ASX announcement

23.10.14

INVESTA

Investa Office Fund (ASX:IOF)

Annual Unitholder Meeting

Dear Sir/Madam,

Enclosed is the address to be given by the Chairman and the Fund Manager along with the Annual Unitholder Meeting presentation for Investa Office Fund to be presented to Unitholders today.

Yours faithfully,

Dorothy Mioduszewska

Company Secretary

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$3.1 billion with 22 investments located in core CBD markets throughout Australia, and one remaining legacy asset in Brussels, Belgium. 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.

About Investa Office

Investa Office is Australia's leading owner and manager of commercial office buildings, controlling assets worth more than $8.4 billion in key CBD markets across Australia. Our end-to-end real estate platform incorporates funds, portfolio and asset management, property services, development, sustainability, capital transactions and research.

We strive to be the first choice in Australian office, by delivering consistent outperformance for our investors and exceeding the expectations of our tenants and staff. Investa Office is a global leader in sustainability and is committed to responsible property investment and the ongoing pursuit of sustainable building ownership and management.

We are a signatory of the United Nations Principles for Responsible Investment.

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The first choice in Australian office.

Investa Office Fund (ASX:IOF)

Chairman's Speech

Good morning ladies and gentlemen and thank you all for coming along today. My name is Deborah Page and I welcome you to the Investa Office Fund Unitholder Meeting held by the Responsible Entity Investa Listed Funds Management Limited.

It is now 10am, the nominated time for the meeting. I have been informed by Link Market Services, IOF's unit registry, that a quorum is present, so I am pleased to declare the meeting of Investa Office Fund open. Before we commence may I ask everyone to please turn off your mobile phone or ensure it is switched to silent.

As the Unitholder Meeting is to consider the Resolution relating to my re-appointment to the Board of Directors of Investa Listed Funds Management Limited, I will stand aside for the part of the Meeting relating to my re-appointment and Peter Rowe, an Independent Director, will act as the Chairman of the meeting during this time.

I now table the letter of appointment for Peter.

I would like to begin today's meeting by introducing you to the Board of Directors and the management team of IOF.

To my left are:

Peter Rowe – Independent Director

Peter Rowe has 35 years' experience in the funds management industry, including 22 years as a partner of Herbert Smith Freehills. At Herbert Smith Freehills he practiced extensively in the areas of funds management and securitisation and his roles included Head of the Financial Services Group and Deputy Chairman of the Freehills Foundation.

Peter Dodd – Independent Director

Peter Dodd is an experienced non-executive director with extensive investment banking and financial industry experience. Peter has over 30 years of senior management experience in both the private sector and higher education institutions.

Campbell Hanan – Executive Director and alternate for Scott MacDonald, who is an apology for the meeting. Campbell is the Chief Executive Officer of Investa Office, responsible for the overall strategic direction and leadership of the office group and has over 20 years of experience in the property and funds management industry.

Jonathan Callaghan – It is proposed Jonathan will come onto the Board following Ming Long's resignation in order to accept the position as IOF Fund Manager, which we announced on Monday and a matter I will cover in a moment. Jonathan has more than 17 years legal and corporate development experience and has been with Investa for eight years, where he has overseen the group's major commercial transactions, legal, compliance and corporate governance functions and has contributed to the group's capital management strategy.

I will now introduce the management team of IOF. I am pleased that Ming Long has accepted the role as Fund Manager of IOF following the resignation of Toby Phelps. After almost 3 years as Fund Manager of IOF, Toby has decided to return to the United Kingdom with his family. He has overseen the Fund during a period of significant transformation, including the disposal of $400 million of offshore assets and the acquisition of over $1.1 billion of high quality Australian assets. Toby leaves IOF in a very strong position and we thank him for his service and expertise during this important period in the Fund's history.

I will now take a moment to introduce Ming Long. Ming has served on the Board of Investa Listed Funds Management Limited in the capacity of Executive Director since Investa took over management of the Fund in 2011. Ming has almost twenty years financial management experience and has been with Investa for close to ten years. Ming brings to the role significant real estate, capital management, corporate finance and funds management experience. She has led successful finance teams and has a strong track record in driving performance through challenging markets. As Fund Manager of IOF, Ming will be responsible for actively driving the long-term strategy and performance of the Fund. Ming will be solely focused on IOF and has stepped down from all other positions and Boards, including ILFML, within the broader Investa group as part of her commitment to IOF.

The Independent Directors of IOF are very pleased that Ming has accepted the role as Fund Manager of IOF and look forward to working with Ming and the management team to continue to deliver value for our unitholders.

Alex Abell – Assistant Fund Manager for IOF.

Alex is responsible for the day-to–day activities of the Fund in addition to managing key relationships between the Fund and the investment community. Alex has over 10 years' experience in the property industry in the areas of treasury, corporate finance and funds management.

We would also like to acknowledge the broader management team, many of whom are here in the audience today. Their dedication and commitment is key to IOF's ongoing success in delivering the strategy through the day to day management and business operations of the Fund.

The Fund's auditors PriceWaterhouseCoopers are present, represented by partner in charge, Scott Hadfield.

I would like to highlight the availability of our Online Annual Reporting Suite of documents. This includes our Annual Review, which provides a general overview of the financial and non-financial metrics of the Fund, our Annual Financial Report, which includes the detailed financial statements as well as the Chairman's letter and our Property Portfolio which provides detailed asset level information. These documents are also available in print and are available in the foyer should you wish to collect copies following the meeting.

I will now provide an update on the Fund's performance and the initiatives we are focused on for 2015 before handing over to Toby to provide an update on the Financial Year 2014 results. Peter Rowe will chair the formal business for the meeting as provided in the Notice of Meeting and Explanatory Memorandum dated 19 September 2014.

Following the formal component of the meeting we will provide time for general questions regarding the Financial Year 2014 results. An invitation for unitholder questions was included in the Notice of Meeting and we will endeavour to cover the common themes received from these questions throughout the presentation and during the question and answer time.

I would like to acknowledge the manager, Investa Office, who has continued to generate strong results for IOF in another challenging year for the market. As an Australian office sector specialist, Investa Office provides an integrated management service to IOF incorporating asset, portfolio and capital management. With multidisciplinary teams operating across the entire spectrum of office ownership, management and development initiatives, Investa continues to be well placed to deliver consistent financial, operational and environmental out-performance across the portfolio.

Additionally, over the past year we are pleased to report that Investa has undertaken a tenant survey of their performance and found that 85% of tenants would recommend Investa as a building manager. This endorsement has underpinned the leasing success of IOF since Investa Office took over management in 2011, and underpinned outperformance in the value of your investment in IOF. We believe IOF continues to benefit from the underlying strength of the platform and the ability of Investa to consistently add value to the Fund's assets.

The Fund's strategy was reviewed and reset when Investa Office took over management in 2011. We undertook to divest all offshore assets and refocus the Fund on being an owner of high quality Australian office assets where Investa Office can leverage their competitive advantages to deliver high risk adjusted returns.

The 2014 financial year saw us successfully divest our major offshore exposure, the Dutch Office Fund for €155 million. This followed a prolonged period of active management where we worked with other unitholders in the Dutch Office Fund to refocus the strategic priorities of the fund and gain unitholder protections that are expected of a modern fund that can attract new capital. This active approach to managing DOF, which was led by Investa Office, created an opportunity for us to liquidate our investment, and after much deliberation the Board approved the sale despite it being below book value, as the risk adjusted returns we can generate out of our Australian assets are superior to those we considered could be achieved by continuing to hold our investment in the Dutch Office Fund.

As a result of the DOF sale IOF's offshore exposure has reduced to less than 3% of the portfolio being the investment in Bastion Tower in Belgium. We remain committed to completing the exit of our offshore exposure and continue to pursue the sale of Bastion Tower.

The Investa Office team delivered an exceptional year of leasing in quite tough Australian market conditions, with 130,000sqm or 23% of our portfolio leased, and a 6% increase in the Australian assets valued over the period. We are well placed for the year ahead with a weighted average lease expiry of 5.0 years and only 7% of the portfolio expiring in FY15.

Investa Office also completed $800 million in asset transactions, including the acquisition of 3 attractively priced Sydney assets with value-add opportunities that will allow us to benefit from the expertise of the management platform in an improving market.

Additionally we continued to extend and smooth our debt maturity profile, whilst also reducing financing costs. $727 million of debt has been issued or refinanced since we last met, resulting in a weighted average debt maturity of 5.8 years and a weighted average cost of debt of 4.7%, one of the lowest in the sector.

Our key financial metrics for the year were ahead of guidance and market expectations. We delivered a total asset level return of 10%, which is calculated as the capital growth in the assets plus net cash received over the year. Total Unitholder Return, measured as the increase in the unit price from 30 June 2013 to 30 June 2014, plus distributions you received during the period, was a very strong 23%.

Despite the ongoing challenges being faced in the Australian office markets, we have continued to deliver growth in all of our key metrics. Statutory Net Profit was up 16% following strong valuation increases across 16 of the Fund's Australian assets.

Funds From Operations, at 26.5 cents per unit, was ahead of our updated guidance due to the Australian portfolio performing more strongly than we anticipated following a record 130,000sqm of leasing, and post the acquisition of a 50% interest in the Piccadilly Complex in Sydney.

Net Tangible Assets also increased, up 4% to $3.35 per unit, with $112 million in Australian asset revaluations partially offset by the sale of the Dutch Office Fund below book value.

Distributions were up 4% in line with our forecast of 18.5 cents per unit. The Board has forecast a further 3% growth in distributions to 19.1 cents per unit in FY15.

As we have previously outlined, our distribution policy reflects net profit adjusted for non-cash items reported in the income statement, and the annual cash costs of maintaining our assets such as capital expenditure for the maintenance of plant and equipment. This approach ensures our assets are well maintained whilst also providing a sustainable distribution through the market cycles.

As we have previously outlined, IOF is managed by Investa Office and as a result IOF does not employ any staff directly. Accordingly, IOF pays no remuneration which in turn means it is not required to prepare a Remuneration Report.

IOF does pay a management fee to Investa Office as manager to cover the costs associated with the management of IOF, including the remuneration of the staff and the Independent Directors. This fee is fully disclosed in the Annual Report and equates to 0.55% of market capitalisation, a market leading initiative to provide improved alignment of interests between the manager and unitholders.

Since taking over management the management fee including the offshore fees associated with those assets has remained flat while over the same corresponding period we have seen a strong growth in the unit price of 33%.

In the interest of full disclosure and transparency, the Board of ILFML have voluntarily elected to disclose the remuneration of the Independent Directors in the Annual Report.

I would like to thank the members of the Board and management for their commitment and support during this past year. On behalf of the Board I would like to thank you for your support over the period, and we look forward to reporting to you again shortly.

I will now invite Toby to provide unitholders with a more detailed update on the Fund’s performance for Financial Year 2014.

Fund Manager’s Speech

Good morning everyone and thank you for coming.

Firstly I would like to take this opportunity to thank you for your support of IOF and the Board and Management team. As Debbie outlined this will be my final update that I will present to IOF unitholders and I would like to say that I have genuinely enjoyed leading IOF during the past three years, and thank you for your support over this time.

I will also be asking Alex Abell, Assistant Fund Manager to provide an update on the asset management of the portfolio and Ming will cover the outlook for the Fund.

Over the year we have continued to deliver growth in our key metrics with net profit up 16%, largely due to the strong valuation increases of $112 million. Funds From Operations were ahead of our most recent guidance at 26.5 cents per unit as the Australian portfolio performed more strongly than we anticipated, and Net Tangible Assets increased 4% to $3.35 per unit.

We have been highly proactive in our three core areas of asset, portfolio and capital management.

As Alex will take you through in a moment, the skills and expertise of the Investa Office platform has delivered a record level of leasing with 23% of the portfolio leased over the year which, alongside a targeted refurbishment programme, has driven an average 6% increase in the Australian assets valued over the period.

Execution of our stated portfolio strategy has not only seen us reduce our offshore exposure to less than 3% of the asset base but also add 3 attractively priced Sydney assets with value-add opportunities that will allow us to benefit from improving conditions in this market. This builds on the substantial progress of the previous two years and totals $1.1 billion of assets acquired since taking over management in 2011. Furthermore, in 2014 we completed additional capital management initiatives that have led to further reductions in our cost of debt despite a material increase in our debt maturity profile.

As we have proved over the past three years, Investa Office has demonstrable expertise in driving performance through a proactive approach to asset management and a specialisation in office markets. We have continued to execute our stated strategy of selling off-shore assets, and focused on acquisitions that allow us to leverage the proven skills of the Investa platform and drive returns for our investors.

Sydney has the most compelling market outlook today, particularly for assets that accommodate medium to small sized tenants and with rents below $900psm gross. Our three acquisitions this year have focussed both on assets that allow us to make the most of Investa’s skills as well as those that have appeal to the most active segments of the tenant market. The $454 million we have invested in Sydney has been done so at an attractive weighted average 7% initial yield on cost, with income and value upside through leasing and repositioning, some of which has been already realised at 99 Walker Street. Our weighting to this market has now increased to over 50%.

In addition to selling the legacy DOF investment we have also sought to unlock value created by our asset management approach here in Australia, taking advantage of the strength of investor demand for well leased assets to agree to sell the B-grade 628 Bourke Street in Melbourne at a significant premium to book value to free up capital to invest in assets with more attractive risk-adjusted return profiles.

Despite the continued strength of investor demand and firming of cap rates, we continue to see attractive returns where we can take advantage of the Investa expertise to capture the value arbitrage between stabilised well leased assets and assets with leasing or capex risk.

As with 99 Walker Street over the past few months and indeed at Mort Street Canberra last year, 628 Bourke Street is another great example of Investa’s expertise being leveraged to capture this value arbitrage. By leasing over 20,000sqm and extending the weighted average lease expiry from 2.3 years to 6.9 years we created a long term income stream that was appealing to the market, and allowed us to crystallise a sale 13.7% ahead of our book value and recycle that capital into opportunities with more attractive future return profiles.

As I just mentioned Sydney has had the strongest tenant demand activity today and the most compelling segments of this market are smaller tenants seeking quality accommodation at affordable rents.

IOF has not had an asset specifically catering to these tenants and 6 O'Connell Street provides an attractive opportunity to not only get exposure to this market but in an asset with value-add opportunities that sit squarely in Investa's skill set.

The building currently has 11% vacancy, above the B-grade average of 8%, providing opportunity for income and capital value growth. The ground floor benefits from high pedestrian footfall being a key through link between Bligh and O'Connell Streets but the retail provision is badly configured and inefficient, again providing opportunities for further income and capital uplifts. Reworking this space to deliver attractive returns will take time to get right. The Investa team has already set to work on this asset with terms agreed on the first leasing transaction and we look forward to reporting on some leasing and asset management successes in the future.

Additionally we acquired the Piccadilly Complex in March of this year and have driven significant progress at this asset, where we have reduced vacancy from 7.5% to 1.3%. Earlier this month a 2 floor tenant departed and we now have the opportunity to re-lease this space at higher rents following a refurbishment and re-leasing campaign.

Looking at the capital management, our initial strategy was to transform the capital structure of IOF and as a result of the work undertaken this year we have made further significant inroads into achieving our objectives through the refinance of over $700 million of debt.

We have in mind all of the lessons learned from the financial crisis by minimising liquidity and refinance risk by ensuring a debt profile with a reasonable maturity spread and also ensuring access to diverse capital markets. IOF does not now have any maturity greater than $200m in any financial year out to 2029.

This activity has allowed us to pull down the cost of debt whilst extending the Weighted Average Debt Maturity, to just under 6 years. The all in cost of debt of 4.7% has come down by 50 points from last year even with the repayment of European debt on the sale of DOF in November which had a much lower base rate and the issue of the USPP earlier this year which had a higher all in rate due to its long tenor.

New facilities recently signed will reduce the cost of debt for next year, below the 4.7% average for FY14. We also continue to see margin compression pressure in most markets albeit not at the same pace as in previous years with limited demand for credit and increased competition.

With this longer debt maturity profile we have also allowed the level of interest rate hedging to remain at the lower end of our target range as we believe that markets have a tendency to overestimate future rates. We are also ensuring we have enough flexibility to allow for sales of non-core assets over time, whenever they may occur.

IOF now has a structure which allows us to access the domestic bond, USPP and bank market quickly and easily when we see windows of opportunity. It allows us to ensure the most competitive pricing available with the greatest flexibility.

IOF's capital position remains strong with gearing of 31.5% which is in the middle of our target band and the stable BBB+ S&P credit rating.

I will now hand over the Alex to take you through our asset management initiatives.

Thank you Toby and good morning everyone.

I'll start with leasing as it's been the biggest focus for our portfolio over the past couple of years. To lease 23% of the portfolio during a year when market vacancy levels increased and net absorption was negative is an outstanding achievement and testament to the skills, expertise and hard work of the Investa Office team. It is clear that our approach to leasing, which engages all aspects of the Investa business – co-ordinated by our general managers and including sustainability, project and development management, and our on the ground teams, is de-risking IOF's future income streams and creating real value at the asset level.

The record 130,000sqm of leasing during the period included vacant areas and near to medium term expiries that were income and valuation risks to the portfolio. In Melbourne we completed 64,000sqm of leasing – or 32% of the portfolio, we've leased 19% of the portfolio or 56,000sqm in Sydney and despite the challenges of the Brisbane market we completed 10,200sqm of leasing over 25 deals that included an average renewal rate of 79% at 239 George Street, where 3,000sqm of leasing was completed to a variety of small tenants.

This slide also shows the continued growth of the Net Tangible Assets line, which has increased from $3.14 to $3.35 in two years, driven by leasing that has been ahead of valuation assumptions and improving capital market conditions.

We have continued to be successful de-risking expiries and leasing vacancy at 126 Phillip Street with 18,350sqm of deals completed, including the major expiry of Deutsche Bank over 10,000sqm, and new leases to tenants including Bank of Queensland. 9,100sqm of leasing was completed at 10 – 20 Bond Street including the renewal and expansion of Fitness First, who will take the previously unoccupied third basement, further enhancing the amenity of that building and location as well as growing the income stream and adding value. Income at 151 Clarence Street has largely been secured until the building comes to the end of its economic life in late 2015 with 16,000sqm of leases struck here over the period, and we've been very active in North Sydney at 99 Walker Street and 111 Pacific Highway where we've been setting new benchmark rents for those assets.

Leasing in Melbourne included another 12,000sqm pre-commit at 567 Collins Street and the renewal of Coles over 42,000sqm, a $5.7 million annual income stream that was scheduled to expire in 2016. And finally all the office vacancy at 628 Bourke Street was leased up, predominantly to tenants from the education sector, allowing us to sell this asset ahead of book value as Toby mentioned earlier. This leasing activity has resulted in our Melbourne portfolio not having any material leasing risk for the next 3 years.

The hard work and execution in leasing the portfolio has de-risked the income stream, and as I'll come onto now, has unlocked material valuation uplifts as well as allowing us to start to recycle capital from assets when we see higher risk-adjusted returns elsewhere.

The valuation increases are evidence that our proactive approach to de-risking the income line and improving the appeal of our assets to occupiers is not just activity for the sake of activity – its activity that's adding real value contributing to the re-rating of our assets, and resulting in cap rate compression ranging from 30 basis points at 126 Phillip Street, to 87 basis points at Toorak Road.

At 126 Phillip Street one of our key future leasing risks was removed as Deutsche Bank renewed until Financial ear 2021. With leasing activity outcomes of over 18,350sqm for the year, vacancy has been reduced from 9% to 3%, despite conditions in premium grade being tough and market vacancy elevated at 14%. Whilst the leasing success has led to a 6% valuation increase, we believe there is scope for further valuation growth as transactional evidence filters through the market.

We continue to generate higher rents at 111 Pacific Highway in North Sydney which resulted in a 12.1% increase in valuation at that asset. And at 800 Toorak Road we re-signed Coles until 2030, removing IOF's largest lease expiry risk and creating a highly desirable investment product that increased in value by 22.3%.

Sustainability is embedded into the working practices, strategies and processes throughout the Investa business. Efficiencies that result from this approach to business often achieve substantial operational cost savings with minimal dedicated capex, and the results this period are again pleasing.

At the asset level we've had continued success at 111 Pacific Highway where we've reduced both gas and water usage by more than 20% and at 105 Miller Street our refurbishment has improved the NABERS Energy rating to 5 stars and NABERS water to 3.5 stars – impressive numbers for a building that was constructed in 1957 and proof that older buildings can perform as well, if not better than new buildings, if they're well managed.

In addition to being more efficient, IOF continues to benefit from Investa's scale and market relationships - and following a re-tender of electricity contracts IOF's electricity costs will fall by approximately 7% in Financial Year 2015.

Despite having multiple NABERS rating upgrades in our portfolio during the period, our average ratings were flat at 4.2 energy and 3.7 water, following the inclusion of the assets that we acquired with lower NABERS into the portfolio NABERS basket.

The charts at the bottom of the page outline our continued improvement in energy, gas and water intensity, or the rate of energy, gas or water use within the portfolio. It's pleasing to see that our focus continues to reduce the intensity at which our buildings operate, providing win-win situations for IOF unitholders, tenants, and the environment.

Investa's sustainability approach provides a framework for focusing on and enhancing good business practices in a financially responsible manner and is contributing to improved overall financial results, in addition to enhanced social and environmental outcomes. As a result, Investa Office Fund has been named in the A-list of the Global CDP Climate Performance Leadership Index 2014. IOF is one of only six Australian ASX listed companies to make the list of 187 listed companies, which recognises those making the greatest progress towards mitigating climate change. The index is the first of its kind and was created using data provided by nearly 2,000 global listed companies, in response to requests from 767 institutional investors seeking accountability and transparency on climate change.

As long term investors and creators of value, Investa maintains its position at the forefront of industry issues. We have active engagement with leading industry bodies to take environmental, social, ethical or governance issues into account, all key considerations that are often closely associated with the financial objectives we set out to achieve when we invest our capital. This approach, which includes addressing diversity through stated action plans, places Investa in a position to embrace broader thinking, innovation, and deliver improved financial performance over the longer term.

I will now hand over to Ming to present the outlook for FY15.

Thank you Alex and thank you Toby.

As we have demonstrated today and over the past 3 years, Investa has proven skills and expertise in proactively managing office assets to drive strong leasing and value outcomes. Whilst we expect some continued improvement in underlying tenant demand, particularly in Sydney and Melbourne, the markets will remain competitive and so we remain highly focussed on managing our vacancy and short-term expiries as well as identifying further opportunities to add value to our assets. We feel highly confident in Investa's ability to continue to deliver performance for our investors.

Specifically, Brisbane is a key focus for us and we are very pleased with the progress on the refurbishment at 140 Creek Street that will allow us to present this asset to the market for the first time in nearly 20 years. Notwithstanding some encouraging enquiries we have taken a conservative view of our leasing prospects in Brisbane over the next 12 months

We expect our recent acquisitions, Piccadilly, 133 Castlereagh Street, Sydney and 6 O'Connell Street, Sydney to benefit from the improving tenant demand in the Sydney market and are focused on driving occupancy and rental levels in these assets. A number of the key value-add initiatives achieved over the past 12 months, such as the Coles renewal at Toorak Road, Melbourne and new supermarket at 99 Walker Street, North Sydney will require significant capital works which have already commenced. We are also nearing completion of detailed design for the redevelopment of 151 Clarence Street, Sydney as we make progress towards a planned start in March 2016.

The sale of Bastion Tower in Brussels has been slated for some time but we now appear to be getting real traction from investors. Initial, non-binding terms have been agreed for a sale and whilst we are still in negotiations we are working towards the completion of this sale in the second half of this year. Notwithstanding the continued strengthening of investor demand for assets in Australia, we continue to see value in the market, particularly for assets with capex and leasing risks where we can leverage the significant skills of the Investa platform such as what has been achieved at 99 Walker Street, Piccadilly and 6 O'Connell Street. And as we have done at 628 Bourke Street, we will remain alive to opportunities to optimise returns through further recycling of the portfolio.

Thanks to the Investa treasury team, our balance sheet is in good shape with a long maturity profile and strong credit metrics. We expect to see further downward pressure on margins due to continued competition in the lending markets and anticipate interest rates to remain low for the foreseeable future. As we have previously disclosed, the ATO continues its Audit of the IOF income tax returns.

Turning lastly to our outlook for the year ahead we see further improvement in underlying tenant demand in Sydney and Melbourne, particularly for assets with rents below $900psm gross. Whilst we see some stabilisation of conditions in Perth and Brisbane, we anticipate demand will stay subdued and so those markets will remain challenging. However, as the graph shows, all of the hard work over the past few years has materially de-risked IOF's short and medium term income profile, particularly when you take into account our planned redevelopment of 151 Clarence Street.

Recent transactional evidence supports our view that capital values will continue to rise, particularly for assets with long term income streams or alternative use opportunities. Our house view is that cap rates should compress up to 50 basis points over the next the 12 months, particularly from current valuation levels. Recent transaction evidence suggests investor interest is also starting to move up the risk curve with strong pricing outcomes on recent secondary asset sales.

For FY15, we are anticipating 3% growth in FFO to 27.3 cents per unit with a corresponding growth in distributions to 19.1 cents per unit. These forecasts are obviously subject to prevailing market conditions.

Before I hand over to Peter Rowe to conduct the formal aspects of the meeting I would like to thank Toby on behalf of the management team and all of Investa for his leadership of IOF over the last 3 years. We have very much enjoyed working with him and wish him and his family all the very best back in the UK.

IOF Annual Unitholder Meeting
Financial Year 2014

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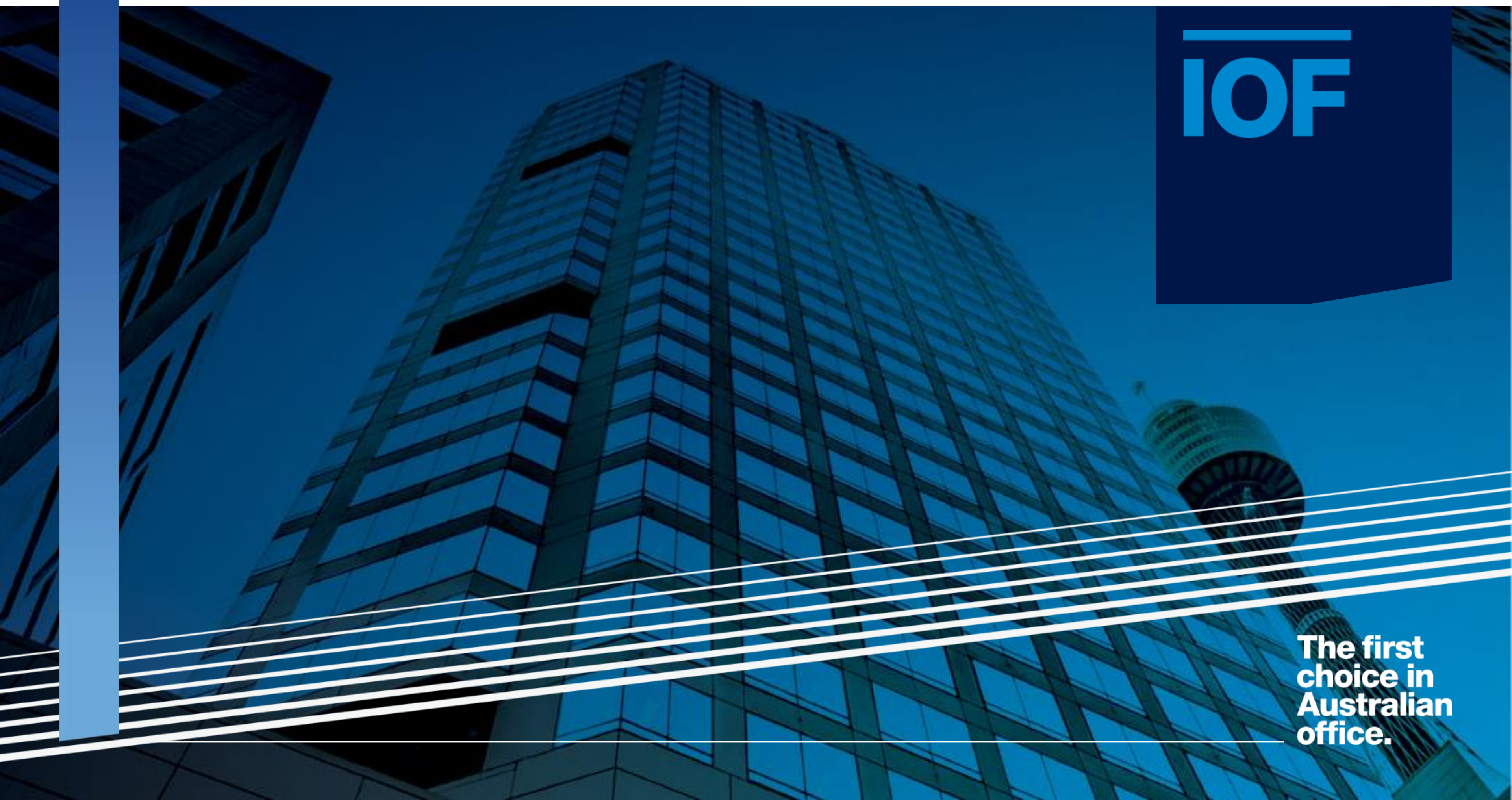

Investa Office Fund Board and Management

ILFML Board

Deborah Page
Chairman and Independent Director

Peter Rowe
Independent Director

Peter Dodd
Independent Director

Scott MacDonald
Non Executive Director

Jonathan Callaghan
Executive Director
(effective from 17 November)

Campbell Hanan
Alternate Director
(for Scott MacDonald)

Management

Ming Long
Newly Appointed Fund Manager

Toby Phelps
Outgoing Fund Manager

Alex Abell
Assistant Fund Manager

The first choice in Australian office

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Agenda

1. CHAIRMAN’S WELCOME
2. CHAIRMAN’S REMARKS
3. FUND UPDATE
4. FORMAL BUSINESS
5. CONCLUSION

Investa management platform

Management expertise driving asset outperformance

> Investa Office, the Manager of IOF, is Australia's leading manager of commercial office buildings, controlling CBD assets worth more than $8.4 billion across Australia.

> Platform designed to drive performance through aligned accountability and focusing on tenant requirements

> How does the management platform add value to IOF?

- Australian office specialist providing an end-to-end service platform
- Active portfolio management with proven leasing capability
- Customer centric service model and a focus on environmental leadership
- On site management presence means Investa is closer to our tenants – and is servicing their needs better
- Strategic capital management based on strong knowledge of capital markets

Delivering on strategy

Asset Management	Portfolio Management	Capital Management
Proactively adding value	Continued portfolio transformation	Reducing costs and risks
23% of the portfolio leased	>97% of the portfolio is in Australia	$727m Debt issued or financed
6% increase in Australian valuations	>$800m In asset transactions	5.8 years Weighted average debt maturity

Year in Review

Strategic execution driving outperformance

10.2%
Asset level total return[1]

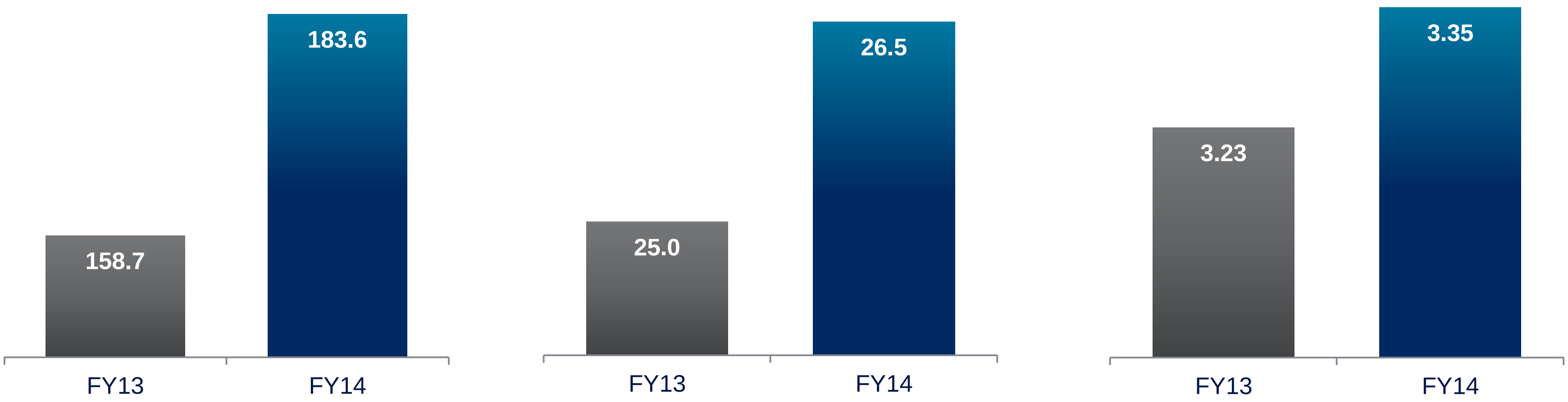
23.4%
Total unitholder return

Strong uplift in profit and NTA

Net Profit
↑16%

Funds From Operations per unit
↑6%

Net Tangible Assets per unit
↑4%



1. Capital growth plus cash received during period for the Australian assets

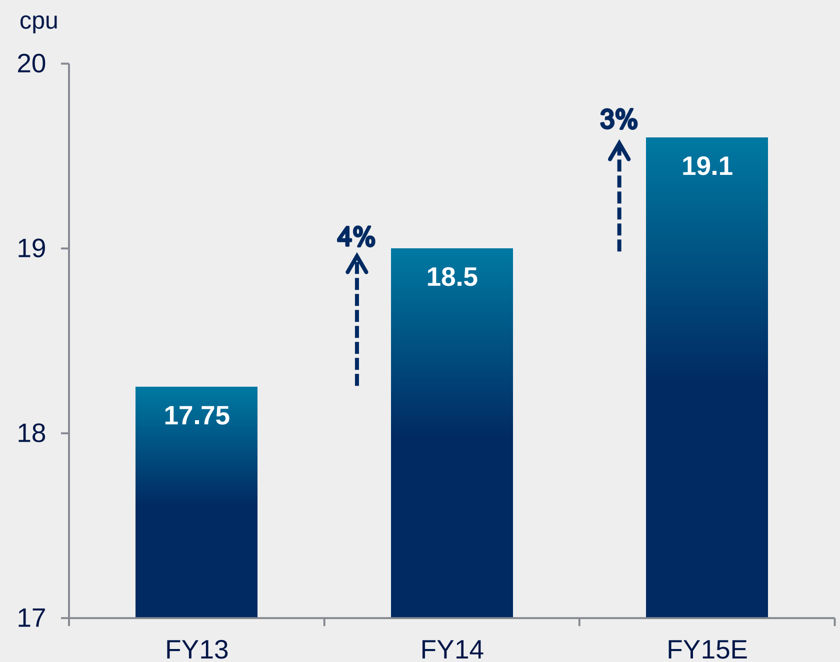
Maintaining sustainable and growing distributions

- Stable growth in distribution of 4% in FY14 with forecast distribution of 19.1 cents per unit for FY15
- Statutory net profit increased 16% - but this is adjusted for capital items such as property revaluations and capital expenditure to determine a sustainable level of distributions

Reconciliation from Statutory Net Profit (cpu)

	30 June 2014
Statutory Net Profit	**29.9**
Add: Amortisation of tenant incentives	3.7
Less: Non-cash items and other non-recurring items	(7.1)
Less: Maintenance capital expenditure and incentives incurred during the period	(5.5)
AFFO (or "operating cash generation")[1]	**21.0**
Distribution	**18.5**

Distributions



1. Property Council Adjusted Funds From Operations (AFFO) is defined by adjusting Property Council FFO for other non-cash and other items which have not been adjusted in determining Property Council FFO such as maintenance capex, incentives given for the accounting period, derivative close out costs and other one-off items.

Unitholder returns and management fees aligned

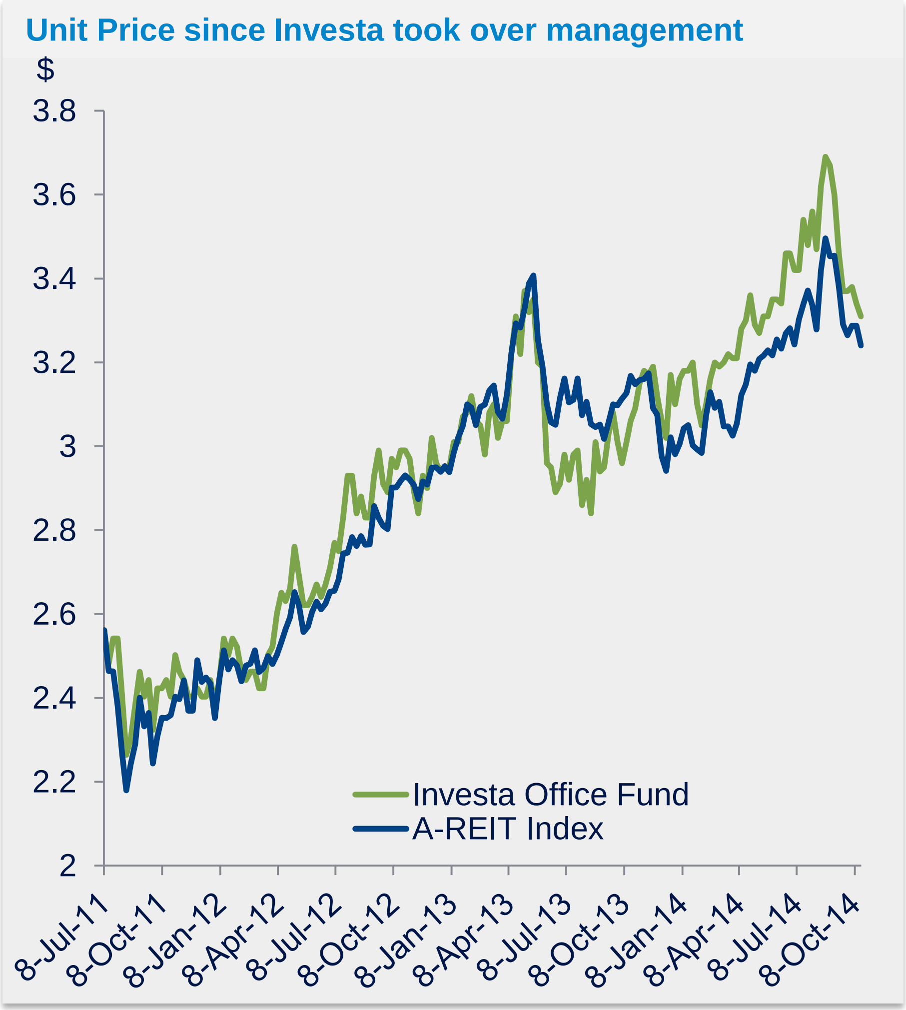
> As an externally managed fund, IOF does not have direct employees and pays Investa Office a management fee

> Management fees are 55 basis points of total market capitalisation:

- Subject to 2.5% cap and collar

> In FY14, the unit price increased 17% whilst management fees increased 7% due to the application of the management fee cap

> IOF is one of the lowest cost REITs in the sector – with a management expense ratio of 33 basis points



The first choice in Australian office

Fund Update

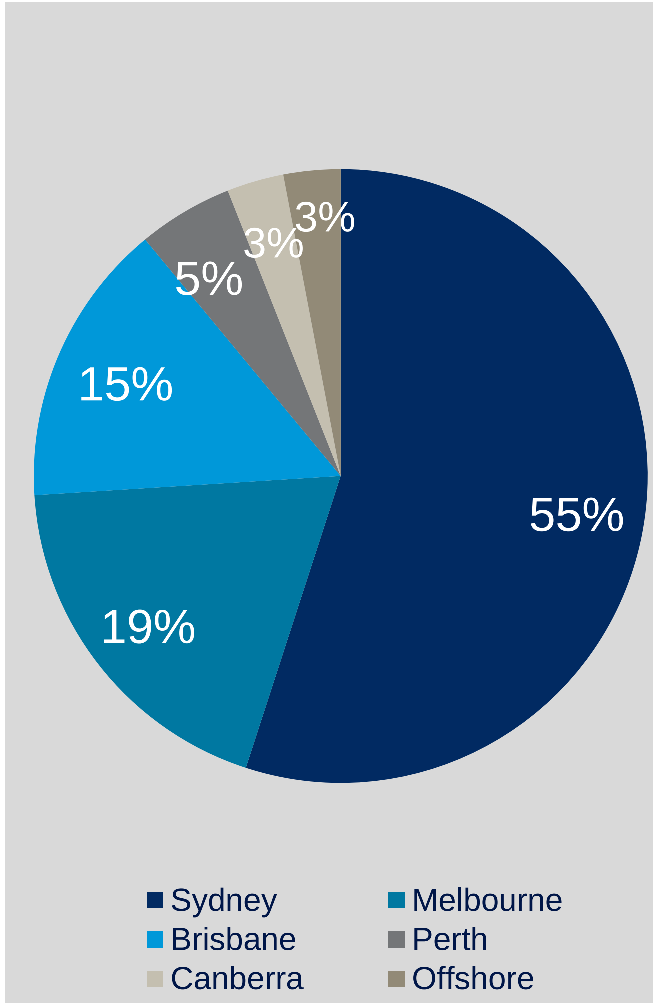
Portfolio composition

Focused on Australia - $1.1 billion in Australian asset acquisitions

66 St Georges Terrace, Perth

126 Phillip Street, Sydney

242 Exhibition Street, Melbourne



Piccadilly Complex, Sydney

567 Collins Street, Melbourne

6 O'Connell Street, Sydney

99 Walker Street, Sydney

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Portfolio Management

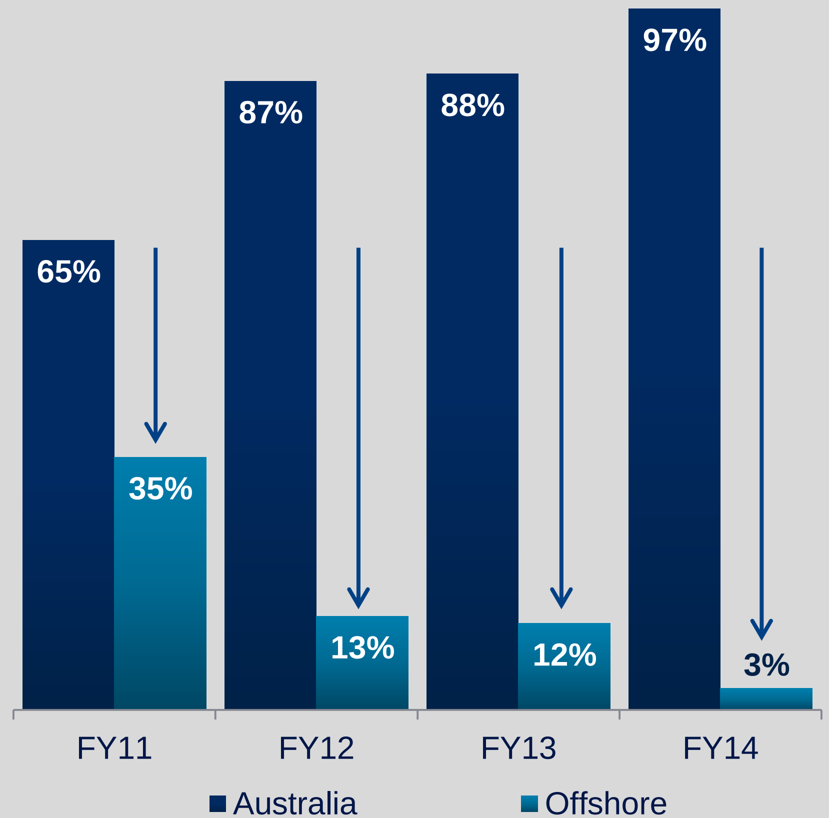
Dynamic portfolio transformation

> Portfolio composition now 97% Australian:
  - Only remaining offshore asset - Bastion Tower – scheduled to be sold in FY15

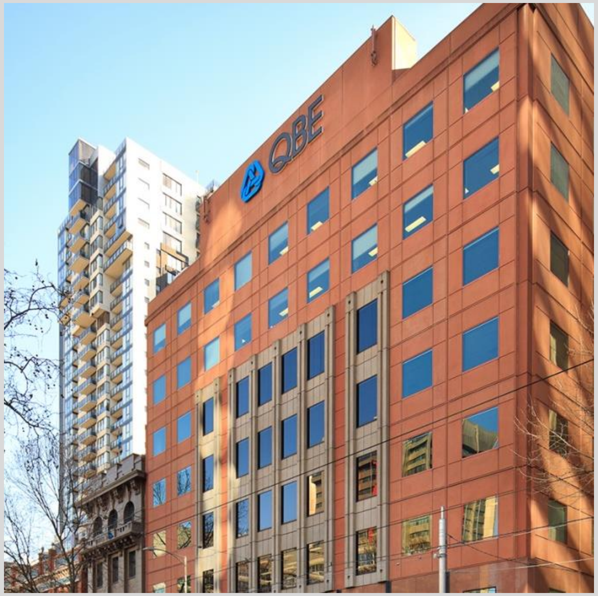
> $454m of acquisitions in Sydney - targeting assets and rental profiles relevant to current tenant demand:
  - Attractive rents <$900 psm gross
  - Flexible floorplates that sub-divide easily – appealing to smaller users

> $362m of asset sales:
  - Sold DOF in December 2013 for €155m exiting large, structurally challenged offshore investment
  - Sale terms agreed on 628 Bourke Street for $129.6m, unlocking value following proactive asset management

Portfolio reweighting to Australia



Generating attractive risk adjusted returns



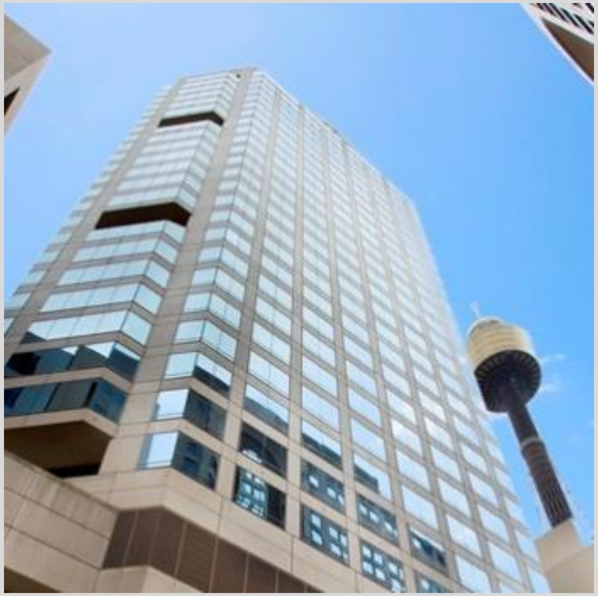
Agreed sale terms on 628 Bourke Street, Melbourne, at 14% premium to book value

- Since taking over management, Investa leased over 20,000sqm
- Occupancy improved to 99%
- Reduction in water emissions by 25% in 12 months

Sold 14.2% interest in the Dutch Office Fund for €155m

- An important milestone in delivering IOF's strategy of becoming 100% Australian
- Reduced offshore exposure to less than 3% of portfolio

Repositioning the portfolio



Acquired 50% interest in the Piccadilly Complex, Sydney for $194m

- Located in close proximity to Pitt Street Mall
- Reduced vacancy since acquisition
- Long weighted average lease expiry
- of 5.9 years

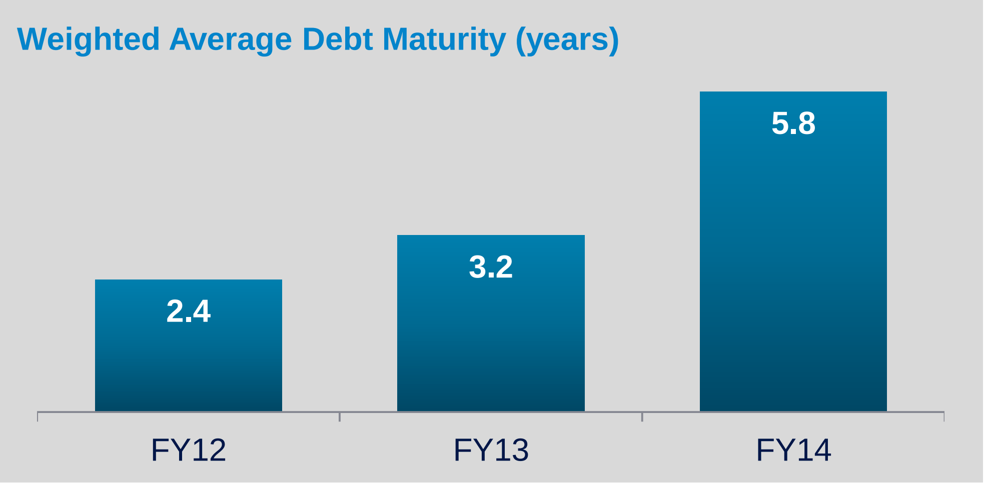
Recycling capital into assets with higher risk adjusted returns

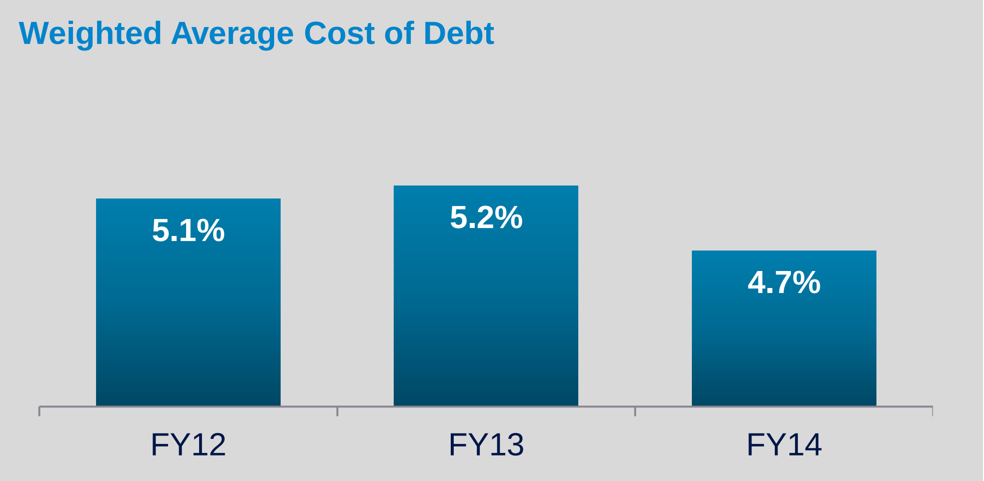
- Acquired 6 O'Connell Street, Sydney, for $135m
- Located in the core of the Sydney CBD, with attractive rents that cater to the smaller tenant market

Capital Management

Reducing costs and mitigating risks

> Balance sheet well positioned for future growth
  - Extended weighted average debt maturity to 5.8 years, with no single year debt maturity greater than $200m
  - Further reduced average cost of debt to 4.7% with notable decrease since taking over management
  - Look-through gearing currently 31.5%, in the middle of the target range of 25-35%

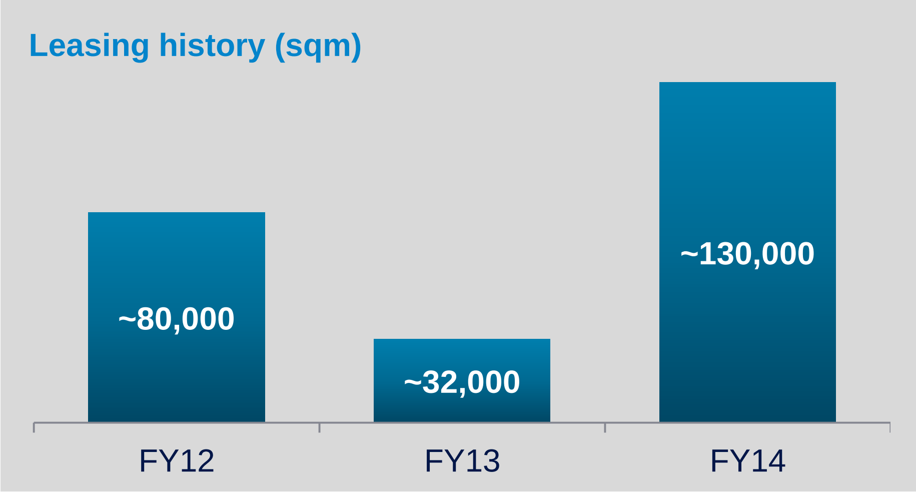


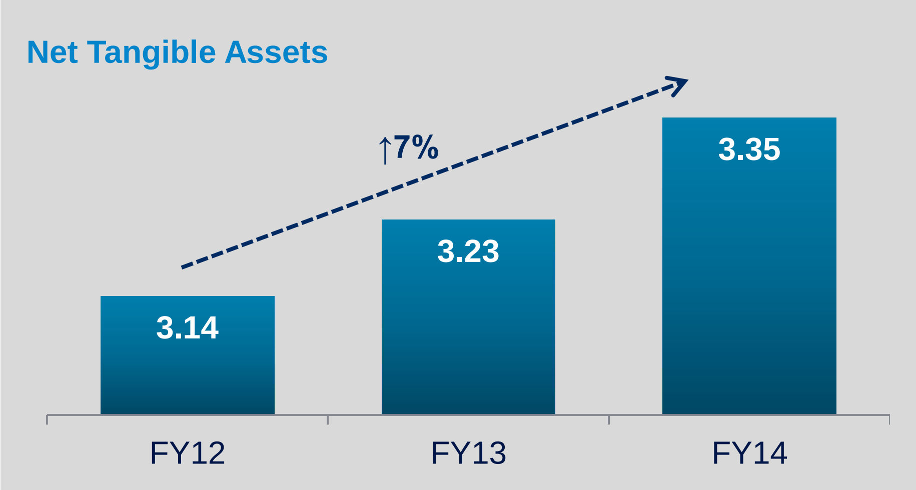


Asset Management

Proactively adding value

- > Our proactive approach is delivering results – 23% of the portfolio has been leased in a tough year for leasing:
  - 64,000sqm of leasing in Melbourne
  - 56,000sqm of leasing in Sydney
  - 10,200sqm of leasing in 25 deals in the challenging markets of Brisbane and Perth
- > Valuations completed across 16 Australian assets (67% portfolio by value) during FY14 resulting in $112.6m (6%) increases on book values





Optimising portfolio performance

Over 130,000sqm leased during FY14

Leasing 9,400sqm to reposition 99 Walker Street, North Sydney

Leased 5,600sqm to Jemena for 13 years and realised additional 2,000sqm of GLA by converting the food court to a Coles supermarket

Proactive asset management at 126 Phillip Street, Sydney

18,350sqm of leasing – contributing to occupancy increasing from 91% to 97%

567 Collins Street, Melbourne 73% pre-committed

Leased 12,000sqm to Jemena for 13 years at rents ahead of target

Asset management driving valuation increases

Valuations across 16 Australian assets $112.6m (6%) increases book values

126 Phillip Street
Sydney

Leased	18,350sqm
Key Driver	Occupancy ↑ by 6%
Valuation	↑ $10.9m (6.1%)

111 Pacific Highway
North Sydney

Leased	3,100sqm
Key Driver	9% ↑ in market rents
Valuation impact	↑ $15.1m (12.1%)

800 Toorak Road
Melbourne

Leased	41,900sqm
Key Driver	12 year ↑ in WALE
Valuation impact	$14.7m (22.3%)

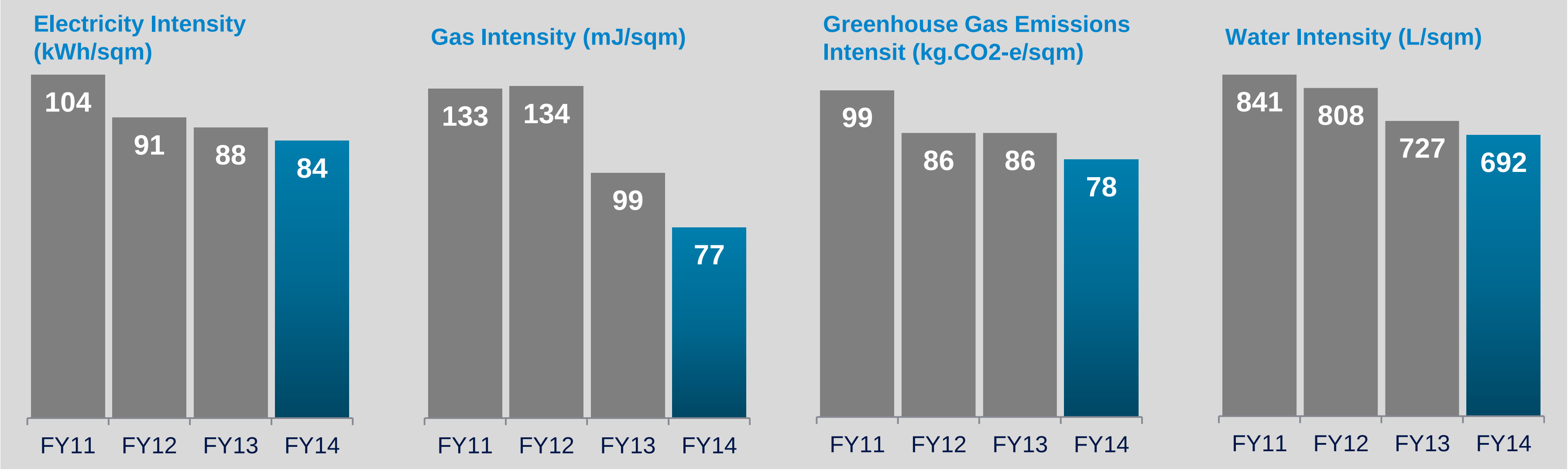
Targeted management actions delivering ongoing opex improvements

Achieving optimal operational performance

> Ongoing improvements across portfolio:
- 111 Pacific Highway - 24% reduction in gas and 20% reduction in water consumption
- 105 Miller Street - NABERS Energy 5.0 stars and Water 3.5 stars – increases of 0.5 stars

> Leveraging Investa's scale and relationships – electricity supply contracts re-tendered and will deliver a 7% saving in 2015

> Portfolio NABERS steady across the portfolio:
- 4.2 star Energy
- 3.7 star Water



Responsible investment – proactively managing ESG risks

Managing Environmental, Social and Governance risks and opportunities

> Leadership in global environmental issues:

- IOF recognised as named on the A-List Global CDP Climate Performance Leadership Index 2014
- IOF named in the top quartile of sustainable funds globally and a GRESB GreenStar 2013
- Responsible investment principled approach through UNPRI, UNEPFI

GRESB Green Star 2013

CDP CLIMATE DISCLOSURE LEADER 2013

> Tackling real estate industry issues:

- Active engagement in GRESB and RIAA
- National Resilient Australia Award[1] for Investa and partners for advocating prioritisation of disaster mitigation expenditure, based on best economic return
- Investa addressing diversity through action planning and Board representation

Signatory of:

PRI Principles for Responsible Investment

riaa Responsible Investment Association Australasia

AUSTRALIAN BUSINESS ROUNDTABLE for Disaster Resilience & Safer Communities

1. Through the Australian Business Roundtable for Disaster Resilience and Safe Communities

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Summary and Outlook

Continued leverage of our competitive advantages in FY15

Asset Management
Pro-active value-add management

- Completed major refurbishment of 140 Creek Street to maximise leasing prospects
- Actively addressing leasing vacancy and renewals at Piccadilly and 6 O'Connell Street
- Crystallising further value through capital expenditure projects at 800 Toorak Road, 99 Walker Street and 151 Clarence Street

Portfolio Management
Continued portfolio transformation

- Non-binding terms agreed for sale of Bastion Tower
- Continue to seek out value in assets with leasing and/or capex risk – leveraging the competitive advantages of the Investa platform
- Potential for further recycling of the portfolio to optimise returns

Capital Management
Reducing costs and risks

- Debt profile long and strong
- Cost of debt expected to remain low
- Opportunistic approach towards further improving our risk profile
- Ongoing ATO audit of IOF income tax returns

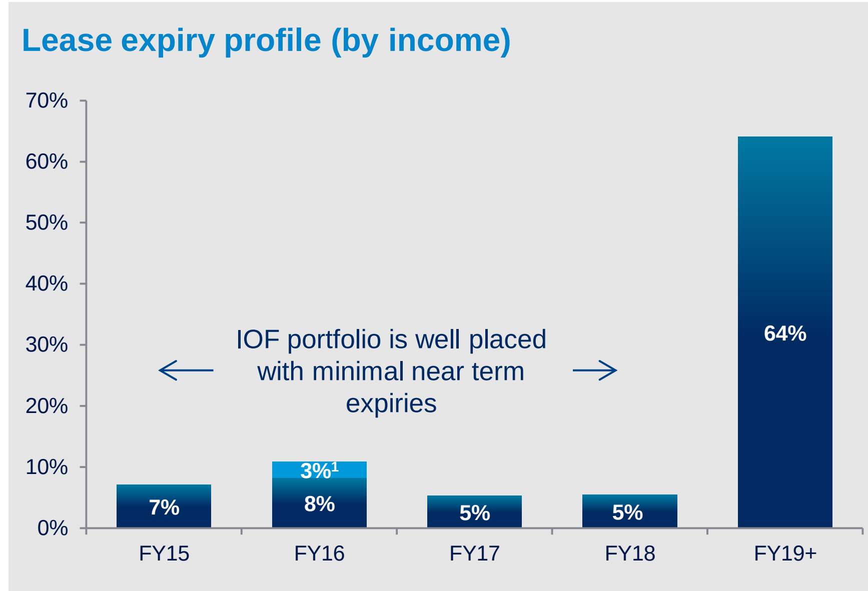
Outlook

Market conditions

> Expect further improvement in tenant demand in Sydney and Melbourne, particularly for A and B grade assets

> Conditions are stabilising in Brisbane and Perth – but demand will remain subdued

> Asset values to increase further as capital continues to seek out assets with long dated cash flows in core locations



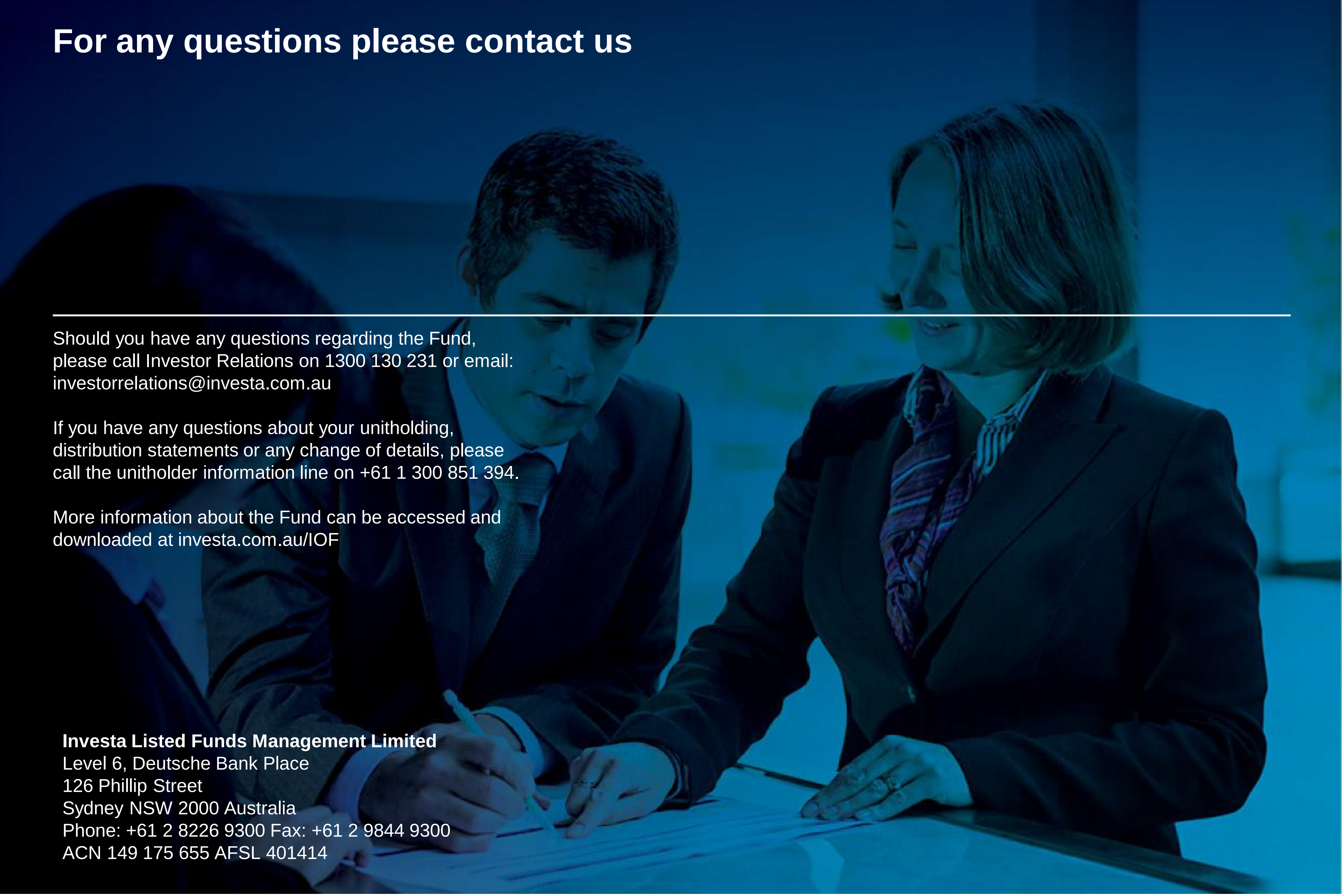
FY14 Guidance

> 27.3 cpu FFO - 3% growth on FY14

> 19.1 cpu distributions – 3% growth on FY14 (based on 70% of FFO)

> Subject to prevailing market conditions

1. Denotes lease expiries at 151 Clarence St, Sydney – scheduled to be re-developed



For any questions please contact us

Should you have any questions regarding the Fund, please call Investor Relations on 1300 130 231 or email: investorrelations@investa.com.au

If you have any questions about your unitholding, distribution statements or any change of details, please call the unitholder information line on +61 1 300 851 394.

More information about the Fund can be accessed and downloaded at investa.com.au/IOF

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Disclaimer

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