



VALAD Property Group

Cash acquisition by Blackstone
affiliated entities

29 April 2011

VALAD

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Agenda

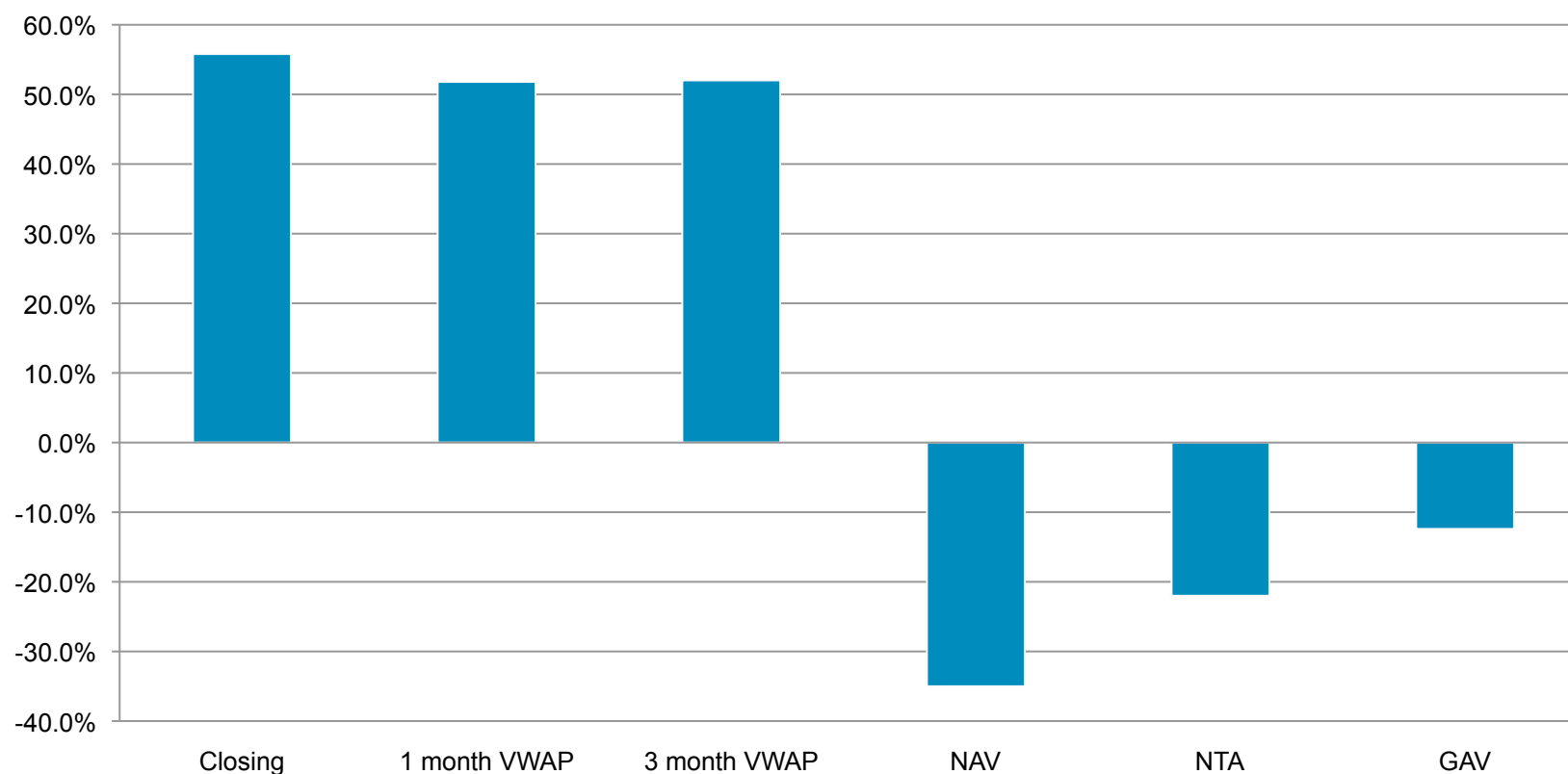
1. Transaction overview
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Transaction overview

- 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

- 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

- 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

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