



**VALAD** Property Group

Cash acquisition by Blackstone  
affiliated entities

29 April 2011

**VALAD**

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## **Valad Property Group**

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# Agenda

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1. Transaction overview
2. Transaction price metrics
3. VPG Board's considerations
4. Transaction conditions
5. Transaction indicative timetable

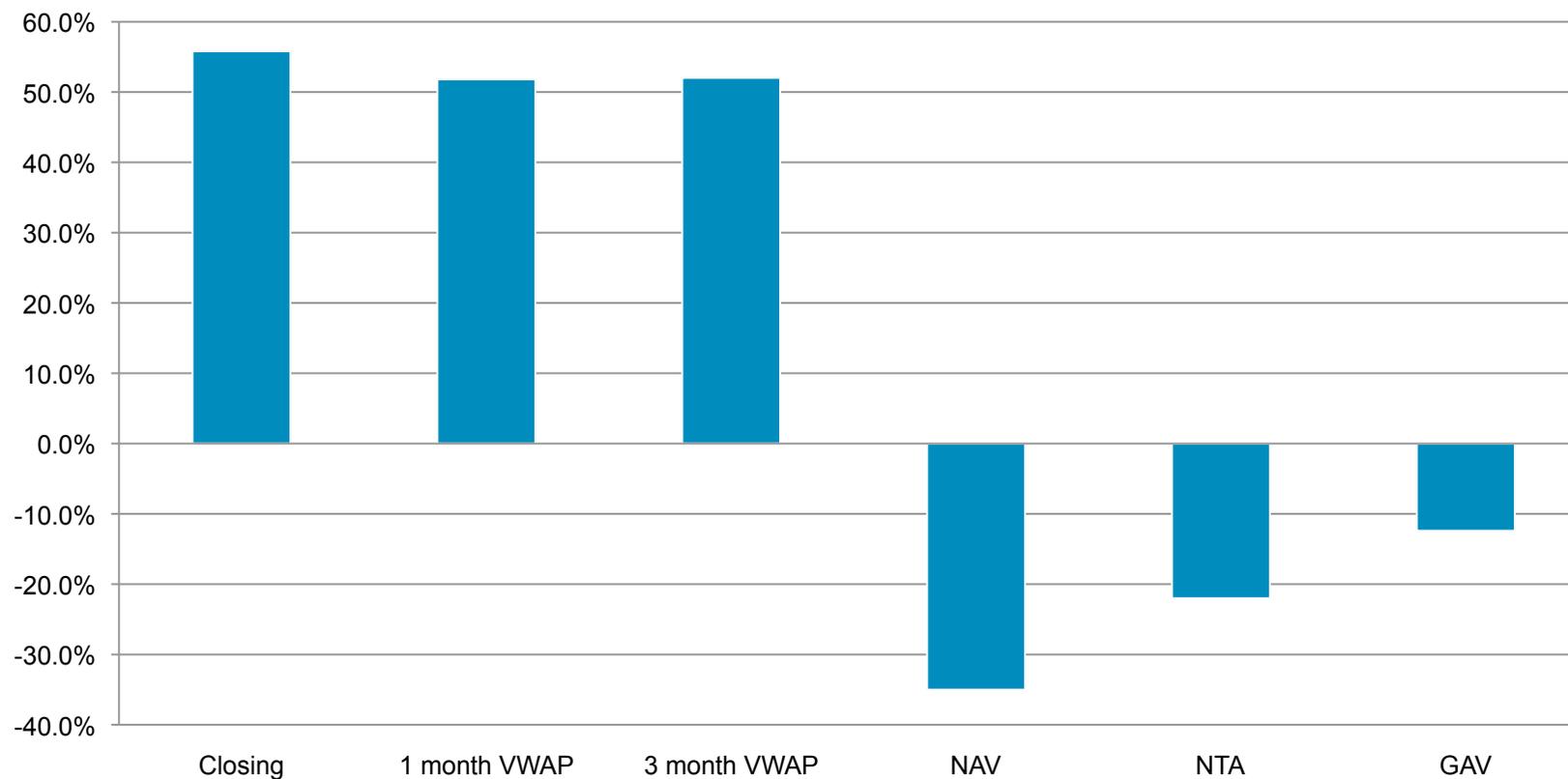
# Transaction overview

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- Valad Property Group ('VPG') has entered into a Scheme Implementation Deed with affiliates of Blackstone Real Estate Partners VI-VD L.P. ('Blackstone') pursuant to which Blackstone proposes to acquire 100% of the stapled securities in VPG
- Under the terms of this deed, Blackstone is to provide cash consideration of A\$1.80 per VPG stapled security (the 'Transaction')
- The Transaction is proposed to be implemented via a court approved Scheme of Arrangement and a Trust Scheme (together the 'Schemes'), requiring VPG securityholders' approval
- The VPG Directors unanimously recommend the Offer, in the absence of a superior proposal and subject to an Independent Expert opinion that the Schemes are in the best interests of VPG securityholders
- The VPG securityholders meeting to consider the Schemes is expected to be held in early July 2011

# Transaction price metrics

- The Transaction price of A\$1.80 cash per VPG stapled security provides a substantial premium to VPG's recent trading price but is a discount to VPG's net assets as at 31 December 2010



1. Data based on 31 December 2010 Balance Sheet

# VPG Board's considerations

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- The VPG Board has considered a range of alternatives aimed at maximising value for VPG securityholders, including:
  - Maintaining the status quo
  - Recapitalisation of VPG
  - Asset and business sales
  - Transaction to acquire 100% of the issued capital of VPG
- The VPG Board unanimously recommends the Schemes, in the absence of a superior proposal and subject to an Independent Expert's opinion that the Schemes are in the best interests of VPG securityholders
- The key considerations relevant to the Transaction are:
  - It provides a substantial premium to the pre-announcement trading price of VPG stapled securities
  - It achieves certainty of value for VPG securityholders through cash consideration

# Transaction conditions

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- The Transaction is proposed to be implemented by a company and trust scheme of arrangement subject to securityholder approval
- The Transaction will be governed by a Scheme Implementation Deed (“SID”) (copy appended to ASX announcement)
- Material conditions precedent of the SID include:
  - Securityholder approval at Scheme Meeting
  - Court approval
  - FIRB and other regulatory approvals (as required)
  - No Prescribed Occurrences
  - No Material Adverse Change
- The SID also contains a number of provisions in relation to non-solicitation of competing proposals, break fees and liability for breaches of the SID
  - A break fee of A\$2.1 million, equivalent to 1% of Transaction equity value, payable by VPG or Blackstone in the event of certain breaches of the SID or the failure to perform obligations under the SID
  - Any liability which Blackstone may have in connection with the Transaction would be capped at this amount
  - VPG is subject to customary exclusivity arrangements

# Transaction indicative timetable

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Event	Date
Announcement of Transaction	29 April
Scheme Booklet received by VPG securityholders	June
VPG securityholders' meeting to vote on the Schemes	early July
Implementation date	late July

Note: Indicative timetable subject to change