

### 14 January 2014

#### Update on offer for CPA

The GPT Group (GPT) today announces it will not increase the consideration under its off-market takeover offer (Offer) for Commonwealth Property Office Fund (CPA). The Offer remains open for acceptances until 24 January 2014 but will not be extended beyond that date.

CEO and Managing Director Michael Cameron said the decision not to increase the consideration under the Offer or extend its closing date followed careful assessment of the competing proposal for CPA, and reflected a continued focus on GPT's strategic priorities.

On 28 October 2013, GPT unveiled its strategy update, which outlined the pathway for GPT's future. The key outcomes of this update included the elevation of Total Return as the primary measure across the business, significantly expanding its Funds Under Management (FUM) by \$10 billion and maintaining a frugal approach with the capacity that a fortress balance sheet provides.

Mr Cameron said the most important thing GPT can do is effectively allocate capital in order to generate the strongest possible Total Return over time for GPT securityholders.

"Achieving this objective requires GPT to make the correct decisions about sector allocations, when to buy and sell assets within the portfolio, and importantly not overpaying for assets," Mr Cameron said.

"It also means issuing or buying back equity when value can be created for securityholders, and not relying on increasing debt in a low interest rate environment to enhance short term earnings at the expense of long term Total Return."

On 6 January 2014, GPT announced that GPT Wholesale Office Fund (GWOFF) and GPT Wholesale Shopping Centre Fund (GWSCF) had entered into binding agreements with DEXUS and the Canada Pension Plan Investment Board (CPPIB) (together the Consortium), and CPPIB individually, in relation to the acquisition of five high quality office and retail assets. The acquisition of the assets is subject to a number of conditions, including the Consortium reaching compulsory acquisition under its off-market takeover offer for CPA.

Mr Cameron said these agreements could see GPT grow its FUM by approximately \$1.2 billion with the purchase of five high quality assets as well as diversifying the GWOFF and GWSCF portfolios.

"These acquisitions, if completed, would result in a 17 per cent increase in GPT's FUM since September 2013, providing good momentum in achieving GPT's FUM targets," Mr Cameron said.

"High quality office and retail assets at fair prices are limited in supply and we are very pleased to secure these properties off-market."

GPT also retains significant capacity on balance sheet to buy back GPT securities when the opportunity presents itself, and to pursue other well priced opportunities that arise in the future.

#### Existing CPA acceptances

As at 13 January 2014, GPT has received acceptances under the Offer totalling 11.72% of all CPA Units. In the event that the defeating conditions under the Offer (including GPT's minimum acceptance condition of 50.1%) are not fulfilled or waived by the closing date of the Offer, these acceptances will be void.

As at 14 January 2014, the obligations of certain institutional Unitholders of CPA under Pre-Bid Agreements entered into with GPT to accept the Offer are no longer enforceable by GPT.

**ENDS**

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