



12 August 2014

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Dear Sir or Madam

**Australand Holdings Limited (ACN 008 443 696), Australand Property Trust (ARSN 106 680 424), Australand Property Trust No.4 (ARSN 108 254 413) and Australand Property Trust No.5 (ARSN 108 254 771) ("Australand") - takeover offer by Frasers Amethyst Pte. Ltd. ("Frasers")**

In accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth) please find attached is a copy of the first supplementary target's statement supplementing the target's statement dated 14 July 2014 ("**First Supplementary Target's Statement**").

The First Supplementary Target's Statement relates to Frasers' bidder's statement dated 1 July 2014 (as supplemented by the first supplementary bidder's statement dated 31 July 2014) for the off-market cash takeover bid by Frasers for all the stapled securities in Australand.

The attached First Supplementary Target's Statement was lodged with the Australian Securities and Investments Commission and was given to Frasers today.

Yours faithfully

Bev Booker  
Company Secretary



## AUSTRALAND PROPERTY GROUP

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT ABOUT HOW TO DEAL WITH THIS DOCUMENT, YOU SHOULD CONSULT YOUR FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

# First Supplementary Target's Statement

This First Supplementary Target's Statement supplements, and is to be read together with, the Target's Statement issued by **Australand** in response to the off-market cash takeover bid made by **Frasers Amethyst Pte. Ltd.**, a wholly owned subsidiary of **Frasers Centrepoint Limited**

Australand comprises Australand Holdings Limited (ACN 008 443 696), Australand Property Trust (ARSN 106 680 424), Australand Property Trust No.4 (ARSN 108 254 413) and Australand Property Trust No.5 (ARSN 108 254 771)

# ACCEPT

the Offer

Your Directors unanimously recommend that you **ACCEPT** the Offer.

To accept the Offer, complete, sign and return the Acceptance Form enclosed with the Bidder's Statement prior to the Closing Date.

Financial advisers



Legal adviser

KING & WOOD  
MALLESONS

# Important information

## Nature of this document

This document is the first supplementary target's statement (**First Supplementary Target's Statement**) to the target's statement dated 14 July 2014 (**Target's Statement**) issued by Australand and lodged with the Australian Securities and Investments Commission (**ASIC**) on 14 July 2014, in relation to the off-market cash takeover bid made by Frasers Amethyst Pte. Ltd., a wholly owned subsidiary of Frasers Centrepoint Limited.

This First Supplementary Target's Statement supplements, and is to be read together with, the Target's Statement.

## Defined terms

Unless the context requires otherwise, defined terms in the Target's Statement have the same meaning in this First Supplementary Target's Statement. This First Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

## ASIC and ASX disclaimer

A copy of this First Supplementary Target's Statement was lodged with ASIC on 12 August 2014. Neither ASIC nor any of its officers takes any responsibility for the contents of this First Supplementary Target's Statement.

## Australand Securityholder Information Line

Australand has established the Securityholder Information Line which Australand Securityholders should call if they have any queries in relation to the Offer. The telephone number for the Securityholder Information Line is:

- 1800 882 147 (toll free for calls within Australia); or
- +61 1800 882 147 (for callers outside Australia),

which is available Monday to Friday between 9.00am and 5.00pm (EST).

Further information relating to the Offer can be found on the ASX website ([www.asx.com.au](http://www.asx.com.au) ASX code: ALZ).

## Key dates

Date of the Offer	1 July 2014
Date of Target's Statement	14 July 2014
Date of this First Supplementary Target's Statement	12 August 2014
Close of the Offer Period (unless extended)	7.00pm (EST) on 21 August 2014

### 1 **The Offer is now unconditional and has been automatically extended. The Offer is now scheduled to close on 21 August 2014.**

All conditions to the Offer have now been waived by the Bidder and it has declared the Offer unconditional. In addition, as the Bidder's voting power in Australand increased to more than 50% in the last seven days of the Offer Period, the Offer Period has been automatically extended. You now have until 21 August 2014 to accept the Offer. The Offer Period may be further extended by the Bidder at any time before the end of the Offer Period.

As the Offer is now unconditional, if you accept the Offer (so that your acceptance is received before the Closing Date), you will be entitled to received \$4.48 cash per Australand Security.

### 2 **Allowed Distribution determination**

As set out in Section 4.2 of the Target's Statement, now that the Offer has become unconditional, Australand Securityholders are entitled to an Allowed Distribution of 2.63 cents per Australand Security (being 12.75 cents pro-rated for the period from 1 July 2014 until 7 August 2014 (being the date the Offer became unconditional)).

The Australand Directors have now determined that the Allowed Distribution will be payable to Australand Securityholders on the register at the Allowed Distribution Record Date.

The key dates in the Allowed Distribution timetable are:

- (a) Australand Securities will trade "ex" the Allowed Distribution entitlement on ASX from 14 August 2014;
- (b) the Allowed Distribution Record Date will be 18 August 2014; and
- (c) the Allowed Distribution will be paid on 27 August 2014.

The Bidder will not process any acceptances of the Offer until after the Allowed Distribution Record Date. Accordingly, if you are an Australand Securityholder on the Allowed Distribution Record Date you will be entitled to receive the Allowed Distribution whether or not you have accepted the Offer.



### 3 Vesting of Australand Securities issued under employee arrangements

Pursuant to Australand's employee arrangements set out in section 7.6 of the Target's Statement, the acquisition by the Bidder of a relevant interest in more than 50% of all Australand Securities and the Offer being declared unconditional, has triggered a change of control event resulting in the vesting of the following Australand Performance Rights.

#### (a) STI Arrangements

Under the deferred STI arrangement 190,590 Australand Performance Rights have now vested.

#### (b) Performance Rights

##### (i) Long term incentive (LTI) Arrangements under the PRP

Under the deferred LTI arrangement 508,900 Australand Performance Rights have now vested.

##### (ii) Other PRP Arrangements

Under the pro-rata vesting arrangement 2,423,692 Australand Performance Rights vested on 7 August 2014.

Accordingly a total of 3,123,182 Australand Performance Rights vested on 7 August 2014. Australand has issued 2,813,394 Australand Securities to employees to satisfy part of its obligations on the vesting of the Australand Performance Rights. The remaining vested Australand Performance Rights have been satisfied by the transfer of 309,788 Australand Securities to employees from the Australand Performance Rights Plan Trust.

### 4 Syndicated loan facilities

As foreshadowed in Section 4.14 of the Target's Statement, Frasers and Australand have negotiated a \$900 million standby financing facility through Australia and New Zealand Banking Group Limited, National Australia Bank Limited and Westpac Banking Corporation (**Australand Funding Arrangement**).

Pursuant to the Australand Funding Arrangement the facility, will be available to Australand to repay the USPP, redeem the ASSETS and to make the scheduled repayment of \$304 million in January 2015 under one of Australand's syndicated finance facilities.

### 5 ASSETS

Australand has resolved to procure the Issuer to exercise its rights of redemption in respect of all of the ASSETS.

A notice will be separately provided to the ASSETS holders.

### 6 Notices issued under USPP

The Australand Property Group issued US\$170 million of USPP notes in 2011, which mature in two tranches in 2021 and 2023.

Under the Bid Implementation Agreement, Australand agreed to give a prepayment notice within one business day of a change of control under the Offer, offering to the USPP noteholders to repay the notes at par value with accrued interest on the date that is 20 business days after the date of the repayment notice.

As stated in section 1 of this First Supplementary Target's Statement, the Bidder has acquired a relevant interest in more than 50% of Australand Securities and the Offer has been declared unconditional. This constitutes a change of control for the purposes of the USPP documentation and as such the prepayment notices have now been provided to the USPP noteholders requiring a response by 22 August 2014.

As described in Section 4.14(b) of the Target's Statement, under the terms of the USPP, noteholders must notify Australand of their decision to accept this prepayment offer within 10 business days after the issue of the repayment notice. No Make-Whole Amount or other premium amount is payable on repayment of the notes in this case. Australand currently has undrawn debt facilities and cash available to repay the notes with accrued interest. The Australand Funding Arrangement would also be available for this purpose.

## 7 Material joint venture arrangements

In addition, the acquisition by the Bidder of a relevant interest in more than 50% of all Australand Securities and the Offer being declared unconditional, has triggered a change of control event with consequences for the following material joint venture arrangements (also described in Section 4.14(d) of the Target's Statement):

- (a) The co-venturer of the Australand Logistics Joint Venture (**ALJV**) agreement with the Government of Singapore Investment Corporation has not consented to the change of control and accordingly the co-venturer is entitled to buy-out Australand's interest in the joint venture for market value less transaction costs or require an orderly wind down of the joint venture. Discussions with the co-venturer are continuing in relation to the change of control.
- (b) In respect of the Australand Residential Trust Agreement, the co-venturer, Uberior Ventures Australia Pty Limited, has consented to the change of control and, accordingly, the change of control will have no impact on Australand's interest in the joint venture.

## 8 Changes to the Australand Board

In accordance with the Bid Implementation Agreement, Australand has received from Frasers a nomination for each of the following persons to be appointed as directors to the Australand Board:

- (a) Panote Sirivadhanabhakdi;
- (b) Chotiphat Bijananda; and
- (c) Lim Ee Seng.

The Australand Board has resolved to appoint as directors each of these persons to the Australand Board with effect on and from the later of 13 August 2014 or receipt of Consents to Act.

## 9 Minority ownership implications

As stated in section 1 of this First Supplementary Target's Statement, the Bidder has acquired a relevant interest in more than 50% of Australand Securities and the Offer has been declared unconditional. As a result the Bidder now has a majority securityholding in Australand.

If the Offer closes without the Bidder having a relevant interest in at least 90% of Australand Securities, the Bidder would not be entitled to proceed to compulsory acquisition of 100% of Australand Securities as a result of the Offer.

Accordingly, if you do not accept the Offer, and remain an Australand Securityholder and the Bidder does not acquire a relevant interest in at least 90% of the Australand Securities (and is therefore not entitled to proceed to compulsory acquisition), you will remain a minority Securityholder in Australand.

As set out in Section 4.12 of the Target's Statement, this results in a number of potential implications, including:

- (a) the Bidder will be in a position to cast the majority of votes at a general meeting of Australand. This will enable the Bidder to control the composition of the Australand Board and senior management, and control the strategic direction of the business of the Australand Property Group;
- (b) Frasers may pursue the intentions which it has set out in section 3 of the Bidder's Statement (including a review of the current Australand distribution policy);
- (c) a possible impact on Australand's financing arrangements and material contracts, as described in more detail in Section 4.14 of the Target's Statement;
- (d) the trusts which form a part of Australand will no longer qualify as MITs for tax purposes with the result that non-resident Securityholders will no longer benefit from MIT withholding tax on certain distributions (15% on fund payments to residents of an Information Exchange Country and 30% not resident in those countries). See Section 6.3(b) of the Target's Statement for further detail in relation the MIT implications;
- (e) the liquidity of Australand Securities may be lower than at present, and there is a risk that Australand could be removed from certain market indices due to lack of spread, free float or liquidity; and



- (f) the Bidder may seek to have Australand removed from the official list of ASX. If delisting occurs, Australand Securities will not be able to be bought or sold on ASX. The Bidder's Statement states that Frasers intends to seek to arrange for Australand to be removed from the official list of ASX. See Section 4.13 of the Target's Statement for more details on ASX delisting.

In addition, after the end of the Offer the trading price of Australand Securities could fall below the Offer Price of \$4.48.

**The Australand Directors recommend that you carefully read the Bidder's Statement together with any Supplementary Bidder's Statements in full, as it contains important information about the intentions of Frasers and the Bidder if the Bidder does not become entitled to at least 90% of Australand Securities.**

## 10 Your Australand Directors recommend you should now accept the Offer

Each of the Australand Directors has now accepted the Offer in respect of all of the Australand Securities they hold. The Managing Director, Bob Johnston, will also accept the Offer in respect of all the Australand Securities received upon vesting of Australand Performance Rights. As set out in the Target's Statement, the Independent Expert has concluded that the Offer is fair and reasonable to Australand Securityholders, in the absence of a Superior Proposal. If you do not accept the Offer you will not receive the Offer Price (of \$4.48 cash) for every Australand Security you hold and you will remain a minority Securityholder in Australand. This has a number of potential implications, some of which are outlined above and which are set out in section 4.12 of the Target's Statement, which you are encouraged to read in full. In addition, and as set out in more detail in section 4.11 of the Target's Statement, your Australand Securities may become subject to compulsory acquisition. If the Bidder becomes entitled to compulsorily acquire your Australand Securities and exercises that entitlement, you will receive your consideration at a later date than if you had accepted the Offer.

The Bidder has announced the Offer Price (of \$4.48 cash) for every Australand security is best and final in the absence of a competing proposal. This means that the Bidder will not be able to increase the Offer Price in the absence of a competing proposal emerging prior to the Closing Date. As the Bidder has acquired an interest in more than 50% of Australand Securities, your Directors consider that it is unlikely any alternate proposal will be received for your Australand Securities.

**Your Australand Directors recommend that you should now accept the Offer so that your acceptance is received (in Sydney) before the closing date of 7.00pm (Sydney time) on 21 August 2014.**

## 11 Other information

### (a) Consents

Each Australand Director has given and has not, before the date of this First Supplementary Target's Statement, withdrawn their consent to be named in this First Supplementary Target's Statement and to the inclusion of statements made by them.

Each of Macquarie and Fort Street has given and has not, before the date of this First Supplementary Target's Statement, withdrawn its consent to the inclusion of its name in this First Supplementary Target's Statement as financial adviser to Australand.

King & Wood Mallesons has given and has not, before the date of this First Supplementary Target's Statement, withdrawn its consent to the inclusion of its name in this First Supplementary Target's Statement as legal adviser to Australand.

### (b) Date

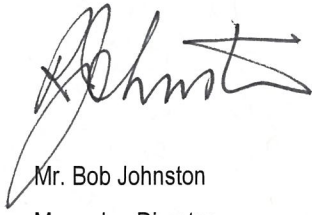
This First Supplementary Target's Statement is dated 12 August 2014, which is the day on which it was lodged with ASIC.

### (c) Authorisation

This First Supplementary Target's Statement has been approved by a resolution passed by the Board of Directors of Australand.

Dated 12 August 2014

Signed on behalf of Australand

A handwritten signature in black ink, appearing to read 'Bob Johnston', with a stylized flourish at the end.

Mr. Bob Johnston  
Managing Director  
Australand