

# Commonwealth Managed Investments Limited

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ABN 33 084 098 180



## Commonwealth Property Office Fund (CPA)

17 January 2014

### **Update on Convertible Notes and payment of performance fee**

Commonwealth Managed Investments Limited (CMIL), as Responsible Entity of Commonwealth Property Office Fund (CPA), today provides an update on the \$200 million of 5.25% Convertible Notes due 2016 (Notes) issued on 11 December 2009.

The Notes trade on the Singapore Stock Exchange (SGX) and the conversion right attached to the Notes has been exercisable since 21 January 2010.

The Note terms provide that, notwithstanding the conversion right being exercised by a holder of Notes, CMIL, as the Issuer of the Notes, has the option to pay an amount of cash in Australian dollars equal to the Cash Settlement Amount (determined in accordance with the Note terms) in order to satisfy the conversion right (Cash Settlement Option).

In order to exercise the Cash Settlement Option, CMIL is required to provide notice of exercise of that option to the relevant holder as soon as practicable, but no later than the next stock exchange business day following the date when a conversion notice is delivered in accordance with the Note terms.

The provision by CMIL of a notice of exercise of the Cash Settlement Option is not required under the Note terms where a Change of Control Event<sup>1</sup> has occurred and a Noteholder serves a valid conversion notice within the Change of Control Event Period<sup>2</sup>, but after the consummation of the relevant Change of Control Event. In this event CMIL is deemed, by Note term 6(c)10, to exercise the Cash Settlement Option in respect of the entire amount of CPA units which would otherwise be issued on conversion of the Notes the subject of the conversion notice.

On 8 January 2014, CMIL lodged with SGX a Notice to Holders of Notes (SGX Notice) confirming (among other things) that DEXUS (as defined in the SGX Notice) had made an offer to acquire CPA Units (DEXUS Offer).

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<sup>1</sup> 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.

<sup>2</sup> 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.

The offer period for the Dexus Offer will close on 7 February 2014, subject to extension by DEXUS in accordance with the provisions of the Australian Corporations Act.

CMIL gives notice that, should a conversion notice be duly lodged in respect of any Notes during the offer period for the DEXUS Offer, CMIL will (unless it is already deemed to have done so under Note term 6(c)10) exercise the Cash Settlement Option in respect thereof in order to satisfy, in full, its obligations to convert such Notes into CPA units.

### **Performance fee update**

On 16 January 2014, CMIL announced that the performance fee for the performance fee period ending 31 December 2013 would be satisfied by the issue of CPA units which is not correct.

It is expected that the performance fee will be paid in cash by 28 February 2014 (given that any issue of CPA units requires the approval of CPA unitholders in accordance with the Listing Rules and the issue of CPA units in these circumstances could breach conditions of the current takeover offers).

ENDS



Michelle Brady  
Company Secretary  
Commonwealth Managed Investments Limited