

19 April 2012

The Manager  
Companies Announcement Office  
ASX Limited  
Level 10, 20 Bridge Street  
SYDNEY NSW 2000

**BY FACSIMILE: 0800 449 707****TOTAL PAGES: 2****BROOKFIELD TO MAKE TAKEOVER OFFER FOR THAKRAL HOLDINGS GROUP AT \$0.70 PER SECURITY****The Offer**

Brookfield Asset Management Inc. ("Brookfield") proposes, through its affiliate BidCo 1 Pty Ltd ("Bidder"), to make a conditional off-market, all cash takeover offer for all of the issued stapled securities in Thakral Holdings Group ("Thakral") at \$0.70 per fully paid stapled security, reduced by the amount of any dividend or distribution paid or declared by Thakral after today's announcement ("Offer").

The Offer will extend to all fully paid and partly paid stapled securities in Thakral ("Thakral Securities"). The consideration under the Offer for each partly paid Thakral Security will be \$0.70 in cash, less any amount unpaid on the relevant partly paid security, reduced by the amount of any dividend or distribution paid or declared by Thakral after the date of this announcement.

The Offer price represents a premium of:

- 30.8% to Thakral's most recent closing price on the ASX<sup>1</sup>;
- 32.4% to Thakral's 1-month volume weighted average trading price on the ASX<sup>1</sup> and;
- 26.5% to Thakral's 1-year volume weighted average trading price on the ASX<sup>1</sup>.

The Offer will be subject to the fulfilment of a number of conditions, which are set out in the annexure to today's announcement.

**Further Negotiations**

The Offer is being made without the benefit of detailed due diligence or negotiations with the Independent Directors of Thakral regarding the terms on which the Independent Directors would recommend the Offer to securityholders. Brookfield is willing to engage with the Independent Directors in this respect and is prepared to undertake due diligence on appropriate confidentiality terms. A copy of the letter sent by Brookfield to the Independent Chairman of Thakral is attached to this announcement.

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<sup>1</sup> As at 18 April 2012

# Brookfield

## Advisors

Brookfield has engaged Brookfield Financial as its financial advisor and Clayton Utz as its legal advisor for the proposed transaction.

## Next Steps

Detailed information in relation to the Offer will be set out in the bidder's statement to be lodged with the Australian Securities and Investments Commission and provided to Thakral and the Australian Securities Exchange. Brookfield expects to mail the bidder's statement to Thakral's securityholders approximately two weeks after it is provided to Thakral.

Ends

## Enquiries

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## About Brookfield Asset Management

Brookfield Asset Management Inc. is a global alternative asset manager with approximately \$150 billion in assets under management. We have over a 100-year history of owning and operating assets with a focus on property, renewable power, infrastructure and private equity. We have a range of public and private investment products and services, which leverage our expertise and experience and provide us with a distinct competitive advantage in the markets where we operate. Brookfield is co-listed on the New York and Toronto Stock Exchanges under the symbol BAM and on NYSE Euronext under the symbol BAMA. For more information, please visit our web site at [www.brookfield.com](http://www.brookfield.com)

## Annexure

### 1. Proposed Offer conditions

#### a. *Minimum Acceptance*

At or before the end of the Offer Period, Bidder has a relevant interest (as defined in the Corporations Act 2001 (Cth) (**Corporations Act**)) in Thakral Securities as a result of acceptances under the Offer which have attached to them votes representing at least 50.01% of the total number of votes attaching to all Thakral Securities on issue.

#### b. *FIRB Approval*

Before the end of the Offer Period:

- i. the Treasurer of the Commonwealth of Australia (**Treasurer**) ceases to be empowered to make an order under the Foreign Acquisitions and Takeovers Act 1975 (Cth) in relation to the proposed acquisition by Bidder of up to all of the Thakral Securities under the Offer or any other means permitted by the Corporations Act; or
- ii. Bidder receives written advice of a decision by or on behalf of the Treasurer stating unconditionally that there is no objection to the proposed acquisition by Bidder of up to all of the Thakral Securities under the Offer or any other means permitted by the Corporations Act.

#### c. *Due diligence information*

Before the end of the Offer Period, Thakral (or any other member of the Thakral Group or their respective officers, employees or agents) does not provide any information relating to any member of the Thakral Group which is not "generally available" (as defined in the Corporations Act) to a Third Party for the purposes of enabling that party to make a Competing Proposal (**Due Diligence Information**) without also promptly (in any event within 2 Business Days) providing that Due Diligence Information to Bidder and announcing to ASX any Inside Information which forms part of the Due Diligence Information.

#### d. *No material adverse change*

Between the Announcement Date and the end of the Offer Period, no matter, event, change, condition, circumstance, information or thing (**Change(s)**) occurs, is announced, becomes likely to occur or becomes known to Bidder that would result in and/or would reasonably be likely to result in:

- i. the value of the consolidated net assets of Thakral being reduced by at least \$10 million against what they would have reasonably have been expected to have been but for the Change(s); or
- ii. a material adverse effect on the business, assets, liabilities, financial position or performance, profitability or prospects of Thakral.

#### e. *S&P/ASX 200*

During the period between the Announcement Date and the end of the Offer Period, the S&P/ASX 200 Index is not at any time 15% or more below its level as at the close of trading on the last trading day on ASX before the Announcement Date.

*f. Change of control consent*

Before the end of the Offer Period, every person who, as a result of the making of the Offer, the acquisition of Thakral Securities by Bidder, the change in control or delisting of Thakral if the Offer is successful, is or will be entitled, or states an intention to exercise or asserts any right, under any provision of any contract or understanding to which Thakral or a Subsidiary of Thakral is a party or is bound, to (in all cases whether absolutely or contingently):

- i. terminate, vary the terms of or accelerate the performance of obligations under a Material Contract;
  - ii. acquire or require the disposal of any interest in or alter the terms of investment in any one or more companies, businesses, trusts, assets or shares held by Thakral with a value of more than A\$10 million in aggregate; or
  - iii. without limiting (i), require the repayment, immediately or earlier than the repayment date would otherwise have been, of any monies borrowed or raised by, or any other monetary obligations of Thakral or any Subsidiary,
- provides to Thakral or the relevant Subsidiary (as applicable) and to Bidder in writing a binding, irrevocable and unconditional waiver or release of that right.

*g. Thakral statement regarding change of control consents*

The target's statement issued by Thakral in respect of the Offer as required by the Corporations Act contains a statement which either:

- i. if there is any such contract or understanding referred to in paragraph (f) above, sets out the details of that contract or understanding, the relevant rights or clauses and the impact of such rights or clauses on Thakral's annual earnings before interest, tax depreciation and amortisation and Thakral's consolidated assets and liabilities; or
- ii. if there is no such contract or understanding, confirms that fact.

*h. Other regulatory approvals*

Before the end of the Offer Period, all applicable regulatory waiting periods (including any extensions) have expired or otherwise been terminated in respect of the Offer or any matter arising from the proposed acquisition by Bidder of Thakral Securities under the Offer and Bidder (or a BAM Affiliate) has obtained on an unconditional basis all approvals, licences, authorisations, authorities, consents, permissions, clearances, grants, confirmations, orders, exemptions, waivers or rulings (together, **Approvals**) required by law or by any Authority as are necessary:

- i. to permit the Offer to be lawfully made to and accepted by holders of Thakral Securities;
  - ii. as a result of the Offer, as a result of the acquisition of Thakral Securities by Bidder under the Offer or to permit completion of the Offer;
  - iii. for the continued operation of Thakral's business and ownership of Thakral's assets on substantially the same terms as at the Announcement Date;
  - iv. to ensure there is no right or power to require the divestiture by Bidder or any BAM Affiliate of any Thakral Securities or material assets, or the divestiture of any material assets of Thakral or any Subsidiary of Thakral,
- and all such Approvals remain in full force and effect as at the end of the Offer Period.

*i. No regulatory action*

Before the end of the Offer Period:

- i. there is not in effect any preliminary or final decision, order or decree issued by an Authority; and

- ii. no application is made to any Authority (other than by Bidder or any BAM Affiliate), or action or investigation is announced, threatened or commenced by an Authority in consequence of or in connection with the Offer,

which:

- iii. other than an application to or a determination by ASIC or the Takeovers Panel in the exercise of the powers and discretions conferred by the Corporations Act, restrains, impedes or prohibits (or if granted could restrain, impede or prohibit), or otherwise materially adversely impacts upon, the making of the Offer, the acquisition of Thakral Securities under the Offer or any transaction contemplated by the Bidder's Statement (including the implementation of the Bidder's intentions expressed in the Bidder's Statement), the Offer or the rights of the Bidder in respect of Thakral or Thakral Securities, or requires the divestiture by the Bidder or any BAM Affiliate of any interest in Thakral Securities or material assets, or the divestiture of any material assets of Thakral's or any subsidiary of Thakral; or
- iv. amends, prejudices or otherwise affects any existing rights (as at the Announcement Date) of, or imposes any obligation on, any BAM Affiliate in respect of Thakral Securities or any debt instruments, mortgages or charges relating to any security granted over Thakral Securities.

*j. Conduct of Thakral's Business*

Other than as specifically disclosed by Thakral to ASX prior to the Announcement Date or approved by Bidder by written notice to Thakral, no member of the Thakral Group:

- i. increases the remuneration of, pays any bonus or termination or retention payments (other than in accordance with existing contractual entitlements as at the Announcement Date) to, or otherwise enters into new or varies the employment arrangements with any of the Thakral directors or any employees of the Thakral Group, whose total employment cost exceeds or could exceed A\$250,000;
- ii. acquires or takes a lease over any interest (including an economic interest) in one or more companies, trusts, businesses, assets, properties, securities or shares, whether in one transaction or a number of such transactions, for an amount in aggregate greater than A\$10 million;
- iii. disposes of or leases to another party any interest (including an economic interest) in one or more companies, trusts, businesses, assets, properties, securities or shares, whether in one transaction or a number of such transactions, for an amount, or in respect of which the book value (as recorded in Thakral's statement of financial position as at 31 December 2011) is, in aggregate, more than A\$10 million;
- iv. enters into, or materially amends, any agreement, joint venture, asset or profit share, partnership or commitment which would require capital expenditure or liability, or the foregoing of revenue, by the Thakral Group (or bring forward the time of that requirement) of an amount, or one or more related amounts which are in aggregate, more than A\$10 million;
- v. incurs or increases any financial indebtedness (excluding any drawing or redrawing on existing facilities) or issues any indebtedness or debt securities for an amount of more than A\$10 million in aggregate (other than to refinance the Thakral Group's existing syndicated corporate finance facility which was disclosed to the ASX on 28 February 2012 as maturing in September 2012);
- vi. enters into, amends, terminates or waives or otherwise foregoes rights under any Material Contract;
- vii. makes any changes to its constitution or other constituent documents or convenes a meeting to consider a resolution to make such a change;
- viii. passes any resolution of its members;
- ix. if it is a trust or registered managed investment scheme:

1. has the trust terminated;
  2. effects or facilitates the resettlement of the property of the trust
  3. has a trustee or responsible entity which ceases to be the trustee or responsible entity of that trust or registered managed investment scheme;
  4. has a resolution passed by its unitholders or members to remove or replace its trustee or responsible entity; or
  5. has a meeting convened to consider a resolution for the removal, retirement or replacement of its trustee or responsible entity;
  6. has any application made in any court for the appointment of a temporary responsible entity in accordance with the Corporations Act;
- x. has any claim or claims made or threatened against it, or litigation, arbitration proceedings, prosecution or other legal proceedings commenced against it, involving more than A\$10 million in aggregate;
  - xi. waives or compromises any claim or right otherwise than in the ordinary course of business;
  - xii. creates, or agrees to create, any mortgage, charge, lien or other encumbrance over any of its assets, other than liens in the ordinary and usual course of business;
  - xiii. is deregistered as a company, registered managed investment scheme or otherwise dissolved;
  - xiv. enters into any corporate transaction which would or would be likely to involve a material change in the manner in which it or the Thakral Group conducts its business or the nature (including balance sheet classification), extent or value of its, or the Thakral Group's, assets or liabilities; or
  - xv. resolves, agrees, offers, commits or announces an intention to do any of the things referred to in paragraphs (i) to (xiv) above.

*k. Restriction on Distributions*

Between the Announcement Date and the end of the Offer Period, Thakral does not announce, make, declare or pay any dividend or other form of distribution of profits or capital (whether in cash or in specie), other than a cash dividend or distribution not exceeding 10 cents per fully paid Thakral Security (and a corresponding amount per partly paid Thakral Security which reflects the amount paid up on those securities).

*l. No prescribed occurrences*

Between the Announcement Date and the end of the Offer Period, no Prescribed Occurrence occurs.

## **2. Definitions**

Unless the context requires otherwise, capitalised terms used in this Annexure have the meaning set out below.

**Announcement Date** means 19 April 2012.

**ACCC** means the Australian Competition and Consumer Commission.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited or the Australian Securities Exchange operated by ASX Limited (as the context requires).

**ATO** means the Australian Taxation Office.

**Authority** means:

- a. ASX, ACCC, ASIC, the Takeovers Panel and the ATO;
- b. a government or governmental, semi-governmental or judicial entity, whether foreign, federal, state, territorial or local;
- c. a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; or
- d. any regulatory organisation established under statute.

**BAM Affiliates** means Brookfield and any person which is directly or indirectly controlled by Brookfield and for the purposes of this definition only "control" of a person means (i) the right to elect or appoint a majority of the directors (or persons or entities performing a similar function) of such person, (ii) the ability to otherwise exercise a majority of the voting rights in respect of that person, or (iii) the ability to otherwise control the management of such person whether by virtue of the terms of its constitutional documents, contractual rights, or otherwise; and "controlled" and "controlling" have a corresponding meaning and the definition of BAM Affiliate will include a partnership or other fund or account which is exclusively managed by BAM, Brookfield Office Properties Inc or any of their Subsidiaries.

**Bidder** means BidCo 1 Pty Limited.

**Bidder's Statement** means the bidder's statement (as well as any supplementary bidder's statement) issued by Bidder in connection with the Offer as required by the Corporations Act.

**Brookfield** means Brookfield Asset Management Inc..

**Business Day** means any day which is a Business Day within the meaning given by the official listing rules of the Australian Securities Exchange operated by ASX Limited.

**Competing Proposal** means a transaction or arrangement which is proposed by a Third Party pursuant to which a Third Party will, if the proposed transaction or arrangement is entered into or completed substantially in accordance with its terms:

- a. acquire a Relevant Interest in any Thakral Securities, as a result of which the Third Party will have a Relevant Interest in 20% or more of the Thakral Securities or voting power of more than 20% in any member of the Thakral Group;
- b. otherwise acquire control of Thakral or the Thakral Group or any member of the Thakral Group within the meaning of section 50AA of the Corporations Act; or
- c. directly or indirectly acquire, merge with, or acquire (or have the right to so merge with or acquire) a significant economic interest in Thakral or all or a significant part of the assets or business of the Thakral Group, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding company for the Thakral Group or other synthetic merger or any other transaction or arrangement,

where, for the avoidance of doubt, assets of the Thakral Group which have a book value (as recorded in Thakral's statement of financial position as at 31 December 2011) of more than A\$10 million in aggregate will be taken to be a "significant part" of the assets of the Thakral Group for the purposes of this definition.

**Inside Information** has the meaning given in section 1042A of the Corporations Act as that meaning applies to Thakral Securities.

**Material Contract** means any agreement, contract or other arrangement or instrument to which any member of the Thakral Group is a party, or by or to which any member of the Thakral Group or any of its respective assets may be bound or subject to, and which:

- a. imposes obligations or liabilities on any party of at least A\$5 million per annum or A\$10 million over the life of the agreement, contract or other arrangement;
- b. relates to, concerns, or is connected with, the management of Thakral or any other member of the Thakral Group (including Thakral Holdings Trust); or
- c. is otherwise material in the context of the businesses, assets or properties of the Thakral Group (which for the avoidance of doubt is taken to include any agreement, contract or other arrangement under which any member of the Thakral Group borrows or raises funds from any source or otherwise incurs financial indebtedness from a financial institution).

**Offer** has the meaning set out in the announcement.

**Offer Period** means the offer period under the Offer.

**Prescribed Occurrence** means any of the following events:

- a. Thakral converts all or any of the Thakral Securities into a larger or smaller number of Thakral Securities;
- b. Thakral or a Subsidiary of Thakral resolves to reduce its capital in any way or reclassifies, combines, splits, redeems or repurchases directly or indirectly any securities;
- c. Thakral or a Subsidiary of Thakral:
  - i. enters into a buy-back agreement; or
  - ii. resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;
- d. Thakral or a Subsidiary of Thakral issues Thakral Securities or other securities, or grants an option over Thakral Securities or other securities, or agrees to make such an issue or grant such an option;
- e. Thakral or a Subsidiary of Thakral issues, or agrees to issue, convertible notes or convertible units;
- f. Thakral or a Subsidiary of Thakral disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- g. Thakral or a Subsidiary of Thakral charges, or agrees to charge the whole, or a substantial part, of its business or property;
- h. Thakral or a Subsidiary of Thakral resolves to be wound up;
- i. a liquidator or provisional liquidator of Thakral or of a Subsidiary of Thakral is appointed;
- j. a court makes an order for the winding up of Thakral or of a Subsidiary of Thakral;
- k. an administrator of Thakral or of a Subsidiary of Thakral is appointed under section 436A, 436B or 436C of the Corporations Act;
- l. Thakral or a Subsidiary of Thakral executes a deed of company arrangement; or
- m. a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Thakral or of a Subsidiary of Thakral.

**Subsidiary** has the meaning given to that term in the Corporations Act, provided that:

- a. an entity will also be deemed to be a Subsidiary of a body corporate if it is controlled (within the meaning of that term provided by Pt 1.2, Div 6 of the Corporations Act) by that body corporate; and
- b. a trust may be a Subsidiary (for the purposes of which a unit or other beneficial interest will be deemed to be a share in the capital of a body corporate) and a body corporate or a trust may be a Subsidiary of a trust.

**Thakral** means Thakral Holdings Group being Thakral Holdings Limited ACN 054 345 315 and Thakral Holdings Trust ARSN 092 850 827.

**Thakral Group** means Thakral and each of its Subsidiaries.

**Thakral Security** means a share in Thakral Holdings Limited (whether fully paid or partly paid) and a unit in Thakral Holdings Trust (whether fully paid or partly paid), stapled together such that they may only be transferred together.

**Third Party** means any of the following:

- a. a person other than Bidder, any BAM Affiliate or their respective associates; or
- b. a consortium, partnership, limited partnership, syndicate or other group in which neither Bidder, any BAM Affiliate nor any of their respective associates participate.

### **3. Interpretation**

For the purposes of this Annexure, a reference to Thakral or a member of the Thakral Group acting or agreeing to act in a particular way is taken to include a reference, in relation to Thakral Holding Trust, to either Sovereign Funds Management Ltd (ACN 053 919 065), in its capacity as responsible entity of the Thakral Holding Trust, or (if applicable) the holders of units in the Thakral Holding Trust, acting or agreeing to act in that way.

19 April 2012

Mr. A.E. Harris  
Joint Chairman, Non-Executive Director  
Thakral Holdings Group  
Suite 3, Level 4  
100 William Street  
Sydney NSW 2000

Dear Ted

Please find attached an announcement released to the ASX today concerning Brookfield's intention to make a conditional, off-market, all cash take-over offer ("Offer") for all of the outstanding stapled securities of Thakral Holdings Group ("Thakral Securities").

#### **Background to the Offer**

As you are aware, in December 2011 Brookfield's indirect wholly owned subsidiary Brookfield International Finance Australia Pty Ltd (formerly known as Trilon Australia Financier Pty Ltd) ("BIFA") acquired debentures secured by 38.6% of the Thakral Securities ("Debentures") following an extensive sale process managed by the seller's financial advisor, Goldman Sachs.

Since acquiring the Debentures, Brookfield has been in active discussions with the issuer of the Debentures ("Issuer") about how best to achieve repayment of the Debentures or otherwise realize appropriate value for the underlying secured assets. In this regard, we retained Brookfield Financial as our financial advisor and Clayton Utz as our legal counsel.

This review has led Brookfield to the conclusion that an offer to all securityholders of Thakral (including the Issuer) to acquire their Thakral Securities would be the most appropriate means of realising value for the Thakral Securities in the circumstances. Under such an offer, all securityholders of Thakral will benefit from a cash offer at a significant premium to current trading price for their Thakral Securities.



## The Offer

As stated in our announcement today, Brookfield is proposing to make an all-cash, off market Offer for all of the outstanding Thakral Securities at a price of \$0.70 per Thakral Security, representing a premium of:

- 30.8% to Thakral Holdings Group's ("Thakral") most recent closing price on the ASX<sup>1</sup>;
- 32.4% to Thakral's 1-month volume weighted average trading price on the ASX<sup>1</sup> and;
- 26.5% to Thakral's 1-year volume weighted average trading price on the ASX<sup>1</sup>.

We believe this Offer represents a compelling opportunity for the Group's securityholders to realize immediate liquidity and certainty of value for their investment at a substantial premium to the current and recent trading price.

## Further Discussions

While we have completed a substantial amount of analysis based on the Thakral's public disclosure, we have not had the benefit of due diligence based on non-public information. While our Offer is not conditional on such due diligence taking place, we would be open to engaging in discussions with you regarding the terms on which the Independent Directors would be prepared to provide such information. We believe these discussions could be advantageous to your securityholders and are prepared to dedicate the necessary resources to review any additional information that you feel may assist us in this regard.

## Next steps and timing

We are confident that the Offer is in the best interests of all Thakral securityholders and can be concluded in a timely manner. We hope, after reviewing the terms in detail, that the Independent Directors will be supportive of our Offer to securityholders.

Yours very truly



Brian Kingston  
Brookfield Asset Management

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<sup>1</sup> As at 18 April 2012

