

# ASX Announcement

18.09.18

## **Investa Office Fund (ASX:IOF)**

### **Update on Blackstone's position**

Please see attached correspondence received from Blackstone for release to the market.

**End**

#### **For further information please contact:**

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### **About Investa Office Fund**

Investa Office Fund (ASX code: IOF) is an externally managed Australian listed real estate investment trust, included in the S&P/ASX 100 index. IOF is governed by the Independent Board of Investa Listed Funds Management Limited as Responsible Entity, and managed by Investa – one of Australia's largest and most highly regarded office managers. IOF has total assets under management of over \$4.3 billion, with 20 investment grade office buildings in core CBD markets across Australia. The Fund receives rental income from more than 400 tenants, including government agencies and blue chip organisations. IOF's strategy is to deliver attractive risk-adjusted returns investing in high quality Australian office buildings, leveraging Investa's fully integrated specialist property sector capabilities to outperform.

18 September 2018

Mr Richard Longes  
Independent Chairman  
Investa Listed Funds Management Limited  
as responsible entity of Investa Office Fund

Level 30, 420 George Street  
Sydney NSW 2000

Dear Richard

## UPDATE ON BLACKSTONE'S POSITION

We refer to:

- the improved proposal announced on 10 September 2018 between Quartz BidCo Pty Ltd and Quartz Sub TC Pty Ltd as trustee of the Quartz Bid Trust (together, **Blackstone**) and Investa Listed Funds Management Limited as responsible entity of Investa Office Fund (**IOF**) pursuant to which Blackstone offered an increased price of \$5.52 per IOF unit (**Blackstone Improved Proposal**), provided that the Blackstone Improved Proposal was approved by IOF unitholders on or before 17 September 2018;
- the letter from Oxford to you dated 13 September 2018 containing a competing proposal (**Conditional Competing Proposal**); and
- the various agreements (**Stake Building Agreements**) and letters also announced on 13 September 2018 between Oxford and ICPF entities, enabling Oxford to obtain a stake of 19.99% in IOF subject to the satisfaction of certain conditions.

Given the adjournment of the unitholder meeting scheduled to be held on 17 September 2018, Blackstone wishes to confirm that it has retained the ability to undertake the following:

- waive the requirement for the meeting to be held on 17 September 2018 with an offer price at \$5.52 per IOF unit or elect not to waive the requirement for the meeting to be held on 17 September 2018, in which case the price available under the Blackstone proposal will be \$5.3485; and/ or
- elect to increase its offer price above \$5.3485 or \$5.52 (as applicable), given the existence of the Conditional Competing Proposal<sup>1</sup>,

(together, the **Options**).

In this context, we note the following comments of Tony James, Executive Vice Chairman of The Blackstone Group L.P. in his 17 September 2018 interview on CNBC: *"I think [Oxford] also bought 20 percent so I think that gives them nearly a blocking position. So I think that leaves us out on this one."*

These comments do not in any way restrict Blackstone's ability to exercise the Options noted above, including increasing the proposed scheme consideration.<sup>2</sup>

<sup>1</sup> We note that under the Blackstone Increased Proposal, Blackstone retained the right to increase its applicable offer price "in the absence of a superior proposal." "superior proposal" in this context means a competing proposal with a higher offer price than the consideration offered by Blackstone under Blackstone's proposal, which is determined to be superior by Blackstone.

<sup>2</sup> Blackstone notes that ASIC has requested that Blackstone clarify the statements of Mr James.

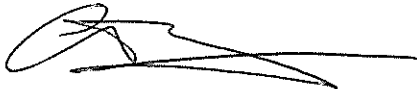
Mr James' comments merely express concerns which Blackstone has in relation to the potential creation of an anti-competitive environment in relation to the auction for IOF.

Blackstone is concerned that IOF unitholders will potentially be put in a position where Oxford (whether alone or with ICPF) will use their blocking stake of 19.99% in IOF to vote down the Blackstone Improved Proposal (or any other proposals for IOF), including in circumstances where Oxford elects not to proceed with its Conditional Competing Proposal, thereby resulting in IOF remaining as an ASX listed entity with ICPF and/or Oxford as the major unitholder(s).<sup>3</sup> In this scenario, ICPF would be able to exit part or all of its stake at a price well above the price at which IOF units are expected to trade in the event that IOF unitholders are left with no Oxford, Blackstone or other third party proposal for IOF.

Blackstone looks forward to working with the IOF board so that all unitholders are given the opportunity to access a certain and binding proposal at a recommended price.

We request the immediate release of this letter to ASX.

Yours sincerely



Chris Tynan

Director

For and on behalf of Quartz BidCo Pty Ltd and Quartz Sub TC Pty Ltd as trustee of the Quartz Bid Trust

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<sup>3</sup> Under clause 11 of the Securities Sale Deed between ICPF and Oxford dated 13 September 2018, Oxford may give ICPF written notice that Oxford (in its sole and absolute discretion) does not wish to proceed with the "Second Sale".