
**GENERATION RESPONSIBLE ENTITY UNANIMOUSLY RECOMMENDS NORTHWEST'S
UNCONDITIONAL AND FINAL¹ CASH OFFER OF A\$2.30 PER GENERATION UNIT²**

5 May 2017

NorthWest Healthcare Properties Real Estate Investment Trust (TSX: NWH.UN) (**NorthWest**) today announces that NorthWest Australia³ has reached an agreement with APN Funds Management Limited (**Generation Responsible Entity**), the responsible entity of Australia's Generation Healthcare REIT (ASX: GHC.AX) (**Generation**), to increase its offer price under its all-cash, unconditional, off-market takeover offer (**Offer**) for all outstanding units it does not already own (**Generation Units**) in Generation from A\$2.24 to A\$2.30 (**Offer Price**)⁴.

NorthWest Australia's Offer Price is **now best and final and will not be increased**, subject only to no competing proposal for Generation being publicly announced and **the Board of the Generation Responsible Entity has agreed to unanimously recommend that all Generation Unitholders accept Northwest Australia's Offer**, in the absence of a superior proposal and provided that an independent expert determines the Offer is fair and reasonable.

Announcement highlights

- The increased all-cash Offer represents a 49.4% premium to Generation's 31 December 2016 net tangible assets
- The Board of the Generation Responsible Entity has agreed to unanimously recommend the Offer, in the absence of a superior proposal and provided that an independent expert determines the Offer is fair and reasonable
- A Bid Implementation Deed has been entered into between NorthWest Australia and the Generation Responsible Entity containing customary deal protections, including a A\$5 million break fee payable to NorthWest Australia in certain circumstances
- NorthWest Australia's increased Offer Price is best and final and will not be increased, subject only to no competing proposal for Generation being publicly announced
- The Offer is expected to open on Monday, 8 May 2017 and is scheduled to close on Thursday, 8 June 2017, unless it is extended as permitted by the Australian Corporations Act

¹ Final as to price and will not be increased, subject only to no competing proposal for Generation being publicly announced.

² The cash consideration payable under the Offer is \$2.30 per Generation Unit. This will be reduced by the amount or value of any rights attaching to the Generation Units (including any distributions) which arise or are paid on or after the date of the Bidder's Statement which NorthWest does not receive.

³ NWH Australia AssetCo Pty Ltd as trustee for NWH Australia Asset Trust, a controlled entity of NorthWest.

⁴ The variation of the Offer Price is subject to obtaining ASIC relief, which is expected to be granted.

Unanimously Recommended by the Generation Responsible Entity

The Board of the Generation Responsible Entity has agreed to unanimously recommend that Generation Unitholders accept the Offer, in the absence of a superior proposal and provided that an independent expert determines the Offer is fair and reasonable.

Generation Unitholders will receive an attractive premium

The cash consideration payable under the Offer of A\$2.30 per Generation Unit represents a premium of:

- 49.4% to Generation's 31 December 2016 net tangible assets (NTA) of A\$1.54 per Generation Unit, reported on 20 February 2017;
- 13.4% to Generation's one day VWAP on 21 April 2017, being the last trading day before the announcement of the Offer;
- 13.4% to Generation's one month VWAP (calculated from 22 March 2017);
- 15.8% to Generation's three month VWAP (calculated from 22 January 2017); and
- 2.7% to the A\$2.24 previous Offer Price.

Bid Implementation Deed

NorthWest Australia and the Generation Responsible Entity have entered into a Bid Implementation Deed, which includes provisions customary for a transaction of this nature including no shop, no talk, no due diligence, notification and matching right provisions. It also includes payment of a A\$5 million break fee to NorthWest Australia in certain circumstances. A copy of the Bid Implementation Deed is attached to the ASX announcement lodged by the Generation Responsible Entity today.

Replacement Bidder's Statement

A Replacement Bidder's Statement is expected to be lodged with ASIC and sent to Generation Unitholders on Monday, 8 May 2017, at which time the Offer will open for acceptances by Generation Unitholders. The Offer is unconditional which enables Generation Unitholders to receive payment for their Generation Units in a timely manner (5 business days after receipt of valid acceptance). The Offer is scheduled to close at 7pm (Sydney time) on Thursday, 8 June 2017, unless it is extended or withdrawn as permitted by the Australian Corporations Act. Details on how to accept the Offer are outlined in the Replacement Bidder's Statement.

NorthWest Chairman and CEO Paul Dalla Lana said:

"NorthWest believes the Offer represents compelling value for Generation Unitholders and is pleased to have the support of the Board of the Generation Responsible Entity. The unconditional Offer provides Generation Unitholders with the opportunity to access meaningful liquidity at certain value within a very short timeframe."

NorthWest Australia is the largest Generation Unitholder and currently holds 22.73% of Generation Units on issue. As the Offer is unconditional, NorthWest Australia intends to conduct on-market purchases of Generation Units at the increased Offer Price in accordance with item 2 of section 611 of the Corporations Act. Accordingly, NorthWest Australia has appointed Deutsche Bank's market participant, Deutsche Securities Australia Limited, on and from today to make on-market purchases of Generation Units on NorthWest Australia's behalf at the increased Offer Price.

Further Information

For further information please contact the NorthWest Offer information line on:

From within Australia: 1800 129 431

From outside Australia: +61 1800 129 431

About NorthWest Healthcare Properties Real Estate Investment Trust

NorthWest Healthcare Properties Real Estate Investment Trust (TSX: NWH.UN) (**NorthWest**) is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. NorthWest provides investors with access to a portfolio of high quality healthcare real estate assets comprised of interests in a diversified portfolio of 141 income-producing properties and 9.5 million square feet of gross leasable area. Its properties are located throughout major markets in Canada, Brazil, Germany, Australia and New Zealand. NorthWest's portfolio of medical office buildings, clinics, and hospitals is characterized by long term indexed leases and stable occupancies. With a fully integrated and aligned senior management team, NorthWest leverages over 180 professionals across 9 offices in 5 countries to serve as a long term real estate partner to leading healthcare operators.

www.nwhreit.com

About Generation Healthcare REIT

Generation Healthcare REIT (ASX: GHC) is the only ASX listed healthcare real estate investment entity. Generation owns 16 properties including hospitals, medical centres, laboratories, residential aged care facilities and other purpose-built healthcare facilities. Generation also has an identified development pipeline comprising two projects under construction and one pending. Generation partners with high quality healthcare tenants with strongly diversified income streams. Generation has total assets of approximately \$621 million with investments located in Victoria, New South Wales and Queensland.

www.generationreit.com.au

This press release contains forward-looking statements which reflect NorthWest and NorthWest Australia's current expectations regarding future events. The forward-looking statements involve risks and uncertainties. Actual results could differ materially from those projected herein. NorthWest and NorthWest Australia disclaims any obligation to update these forward-looking statements.