

# **Retail Entitlement Offer**

*1 for 4 Accelerated Non-Renounceable Pro-Rata  
Entitlement Offer of Valad fully paid ordinary  
stapled securities at an offer price of \$0.10 per  
New Stapled Security*

*The Early Retail Offer Close for the Retail  
Entitlement Offer is 10:00am Australian Eastern  
Standard Time, Thursday 8 October 2009*

*The Final Retail Offer Close for the Retail  
Entitlement Offer is 5:00pm Australian Eastern  
Standard Time, on Tuesday 20 October 2009*

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES  
OR TO U.S. PERSONS**

*This is an important document which is accompanied by a  
personalised Entitlement and Acceptance Form and both should  
be read in their entirety.*

*Please call your professional adviser or the Valad Securityholder  
Information Line if you have any questions.*

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## **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS.**

This Retail Offer Booklet contains certain "forward looking statements". Forward looking statements should or can generally be identified by the use of forward looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "will", "could", "may", "target", "plan" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings, distributions or financial position or performance are also forward looking statements. The forward looking statements contained in this Retail Offer Booklet involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Valad, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward looking statements may also be based on estimates and assumptions which are subject to change. Actual results, performance or achievements may vary materially for many projections because events and actual circumstances frequently do not occur as forecast and these differences may be material. These statements may assume the success of Valad's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Valad's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and Valad assumes no obligation to update or revise such information to reflect any change in expectations or assumptions. The

inclusion of the forward looking statements in this Retail Offer Booklet should not be regarded as a representation, warranty or guarantee with respect to its accuracy or the accuracy of the underlying assumptions or that Valad will achieve, or is likely to achieve, any particular results.

This Retail Offer Booklet, and any accompanying ASX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**")) ("**U.S. Person**"). The New Stapled Securities offered in the Entitlement Offer have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

# → CHAIRMAN'S LETTER

VALAD

1 October 2009

## *Dear Securityholder,*

On behalf of the Directors of Valad Property Group ("**Valad**"), I am pleased to invite you to participate in the retail component of a fully underwritten 1 for 4 Accelerated Non-Renounceable Pro-Rata Entitlement Offer ("**Retail Entitlement Offer**") of new Valad fully paid ordinary stapled securities ("**New Stapled Securities**") to raise approximately \$22.4 million.

This Retail Entitlement Offer is part of an overall capital raising offer ("**Offer**") to raise approximately \$63.9 million before costs.

The Offer is in response to feedback from a number of existing investors indicating they would be prepared to support raising equity in order to pay down liabilities such as the contracted payment to the Scarborough Vendors Group. Net proceeds from the Offer will be used to settle the Scarborough Vendors Group deferred liability of £29.5 million.<sup>1</sup>

You will find enclosed in, or accompanying, this Retail Offer Booklet the following important information:

- Key Dates for the Offer;
- Investor Presentation that was released to the Australian Securities Exchange ("**ASX**") on 23 September 2009 in connection with the Offer ("**Investor Presentation**"), which provides some information on Valad, the intended use of proceeds from the Offer and also includes key risks for you to consider;
- ASX announcement in relation to the Offer that was released to the ASX on 23 September 2009;
- ASX announcement in relation to the completion of the institutional components of the Offer ("**Institutional Offer**") that was released to the ASX on Friday 25 September 2009;
- a section on "How to Apply" detailing how to participate in the Retail Entitlement Offer;
- Important Information; and
- an Entitlement and Acceptance Form to be completed in accordance with the instructions provided on the form and the instructions in the "How to Apply" section of this Retail Offer Booklet.

Securityholders, other than those securityholders who have elected not to, will be receiving a copy of the Valad 2009 Annual Report on or around the date of this invitation. The Annual Report can also be found on Valad's website ([www.valad.com.au](http://www.valad.com.au)) or by calling the Valad Securityholder Information Line on the numbers listed in the Corporate Directory in this Retail Offer Booklet. Securityholders should have regard to the Annual Report and Valad's past and ongoing continuous disclosure announcements to the ASX.

The "**Early Retail Offer Close**" for the Retail Entitlement Offer is 10:00am Australian Eastern Standard Time ("**AEST**") on Thursday 8 October 2009. The "**Final Retail Offer Close**" is 5:00pm (AEST) on Tuesday 20 October 2009.

To participate, you need to ensure that:

- you have made your payment ("**Application Monies**") via BPAY® pursuant to the instructions that are set out on the Entitlement and Acceptance Form and payment via BPAY® has been received by Valad by 10:00am (AEST) on the Early Retail Offer Close to be allotted New Stapled Securities on Wednesday 14 October 2009 or by 5:00pm (AEST) on the Final Retail Offer Close to be allotted New Stapled Securities on Tuesday 27 October 2009;

OR

- your completed Entitlement and Acceptance Form, together with payment of Application Monies is received by Valad by 10:00am (AEST) on the Early Retail Offer Close to be allotted New Stapled Securities on Wednesday 14 October 2009 or by 5:00pm (AEST) on the Final Retail Offer Close to be allotted New Stapled Securities on Tuesday 27 October 2009.

Please refer to instructions in the "How to Apply" section in this Retail Offer Booklet for further information.

<sup>1</sup> AUD equivalent of the Scarborough Vendors Group deferred liability is \$55.8 million; given AUD / GBP exchange rate of 0.5290 as at 23 September 2009. As at 30 June 2009, the AUD equivalent was \$60.7 million; AUD / GBP exchange rate of 0.4866.

# → CHAIRMAN'S LETTER

(continued)

## Background to the Offer

The net proceeds from the Offer will be used to settle the Scarborough Vendors Group deferred liability of £29.5 million.<sup>1</sup> The Scarborough Vendors Group deferred liability arose when Valad purchased its pan-European platform from the Scarborough Vendors Group in July 2007.

On 27 August 2009, Valad announced that it had reached an agreement with the Scarborough Vendors Group to restructure the Scarborough Vendors Group deferred liability. Since that announcement, Valad has received feedback from a number of existing investors indicating they would be prepared to support raising equity in order to pay down liabilities such as the contracted payment to the Scarborough Vendors Group. As the Scarborough Vendors Group will be paid from the net proceeds of the Offer, the agreement with the Scarborough Vendors Group announced on 27 August 2009 will not proceed. The Offer provides existing Valad securityholders with the opportunity to participate at a discount to Valad's trading price prior to the announcement of the Offer and will strengthen Valad's financial position.

## The Offer

The Offer is fully underwritten at \$0.10 per New Stapled Security ("**Offer Price**") and made up of two components:

→ a 1 for 4 Accelerated Non-Renounceable Entitlement Offer to raise \$40.2 million ("**Entitlement Offer**");

- approximately \$17.8 million institutional component ("**Institutional Entitlement Offer**"); and
- approximately \$22.4 million retail component ("**Retail Entitlement Offer**"); and

→ an institutional placement to raise \$23.7 million ("**Placement**").

On 25 September 2009, Valad announced that it had successfully completed the allocation of New Stapled Securities under the Institutional Entitlement Offer and the Placement. The initial Institutional Placement size (as disclosed on 23 September 2009) was significantly oversubscribed from a range of high quality institutional investors. As a result Valad increased the size of the Institutional Placement to \$23.7 million. Approximately \$41.5 million was raised through the institutional components of the Offer.

The Offer Price represents a 37.5% discount to Valad's closing price of \$0.16 on 22 September 2009<sup>2</sup> and at a 50.2% discount to 30 June 2009 pro forma NTA. The Offer is expected to result in a pro forma dilution of NTA as at 30 June 2009 of 16.3%, from \$0.24 per stapled security to \$0.20 per stapled security. New Stapled Securities issued under the Offer will rank equally with existing Valad stapled securities. Goldman Sachs JBWere Pty Ltd is acting as Sole Lead Manager and Underwriter to the Offer ("**Sole Lead Manager**").

<sup>1</sup> AUD equivalent of the Scarborough Vendors Group deferred liability is \$55.8 million; given AUD / GBP exchange rate of 0.5290 as at 23 September 2009. As at 30 June 2009, the AUD equivalent was \$60.7 million; AUD / GBP exchange rate of 0.4866.

<sup>2</sup> Last trading day prior to the announcement of the Offer.

### ***Details of your Entitlement***

As an Eligible Retail Securityholder (as defined in "**Important Information**"), you are entitled to subscribe for 1 New Stapled Security for every 4 existing fully paid ordinary stapled securities held on the Record Date (being 7:00pm (AEST) on Monday 28 September 2009) at the Offer Price of \$0.10 per New Stapled Security ("**Entitlement**").

New Stapled Securities will be issued on a fully paid basis and will rank equally with existing stapled securities from the date of issue.

### ***Further information***

Further information on the Entitlement Offer and Valad's business is detailed in this Retail Offer Booklet. You should read the entirety of this Retail Offer Booklet carefully, in particular, "Key risks" outlined in the enclosed Investor Presentation which contains a summary of key risks associated with an investment in Valad, before deciding whether to participate in the Entitlement Offer.

Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Eligible Retail Securityholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements they do not take up.

If you have any further questions about the Entitlement Offer, you should seek advice from your stockbroker or other professional adviser or you can visit the Entitlement Offer website at [www.valad.com.au](http://www.valad.com.au) or call the Valad Securityholder Information Line on 1300 650 320 (within Australia) or +61 2 8280 7104 (outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

On behalf of the Board of Valad, I thank you for your continued support and encourage you to carefully consider this investment opportunity.

Yours sincerely,



***Trevor Gerber***  
Chairman

# → KEY DATES FOR THE OFFER

<b>EVENT</b>	<b>DATE</b>
<b>Record Date to determine right to participate in the Entitlement Offer</b>	7:00pm, Monday 28 September 2009
<b>Retail Entitlement Offer opens</b>	Thursday 1 October 2009
<b>Mailing of Entitlement and Acceptance Form, Retail Offer Booklet to Eligible Retail Securityholders</b>	Friday 2 October 2009
<b>Early Retail Offer Close</b>	10:00am, Thursday 8 October 2009
<b>Allotment of Early Retail Offer Close applications</b>	Wednesday 14 October 2009
<b>New Stapled Securities from Early Retail Offer Close expected to commence trading on the ASX</b>	Wednesday 14 October 2009
<b>Final Retail Offer Close</b>	5:00pm, Tuesday 20 October 2009
<b>Allotment of New Stapled Securities from Final Retail Offer Close</b>	Tuesday 27 October 2009
<b>New Stapled Securities from Final Retail Offer Close expected to commence trading on the ASX</b>	Wednesday 28 October 2009

Note: References to time and date are Australian Eastern Standard Time (AEST). Valad reserves the right to amend any or all of these dates and times at its absolute discretion, subject to the Corporations Act, the ASX Listing Rules and any other applicable laws.

## **Enquiries**

If you have any questions, please call the Valad Securityholder Information Line on 1300 650 320 (within Australia) or +61 2 8280 7104 (from outside Australia) at any time from 8:30am to 5:30pm (AEST) Monday to Friday during the Retail Entitlement Offer period, or consult your stockbroker, accountant or other independent professional adviser.

Website: [www.valad.com.au](http://www.valad.com.au)

# → HOW TO APPLY

## 1. The Retail Entitlement Offer

Under the retail component of the Accelerated Non-Renounceable Pro-Rata Entitlement Offer ("**Retail Entitlement Offer**"), Eligible Retail Securityholders (as defined in "**Important Information**") are being offered the opportunity to subscribe for 1 new Valad fully paid ordinary stapled security ("**New Stapled Securities**") for every 4 Valad fully paid ordinary stapled securities held at 7:00pm (AEST) on Monday 28 September 2009, at the offer price of \$0.10 per New Stapled Security ("**Entitlement**").

You should note that not all Valad securityholders as at Monday 28 September 2009 ("**Record Date**") will be eligible to participate in the offer of New Stapled Securities. Please read "Important Information".

New Stapled Securities issued pursuant to the Retail Entitlement Offer will be fully paid and rank equally with existing stapled securities on issue.

The Retail Entitlement Offer is being made pursuant to provisions of the *Corporations Act 2001* (Cth) ("**Corporations Act**"), as modified by ASIC Class Order 08/35, which allow rights issues to be offered without a prospectus or product disclosure statement being prepared for the offer. As a result, it is important for Eligible Retail Securityholders to carefully read and understand the information on Valad and the Retail Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Retail Offer Booklet, Valad's half year and annual reports and other announcements made available at [www.valad.com.au](http://www.valad.com.au).

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Stapled Security for every 4 fully paid ordinary stapled securities you held as at 7:00pm (AEST) on the Record Date. If you have more than one registered holding of securities, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Note: The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding securities on behalf of a U.S. Person (see definition of Eligible Retail Securityholder in "Important Information").

## 2. Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer. You should also refer to the "Key risks" section in the Investor Presentation included in this Retail Offer Booklet.

## 3. Complete and return the accompanying Entitlement and Acceptance Form with your Application Monies or make a payment by BPAY®

If you are an Eligible Retail Securityholder, you may either:

- take up all or part of your Entitlement; or
- do nothing, in which case all of your Entitlement will lapse.

If you decide to take up all or part of your Entitlement, please complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form.

If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Reference Number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Reference Number specific to the Entitlement on that Form. If you inadvertently use the same Reference Number for more than one of your Entitlements, you will be deemed to have applied only for New Stapled Securities on the Entitlement to which that Reference Number applies.

If you take no action you will not be allocated New Stapled Securities and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and cannot be traded on the ASX or any other exchange, nor can it be privately transferred. Securityholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

# → HOW TO APPLY

(continued)

If you take up and pay for all or part of your Entitlement before 10:00am (AEST) on the Early Retail Offer Close you will be allotted New Stapled Securities on Wednesday 14 October 2009. If you take up and pay for all or part of your Entitlement before 5:00pm (AEST) on the Final Retail Offer Close you will be allotted New Stapled Securities on Tuesday 27 October 2009.

## 4. Acceptance of the Retail Entitlement Offer

The method of acceptance of the Retail Entitlement Offer will depend on your method of payment being:

→ by BPAY®; or

→ by cheque, bank draft or money order.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have represented that you are an Eligible Retail Securityholder (as defined in "Important Information").

### Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Reference Number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

→ you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and

→ if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Stapled Securities which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the security registry by no later than 10:00am (AEST) on the Early Retail Offer Close to be allotted New Stapled Securities on Wednesday 14 October 2009 or by 5:00pm (AEST) on the Final Retail Offer Close to be allotted New Stapled Securities on Tuesday 27 October 2009. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment.

Any Application Monies received for more than your entitlement to New Stapled Securities will be refunded on or around Wednesday 28 October 2009 (except for where the amount is less than \$1.00, in which case it will be donated to a charity chosen by Valad). No interest will be paid on any Application Monies received or refunded.

### Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "VCML – Applications Trust Account" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.10 multiplied by the number of New Stapled Securities that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Stapled Securities in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Stapled Securities as your cleared Application Monies will pay for (and taken to have specified that number of New Stapled Securities on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.



Any Application Monies received for more than your entitlement to New Stapled Securities will be refunded on or around Wednesday 28 October 2009 (except for where the amount is less than \$1.00, in which case it will be donated to a charity chosen by Valad). No interest will be paid on any Application Monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued. Application monies will be held in a trust account pending allotment of the New Stapled Securities.

## **5. Mail**

To participate in the Retail Entitlement Offer, your payment must be received no later than 10:00am (AEST) on the Early Retail Offer Close to be allotted New Stapled Securities on Wednesday 14 October 2009 or by 5:00pm (AEST) on the Final Retail Offer Close to be allotted New Stapled Securities on Tuesday 27 October 2009. Securityholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with Application Monies using the reply paid or self-addressed envelope provided with this Retail Offer Booklet, or deliver to:

### **By mail**

Valad Property Group  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001  
Australia

### **By hand**

(please do not use this address for mailing purposes)

Valad Property Group  
C/- Link Market Services Limited  
Level 12  
680 George Street  
Sydney NSW 2000  
Australia

# → ASX OFFER DOCUMENTS

Investor Presentation dated 23 September 2009



## VALAD PROPERTY GROUP Equity Raising Presentation - 23 September 2009

## Important Notice and Disclaimer

This presentation (Presentation) is issued by Valad Funds Management Limited and Valad Commercial Management Limited as responsible entity for Valad Property Trust (together, Valad). This Presentation is in relation to an accelerated non-renounceable entitlement offer of new stapled securities (Stapled Securities) to be issued by Valad, to be made to:

- eligible institutional securityholders of Valad (Institutional Entitlement Offer); and
- eligible retail securityholders of Valad (Retail Entitlement Offer)

under sections 708AA and 1012DAA of the Corporations Act 2001 (Cwlth) (Corporations Act) as notionally modified by ASIC Class Order 08/35 and ASIC relief obtained in relation to entitlement offer (together, the Entitlement Offer), and an institutional placement (together with the Entitlement Offer, the Offer).

This Presentation is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or under any other law. It is for information purposes only and is not an invitation or offer of stapled securities for subscription, purchase or sale in any jurisdiction. Any decision to purchase Stapled Securities of Valad under the Offer must be made solely on the basis of the information to be contained in any separate offer document to be prepared and issued to eligible investors in connection with the Offer. The retail offer booklet for the Retail Entitlement Offer will be available following its lodgement with ASX. Any eligible retail securityholder who wishes to participate in the Retail Entitlement Offer should consider the retail offer booklet in deciding whether to apply under that offer. Anyone who wishes to apply for Stapled Securities under the Retail Entitlement Offer will need to apply in accordance with the instructions on the entitlement and acceptance form which will accompany the retail offer booklet.

This Presentation does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in Valad nor does it contain all the information which would be required in a product disclosure statement or prospectus prepared in accordance with the requirements of the Corporations Act. Prospective investors should conduct their own independent investigation and assessment of the Offer and the information contained in, or referred to in, this Presentation. The information in this Presentation does not constitute financial product advice (for investment, tax, accounting or legal advice) and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should read the entire presentation and other materials sent to you in relation to the Offer and any relevant materials lodged with ASX and consider all of the risk factors that could affect the performance of Valad in light of your particular investment objectives, financial circumstances and investment needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stock broker, lawyer or other professional adviser before deciding whether to invest in Valad.

Statements in this Presentation are made only as of the date of this Presentation unless otherwise stated and the information in this Presentation remains subject to change without notice. Valad is not responsible for updating this document. The historical information in this presentation is, or is based upon information that has been released to the market. For further information, please see past announcements released to the ASX. An investment in Valad is subject to investment risk including possible loss of income and principal invested. Please see the "Key Risks" section of this Presentation for further details.

All dollar values are in Australian dollars (\$) and financial data is presented as at 30 June 2009 unless otherwise stated. The pro forma historical financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission.

This presentation may contain certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Any forecasts or other forward looking statements contained in this Presentation are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. While due care and attention have been used in the preparation of forecast information, such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Valad, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You are cautioned not to place undue reliance on forward looking statements. Any forecast or other forward looking statement contained in this Presentation is subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. You are cautioned not to place undue reliance on forward looking statements.

This Presentation does not and will not form any part of any contract for the acquisition of Stapled Securities in Valad. It does not constitute an invitation to apply for Stapled Securities under the Offer and does not contain any application form for the Offer. Valad reserves the right to withdraw or vary the timetable for the Offer. Nothing in this Presentation should be considered as a solicitation, offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register the offer or otherwise permit a public offering of securities outside Australia and New Zealand. The distribution of this Presentation outside Australia and New Zealand may be restricted by law. Persons who come into possession of this Presentation who are not in Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable security laws.

This information contained in this presentation is of general nature and has been prepared by Valad in good faith and with due care but no representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. The underwriter and its advisers have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Presentation and do not make or purport to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by the underwriter and its advisers. None of Valad, or the underwriter, their affiliates, related bodies corporate or the officers, employees, partners, directors or advisers of any of them (together, the Beneficiaries) guarantees or make any representation or warranty as to, or take responsibility for, the accuracy, reliability or completeness of the information contained in this Presentation. Nothing contained in this Presentation is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, the present or the future. To the maximum extent permitted by law, the Beneficiaries disclaim all liability that may otherwise arise due to any information contained in this Presentation being inaccurate or due to information being omitted from this document, whether by way of negligence or otherwise. The recipient agrees, to the fullest extent permitted by the law, that they shall not seek to sue or to hold the Beneficiaries liable in any respect in connection with this Presentation. No Beneficiary guarantees the repayment of capital or any particular rate of income or capital return on an investment in Valad. Past performance does not guarantee that future performance will be the same or even similar. The underwriter and its affiliates, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities in a respect of, make no representations regarding, and take no responsibility for, any part of this document and make no representation or warranty as to the currency, accuracy, reliability or completeness of information. No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Presentation. Any information or representation not so contained may not be relied upon as being authorised by Valad or any person associated with it in connection with the offer.

This Presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither this Presentation nor anything contained in it shall form the basis of any contract or commitment. In particular, this Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any "U.S. person" (as defined in Regulation S under the Securities Act of 1933, as amended (the "U.S. Securities Act") ("U.S. Person"). This document may not be distributed or released in the United States or to, or for the account or benefit of, any U.S. Person. The securities in the proposed Offer have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities in the proposed Offer may not be offered, or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. securities laws.

### INTERESTS OF THE UNDERWRITER

The underwriter, its affiliates, directors, officers, employees, agents or associates may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from Valad.

### ACCEPTANCE

By attending an investor presentation or briefing, or accepting, accessing or reviewing this document you acknowledge and agree to the above.

VALAD

## Summary

- Valad Property Group (“**Valad**”) has announced a fully underwritten equity raising to raise \$59.5 million (“**Offer**”), before costs
- The net proceeds of the equity raising will be used to settle the Scarborough Vendors Group deferred liability of £29.5 million<sup>1</sup>
  - Estimated net proceeds from equity raise of \$56.5 million<sup>2</sup> will be used to repay the £29.5 million liability
- A number of our existing investors have indicated they would be prepared to support raising equity in order to pay down liabilities such as the contracted payment to the Scarborough Vendors Group
- The Offer provides existing Valad securityholders with the opportunity to participate at a discount to Valad’s current trading price and will strengthen Valad’s financial position

### Notes

1. AUD equivalent of the Scarborough Vendors Group deferred liability of \$55.8 million; given AUD / GBP exchange rate of 0.5290 as at 23 September 2009. As at 30 June 2009, the AUD equivalent was \$60.7 million; AUD / GBP exchange rate of 0.4866. Source: Bloomberg
2. Net of expected transaction costs.

3

**VALAD**

## Details of the Offer

- Valad has announced an equity raising to raise \$59.5 million before costs be used to settle the Scarborough Vendors Group deferred liability
- Valad’s equity raising is fully underwritten at an issue price of \$0.10 per New Stapled Security (“**Offer Price**”) and will comprise
  - A 1 for 4 Accelerated Non-Renounceable Entitlement Offer (“**Entitlement Offer**”) to raise \$40.2 million
    - Approximately \$16.8 million institutional component (“**Institutional Entitlement Offer**”)
    - Approximately \$23.4 million retail component (“**Retail Entitlement Offer**”)
  - A \$19.3 million placement to institutional securityholders
    - 12% of pre-issued capital
- New Stapled Securities issued will rank equally with existing Valad stapled securities
- The Record Date for the Offer will be 7.00pm, Monday 28 September 2009 (“**Record Date**”)
- Securityholders resident outside of Australia and New Zealand except institutional or exempt investors in the Netherlands, Singapore, Hong Kong, United Kingdom and Denmark are not eligible to participate in the Offer (“**Ineligible Securityholders**”)
- Goldman Sachs JBWere is Sole Lead Manager and Underwriter to the Offer

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**VALAD**

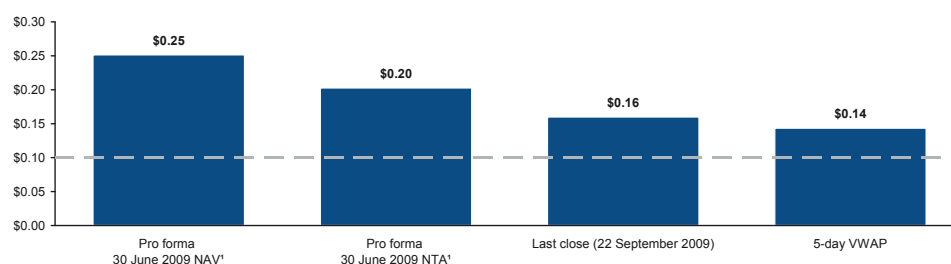
# → ASX OFFER DOCUMENTS

(continued)

Investor Presentation dated 23 September 2009 (continued)

## Offer price discount

- Offer Price of \$0.10 represents a
  - 60.3% discount to pro forma 30 June 2009 Net Asset Value per stapled security (“NAV”)
  - 50.7% discount to pro forma 30 June 2009 Net Tangible Asset per stapled security (“NTA”)
  - 37.5% discount to last close as at 22 September 2009
  - 30.4% discount to the 5 day Volume-Weighted Average Price (“VWAP”)
- The 595.0 million new stapled securities issued under the Offer will rank equally with existing Valad stapled securities



Source: Valad FY09 results and IRESS as at 22 September 2009

Note

1. Based on diluted number of stapled securities outstanding post the Offer of 2,203 million.

VALAD

## Application of proceeds

- The net proceeds from the fully underwritten equity raising will be used to repay the Scarborough Vendors Group deferred liability of £29.5 million<sup>1</sup>
  - Estimated net proceeds from equity raise of \$56.5 million<sup>2</sup> will be used to repay £29.5 million liability
- As the Scarborough Vendors Group will be paid in cash, the agreement with the Scarborough Vendors Group announced on 27 August 2009 will not proceed

Note

1. AUD equivalent of the Scarborough Vendors Group deferred liability of \$55.8 million; given AUD / GBP exchange rate of 0.5290 as at 23 September 2009. As at 30 June 2009, the AUD equivalent was \$60.7 million; AUD / GBP exchange rate of 0.4866. Source: Bloomberg

2. Net of expected transaction costs.

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## Pro forma balance sheet impact

\$ millions	30 June 2009	Equity raise <sup>1</sup>	30 June 2009 post equity raising	Settlement of Scarborough Liability	Post settlement of Scarborough Liability
Property ownership	599.1		599.1		599.1
Development	123.5		123.5		123.5
VCS	100.1		100.1		100.1
<b>Total property</b>	<b>822.7</b>	<b>-</b>	<b>822.7</b>	<b>-</b>	<b>822.7</b>
Fund co-investments	98.7		98.7		98.7
Goodwill and management rights	104.9		104.9		104.9
Cash	76.9	56.5	133.4	(55.8) <sup>2</sup>	77.6
Other assets	165.2		165.2		165.2
<b>Total assets</b>	<b>1,268.4</b>	<b>56.5</b>	<b>1,324.9</b>	<b>(55.8)</b>	<b>1,269.1</b>
<b>Liabilities</b>					
Interest bearing liabilities	395.2		395.2		395.2
Kimco convertible note	198.4		198.4		198.4
Deferred Scarborough payment	60.7		60.7	(60.7)	-
Other liabilities	121.3		121.3		121.3
<b>Total liabilities</b>	<b>775.6</b>	<b>-</b>	<b>775.6</b>	<b>(60.7)</b>	<b>714.9</b>
<b>Total net assets</b>	<b>492.8</b>	<b>56.5</b>	<b>549.3</b>	<b>4.9</b>	<b>554.2</b>
Stapled securities on issue (m)	1,608.0	595.0	2,203.0	-	2,203.0
NAV (\$ / stapled security)	\$0.31		\$0.25		\$0.25
NTA (\$ / stapled security) <sup>3</sup>	\$0.24		\$0.20		\$0.20
Balance sheet gearing (%) <sup>4</sup>	43.4%				43.3%

Source: Valad FY2009 results, Bloomberg

Notes

1. Proceeds from equity raise, net of expected transaction costs.
2. Scarborough Vendors Group deferred liability as at 23 September 2009; AUD / GBP exchange rate of 0.5290.
3. NTA is adjusted for \$2.7 million of software intangibles classified in other assets.
4. Balance sheet gearing is calculated as net debt divided by total assets less cash.

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**VALAD**

## Progress on key initiatives

- In January 2009, Valad announced a number of initiatives to position the business to better withstand the current market challenges and stabilise its balance sheet. In August 2009, Valad announced that it had completed these initiatives

<b>Balance Sheet</b>	
→ Australian corporate debt facility restructured, term conditionally extended and group covenants removed	✓
→ European assets and associated liabilities transferred into the DUKE JV and the GAF put cancelled	
<b>Scarborough Payment</b>	
→ This is being satisfied through this equity raising	✓
<b>Asset Sales</b>	
→ Asset sales completed across the business of \$571 million (excluding DUKE JV)	✓
→ Proceeds used to pay down debt on balance sheet and within funds	
<b>Cost Reductions</b>	
→ Undertook cost reduction program	✓
→ Expected to realise cost savings of approximately \$60 million per annum	

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**VALAD**

# → ASX OFFER DOCUMENTS

(continued)

Investor Presentation dated 23 September 2009 (continued)

## Business strategy

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- Going forward, Valad's business strategy is to
  - ✓ Focus on core competencies
    - Valad's "value-adding" asset and funds management businesses
    - Scale back of higher risk activities on balance sheet such as VCS and Development and Trading
    - Leverage development and value-adding skills for the funds platform
  - ✓ Continue capital management focus
  - ✓ Position the business to be earnings positive in FY10
  - ✓ Seek to achieve revenue growth as markets recover
- Given significant challenges remain, no earnings or distribution guidance is provided at this stage

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**VALAD**

## Capital management

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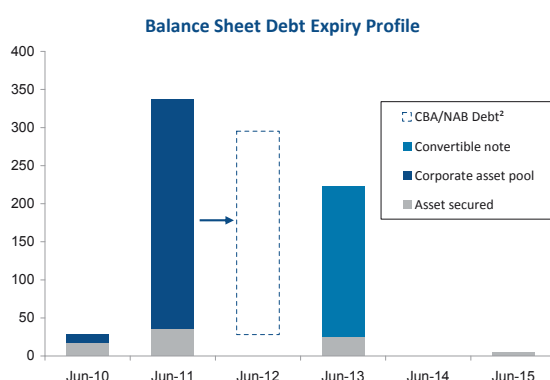
- If certain ratios are met as at 31 December 2009, the term of the Asia Pacific debt facility will be extended by 12 months to September 2011
  - If the Loan-to-Value Ratio (LVR) is less than 45% and Secured Property Interest Cover Ratio (SPICR) is greater than 1.6 times at 31 December 2009, the term will be extended by 12 months to September 2011
  - Whilst the Asia Pacific debt facility covenants were not required to be tested at 30 June 2009, the LVR was estimated to be 44% and the SPICR was estimated to be 1.9 times
- The Group is also subject to covenants relating to the convertible notes issued to Kimco
  - The next test date for the Kimco covenants is 30 June 2010
- If there is further devaluation of property values and other assets or material changes to rental income then further debt reduction through asset sales or cash payment to lenders will be required to meet these ratios

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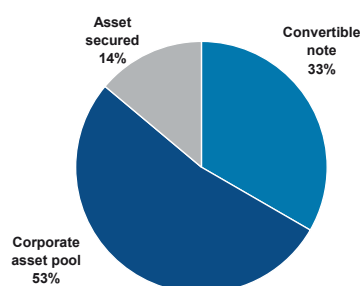
**VALAD**

## Group Debt Expiry Profile and Status

- Pro forma 30 June 2009 balance sheet gearing<sup>1</sup> changes from 43.4% to 43.3% post the Offer
- Weighted average debt expiry of 2.6 years as at 30 June 2009
  - Only \$29 million debt expiring in next 12 months
  - Australian corporate debt at 30 June 2009 below level required to extend term<sup>2</sup>



**Facility mix - balance sheet (facility limit)**



### Notes

- Balance sheet gearing is calculated as net debt divided by total assets less cash.
- LVR required to be below 45% at 31 December 2009 to automatically extend term of CBA/NAB debt by 12 months to September 2011.

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**VALAD**

## Timetable

Event	Dates
Commence trading halt. Institutional Entitlement Offer and Placement open	Wednesday 23 September 2009
Institutional Entitlement Offer and Placement closes	Thursday 24 September 2009
Institutional allocations advised	Thursday 24 September 2009
Valad stapled securities recommence trading	Friday 25 September 2009
Record Date to determine right to participate in the Entitlement Offer	7:00pm, Monday 28 September 2009
Retail Entitlement Offer opens	Thursday 01 October 2009
Mailing of Entitlement and Acceptance Form, Retail Offer Booklet to Eligible Retail Securityholders	Friday 02 October 2009
Early Retail Offer Close	10:00am, Thursday 08 October 2009
Settlement of Institutional Offer and Early Retail Offer Close applications	Tuesday 13 October 2009
Allotment of stapled securities under Institutional Offer and Early Retail Offer Close, and normal trading of those New Stapled Securities expected to commence on the ASX	Wednesday 14 October 2009
Final Retail Offer Close	5:00pm, Tuesday 20 October 2009
Allotment / settlement of New Stapled Securities from Final Retail Offer Close	Tuesday 27 October 2009
New Stapled Securities from Final Retail Offer Close expected to commence trading on ASX	Wednesday 28 October 2009

### Note

References to time and date are Australian Eastern Standard Time (AEST). The timetable is subject to change at Valad's absolute discretion. Valad reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and any other applicable laws.

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**VALAD**

## Key risks

There are a number of factors, both specific to Valad and of a general nature which may affect the operating and financial performance of Valad Property Group (Valad), its investment returns and the value of the stapled securities. Before investing in Valad, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Valad (such as that available on the websites of Valad and the ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision. If any of the following risks materialise, Valad's business, financial conditions and operational results are likely to suffer. In this case the trading price of stapled securities in Valad may fall and you may lose all or part of your investment. This is not an exhaustive list of risks.

General Risks affecting Valad Property Group	
<b>General economic risks</b>	<p>If the Australian economy (and/or any other economy in which Valad has operations) experiences a prolonged downturn this may have an adverse impact upon Valad's earnings, cash flows and asset values. Valad's business may be adversely affected via increased vacancy rates, lower rents and tenant defaults, higher lease incentives, lower development margins, lower funds management and performance fees, lower inflows into managed funds or other adverse consequences. Other economic factors which may impact upon Valad's business include unemployment, inflation, monetary policy, regulatory change, consumer spending, business investment, taxation and the state of capital markets in general.</p> <p>Recently the market prices of listed entities in Australia and on international exchanges have been significantly impacted and made increasingly volatile by general equity market conditions, credit market condition, global liquidity conditions and economic conditions.</p>
<b>Financial institutions</b>	<p>Valad holds its cash deposits in certain financial institutions globally. There is a risk that if any of these financial institutions were to experience financial difficulty, the cash deposits may be lost or there may be a delay in accessing these cash deposits.</p>
<b>Regulatory issues and changes in law</b>	<p>Changes in laws or government legislation, regulation or policy in those jurisdictions on which Valad operates may materially affect the future earnings, asset values, the market value and relative attractiveness of Valad stapled securities quoted on the ASX.</p>
<b>Interest rates</b>	<p>Adverse fluctuations in interest rates, to the extent that they are not hedged or forecast, may impact Valad's earnings. Valad's asset values may also be affected by any impact that rising interest rates may have on property markets in which Valad operates.</p> <p>Under certain debt facility agreements, in the event of a "market disruption", the financier will be entitled to charge an interest rate to Valad which is equal to the margin plus an estimate of the cost of funds in the wholesale credit markets and this may be higher than the interest rate plus the applicable margin which is set out in the debt facility agreement. There is a risk that the state of the wholesale credit markets may be such that a financier may be able to successfully assert their rights to invoke a market disruption clause and thus increase Valad's effective interest costs in respect of facilities with that financier.</p>

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**VALAD**

## Key risks

General Risks affecting Valad Property Group (Cont'd)	
<b>Exchange rates</b>	<p>Valad has international operations and assets held outside Australia and a significant proportion of Valad's current income is sourced from countries outside Australia. This will increase securityholders' exposure to the risk of fluctuations in the relative value of the Australian dollar against other currencies. Foreign currency movements between the Australian dollar and foreign currencies may impact returns to investors in Valad. While Valad's foreign exchange hedging strategy is designed to partially insulate securityholders against movements in exchange rates, it does not remove entirely the potential impact of foreign exchange movements on securityholders returns.</p> <p>Valad will manage its exposure to any foreign exchange on both its balance sheet and income statements by minimizing its net exposure after taking into account the opportunities to borrow funds denominated in the foreign currency of the underlying asset; other operations and cashflow requirements in the same currency; and the level of certainty around the quantum of, and/or timing of the return of the net exposure.</p> <p>If any foreign exchange restrictions or controls were to be introduced for transactions with respect to the Australian dollar or other foreign currencies, the restriction may adversely affect Valad.</p>
<b>Labour and employment</b>	<p>Valad may be impacted by its ability to retain and attract high quality senior executives and other employees. The loss of services of any key personnel, or the inability to attract new qualified personnel could adversely impact Valad.</p>
<b>Environmental matters</b>	<p>Unforeseen environmental issues may affect any of Valad's properties or property interests. These liabilities may be imposed irrespective of whether or not Valad is responsible for the circumstances to which they relate. Valad may also be required to remediate sites affected by environmental liabilities. The cost of remediation of sites could be substantial. In addition, if Valad is not able to remediate a site properly, this may adversely affect its ability to sell the relevant property or to use it as collateral for borrowings. Material expenditure may also be required to comply with new or more stringent environmental laws or regulations introduced in the future.</p>

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**VALAD**



## Key risks

Specific risks affecting Valad Property Group	
<b>Taxation implications</b>	<p>Future changes in taxation laws, including changes in interpretation or application of those laws by the Courts or taxation authorities, may affect taxation treatment of an investment in Valad's stapled securities, or the holdings and disposal of those stapled securities. Tax considerations may differ between securityholders, therefore, prospective investors are encouraged to seek professional tax advice in connection with any investment in stapled securities.</p> <p>Further, changes in tax law, or changes in the way tax law is, or is expected to be, interpreted in the various jurisdictions in which Valad operates, may impact the future tax liabilities of Valad. Those laws may also adversely affect the taxation treatment of entities in Valad and that may in turn adversely affect the value of Valad's stapled securities or distributions on those stapled securities.</p> <p>As Valad consists of two entities, a trust and a company, in a stapled arrangement, any changes in the tax laws specifically affecting staples, or changes to the administration of current laws which affect stapled arrangements or the characterisation of transactions between stapled entities, could adversely affect securityholders' interests.</p>
<b>Changes in accounting policy</b>	Valad is subject to the usual business risk that there may be changes in accounting standards and policies which may have an adverse impact upon Valad.
<b>Insurance</b>	<p>Valad and its managed funds maintain insurance coverage in respect of their properties and business. To the extent that changes in market conditions lead to increases in the pricing or availability of these insurance products, then this may affect the profitability of Valad. Further, certain risks are not able to be insured (e.g. war, nuclear events, chemical or biological incidents) or insurance coverage is reduced or it is uneconomical to fully insure against certain events (e.g. hurricane, earthquake, terrorism). Insurance coverage may not be sufficient and if there is an event causing loss it may be that not all losses will be recoverable. There is also the risk that insurers may not be able to meet indemnity obligations if and when they fall due, which would result in a loss to Valad.</p> <p>Additionally, insurance may be materially affected due to the global financial crisis such that insurance becomes more expensive, or in some cases, becomes unavailable.</p>
<b>Competition</b>	<p>Valad faces competition in the markets in which it operates. Valad also operates with the threat of new competition entering the market. Competition may lead to an oversupply through overdevelopment, or to prices for existing properties or services being inflated via competing bids by prospective purchasers. Valad also operates in a competitive market for assets, income, debt and capital. The existence of such competition may impact Valad's ability to maintain its income and asset values as well as raise the necessary debt and capital.</p>
<b>Other external factors</b>	Other external factors which may impact upon Valad's financial performance include changes or disruptions to political, regulatory, legal or economic conditions or to the national international financial markets including as a result of terrorist attacks or war or insurrection.

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**VALAD**

## Key risks

Specific risks affecting Valad Property Group (Cont'd)	
<b>Market price</b>	<p>As a listed investment the ASX price of Valad stapled securities will fluctuate due to various factors including general movements in interest rates, the Australian and international investment markets, international economic conditions, global geo-political events and hostilities, investor perceptions and other factors that may affect Valad's financial performance and position. More particularly, the continuing adverse consequences of the current economic and financial crisis may further depress the market price of Valad's stapled securities and assets.</p> <p>Further, the market value of stapled securities in Valad may be adversely impacted by the volume of stapled securities being bought or sold at any point in time. Where there are relatively fewer buyers, the price at which an investor may be able to sell their stapled securities in Valad may be adversely impacted.</p>
<b>Funding</b>	The real estate investment and development industry tends to be highly capital intensive. The ability of Valad to raise funds on favourable terms for future refinancing, development and acquisitions depends on a number of factors including general economic, political, capital and credit market conditions. The inability of Valad to raise funds on favourable terms for future acquisitions, developments and refinancing could adversely affect its ability to acquire or develop new properties or refinance its debt. Unforeseen capital expenditure requirements may also impact distribution and returns to investors by increasing Valad's funding costs.
<b>Refinancing</b>	Valad is exposed to risks relating to the refinancing of existing debt instruments and facilities. As outlined on slide 11 of this presentation, Valad has a number of debt facilities maturing over the coming years. If the current illiquidity in global credit markets continues, it is possible that Valad may experience some difficulty in refinancing some or all of these debt maturities, and the terms on which they are refinanced may also be less favourable than at present. Difficulty in refinancing may necessitate asset sales, which may be transacted at levels below their book values.
<b>Debt covenants</b>	Valad has various covenants in relation to its debt facilities, including interest cover and gearing ratio requirements. Factors such as falls in asset values, increases in liabilities, change in the Australian dollar, New Zealand dollar, British pound or Euro and the inability to achieve timely asset sales at prices acceptable to Valad could lead to a breach in debt covenants. In such an event, Valad's lenders may require their loans to be repaid immediately.
<b>Leverage</b>	The use of leverage may enhance returns and increase the number of assets that can be acquired, but it may also substantially increase the risk of loss. Use of leverage may adversely affect Valad when economic factors such as rising interest rates and/or margins, severe economic downturns, availability of credit or further deterioration in the condition of debt and equity markets occur. If an investment is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness, the value of Valad's equity component could be significantly reduced or even eliminated.

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**VALAD**

# → ASX OFFER DOCUMENTS

(continued)

Investor Presentation dated 23 September 2009 (continued)

## Key risks

### Specific risks affecting Valad Property Group (Cont'd)

<b>Property market risks</b>	<p>An investment in Valad is largely an investment in real estate and therefore may be adversely affected by changes to the underlying property, including: tenancy default or failure or delays in letting up premises and falls in rental and occupancy levels; capital expenditure requirements and increasing costs of plant equipment and labour and development and refurbishment risk; unforeseen structural deterioration or failure; unforeseen litigation with tenants; claims under legislation relating to indigenous occupants of land; native title claims; claims under environmental legislation; and changes in legislation and regulations, both in Australia and countries outside Australia, particularly in relation to planning.</p> <p>Valad is also subject to the prevailing property market conditions in the countries and sectors in which it operates. Adverse changes in market sentiment or market conditions may impact the Valad's ability to acquire, manage or develop assets, as well as the value of the Valad's properties. The demand for property as an asset class changes over time and can be influenced by general economic factors such as interest rates and stock market cycles. The demand for property, unlisted property funds, and listed property securities, to which Valad has an exposure, may change as investor preferences for particular sectors and asset classes changes. These impacts could lead to a reduction in earnings or the value of assets.</p>
<b>Leasing risks</b>	<p>As Valad has substantial operations in real estate, there are risks arising from tenants defaulting on their rental or other obligations under leases with Valad. This could lead to capital losses or a reduction in income to Valad.</p> <p>In addition, there is a risk that Valad is not able to negotiate lease extensions with existing tenants at the end of the lease terms, or replace the leases on expiry with leases at equivalent rates, there may be a significant impact on distributable income and the value of a particular property. The ability of Valad to secure lease renewals, to obtain replacement tenants or to sub-let lease liabilities assumed in development activities may also be influenced by any leasing incentives granted to prospective tenants and the increased supply of new commercial buildings, which in turn, may increase the time required to let vacant space.</p>
<b>Realisation of assets</b>	<p>Property assets are by their nature illiquid investments. This may make it difficult to alter the balance of income sources for Valad in the short-term in response to changes in economic or other conditions. Further, Valad invests in assets that are not listed on a stock exchange or for which there are only a limited number of potential investors. As a consequence, the realisable value of an asset may be less than its expected value.</p>
<b>Launching of new funds</b>	<p>Market conditions, potential investor's changing appetite for risk, the ability to raise debt and equity and other factors may impact on Valad's ability to launch new funds resulting in reduced revenues from establishment, management and other related fees.</p>

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**VALAD**

## Key risks

### Specific risks affecting Valad Property Group (Cont'd)

<b>Investments in funds and joint ventures</b>	<p>Valad has investments in a number of funds and joint ventures. These investments in funds and joint ventures are subject to the same specific risks affecting Valad.</p> <p>The net asset value of Valad's investment in funds and joint ventures may decrease if the value of the property assets to those funds or joint ventures were to decline. The income Valad derives from its investments in funds and joint ventures may also decline, and includes income derived from providing property and funds management services to some of these entities.</p> <p>The funds and joint ventures that Valad invests in may have bank loans with gearing and other financial covenants which require ongoing compliance and capital management. In the event that covenants were breached this would be likely to impact the value of the Valad's investment and distributions received from these investments and income derived from these investments. The borrowings of these entities are non-recourse to Valad.</p>
<b>Fixed nature of costs</b>	<p>Significant expenditure associated with each investment, such as interest payments, maintenance costs, and rates and taxes are generally fixed in nature regardless of the revenue from the asset. In the event that the value of assets or occupancy declines, net operating income and the amount available for distribution may be adversely affected.</p>
<b>Acquisitions and development</b>	<p>From time to time Valad will be involved in the acquisition of properties to add to its property portfolio. While it is Valad's policy to conduct a thorough due diligence process in relation to any such acquisition, risks remain that are inherent in such acquisitions. Valad is also involved in the development of properties. If Valad or a controlled entity delays or fails to complete a development contract, Valad may be liable for damages. Development risks include changes in construction costs, and delays. It is also possible that the intended use for a development project may not receive acceptable development consent from the relevant authority, or that the additional land required for the proposed development scheme to proceed may not be able to be acquired.</p>
<b>Litigation and disputes</b>	<p>Valad may be involved in disputes and possible litigation through the ordinary course of business, or with counterparties such as the Scarborough Vendors Group. It is possible a material and costly claim, whether successful or unsuccessful, could distract management from its core business and impact both the value of assets, income and distributions of Valad.</p>
<b>Counterparty risk</b>	<p>There is a risk that third parties, such as tenants, joint venture partners, contractors, vendors under rent guarantees, insurers and counterparties to derivatives and other contracts may not be able to or willing to perform their obligations, or will no longer be willing to enter into new contracts or extend existing contracts which will negatively impact the income from assets of Valad.</p>

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**VALAD**

## Foreign selling restrictions

This Presentation and any accompanying documents do not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this presentation and any accompanying documents in jurisdictions outside Australia and New Zealand may be restricted by law and anyone who receives this Presentation and any accompanying documents should seek advice on and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the new securities or the Equity Raising, or otherwise permit a public offering of new securities, in any jurisdiction outside Australia and New Zealand.

### **New Zealand**

This Presentation and any accompanying documents are not a New Zealand prospectus or an investment statement and they have not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (or any other relevant New Zealand law). This Presentation and any accompanying documents may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain. Securities are offered to the public of New Zealand under this Presentation and any accompanying documents in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

### **Netherlands**

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), no offer of the offered shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the offered shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, has been made and will be made, except for offers made:

- i. to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- ii. to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or
- iii. in any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any offered shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the offered shares to be offered so as to enable an investor to decide to purchase or subscribe for offered shares as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/73/EC and includes any relevant implementing measure in each Relevant Member State.

In respect of the offering, and in addition to the public offer restrictions for the EEA, the responsible entity of the Trust or the Trust is not required to obtain a licence as a management company (beheerder) of an investment institution pursuant to the Financial Supervision Act and is not subject to market conduct supervision of the Netherlands Authority for the Financial Markets and prudential supervision of the Dutch Central Bank.

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**VALAD**

## Foreign selling restrictions (continued)

### **Hong Kong**

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The Stapled Securities have not been authorised by the Hong Kong Securities and Futures Commission and no invitation, advertisement or other document relating to the Stapled Securities, whether in Hong Kong or elsewhere, has been or will be issued, which is directed at, or the contents of which are likely to be accessed or read by the public in Hong Kong within the meaning of the SFO (except if permitted to do so under the laws of Hong Kong) other than to "professional investors" within the meaning of the SFO and any rules thereunder.

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At any time during the period of six months from the date of allotment of the shares of the Company, you must not make an offer of such shares in respect of which you are the beneficial owner to the public. Further, you must not do any act which will make the allotment of those shares be deemed to be an allotment with a view to such shares being offered for sale to the public under section 41 of the CO.

### **Singapore**

The offer or invitation which is the subject of this document is only allowed to be made to the persons set out herein.

This document has not been, and will not be, registered as a prospectus in Singapore with the Monetary Authority of Singapore under the SFA. Accordingly, this document and any document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Stapled Securities must not be issued, circulated or distributed nor may the Stapled Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than:

- i. to an institutional investor under sections 274 and 304 of the SFA, and in accordance with the conditions specified, in sections 274 and 304A of the SFA respectively and any rules made under the SFA;
- ii. to a relevant person pursuant to sections 275 and 305(1) of the SFA, or any person pursuant to sections 275(1A) and 305(2) of the SFA, and in accordance with the conditions specified in sections 275, 305 and 305A of the SFA and any rules made under the SFA; or
- iii. otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA and any rules made under the SFA.

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**VALAD**

## Foreign selling restrictions (continued)

### Singapore (continued)

Where the Stapled Securities are subscribed or purchased under sections 275 and 305 of the SFA by a relevant person which is:

- i. a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of which is an individual is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust as acquired the Stapled Securities under sections 275 and 305 of the SFA except:

- i. to an institutional investor or to the relevant person, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interests in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in sections 275 and 305 of the SFA;
- ii. where no consideration is given for the transfer; or
- iii. where the transfer is by operation of law.

### United Kingdom

This document does not constitute an offer of transferable securities to the public in the United Kingdom to which section 85 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA") applies and has not been delivered to the Financial Services Authority ("FSA") in accordance with the Prospectus Rules published by the FSA. No Stapled Securities will be offered or sold except in circumstances which have not resulted and will not result in an offer to the public in contravention of section 85 of the FSMA in the United Kingdom.

The Stapled Securities include units in the Valad Property Trust which is an unregulated collective investment scheme for the purposes of United Kingdom law and regulation. The Stapled Securities may only be promoted in the United Kingdom to restricted categories of persons.

Invitations or inducements to engage in investment activity within the meaning of section 21 of the FSMA (a "financial promotion") in connection with the issue or sale of any of the Stapled Securities in the United Kingdom will only be communicated in circumstances which would give rise to (i) no breach of section 21(1) of the FSMA (which restricts the making of financial promotions) and (ii) no breach of section 238(5) of the FSMA (which restricts the communication of invitations and inducements to participate in a collective investment scheme by authorised persons).

## Foreign selling restrictions (continued)

The distribution of this document in the United Kingdom is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") and Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001, as amended (the "PCISO"), and (ii) high net-worth companies, unincorporated associations and other bodies within the categories described in Article 49(2) of the FPO and Article 22(2) of the PCISO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available in the United Kingdom only to such persons. It is not intended that this document be distributed or passed on in the United Kingdom, directly or indirectly, to any other class of person and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

Valad Funds Management Limited (ACN 102 249 294)

Valad Commercial Management Limited (ACN 101 802 046; AFSL 223339) as responsible entity of the Valad Property Trust (ARSN 102 618 824)

## ASX ANNOUNCEMENT



### NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS

23 September, 2009

### VALAD ANNOUNCES EQUITY RAISING OF \$59.5 MILLION

SYDNEY: Valad Property Group ("Valad") today announced a fully underwritten equity raising to raise \$59.5 million before costs. The estimated net proceeds of \$56.5 million from the equity raising will be used to settle the Scarborough Vendors Group deferred liability of £29.5 million.<sup>1</sup>

#### Equity raising

The equity raising is fully underwritten at an issue price of \$0.10 per New Stapled Security ("Offer"). The Offer is made up of two components:

- A 1 for 4 Accelerated Non-Renounceable Entitlement Offer to raise \$40.2 million ("**Entitlement Offer**");
  - Approximately \$16.8 million institutional component ("**Institutional Entitlement Offer**")
  - Approximately \$23.4 million retail component ("**Retail Entitlement Offer**")
- An institutional placement to raise \$19.3 million ("**Placement**")

The \$0.10 per stapled security issue price represents a 37.5% discount to Valad's closing price of \$0.16 per stapled security on 22 September 2009 and at a 50.7% discount to 30 June 2009 pro forma NTA. The Offer is expected to result in a pro forma dilution of NTA as at 30 June 2009 of 15.4%; from \$0.24 per stapled security to \$0.20 per stapled security. New Stapled Securities issued under the Offer will rank equally with existing fully paid ordinary stapled securities.

Valad's Managing Director, Peter Hurley, said "In the recent past we have received feedback from a number of our existing investors indicating they would be prepared to support raising equity in order to pay down liabilities such as the contracted payment to the Scarborough Vendors Group. The Offer provides existing Valad securityholders with the opportunity to participate at a discount to Valad's current trading price and will strengthen Valad's financial position."

The Record Date for the Offer will be 7.00pm, Monday 28 September 2009 ("**Record Date**"). The Institutional Entitlement Offer and Placement (together the "**Institutional Offer**"), will be conducted on Wednesday 23 and Thursday 24 September 2009. Valad has applied for a trading halt for 2 days to allow for completion of the Institutional Offer and trading of Valad's stapled securities is expected to recommence on Friday 25 September 2009.

Retail securityholders will receive a retail offer booklet which will provide further details of how to participate in the Retail Entitlement Offer and which will include a personalised Entitlement and Acceptance Form.

<sup>1</sup> AUD equivalent of the Scarborough Vendors Group deferred liability of \$55.8 million; given AUD / GBP exchange rate of 0.5290 as at 23 September 2009. As at 30 June 2009, the AUD equivalent was \$60.7 million; AUD / GBP exchange rate of 0.4866. Source: Bloomberg

# → ASX OFFER DOCUMENTS

(continued)

Offer Launch Announcement dated 23 September 2009 (continued)

## ASX ANNOUNCEMENT



The funds raised from the equity raising will be used to repay the Scarborough Vendors Group deferred liability of £29.5 million.<sup>1</sup>

Goldman Sachs JBWere Pty Ltd is acting as Sole Lead Manager and Underwriter to the Offer.

### Offer Timetable

Event	Date
Commence trading halt. Institutional Entitlement Offer and Placement open	Wednesday 23 September 2009
Institutional Entitlement Offer and Placement closes	Thursday 24 September 2009
Institutional allocations advised	Thursday 24 September 2009
Valad stapled securities recommence trading	Friday 25 September 2009
Record Date to determine right to participate in the Entitlement Offer	7:00pm, Monday 28 September 2009
Retail Entitlement Offer opens	Thursday 01 October 2009
Mailing of Entitlement and Acceptance Form, Retail Offer Booklet to Eligible Retail Securityholders	Friday 02 October 2009
Early Retail Offer Close	10:00am, Thursday 08 October 2009
Settlement of Institutional Offer and Early Retail Offer Close applications	Tuesday 13 October 2009
Allotment of stapled securities under Institutional Offer and Early Retail Offer Close, and normal trading of those New Stapled Securities expected to commence on the ASX	Wednesday 14 October 2009
Final Retail Offer Close	5:00pm, Tuesday 20 October 2009
Allotment / settlement of New Stapled Securities from Final Retail Offer Close	Tuesday 27 October 2009
New Stapled Securities from Final Retail Offer Close expected to commence trading on ASX	Wednesday 28 October 2009

Note: References to time and date are Australian Eastern Standard Time (AEST). Valad reserves the right to amend any or all of these dates and times at its absolute discretion, subject to the Corporations Act, the ASX Listing Rules and any other applicable laws.

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### DISCLAIMER

- No information contained in this presentation should be construed as advice, a recommendation, an offer for the sale of or a solicitation to hold, acquire, apply for, purchase or sell shares, financial products or other instruments in the Valad

<sup>1</sup> AUD equivalent of the Scarborough Vendors Group deferred liability of \$55.8 million; given AUD / GBP exchange rate of 0.5290 as at 23 September 2009. As at 30 June 2009, the AUD equivalent was \$60.7 million; AUD / GBP exchange rate of 0.4866. Source: Bloomberg

## ASX ANNOUNCEMENT



Property Group (VPG) or any other entity. None of the information contained in this presentation should be relied on or construed as financial product advice.

- This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on this information, you should consider its appropriateness, having regard to your objectives, financial situation and needs and seek appropriate independent advice.
- VPG and its related entities do not make any representations or give any warranties that the information set out in this presentation is or will remain accurate or complete at all times and they disclaim all liability for harm, loss, costs, or damage which arises in connection with any use or reliance on the information. The forecasts set out above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. Actual outcomes may differ substantially from those which are forecast to occur. Past performance is not a reliable indicator of future performance.

Valad Funds Management Limited (ACN 102 249 294)

Valad Commercial Management Limited (ACN 101 802 046; AFSL 223339) as responsible entity of the Valad Property Trust (ARSN 102 618 824)

## ASX ANNOUNCEMENT



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS

25 September, 2009

### VALAD PROPERTY GROUP COMPLETES \$41.5 MILLION INSTITUTIONAL CAPITAL RAISING

SYDNEY: Valad Property Group ("Valad") today announced the successful completion of the institutional placement ("**Institutional Placement**") and the institutional component of its 1 for 4 accelerated non-renounceable pro-rata entitlement offer ("**Institutional Entitlement Offer**", and together the "**Institutional Offer**") at an issue price of \$0.10 per stapled security.

A total of \$41.5 million has been committed by institutional investors following completion of the Institutional Offer:

- \$17.8 million under the Institutional Entitlement Offer; and
- \$23.7 million under the Institutional Placement

The initial Institutional Placement size was significantly oversubscribed from a range of high quality institutional investors. As a result Valad has decided to increase the size of the Institutional Placement to \$23.7 million.

Valad's Managing Director, Peter Hurley, said "We are very pleased with the positive response from our securityholders which demonstrates their ongoing support for Valad."

New Stapled Securities issued pursuant to the Institutional Offer will rank equally with existing Valad stapled securities. Settlement of the Institutional Offer is scheduled for Tuesday 13 October 2009 and the New Stapled Securities are expected to be allotted on Wednesday 14 October 2009, with trading in New Stapled Securities on the ASX expected to commence on the same day.

#### Retail Entitlement Offer

Retail securityholders who are eligible to participate under the terms of the Retail Entitlement Offer ("**Eligible Retail Securityholders**") will have the opportunity to participate at the same price and ratio as under the Institutional Entitlement Offer. The Retail Entitlement Offer opens on Thursday 1 October 2009 with the Early Retail Offer Close scheduled for 10.00am, Thursday 8 October 2009 and the Final Retail Offer Close scheduled for 5:00pm, Tuesday 20 October 2009.

Full details of the Retail Entitlement Offer including the personalised Entitlement and Acceptance Form will be mailed to Eligible Retail Securityholders from Friday 2 October 2009. For further information, please call the Valad Securityholder Information line on 1300 650 320 (within Australia) or +61 2 8280 7104 (outside Australia).

Valad stapled securities are expected to recommence trading today.



## ASX ANNOUNCEMENT



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### Contacts

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[www.valad.com.au](http://www.valad.com.au)

Valad Funds Management Limited (ACN 102 249 294)

Valad Commercial Management Limited (ACN 101 802 046; AFSL 223339) as responsible entity of the Valad Property Trust  
(ARSN 102 618 824)

# → IMPORTANT INFORMATION

This Retail Offer Booklet (including the ASX Offer announcements) and enclosed personalised Entitlement and Acceptance Form ("**this Information**") have been prepared by Valad Funds Management Limited ABN 89 102 249 294 and Valad Commercial Management Limited as the responsibility entity of the Valad Property Trust ARSN 102 618 824 ("**Valad**").

No party other than Valad has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

**This Information is important and requires your immediate attention.**

You should read this Information carefully and in its entirety before deciding whether to invest in New Stapled Securities. In particular, you should consider the risk factors outlined in the "Key risks" section of the Investor Presentation dated Wednesday 23 September 2009 (a copy of which is included in this Retail Offer Booklet), which could affect the operating and financial performance of Valad or the value of an investment in Valad.

You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

Valad has applied to the ASX for quotation of the New Stapled Securities.

## 1. Eligible Retail Securityholders

This Information contains an offer of New Stapled Securities to Eligible Retail Securityholders in Australia, New Zealand and Denmark and has been prepared in accordance with sections 708AA and 1012DAA of the Corporations Act as notionally modified by Australian Securities and Investments Commission ("**ASIC**") Class Order 08/35.

Eligible Retail Securityholders are those holders of stapled securities who:

- were registered as a holder of stapled securities as at 7:00pm (AEST) on 28 September 2009 ("**Record Date**");<sup>1</sup>
- have a registered address in Australia, New Zealand, Denmark or Belgium;
- are not in the United States or a U.S. Person or acting for the account or benefit of a U.S. Person;
- are not an eligible institutional securityholder who was invited to participate in the Institutional Entitlement Offer;
- are not an ineligible institutional securityholder; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Notwithstanding the above, Valad may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional securityholder which was not able to participate in the Institutional Entitlement Offer (subject to compliance with applicable laws).

By returning a completed Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above. Eligible Retail Securityholders who are nominees, trustees or custodians should consider the information in paragraph 16 in this section and seek independent professional advice as to how to proceed.

<sup>1</sup> Pursuant to a waiver from the ASX and for the purposes of determining entitlements under the Entitlement Offer, Valad will disregard transactions in securities after implementation of the trading halt in Valad securities on 23 September 2009, except for settlement of on-market transactions that occurred prior to the implementation of the trading halt.

## **2. No cooling off rights**

Cooling off rights do not apply to an investment in New Stapled Securities. You cannot withdraw your application once it has been accepted.

## **3. No Entitlements trading**

Entitlements are non-renounceable and cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

## **4. Not investment advice**

This Information is not a prospectus or product disclosure statement under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. This Information does not purport to contain all the information that you may require to evaluate a possible application for New Stapled Securities.

Before deciding whether to apply for New Stapled Securities, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

## **5. Taxation**

Taxation implications vary depending upon the particular circumstances of individual Eligible Retail Securityholders. Eligible Retail Securityholders should consider whether to seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below does not necessarily apply to Eligible Retail Securityholders who hold their stapled securities as assets used in carrying on a business or who may carry on the business of security trading, banking or investment.

The summary below also does not take account of any individual circumstances of any particular Eligible Retail Securityholder. Eligible Retail Securityholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below is based on the law in effect as at the date of this Retail Offer Booklet.

### **Issue of Entitlements**

Subject to the qualifications noted above, the issue of the Entitlements will not itself result in any amount being included in the assessable income of an Eligible Retail Securityholder.

### **Exercise of Entitlements**

Eligible Retail Securityholders who exercise their Entitlements and subscribe for New Stapled Securities will acquire those stapled securities with a total cost base for capital gains tax ("CGT") purposes equal to the Offer Price payable by them for those stapled securities plus any non-deductible incidental costs they incur in acquiring them. The total cost base must be allocated to the trust units and company shares making up each new security on a reasonable basis. There will be no capital gain or loss, or assessable income, arising from exercising the Entitlements or subscribing for the New Stapled Securities.

# → **IMPORTANT INFORMATION**

*(continued)*

## **Entitlements not Exercised**

If an Eligible Retail Securityholder chooses not to exercise an entitlement there are no tax implications for that Securityholder.

## **New Stapled Securities**

Eligible Retail Securityholders who exercise their Entitlements will acquire New Stapled Securities. Any future dividends or other distributions made in respect of those New Stapled Securities will be subject to the same taxation treatment as dividends or other distributions made on stapled securities held in the same circumstances.

On any future disposal of New Stapled Securities, Eligible Retail Securityholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Stapled Securities. The cost base of those stapled securities is described above. The reduced cost base is the cost base with certain adjustments. Future tax deferred distributions (if any) made by the trust will reduce the CGT cost base and reduced cost base of the trust unit component of each stapled security.

New Stapled Securities will be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Securityholder exercised the Entitlement to subscribe for them. Accordingly, in order to benefit from the CGT discount in respect of a disposal of those New Stapled Securities, they must have been held for at least 12 months after that date before the disposal occurs.

## **Other Australian taxes**

No Australian Goods and Services Tax ("GST") or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Stapled Securities.

## **6. Rounding of Entitlements**

Where fractions arise in the calculation of Entitlements, they will be rounded down to the nearest whole number of New Stapled Securities.

## **7. Information availability**

Eligible Retail Securityholders in Australia, New Zealand and Denmark can obtain a copy of this Information during the period of the Retail Entitlement Offer on the Valad website at [www.valad.com.au](http://www.valad.com.au) or by calling the Valad Securityholder Information Line on the numbers listed in the Corporate Directory in this Retail Offer Booklet. Persons who access the electronic version of this Information should ensure that they download and read the entire Information. The electronic version of this Information on the Valad website will not include a personalised Entitlement and Acceptance Form.

A replacement Entitlement and Acceptance Form can be requested by calling the Valad Securityholder Information Line on 1300 650 320 (within Australia), or +61 2 8280 7104 (outside Australia) at any time from 8:30am to 5:30pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

*Neither this Information nor the accompanying personalised Entitlement and Acceptance Form may be distributed to, or relied upon by, persons in the United States or who are, or are acting on behalf of or for the account or benefit of, a U.S. Person, or otherwise distributed in the United States.*

## **8. Future performance and forward looking statements**

Neither Valad nor any other person warrants or guarantees the future performance of the New Stapled Securities, or any return on any investment made pursuant to the Offer based on this Information. Forward looking statements, opinions and estimates provided in this Information are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Any forward looking statements, including projections, guidance on future revenues, earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Valad and the Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Information.

## **9. Continuous disclosure**

Each of Valad Funds Management Limited and Valad Property Trust (each a “**Valad Entity**”) is a “disclosing entity” under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Each Valad Entity is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by the ASX. In particular, each Valad Entity has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities. That information is available to the public from the ASX.

Some documents are required to be lodged with ASIC in relation to each Valad Entity. These documents may be obtained from, or inspected at, an ASIC office.

## **10. Past performance**

Investors should note that the past security price performance of Valad provides no guidance as to future security price performance.

## **11. Governing law**

This Information, the Retail Entitlement Offer and the contracts formed on acceptance of the Retail Entitlement Offer pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Stapled Securities submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

# → **IMPORTANT INFORMATION**

*(continued)*

## **12. Foreign jurisdictions**

This Information has been prepared to comply with the requirements of the securities laws of Australia, New Zealand, Denmark and Belgium.

The New Stapled Securities being offered under this Information are also being offered to Eligible Retail Securityholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Information is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

This Information does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Stapled Securities, or otherwise permit the public offering of the New Stapled Securities, in any jurisdiction other than Australia, New Zealand, Denmark and Belgium.

The distribution of this Information (including an electronic copy) outside Australia, New Zealand, Denmark and Belgium may be restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

This Retail Offer Booklet has not been filed with or approved by the Danish Financial Supervisory Authority or any other regulatory authority in the Kingdom of Denmark.

The New Stapled Securities have not been offered or sold and may not be offered, sold or delivered directly or indirectly in Denmark, unless in compliance with Chapter 6 or Chapter 12 of the Danish Act on Trading in Securities and executive orders issued pursuant thereto as amended from time to time.

Neither of the Valad Entities will be registered with the Belgian Banking, Finance and Insurance Commission (Commission bancaire, financière et des assurances / Commissie voor het Bank-, Financie- en assurantiewezen) as foreign collective investment undertaking under Article 127 of the Belgian Law of 20 July 2004 on certain forms of collective management of investment portfolios.

The Offer in Belgium has not been and will not be notified to the Belgian Banking, Finance and Insurance Commission, nor has this document been nor will it be approved by the Belgian Banking, Finance and Insurance Commission. This document has been issued to you for your personal use only and exclusively for the purposes of this Offer. Accordingly, this document may not be used for any other purpose nor passed on to any other person in Belgium.

The Entitlements and the New Stapled Securities have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of, a U.S. Person, and the New Stapled Securities may not be offered, sold or resold in the United States or to, or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the New Stapled Securities may constitute restricted securities under the Securities Act and, for so long as the New Stapled Securities remain restricted securities, the New Stapled Securities may not be deposited in any unrestricted American Depositary Receipt facility with respect to the securities of Valad.

## **13. Financial data**

All dollar values in this Retail Offer Booklet are in Australian dollars (A\$ or AUD).

## **14. Underwriting**

Valad has entered into an underwriting agreement with the Sole Lead Manager which has agreed to act as manager of and fully underwrite both the institutional and retail components of the Entitlement Offer. Customary with these types of arrangements:

- Valad has (subject to certain limitations) indemnified the Sole Lead Manager and its directors, officers, employees, agents and advisers against losses in connection with the Entitlement Offer;
- Valad and the Sole Lead Manager have given certain representations, warranties and undertakings in connection with (among other things) the conduct of the Entitlement Offer;

- The Sole Lead Manager may terminate the underwriting agreement and be released from its obligations on the happening of any of a range of events, including if:
- the documents relating to the Entitlement Offer ("**Offer Documents**") contain any statement which is false, misleading or deceptive;
  - ASIC takes action in relation to the Entitlement Offer or the Offer Documents or gives notice of an intention to prosecute Valad or any of its directors;
  - The ASX withdraws its approval for an official quotation of the New Stapled Securities on the ASX or if the ASX or ASIC withdraw or revoke any waivers or modifications necessary to effect the Entitlement Offer;
  - Valad ceases to be admitted to the official list of the ASX or the ordinary stapled securities of Valad are suspended from trading or cease to be quoted on the ASX;
  - there is a disruption in certain key global financial markets or hostilities commence in certain countries which have, or are likely to have, a material adverse effect on the Entitlement Offer;
  - any information supplied by or on behalf of Valad to the Sole Lead Manager in respect of the Entitlement Offer is found to be false, misleading or deceptive or likely to mislead or deceive; or
  - there is a decline of 15% or more in the S&P/ASX 200 Index or the S&P/ASX 200 A-REIT Index; and
- The Sole Lead Manager will be remunerated by Valad for providing these services at market rates.

Subject to certain exceptions, Valad has agreed to indemnify the Sole Lead Manager and its affiliates, related bodies corporate and their respective officers, employees, agents and advisers and each person (if any) who controls the Sole Lead Manager, each an "**Indemnified Party**", from and against all losses arising directly or indirectly from or relating to the Offer, the activities of the Sole Lead Manager or an Indemnified Party contemplated in the Underwriting Agreement or a breach by Valad of the Underwriting Agreement. Valad may accept applications for New Stapled Securities even if the underwriting agreement is terminated.

## 15. Optionholders

Optionholders will not be entitled to participate in the Entitlement Offer.

## 16. Nominees

Nominees and custodians which hold stapled securities as nominees or custodians will have received, or will shortly receive, a letter from Valad. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to eligible institutional securityholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not) and ineligible institutional securityholders who were ineligible to participate in the Institutional Entitlement Offer. However, nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold existing stapled securities.

The Retail Entitlement Offer is being made to all Eligible Retail Securityholders. Valad is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of stapled securities. Where any holder is acting as a nominee for a foreign person that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the offer is compatible with applicable foreign laws. Any person in the US holding through a nominee may not participate in the offer and the nominee must not send any materials into the US or to any person it knows to be a US person. Valad is not able to advise on foreign laws.

# → **IMPORTANT INFORMATION**

*(continued)*

## **17. Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Valad, or its related bodies corporate in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Valad, or any other person, warrants or guarantees the future performance of Valad or any return on any investment made pursuant to this Information.

## **18. ASX Waivers**

In order to conduct the Entitlement Offer, Valad has sought certain waivers from the ASX Listing Rules. The ASX has granted Valad waivers from the ASX Listing Rules 3.20, 7.1, 7.40 and 10.11 subject to a number of conditions, including that:

- all securityholders are offered their pro-rata share of the Entitlement Offer unless ASX Listing Rule 7.7.1 would permit the securityholder to be excluded from the Entitlement Offer;
- New Stapled Securities are offered under the Institutional Entitlement Offer and Retail Entitlement Offer at the same price and same ratio; and
- related parties do not participate beyond their pro-rata share other than under bona fide underwriting arrangements that are disclosed in this Retail Offer Booklet. There is no such underwriting arrangement.

The waivers also allow Valad to ignore, for the purposes of determining those entitled to receive Entitlements, transactions occurring after the announcement of the trading halt in securities (other than registrations of ITS (Integrated Trading System) transactions which were effected before the announcement) ("**Post Ex-date Transactions**").

Transactions ignored under this provision are to be ignored in determining holders and registered holders, and holdings and registered holdings, of existing stapled securities as at the Record Date, and references to such holders, registered holders, holdings and registered holdings are to be read accordingly. Therefore, if you have acquired stapled securities in a Post Ex-date Transaction, you will not be entitled to receive an Entitlement in respect of those stapled securities.

## **19. ASIC relief**

ASIC has granted a modification of the following sections of the Corporations Act:

- sections 601FC(1)(d) and 601GAA(3), as notionally inserted by ASIC Class Order 05/26, to allow the Entitlement Offer to fall within the requirements of that Class Order; and
- section 1019A, to exempt the Entitlement Offer from the cooling off requirements imposed by that subsection.

## **20. No authorisation**

No person is authorised to give any information or make any representation in connection with the Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation not contained in this Retail Offer Booklet may not be relied on as having been authorised by Valad in connection with the Entitlement Offer.

## **21. Reconciliation**

As in any entitlement offer, investors may believe that they own more existing securities on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all eligible securityholders have the opportunity to receive their full Entitlement. If reconciliation is required, it is possible that Valad may need to issue a small quantity of additional new stapled securities ("**Top-Up Stapled Securities**") to ensure all eligible institutional securityholders and Eligible Retail Securityholders have the opportunity to receive their full Entitlement. The price at which these Top-Up Stapled Securities will be issued will be the same as the Offer Price.

Valad also reserves the right to reduce the number of New Stapled Securities allocated to eligible securityholders or persons claiming to be eligible securityholders, if their Entitlement claims prove to be overstated, or if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are indeed not eligible securityholders.



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# → *CORPORATE DIRECTORY*

## ***Company secretary***

Chris Carroll

## ***Registered office***

Level 9  
1 Chifley Square  
Sydney NSW 2000  
Australia

## ***Share registry***

Link Market Services Limited  
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Sydney NSW 2000  
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Australia 1300 650 320  
International +61 2 8280 7104  
Fax +61 2 9287 0303  
Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## ***Website***

Corporate information and the Valad Annual Report can be found via Valad's website at [www.valad.com.au](http://www.valad.com.au)

## ***Valad Securityholder Information Line***

Australia 1300 650 320  
International +61 2 8280 7104

Open 8:30am to 5:30pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

