

DEXUS Property Group (ASX: DXS)

ASX release

11 December 2013

Notice of change of interests of Substantial holder - CPA

DEXUS Property Group today lodged a change of interests of substantial holder in relation to its holding in Commonwealth Property Office Fund (CPA).

For further information please contact:

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About DEXUS

DEXUS Property Group (DEXUS) is one of Australia's leading real estate groups, investing directly in high quality Australian office and industrial properties. With over \$13 billion of assets under management, DEXUS also actively manages office, industrial and retail properties located in key Australian markets on behalf of third party capital partners. DEXUS manages an office portfolio of over 900,000 square metres across Sydney, Melbourne, Brisbane and Perth and is one of the largest institutional owners of office buildings in the Sydney CBD, Australia's largest office market. DEXUS is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange under the stock market trading code 'DXS' and is supported by more than 19,000 investors from 15 countries. With over 25 years of experience in commercial property investment, development and asset management, DEXUS has a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns to investors. www.dexus.com

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DEXUS Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for DEXUS Property Group (ASX: DXS)

Form 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Commonwealth Property Office Fund ("CPA")

ACN/ARSN ARSN 086 029 736

1. Details of substantial holder (1)

Name This notice is given by DEXUS Funds Management Limited ("DXFM"), as responsible entity of DEXUS Office Trust. The notice is given by DXFM on behalf of itself and on behalf of each of its related bodies corporate ("DEXUS Subsidiaries") that are held by DXFM as an asset of the DEXUS Office Trust

ACN/ARSN (if applicable) ACN 060 920 783

There was a change in the interests of the substantial holder on 11/12/13

The previous notice was given to the company on 3/12/13

The previous notice was dated 3/12/13

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

| Class of securities (4) | Previous notice | | Present notice | |
|-------------------------|--|--|--|------------------|
| | Person's votes | Voting power (5) | Person's votes | Voting power (5) |
| Fully paid units | 612,461,085 CPA units ("Units") This includes the 350,000,000 Units arising under the arrangement set out in Annexure A to the Substantial Holder Notice lodged by DXFM on 25 July 2013 ("Arrangement"). The remainder of DEXUS's votes arise as a result of its possible association with Commonwealth Bank of Australia Limited ("CBA") (refer to the substantial holder Notice lodged by DXFM on 12 November 2013). | 26.1% This includes the 14.9% arising under the Arrangement. The remainder of DXFM's voting power arises as a result of its possible association with CBA. | 350,000,000 This arises under the Arrangement. Note, DXFM has now given a notice requiring delivery of Units under the Arrangement. Accordingly, the obligation for DXFM to take, and the obligation for DBA to make, delivery of Units under the Arrangement has now arisen. DXFM has also amended the terms of the Arrangement. Refer to the document attached in Annexure A | 14.9% |

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change (6) | Consideration given in relation to change (7) | Class and number of securities affected | Person's votes affected |
|----------------|--|--|--|---|-------------------------|
| 11/12/13 | DXFM | DXFM gave notice requiring delivery of Units under the Arrangement. As a consequence the obligation for DXFM to take, and the obligation for DBA to make, delivery of Units under Arrangement has now arisen. | Under the Arrangement, when DXFM takes delivery of Units, DXFM will be obliged to make a payment of \$1.1334 per Unit delivered (subject to reductions in accordance with the terms of the Arrangement). | 350,000,000 | 350,000,000 |

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Nature of relevant interest (6) | Class and number of securities | Person's votes |
|-----------------------------|---|---|---|---|--|
| DXFM | Unknown. However, as far as DXFM is aware, DBA currently holds a relevant interest in 382,180,004 Units and DXFM may be taken to have a relevant interest in those Units by reason of the Arrangement (up to an interest of 350,000,000). Refer to the substantial holder notice lodged by DBA and appearing on ASX on 3 December 2013 for further information about the registered holder of Units in which DBA has a relevant interest. | Unknown. Refer to the substantial holder notice lodged by DBA and appearing on ASX on 3 December 2013 for further information about the person entitled to be registered as holder of Units in which DBA has a relevant interest. Note, DXFM has now given a notice requiring delivery of Units under the Arrangement. Accordingly, the obligation for DXFM to take, and the obligation for DBA to make, delivery of Units under Arrangement has now arisen. | DXFM is not the owner of units. However, under section 608(8), it may be taken to have a relevant interest in Units by reason of the Arrangement. | To the extent that section 608(8) confers the same relevant interest on DXFM as held by DBA as at 29 November 2013 (up to a maximum of 350,000,000 Units), DXFM had a relevant interest in 350,000,000 Units. | To the extent that section 608(8) confers the same relevant interest on DXFM as held by DBA as at 29 November 2013 (up to a maximum of 350,000,000 Units), DXFM had a relevant interest in Units with voting power of 14.9%. |

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|--|
| CBA | <p>On 8 November 2013, DXFM entered into a confidentiality and exclusivity agreement with the CBA (refer to substantial holder notice lodged by DXFM on 12 November 2013).</p> <p>Under that agreement, CBA agreed to provide due diligence to DXFM on an exclusive basis in relation to a potential ancillary proposal under which CBA would facilitate the transition of CBA management to DXFM.</p> <p>DXFM has now concluded its due diligence investigations and the confidentiality and exclusivity agreement with CBA has terminated.</p> |

6. Addresses

The addresses of persons named in this form are as follows:

| Name | Address |
|------|---|
| DXFM | Level 25, Australia Square, 264 - 278 George St, Sydney, 2000 |

Signature

print name **John Easy**

capacity **Company Secretary**

sign here



date 11/12/13

Annexure A

This is Annexure A of 4 pages referred to in form 604 Notice of change of interests of substantial holder by DEXUS Funds Management Limited (ACN 086 029 736).



.....
Name: John Easy
Capacity: Company Secretary
Date: 11 December 2013



Deutsche Bank AG
 Australia & New Zealand
 ABN 13 064 165 162
 Deutsche Bank Place
 Level 16
 Cnr of Hunter & Phillip Streets
 Sydney NSW 2000 Australia
 GPO Box 7033 Sydney NSW 2001
 Tel +61 2 8258 1234

DEXUS Funds Management Limited
 (ABN 24 060 920 783)
 (in its capacity as responsible entity of
 DEXUS Office Trust (ARSN 090 768 531))
 Level 25, Australia Square
 264-278 George Street
 Sydney NSW 2000

Attention: Craig Mitchell

11 December 2013

Dear Sir

Share Forward Transaction: side letter – Settlement Date

The purpose of this letter agreement is to set forth certain agreements between the parties in relation to the terms and conditions of the above mentioned Transaction entered into between Deutsche Bank AG, Sydney branch (ABN 13 064 165 162) ("**Party A**") and DEXUS Funds Management Limited (ABN 24 060 920 783) (in its capacity as responsible entity of DEXUS Office Trust (ARSN 090 768 531)) ("**Party B**") on 25 July 2013, as amended from time to time (the "**Transaction**").

Capitalised terms used but not defined in this letter agreement have the meaning given to them in the Confirmation for the Transaction (the "**Confirmation**"). In the event of any inconsistency between the terms of this letter agreement and the Confirmation, this letter agreement will prevail.

1. Settlement Date

- (a) The parties agree that on and after the date that a New Valuation Date is effectively designated under paragraph (b) in the definition of "Valuation Date" in the Confirmation, the Transaction shall for all purposes be considered to be a Physically-settled Transaction and Party B may, by notice to Party A, designate a date that is earlier or later than that Settlement Date to be the Settlement Date for the purposes of the Transaction (the "**New Settlement Date**"), provided that:
- (i) at the time the notice is given, no Event of Default in respect of Party B and no Termination Event in respect of which Party B is the sole Affected Party is subsisting;
 - (ii) the notice is given not less than 5 Exchange Business Days prior to the then current Settlement Date; and
 - (iii) the date designated by the notice is:
 - (A) both an Exchange Business Day and a Currency Business Day;

- (B) later than the New Valuation Date;
- (C) no less than 5 Exchange Business Days after the date the notice is given; and
- (D) no later than one Settlement Cycle after 25 January 2015.

Any such notice is irrevocable.

- (b) If a New Settlement Date is effectively designated under paragraph (a) above:
 - (i) that date will be deemed to be the Settlement Date for the purposes of the Transaction, unless and until Party B makes another effective designation in accordance with paragraph (a) above (which Party B may do from time to time subject to the provisions of paragraph (a));
 - (ii) references in the ISDA Definitions to the "Valuation Date" shall for the purposes of the Transaction (to the extent applicable) be deemed to be references to the date which is 3 Exchange Business Days before the then current Settlement Date, provided that this shall not affect the designation or timing of the New Valuation Date (or, accordingly, the Valuation Date), the designation or timing of the New Settlement Date (or, accordingly, the Settlement Date) or the definition or interpretation of any of those terms themselves as provided for in the Confirmation and this letter agreement; and
 - (iii) the definition of Break Costs will be replaced with the following:

"The amount (if any) by which:

- (A) *the Floating Amount which Party A would have received for the period from (and including) the final Payment Date (as adjusted pursuant to the designation of the New Valuation Date and the final New Settlement Date) to (but excluding) the last day of the Calculation Period in which the final New Settlement Date occurs;*

exceeds:

- (B) *the Calculation Agent's determination of the amount of interest which Party A would have received by placing an amount equal to the Notional Amount on deposit with a leading bank in the Australian interbank market or acquiring a bill of exchange accepted by a leading bank for a period starting on (and including) the final Payment Date (as adjusted pursuant to the designation of the New Valuation Date and the final New Settlement Date) (or, if the final Payment Date is not a Currency Business Day, the next succeeding Currency Business Day) to (but excluding) the last day of the Calculation Period in which the final New Settlement Date occurs."*

and the definition of "Valuation Date" insofar as it relates to Break Costs will also be taken to have been amended to the extent necessary to reflect this revised definition.

2. Counterparts

This letter agreement may be executed in any number of counterparts and all of those counterparts taken together constitute one and the same instrument.

3. **Governing law**


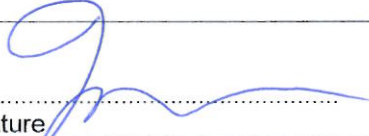
This letter agreement shall be governed by and is to be construed in accordance with the laws of New South Wales.

4. **Acceptance**

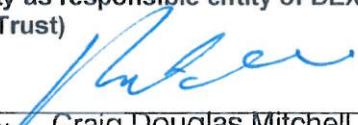
By executing this letter agreement, the parties acknowledge and agree that the agreements set out in section 1 above shall take effect as agreements between the parties in respect of the Transaction as if they were set out in full in the Confirmation and the Confirmation had been amended to reflect them, and that for all purposes (including without limitation Sections 5 and 6 of the ISDA Agreement and the Deutsche Guarantee) the obligations in this letter agreement shall be taken to form part of the Transaction.

Please confirm your acceptance of the provisions contained in this letter agreement by signing and returning the attached copy of this letter agreement.

Signed for and on behalf of
Deutsche Bank AG, Sydney Branch by:

| | |
|---|--|
|  Signature |  Signature |
| Adrian Todd Name | IAN THOMPSON Name |
| Attorney Title | ATTORNEY Title |

Agreed and acknowledged by:
DEXUS Funds Management Limited (in its capacity as responsible entity of DEXUS Office Trust)



Attorney Craig Douglas Mitchell



Attorney RACHEL CARAUS

Date: 11/12/13


DEVAN BALA
WITNESS