

# ASX Announcement

Westpac Office Trust (WOT)

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## Westpac Office Trust revaluation results and NTA update as at 31 December 2009

- Entire portfolio independently revalued to \$1,137 million<sup>1</sup>, an increase of \$0.55 million on a like-for-like basis<sup>2</sup> since 30 June 2009; and
- Net Tangible Asset (“NTA”) backing per unit decreases by \$0.03 to \$0.83.

### Portfolio Revaluation

Westpac Funds Management Limited, as Responsible Entity of the Westpac Office Trust (“WOT” or the “Trust”), today announced the Trust’s unaudited portfolio revaluation result and estimated NTA as at 31 December 2009. All properties in the portfolio were independently valued.

The portfolio’s carrying value as at 31 December 2009 is estimated to be \$1,137 million<sup>1</sup>, an increase of \$0.55 million since 30 June 2009 on a like-for-like basis<sup>2</sup>.

The following table is a summary of changes to individual property values and capitalisation rates:

Property	Property Valuation				Capitalisation Rate		
	Dec-09	Jun-09	Movement		Dec-09	Jun-09	Movement
Westpac Place, 275 Kent St, Sydney, NSW	\$720.00m	\$730.00m	-\$10.00m	-1.37%	7.00%	6.88%	0.13%
Woolworths NSO, Norwest, NSW	\$240.00m	\$234.00m	\$6.00m	2.56%	7.75%	7.75%	0.00%
55 Coonara Avenue, Pennant Hills, NSW	\$96.25m	\$93.00m	\$3.25m	3.49%	8.50%	8.50%	0.00%
19 Corporate Drive, Cannon Hill, QLD	\$23.00m	\$25.75m	-\$2.75m	-10.68%	9.00%	8.25%	0.75%
33 Corporate Drive, Cannon Hill, QLD	\$17.75m	\$18.25m	-\$0.50m	-2.74%	8.75%	8.25%	0.50%
50-60 Talavera Road, Macquarie Park (50%)	\$22.25m	\$17.50m	\$4.75m	27.14%	7.50%	9.10%	-1.60%
1 Hugh Cairns Avenue, Bedford Park, SA	\$17.80m	\$18.00m	-\$0.20m	-1.11%	9.00%	8.75%	0.25%
<b>Total</b>	<b>\$1,137.05m</b>	<b>\$1,136.50m</b>	<b>\$0.55m</b>	<b>0.05%</b>			

The revaluations result in the weighted average capitalisation rate for the portfolio increasing by 0.07% to 7.39% as at 31 December 2009.

Keith Grayson, WOT Fund Manager said, “This portfolio revaluation provides further evidence that the cycle of falling values, which commenced in late 2007, is largely complete and values of properties with high quality income streams are stabilising. The strong lease profile of the Trust’s portfolio, with minimal near term vacancy risk and a weighted average lease expiry of 8.6 years, has clearly contributed to this outcome.”

The revaluations recognise value added to two properties by lease renegotiations completed during the final months of 2009. At their Cumberland Forest campus located at Pennant Hills, NSW, IBM Australia committed to a further four year term over 9,000 sq.m. removing any vacancy risk on this property until 2015.

At 50 Talavera Road, Macquarie Park, NSW, terms have been agreed with Westpac Banking Corporation for the surrender of the current lease, due to expire in November 2014, and the grant of a new 15 year lease over the entire 11,323 sq.m facility.

The fall in value at 19 Corporate Drive, Cannon Hill, QLD, reflects the weaker fundamentals of the Brisbane suburban office market and increased allowances for the 2,471 sq.m. vacancy (equating to 1.3% of the total portfolio) in this building.

The Trust's pro forma NTA at 31 December 2009 is expected to be \$0.83 per unit equating to \$0.33 per instalment receipt<sup>3</sup>.

The Trust continues to maintain sound covenant coverage on its term debt facility. The loan to value ratio as at 31 December 2009 is estimated to be 62.2%<sup>1</sup> against the covenant of 70%.

<sup>1</sup> Subject to audit.

<sup>2</sup> Like for like excludes 221-227 Anzac Parade Kensington NSW which was sold during the period.

<sup>3</sup> Pro forma NTA includes mark to market value of interest rate hedges at 21 December 2009.

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