managed Investments Limited

This Target's Statement has been issued by Commonwealth Managed Investments Limited (CMIL) ABN 33 084 098 180 as Responsible Entity of Commonwealth Property Office Fund ARSN 086 029 736 in response to the offer by GPT Management Holdings Limited ABN 67 113 510 188 and GPT RE Limited ABN 27 107 426 504 as responsible entity of General Property Trust (GPT) ARSN 090 110 357 to acquire all of the units in Commonwealth Property Office Fund.

# TARGET'S STATEMENT

## Commonwealth Property Office Fund (CPA)

The Independent Directors of CMIL unanimously recommend that you

# DO NOT ACCEPT the GPT Offer

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 or other professional adviser immediately.

FINANCIAL ADVISER



LEGAL ADVISER

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# Important notices

## Nature of this document

This document is a Target's Statement issued by Commonwealth Managed Investments Limited (CMIL) ABN 33 084 098 180 as responsible entity of the Commonwealth Property Office Fund (CPA) ARSN 086 029 736 under Part 6.5 of the Corporations Act in response to the offer by GPT to acquire all of the units in CPA made pursuant to the Bidder's Statement dated 3 December 2013 issued by GPT and the Supplementary Bidder's Statement dated 18 December 2013.

## ASIC and ASX disclaimer

A copy of this Target's Statement was lodged with the Australian Securities and Investments Commission (ASIC) on 24 December 2013 and provided to the Australian Securities Exchange (ASX) on 24 December 2013. 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 24 December 2013.

## Defined terms

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

## Risk factors

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

## Foreign jurisdiction

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 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

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

## CPA unitholder information line

If you have any questions in relation to the GPT Offer, please contact the CPA unitholder information line on 1800 500 710 (within Australia) or +61 1800 500 710 (from outside Australia). Further information relating to the GPT Offer can be obtained from CPA's website at [cfsgam.com.au/cpa](http://cfsgam.com.au/cpa).

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## Key dates

Date of the GPT Offer	18 December 2013
Date of this Target's Statement	24 December 2013
Close of the GPT Offer Period (unless extended or withdrawn)	7pm (Sydney time), 24 January 2014

# Chairman's letter

24 December 2013

Dear unitholder,

## **DO NOT ACCEPT the GPT Offer**

On 19 November 2013, GPT (ASX: GPT) announced it intended to make an off-market offer for all outstanding CPA units for 0.141 GPT securities and \$0.75325 cash (reduced by the amount of the estimated distribution of 3.5 cents per CPA unit for the half-year ended 31 December 2013) for each CPA unit (GPT Offer).

GPT's Bidder's Statement (which includes the GPT Offer) has recently been sent to you.

On 11 December 2013, DEXUS Property Group (DEXUS) announced that it and Canada Pension Plan Investment Board (CPPIB) intended to make an off-market takeover offer for all the issued units in CPA for a consideration per CPA unit of 77.45 cents cash and 0.4516 DEXUS stapled securities (DEXUS Offer). A bidder's statement in relation to the DEXUS Offer was served on CMIL on 19 December 2013.

The Board of CMIL established a sub-committee of Independent Directors (Mr R Haddock, Ms N Milne and Mr J Kropp) in July 2013 to consider a proposal to internalise the management of CPA made by Commonwealth Bank of Australia (CBA or the Bank). This committee has also considered the GPT Offer and the DEXUS Offer.

Having carefully considered the GPT Offer and the DEXUS Offer, **the Independent Directors unanimously recommend that CPA unitholders DO NOT ACCEPT the GPT Offer.**

Section 1 of this document sets out the reasons for the Independent Directors' unanimous recommendation that CPA unitholders **DO NOT ACCEPT** the GPT Offer.

In summary, your Independent Directors recommend that you **DO NOT ACCEPT** the GPT Offer because the DEXUS Offer is superior to the GPT Offer.

To do this, simply **DO NOTHING**. In particular, do not complete the Acceptance and Transfer form enclosed with GPT's Bidder's Statement.

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

Your Directors will keep you fully informed if there are any material developments with respect to the GPT Offer, the DEXUS Offer or any other competing offer which may emerge.

In due course we will issue a Target's Statement in relation to the DEXUS Offer together with an independent expert report that will include the reasons why we recommend that proposal, in the absence of a superior proposal.



**Richard Haddock AM**  
Chairman  
Commonwealth Managed Investments Limited

## Section 1

# Why you should NOT ACCEPT the GPT Offer

CPA

Commonwealth Property Office Fund





# Why you should **NOT ACCEPT** the **GPT Offer**

The GPT Offer is not recommended by your Independent Directors.  
The reasons why you should **NOT ACCEPT** the GPT Offer are:

1. The DEXUS Offer announced to ASX on 11 December 2013 is superior to the GPT Offer

2. If you accept the GPT Offer you may not be able to accept the DEXUS Offer as you will only have limited withdrawal rights (see Section 5.11)

If you have any questions in relation to the GPT Offer, please contact the CPA unitholder information line on 1800 500 710 (within Australia) or +61 1800 500 710 (from outside Australia).

## 1.1 The DEXUS Offer

On 11 December 2013, DEXUS and CPPIB announced that they intended to make a cash and scrip off-market takeover offer to acquire all of the issued units in CPA for a consideration per CPA unit comprising 77.45 cents cash and 0.4516 DEXUS stapled securities (DEXUS Offer).

CPA unitholders will be entitled to receive and retain the CPA distribution for the six-months ending 31 December 2013, which is estimated to be 3.5 cents per CPA unit payable in February 2014 to CPA unitholders, who are registered as CPA unitholders on 31 December 2013. Any other distribution paid to CPA unitholders during the period of the DEXUS Offer will be deducted from the cash consideration payable under the DEXUS Offer.

DEXUS stapled securities issued to CPA unitholders under the DEXUS Offer will rank equally with existing DEXUS stapled securities including for any distribution with a record date that falls on or after they are issued.

On 13 December 2013, DEXUS and CPPIB announced that DEXUS had entered into a facilitation agreement with CBA under which CBA agrees to provide facilitation services to DEXUS for \$41 million when the off-market takeover offer proposed by DEXUS closes and the Consortium holds at least 50.1% voting power in CPA.

On 18 December 2013, CBA made an announcement on ASX stating that:

- CBA currently has a proprietary holding of approximately 183 million units, representing approximately 7.8%, in CPA, and
- CBA intends to accept the DEXUS Offer in respect of those proprietary holdings, and not accept the GPT Offer, provided that such acceptance would take the Consortium's relevant interests in CPA to at least 50.1% and the DEXUS Offer is otherwise unconditional, noting that CBA reserves its right not to do so.

On 19 December 2013, DEXUS served on CMIL a bidder's statement in relation to the DEXUS Offer. It is expected that DEXUS will despatch offers to CPA unitholders in early January 2014.

## 1.2 Your Independent Directors unanimously recommend that you DO NOT ACCEPT the GPT Offer because the DEXUS Offer provides superior value

The DEXUS Offer announced to ASX on 11 December 2013 is superior to the GPT Offer.

The table below compares the implied value of the DEXUS Offer and the GPT Offer based on the respective prices of DEXUS Securities and GPT securities as at the close of trading on 20 December 2013.

You will see from the table that the implied value of the DEXUS Offer is 3.6% greater than the implied value of the GPT Offer.

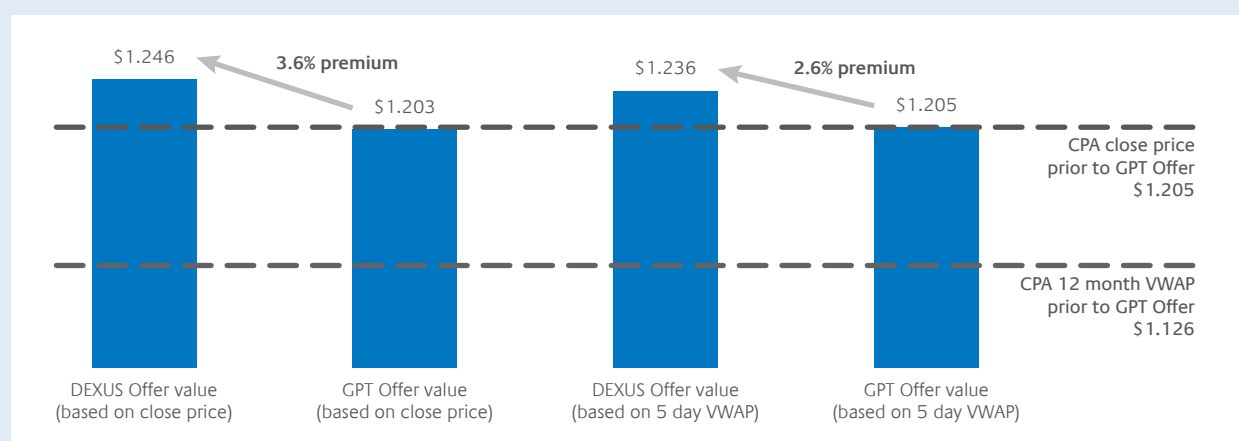
	DEXUS Offer	GPT Offer
Scrip ratio	0.4516 securities	0.141 securities
Security price (20 December 2013)	\$1.045	\$3.44
Scrip consideration	\$0.472	\$0.485
Cash consideration	\$0.7745	\$0.75325
Less: CPA estimated distribution for the six months ending 31 December 2013	–	(\$0.035)
Offer price	\$1.246	\$1.203



The implied value of the GPT Offer and the DEXUS Offer reflects the following premiums on various CPA unit trading metrics:

	DEXUS Offer	GPT Offer
Last trading price of CPA units prior to the announcement of the GPT Offer \$1.205	3.4%	(0.1)%
CPA's volume weighted average price (VWAP) of \$1.198 for the one-month period prior to the announcement of the GPT Offer	4.1%	0.5%
CPA's VWAP of \$1.176 for the three-month period prior to the announcement of the GPT Offer	6.0%	2.4%
CPA's VWAP of \$1.144 for the six-month period prior to the announcement of the GPT Offer	8.9%	5.2%
CPA's VWAP of \$1.126 for the 12-month period prior to the announcement of the GPT Offer	10.7%	6.9%
CPA's NTA of \$1.19 as at 31 October 2013	4.7%	1.1%

#### Value of GPT Offer vs. DEXUS Offer<sup>1</sup>



Note:

1) As at 20 December 2013, except for CPA price data which is as at 18 November 2013, being the day prior to the GPT Offer.

The Independent Directors unanimously recommend that you ACCEPT the DEXUS Offer, in the absence of a superior proposal. This recommendation will be included in a Target's Statement that will be issued in relation to the DEXUS Offer, expected in January 2014.

If you accept the GPT Offer you may NOT be able to participate in the DEXUS Offer.

The DEXUS Offer is not subject to a minimum acceptance condition and as a consequence your Independent Directors consider that the DEXUS Offer provides CPA unitholders with more transaction certainty than the GPT Offer.

Other possible reasons for not accepting the GPT Offer include:

- You may wish to remain a unitholder in CPA.
- If you accept the GPT Offer you will no longer be entitled to exercise the rights of a CPA unitholder.
- You may not wish to remain a unitholder in CPA or to become a GPT securityholder pursuant to the GPT Offer or accept the DEXUS Offer and may instead wish to dispose of your investment in CPA for cash by sale on market.

## Section 2

# Independent Directors' recommendation and Directors' interests

CPA

Commonwealth Property Office Fund



2.1 Directors of CMIL

As at the date of this Target’s Statement, the directors of CMIL, the Responsible Entity of CPA, are:

- a) Richard Haddock AM (Chairman)
- b) James Kropp
- c) Nancy Milne OAM
- d) Ross Griffiths, and
- e) Michael Venter.

The Independent Directors are Mr Haddock, Mr Kropp and Ms Milne. They comprise the Independent Board Committee of the CMIL Board that considered the GPT Offer.

Mr Griffiths and Mr Venter are employed as executives of CBA. In that capacity, they have been appointed as Directors of CMIL.

Neither Mr Griffiths nor Mr Venter is considered to be an independent director of CMIL.

Due to possible perceived conflicts as a result of their employment with CBA, neither Mr Griffiths nor Mr Venter participated in the consideration given by the Independent Board Committee to the GPT Offer.

For the reasons set out above, neither Mr Griffiths nor Mr Venter gives a recommendation in relation to the GPT Offer.

2.2 Independent Directors’ recommendation and intentions

In view of the DEXUS Offer, each member of the Independent Board Committee (Mr Haddock, Ms Milne and Mr Kropp) recommends that you **DO NOT ACCEPT** the GPT Offer.

The reasons for this recommendation are set out in Section 1 of this Target’s Statement.

The only CMIL director by whom, or on whose behalf, CPA units are held at the date of this Target’s Statement is Ms Milne. Ms Milne will **NOT ACCEPT** the GPT Offer for the CPA units held by her or on her behalf.

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

- a) read the whole of this Target’s Statement, together with the 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, you should seek independent legal, financial, taxation or other professional advice.

2.3 Interests and dealings of Directors in CPA units

As at the date immediately before the date of this Target’s Statement, the Directors had the following relevant interests in CPA units:

Director	Number of CPA units
Nancy Milne OAM	37,239

No Director has acquired or disposed of a relevant interest in any CPA units in the four-month period ending on the date immediately before the date of this Target’s Statement.

## 2.4 Benefits and agreements

### a) Benefits to Directors

As a result of the GPT 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 or a managerial office of CPA or CMIL, or a Related Body Corporate of CPA.

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

### b) Agreements in connection with or conditional on the GPT Offer

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

### c) Interests in contracts with GPT

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

Section 3

# Frequently asked questions

CPA

Commonwealth Property Office Fund



This section answers some commonly asked questions about the GPT Offer. It is not intended to address all relevant issues for CPA unitholders. This section should be read together with all other parts of this Target's Statement.

Question	Answer	Refer to this section of the Target's Statement for more information
Who is making the GPT Offer?	GPT Management Holdings Limited ABN 67 113 510 188 and GPT RE Limited ABN 27 107 426 504 as responsible entity of General Property Trust ARSN 090 110 357, together comprising GPT, are making the GPT Offer. Information in relation to GPT is set out in Section 5 of this Target's Statement and Section 1 of the Bidder's Statement.	
What is GPT offering for my CPA units?	<p>The consideration under the GPT Offer is:</p> <ul style="list-style-type: none"> <li>• \$0.75325 cash (reduced by \$0.035, being the estimated distribution referred to below), and</li> <li>• 0.141 GPT securities,</li> </ul> <p>per CPA unit.</p> <p>CMIL has announced that an estimated distribution of 3.5 cents per CPA unit will be made on or around 28 February 2014 to registered holders of CPA units on 31 December 2013 (Distribution). As a result of the Distribution, the cash component of the Offer Consideration will be reduced by the amount of the Distribution from \$0.75325 cash per CPA unit to \$0.71825 cash per CPA unit.</p> <p>On the above basis, the implied value of the Offer Consideration is \$1.203, based on the closing market price of GPT securities on the ASX on 20 December 2013 (namely \$3.44) and the cash component of the Offer Consideration of \$0.71825 per CPA unit.</p>	Refer to Section 5.2 for further information.
What is the Bidder's Statement?	The Bidder's Statement is the document prepared by GPT which sets out the terms of the GPT Offer, as required by the Corporations Act. GPT lodged its Bidder's Statement with ASIC on 3 December 2013. All CPA unitholders should have recently received a copy of the Bidder's Statement in the post. The Bidder's Statement has stated that you can call 1800 660 083 (toll-free within Australia) or +61 2 8767 1211 (from outside Australia) for a replacement acceptance form or for any questions in relation to the GPT Offer.	



Question	Answer	Refer to this section of the Target's Statement for more information
What is the Target's Statement?	This Target's Statement is the formal response by the Board of CMIL to the GPT Offer, as required by the Corporations Act. This document has been prepared by CMIL and contains important information to help you decide whether to accept the GPT Offer.	
What choices do I have as a CPA unitholder?	<p>As a CPA unitholder, you have the following choices in respect of your CPA units:</p> <ul style="list-style-type: none"> <li>do nothing and retain your CPA units</li> <li>sell all or part of your CPA units, for example, on ASX (unless you have previously accepted the GPT Offer and you have not validly withdrawn your acceptance), or</li> <li>accept the GPT Offer.</li> </ul> <p>There are several implications in relation to each of the above choices. A summary of these implications is set out in Section 4 of this Target's Statement.</p> <p>You should seek independent legal, financial, taxation or other professional advice if you are in doubt as to what you should do in response to the GPT Offer.</p>	Refer to Section 4 for further information.
What are the Independent Directors of CMIL recommending?	<p>The Independent Directors unanimously recommend that you <b>DO NOT ACCEPT</b> the GPT Offer.</p> <p>The reasons for the Independent Directors' recommendation are set out in Section 1 of this Target's Statement.</p>	Refer to Section 2.2 and Section 1 for further information.
What do the Independent Directors intend to do with their CPA units?	The only CMIL Director who has an interest in CPA units is Nancy Milne OAM. Ms Milne will NOT ACCEPT the GPT Offer for any CPA units held by her or on her behalf.	
Why should I NOT ACCEPT the GPT Offer?	The Independent Directors have recommended that you <b>DO NOT ACCEPT</b> the GPT Offer for the reasons set out in Section 1 of this Target's Statement.	Refer to Section 1 for the detailed reasons.
What happens if I accept but the GPT Offer is ultimately unsuccessful?	If you accept the GPT Offer but the Offer Conditions are not fulfilled or waived by GPT, the GPT Offer will not proceed and you will not receive the Offer Consideration. However, accepting the GPT Offer will prevent you from selling or otherwise disposing of (including by accepting the DEXUS Offer or selling them on market) your CPA units until closure of the Offer Period, unless your acceptance can be withdrawn.	Sections 5.9, 5.10 and 5.11 set out some of the considerations for acceptance and withdrawal of the GPT Offer.

Question	Answer	Refer to this section of the Target's Statement for more information
What happens if I don't accept but the GPT Offer is ultimately successful?	<p>If you do not wish to accept the GPT Offer and want to retain your CPA units, you should simply do nothing. However:</p> <ul style="list-style-type: none"> <li>if GPT holds a relevant interest in at least 90% of all CPA units on issue during or at the end of the Offer Period, GPT will be entitled under the Corporations Act to compulsorily acquire the CPA units that it does not already own (as it intends to do, see Section 5.2 of the Bidder's Statement), and</li> <li>if GPT does not become entitled to compulsorily acquire your CPA units but all the Offer Conditions are either satisfied or waived, you will be exposed to the risks of being a minority unitholder in CPA, assuming GPT has acquired not less than 50.1% of all CPA units.</li> </ul>	<p>Refer to Section 5.14 of this Target's Statement for details on compulsory acquisition.</p> <p>See Section 7.1(g) of this Target's Statement regarding minority ownership in CPA.</p>
What are the risks associated with remaining a CPA unitholder?	If you do not accept the GPT Offer and remain a CPA unitholder, you will continue to be exposed to a range of risks, as well as some additional risks if GPT acquires control of CPA.	Section 7.1 sets out some risks if you remain a CPA unitholder.
What are the risks associated with becoming a GPT securityholder?	If you accept the GPT Offer and become a holder of GPT securities, you will be exposed to a range of risks, some of which you are already exposed to as a CPA unitholder, but some of which are new or potentially have a greater impact.	Section 7.2, 7.3 and 7.4 set out some risks if you accept the GPT Offer and retain GPT securities, and if GPT acquires at least 90% of CPA units.
How do I reject the GPT Offer?	To reject the GPT Offer, you do not need to do anything.	
What are the consequences of accepting the GPT Offer now?	If you accept the GPT Offer, unless withdrawal rights are available, you will give up your right to sell your CPA units or otherwise deal with your CPA units while the GPT Offer remains open, including the ability to accept the DEXUS Offer.	
If I accept the GPT Offer, can I withdraw my acceptance?	You may withdraw your acceptance if the GPT Offer is subject to defeating conditions and GPT varies the GPT Offer in a way that postpones the time when GPT is required to satisfy its obligations by more than one month.	
When does the GPT Offer close?	The GPT Offer is currently scheduled to close at 7.00pm (Sydney time) on 24 January 2014, but the Offer Period can be extended in certain circumstances.	Section 5.8 provides information about how the Offer Period may be extended.

Question	Answer	Refer to this section of the Target's Statement for more information
What are the Offer Conditions?	<p>The GPT Offer is subject to a number of conditions which remain to be satisfied or waived by GPT before accepting CPA unitholders can receive the Offer Consideration, including the following conditions:</p> <ul style="list-style-type: none"> <li>• acquiring a relevant interest in 50.1% of all CPA units</li> <li>• no regulatory action</li> <li>• neither CMIL nor CPA agrees to or pays a third party a break fee over \$5 million</li> <li>• no material adverse change to CPA</li> <li>• no material acquisitions or disposals by CPA (being in excess of \$50 million per item)</li> <li>• no internalisation of CPA management</li> <li>• no competing proposal (with DEXUS and CPPIB) that CMIL agrees to implement</li> <li>• no distributions by CPA other than in the ordinary course, and</li> <li>• no prescribed occurrences.</li> </ul> <p>Section 11.8 of the Bidder's Statement sets out the Offer Conditions in full.</p>	Section 5.5 and Section 5.6 provide further information about the conditions of the GPT Offer.
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, the GPT Offer will lapse. You will then be free to deal with your CPA units even if you had accepted the GPT Offer.	
What happens if GPT increases the GPT Offer Consideration?	If you accept the GPT Offer and GPT subsequently increases the Offer Consideration, you will receive the increased consideration for your CPA units if the GPT Offer becomes unconditional.	
When will I receive the Offer Consideration if I accept the GPT Offer?	<p>You will not receive the Offer Consideration until after the GPT Offer becomes unconditional. If the GPT Offer becomes unconditional, you will be paid the Offer Consideration on or before the later of:</p> <ul style="list-style-type: none"> <li>• five Business Days after the date of your acceptance of the GPT Offer, and</li> <li>• if the GPT Offer is subject to an Offer Condition when you accept the GPT Offer, within 10 Business Days after the contract resulting from your acceptance of the GPT Offer becomes or is declared unconditional.</li> </ul>	

Question	Answer	Refer to this section of the Target's Statement for more information
What happens if I am an Ineligible Foreign Unitholder or Unmarketable Parcel Securityholder?	<p>If you are (or GPT believes that you are) an Ineligible Foreign Unitholder or Unmarketable Parcel Securityholder and you accept the GPT Offer, you will not receive GPT securities as part of the consideration for your CPA units. Instead, GPT will procure the sale of the relevant GPT securities to which you and all other Ineligible Foreign Unitholders and Unmarketable Parcel Securityholders would have been entitled, and pay the relevant proportion of the net proceeds of sale to you within 10 Business Days after the end of the Offer Period.</p> <p>Although the Offer Period ends on 24 January 2014 at 7.00pm (Sydney time), it may be extended by GPT in the manner referred to in Section 5.8.</p>	Section 5.12 sets out further information in relation to Ineligible Foreign Unitholders and Unmarketable Parcel Securityholders.
What are the tax implications of accepting the GPT Offer?	<p>A general outline of the tax implications of accepting the GPT Offer is set out in the Taxation Report that is contained in Appendix 1 of this Target's Statement, and also in Section 7 of the Bidder's Statement.</p> <p>As the outline is general in nature and is not addressed to the personal circumstances of CPA unitholders, you should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the GPT Offer.</p>	General taxation information is set out in the Taxation Report in Appendix 1.
Can I be forced to sell my CPA units to GPT?	<p>You cannot be forced to sell your CPA units unless GPT acquires a relevant interest in at least 90% of all CPA units. If GPT acquires a relevant interest in 90% or more of all CPA units, GPT will be entitled to compulsorily acquire any CPA units it does not already own.</p> <p>If GPT proceeds to compulsory acquisition, you will receive the same consideration for your CPA units that you would have received under the GPT Offer. However, you will receive the Offer Consideration later than the CPA unitholders who accept the GPT Offer before the end of the Offer Period.</p>	
Can I accept the GPT Offer for only some of my CPA units?	No. You cannot accept the GPT Offer for only some of your CPA units. You may only accept the GPT Offer for all of your CPA units.	

Question	Answer	Refer to this section of the Target's Statement for more information
When will GPT advise as to the status of the Offer Conditions?	<p>Section 11.9(e) of the Bidder's Statement indicates that GPT will give a Notice of Status of Offer Conditions on 16 January 2014.</p> <p>If the Offer Period is extended before the time on which the Notice of Status of Offer Conditions is to be given, the date for the Notice of Status of Offer Conditions will be taken to be postponed for the same period, and GPT will be required to give notice that sets out the new date for giving the Notice of Status of Offer Conditions.</p> <p>If an Offer Condition is fulfilled (so that the GPT Offer becomes free of that Offer Condition) before the date on which the Notice of Status of Offer Conditions is required to be given, GPT must, as soon as practicable, give ASIC, ASX and CPA notice that states that the particular Offer Condition has been fulfilled. GPT gave notice on 18 December 2013 that the condition in relation to foreign investment approvals has been satisfied.</p>	
Can I sell my CPA units on market?	<p>You can sell all or some of your CPA units on market unless you have accepted the GPT Offer in respect of those CPA units. If you sell your CPA units on market:</p> <ul style="list-style-type: none"> <li>• you will not benefit from any possible increase in the value of CPA units</li> <li>• you will not benefit from any possible increase in the Offer Consideration, and</li> <li>• you may incur brokerage charges.</li> </ul>	
Can GPT vary the GPT Offer?	<p>Yes. GPT can vary the GPT Offer by extending the Offer Period, increasing the Offer Consideration or waiving the Offer Conditions in accordance with the Corporations Act. However, GPT has no obligation to do so.</p>	
Can GPT withdraw the GPT Offer?	<p>GPT can only withdraw the GPT Offer with the consent of ASIC. However, if the GPT Offer closes and some or all of the Offer Conditions are not satisfied (and have not been waived by GPT), then the GPT Offer will lapse and no acceptances will be processed.</p>	

Question	Answer	Refer to this section of the Target's Statement for more information
Will I need to pay brokerage or stamp duty if I accept the GPT Offer?	No brokerage or stamp duty will be payable by you as a result of your acceptance of the GPT Offer (unless you are an Ineligible Foreign Unitholder or an Unmarketable Parcel Securityholder, in which case the proceeds you will receive will be net of sale expenses). However, if you hold your CPA units through a CHESS Holding, 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 GPT Offer).	
How can I get updates on the CPA unit or GPT securities price?	It is likely that the market trading price of CPA units and GPT securities will vary during the Offer Period. You can check the market price for all ASX listed securities by visiting <a href="http://asx.com.au">asx.com.au</a> . The ticker for CPA units on the ASX is CPA. The ticker for GPT securities on the ASX is GPT. The ticker will need to be entered when seeking the market price for CPA units and GPT securities on the ASX website.	
Is there a number that I can call if I have further queries in relation to the GPT Offer?	If you have any further questions about the GPT Offer, please contact the CPA unitholder information line on 1800 500 710 (within Australia) or +61 1800 500 710 (from outside Australia).	
When will I receive the Board's recommendation for the DEXUS Offer?	It is expected that the target's statement in relation to the DEXUS Offer will be issued by CMIL by mid-January 2014. That document will include the Independent Directors' recommendation to accept the DEXUS Offer in the absence of a superior proposal together with an Independent Expert's Report in relation to that proposal.	



## Section 4

# Your choices as a CPA unitholder

CPA

Commonwealth Property Office Fund



As a CPA 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 CPA units.

The Independent Directors unanimously recommend that you DO NOT ACCEPT the GPT Offer for the reasons set out in Section 1.

## 4.1 Do not accept the GPT Offer

In order to NOT ACCEPT the GPT Offer, you should simply do nothing. This is the course of action unanimously recommended by your Independent Directors.

However, you should note that:

- if GPT holds a relevant interest in at least 90% of all CPA units on issue during or at the end of the Offer Period, GPT will be entitled under the Corporations Act to compulsorily acquire the CPA units that it does not already own for the Offer Consideration (as it intends to do, see Section 5.2(a) of the Bidder's Statement). Refer to Section 5.14 of this Target's Statement for details on compulsory acquisition, and
- if GPT does not become entitled to compulsorily acquire your CPA units but all the conditions of the GPT Offer are either satisfied or waived, you will be exposed to the risks of being a minority unitholder in CPA (see Section 7.1 of this Target's Statement) assuming GPT has acquired not less than 50.1% of all CPA units.

## 4.2 Sell your CPA units on ASX or other relevant market

CPA unitholders remain free to sell their CPA units on market, provided they have not already accepted the GPT Offer.

On 20 December 2013 (the last practicable date prior to the finalisation of this Target's Statement), the closing unit price for CPA units on the ASX was A\$1.265. The latest price for CPA units on ASX may be obtained from ASX's website at [asx.com.au](http://asx.com.au).

If you sell your CPA units, you:

- will lose the ability to accept the GPT Offer
- will lose the ability to accept the DEXUS Offer, any other offer which may eventuate or any increase in the Offer Consideration under those offers
- will not be entitled to receive any increased consideration if the Offer Consideration is increased by GPT
- may receive more or less for your CPA units than the Offer Consideration
- may incur a brokerage charge, and
- will receive the consideration for your CPA units sooner than if you accept the GPT Offer while it is still subject to the Offer Conditions.

CPA unitholders who wish to sell their CPA units on market should contact their broker for information on how to effect that sale.

## 4.3 Accept the GPT Offer

You may choose to accept the GPT Offer. Details of how to accept the GPT Offer are set out on page 5 of the Bidder's Statement.

If you accept the GPT Offer, you will not be able to sell your CPA units to anyone else or accept the DEXUS Offer or accept any superior proposal that may emerge or otherwise deal with your CPA units, unless either:

- the GPT 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 5.11 of this Target's Statement for further information).

## Section 5

# Important information about GPT and the GPT Offer

CPA

Commonwealth Property Office Fund



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

## 5.1 GPT

GPT Group is an active owner and manager of an \$8.3 billion diversified portfolio of high quality Australian retail, office and logistics & business park property assets and the manager of two wholesale funds with \$7.1 billion of assets under management. General Property Trust and its controlled entities, and GPT Management Holdings Limited and its controlled entities, form the stapled entity GPT.

General Property Trust is a registered scheme, registered and domiciled in Australia. GPT RE Limited is the responsible entity of General Property Trust. GPT Management Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. GPT RE Limited is a wholly owned controlled entity of GPT Management Holdings Limited.

The registered office and principal place of business of GPT is MLC Centre, Level 51, 19 Martin Place, Sydney NSW 2000. GPT's stapled securities are listed on the ASX.

The principal activities of GPT are:

- a) investment in income producing retail, office and logistics & business park assets
- b) development of retail, office and logistics & business park assets
- c) property funds management, and
- d) asset and property management.

GPT's portfolio consists of 65 properties in the retail, office and logistics & business park sectors. The asset portfolio is of high quality, consisting of predominantly regional shopping centres, prime office towers and quality logistics & business park assets.

Further information about GPT is available on its website: [gpt.com.au](http://gpt.com.au) and Section 1.1 of the Bidder's Statement.

## 5.2 Offer Consideration

The consideration being offered by GPT is 0.141 GPT securities and A\$0.75325 cash for each CPA unit you own.

CMIL has announced that an estimated distribution of 3.5 cents per CPA unit will be made on or about 28 February 2014 to registered holders of CPA units on 31 December 2013 (Distribution). As a result of the Distribution, the cash component of the Offer Consideration will be reduced by the amount of the Distribution from \$0.75325 cash per CPA unit to \$0.71825 cash per CPA unit.

## 5.3 Offer Period

The GPT Offer will be open for acceptance from 18 December 2013 until 7.00pm (Sydney time) on 24 January 2014, unless extended or withdrawn.

The circumstances in which GPT may extend or withdraw the GPT Offer are set out in Section 5.8 and Section 5.9 respectively of this Target's Statement.

## 5.4 GPT's funding of the GPT Offer

Section 10.2 of the Bidder's Statement sets out GPT's funding arrangements for the Offer Consideration.

## 5.5 Offer Conditions

The full list of Offer Conditions are set out in Section 11.8 of the Bidder's Statement (referred to as 'Defeating Conditions' in the Bidder's Statement). In summary, the Offer Conditions include the following:

- a) at or before the end of the Offer Period, GPT obtains a relevant interest in at least 50.1% of the CPA units
- b) certain regulatory actions are not taken to restrain, prohibit or impede the GPT Offer
- c) at or before the end of the Offer Period, CMIL does not make or agree to a break fee exceeding \$5 million with another person in relation to an alternate acquisition proposal
- d) no material adverse change occurs in relation to CPA from 19 November 2013 until the end of the Offer Period
- e) CPA does not undertake any new material acquisitions, disposals or new commitments during the period from 19 November 2013 until the end of the Offer Period
- f) CMIL does not internalise the management of CPA, or remove or replace the responsible entity of CPA during the period from 19 November 2013 until the end of the Offer Period
- g) CMIL does not enter into any agreement, during the period from 19 November 2013 until the end of the Offer Period, for the purposes of implementing an alternate acquisition proposal with DEXUS or CPPIB or one of their associates
- h) CMIL does not declare or pay any CPA distributions during the period from 19 November 2013 to the end of the Offer Period, other than a half yearly distribution in the ordinary course, and
- i) no 'prescribed occurrences' occur in relation to CPA during the period from 19 November 2013 until the end of the Offer Period.

GPT confirmed that the condition included in Section 11.8(g)(ii) of the Bidder's Statement (that a change of control does not occur in relation to CMIL), will not be triggered in the event that such change of control results from the proposed internalisation of CFS Retail Property Trust Group, as announced to ASX on 18 December 2013, being approved and implemented.

On 18 December 2013, GPT gave notice under section 630(4) of the Corporations Act that the condition described in Section 11.8(b) of the Bidder's Statement, which relates to foreign investment approval, has been satisfied.

## 5.6 Effect of non-satisfaction of Offer Conditions

If any Offer Condition is not satisfied or waived by GPT by the end of the Offer Period, then the GPT Offer will lapse and not proceed, you will retain your CPA units and you will not receive the Offer Consideration.

In addition, there is a statutory condition relating to the ASX quotation of GPT securities to be issued under the GPT Offer. If this condition is not satisfied, the GPT Offer will lapse and not proceed, you will retain your CPA units and you will not receive the Offer Consideration.

You should be aware that, even if the Offer Conditions are not satisfied (or are triggered, as appropriate), GPT has stated in the Bidder's Statement at Section 10.9 that any or all of the Offer Conditions may be waived by GPT.

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

## 5.7 Status of Offer Conditions

Section 11.9(e) of the Bidder's Statement states that GPT will give a Notice of Status of Offer Conditions to ASX and CPA on 16 January 2014. GPT is required to set out in its Notice of Status of Offer Conditions:

- a) whether the GPT Offer is free of any or all of the Offer Conditions
- b) whether, so far as GPT knows, any of the Offer Conditions have been fulfilled, and
- c) GPT's voting power in CPA 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, GPT is required, as soon as practicable after the extension, to notify ASX and CPA 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, GPT must, as soon as practicable, give ASX and CPA a notice which states that a particular Offer Condition has been fulfilled. GPT gave notice on 18 December 2013 that the condition in relation to foreign investment approvals has been satisfied.

## 5.8 Extension of Offer Period

GPT may extend the Offer Period at any time before giving the Notice of Status of Offer Conditions while the GPT Offer is subject to Offer Conditions. However, if the GPT Offer is unconditional (that is, all the Offer Conditions are satisfied or waived), GPT 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, GPT improves the consideration offered under the GPT Offer. If this event occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurred.

## 5.9 Withdrawal of the GPT Offer

GPT may not withdraw the GPT 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, then all acceptances will be void. Before you accept the GPT Offer, GPT may withdraw the GPT Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

## 5.10 Effect of acceptance

The effect of acceptance of the GPT Offer is set out in Sections 11.5 and 11.7 of the 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 CPA units and the representations and warranties which you will be giving GPT by accepting the GPT Offer. In particular, accepting the GPT Offer will prevent you from selling your CPA units during the Offer Period and if the GPT Offer is declared or becomes unconditional, GPT will be able to exercise the rights attaching to your CPA units.

Furthermore, as noted in Section 11.7(c) of the Bidder's Statement, by accepting the GPT Offer you represent and warrant to GPT that, at the time of your acceptance and at the time the transfer of your CPA units to GPT is registered:

- a) all of your CPA units are and will be fully paid and their current market value at the time of transfer will reflect the value of the Offer Consideration
- b) you have full power and capacity to accept the GPT Offer and to sell and transfer the legal and beneficial ownership of your CPA units to GPT or its nominee, and
- c) GPT or its nominee will acquire good title to them and full beneficial ownership of them free from all encumbrances, interest of third parties of any kind (whether legal or otherwise), and restrictions on transfer.

**If you accept the GPT Offer you will not be able to accept any competing offer, including under the DEXUS Offer, even if you consider the competing offer is more attractive, unless you are able to withdraw your acceptance of the GPT Offer in the limited circumstances described in Section 5.11.**



## 5.11 Withdrawal of your acceptance

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

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

**If you accept the GPT Offer you cannot change your mind to accept a competing offer, including under the DEXUS Offer, even if you consider the competing offer is more attractive, unless you are able to withdraw your acceptance of the GPT Offer in the limited circumstances described in this section.**

## 5.12 When you will receive the Offer Consideration

You will not receive the Offer Consideration until after the GPT Offer becomes unconditional. If the GPT Offer becomes or is declared unconditional, you will be paid the Offer Consideration on or before the later of:

- five Business Days after the date of your acceptance of the GPT Offer, and
- if the GPT Offer is subject to an Offer Condition when you accept the GPT Offer, within 10 Business Days after the contract resulting from your acceptance of the GPT Offer becomes or is declared unconditional.

See Section 11.10 of the Bidder's Statement for further details regarding when you will be paid the Offer Consideration by GPT.

If you are an Ineligible Foreign Unitholder or Unmarketable Parcel Securityholder (or if GPT believes that you are an Ineligible Foreign Unitholder or Unmarketable Parcel Securityholder) and you accept the GPT Offer, you will not be entitled to receive GPT securities as part of the consideration for your CPA units. Instead, as stated in Section 11.10(e) of the Bidder's Statement:

- GPT will arrange for the issue to a nominee approved by ASIC (the Sale Nominee) of the GPT securities to which you and all other Ineligible Foreign Unitholders and Unmarketable Parcel Securityholders would have been entitled, and
- GPT will cause those GPT securities to be offered for sale by the Sale Nominee on the ASX or another relevant financial market through which retail clients may trade in securities as soon as practicable and otherwise in such manner, at such price and on such terms as are determined by the Sale Nominee.

As stated in Section 5 of the Supplementary Bidder's Statement, GPT will procure the sale of the relevant GPT securities by the Sale Nominee, and the payment of the amount calculated in accordance with the terms of the GPT Offer, within 10 Business Days after the end of the Offer Period (see Section 5.8 for more details on the Offer Period).

## 5.13 Effect of an improvement in the Offer Consideration

If GPT improves the consideration offered under the GPT Offer, all CPA unitholders, whether or not they have accepted the GPT Offer before that improvement in consideration, will be entitled to the benefit of that improved consideration.

**If you accept the GPT Offer you cannot change your mind to accept a competing offer, including under the DEXUS Offer, even if you consider the competing offer is more attractive, unless you are able to withdraw your acceptance of the GPT Offer in the limited circumstances described in this Section 5.11.**

## 5.14 Compulsory acquisition

GPT has stated in Section 5.2 of the 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 CPA units.

CPA unitholders should be aware that if they do not accept the GPT Offer and their CPA units are compulsorily acquired, those CPA unitholders will face a delay in receiving the consideration for their CPA units compared with CPA unitholders who have accepted the GPT Offer.

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

- a) has relevant interests in at least 90% (by number) of the CPA units, and
- b) has acquired at least 75% (by number) of the CPA units that GPT offered to acquire under the GPT Offer (whether the acquisitions happened under the GPT Offer or otherwise).

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

CPA unitholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant CPA unitholders to establish to the satisfaction of a court that the terms of the GPT Offer do not represent 'fair value' for the CPA units.

## 5.15 Lapse of GPT Offer

The GPT Offer will lapse if the Offer Conditions are not waived or satisfied by the end of the Offer Period, in which case, all contracts resulting from acceptance of the GPT 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 CPA units as you see fit.

## 5.16 GPT's intentions

Section 5 of the Bidder's Statement sets out GPT's intentions in respect of the business and operations of CPA, if GPT acquires control of CPA. In summary, GPT has stated that:

### **If GPT acquires greater than 90% of CPA units:**

- a) GPT will proceed with compulsory acquisition of the outstanding CPA units in accordance with the provisions of Chapter 6A of the Corporations Act
- b) GPT will appoint an appropriately licensed GPT Group entity as responsible entity of CPA, and
- c) GPT will proceed with the sale of the GWOF Assets to GWOF for \$1.1 billion.

### **If GPT acquires less than 90% of CPA units and all other Offer Conditions are waived or satisfied:**

- a) GPT will seek for an appropriately licensed GPT Group entity to be appointed as responsible entity of CPA. This will require a unitholder vote with support of greater than 50% of votes cast noting GPT will be able to vote its CPA units, and
- b) if a GPT entity is appointed as responsible entity of CPA:
  - i) CPA will become a GPT managed fund for which GPT will receive management fees
  - ii) GPT will seek to have appropriately qualified and experienced GPT Group entities undertake asset management, property management, development management and ancillary services, in line with GPT's practice for its other office assets under management

- iii) CPA would provide GPT an additional \$4 billion in external assets under management, in line with GPT's strategy. GPT has no requirement or obligation to sell any assets in this scenario
- iv) CPA will be managed in accordance with the Constitution of CPA (including with respect to the payment of fees and distributions), and the statutory duties of the responsible entity of CPA, in the best interests of all CPA unitholders. GPT will maintain a majority of independent directors on the board of the responsible entity, with appropriate conflict management protocols, and
- v) GPT intends to conduct a thorough and broad-based general review of CPA's corporate structure, assets and operations.

## 5.17 Taxation consequences

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

The Taxation Report provides a summary and general information only of the Australian income tax and GST consequences of accepting the GPT Offer. The Taxation Report was prepared on the basis that GPT has confirmed to CMIL the following:

- a) if prior to 30 June 2014 CMIL is replaced by an appropriately licensed GPT Group entity as the responsible entity of CPA, GPT will cause that entity, as trustee of CPA, to make a determination in accordance with clause 9.3 of the CPA Trust Deed as at 7 November 2011, to distribute the distributable income for the distribution period ending 30 June 2014 to CPA unitholders registered as such on 30 June 2014, and
- b) if GPT proceeds to compulsorily acquire the remaining CPA units under the Corporations Act (having acquired a relevant interest in 90% or more of CPA units) and prior to 30 June 2014 it sells the GWOF Assets to GWOF as stated in Section 5.2(b) of the Bidder's Statement, it will procure the trustee of CPA to make a determination in accordance with clause 9.3 of the CPA Trust Deed as at 7 November 2011 that the distributable income for the distribution period ending 30 June 2014 (to which GPT, as the sole unitholder of CPA will be presently entitled) will include any net capital gains that arise in that distribution period.

CMIL requested that GPT provide this confirmation to ensure that the CPA unitholders who receive the CPA distribution in respect of the period ending 31 December 2013 are not taxed on a disproportionate share of CPA's income or capital gains.

CPA unitholders should seek independent professional advice on the consequences of their participation in the GPT Offer, based on their particular circumstances. Unitholders who are not resident in Australia must obtain advice on the taxation implications arising in their local jurisdiction of the proposed transaction.

Section 6

# Information relating to CPA

CPA

Commonwealth Property Office Fund



## 6.1 Overview

CPA is a sector-specific Australian Real Estate Investment Trust investing in prime quality office property located in central business districts and major suburban markets across Australia.

CPA originally listed on the ASX in April 1999. Upon listing, CPA had \$619.5 million of assets with an initial portfolio of seven assets. At 31 October 2013, CPA comprised 25 assets with a total asset value of approximately \$3.9 billion and Net Tangible Asset backing per CPA unit (NTA) of \$1.19<sup>1</sup>. CPA's gearing at 31 October 2013 was 25.6%, well within its targeted range of 25-35%. As at 20 December 2013, being the last practicable date before finalisation of the Target's Statement, CPA had a market capitalisation of \$3.0 billion (closing price of \$1.265 per unit).

CPA is externally managed by CMIL, a wholly owned subsidiary of CBA.

## 6.2 Strategy

CPA's strategy to achieve its vision of being a leading manager of Australian office property is to execute on the following four key areas:

### a) Active asset management

- i) Protect and enhance CPA's income streams through active asset management, including leasing and tenant engagement, to create compelling places to work.
- ii) Position assets to meet tenant demand for:
  - A) amenity
  - B) quality
  - C) sustainability, and
  - D) emerging trends.
- iii) Ensure CPA maintains:
  - A) high occupancy
  - B) a long weighted average lease expiry (WALE)
  - C) high tenant satisfaction rating, and
  - D) high tenant retention.

### b) Disciplined investment decisions

- i) Enhance portfolio quality through strategic acquisitions, divestments and developments within CPA's property portfolio.
- ii) Refurbish assets to improve market position and optimise returns.
- iii) Identify developments which enhance the portfolio and meet the following criteria:
  - A) <20% of total assets on a cost to complete basis
  - B) >10% internal rate of return, and
  - C) target yield >7%.

### c) Prudent capital management

- i) Optimise CPA's debt pricing, whilst maintaining appropriate diversity, duration and hedging strategies.
- ii) Maintain key ratios and ratings, including:
  - A) gearing target range of 25% to 35%
  - B) Standard & Poor's A- rating
  - C) interest cover ratio >2.0 times, and

<sup>1</sup>) Unaudited figure and includes retained earnings for the four months to 31 October 2013, assuming a payout ratio of approximately 75% of Funds From Operations.

- D) hedging:
- aa) Short term: 65% to 85%, and
  - bb) Long term<sup>A</sup>: 30% to 60%.

Notes:

A) Five years.

#### d) Investing responsibly

- i) Manage environmental, social and governance (ESG) risks to create and maintain value for our investors.
- ii) Execute on the following:
  - A) maintain compliance with the ASX Corporate Governance Council's principles and recommendations
  - B) maintain leading position amongst A-REIT peers in responsible property investment
  - C) optimise asset efficiency through leading sustainability initiatives, and
  - D) actively engage with tenants to enhance tenant experience and create vertical communities.

## 6.3 Portfolio overview

The value of CPA's property portfolio is estimated at \$3.8 billion with a portfolio weighted average capitalisation rate of 7.3% as at 31 December 2013.

### Key portfolio metrics

Number of assets	25
Investment properties <sup>A,B</sup>	\$3.8 billion
Weighted average capitalisation rate <sup>A,B</sup>	7.3%
WALE (by income) <sup>C</sup>	4.4 years
WALE (by income) – including terms agreed <sup>C</sup>	4.5 years
Occupancy (by income) <sup>C</sup>	94.7%
Occupancy (by income) – including terms agreed <sup>C</sup>	95.9%

Notes:

A) Unaudited as at 31 December 2013.

B) Estimate based on updated current valuations.

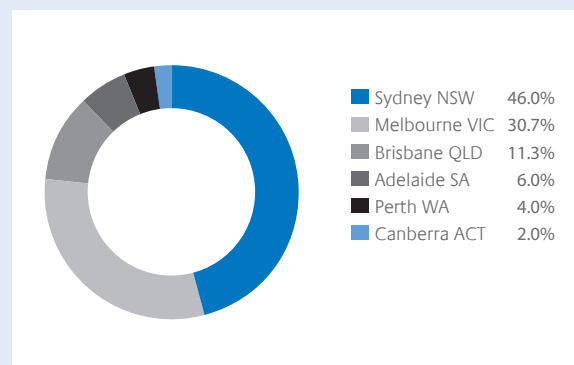
C) As at 31 October 2013.

#### Location and number of assets



The CPA portfolio is well diversified throughout Australia with 25 assets, concentrated in the more stable Sydney and Melbourne markets (76.7% of portfolio by value).

#### Geographic diversification<sup>A,B</sup>



Notes:

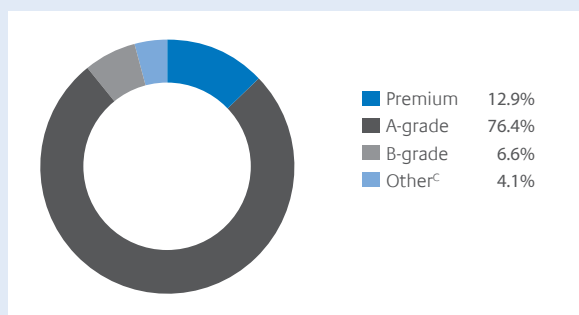
A) As at 31 October 2013.

B) By value.



### Property grade diversification<sup>A,B</sup>

The portfolio has a bias towards higher grade assets, with 89.3% of properties either premium or A-grade (by value).



Notes:

A) As at 31 October 2013.

B) By value.

C) Other comprises QV retail and car park at 180-222 Lonsdale Street, Melbourne.

### Top 15 tenants

CPA's portfolio is well diversified by tenant type, with many of the major tenants from the financial services and public administration sectors.

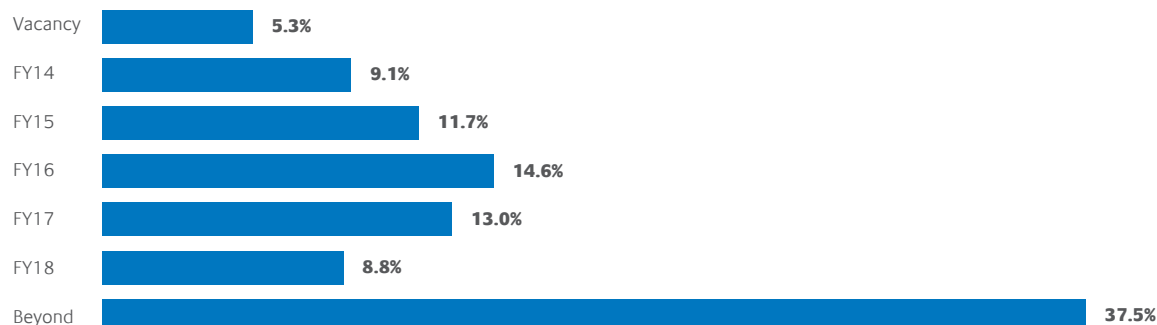
Top 15 tenants <sup>A</sup>	% of income
Commonwealth Bank of Australia	10.7%
Federal Government	5.9%
AMP	5.9%
SA Government	4.6%
KPMG	3.6%
NSW Government	3.5%
Deloitte	2.7%
Fairfax Media	2.5%
Telstra	2.4%
GHD	2.4%
Clough Projects	2.0%
PwC	2.0%
IAG	2.0%
BNP Paribas	1.8%
Energy Australia	1.5%
<b>Top 15 total</b>	<b>53.5%</b>

Note:

A) As at 31 October 2013.

**Lease expiry profile<sup>A,B</sup>**

CPA's portfolio is well diversified by lease duration, with 59.3% of leases expiring in FY17 and beyond.



Notes:

A) As at 31 October 2013.

B) By income.

**Portfolio overview**

CPA's office portfolio comprises interests in the properties set out in the table below.

Property	Grade	CPA ownership (%)	Book value Oct-13 (\$m)	Book value Jun-13 (\$m)	Capitalisation rate (%)	Latest independent valuation	Date of latest independent valuation
<b>Australian Capital Territory</b>							
Finlay Crisp Centre, Canberra							
– Allara House	B	100	21.0	21.0	9.25	21.0	Oct-13
– Customs House	B	100	31.5	31.5	9.25	31.5	Oct-13
– Nara Centre	B	100	25.0	25.0	8.75	25.0	Oct-13
<b>New South Wales</b>							
60 Castlereagh St, Sydney	A	100	251.5	247.8	6.75	251.5	Oct-13
2 Dawn Fraser Ave, Sydney Olympic Park <sup>A</sup>	A	50	48.2	48.2	8.00	48.5	Dec-13
4 Dawn Fraser Ave, Sydney Olympic Park <sup>A</sup>	A	50	35.6	35.6	7.75	36.0	Dec-13
36 George St, Burwood	A	100	51.2	52.1	8.75	51.2	Oct-13
101 George St, Parramatta	A	100	96.0	93.0	7.75	96.0	Oct-13
150 George St, Parramatta	A	100	99.4	98.9	8.50	99.5	Sep-13
225 George St, Sydney <sup>A</sup>	Premium	25	276.7	275.1	6.25	277.5	Dec-13
201 Kent St, Sydney	A	50	162.5	160.4	7.25	162.5	Oct-13
14 Lee St, Sydney	A	100	67.5	70.1	8.50	67.5	Sep-13
5 Martin Pl, Sydney <sup>B</sup>	–	50	58.5	52.5	N/A	63.75	Dec-13

## Portfolio overview

Property	Grade	CPA ownership (%)	Book value Oct-13 (\$m)	Book value Jun-13 (\$m)	Capitalisation rate (%)	Latest independent valuation	Date of latest independent valuation
<b>New South Wales (continued)</b>							
201 Miller St, North Sydney	A	100	78.6	74.1	8.50	78.5	Sep-13
56 Pitt St, Sydney	B	100	173.0	168.7	7.13	173.0	Oct-13
175 Pitt St, Sydney							
– Office	A	100	182.5	182.0	7.25	182.5	Oct-13
– Retail	–	100	70.0	63.5	6.50	70.0	Oct-13
10 Shelley St, Sydney	A	50	108.0	108.0	7.00	108.0	Oct-13
<b>Queensland</b>							
145 Ann St, Brisbane	A	100	230.0	221.8	7.05	230.0	Oct-13
10 Eagle St, Brisbane	A	100	201.3	209.5	7.50	201.3	Oct-13
<b>South Australia</b>							
108 North Terrace, Adelaide	A	100	68.9	73.8	8.50	68.5	Sep-13
11 Waymouth St, Adelaide	Premium	100	160.0	155.0	8.00	160.0	Sep-13
<b>Victoria</b>							
385 Bourke St, Melbourne							
– Office	A	100	249.3	240.5	7.25	249.0	Sep-13
– Retail	–	100	66.0	62.1	6.75	66.0	Sep-13
655 Collins St, Melbourne	A	100	103.0	100.0	6.75	103.0	Oct-13
750 Collins St, Melbourne	A	100	253.0	240.0	7.25	253.0	Oct-13
180-222 Lonsdale St, Melbourne							
– Office	A	50	149.4	145.5	7.50	149.4	Oct-13
– Retail <sup>C</sup>	–	50	158.3	150.9	6.75	158.3	Oct-13
2 Southbank Blvd, Melbourne	A	50	195.0	182.9	6.88	195.0	Oct-13
<b>Western Australia</b>							
46 Colin St, West Perth	A	100	44.0	44.0	9.75	44.0	Oct-13
58 Mounts Bay Rd, Perth	A	50	109.0	102.9	7.75	109.0	Oct-13
Total/weighted average			3,823.9	3,736.4	7.3		

## Notes:

A) Represents the value of CPA's units in the respective trusts.

B) Development asset.

C) Including QV car park.

## 6.4 Capital management

### Key debt statistics<sup>A</sup>

Weighted average interest rate <sup>B</sup>	5.5%
Weighted average duration of debt	3.5 years
Portion of debt hedged <sup>C</sup>	93.8%
Weighted average hedged rate <sup>C,D</sup>	5.1%
Undrawn debt facilities	\$323.5m
Long-term credit rating – Moody's	A3
Long-term credit rating – S&P	A-
Gearing	25.1%
Loan to value ratio <sup>E</sup>	28.2%
Interest cover ratio <sup>F</sup>	4.5 times

Notes:

A) As at November 2013.

B) Including line fees and margins.

C) Including all fixed-rate debt.

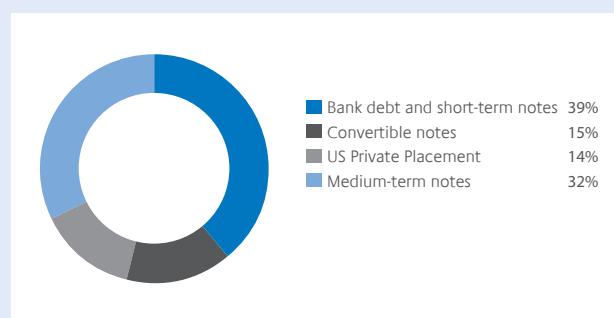
D) Excluding fees and margins.

E) Calculated as total liabilities divided by total assets, excluding the option component of the convertible notes and the non-cash impact of the fair value of derivatives.

F) Calculated as earnings before interest divided by net interest expense. For the purposes of this calculation, earnings represents net profit excluding all fair value adjustments, straight-lining revenue, borrowing costs and net interest expense on interest rate swaps. Interest expense is the sum of borrowing costs, net interest expense on interest rate swaps, and capitalised interest, less non-cash convertible notes interest expense.

### Debt diversification<sup>A</sup>

CPA's debt is well diversified, with bank debt, debt capital market funding and other funding.

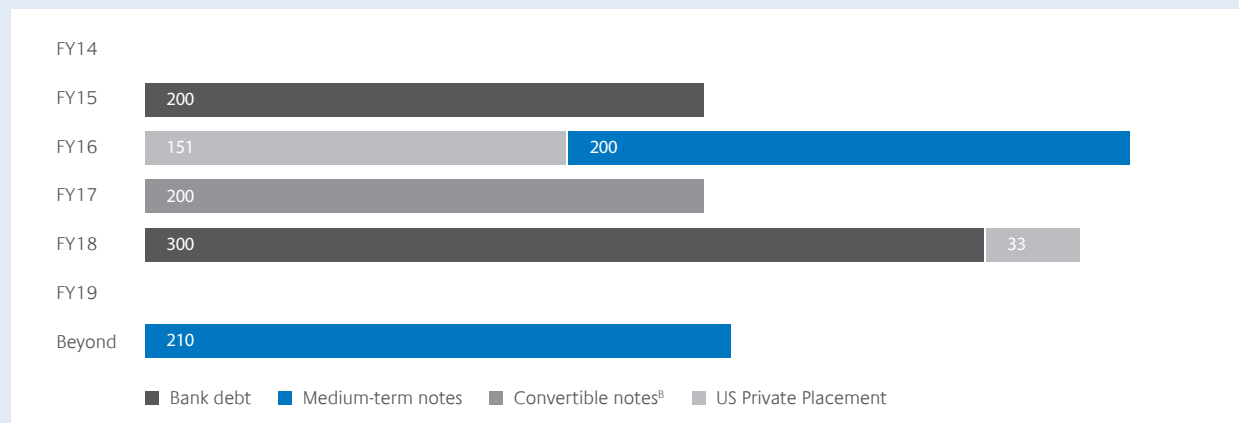


Notes:

A) As at 31 October 2013.

### Debt maturity profile<sup>A</sup>

CPA's debt expiry profile is staggered with limited near-term expiries.



Notes:

A) As at 31 October 2013. Excludes short-term notes expiring in FY14 which are backed by bank debt facilities.

B) Convertible notes have an investor put option in December 2014.

### Summary of debt facilities – November 2013

CPA has the following facilities available:

	Expiry	Drawn <sup>A</sup> (\$m)	Facility limit (\$m)	Undrawn line of credit (\$m)
Cash advance facility	30-Apr-18	151.5	300.0	148.5
Cash advance facility	12-Jun-15	–	200.0	200.0
Short-term notes <sup>B</sup>	4-Dec-13 to 11-Dec-13	25.0	100.0	–
Medium-term notes	11-Mar-16	200.0	200.0	–
Medium-term notes	13-Dec-19	185.0	185.0	–
Medium-term notes	13-Dec-22	25.0	25.0	–
Convertible notes <sup>C</sup>	11-Dec-14	200.0	200.0	–
US medium-term notes	22-Dec-15 to 22-Dec-17	172.2	172.2	–
		958.7		348.5
Less: Short-term notes drawn <sup>D</sup>				(25.0)
Total undrawn lines of credit				323.5

Notes:

A) In accordance with AASB 139 Financial Instruments: Recognition and Measurement, interest bearing liabilities are carried at amortised cost, net of deferred borrowing costs of \$5.8 million (June 2013: \$6.2 million) and other adjustments to convertible notes of \$6.7 million (June 2013: \$9.3 million). However, for the purpose of this reconciliation, the actual drawn amounts are used and not adjusted to amortised cost and other adjustments to convertible notes.

B) CPA has a same day funding facility within the existing cash advance facility providing liquidity support for maturing short-term notes.

C) The convertible notes are redeemable at the option of the noteholder on 11 December 2014. Unless previously redeemed or converted to ordinary units, the notes will be redeemed on the final maturity date of 11 December 2016.

D) As CPA's same day funding facility was in place to provide liquidity support to maturing short-term notes, the capacity of the facilities is reduced by the total amount of short-term notes issued.

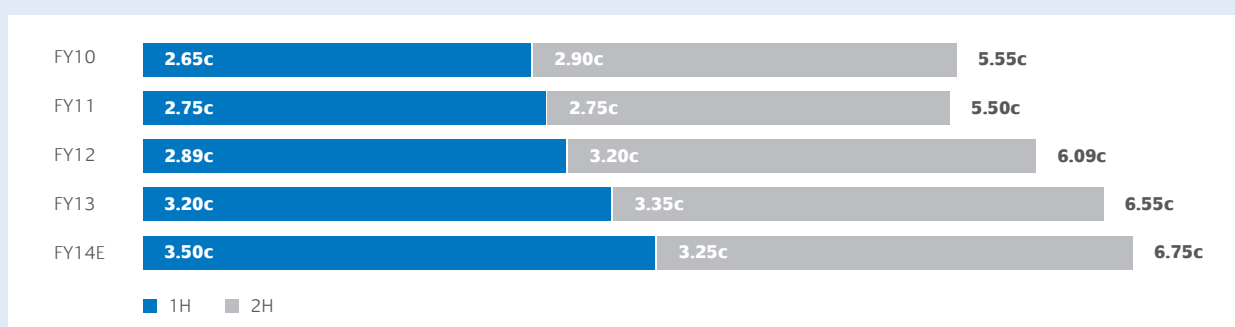
## 6.5 Distribution history and guidance

### Distribution guidance

On 5 December 2013, CPA announced an upgrade to its distribution guidance for the financial year ending 30 June 2014 to 6.75 cents per unit and an expected distribution for the six months ending 31 December 2013 of 3.50 cents per CPA unit. This guidance assumes no performance fees are payable for either the six or 12-month periods and there is no unforeseen material deterioration in existing economic conditions. The guidance is based on the current external management model.

#### Distribution history<sup>A</sup>

CPA's FY14 distribution guidance of 6.75 cents continues CPA's consistent growth in distributions since FY11.



Note:

A) FY14E based on company guidance provided, with 1H FY14 based on the estimated distribution announced on 5 December 2013.

## 6.6 Directors of CMIL

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

### Richard Michael Haddock AM, Independent Non-executive Chairman

Mr Haddock has had a long career in financial services and was Deputy General Manager, Australia at BNP Paribas, Sydney from 1988 to 2001. Mr Haddock is a Fellow of the Australian Institute of Management, the Financial Services Institute of Australia and the Australian Institute of Company Directors.

Mr Haddock is the Chairman of CMIL; a director of Centre Retail Management Limited; a director of Retirement Villages Group Fund; the honorary treasurer and a national director of Caritas Australia; the chairman of Catholic Care; the chairman of the Australian Catholic Superannuation and Retirement Fund; and chairman of St Vincent's Curran Foundation.

### James Frederick Kropp, Independent Non-executive Director

Mr Kropp was a senior audit and risk management consulting partner in the Sydney office of PricewaterhouseCoopers for over 18 years, retiring from the practice in December 1999. Mr Kropp is a Fellow of CPA Australia and was its National President in 1995–96.

Mr Kropp is Chairman of CMIL's Audit Committee. Mr Kropp is a Director of CMIL and a director of Centre Retail Management Limited.

### **Nancy Jane Milne OAM, Independent Non-executive Director**

Ms Milne is a lawyer with over 25 years' experience, with primary areas of legal expertise in insurance and reinsurance, risk management, corporate governance and professional negligence. Ms Milne was at Clayton Utz as a partner until 2003 and as a consultant until 2012 and is a member of the Australian Institute of Company Directors.

Ms Milne is a Director of CMIL; a director of Centre Retail Management Limited; a director of Australand Holdings Limited (and chair of the Risk and Compliance Committee, and a member of the Remuneration and Nominations Committee); chair of Securities Exchange Guarantee Corporation Limited; a director of Australian International Disputes Centre Limited; a director of Good Beginnings Australia; and, a director of Crowe Horwath Australasia Ltd.

### **Ross Edward Griffiths, Non-executive Director**

Mr Griffiths is a Non-executive Director of CMIL. Mr Griffiths was appointed as CBA's Chief Credit Officer in 2008, having joined CBA in 1986.

Prior to this, Mr Griffiths was employed by Pricewaterhouse for over 15 years, during which time he was exposed to a wide variety of business enterprises. Mr Griffiths has a Bachelor of Business (Accounting) and a Masters of Business Administration. Mr Griffiths is a Fellow of the Institute of Chartered Accountants in Australia.

### **Michael John Venter, Executive Director**

Mr Venter is an Executive Director of CMIL. Mr Venter is the Chief Financial Officer of CBA's Wealth Management business. Mr Venter was previously the Executive General Manager of Group Finance for CBA. Mr Venter holds post graduate accounting qualifications and is a member of the Institute of Chartered Accountants.

## **6.7 Senior management of CPA**

CMIL has appointed Colonial First State Property Limited (Colonial) as manager of CPA. The senior management team responsible for CPA is as follows:

### **Angus McNaughton, Managing Director, Property – Colonial First State Global Asset Management**

Mr McNaughton currently oversees the performance and strategic direction of the funds and businesses managed within the property division of Colonial First State Global Asset Management, including listed property, wholesale property and retail asset management and development.

Mr McNaughton, who was appointed to his present role in November 2011, has more than 20 years' experience in the property sector. He has been employed in the broader Colonial First State Global Asset Management group for nearly 15 years in various roles, including Head of Wholesale Property and Chief Executive of the Manager of Kiwi Income Property Trust, which is New Zealand's largest diversified listed property trust.

### **Charles Moore, Fund Manager for CPA**

Mr Moore is responsible for all aspects of management of CPA, including strategic direction, performance, financial analysis, acquisitions and disposals.

Mr Moore has more than 20 years' property investment experience. Prior to joining Colonial First State Global Asset Management in March 2000, Mr Moore worked for Capital Finance in structured property finance. Mr Moore also worked for Jones Lang LaSalle across sales and leasing roles for five years. Mr Moore is a member of the International Capital Markets Division of the Property Council of Australia, the Property Industry Foundation Board of Advisers, and a graduate member of the Australian Institute of Company Directors.

## **Michael Sheffield, Assistant Fund Manager for CPA**

Mr Sheffield is involved in all aspects of the management of CPA including strategic direction, performance, financial analysis, acquisitions and disposals.

Mr Sheffield has more than 20 years' experience in property investment, accounting and finance. Prior to joining CPA in January 2010, Mr Sheffield held the role of Fund Manager for various wholesale property funds managed within Colonial First State Global Asset Management. He has also held various funds management and structured finance roles with Investa Property Group, CBA's Institutional Property area and Deutsche Asset Management.

Mr Sheffield is a Certified Practising Accountant, a member of the Capital Markets Committee for the Property Council of Australia, and a Graduate member of the Institute of Company Directors.

## **Tony Gilchrist, Head of Development, Property**

Mr Gilchrist oversees a team of 35 property development specialists in Australia and has overall responsibility for the property development business, which has a development pipeline in excess of \$3 billion.

Mr Gilchrist has more than 30 years' experience in the Australasian property industry and has been working with the business for over six years, prior to which he worked at Stockland Property Group as the General Manager, Development and Acquisition. Mr Gilchrist has also worked at Lend Lease in various management roles. Mr Gilchrist is a graduate member of the Institute of Company Directors.

## **Jon Lesquereux, Head of Office Asset Management**

Mr Lesquereux is responsible for office and industrial asset management for the CFSGAM property platform. Prior to this he was based in New Zealand with Kiwi Property Management Limited, where he was involved with asset management, development and transactions since 1997.

## **Rowan Griffin, Head of Sustainability, Property**

Mr Griffin is responsible for setting the strategy and direction for the property business Responsible Property Investment (RPI) program which includes sustainability. The RPI strategy is implemented into all business processes and the management of each of the assets in CPA's property business.

Rowan has more than 30 years of property experience, in fields of project and development management, investment, operations and general management, prior to his current role in sustainability.

## **Penny Berger, Head of Investor Relations and Communications**

Ms Berger is responsible for investor relations, corporate affairs and internal communications within the property division of Colonial First State Global Asset Management. This includes the management of relationships and information flow to the investment community for the listed property funds: CFS Retail Property Trust Group and Commonwealth Property Office Fund.

Ms Berger has more than 20 years' global strategic communications and finance experience. Prior to joining Colonial First State Global Asset Management in July 2012, Ms Berger worked at Boral as the Group Communications and Investor Relations Manager. Ms Berger also held senior roles at CBA as Executive Manager, Investor Relations, and Cable and Wireless plc.



## 6.8 Recent ASX announcements

Since 20 August 2013 (being the date on which CPA released to ASX its latest audited financial statements), CPA has made a number of public announcements and media releases which CPA considers may be material to the financial position and affairs of CPA. These announcements, together with other announcements relating to CPA that have been released on ASX's Market Announcements Platform since 20 August 2013, are listed in Appendix 2.

On 18 November 2013, CMIL announced to the ASX the completion of independent valuations of 16 of CPA's office assets resulting in a \$60.5 million or 2.4% increase in book value as at 31 October 2013, resulting in CPA's NTA being \$1.19.

On 11 December 2013, CMIL announced that a further three of CPA's office assets had been independently valued as at 31 December 2013, resulting in a \$1.0 million or 0.2% increase on prior book value. There was no change to CPA's weighted average capitalisation rate of 7.3%, or estimated NTA of \$1.19, since the 31 October 2013 valuations as noted above.

Section 7

# Risk factors

CPA

Commonwealth Property Office Fund



In considering this Target's Statement and the GPT Offer, CPA unitholders should be aware that there are a number of risks which may affect the future operating and financial performance of CPA. 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.

The principal risks you should consider, when deciding whether to maintain your investment in CPA in the present circumstances, include the matters set out in Section 7.1 to 7.4 below.

Many of these risks currently exist in relation to your investment in CPA units.

If you accept the GPT Offer, part of the consideration you will receive is GPT securities. You will therefore be exposed to risks associated with GPT Group's business activities.

The principal risks you should consider, when deciding whether to accept the GPT Offer and become a GPT securityholder, include the matters set out in Section 7.2 to 7.4 below.

## 7.1 Risks relating to CPA

As a CPA unitholder, you are already exposed to certain risks associated with your investment in CPA, including:

- **(Lease default, non-renewal and vacancy)** the risk of tenants defaulting on rental or other obligations under leases with CPA, and of CPA not being able to negotiate lease extensions with existing tenants at the end of the lease terms or securing replacement leases at equivalent rates, which may have material adverse impacts on the distributable income of CPA or the value of the relevant underlying property
- **(Funding risk)** the risk of not obtaining the necessary funding or refinancing of an existing arrangement, or a material increase in the cost of such funding, may have a material adverse impact on CPA's performance and financial position
- **(Capital expenditure)** the risk of exposure to capital costs (including repairs) for the properties in which CPA has an interest
- **(Insurance risk)** the risk of failing to insure or underinsuring against events in respect of assets, contractors and service providers
- **(Environmental issues)** the risk of possible liability for the cost of removal or remediation of hazardous or toxic substances on, under, in or emanating from the properties in CPA's portfolio, and changes to environmental laws and regulations which may impact this risk profile
- **(Investment risk)** the risks associated with the office property sector and being a listed entity, CPA's unit price is also subject to risks relating to stock market volatility
- **(Force majeure risk)** the risks associated with events that are beyond the control of CPA or CMIL or any other party
- **(Economic and market conditions)** the risks relating to changes in general economic conditions such as interest rates, inflation, retail spending levels, consumer confidence levels and general market levels
- **(Interest rate risk)** the risk of fluctuations in interest rates, to the extent that they are not hedged, which may adversely impact on the cost of debt and result in decreased earnings
- **(Currency risk)** the risk that fluctuations in currencies which CPA has exposure, to the extent they are not hedged, which may adversely impact on the cost of debt and result in decreased earnings, and
- **(Changes in applicable law)** the risk of laws to which CPA and CMIL are subject changing over time.

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

## a) Development pipeline

As at 30 September 2013, CPA had a significant pipeline of developments and refurbishments with a cost of approximately \$323 million, with \$250 million remaining to be spent, targeting on completion yields ranging from 6.5% to 9%. For example, 5 Martin Place, Sydney<sup>1</sup>, has a development cost of approximately \$215 million (CPA's share), with approximately \$145 million remaining to be spent, targeting an average yield on the first year income of approximately 7%. There is a risk that the development cost will be greater than estimated and that the yield will be lower. A tenant has been secured for over 44% of the office area to be created under this development. However, there is a risk that CPA will not be able to lease the remaining office or retail areas on terms consistent with achieving the targeted yield, or at all.

## b) Retention of personnel

CPA's success depends in part on the ability of Colonial's executive officers, senior management, and employees to operate effectively, both individually and as a group.

Further, CPA's success largely depends on the highly qualified management and personnel available to manage its assets and business.

CMIL does not have contracts of service or employment with its key personnel.

Key personnel are employed by CBA. CBA through its wholly owned subsidiary Colonial, will continue to manage the assets and business dealings of CPA while CMIL is the Responsible Entity of CPA.

On 18 December 2013 CMIL, in its capacity as responsible entity of CFS Retail Property Trust Group (CFX), announced to the ASX that it had entered into an agreement with CBA, amongst other things, to internalise the management of CFX (CFX Internalisation Proposal). In connection with this, it is proposed that Angus McNaughton will become the Chief Executive Officer of CFX and leave CBA. This would mean that he would no longer be a member of senior management responsible for managing CPA.

If the CFX Internalisation Proposal is approved by CFX securityholders and all conditions of that proposal are either satisfied or waived, it is expected that it will be implemented in mid-March 2014. There is no certainty that the CFX Internalisation Proposal will proceed (or the timing for implementing that proposal if it proceeds).

However, GPT has stated in Section 5.3(a) of the Bidder's Statement if it acquires 50.1% of CPA units and the GPT Offer is free of remaining conditions that it proposes to change the responsible entity of CPA so that the management of CPA's assets and business dealings will then be undertaken by the responsible entity of GPT Group.

## c) Change of Responsible Entity

If GPT replaces CMIL as the Responsible Entity of CPA, then:

- i) an event of default will occur under the USPPs, and the holders of the USPPs may demand the early prepayment. For reference, the amount payable is estimated at approximately A\$185.8 million as at 19 December 2013 based on the AUD:USD exchange rate of 0.885. This comprises the aggregate principal outstanding, accrued and unpaid interest, a make whole payment and a net payment under associated currency and interest rate derivatives
- ii) an event of default will occur under the Convertible Notes, and the holders of the Convertible Notes may seek either the conversion of the notes to a specified number of CPA units in accordance with the note terms or early redemption of the notes (for their face value and accrued but unpaid interest until the date of redemption). Where a change in control of CPA occurs, there will also be an adjustment in the conversion price as prescribed in the terms of the Convertible Notes (which may lower the conversion price). In this regard it is to be noted that the GPT Offer extends to CPA units that are issued during the Offer Period upon the early conversion of the Convertible Notes
- iii) in relation to certain assets of CPA that are co-owned, namely 180-222 Lonsdale Street, Melbourne, 2 Southbank Boulevard, Melbourne and 201-207 Kent Street, Sydney, the co-owner may require CPA to sell its interest in the property on the open market for the most appropriate terms available having regard to current market conditions

1) 50% owned by CPA.

- iv) in respect of two other CPA assets that are co-owned, namely 54-58 Mounts Bay Road, Perth, and 5 Martin Place, Sydney, the co-owner may activate pre-emptive rights requiring CMIL to offer its interest in the property to the co-owner at a price CMIL is willing to accept
- v) rights of first refusal in respect of the following CPA assets will become exercisable by CBA as the tenant, to acquire the interest held by CPA in the relevant property:
  - A) 150 George Street, Parramatta and 101 George Street, Parramatta, wholly owned by CPA, where CBA (the lessee) may require the interest in the property to be offered at a price specified by the lessor (an entity acting for the ultimate beneficiary CPA) or, if this price is disputed by the lessee, for a price determined by a jointly appointed valuer
  - B) 5 Martin Place, Sydney, co-owned with Cbus under the 120 Pitt Street Trust, where CBA (the lessee) may require the interest in the property to be offered at a price specified by the lessor (an entity acting for the ultimate beneficiaries CPA and Cbus) or, if this price is disputed by the lessee, for a price determined by a jointly appointed valuer, and
  - C) the properties that are co-owned with DEXUS under the two Homebush Bay trusts, namely, 2 and 4 Dawn Fraser Avenue, Sydney Olympic Park, where CBA (the sublessee) may require the interest in the property to be offered at a price which the sublessor (an entity acting for the ultimate beneficiaries CPA and DEXUS) is willing to accept or, if this price is disputed by the sublessee, for a price determined by a jointly appointed valuer
- vi) the funds management agreement, under which CMIL (as responsible entity of CPA) has appointed Colonial (a wholly owned subsidiary of CBA at the date of this Target's Statement) to be the manager of CPA, will terminate on the date when CMIL ceases to be the responsible entity of CPA and the various sub-delegations that operate while the funds management agreement is in effect will cease to operate
- vii) property management in respect of CPA assets that is undertaken by Jones Lang LaSalle (NSW) Pty Limited pursuant to a managing agent agreement can be terminated upon reasonable notice being given by Colonial First State Management Pty Limited to Jones Lang LaSalle (NSW) Pty Limited. If this agreement terminates, then the associated alignment deed between the same parties also terminates
- viii) under CPA's two banking facilities (A\$302 million and A\$200 million), an event of default and/or a review event occurs if there is a change in the responsible entity of CPA (where the new responsible entity is not a subsidiary of CBA). An event of default will allow each bank to accelerate the corresponding facility following the expiry of an applicable grace period, requiring repayment of the facility in total together with any accrued and unpaid interest and fees, and
- ix) CPA is a party to ISDA agreements with various counterparties under which agreement a breach or an event of default or a termination event may result from the replacement of a third party for CMIL as the responsible entity of CPA, which may entitle the counterparty to terminate any related transactions that have been entered into under those agreements. Any such termination may result in the payment of an early termination amount by CMIL as the responsible entity of CPA.

#### d) Change in control of CMIL

In the event there was to be a change in control of CMIL at any time when it remains the responsible entity of CPA, this event may have consequences for:

- the two banking facilities that are referred to in Section 7.1(c)(viii), as that event would constitute an event of default or review event, which may allow each bank to accelerate the corresponding facility following the expiry of an applicable grace period, requiring the repayment of the facility in total together with any accrued and unpaid interest and fees, and
- the ISDA agreements entered into between CMIL as responsible entity of CPA and various counterparties, as that event may result in a breach, termination event or break date, which may entitle the counterparty to terminate any related transactions that have been entered into under those agreements. Any such event may result in the payment of an early termination amount by CMIL as the responsible entity of CPA.

A change in ownership of CMIL that may occur as a result of the completion of the CFX Internalisation Proposal will not result in any change to CMIL's Australian financial services licence (AFSL) or its ability to meet its regulatory obligations as the holder of an AFSL.

As noted in Section 7.1(b) of this Target's Statement, on 18 December 2013, the CFX Internalisation Proposal was announced to the ASX. In the event that there is a change of control of CMIL resulting from the implementation of the CFX Internalisation Proposal, should that proposal proceed, while CMIL remains the responsible entity of CPA, CMIL is confident that:

- i) the funds management and property management agreements referred to in Sections 7.1(c)(vi) and 7.1(c)(vii) will remain in place until there is a change in the responsible entity of CPA, and
- ii) it will take steps to secure appropriate waivers from the banks in respect of the events of default to allow the banking facilities referred to above to remain in place or if waivers are not available to obtain replacement bank facilities. As part of the CFX Internalisation Proposal, CBA has agreed to provide all necessary consents or waivers for its \$302 million CPA banking facility and ISDA agreements with CBA for a change in control of CMIL that results from implementation of the CFX Internalisation Proposal.

It is uncertain whether there will be a period after the change in control of CMIL resulting from the implementation of the CFX Internalisation Proposal (should it proceed) during which CMIL remains the responsible entity of CPA.

However, CMIL will carefully monitor the situation and will provide updates, as required, by a supplementary target's statement should there be any material developments in relation to this risk.

### **e) Geographical concentration risk**

As at 31 October 2013, all of CPA's portfolio was located (by value) in Australia, with a 46% exposure to New South Wales, 31% exposure to Victoria, 4% exposure to Western Australia, 6% exposure to South Australia, 2% exposure to Australian Capital Territory and 11% exposure to Queensland.

Any decline in office property values or any event or occurrence which has an effect on the office buildings in Australia, especially New South Wales or Victoria, may have a material adverse effect on the business, financial condition, results of operations and/or prospects of CPA.

### **f) Liquidity risk**

If GPT acquires some but not all of the CPA units under the GPT Offer, the number of CPA units publicly traded could be significantly reduced. In addition, under item 9 of section 611 of the Corporations Act, GPT is entitled to acquire up to an additional 3% interest in CPA every six months without needing to make a further takeover offer. In light of these factors, there is a risk of CPA unitholders who do not accept the GPT Offer being minority unitholders in a trust with reduced unit trading liquidity.

This may result in downward pressure on the trading prices of CPA units and make it more difficult for CPA unitholders to sell their units.

### **g) Control by GPT**

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

It will effectively control CPA, having an ability to remove and replace CMIL as responsible entity and having significant influence over the outcome of CPA unitholder resolutions. There are some restrictions on GPT voting its CPA units where it has an interest in the resolutions other than as a CPA unitholder. However, changes to the business of CPA which are initiated or influenced by GPT may result in CPA unitholders subsequently disposing of CPA units at a time when the position of CPA is less favourable than that prevailing at the date of this Target's Statement.

GPT has stated in Section 5.3(a) of the Bidder's Statement that CPA will be managed in accordance with the CPA Constitution (including with respect to the payment of fees and distributions).

## h) Delisting of CPA

If the number of CPA unitholders is less than that required by the ASX Listing Rules to maintain an ASX listing, then CMIL or the ASX may seek to have CPA removed from the official list of ASX. If this occurs, CPA units will not be able to be bought or sold on the ASX, thereby eroding liquidity of the CPA units which may impact on CPA's unit price.

## 7.2 Risks relating to GPT

Section 8 of the Bidder's Statement sets out a number of risks and uncertainties, both specific to GPT and of a more general nature, which may affect the future operating and financial performance of GPT and the value of GPT securities. Set out below are the risks specific to GPT as referred to in Section 8.2 of the Bidder's Statement. You should also consider the risks described in Sections 8.3 to 8.6 of the Bidder's Statement in relation to the Combined Group where the GPT Offer is accepted and you may be exposed to risks common to CPA and GPT.

### a) Asset class

GPT owns a diversified portfolio of high quality Australian real estate in the retail, office and logistics and business park sectors. Ownership of GPT securities will expose CPA unitholders to the retail and logistics and business park sectors which are different from the office sector.

### b) Funds under management

GPT Group derives a proportion of its earnings from fees and charges from its funds management division. CPA unitholders will be exposed to funds management earnings which can be more volatile than passive property earnings.

The amount of funds under management, and fees earned, will reflect the investment performance of the funds managed by GPT Group. Changes in the performance of those funds and changes in domestic and/or global market conditions and investor sentiment could lead to a decline in GPT Group's funds under management. GPT's continued role as manager may also be impacted by its management performance. Any decline in GPT Group's brand and reputation could also contribute to reduced inflows of investment funds. These could then impact the amount of fees and charges earned by GPT Group, which may in turn impact the future profitability and financial position of GPT Group.

### c) Highpoint put option

The co-owners of Highpoint Shopping Centre have the right to put the balance of their 50% interest, or a part thereof (but not less than 8.33%) to GPT Wholesale Shopping Centre Fund at the market price at the time. The put option is only exercisable during a 30-day window each year commencing on 1 July, and expires in 2016. Three months' notice of exercise of the put must be given.

If GPT Wholesale Shopping Centre Fund does not acquire the interest, and another person is not nominated to acquire it, GPT is required to do so. If GPT was required to acquire the remaining interest in the Highpoint Shopping Centre, estimated by GPT to be approximately \$600 million, this may increase GPT's gearing.

### d) Regulatory risk

Changes to legislation, regulation or government policy and their interpretation either generally or directed at the funds management sector may affect the demand for services from GPT Group, add additional costs to the delivery of service by GPT Group or require restructuring to the way in which GPT Group operates its funds management business going forward.

### e) Reputation of financial services industry

The overall performance of GPT Group's funds management business may also be adversely affected if the financial services industry as a whole sustains any material damage to its reputation.

## f) Acquisition of less than 90% of CPA

If GPT acquires less than 90% of all CPA units pursuant to the GPT Offer, the advantages to GPT arising from an acquisition of CPA may be reduced. This could impact on the value of GPT securities.

See Section 5.3 of the Bidder's Statement for further information about GPT's intentions if less than 90% of outstanding CPA units are acquired pursuant to the GPT Offer.

## 7.3 Risks relating to the Combined Group (if GPT acquires 90% or more of CPA units)

If GPT acquires 90% or more of CPA units:

- GPT intends to proceed with compulsory acquisition, arrange for CPA to be removed from the Official List of the ASX, and replace CMIL with an appropriately licenced GPT Group entity, and
- all CPA unitholders (except Ineligible Foreign Unitholders and Unmarketable Parcel Securityholders) will become holders of GPT securities.

In these circumstances, as stated in Sections 8.3 and 8.5 of the Bidder's Statement, there are certain specific and general risks relating to the Combined Group, including:

- **(Returns from investments)** the risk of fluctuations in value, expectations of capital growth, and returns from GPT's and CPA's property assets, depending on property market and general economic conditions
- **(Changing investor demand for property investments)** the risk of changing demand for property and listed property securities based on changing investor preferences
- **(Asset values)** the risk of unanticipated events occurring which may affect the value of assets or development costs which may in turn affect the financial returns from property investment, projects and property-related businesses
- **(Funding risk)** that risk of an inability to obtain necessary funding for the business or a material increase in the cost of the funding through an increase in interest rates, which may have a material adverse impact on the Combined Group's activities and financial position, particularly given the increased level of gearing if the GPT Offer is successful
- **(Time delays)** the risk of delays in completion of projects, which may in turn result in loss of revenue, cost overruns, liquidated damages and termination of lease agreements and pre-sale agreements
- **(Property liquidity)** the risk of exposure to suboptimal sale prices when certain property assets may be required to be disposed in light of adverse business conditions
- **(Competition)** the risk of exposure to competition from other property groups active in Australia, which may result in loss of tenants to competitors, a reduction in rents, and an inability to secure new tenants resulting from oversupply of space
- **(Retention of personnel)** the risk that key personnel, in particular, key senior executives, will continue to be employed by, or contracted to, the Combined Group or that the Combined Group will be able to attract and retain qualified personnel in the future, and
- **(Failure to meet distribution forecast)** Section 6.6(e) of the Bidder's Statement sets out the funds from operations per GPT security guidance of the Combined Group on an annualised basis, with certain assumptions. You should note that the actual distribution for the six months ending 30 June 2014 may be less than 50% of the annualised forecast GPT distribution per security of 21.7 cents. This will depend in part on the time when the GPT Offer closes and the percentage of CPA units acquired by GPT.

Many of the above risks (and other general risks relating to investments in listed entities) may be present in your existing investment as a CPA unitholder.



## 7.4 Risks arising from the GPT Offer

There are certain risks arising from the GPT Offer which you should consider before deciding whether or not to accept the GPT Offer, which are set out in Section 8.4 of the Bidder's Statement. They include:

### a) Availability of financing

As stated in Section 10.2 of the Bidder's Statement, GPT has financing commitments in place to fund the acquisition of CPA. If any of this financing becomes unavailable for any reason and GPT cannot put in place alternative sources of financing under similar terms, GPT may not be able to complete the acquisition of CPA as planned.

### b) Integration of CPA

GPT has not conducted due diligence on CPA, and has not engaged with CPA or CMIL (or CBA) in relation to the integration of CPA and GPT. There are risks associated with integrating GPT and CPA, leading to unanticipated costs and potential business interruptions, particularly given that GPT has not entered into any arrangements with CBA in relation to the replacement of the responsible entity of CPA, and is therefore relying on the statutory obligations of CMIL to provide reasonable assistance to a new responsible entity to facilitate the change. GPT may as a result be limited in its ability to fully implement its intentions in relation to CPA as set out in Section 5 of the Bidder's Statement.

### c) Trigger of change of control or change of responsible entity provisions

There are certain change of control or change of responsible entity provisions in a number of CPA's material contracts which may be triggered as a result of the GPT Offer, giving rise to material adverse impact on CPA. These contracts and their possible consequences are described in Section 7.1(c) above.

### d) Changes in the implied value of the Offer Consideration

CPA unitholders are being offered GPT securities as consideration under the GPT Offer. As a result, the value of the consideration will fluctuate depending upon the market value of GPT securities. Accordingly, the market value of the GPT securities at the time you receive them, and therefore the implied value of the Offer Consideration, may vary significantly from their market value on the date of your acceptance of the GPT Offer, and the tax treatment of the GPT securities you receive may be different from your CPA units.

Section 8

# Additional information

CPA

Commonwealth Property Office Fund



## 8.1 Issued capital

As at the date of this Target's Statement, CPA's issued capital consisted of 2,347,003,413 fully paid units.

On 11 December 2009, CPA executed a \$200 million issuance of senior, unsecured Convertible Notes, redeemable at the option of the noteholder on 11 December 2014. Unless previously redeemed or converted to ordinary units, the notes will be redeemed on the final maturity date of 11 December 2016. Section 11.11 of the Bidder's Statement states that the GPT Offer is made to each person who becomes registered or entitled to be registered as the holder of CPA units (whether or not they are registered or entitled to be registered as the holder of other CPA units) during the period from 9:00am (Sydney time) on 3 December 2013 to the end of the Offer Period, due to the conversion of, or exercise of rights attached to, other securities convertible into CPA units (including CPA Options that include Convertible Notes, that are on issue at 9:00am (Sydney time) on 3 December 2013).

As at 28 August 2013, the conversion price for the Convertible Notes was \$1.1182 per unit. The price is subject to adjustments in accordance with the relevant Offering Circular.

## 8.2 Substantial holders

As at the date of this Target's Statement, based on the substantial unitholder notices provided to CPA, the substantial unitholders of CPA units are set out in the table below.

Disclosures of substantial holding notices are a highly technical matter under the Corporations Act and the presentation of voting power under a substantial holding notice involves, in certain instances, double-counting (for example where two parties are associates). For this reason the final column of the table sets out the relevant interests in CPA units referable to each listed substantial holder without including the relevant interest in CPA units held by associates who are not within the same corporate group as the holder (Non-Intragroup Associates).

Substantial unitholder	Number of ordinary units	Voting power at time of notice	Relevant interest (excluding Non-Intragroup Associates)
DEXUS Funds Management Limited (and its related bodies corporate)	591,738,638 <sup>A</sup>	25.20% <sup>A</sup>	14.90%
CBA (and its related bodies corporate)	588,665,999 <sup>B</sup>	25.08%	10.17%
Deutsche Bank AG (and its related bodies corporate)	382,180,004	16.28%	1.37%
Canada Pension Plan Investment Board	350,000,000 <sup>C</sup>	14.90%	0.00%
Mondrian Investment Partners Limited	190,553,607	8.12%	8.12%
GPT Management Holdings Limited (and its related bodies corporate)	187,095,293	7.97%	7.97%
The Vanguard Group Inc.	121,210,713	5.16%	5.16%

### Notes:

A) Interest in 350,000,000 ordinary units arises as a result of a share forward transaction between Deutsche Bank AG, Sydney Branch and DEXUS Funds Management Limited as responsible entity of the DEXUS Office Trust under which DEXUS will take physical delivery of 350,000,000 units on 3 January 2014 (the Arrangement). The remainder of DEXUS' voting power arises as a result of its association with CBA, pursuant to a Facilitation Agreement entered into with CBA as announced on ASX on 13 December 2013.

B) Interest includes DEXUS' interest in 350,000,000 units under the Arrangement due to the association between CBA and DEXUS as described in note 1 above.

C) Interest includes DEXUS' interest in 350,000,000 units under the Arrangement due to the association between CPPIB and DEXUS.

### 8.3 Effect on CPA's material contracts

A change in the responsible entity of CPA to an entity nominated by GPT will have consequences that are summarised in Section 7.1(c).

A change in control of CMIL will have the consequences that are summarised in Section 7.1(d).

In addition, there are a number of agreements that are material to the management of some or all of CPA's assets that do not include provisions that are triggered by either a change in responsible entity of CPA, a change in control of CPA or a change in control of CMIL. These agreements are described below:

- a) the property management agreement between CMIL (as responsible entity of CPA) and Victoria Square QV Investments Pty Ltd, who jointly appoint Colonial First State Management Pty Limited (which is a wholly owned subsidiary of CBA at the date of this Target's Statement) to provide property management services in respect of the QV Complex
- b) the development services agreement where CMIL (as responsible entity of CPA) appoints Colonial First State Management Pty Limited to provide development services in respect of approximately 28 wholly owned or jointly owned CPA properties
- c) agreement between CMIL (as responsible entity of CPA) and Colonial First State Management Pty Limited for the provision of leasing services to CPA, although this agreement may be terminated immediately by either party giving written notice to the other party
- d) the management agreement under which CFS Managed Property Limited (a wholly owned subsidiary of CBA as at the date of this Target's Statement) as trustee of the entities that hold CPA's interest in the properties referred to below, appoints Colonial First State Property Limited (a wholly owned subsidiary of CBA as at the date of this Target's Statement) to manage the CPA sub-trusts that own the following properties: 150 George Street, Parramatta NSW, 14 Lee Street, Sydney NSW, 56 Pitt Street, Sydney NSW and 60 Castlereagh Street, Sydney NSW, and
- e) the agreement with Colonial First State Management Pty Limited and others for the development of 5 Martin Place, Sydney. Although a change in responsible entity of CPA may have the consequences referred to in 7.1(c) (iv), a change in responsible entity of CPA does not affect the rights of Colonial First State Management Pty Limited as co-developer with Cbus Property Pty Ltd in respect of this asset.

DEXUS has entered into an agreement with CBA for the provision of transitional facilitation services in relation to the management of CPA. CBA's obligations under the agreement are conditional on the voting power in CPA held by DEXUS, or CPPIB and DEXUS combined, increasing to 50.1%. As set out in Section 8.2, DEXUS has voting power in CPA of 25.20%, which includes CBA's 10.17% interest.

If the conditions of that agreement are satisfied, it is likely that some risks or consequences for CPA that are referred to in Section 7.1 (where there is a change in responsible entity of CPA or a change in control of CMIL) and as set out above in this section will be mitigated.

GPT has not entered into a similar agreement with CBA.

The DEXUS Bidder's Statement that will be sent to you in early January will provide further information about this agreement.

### 8.4 Performance fees

CMIL, as Responsible Entity of CPA, is entitled under the CPA Constitution to a performance fee if the CPA's total return (distributions and unit price performance) exceeds the benchmark provided by Standard & Poor's. CPA's performance fee benchmark prior to 1 July 2012 was the S&P ASX 200 Commercial Accumulation Index (excluding CPA). From 1 July 2012, CPA's performance fee benchmark was changed to the S&P ASX 200 Property Accumulation Index (excluding CPA). The new benchmark is comprised of 15 Australian Real Estate Investment Trusts (A-REITs), which compares to the previous benchmark, whose composition over time has reduced from seven A-REITs to one.

Performance fees are satisfied via the issue of CPA units to the Manager. The number of CPA units to be issued upon settlement of the performance fee is based on the higher of the CPA's NTA and the 10 day VWAP post the performance fee period. These units are accrued at the time of entitlement and are issued when CPA achieves positive, absolute performance.

The measure of outperformance will be assessed on a cumulative basis, meaning any underperformance needs to be earned back before CMIL can earn CPA units.

The performance fee is calculated and is payable in accordance with the CPA Constitution, if CMIL is entitled, each half-year at December and June. The performance fee rate is calculated as 5% of the first 1% of outperformance and 15% of outperformance in excess of 1%. This rate is multiplied by CPA's average gross asset value. The fee is capped at 0.15% per six-month period of CPA's average gross asset value.

It is likely that CMIL will be entitled to a performance fee in respect of the six-month period ending on 31 December 2013, which must be paid within two months of that date, that is before 28 February 2014. The quantum of performance fee cannot be calculated until 31 December 2013. Should CMIL be entitled to a full performance fee for the six-month period ending 31 December 2013, this would equate to approximately \$5.7 million, which is satisfied by the issue of CPA units for a price being the higher of NTA or 10 day VWAP for CPA units.

The performance fee, if payable, is calculated in accordance with the CPA Constitution. The number and issue price of CPA units that are to be issued to the Manager in satisfaction of that performance fee, and the timing for issuing these CPA units, will be announced to the ASX in January 2014.

CMIL has determined that if a performance fee is payable for the six months ending 31 December 2013, it will be paid out of retained earnings.

## 8.5 Consent to inclusion of a statement

Greenwoods & 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.

GPT has given, and has not, before lodgement of this Target's Statement with ASIC, withdrawn its written consent to be referred to in this Target's Statement as having made the confirmations in Sections 5.5 and 5.17 of this Target's Statement.

## 8.6 Consent to be named

CBA has given, and has not withdrawn before lodgement of this Target's Statement with ASIC, its written consent for the use of the Colonial First State Global Asset Management logo in this Target's Statement.

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 CMIL.

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 CMIL.

## 8.7 Disclaimer regarding named persons and statements made

Each person named in Sections 8.5 and 8.6 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. CPA 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 CPA 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 CPA unitholder information line on 1800 500 710 (within Australia) or +61 1800 500 710 (from outside Australia). CMIL 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 Class Order 13/523, 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 Class Order 07/429, this Target's Statement contains unit price trading data sourced from IRESS without its consent.

## 8.8 Continuous disclosure

### a) CPA continuous disclosure

CPA 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 [asx.com.au](http://asx.com.au) and, for announcements made by CPA, CPA's website at [cfsgam.com.au/cpa](http://cfsgam.com.au/cpa).

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

CPA unitholders may obtain a copy of:

- CPA's annual report
- CPA's Trust Deed, and
- any document lodged by CPA with ASX between the release of CPA's annual report and the date of this Target's Statement,

free of charge upon request by contacting the CPA unitholder information line on 1800 500 710 (within Australia) or +61 1800 500 710 (from outside Australia) or from the ASX website at [asx.com.au](http://asx.com.au). CPA's annual report, Trust Deed and this Target's Statement are also available on CPA's website at [cfsgam.com.au/cpa](http://cfsgam.com.au/cpa).

### b) 11 December 2013 ASX announcement

On 11 December 2013, CMIL lodged with the ASX an announcement which included the statement that CPA had over 70,000 sqm of terms agreed for new and renewing leases including in respect of 101 and 150 George Street, Parramatta (Parramatta Properties). The negotiation of a binding lease in respect of these properties has not yet concluded.

The DEXUS Bidder's Statement, dated 19 December 2013, a copy of which will be sent to you shortly by DEXUS, includes conditions that will be triggered if CMIL enters into the new lease, a material amendment of an existing lease or related agreements (each a Relevant Agreement) in respect of the Parramatta Properties, being the conditions under the heading "No Material Acquisitions or Disposals" included in Appendix 2 of the DEXUS Bidder's Statement.

On 24 December 2013, DEXUS announced to the ASX that the conditions referred to above do not apply to a Relevant Agreement, including a new lease or a variation of an existing lease, that is entered into in respect of the Parramatta Properties.

The DEXUS announcement followed discussions between CMIL and DEXUS about the conditions. As a result of those discussions, CMIL gave DEXUS the following confirmations that led to DEXUS making the announcement to the ASX that is referred to above:

- That CMIL will not enter into a Relevant Agreement in relation to the Parramatta Properties before 28 February 2014.
- That CMIL will not enter into a Relevant Agreement in relation to the Parramatta Properties on any date that falls after 28 February 2014 but before 31 July 2014 whilst the Consortium has a relevant interest in CPA of 50.1% or greater and the DEXUS Offer is unconditional.

The Consortium acknowledges that, if it acquires a relevant interest in CPA of 50.1% or greater, it intends to procure a change of the responsible entity by the end of the offer period for the DEXUS Offer (or as soon as practicable thereafter) and it will take all actions necessary to do so.

CMIL shall not be bound by the above in the event that one of the following occurs:

- a party other than the Consortium has a relevant interest in CPA of 50.1% or greater (and if acquired under a takeover bid, that bid is unconditional)
- DEXUS initiates further negotiations with CBA in regards to Parramatta properties owned or managed by DEXUS, or
- CMIL declares a competing proposal or offer superior to the DEXUS Offer and either:
  - the Consortium or DEXUS subsequently declares it will not increase its offer, or
  - the Consortium or DEXUS has not matched or exceeded that proposal by the later of:
    - 15 February, or
    - 10 Business Days after CMIL's declaration is made, or
- DEXUS and/or the Consortium accept into a competing proposal.

## 8.9 No other material information

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

- a) only to the extent to which it is reasonable for CPA unitholders and their professional advisers to expect to find this information in this Target's Statement, and
- b) only if the information is known to any Director.

The Directors are of the opinion that the information that CPA unitholders and their professional advisers would reasonably require to make an informed assessment whether to accept the GPT Offer is:

- a) the information contained in the 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 CPA's releases to ASX, and in the documents lodged by CPA with ASIC, before the date of this Target's Statement, and
- c) the information contained in this Target's Statement.

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Directors do not take any responsibility for the contents of the 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 Directors have had regard to:

- a) the nature of the CPA units
- b) the matters that CPA unitholders may reasonably be expected to know
- c) the fact that certain matters may reasonably be expected to be known to CPA unitholders' professional advisers, and
- d) the time available to CPA to prepare this Target's Statement.

Section 9

# Glossary and interpretation

CPA

Commonwealth Property Office Fund





## 9.1 Definitions

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

**ASX Listing Rules** means the official listing rules of the ASX.

**Bidder's Statement** means the bidder's statement received by CPA from GPT under Part 6.5 of the Corporations Act dated 3 December 2013.

**Board** means the board of directors of CMIL.

**CBA** means Commonwealth Bank of Australia ABN 48 123 123 124.

**Cbus** means Cbus Property 5 Martin Place Pty Ltd ACN 152 430 898 as trustee for the Cbus 5 Martin Place Trust.

**CHESS Holding** means a holding of CPA units on the CHESS Subregister of CPA.

**CHESS Subregister** has the meaning given in the ASX Settlement Operating Rules.

**CMIL** means Commonwealth Managed Investments Limited ABN 33 084 098 180 as responsible entity of Commonwealth Property Office Fund ARSN 086 029 736.

**Colonial** means Colonial First State Property Limited ACN 085 313 926.

**Combined Group** means GPT and its related bodies corporate, including CPA if GPT acquires control of CPA.

**Consortium** means DEXUS and CPPIB.

**Constitution or Trust Deed** means the CPA consolidated trust deed as at 7 November 2011.

**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).

**Convertible Notes** means the A\$200 million 5.25% convertible notes due 2016, convertible into CPA units.

**Corporations Act** means the Corporations Act 2001 (Cth).

**CPA** means Commonwealth Property Office Fund ARSN 086 029 736.

**CPA Option** means an option to subscribe for a CPA unit issued by CPA and on issue as at 19 November 2013, including the Convertible Notes currently on issue.

**CPA unit** means a fully paid ordinary unit in CPA.

**CPA unitholder** means a holder of CPA units.

**CPPIB** means Canada Pension Plan Investment Board.

**DEXUS** means DEXUS Funds Management Limited ABN 24 060 920 783 in its capacity as trustee of DEXUS Office Trust Australia, or as responsible entity of DEXUS Property Group, as the context requires.

**DEXUS Bidder's Statement** means the bidder's statement dated 19 December 2013 given by DEXUS Funds Management Limited ACN 060 920 783 in its capacity as trustee of DEXUS Office Trust Australia.

**DEXUS Property Group** means DEXUS Funds Management Limited ABN 24 060 920 783 in its capacity as responsible entity of:

- a) DEXUS Diversified Trust ARSN 089 324 541
- b) DEXUS Industrial Trust ARSN 090 879 137
- c) DEXUS Office Trust ARSN 090 768 531, and
- d) DEXUS Operations Trust ARSN 110 521 223.

**DEXUS Offer** has the meaning given to that expression in Section 1.1.

**Directors** means the current directors of CMIL.

**Distribution** means the estimated distribution of 3.5 cents per CPA unit that is expected to be paid on or around 28 February 2014 to CPA unitholders who are registered as at 31 December 2013.

**GPT** means GPT RE Limited ABN 27 107 426 504 as responsible entity of General Property Trust ARSN 090 110 357 and GPT Management Holdings Limited ABN 67 113 510 188.

**GPT Group** means GPT and its Related Bodies Corporate.

**GPT Offer** means the offer by GPT for CPA units, which is contained in Section 11 of the Bidder's Statement.

**GPT security** means one fully paid ordinary unit in General Property Trust and one fully paid ordinary share in GPT Management Holdings Limited, trading together as a stapled security.

**GPT securityholder** means a holder of GPT securities.

**GWOFF** means GPT Funds Management Limited ABN 74 115 026 545 (in its capacity as responsible entity of each of the GPT Wholesale Office Fund No. 1 ARSN 120 538 212 and GPT Wholesale Office Fund No. 2 ARSN 120 538 365).

**GWOFF Assets** means the five CPA assets to be acquired by GWOFF from GPT, conditional on GPT acquiring 90% of CPA under the GPT Offer, being:

- a) 60 Castlereagh Street, Sydney (100%)
- b) 10 Shelley Street, Sydney (50%)
- c) 175 Pitt Street, Sydney (100%)
- d) 750 Collins Street, Melbourne (100%), and
- e) 2 Southbank Boulevard, Melbourne (50%).

**Independent Board Committee** means the committee comprising the Independent Directors that was given responsibility for considering a proposal by CBA to internalise management of CPA, and the GPT Offer.

**Independent Directors** means the Directors Richard Haddock AM, James Kropp and Nancy Milne OAM.

**Ineligible Foreign Unitholder** means a CPA unitholder whose address as shown in the register of members of CPA is in a jurisdiction other than Australia or its external territories and New Zealand, unless GPT otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the GPT Offer to a CPA unitholder in the relevant jurisdiction and for GPT securities to be issued to such CPA unitholder on acceptance of the GPT Offer, and that it is not unlawful for such a CPA unitholder to accept the GPT Offer in such circumstances in the relevant jurisdiction.

**ISDA** means the ISDA Master Agreement or the ISDA 2002 Master Agreement (as applicable) published by the International Swaps and Derivatives Association, Inc., including any schedules attached thereto and any transactions evidenced by confirmations entered into pursuant to that agreement.

**Manager** means Colonial First State Property Limited ACN 085 313 926.

**Notice of Status of Offer Conditions** means GPT's notice disclosing the status of the Offer Conditions which is required to be given by section 630(3) of the Corporations Act.

**NTA** means net tangible asset backing per CPA unit.

**Offer Conditions** means the conditions of the GPT Offer, as described in Section 11.8 of the Bidder's Statement and summarised in Section 5.5 of this Target's Statement.

**Offer Consideration** means the consideration offered under the GPT Offer, being A\$0.75325 cash (reduced by any distributions paid on CPA units following 3 December 2013, being the date of the Bidder's Statement) and 0.141 GPT securities per CPA unit as at the date of this Target's Statement.

**Offer Period** means the period during which the GPT Offer will remain open for acceptance in accordance with Section 11.3 of the Bidder's Statement.

**Offering Circular** means the offering circular dated 4 December 2009 in relation to the Convertible Notes.

**Parramatta Properties** means the CPA assets at 101 and 150 George Street, Parramatta.

**QV Complex** means the QV Complex bounded by Lonsdale, Swanston, Little Lonsdale and Russell Streets, Melbourne.

**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.

**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.

**Supplementary Bidder's Statement** means the supplementary bidder's statement dated 18 December 2013 lodged by GPT.

**Target's Statement** means this document (including any attachments), being the statement of CPA under Part 6.5 of the Corporations Act.

**Taxation Report** means the report on taxation implications of the GPT Offer, prepared by Greenwoods & Freehills dated 22 December 2013, a copy of which is set out in Appendix 1.

**Unmarketable Parcel** means that the number of GPT securities which is less than a 'marketable parcel' under the operating rules of the ASX (currently a parcel of less than \$500) calculated based on the highest closing price of GPT securities on the ASX during the period from the date of the Bidder's Statement until the earlier of the end of the Offer Period and five ASX trading days before the first day on which GPT must provide the Offer Consideration under the GPT Offer.

**Unmarketable Parcel Securityholder** means a CPA unitholder who would be entitled to receive a total number of GPT securities as consideration under the GPT Offer which is an Unmarketable Parcel.

**USPPs** means the US\$200 million private placement by CPA announced on 3 November 2005.

**VWAP** means volume weighted average price.

## 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 Sydney time, and
- j) unless expressly stated otherwise, a reference to dollars, \$, A\$ or AUD is a reference to the lawful currency of Australia.

Section 10

# Authorisation

CPA

Commonwealth Property Office Fund



|||||

This Target's Statement is dated 24 December 2013 and has been approved by a resolution passed by the Directors of CMIL.

Signed for and on behalf of CMIL:

A handwritten signature in black ink, appearing to read 'Richard M Haddock'.

**Richard Haddock AM**  
Chairman  
Commonwealth Managed Investments Limited

Appendix 1

# Greenwoods & Freehills Taxation Report

CPA

Commonwealth Property Office Fund



# Greenwoods & Freehills

The Board of Directors  
Commonwealth Managed Investments  
Limited as Responsible Entity for  
Commonwealth Property Office Fund  
Level 4, Tower 1  
201 Sussex Street  
SYDNEY NSW 2000

22 December 2013

Dear Directors

## Tax Implications of GPT Offer

### 1 Introduction

This letter provides a summary of the Australian income tax and GST consequences relating to the acceptance of the offer (**Offer**) by General Property Trust (**GPT**) to acquire all outstanding units in the Commonwealth Property Office Fund (**CPA**).

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 taxation implications for CPA unitholders (**Unitholders**) in respect of the Offer.

We have only dealt with the tax implications for resident and non-resident Unitholders who are individuals, complying superannuation entities and companies that hold their investments on capital account. We have not addressed the tax treatment for Unitholders who hold their investments on revenue account such as banks and other trading entities or non-resident Unitholders who hold CPA units through a permanent establishment in Australia.

**All Unitholders should seek independent professional advice on the consequences of their participation in the Offer, based on their particular circumstances. Unitholders who are not resident in Australia must obtain advice on the taxation implications arising in their local jurisdiction of the proposed transaction.**

The information contained in this section is based on the provisions of the Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997, the A New Tax System (Goods and Services Tax) Act 1999 and related acts, regulations and Australian Taxation Office (**ATO**) rulings and determinations applicable as at the date of this letter.

### 2 Resident Unitholders who accept the Offer

#### 2.1 Capital gains

At the time that Unitholders dispose of their CPA units, a CGT event will happen.

To the extent that the proceeds received by a Unitholder (cash and market value of GPT stapled securities) exceed the cost base that the Unitholder has in their CPA unit, a capital gain would prima facie arise.

Unitholders should be entitled to a CGT discount provided that they have held their CPA units for 12 months or more. Resident individuals and trusts are entitled to a 50%



discount, resident superannuation funds are entitled to a 33  $\frac{1}{3}$ % discount while companies and non-residents are not entitled to any discount.

To the extent that the proceeds received by a Unitholder (the combined value of cash and GPT stapled securities) are less than the reduced cost base that the Unitholder has in their CPA unit, a capital loss would arise.

## 2.2 Rollover

Based on the Bidder Statement issued by GPT on 3 December 2013, it is not intended that the Offer will satisfy the conditions for a CGT roll-over. As such, no part of a capital gain arising for Unitholders from the disposal of CPA units will be able to be deferred.

## 2.3 December 2013 distribution

The following comments have been prepared on the basis of the confirmation provided by GPT as described at section 5.17 of the Target's Statement.

CPA Unitholders who are registered on 31 December 2013 will receive a distribution of 3.5 cents per unit in respect of the 6 months ending 31 December 2013 (**December Distribution**). The tax profile of the December Distribution will be advised to CPA Unitholders subsequent to 30 June 2014.

GPT have indicated that subject to the acquisition of all CPA units, they intend to dispose of five properties held by CPA. The disposal of these properties is likely to give rise to a significant capital gain for CPA.

The taxation profile of distributions received by unitholders in a trust is calculated by reference to the taxation position of the trust for the full income year (i.e. for the 12 months to 30 June). Therefore, if the properties are sold by CPA before 30 June 2014, the tax profile of the December Distribution is likely to include a significant capital gains component, notwithstanding the fact that the properties will be sold subsequent to the December Distribution.

CPA Unitholders will be required to treat the tax components of the December Distribution in the same manner that the tax components of CPA's regular six monthly income distributions are treated.

## 3 Non-resident Unitholders who accept the Offer

### 3.1 Capital gains

The taxation consequences discussed in sections 2.1 and 2.2 above apply also to Unitholders that are non-residents.

However, any capital gain or loss that is made by a non-resident Unitholder on the disposal of CPA units should be disregarded provided that the CPA units are not "taxable Australian property".

A CPA unit will not be "taxable Australian property" if:

- the units have never been used by the Unitholder in carrying on a business through a permanent establishment in Australia;
- the Unitholder did not make an election to treat the units as taxable Australian property at the time they ceased to be an Australian resident (if the Unitholder was ever an Australian resident); and
- the interests do not pass the non-portfolio test just before the CGT event or throughout a 12 month period that began no earlier than 24 months before that time.

An interest held by an entity in another entity passes the non-portfolio interest test at a time if the sum of the "direct participation interests" held by the first entity and its associates in the other entity at that time is 10% or more.



To the extent that a CPA unit is "taxable Australian property" and a non-resident Unitholder makes a capital gain as a result of the disposal of the CPA unit, the Unitholder will not be entitled to a CGT discount.

**3.2 December 2013 distribution**

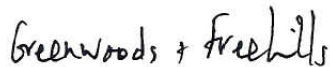
Unlike resident Unitholders who will be subject to tax on a portion of CPA's full year taxable income, a non-resident Unitholder will be liable to tax on a withholding basis calculated at the time of payment. The distribution in respect of the period ending 31 December 2013 is expected to be paid in February 2014. The amount from which withholding tax is required to be deducted will be determined based on the expected taxable income of CPA for the year ending 30 June 2014 and having regard to the known circumstances that exist at the time of payment.

**4 GST**

No GST will be charged to Unitholders nor any GST liability arise for Unitholders (whether resident or non-resident) if they accept the Offer:

- The disposal of their CPA units to GPT will not be subject to GST as it will be either an input taxed supply (by resident Unitholders) or outside the scope of GST (for non-resident Unitholders); and
- The receipt of GPT stapled securities will not be subject to GST as it will be either an input taxed supply (to resident Unitholders) or a GST-free supply (to non-resident Unitholders).

Yours sincerely



**Greenwoods & Freehills Pty Limited**

Appendix 2

# CPA announcements since 20 August 2013

CPA

Commonwealth Property Office Fund



No	Announcement	Date released to ASX
1.	DEXUS Offer for CPA - update on proposed bid conditions	24 December 2013
2.	Register date for DEXUS Offer bid for CPA	20 December 2013
3.	Change of interests of substantial holder from DXS	20 December 2013
4.	DEXUS Offer update and Bidder's Statement	19 December 2013
5.	GPT: Bidder's Statement Notice of Dispatch	19 December 2013
6.	Clarification to DEXUS Announcement of 13 December 2013	19 December 2013
7.	GPT: T/O Bid regarding Commonwealth Property Office Fund	18 December 2013
8.	CBA: CBA support for DEXUS and CPPIB offer for CPA	18 December 2013
9.	Ceasing to be a substantial holder from NAB	18 December 2013
10.	Change in substantial holding from CBA	16 December 2013
11.	Change of interests of substantial holder from DXS	16 December 2013
12.	CBA: Facilitation Agreement	13 December 2013
13.	CBA: Facilitation Agreement with DEXUS	13 December 2013
14.	DXS: Facilitation agreement with CBA	13 December 2013
15.	Change in substantial holding	13 December 2013
16.	Change in substantial holding from CBA	12 December 2013
17.	CBA: CBA NOTES DEXUS AND CPPIB TAKEOVER OFFER FOR CPA	11 December 2013
18.	December 2013 valuations and leasing update	11 December 2013
19.	Change in substantial holding from DXS	11 December 2013
20.	Response to DXS and CPPIB off-market takeover offer	11 December 2013
21.	DXS: DEXUS Offer to acquire CPA presentation	11 December 2013
22.	DXS: DEXUS Offer to acquire CPA ASX release	11 December 2013
23.	FY14 distribution upgrade and 1H14 estimated distribution	5 December 2013
24.	Notice of Change of Interests of Substantial Holder from GPT	4 December 2013
25.	Change in substantial holding from DBA	4 December 2013
26.	Bidder's Statement – Off Market bid from GPT	3 December 2013
27.	Amended Change in substantial holding from DXS	3 December 2013
28.	Notice of change of interests of substantial holder from GPT	2 December 2013
29.	Becoming a substantial holder from NAB	29 November 2013
30.	GPT: CMIL Terminates Process Agreement with DEXUS and CPPIB	25 November 2013
31.	DXS: Due diligence investigations on CPA continue	25 November 2013
32.	Process Agreement terminated	25 November 2013
33.	DXS: Update on Consortium Proposal to acquire CPA	21 November 2013
34.	Change in substantial holding from CBA	19 November 2013
35.	DXS: Response to GPT Group's offer for CPA	19 November 2013

No	Announcement	Date released to ASX
36.	Notice of Initial Substantial Holder from GPT	19 November 2013
37.	Response to GPT off-market takeover offer	19 November 2013
38.	GPT: GPT announces Proposal to acquire Clth Pty Office Fund	19 November 2013
39.	GPT: GPT makes cash and scrip offer for CPA	19 November 2013
40.	October 2013 valuations confirmed	18 November 2013
41.	Change in substantial holding	18 November 2013
42.	Change in substantial holding from DXS	15 November 2013
43.	Change in substantial holding in CPA by DB Group	13 November 2013
44.	Change in substantial holding from DXS	12 November 2013
45.	Change in substantial holding from CBA	12 November 2013
46.	CBA: Confirms Proposal with DEXUS	11 November 2013
47.	DSX and CPPIB granted due diligence	11 November 2013
48.	DXS: Recommended proposal to acquire CPA	11 November 2013
49.	Trading Halt	8 November 2013
50.	October 2013 draft valuations	5 November 2013
51.	September 2013 quarterly update presentation	23 October 2013
52.	September 2013 quarterly update	23 October 2013
53.	Change in substantial holding	18 October 2013
54.	Technical filing – CPA investment from DXS	18 October 2013
55.	Ceasing to be a substantial holder – NAB	17 October 2013
56.	Change in substantial holding from DBA	16 October 2013
57.	Becoming a substantial holder from NAB	15 October 2013
58.	Response to DXS and CPPIB non-binding, indicative proposal	14 October 2013
59.	CBA: INDICATIVE, NON-BINDING PROPOSALS – CPA	11 October 2013
60.	DXS proposal to acquire – take no action	11 October 2013
61.	Becoming a substantial holder	11 October 2013
62.	DXS: Proposal to acquire CBA presentation	11 October 2013
63.	DXS: Proposal to acquire CPA	11 October 2013
64.	Ceasing to be a substantial holder from NAB	30 September 2013
65.	Becoming a substantial holder from NAB	26 September 2013
66.	Technical filing – CPA investment from DXS	11 September 2013
67.	Change in substantial holding in CPA by DB Group	9 September 2013
68.	CPA takes top honours in GRESB survey	6 September 2013
69.	Substantial Shareholder – Restatement from CBA	6 September 2013
70.	Technical filing – CPA investment	30 August 2013



No	Announcement	Date released to ASX
71.	Convertible notes Conversion Price adjustment	29 August 2013
72.	Distribution letter to unitholders	28 August 2013
73.	Change in substantial holding from DBA	28 August 2013
74.	Notice for the purpose of subdivision 12-H	22 August 2013
75.	DXS: Technical Filing – Commonwealth Property Office Fund	20 August 2013
76.	2013 Annual Report	20 August 2013
77.	2013 Annual Results Presentation	20 August 2013
78.	2013 Annual Results Announcement	20 August 2013
79.	Appendix 4E	20 August 2013



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## Corporate directory

### ASX trading code CPA

### Commonwealth Property Office Fund

ARSN 086 029 736

### Responsible Entity

Commonwealth Managed Investments Limited

ABN 33 084 098 180

AFSL 235384

### Registered office of the Responsible Entity

Ground Floor, Tower 1, 201 Sussex Street

Sydney NSW 2000 Australia

### Directors of the Responsible Entity of CPA

Mr Richard Haddock AM (Chairman)

Mr James Kropp

Ms Nancy Milne OAM

Mr Ross Griffiths

Mr Michael Venter

### Unit Registry

Link Market Services Limited

Level 12, 680 George Street

Sydney NSW 2000 Australia

Telephone (Freecall) 1800 500 710

Telephone (outside Australia) +61 1800 500 710

Facsimile +61 2 9287 0303

### CPA information line

If you have any questions in relation to the Bidder's Statement or the Target's Statement, please contact our information line:

Telephone (Freecall) 1800 500 710

Telephone (outside Australia) +61 1800 500 710

### Financial adviser

UBS AB, Australia Branch

Level 16, Chifley Tower

2 Chifley Square

Sydney NSW 2000 Australia

### Legal adviser

Ashurst Australia

Level 36, Grosvenor Place

225 George Street

Sydney NSW 2000 Australia



