



Global Asset Management

Colonial First State Property Limited
ABN 20 085 313 926

Manager of Commonwealth Property Office Fund

Responsible Entity:
Commonwealth Managed Investments Limited
ABN 33 084 098 180
AFSL 235384

Registered Address:
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12 February 2014

COMMONWEALTH PROPERTY OFFICE FUND (CPA)

Conversion Price adjustment – Change of Control Event

Colonial First State Property Limited, Manager of Commonwealth Property Office Fund (CPA or the 'Fund'), today announced an adjustment to the Conversion Price for the A\$200 million 5.25% convertible notes due in 2016 (Notes) arising from the occurrence of a Change in Control Event¹ in relation to the DEXUS Offer.

As a result of the Change of Control Event on 11 February 2014, the Conversion Price for the Notes has changed from \$1.1182 to \$1.0154 for the duration of the Change of Control Event Period², which ends on 12 March 2014. A copy of the notice given to the holders of the Notes is attached.

As announced on 17 January 2014, Commonwealth Managed Investments Limited (CMIL), the Responsible Entity of CPA, is deemed under the Note terms to exercise the Cash Settlement Option in respect of any conversion notice that is received during the Change of Control Event Period, and will exercise the Cash Settlement Option for any conversion notice received thereafter.

ENDS

For further information please contact:

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Commonwealth Property Office Fund
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About Commonwealth Property Office Fund

CPA is an office sector-specific Australian Real Estate Investment Trust (A-REIT) which invests in prime quality office property located in central business districts and major suburban markets across Australia. The Fund is managed by entities within CFSGAM Property on behalf of more than 22,000 investors from 19 countries. At 31 December 2013, the Fund comprised 25 assets with a total asset value of \$3.8 billion.

¹ Change of Control Event, for the purposes of Note term 6(c)10 includes where:
(a) an offer is made to all CPA unitholders (or as nearly as may be practicable all CPA unitholders), other than the offeror and/or any associates of the offeror, to acquire the whole or any part of the issued CPA Units (Offer)
(b) the Offer has become or been declared unconditional in all respects, and
(c) the offeror has acquired at any time during the relevant offer period a relevant interest in more than 50% of the CPA units in issue.

² Change of Control Event Period, for the purposes of Note term 6(c)10 means the period commencing on the occurrence of the Change of Control Event and ending on and including the 20th business day following the Change of Control Event.

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS IMMEDIATELY.

**COMMONWEALTH MANAGED INVESTMENTS LIMITED
(ABN 33 084 098 180 AFSL 235 384)**

in its capacity as the Responsible Entity of

**COMMONWEALTH PROPERTY OFFICE FUND
(ARSN 086 029 736)**

NOTICE TO HOLDERS

of the

A\$200,000,000 5.25% CONVERTIBLE NOTES DUE 2016

We refer to the A\$200,000,000 5.25% Convertible Notes due 2016 (the **Notes**) issued by Commonwealth Managed Investments Limited (the **Issuer**) in its capacity as responsible entity of Commonwealth Property Office Fund constituted by the trust deed dated 11 December 2009 (the **Trust Deed**) between the Issuer and The Bank of New York Mellon (the **Trustee**) relating to the Notes.

Terms used but not defined in this Notice have the respective meanings given to them in the Trust Deed.

We refer to the Notice given by the Issuer dated 8 January 2014 in connection with the offer by DEXUS Funds Management Limited (ABN 24 060 920 783) in its capacity as trustee of DEXUS Office Trust Australia (a vehicle owned equally by DEXUS Property Group and Canada Pension Plan Investment Board) (**DEXUS**) to acquire CPA Units, issued by the Issuer, on terms and subject to conditions set forth in the Bidder's Statement dated 19 December 2013 and Supplementary Bidder's Statement dated 6 January 2014 attached to the Notice (the **Offer**).

NOTICE IS HEREBY GIVEN to the holders of the Notes (the **Noteholders**) that on 29 January 2014, DEXUS declared the Offer unconditional and on 11 February 2014 DEXUS acquired a relevant interest in more than 50% of the CPA Units in issue as a result of the Offer. This constitutes a Change of Control Event for the purposes of the Terms and Conditions of the Notes (the **Conditions**).

As a result of the Change of Control Event, Noteholders may exercise their Conversion Rights as provided in the Conditions or may exercise their right to require redemption of their Notes pursuant to Condition 8(d).

Conversion

Pursuant to Condition 6(c)(10), we hereby notify Noteholders that:

- (i) the Conversion Price in effect immediately prior to the Change of Control Event described herein was A\$1.1182 per CPA Unit;
- (ii) the Change of Control Conversion Price applicable pursuant to Condition 6(c)(10) during the Change of Control Event Period shall be A\$1.0154 per CPA Unit;
- (iii) the closing price of the CPA Units as derived from the ASX as at 11 February 2014 (being the latest practicable date prior to the publication of this Notice) was A\$1.235; and

(iv) the last day of the Change of Control Event Period will be 12 March 2014.

Noteholders should be aware that the Change of Control Conversion Price specified in (ii) above only applies to valid Conversion Notices received during the Change of Control Event Period. Consequently, any Conversion Notice received after 12 March 2014 will be processed in accordance with the higher Conversion Price in effect prior to the occurrence of the Change of Control Event specified in (i) above.

If a Noteholder elects to exercise its Conversion Rights within the Change of Control Event Period described herein, the Issuer shall be deemed to have exercised its option (the **Cash Settlement Option**) to pay to the relevant Noteholder an amount of cash in Australian dollars equal to the Cash Settlement Amount in order to satisfy such Conversion Right in respect of the entire amount of CPA Units which would otherwise be issued on conversion of the Notes the subject of such Conversion Notice. As announced on 17 January 2014, the Issuer intends to exercise the Cash Settlement Option in respect of any Conversion Notice received after the Change of Control Event Period to satisfy, in full, its obligations to convert such Notes into CPA units.

Pursuant to Condition 6(b) of the Notes, to exercise the above conversion right, the holder of the relevant Note must deposit at the specified office of any Agent a duly completed and signed notice of conversion, in the form for the time being current, obtainable from the specified office of any Agent (a **Conversion Notice**), together with the Certificate evidencing the Notes to be converted. The Issuer will pay the Cash Settlement Amount in respect of the Notes the subject of the Conversion Notice as aforesaid no later than the thirteenth Stock Exchange Business Day following receipt of a valid Conversion Notice.

A Conversion Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent.

Redemption

A Change of Control Event is a Relevant Event conferring upon Noteholders the right to require the Issuer to redeem the Notes at their Early Redemption Amount (100% of the principal amount of the Notes) together with accrued but unpaid interest. The final date on which Noteholders may exercise their right to require redemption of their Notes pursuant to Condition 8(d) will be 14 April 2014 and the Relevant Event Redemption Date will be 28 April 2014.

Pursuant to Condition 8(d) of the Notes, to exercise the above redemption right, the holder of the relevant Note must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a **Relevant Event Redemption Notice**), together with the Certificate evidencing the Notes to be redeemed within the period specified above. The Issuer shall redeem the Notes the subject of the Relevant Event Redemption Notice as aforesaid on the fourteenth day after expiry of the 60 day period referred to above.

A Relevant Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent.

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, the option referred to above may be exercised by the holder of the Global Certificate giving notice to the Principal Paying, Transfer and Conversion Agent of the principal amount of Notes in respect of which the option is exercised and presenting the Global Certificate for endorsement of exercise within the period specified above.

Further details concerning the Offer may be obtained from the Issuer at the following location:

Commonwealth Managed Investments Limited

c/o Kah Wong
Executive Manager, Capital Strategy & Risk Management
Colonial First State Global Asset Management
Darling Park Tower 1
Level 4, 201 Sussex Street
Sydney NSW 2000

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This Notice is given by:

COMMONWEALTH MANAGED INVESTMENTS LIMITED
in its capacity as responsible entity of Commonwealth Property Office Fund

Dated: 12 February 2014