

21.09.16

Investa Office Fund (ASX:IOF)

Sale of 800 Toorak Road, Hawthorn East, Melbourne at premium to book value

Investa Office Fund (IOF) announces today it has entered into a conditional agreement in relation to the sale of its 50% share of 800 Toorak Road, Hawthorn East, Melbourne, for \$140.5m. The sale is conditional on obtaining consent to the proposed purchaser from the owner of the remaining 50% share in the property. The sale is accretive to Net Tangible Assets and will reflect a 10.5% premium to the 30 June 2016 book value of \$127.1m.

The transaction is aligned with IOF's strategic objectives to sell non-core assets and takes advantage of continued strength in capital markets. The sale represents a net passing yield on current income of 5.45%.

Penny Ransom, IOF Fund Manager, said: "Having previously added value to the asset through a lease extension to Coles to March 2030 and the addition of a 1,200 bay multi deck car park, IOF has been able to take advantage of the strong capital markets and crystallise value for Unitholders. Importantly, the sale is in line with our core strategy to provide attractive risk adjusted returns, and a delayed settlement has been negotiated to minimise impact on earnings in the near term".

Subject to obtaining the consent referred to above, settlement is expected to occur in March 2017. Proceeds will initially be used to repay debt and fund future capital requirements including the development of Barrack Place at 151 Clarence Street, Sydney which is underway. Upon settlement, gearing is forecast to reduce by circa 2.8% and we estimate a marginal 0.2 cents per unit (¢pu) dilution to Financial Year 2017 (FY17) Funds From Operations (FFO). Guidance for FY17 FFO is therefore reduced from 29.2¢pu to 29.0¢pu. Our FY17 distribution guidance remains unchanged at 20.0¢pu.

Detail on the portfolio impact of the sale can be found on the attached Appendix 1.

- ENDS -

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.

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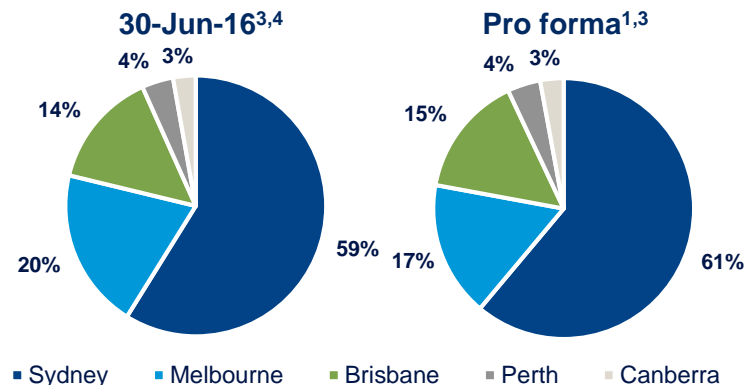
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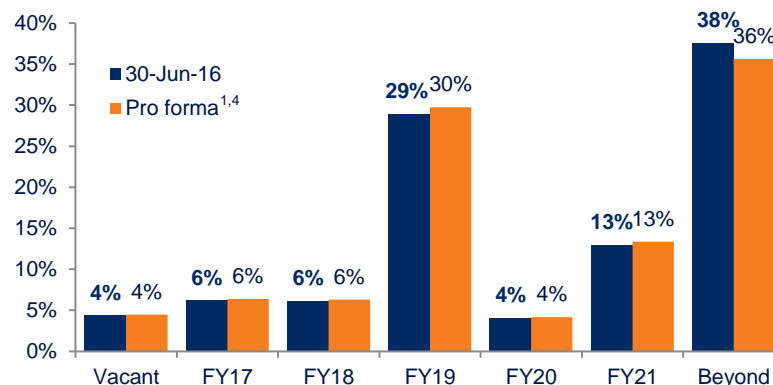
Appendix 1: 800 Toorak Road, Hawthorn East sale - portfolio impact

Key Metrics	30-Jun-16	Pro forma ¹
Number of investments	22	21
Total book value	\$3.63bn	\$3.50bn
Portfolio NLA (sqm)	421,895	400,956
Weighted average cap rate	6.2%	6.2%
Occupancy (by income)	96%	96%
Weighted average lease expiry ²	5.6yrs	5.4yrs

Portfolio composition by CBD



Lease expiry profile (% total income)²



1. As at 30 June 2016, assuming settlement of the sale of 800 Toorak Rd, Hawthorn East
2. Including Telstra lease renewal at 242 Exhibition Street, Melbourne
3. Includes the sale of 383 La Trobe Street, Melbourne, scheduled to settle January 2017
4. Totals do not add to 100% due to rounding

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