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HD **GIC sells stake in GPT**  
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The Government Investment Corporation of Singapore has **sold** its 8 per cent stake in GPT **Group** for \$505 million in a deal that is likely to reap the sovereign wealth fund a windfall of up to \$400m.

GIC first bought its 12 per cent interest in 2008 for as little as 60c a share, and its selldown last night will take the value of block trades in the Australian listed real **estate** sector to at least \$1 billion in the past year as investors ride the wave of improving market conditions.

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Investment bank UBS has managed the selldown, which was under way last night with the shares offered at \$3.81, a 2.7 per cent discount to yesterday's closing price of \$3.90.

The Singapore pension fund would retain GIC's exchangeable securities in GPT, acquired during the global financial crisis and representing just under 4 per cent of voting stock in GPT.

The deal coincides with recent improvements in the Australian dollar and after a rally in GPT's share price, which has climbed over the past four weeks from \$3.76 on April 15.

Last night, GPT dismissed any suggestion that the pension Continued on Page 20 Continued from Page 19 fund was selling out due to discontent with the strategic direction of the **property** trust's management or its two recent unsuccessful takeover attempts.

GIC could not be reached for comment.

GPT has set an ambitious target to grow funds under management by \$10 billion to \$17bn.

In the past two years it has bid for the bulk of Australand and the Commonwealth **Property** Office Fund to boost the value of its portfolio.

Its 2012 bid for the non-**residential** assets of rival Australand was rebuffed by the **company**'s then largest shareholder, CapitaLand.

The battle for the Commonwealth **Property** Office Fund some months later was won by Dexis **Property Group** and the Canada Pension Plan Investment **Board**.

GPT struck a deal with the winning bidders, where it was offered some of the assets in its target's portfolio.

GIC first bought into GPT at the height of the financial crisis, when the latter was in desperate need of a white knight as it wrestled with challenging **property** investments. These included a European joint venture with collapsed investment bank Babcock & Brown.

In October 2008, GIC **purchased** a 12 per cent stake in the **group** through a special placement after throwing its support behind GPT's \$1.6bn heavily discounted capital raising.

Its stake at that time was made up of about 8 per cent in ordinary shares at between 60c and 70c apiece and a further 4 per cent of exchangeable securities at \$1.25.

Its total holding in GPT at the time represented an investment in the **company** of about \$330m.

GIC owns about \$4bn worth of real **estate** in Australia, including Sydney's Chifley Tower and Queen Victoria Building, and a half share of the Melbourne Emporium, which is worth just over \$500m.

One source said GIC's **sale** could also have been driven by asset allocation and renewed interest from offshore investment managers. UBS's managed funds were expected to **purchase** some of the shares.

The deal comes after Australand's 60 per cent shareholder CapitaLand **sold** its \$1bn-plus interest in the **company** in two separate tranches in November and March.

Goodman **Group** has been speculated as the next **property company** subject to a major share selldown, with speculation that **China** Investment Corporation could sell its \$855m interest in the **company**. In 2012, it **sold** a 6.9 per cent interest in Goodman for \$519.2m.

**CO** gnprop : GPT Group

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