

ASX Announcement

Westpac Office Trust (WOTCA)

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Instalment Receipt Restructure Proposal and FY2010 Distribution Guidance

Key points

- Westpac Funds Management Limited (“WFML”) as responsible entity for Westpac Office Trust (the “Trust”) is seeking investor approval to:
 - Cease trading Instalment Receipts¹ and commence trading Units in the Trust on the ASX;
 - Extend the term of the Instalment Receipts from 1 November 2011 to 1 November 2013; and
 - Reduce the amount of the Instalment Debt payable on 1 November 2011 from \$0.50 per Instalment Receipt to \$0.25 with the remaining \$0.25 per Instalment Receipt payable on 1 November 2013;(the “Proposal”).
- The Proposal will be put to a meeting of investors on 10 September 2009.
- The Trust provides FY10 distribution guidance of 6.65 cents per Unit or a net distribution of 3.40 cents per Instalment Receipt after payment of Instalment Debt interest of 3.25 cents.

Meeting of investors

The Trust today called a meeting of investors to be held on 10 September 2009 to consider the Proposal.

If the Proposal is approved the trading arrangements for the Trust’s equity securities will change and investors holding Instalment Receipts will have the following options:

1. Continue to hold Instalment Receipts for an extended term until 1 November 2013, and the amount of Instalment Debt they are required to pay in November 2011 will reduce from \$0.50 to \$0.25 per Instalment Receipt, with the balance of \$0.25 per Instalment Receipt payable in November 2013;
2. Sell all or some of their Instalment Receipts through brokers by selling the underlying Units on the ASX and cancelling the Instalment Receipts; or
3. Pay the Instalment Debt before 2013 to receive Units.

The Trust’s Fund Manager, Keith Grayson said “We want to retain the support of the loyal investor base that wishes to continue to hold Instalment Receipts. The proposed changes offer existing investors increased flexibility and the opportunity to retain their Instalment Receipts for an extended term. The proposal also

reduces the market risk around the November 2011 Instalment Receipt maturity date and provides for a smooth transition to a typical equity base for the Trust.”

“We believe that moving to trade units on the market may increase the market capitalisation of the Trust and increase interest from a broader range of investors attracted to the quality portfolio and the proven Australasian investment focus of the Trust,” Mr Grayson said.

An Explanatory Memorandum and Notice of Meeting follow this announcement and will be mailed to all investors on 18 August 2009. An Independent Expert opinion from KPMG is included in the Explanatory Memorandum and concludes that the Proposal is in the best interests of investors.

At the meeting investors will also be asked to support various amendments including a four year extension of the current Business Development Agreement between the Trust and Westpac Banking Corporation which expires in 2010.

The directors of WFML recommend that investors vote in favour of the resolutions that will be put to the meeting.

Distribution guidance – year to 30 June 2010

The Trust determines distributable earnings after provisioning for operating capital expenditure and tenancy incentives.

Total distributions for the year to 30 June 2009, in line with prior guidance, are 6.65 cents per Unit or a net distribution of 3.40 cents per Instalment Receipt after payment of Instalment Debt interest of 3.25 cents.

WFML provides preliminary guidance that it expects the Trust to maintain the total distributions for the full year to 30 June 2010 at 6.65 cents per Unit or a net distribution of 3.40 cents per Instalment Receipt after payment of Instalment Debt interest of 3.25 cents. As in previous years, the 2010 distribution is expected to be 100% tax deferred.

This guidance reflects the resilient performance of the Trust’s portfolio due to minimal near term vacancy risk and the fixed rental growth profile and provides for the estimated costs of the Proposal.

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Claire Filson
Company Secretary

Westpac Funds Management Limited

¹ Instalment Receipts

When the Trust has issued units, it has done so using deferred payment arrangements where investors paid a first instalment of \$0.50 on the initial application for units and are obliged to pay the final instalment of \$0.50 per unit on 1 November 2011. Westpac Securities Limited paid the balance of the issue price, \$0.50 per unit, on behalf of investors. This amount constitutes the Instalment Debt. The Instalment Debt is a fixed interest rate of 6.5% p.a. until 1 November 2011. Instalment Receipts are evidence of an investor’s beneficial ownership of units, their obligation to pay interest on the Instalment Debt and to pay the final instalment when due.