

ASX Announcement – Australian Unity Office Fund

28 June 2017

Asset valuation increases driven by significant lease renewals

Australian Unity Office Fund (“AOF”) today announced that the following four properties have been externally valued as at 30 June 2017:

- 30 Pirie Street, Adelaide
- 10 Valentine Avenue, Parramatta
- 5 Eden Park Drive, North Ryde
- 241 Adelaide Street, Brisbane

Combined these valuations have resulted in an estimated increase of \$21.7 million or 8.0% over the preceding book value for those properties externally valued. This equates to an increase in AOF’s net tangible assets of approximately 15 cents per unit. The weighted average capitalisation rate across the portfolio tightened to 7.5%.

At 5 Eden Park Drive, North Ryde, the valuation increased by approximately 27% over the preceding book value. Much of this increase was driven from the renewal of the building’s largest tenant, Contract Pharmaceutical Services of Australia (“CPSA”), who have renewed their approximate 6,400m² tenancy for a further eight year term from their current 30 June 2018 lease expiry. Combined with the recent five year lease renewal of the Commonwealth of Australia over their approximate 1,600m² tenancy, the building’s weighted average lease expiry by income has increased from 1.6 years at 31 December 2016 to 6.6 years at 30 June 2017.

AOF’s Fund Manager, Grant Nichols, said ‘We are pleased to have secured the renewal of CPSA for a further eight year term. It is another example of our strong track record in renewing key tenants within the AOF portfolio. CPSA was our largest near term portfolio lease expiry and their renewal contributes to AOF’s objective of providing strong, sustainable income returns to our unitholders’.

Further details relating to individual property valuations will be announced in AOF’s full year results. The results for the year ending 30 June 2017 are expected to be released on Tuesday, 15 August 2017.

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About AOF

AOF is an ASX-listed REIT that wholly owns a diversified portfolio of eight office properties located across Australian metropolitan and CBD markets in Sydney, Adelaide, Melbourne, Brisbane and Canberra.

This announcement is issued by Australian Unity Investment Real Estate Limited ABN 86 606 414 368 AFSL 477434 (‘AUIREL’). AUIREL is a wholly owned subsidiary of Australian Unity Limited ABN 23 087 648 888.

Australian Unity is a national health, wealth and living mutual company providing services to almost one million Australians, including 300,000 members as at 30 June 2016.