

ASX Release

16 May 2014

APW Court Proceedings

The Directors advise that the High Court has found against P-REIT (PXT or the Trust) in the proceedings instituted by Aims Property Securities Fund (APW). APW's claim related to contracts entered into in late 2007, that is, before BlackWall's funds management business took control of the Trust.

The court has awarded damages in APW's favour of \$10.8 million plus interest and costs. Interest is expected to be in the order of \$4.6 million with costs of between \$1 million to \$1.75 million. To meet the judgment amount the Trust proposes to undertake the following transactions:

1. A non-renounceable entitlement offer to subscribe for one new PXT unit for every unit held, at a price of 3 cents per unit to raise approximately \$6.2 million. The offer will allow over subscriptions of up to 25%, which, if fully subscribed, will raise an additional \$1.56 million. The offer will be fully underwritten by BlackWall Property Funds.
2. The Trust will approach its bankers to raise additional bank debt.
3. The Trust will undertake an asset sale program. Specifically the Trust will offer for sale the following securities:
 - a. 1.7 million units in the PFA Diversified Property Trust;
 - b. 1 million units in the MAB Diversified Property Trust; and
 - c. 10 million Bakehouse Bonds.

The judgment has the effect of reducing PXT's NTA by 8.3 cents resulting in a cum entitlement NTA of approximately 26 cents per unit.

Obviously the Directors are disappointed by this outcome, however, with the successful completion of the transactions outlined above the Trust will have overcome the last of the legacy issues inherited by BlackWall.

More details on the proposed transactions will be released shortly.

Yours faithfully

Stuart Brown
Chief Executive Officer