

ASX announcement

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1 Homebush Bay Drive
Building C, Level 3
Rhodes NSW 2138

02 9767 2000

PO Box 3307
Rhodes NSW 2138

australand.com.au

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Australand Rejects Unsolicited Approach from The GPT Group

Australand refers to its announcement on Monday, 10 December 2012 in relation to its receipt of an unsolicited, indicative, non-binding proposal ("the Proposal") from The GPT Group to acquire Australand's Investment Property Portfolio and its Commercial and Industrial business ("the Assets"). The Proposal involved Australand Holdings Limited retaining the residential business and remaining a listed entity.

The Proposal was incomplete, highly conditional and was subject to a number of factors including undertaking due diligence, exclusivity and market break fees to apply in the event the transaction did not proceed with GPT.

The Proposal involved The GPT Group acquiring the Assets at a premium of \$140 million to the 30 June 2012 book value¹.

The Board of Australand, together with its advisers, has carefully considered the Proposal and has determined that the Proposal does not provide a compelling value proposition and is not in the best interests of Australand's securityholders.

The Board has formed the view that the Proposal does not provide a sufficient premium nor compensate Australand securityholders for the transaction costs that would be incurred by Australand, structural inefficiencies and risks involved with implementing the Proposal including the uncertainty as to the trading value of the residual residential business as a stand alone listed company.

Whilst the Board remains committed to maximising securityholder value, it does not intend to engage with The GPT Group in relation to the Proposal.

Issued by

Bev Booker
Group Company Secretary
T +61 2 9767 2000
E booker@australand.com.au

Investor enquiries

Kieran Pryke
Chief Financial Officer
T + 61 2 9767 2000
E kpryke@australand.com.au

Media enquiries

Trudy Wise
Wise McBaron Communication
T + 61 418 220 028
E trudy_wise@wisemcbaron.com.au

¹ After adjustments for net working capital in the Australand Trust entities; Australand Property Trust, Australand Property Trust No.4 and Australand Property Trust No.5, capital expenditure on current internal developments, and changes in capital employed in the Commercial and Industrial business