

Investa Office Fund (ASX:IOF)

Investa Office Fund announces update on strategic initiatives

Investa Office Fund (ASX: IOF) today announced its intention to undertake an on-market buyback of up to 10% of issued units (or a maximum of 272.9 million units), the refinance of its syndicated debt facility and the sale of US asset Waltham Woods.

Buyback

The Board and Management believe the current unit price does not fully reflect the underlying value of IOF's portfolio and considers a buyback an attractive capital management initiative to create and enhance unitholder value.

Commenting on the buy-back Mr Campbell Hanan, Group Executive and Head of Commercial Property Investments at Investa Property Group ("Investa") said: "This initiative is a key component of the go-forward strategy announced in April when Investa assumed management of IOF. It was accretive to earnings when considered earlier in the year, and now with current market value, we believe can contribute even further to the value of IOF units."

The buyback is expected to commence on 29 August 2011 following the full year results announcement for IOF on 25 August, and may continue for up to 12 months unless the maximum number of units are bought back, or the Fund decides to cease the buyback earlier. The total number of units purchased by IOF will depend on prevailing market conditions and will be funded by debt and proceeds from offshore asset sales

Debt Refinance

Investa also announced today it had entered into a new corporate debt facility of A\$552 million to replace IOF's current Australian syndicated debt facility. It is anticipated that the refinance of the current facility will occur on 19 August 2011. The new facility has a 3-year maturity and will replace the current facility, which is due to mature in June 2012.

Commenting on the decision to re-finance the IOF debt facility Ms Ming Long, Group Chief Financial Officer at Investa said: "As a result of the current volatility in debt markets and difficulties in obtaining unconditional consent from the lenders in the syndicated facility to a unit buy back, the IOF Board decided it was prudent to re-finance the facility early. The terms negotiated for the new facility will allow Investa to buy back up to 10% of issued units."

Mr Scott MacDonald, Chief Executive Officer at Investa added: "Investa is committed to efficiently delivering on the range of initiatives announced when we took over the management of IOF in April 2011. We expect to be judged on our performance and believe that consistently delivering on our stated objectives should be a key measure of our progress."

Sale of Offshore Asset

The sale of the Fund's 50% interest in the US asset Waltham Woods (880 and 890 Winter Street, Waltham, Massachusetts) closed on 9 August 2011 for a sale price of US\$42.0 million, net proceeds received were US\$41.1 million.

Commenting on the sale Mr Tino Tanfara, Fund Manager IOF said: "The sale reinforces our commitment and strategy of disposing of the Fund's offshore assets and repositioning the Fund to a domestic CBD focus. The proceeds will be used initially to repay debt and provide the Fund with additional liquidity to execute its strategy. We expect further sales to be completed over FY12."

An Appendix 3C in respect of the on-market unit buyback has been lodged with the ASX today. Further information on the new debt facility and buyback will be provided at the Full Year Results Presentation on 25 August 2011.

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About Investa Office Fund (formerly ING Office Fund)

Investa Office Fund (ASX code: IOF) previously known as ING Office Fund is an ASX-listed real estate investment trust (A-REIT) and is included in the S&P/ASX100 index. The Fund is a leading owner and manager 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\$2.6 billion with investments located in core CBD markets throughout Australia and select offshore markets in US and Europe. IOF's strategy is to reposition the portfolio with a domestic-only focus.

About Investa Property Group

Investa is one of Australia's largest owners and managers of quality real estate controlling assets worth AU\$9.6 billion across the commercial, industrial and residential sectors. Investa's integrated property platform incorporates property services, funds management, portfolio management, asset management, development and sustainability.

With a long history of managing institutional grade office buildings in core CBD markets, Investa's office portfolio comprises more than 60 buildings and is valued at over AU\$7.6 billion. Investa's development pipeline exceeds AU\$2.7 billion and includes more than 12,500 residential lots, and over 450 hectares of industrial land. Funds under management in its listed and unlisted funds total more than AU\$4.7 billion, managed on behalf of over 27,000 investors.

Investa is a global leader in sustainability and is committed to responsible property investment, and the ongoing pursuit of sustainable building management, ownership and development.

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