

ASX Announcement

24 April 2017

The Manager
Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Generation Healthcare REIT (ASX Code: GHC) – Receipt of bidder's statement

Dear Sir/Madam

GHC members advised to take no action

APN Funds Management Limited (ACN 080 674 479) as the responsible entity (**Responsible Entity**) of Generation Healthcare REIT (**Fund**) advises that it has received a bidder's statement relating to a proposed off-market takeover offer by NWH Australia Asset Co Pty Ltd as trustee for NWH Australia Asset Trust (**NorthWest Australia**) a controlled entity of NorthWest Healthcare Properties Real Estate Investment Trust (**NorthWest**) for all the units in the Generation Healthcare REIT at a price of \$2.24 per unit to be paid in cash. The offer is unconditional.

The Board of the Responsible Entity is considering the offer and reviewing the bidder's statement and will advise further once it has had the opportunity to consider those fully. The Board of the Responsible Entity is not yet in a position to make a formal recommendation to members but will set out its views in relation to the proposed offer from NorthWest Australia in the target's statement which will be mailed to shareholders. The Board of the Responsible Entity has engaged Merrill Lynch Markets (Australia) Pty Limited as financial adviser and Gilbert + Tobin as legal adviser and is considering the proposed offer.

The Board of the Responsible Entity will carefully assess the value of the offer for the Fund's members, having regard to the Fund's high quality, unique healthcare asset portfolio. Based on an initial review, NorthWest Australia's offer appears to undervalue the Fund based on the Fund's strong earnings outlook, recent healthcare asset transaction evidence, the Fund's significant near term development pipeline and stamp duty savings available to NorthWest Australia due to the listed nature of the acquisition. The Board of the Responsible Entity will also request an opinion from an Independent Expert on the proposed offer (which will be included in the target's statement prepared by the Responsible Entity).

Until the Board of the Responsible Entity has issued its formal recommendation regarding the offer, **members of the Fund are advised to take no action in response**

to the proposed takeover offer. The offer must remain open at least until one month after the date that offers under the bid open and members will have ample time to make a decision in respect of NorthWest Australia's offer.

Please contact me if you require any further information.

Yours sincerely



Chantal Churchill
Company Secretary

About Generation Healthcare REIT

Generation Healthcare REIT (ASX code: GHC), is Australia's only ASX listed healthcare real estate investment entity.

The Fund owns 18 properties including hospitals, medical centres, laboratories, residential aged care facilities and other purpose-built healthcare facilities. The Fund partners with high quality healthcare tenants with strongly diversified income streams. The Fund has total assets of approximately \$529 million with investments located in Victoria, New South Wales and Queensland.

www.generationreit.com.au

About APN Funds Management Limited

APN Funds Management Limited (APNFM) is the Responsible Entity of Generation Healthcare REIT. The Board of APNFM consists of four directors, three of which, including the Chairman are Independent Directors. APNFM is a wholly owned subsidiary of APN Property Group Limited (APN) (ASX code: APD), a specialist real estate investment manager.

www.apngroup.com.au

About Generation Healthcare Management Pty Limited

Generation Healthcare REIT ("Generation", the "Fund")(ASX: GHC) benefits from the experience, proven track record, healthcare focus and global platform of its manager, Generation Healthcare Management Pty Ltd, a wholly-owned subsidiary of NorthWest Healthcare Properties REIT ("NWH REIT", the "REIT") (TSX: NWH.UN), a Canadian listed dedicated healthcare real estate investor. The REIT is also strategically aligned as the largest unitholder of GHC.

NWH REIT is a Canadian listed real estate investment trust focused on providing investors with access to a portfolio of high quality international healthcare real estate infrastructure comprised of interests in a diversified portfolio of 139 income-producing properties and 864,000 square metres of gross leasable area located throughout major markets in Canada, Brazil, Germany, Australia and New Zealand. In Canada, the REIT is the largest non-government owner and manager of medical office buildings and healthcare facilities with 62 properties located from coast to coast, including major concentrations in Calgary, Edmonton, Toronto, Montreal, Quebec City and Halifax. In its international markets, the REIT partners with leading healthcare operators and has built leading management platforms in global gateway cities comprised of high quality healthcare real estate infrastructure assets characterised by long term indexed leases and stable occupancies.

NWH REIT is an expert in owning, managing and developing healthcare real estate with a dedicated and growing team of more than 180 professionals located in Auckland, Berlin, Melbourne, Sao Paulo and Toronto.

www.nwhreit.com

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