

03.02.17

## Investa Office Fund (ASX:IOF)

### Update on discussions with Cromwell

Investa Listed Funds Management Limited (ILFML) as responsible entity of the Investa Office Fund (ASX:IOF) refers to recent discussions with Cromwell in the attached letter to unitholders.

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#### About Investa Office Fund

Investa Office Fund (ASX code: IOF) is an ASX-listed real estate investment trust (A-REIT) and is included in the S&P/ASX100 index. IOF is a leading owner of investment grade office buildings and receives rental income from a tenant register comprised predominately of Government and blue chip tenants. IOF has total assets under management of AU\$3.6 billion with 22 investments located in core CBD markets throughout Australia. IOF's focus is on delivering attractive risk-adjusted returns to its unitholders from a portfolio of high quality assets located in the key CBD office markets of Australia.

#### Fund Enquiries:

**Penny Ransom**  
Fund Manager  
Investa Office Fund  
T +61 2 8226 9405  
M +61 434 561 592  
PRansom@investa.com.au

#### Media Enquiries:

**Miche Paterson**  
Newgate Communications  
Investa Office Fund  
M +61 400 353 762  
miche.paterson@newgatecomms.com.au

**The first  
choice in  
Australian  
office.**

**Investa Listed Funds  
Management Ltd**

ACN 149 175 655

AFSL 401 414

Level 6, Deutsche Bank Place

126 Phillip Street

Sydney, NSW 2000

GPO Box 4180

Sydney, NSW 2001

DX 97, Sydney

T +61 2 8226 9300

F +61 2 9844 9300

3 February 2017

Dear Unitholder,

I am writing to update you on my correspondence of last year in relation to Cromwell Property Group's (Cromwell) (ASX:CMW) interest in Investa Office Fund (ASX:IOF).

Your independent directors (the Board) have been in regular discussions with Cromwell following the interest expressed by Cromwell in making an all cash proposal to acquire all of the units in IOF. The Board is willing to provide Cromwell with confidential information (as described in the attached schedule) in order to facilitate Cromwell being in a position to provide IOF unitholders with an all cash proposal which is compelling and attractive. Should a proposal be received and the Board determine the proposal to be in the best interests of all unitholders, then further information may be provided to Cromwell to facilitate final due diligence.

Cromwell has offered to execute a Confidentiality Agreement (CA) in order to receive limited due diligence information. IOF has prepared a CA which includes market standard terms with customary provisions to ensure IOF's confidential information is protected.

In particular, the CA includes a standstill provision which would restrict Cromwell from acquiring or offering to acquire IOF securities in circumstances where they are in possession of confidential information. This is a market accepted provision in circumstances where confidential information is provided in respect of a listed entity for the purpose of making an offer to acquire securities in the entity.

In addition, the Board was prepared to include exceptions to the standstill provision which would:

- enable Cromwell to proceed with a bid, with or without the support of the Board, using the confidential information provided;
- enable Cromwell to sell all or part of their unitholding in IOF;
- require IOF to offer the same standstill terms to Cromwell (if they were more favourable) in the event a CA was subsequently executed with another party; and
- enable Cromwell to request a release from the standstill provisions at any time.

Cromwell has insisted on additional exceptions to the standstill provision which the Board do not believe are market standard nor in the best interests of all IOF unitholders and would negate the intended effect of the standstill provision. As such the Board has not been able to agree with Cromwell the form and content of the CA which adequately protects IOF unitholders and its information.

We remain open to continuing discussions with Cromwell and should a CA be agreed in a form that protects and is in the best interests of all IOF unitholders the Board will be able to provide the due diligence and confidential information in the attached schedule.

IOF unitholders do not need to take any action in response to this letter. I will continue to keep you informed of any material developments in accordance with IOF's continuous disclosure obligations.

Yours faithfully  
**INVESTA LISTED FUNDS MANAGEMENT LIMITED**



**Richard Longes**  
**Chairman**

## Schedule

### Confidential Information List

1. 31 December 2016 balance sheet.
2. Like for like net property income growth guidance for FY17 and FY18 and the forecast cost of debt for FY17.
3. Maintenance and development capital expenditure for FY17, FY18 & FY19.
4. Incentive and incentive amortisation amounts for FY17, FY18 & FY19.
5. Summary of key terms for major leases executed after 30 June 2016 (subject to confidentiality obligations).
6. Summary of pre-emptive right provisions that could be triggered under a scheme or takeover.
7. Summary of termination provisions within existing loan agreements relating to a scheme or takeover, including potential make whole payments.
8. Summary of change of control triggers contained in material agreements.
9. Tax cost base of contracted asset sales (where relevant).
10. Confirmation of the final valuation uplift anticipated from the 31 December 2016 external valuation process.