

Investa Office Fund Financial Year 2015 Results Presentation

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IOF

20 August 2015

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Highlights

Financial

- > Net profit \$179.2 million (down 2.4%)
- > FFO 27.7 cpu (up 4.5%) and DPU 19.25 cpu (up 4.1%)
- > NTA up 27 cents to \$3.62 (up 8.1%)

Portfolio

- > \$126 million (4.1%) increase in valuations over 21 assets
- > Leased ~55,000 sqm – another active period completing 124 deals
- > Sold final offshore asset, Bastion Tower for €54.9 million – IOF's \$3.3 billion portfolio now 100% Australian
- > Divested 628 Bourke St at 14% premium; exchanged contracts to sell 383 La Trobe St at 31% premium
- > Completed IOF's newest asset - 567 Collins St – to be followed by the development of Barrack Place, 151 Clarence St in 2016

Capital Management

- > Weighted average debt duration of 5.2 years
- > Low weighted average cost of debt of 4.0%
- > Maintained BBB+/stable credit rating

Financial Metrics Summary

	30 June 2015	30 June 2014	Change %
Net profit (statutory)	\$179.2m	\$183.6m	(2.4%)
Funds From Operations (FFO)	\$169.9m	\$162.6m	4.5%
FFO per unit	27.7c	26.5c	4.5%
Distributions per unit	19.25c	18.50c	4.1%
Net Tangible Assets (NTA) per unit	\$3.62	\$3.35	8.1%
Gearing (look-through) ¹	28.8%	32.0%	(3.2%)

- > Net profit \$179.2 million – down 2.4% after European foreign currency translation reserve was transferred to the P & L, offset by positive investment property revaluations
- > FFO increased 4.5% to \$169.9 million
- > As previously announced, the ATO is auditing the income tax returns for the Fund. Following the Independent Review of the ATO's positions, the remaining focus of the audit is deductions claimed for foreign exchange losses

1. Refer to Appendix 7 for calculation methodology

Capital Management



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Robust capital management metrics

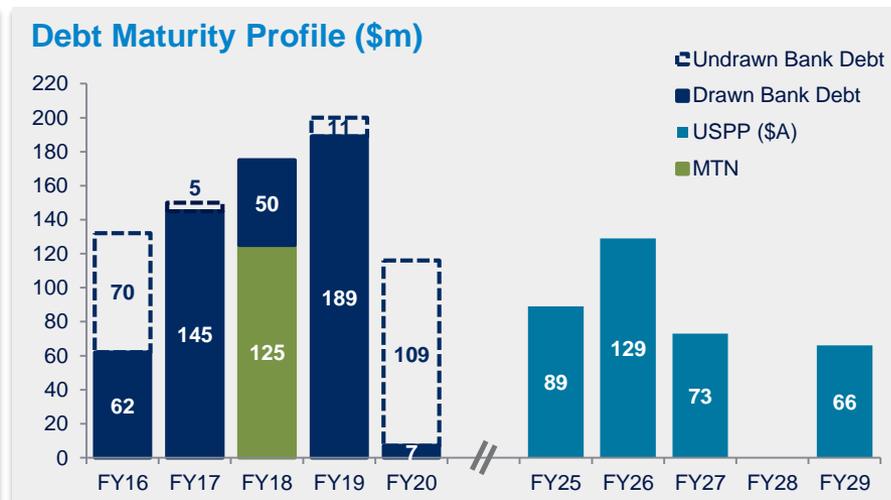
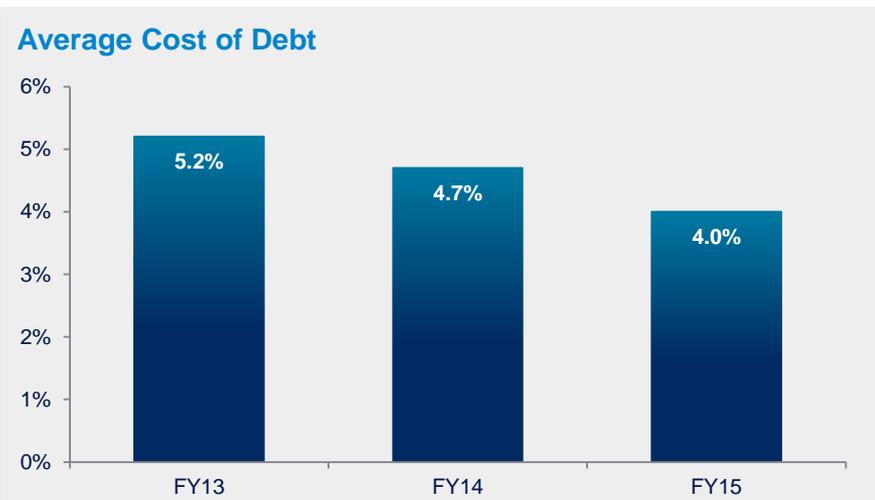
> Diverse sources of debt with staggered maturity profile:

- Weighted average debt maturity 5.2 years
- No refinancing exposure >\$200m in any one year

> Low cost of debt – 4% average in FY15:

- Expect FY16 cost of debt to be 3.5 – 4%
- Hedging ratio 43% as at June 2015

Key Indicators	30 June 2015	30 June 2014
Drawn debt	\$936m	\$1,019m
Gearing (look-through) ¹	28.8%	32.0%
Weighted average debt cost	4.0%	4.7%
Weighted average debt maturity	5.2yrs	5.8yrs
Interest rate hedging	43%	35%
Interest cover ratio (look-through)	4.4x	4.9x
S & P credit rating	BBB+	BBB+



1. Refer to Appendix 7 for calculation methodology

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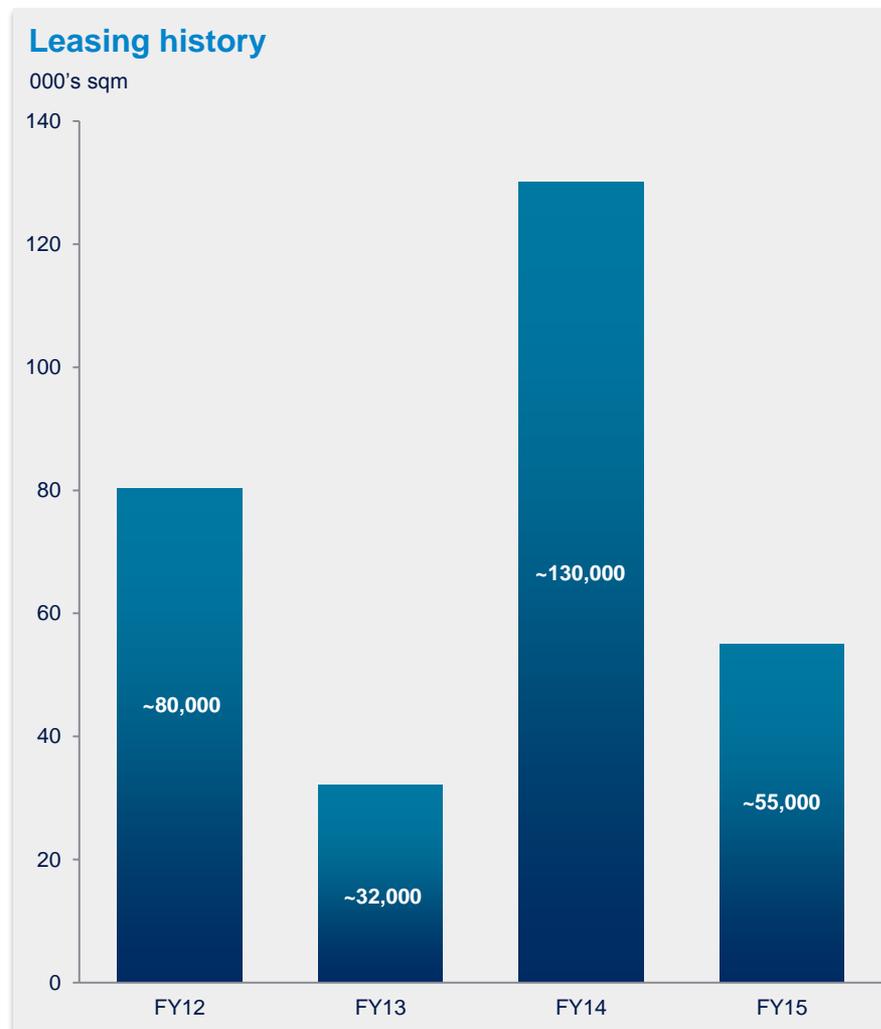
Asset Management



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Leasing demand for affordable space remains strong

- > Leasing activity led by small tenants seeking affordable space:
 - ~55,000sqm of deals – with average take-up of 445sqm at rents of ~\$655psm
- > Continued success in Sydney:
 - FY14 acquisitions – Piccadilly and 6 O’Connell Street – leasing well with 16,100sqm completed
 - North Sydney assets – 16,000sqm leased
- > Fully leased in Melbourne:
 - 567 Collins Street completed with 78% pre-commitment – and effectively 100% including income guarantee from Leightons
- > 12,100sqm of leasing deals completed in Brisbane



Strong valuation growth

- > Cap rate compression strongest for assets with long and secure income streams – expect this to continue into FY16
- > Revaluations over 21 assets (97% portfolio) in FY15 – posting a \$126 million increase over prior book values:
 - 1H15 - \$13 million (1%)
 - 2H15 - \$113 million (4%)
- > Benefiting from high exposure to Sydney and Melbourne – now 78% of portfolio – increasing 10% on average in 2H15

30 June 2015 valuation highlights

	Key Drivers	Cap rate change	Valuation impact
800 Toorak Road	Car park completion and start of new lease to Coles	-50bps	↑ \$13.5m (+13%)
111 Pacific Highway	Reduced vacancy and cap rate compression	-75bps	↑ \$15.9m (+11%)
105 Miller Street	October 2015 rent review and cap rate compression	-50bps	↑ \$19.5m (+10%)
16 Mort Street	Cap rate compression	-25bps	↑ \$7.3m (+9%)
99 Walker Street	Nearing supermarket completion, cap rate compression	-50bps	↑ \$13.7m (+8%)
567 Collins Street	Building completion and cap rate compression	-38bps	↑ \$18.9m (+8%)

Portfolio overview

- > Net property income increased 8% to \$186.9 million:
 - Boosted by full period contributions from Piccadilly and 6 O'Connell Street
- > Like-for-like NPI fell 1.3% – as anticipated – following higher FY15 vacancy in Brisbane
 - Excluding 140 Creek Street, like for like NPI was 1.6%
- > Retention 62%:
 - Increases to 79% excluding known departures of ASIC and Suncorp at 66 St Georges Terrace
- > Average incentive 21%:
 - Excluding effective deals 26%

Key Metrics	30 June 2015	30 June 2014
Net Property Income (NPI)	\$186.9m	\$173.1m
Like-for-like NPI change	(1.3%)	(0.4%)
Leased	55,185sqm	130,160sqm
Tenant retention (by income)	62%	68%
Occupancy (by income)	93%	93%
Weighted average lease expiry	5.2yrs	5.0yrs
Face rent growth	3.1%	4.1%
Average passing face rent	\$587psqm	\$557psqm
Number of investments	22	23

Minimal near term lease expiries

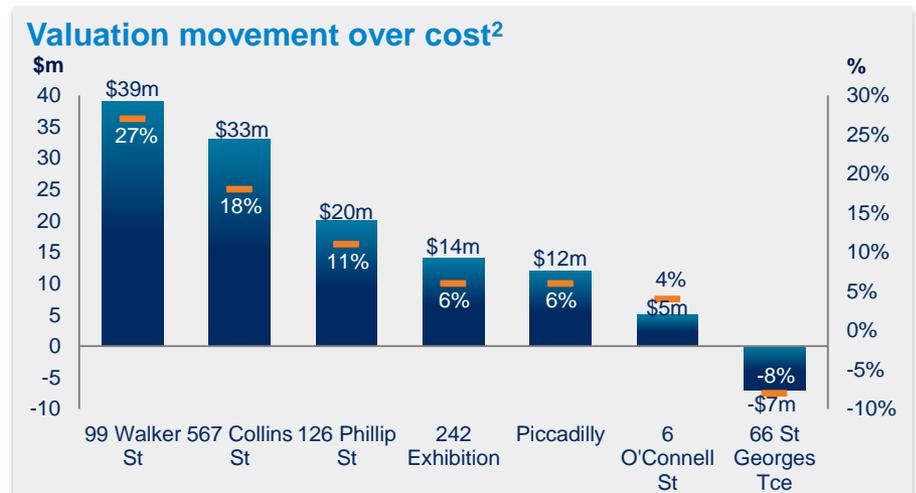
- > Investa leased 12,100sqm across IOF's Brisbane assets:
 - Finalised leases over 6,100sqm at 239 George Street and 4,000sqm at 295 Ann Street
 - Good interest in 140 Creek Street – however lease-up is taking longer than expected
- > 66 St Georges Terrace undergoing refurbishment – we have made conservative lease-up assumptions
- > Development of 151 Clarence Street scheduled to start in March 2016:
 - Will reduce FFO by \$2.8m in FY16
 - Interest to be capitalised at average cost of debt on new development costs
- > Occupancy 100% in Melbourne and 98% in Sydney

Major Lease Expiries

Property	CBD	Tenant	Area (sqm)	Expiry
Vacant				
15 Adelaide St	Brisbane		3,440	Vacant
295 Ann St	Brisbane		4,258	Vacant
140 Creek St	Brisbane		10,810	Vacant
66 St Georges Tce	Perth		4,594	Vacant
FY16				
151 Clarence St	Sydney	DEVELOPMENT	7,483	Dec '15
151 Clarence St	Sydney	DEVELOPMENT	3,089	Feb '16
140 Creek St	Brisbane	DTMR / DPW	8,819	Jun '16
FY17				
383 La Trobe St		EXCHANGED CONTRACTS TO SELL		Jun '17
FY18				
6 O'Connell St	Sydney	Various	3,676	

Leasing success from acquisitions

- > IOF's \$1.2 billion reinvestment program – funded with offshore asset sales – was targeted at assets and locations where Investa has competitive advantage:
 - Leased over 74,000sqm, largely ahead of underwriting
- > Subsequent value creation has been significant – with \$116 million created (over cost):
 - Represents average 10% valuation uplift over cost
 - Value creation from leasing is offset by higher amortisations through the P & L
- > Leasing new acquisitions has resulted in IOF carrying a higher level of amortisation moving forward:
 - ~80% of increase in FY16 amortisation is coming from acquisitions



1. Excludes Leightons and Corrs Chambers Westgarth – leased prior to acquisition

2. Includes all costs – including stamp duty, capex, incentives, etc.

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Enhancing portfolio performance through innovation

- > Tenants are seeking value beyond just the quantum of rent – servicing their needs and enhancing their tenancy experience
- > We've extended amenity beyond the real estate with Insite – Investa's proprietary tenant engagement platform:
 - Offers range of value-add services from dry cleaning to custom made suits
 - Provides a medium to connect and influence Investa's tenants

The Hive @ 295 Ann St



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Insite Tenant Portal - insite.investa.com.au

SERVICES DESIGNED FOR YOU, AT YOUR FINGER TIPS



- > IOF to open its first business lounge - The Hive at 295 Ann Street – exclusive to Investa tenants and partners
- > Provides energising space for meetings, events, flex-space and focus work
- > Exploring innovative ways to reduce fit-out waste by partnering with Haworth – global leaders in furniture design
- > Unique offering and point of difference in Brisbane market – generating increased interest in 140 Creek and 295 Ann St

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Optimising asset performance

- > Investa's commitment to environmental performance supports long term value creation and preservation:
 - Widespread success since taking over management in 2011
- > Strong ratings across the portfolio with 4.4 Star NABERS Energy and 3.7 Star NABERS Water – highlights include:
 - 99 Walker Street – 1.0 star improvement in NABERS Energy and 3.0 star improvement in NABERS Water rating since acquisition
 - 133 Castlereagh Street – reported 18% energy savings, underpinning 5 star NABERS Energy rating
- > Focus on procurement extracting further savings – realising 7% reduction in electricity costs

Portfolio improvements since FY11¹

25%
reduction in
emissions
intensity

23%
reduction in
electricity
intensity

15%
reduction in
water
intensity

46%
reduction in
gas
intensity

Signatory of:



1. Stated on a per square metre basis; preliminary data

Portfolio Management

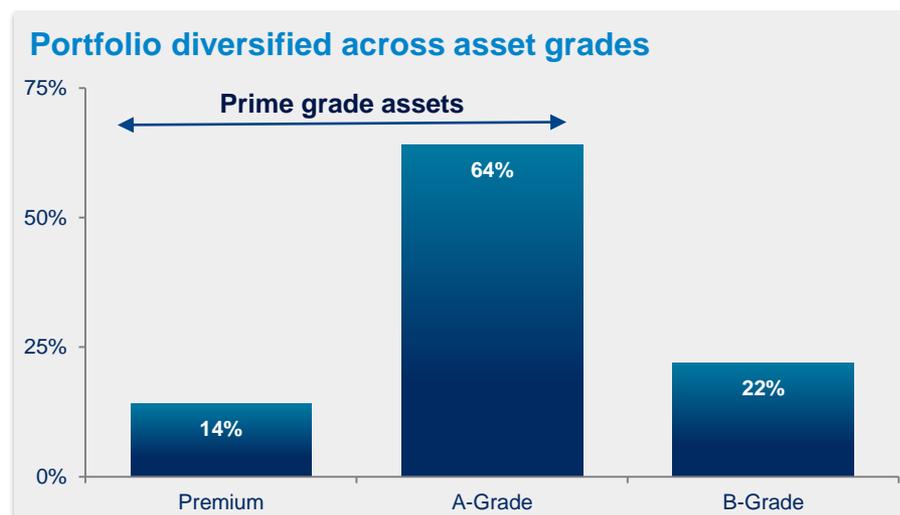
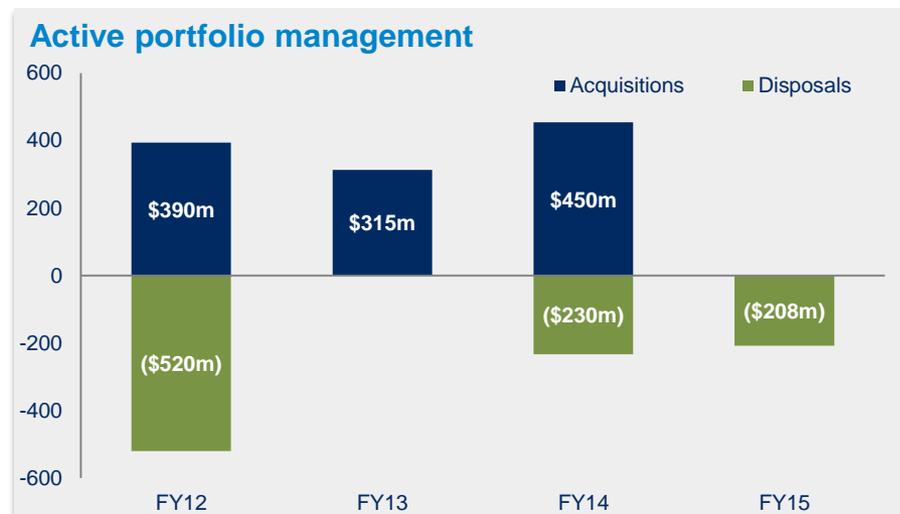


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Recycling assets to optimise returns

- > Reinvested \$1.2 billion into high quality assets over past four years to build a \$3.3 billion Australian only portfolio
- > Sold \$208 million of assets in FY15 – and contracts exchanged to sell 383 La Trobe St for \$70.7 million¹
- > Prime grade assets provide a high quality and stable backbone to support sustainable income returns through the cycle
- > B-grade assets provide IOF with greater exposure to small and medium sized tenants:
 - Diversification across asset classes
 - Increases coverage to tenants that can grow exponentially
 - Reduces concentration to single tenant expiries
 - Caters to more cost-conscious occupiers

1. 383 La Trobe St to settle between July 2016 and January 2017

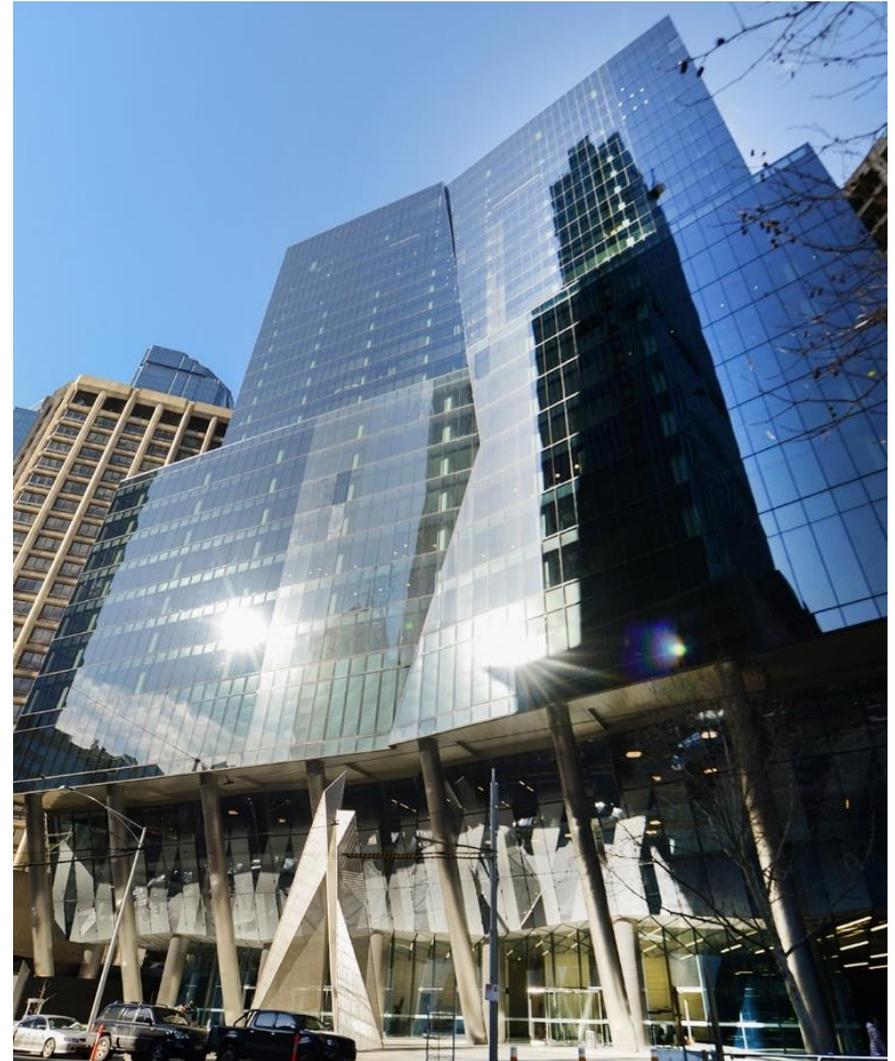


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567 Collins Street, Melbourne

- > Completed construction and opened 567 Collins Street in July 2015 – Melbourne’s largest premium grade asset in 25 years:
 - Acquired at 6.7% cap rate; 30 June 2015 cap rate 5.875%
 - \$33m (18%) valuation increase over cost
- > 78% of building leased at completion:
 - 4 year rental guarantee from Leightons over remaining vacancy
- > Investa’s integrated development and asset management teams underpinned alignment between developer and long-term owner:
 - Building quality and fabric exceeds typical developer benchmarks



Development of 151 Clarence Street, Sydney - Barrack Place

- > Building to be vacated February 2016 – with demolition starting immediately:
 - Stage 2 DA approved and detailed design progressing as planned
 - Forecasting ~7.5% yield on cost
- > Outlook for Sydney leasing market is strong and underpins our confidence in leasing throughout the construction period:
 - Will deliver flexible ~1,200sqm floorplates in a highly desirable location
 - Attractive rent proposition for new A grade
- > Targeting 5.0 NABERS Energy and Green Star Ratings



Project Timeline

April 2015 – Stage 2 Planning Approval Granted

March 2016 Demolition

Mid 2016 Construction Commenced

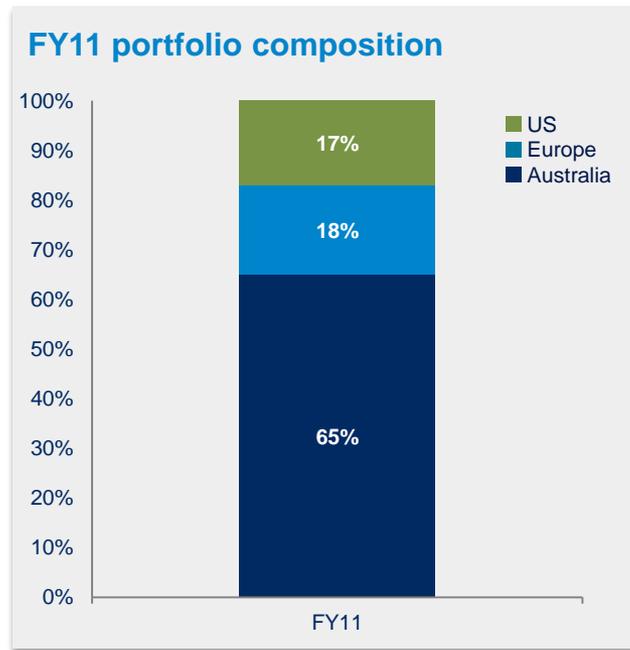
Late 2018 Completion

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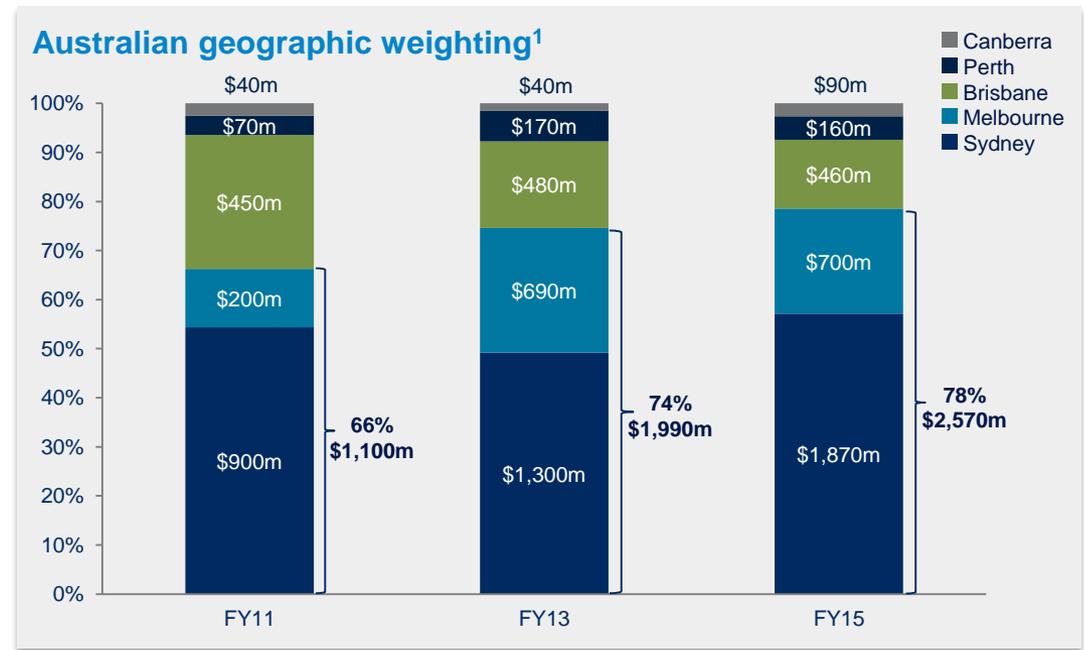
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Disciplined approach to asset transactions

- > Increased portfolio composition from 65% to 100% Australian
- > Strategically increased weightings to Sydney and Melbourne by investing \$1.1 billion across 6 high quality assets
- > Maintain a disciplined approach to acquisitions and divestments – with balance sheet flexibility for future transactions where we see value



1. Includes 567 Collins Street, Melbourne as at completion



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Market Outlook



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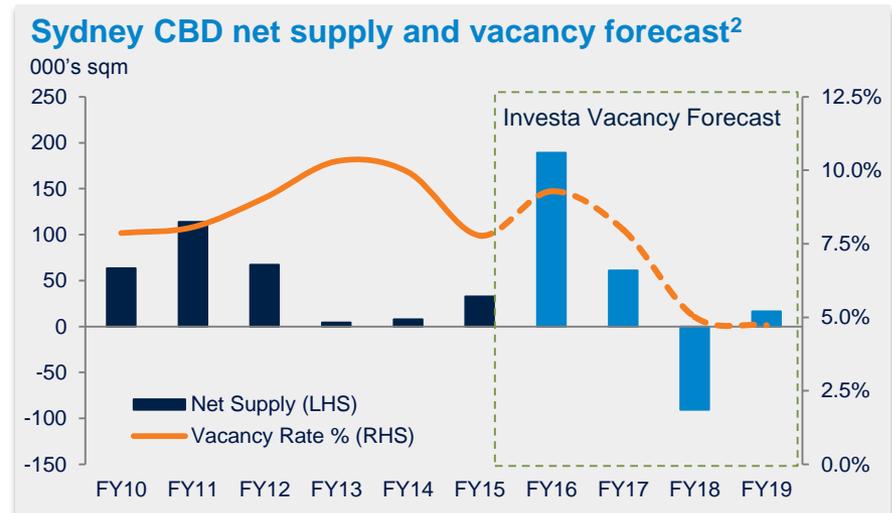
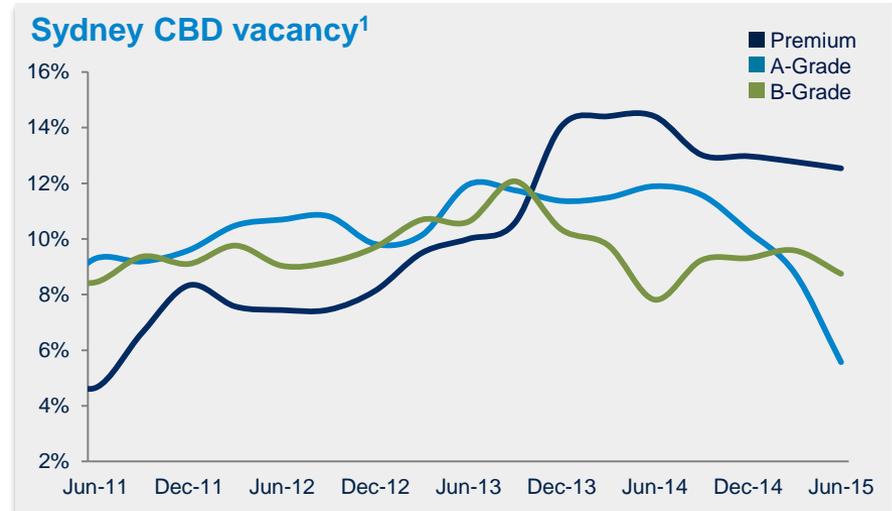
Sydney in the midst of a demand upswing

Effective rental growth emerging

- > Take-up of A grade is strong:
 - 145,000sqm of absorption over 12 months
 - Premium has improved – but vacancy remains high at 12% - and will deteriorate with Barangaroo coming online in 2016
- > Effective rental growth has emerged:
 - Prime grade 2.4% - weighed down by premium
 - Secondary grade 9.8% - boosted by strong B grade performance
- > Withdrawals of ~330,000sqm still expected over 4 years – although they will be exceeded by 508,000sqm of largely premium supply
- > 2.6% of stock to be withdrawn in FY18:
 - Vacancy expected to be sub 6%
 - Limited options for tenants at this time – especially for rents <\$1,000psm gross

1. Source: JLL Research (actual Q2 2015)

2. Source: Investa Research

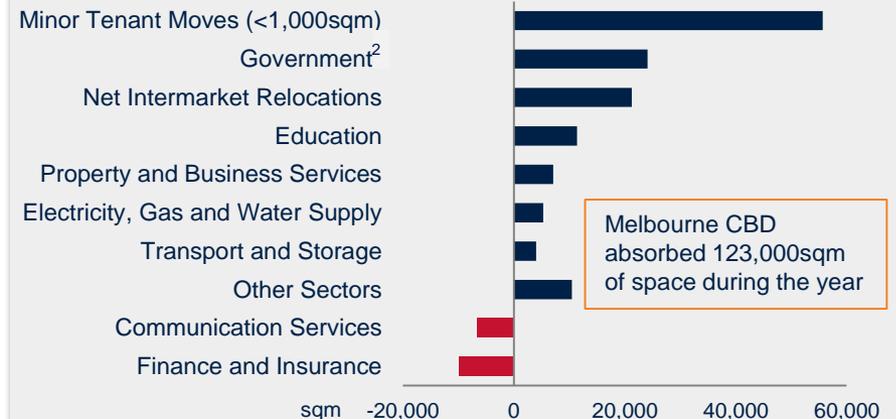


Melbourne outlook upgraded

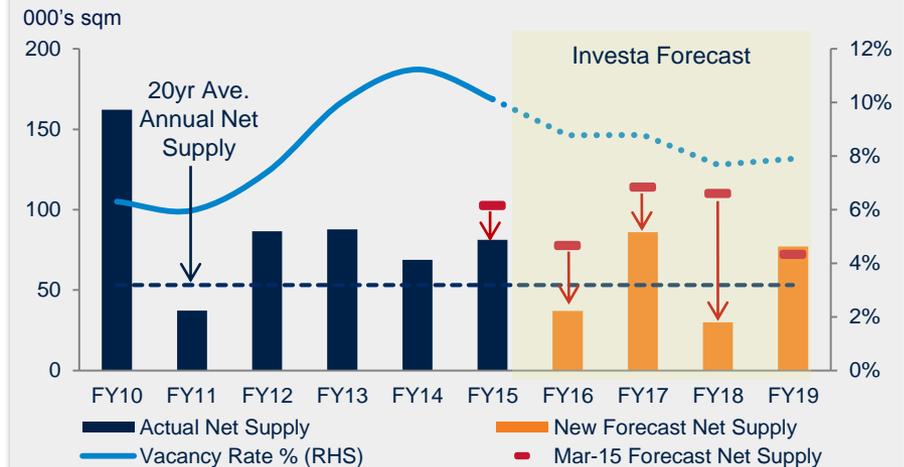
Stronger demand and reduced supply pipeline

- > Tenant demand exceeding our forecasts:
 - Driven by smaller tenants (sub - 1,000sqm)
 - Activity generated by a number of sectors
 - Continuing trend of tenants moving from the fringe/suburban markets
- > Lower than expected net supply for the next three years:
 - Telstra will not proceed with the development of a new 90,000sqm asset - 288 Exhibition St, previously expected to be delivered in FY18
- > We have upgraded our medium-term rental growth due to the improved vacancy outlook

Melbourne CBD net absorption (12 months to Jun-15)¹



Melbourne CBD net supply and vacancy forecast³



1. Source: JLL Research (actual Q2 2015)

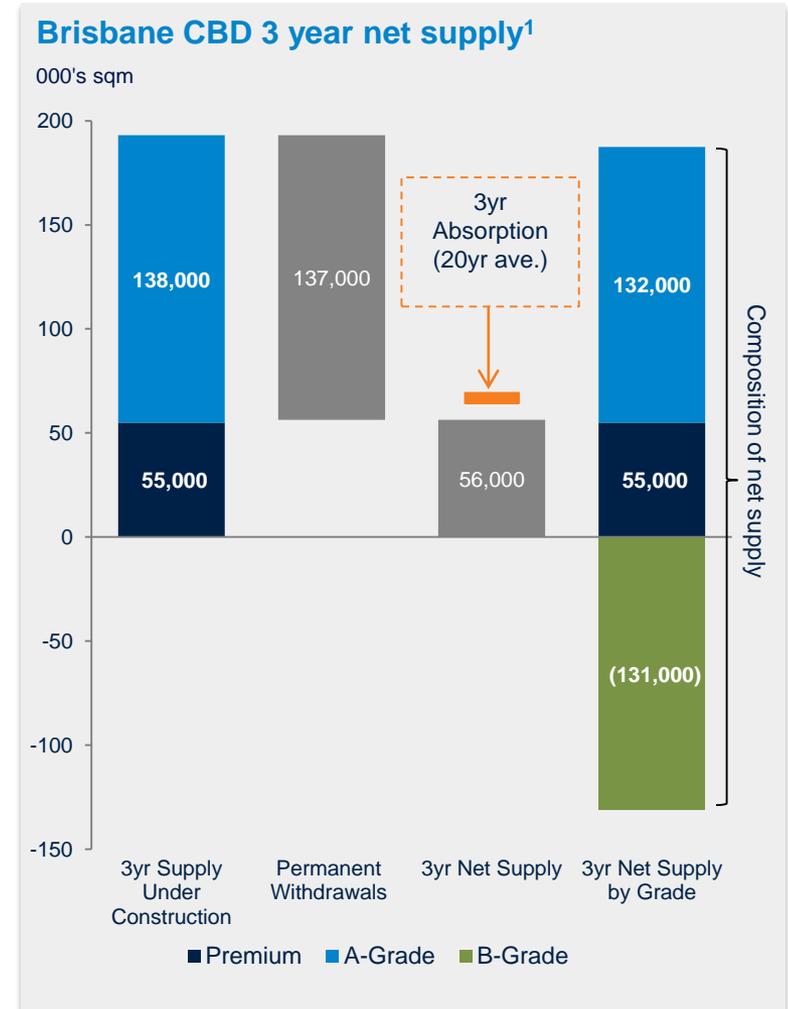
2. Includes Victoria Police expansion, which could be classified as net intermarket relocations

3. Investa Research supply and forecasts

Brisbane demand conditions are gradually improving

Withdrawals are transpiring and CBD relocations emerging

- > Supply largely offset by forecast withdrawals over 3 years – including ~60,000sqm for Queens Wharf development (2.8% of stock):
 - However high vacancy of 15% will continue to impact sentiment
- > Net absorption led by consolidation from the fringe and sub - 1,000sqm tenants:
 - CBD to fringe effective rent gap has fallen to ~\$100psm – significantly down from ~\$400psm at peak
 - Relocations into high quality CBD buildings from private and public sector
- > Education users expected to expand following fall in AUD:
 - Potential for further withdrawals of office stock for student accommodation

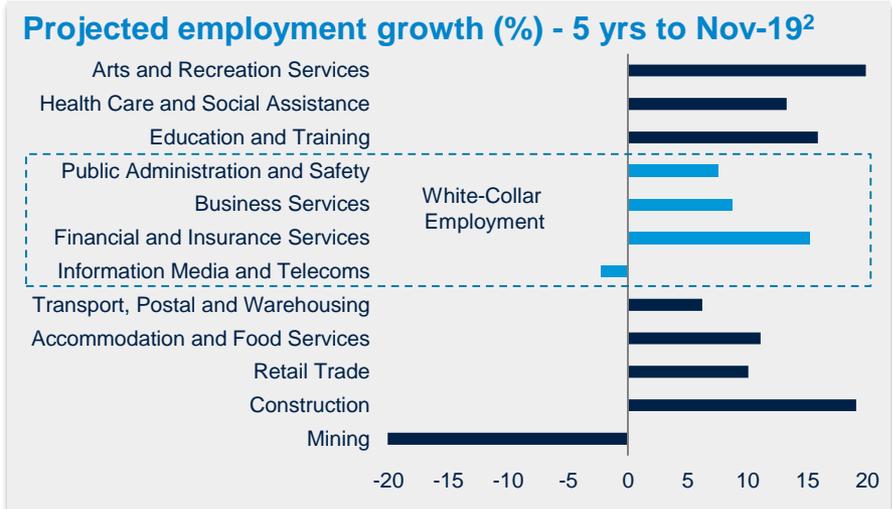
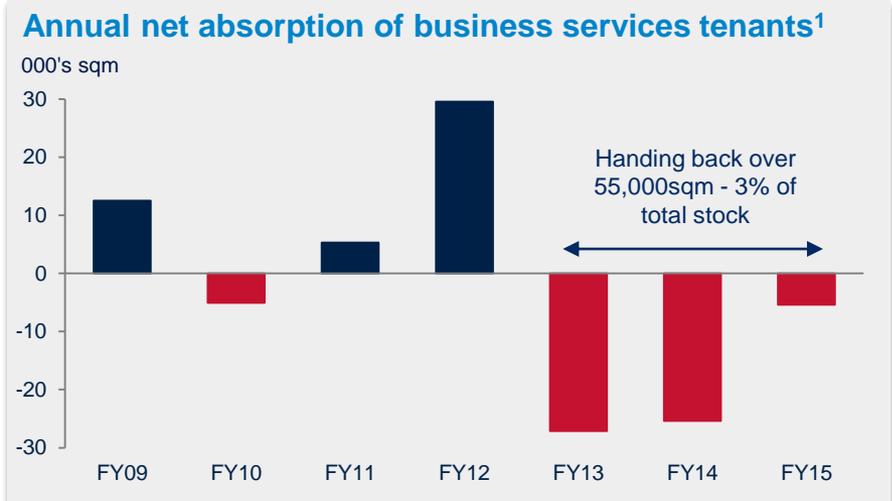


1. Source: JLL Research (actual Q2 2015) and Investa Research (supply and forecasts)

Perth market conditions reflect broader weakness in resources

Business services sector operating at 2009 levels

- > Occupied space by the business services sector expanded from 2009 to 2012 – supporting the mining and investment boom:
 - All expansion space from this period has been handed back – and makes up ~20% of total vacancy
- > Despite the tough outlook, white collar employment is forecast to grow 9% in the next 5 years
- > However vacancy will remain high throughout this period as new supply – 11% of the market, compounds elevated vacancy of 17%



1. Source: JLL Research (Q2 2015)

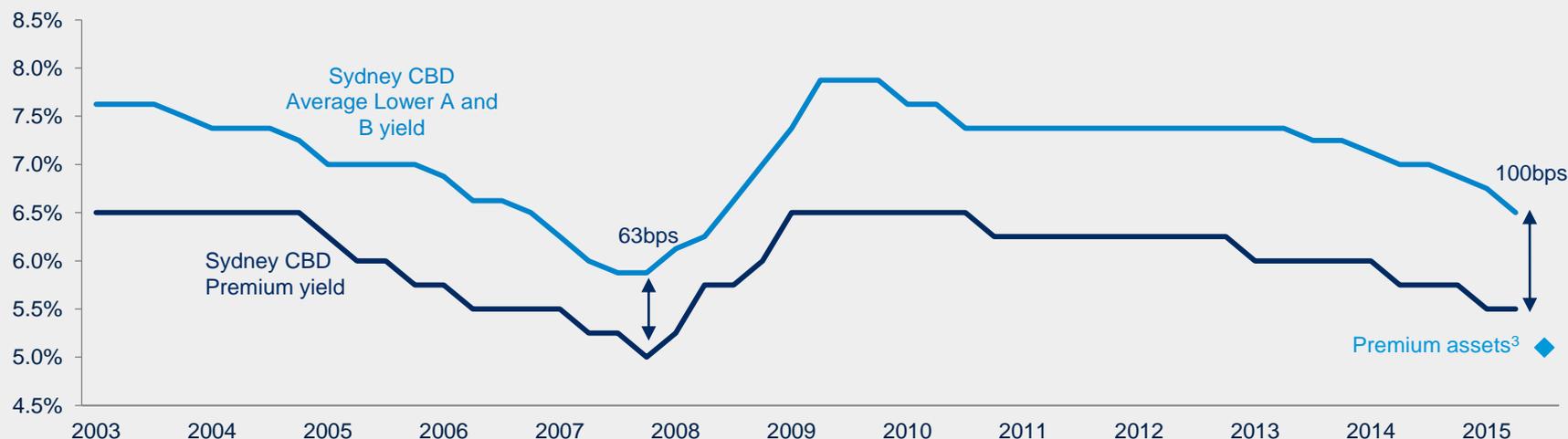
2. Source: Department of Employment and Investa Research

High levels of capital flows for real estate

Asset value re-rate continues

- > Total return expectations have reduced over the past 12 months – evident in IOF’s valuations¹:
 - Cap rates reduced 29bps to 7.0%
 - Discount rates reduced 60bps to 8.3%
- > Strong demand across the risk spectrum, with yield spreads between asset grades likely to tighten
- > Future valuation implications from Investa Property Trust sale will become evident in the coming months

Sydney CBD yields and recent transactional activity²

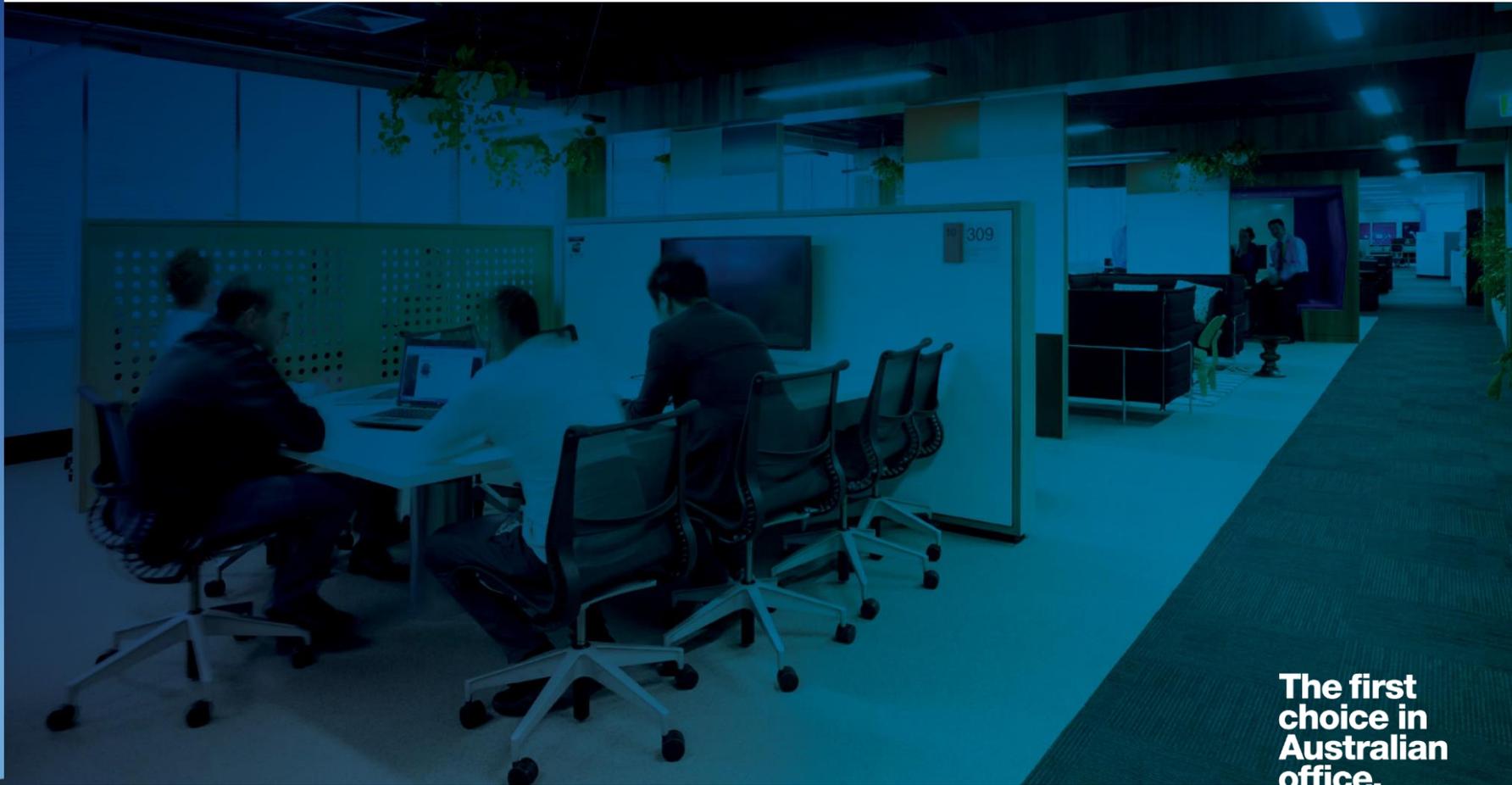


1. Like for like portfolio – excludes 628 Bourke St and 567 Collins St, Melbourne

2. Source: JLL Research (Q2 2015), Knight Frank Valuations and Investa Research - Premium Assets include 126 Phillip St, 400 George St, 225 George St, Sydney and 120 Collins St, Melbourne - analysed by Knight Frank Valuations

3. Source: JLL Research (Q2 2015), Knight Frank Valuations and Investa Research

Summary and Outlook



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Outlook underpinned by diversified portfolio and income profile

Portfolio well positioned

- > High levels of income security underpinning near term earnings
- > Upside potential from leasing vacancy - particularly in Brisbane
- > Seeking out opportunities to create value through portfolio recycling

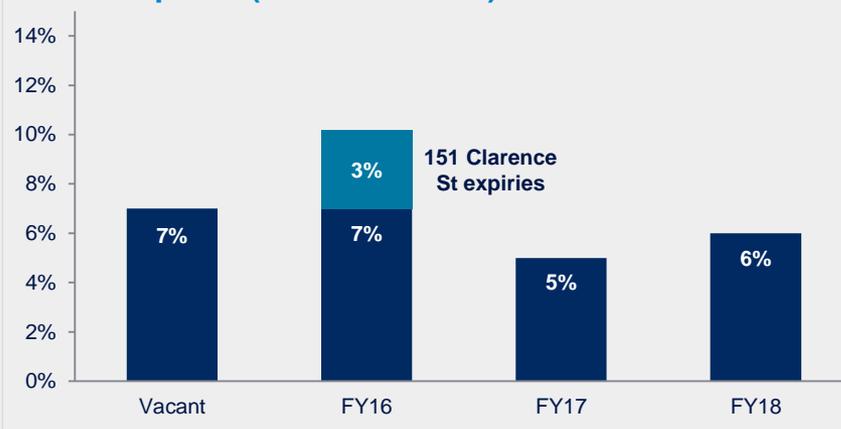
Market conditions

- > Near-term Sydney supply will see vacancy increase to 9% - however this won't inhibit rental growth into 2017 – 2018; benign supply outlook and broader economic strength bodes well for Melbourne
- > Sentiment in Brisbane and Perth challenged with near term supply; however affordability will continue to drive decision making
- > Continued evidence of cap rate compression and strong demand for quality assets

Outlook

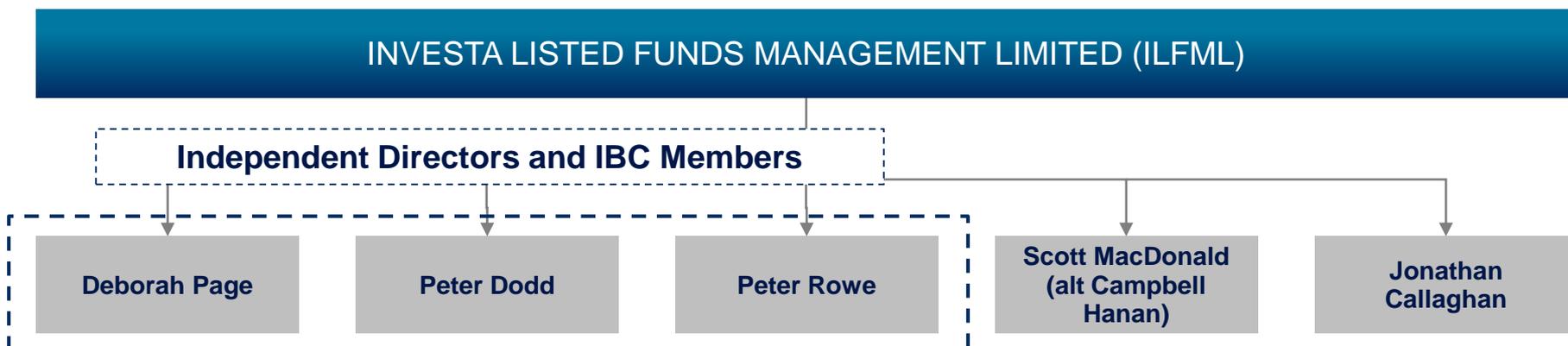
- > Guidance of 28.1 cpu FFO (1.4% growth on FY15)
- > Distribution of 19.6 cpu (70% of FFO)
 - Continue to target 95 – 100% AFFO payout through the cycle
- > Subject to prevailing market conditions

Lease expiries (% total income)



Strategic review

- > The IOF Independent Board Committee (IBC) has commenced a strategic review:
 - All available options will be considered, including the ongoing management and ownership of IOF
- > Morgan Stanley Sale Process has provided a catalyst for the strategic review:
 - IOF no longer has a strategic opportunity to acquire 100% of Investa Office Management (IOM) platform
- > IBC will keep unitholders informed of any material developments as they occur



Questions and Answers

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For any questions please contact us

Should you have any questions regarding the Fund, please call Investor Relations on +61 300 130 231 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 +61 300 851 394.

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

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Appendices

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Appendix 1

Reconciliation of statutory profit to Property Council FFO

Property Council FFO for the full year is calculated as follows:	30 June 2015 (\$m)	Cents per unit	30 June 2014 (\$m)	Cents per unit
Statutory profit attributable to unitholders	179.2	29.2	183.6	29.9
Adjusted for:				
Net (gain)/loss on change in fair value in:				
Investments	(129.5)	(21.1)	(42.6)	(6.9)
Derivatives	(87.8)	(14.3)	5.6	0.9
Net foreign exchange loss/(gain)	77.0	12.5	(13.1)	(2.1)
Amortisation of incentives	26.4	4.3	22.0	3.6
Straight lining of lease revenue	1.4	0.2	3.2	0.5
Transfer of foreign currency translation reserve to profit or loss	104.7	17.1	-	-
Other (primarily European exit costs, Euro derivative termination costs and tax)	(1.5)	(0.2)	3.9	0.6
Property Council FFO¹	169.9	27.7	162.6	26.5

1. The Responsible Entity considers the non-AAS measure, Funds From Operations (FFO), an important indicator of underlying performance of IOF. To calculate FFO, net profit attributable to unitholders is adjusted to exclude unrealised gains or losses, certain non-cash items such as the amortisation of tenant incentives, fair value gains or losses on investments and other unrealised or one-off items. IOF's FFO calculation is based on Property Council of Australia definition of FFO. Refer to the Annual Financial Report for the complete definition.

Appendix 2

Property Council FFO (look-through)

	30 June 2015 (\$m)	30 June 2014 (\$m)
Australia	186.9	173.1
Europe ¹	2.2	11.0
Segment result	189.1	184.1
Interest income	10.2	4.5
Finance costs	(41.9)	(34.8)
Responsible Entity's fees	(11.1)	(10.1)
Net foreign exchange gain	0.6	1.8
Foreign asset management fees	(0.2)	(0.4)
Other expenses	(3.2)	(3.0)
Current income tax expense	-	(1.5)
Operating earnings	143.5	140.6
Amortisation of tenant incentives	26.4	22.0
Property Council FFO	169.9	162.6

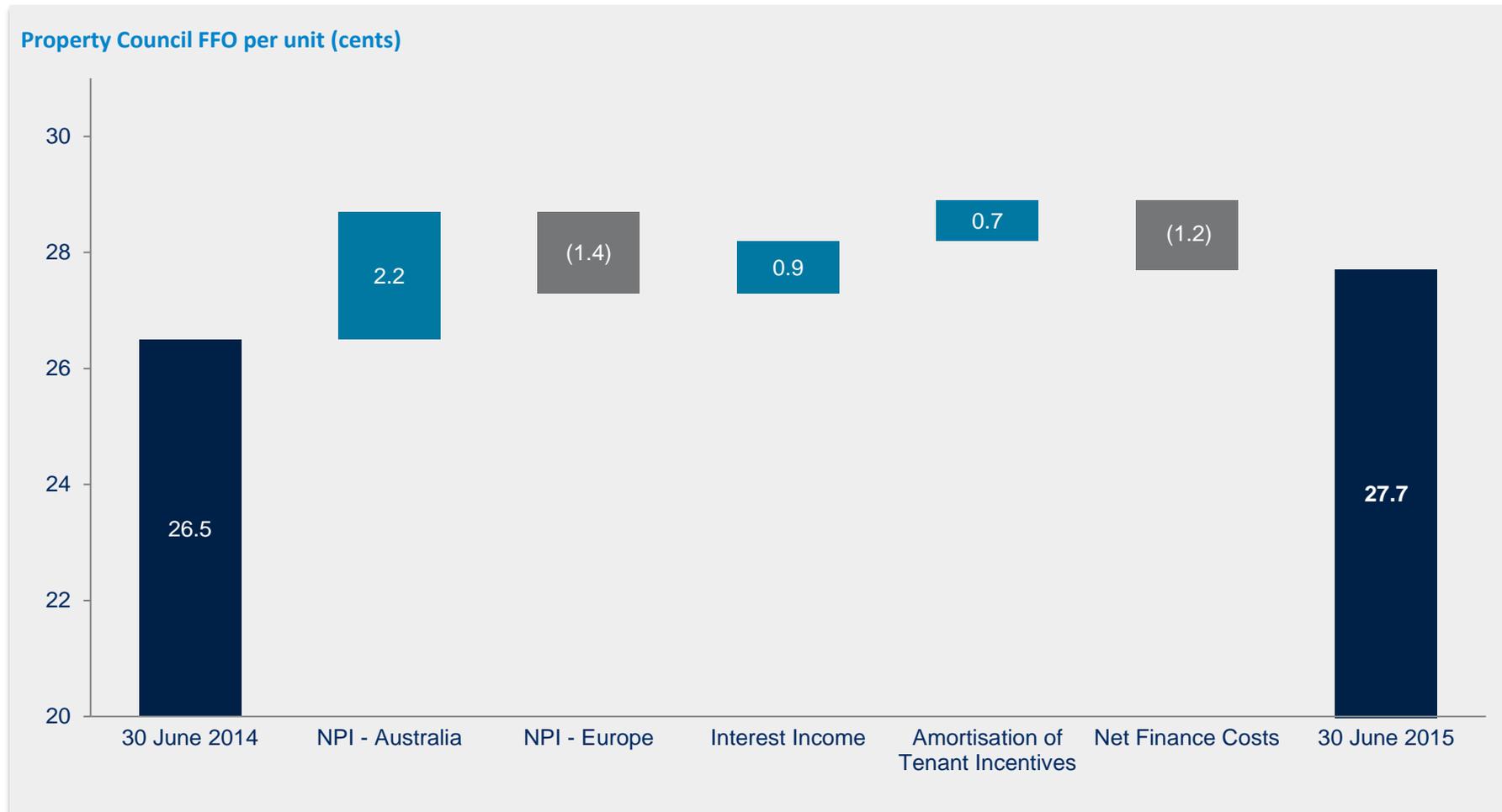
1. Local currency NPI reported. €1.5m as at 30 June 2015 and €7.6m as at 30 June 2014

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Appendix 3

Property Council FFO waterfall



Appendix 4

Balance sheet

	30 June 2015 (\$m)	30 June 2014 (\$m)
Property investments	2,554.9	2,395.5
Equity accounted investments	543.7	476.4
Derivatives	86.6	6.5
Assets classified as held for sale	-	171.4
Cash	3.6	12.3
Other ¹	132.4	80.4
Total assets	3,321.2	3,142.5
Borrowings ²	997.2	944.2
Derivatives	11.6	19.2
Liabilities directly associated with assets classified as held for sale	-	25.7
Distributions payable	59.6	56.8
Other	29.9	38.2
Total liabilities	1,098.3	1,084.1
Net assets	2,222.9	2,058.4
Units on issue (thousands)	614,047	614,047
NTA per unit (A\$)	3.62	3.35

1. Current and non-current receivables. Non-current receivables primarily represent a loan advanced to 567 Collins Trust to fund the development

2. USPP translated at 30 June 2015 AUD/USD spot rate of 0.7680 (30 June 2014: 0.9420)

Appendix 5

Property Council FFO and AFFO

	30 June 2015 (\$m)	30 June 2014 (\$m)
Property Council FFO	169.9	162.6
Less: maintenance capex and incentives incurred during the period	(52.4)	(33.5)
AFFO ¹	117.5	129.1
Property Council FFO per unit	27.7	26.5
AFFO per unit	19.1	21.0
Distributions per unit	19.25	18.50
Payout ratio (% of Property Council FFO)	70%	70%
Payout ratio (% of AFFO)	101%	88%

1. Adjusted Funds From Operations (AFFO) is calculated by adjusting Property Council FFO for other non-cash and other items such as maintenance capex, incentives paid during the period, and other one-off items

Appendix 6

Debt facilities

Facility Type	Currency	Facility Limits (A\$m)	Drawn (A\$m)	Undrawn (A\$m)	Maturity Date
Corporate Facility:					
Bank Debt	AUD	132.0	62.0	70.0	Jun-16
Bank Debt	AUD	150.0	145.0	5.0	Aug-16
Bank Debt	AUD	50.0	50.0	-	Jun-18
Bank Debt	AUD	66.0	55.0	11.0	Jul-18
Bank Debt	AUD	84.0	84.0	-	Aug-18
Bank Debt	AUD	50.0	50.0	-	Jun-19
Bank Debt	AUD	50.0	-	50.0	Jul-19
Bank Debt	AUD	66.0	7.0	59.0	Aug-19
Medium Term Note:					
MTN	AUD	125.0	125.0	-	Nov-17
USPP ¹	USD	89.3	89.3	-	Apr-25
USPP ¹	USD	128.9	128.9	-	Aug-25
USPP ¹	USD	73.3	73.3	-	Apr-27
USPP ¹	USD	66.4	66.4	-	Apr-29
Total/Weighted average		1,130.9	935.9	195.0	5.2 years

1. Facility limit and drawn amount based on the AUD leg of the cross currency swap used to hedge the USPP

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Appendix 7

Gearing (look-through)¹

	30 June 2015 (\$m)
Gearing – statutory	30.0%
Total assets (headline)	3,321.2
Less: equity accounted investments (242 Exhibition St, 126 Phillip St, 567 Collins St)	(543.7)
Add: share of equity accounted investments (242 Exhibition St, 126 Phillip St, 567 Collins St)	658.6
Less: receivables and payables to equity accounted investments (567 Collins St)	(114.2)
Less: foreign currency hedge asset balance	(81.0)
Look-through assets	3,240.9
Total debt (headline)	997.2
Less: USPPs debt translated at prevailing spot foreign exchange rate	(423.2)
Add: USPPs debt based on AUD leg of the cross currency swap used to hedge the USPPs	358.0
Look-through debt²	932.0
Look-through gearing	28.8%

1. The methodology for the calculation of the gearing ratio has been amended during the period to reflect a look-through debt balance that includes the Group's Australian dollar exposure after hedging its USPPs. The impact on the 30 June 2014 ratio is that the gearing ratio has increased from 31.5%, to 32.0% under the new methodology

2. Includes \$4.0m of unamortised borrowing costs

Appendix 8

Interest hedging and debt covenants

Forecast hedge profile	FY16	FY17	FY18	FY19	FY20
Weighted average interest rate derivatives					
AUD interest rate derivatives (fixed)	\$367.3m	\$418.4m	\$216.0m	-	-
AUD fixed rate derivatives	3.4%	3.2%	3.0%	-	-
			Actual	Covenant	
Covenant Calculation					
Total liability (look-through liabilities/look-through assets) ¹			33.1%		50.0%
Actual interest cover			4.4x		2.5x

1. Represents the Group's most onerous total liabilities to total asset covenant calculation

Appendix 9

Portfolio snapshot

	Total Portfolio 30 June 2015	Total Portfolio 30 June 2014
Occupancy (by income)	93%	92%
Retention	62%	68%
Weighted average lease expiry (WALE)	5.2yrs	5.0yrs
Like-for-like NPI growth (local currency)	(1.3%)	(1.1%)
Over/(under) renting – face rents	4.2%	(1.1%)
Portfolio NLA ¹ (sqm)	414,080	427,813
No. of property investments	22	24 ²
Book value (A\$m)	3,211.8	3,134.9

1. Weighted for ownership

2. Includes 628 Bourke Street, Melbourne

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Appendix 10

Portfolio overview



Perth

Number of properties	2
Book Value	\$158.2m
% of IOF portfolio value	4.9%

Melbourne¹

Number of properties	4
Book Value	\$643.0m
% of IOF portfolio value	20.0%

Brisbane

Number of properties	5
Book Value	\$458.5m
% of IOF portfolio value	14.3%

Sydney/North Sydney

Number of properties	10
Book Value	\$1,867.1m
% of IOF portfolio value	58.1%

Canberra

Number of properties	1
Book Value	\$85.0m
% of IOF portfolio value	2.7%

1. Includes 567 Collins Street, Melbourne carrying value of \$213.1m as at 30 June 2015. The asset was independently valued at \$269.5m on an as complete basis with practical completion achieved on 7 July 2015.

Appendix 11

Portfolio book values

Property	Location	Book Value (\$m)	% Change in Book Value ¹	Cap Rate (%)	Discount Rate (%)
126 Phillip Street (25%)	NSW	198.7		5.75	7.75
347 Kent Street	NSW	272.7		6.88	8.13
388 George Street (50%)	NSW	209.9		7.00	8.25
Piccadilly Complex (50%)	NSW	210.3		6.77	8.17
10-20 Bond Street (50%)	NSW	192.8		6.50	8.13
151 Clarence Street	NSW	84.7		n/a	n/a
6 O'Connell Street	NSW	147.0	7.9	6.88	7.88
105-151 Miller Street	NSW	212.0	10.1	7.00	8.00
99 Walker Street	NSW	183.0	8.1	6.75	8.25
111 Pacific Highway	NSW	156.0	11.3	7.25	8.50
567 Collins Street (50%) ²	VIC	213.1	7.3	5.88	7.75
242 Exhibition Street (50%)	VIC	245.1		6.50	8.00
383 La Trobe Street	VIC	69.7	29.4	7.50	8.50
800 Toorak Road (50%)	VIC	115.1	13.3	6.75	8.25
140 Creek Street	QLD	167.8		8.00	9.00
295 Ann Street	QLD	102.2		8.00	8.75
232 Adelaide Street	QLD	16.9		8.25	9.00
239 George Street	QLD	120.6		8.25	9.00
15 Adelaide Street	QLD	51.0	0.6	8.75	9.25
66 St Georges Terrace	WA	83.2		8.00	9.25
836 Wellington Street	WA	75.0	(3.2)	7.75	8.00
16-18 Mort Street	ACT	85.0	9.5	6.75	8.50
Total		3,211.8		6.93³	8.25³

1. Represents change in book value resulting from external valuations as at 30 June 2015

2. As at 30 June 2015 the property at 567 Collins Street, Melbourne was an investment property under construction with a book value of \$213.1m. The asset was independently valued at \$269.5m on an as complete basis with practical completion achieved on 7 July 2015

3. Excludes 151 Clarence Street, Sydney

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Appendix 12

Book values by CBD

	Book Value (\$m)	Book Value (\$/sqm) ¹	Average Passing Face Rent (\$/sqm) ¹	Weighted Average Lease Expiry (yrs)	Weighted Average Cap Rate (%) ²
Sydney	1,316.1	11,178	743.3	3.8	6.21
North Sydney	551.0	8,486	504.0	5.9	6.99
Melbourne	643.0	7,689	431.2	8.2	6.40
Brisbane	458.5	5,178	624.8	4.3	8.16
Perth	158.2	6,732	573.7	3.7	7.88
Canberra	85.0	6,005	496.3	10.6	6.75
Total/Average	3,211.8	7,892	586.9	5.2	6.93

1. Weighted by IOF's share of NLA

2. Excludes 151 Clarence Street, Sydney

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Appendix 13

Portfolio NPI

Property	State	30 June 2015	30 June 2014	Movement		Comments
		NPI (A\$m)	NPI (A\$m)	(A\$m)	(%) ¹	
126 Phillip St (25%)	NSW	10.4	10.6	(0.2)	(3.2%)	
10-20 Bond St (50%)	NSW	9.4	8.8	0.6	7.5%	Fixed reviews
388 George St (50%)	NSW	14.4	13.6	0.8	5.5%	
347 Kent St	NSW	23.5	22.6	0.9	3.8%	
151 Clarence St	NSW	5.8	5.1	0.7	14.2%	Lease up and short term lease extensions
105-151 Miller St	NSW	11.2	10.9	0.3	2.1%	
111 Pacific Hwy	NSW	8.4	8.5	(0.1)	(1.7%)	
242 Exhibition St (50%)	VIC	16.9	16.4	0.5	3.0%	
383 La Trobe St	VIC	4.6	4.6	-	0.4%	
800 Toorak Rd (50%)	VIC	6.3	5.7	0.6	12.3%	Increase from inclusion of completed car park
239 George St	QLD	9.6	9.4	0.2	2.4%	
15 Adelaide St	QLD	2.5	3.5	(1.0)	(29.2%)	Lower occupancy
140 Creek St	QLD	6.7	10.9	(4.2)	(38.2%)	Lower occupancy
232 Adelaide St	QLD	1.3	1.2	0.1	7.8%	
295 Ann St	QLD	5.7	6.8	(1.1)	(15.8%)	Lower occupancy
66 St Georges Tce	WA	7.1	7.3	(0.2)	(2.4%)	
836 Wellington St	WA	6.2	6.0	0.2	2.9%	
Like-for-like AU		150.0	151.9	(1.9)	(1.3%)	

1. Percentage change calculated excluding impact of rounding in NPI (\$) columns

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Appendix 14

Portfolio NPI (cont'd)

Rest of IOF Portfolio				30 June 2015	30 June 2014	Movement	
Property	State	Currency	NPI (\$m)	NPI (\$m)	(A\$m)	(%) ¹	
Under Refurbishment	16-18 Mort St	ACT	AUD	3.9	2.4	1.5	84.2%
	6 O'Connell St	NSW	AUD	9.0	0.2	8.8	4,538.1%
Acquired	Piccadilly Complex (50%)	NSW	AUD	12.5	3.2	9.3	290.6%
	99 Walker St	NSW	AUD	9.0	9.2	(0.2)	(2.2%)
Sold	628 Bourke St	VIC	AUD	2.5	6.2	(3.7)	(59.1%)
	Bastion Tower (50%)	Europe	EUR	1.5	1.1	0.4	37.4%
	Dutch Office Investment (14.2%)	Europe	EUR	-	5.3	(5.3)	(100.0%)
Total IOF Portfolio (AUD)¹				189.1	182.5		

151 Clarence Street

	Jun 16	Dec 16	Jun 17	Dec 17	Jun 18	Dec 18
Forecast timing of payments	\$12m	\$17m	\$30m	\$31m	\$21m	\$10m

1. Based on constant foreign exchange rates of EUR: 0.6818

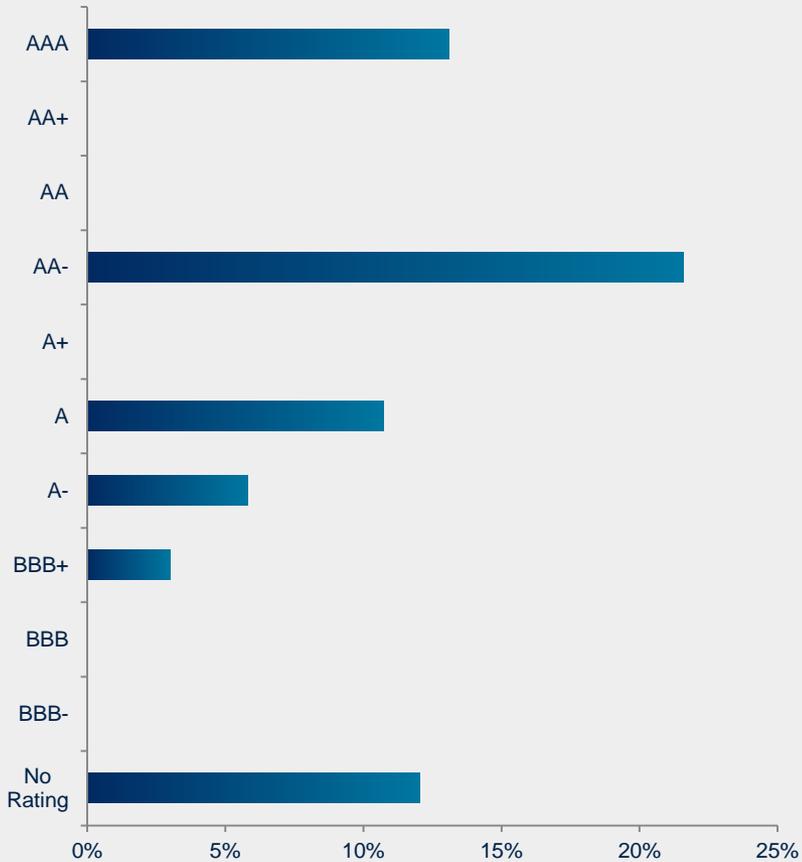
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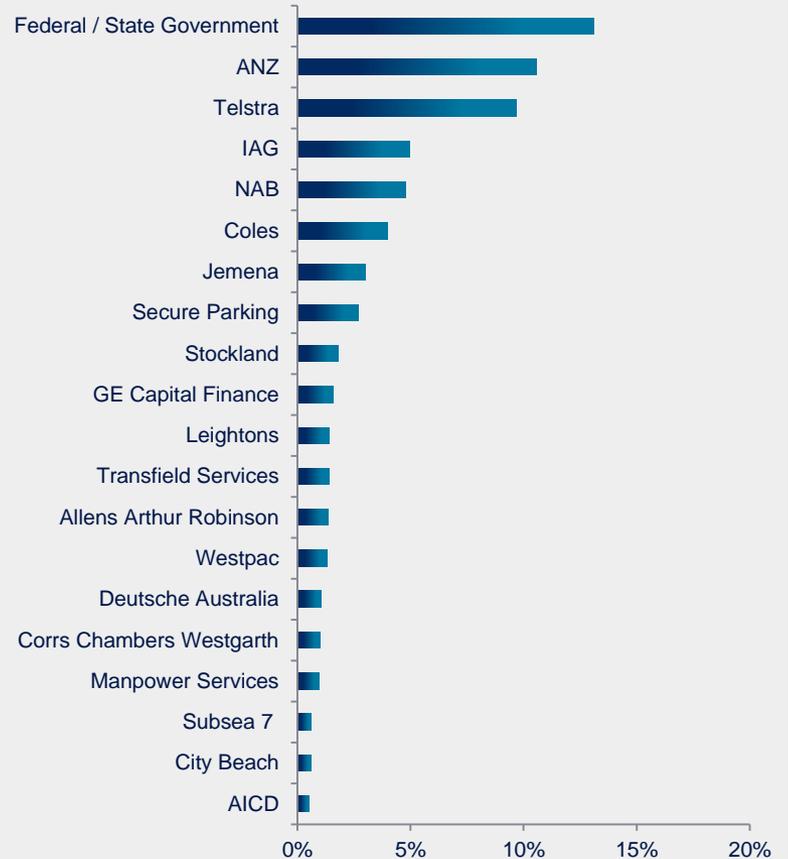
Appendix 15

Tenant profile

IOF Credit Ratings of Top 20 Tenants

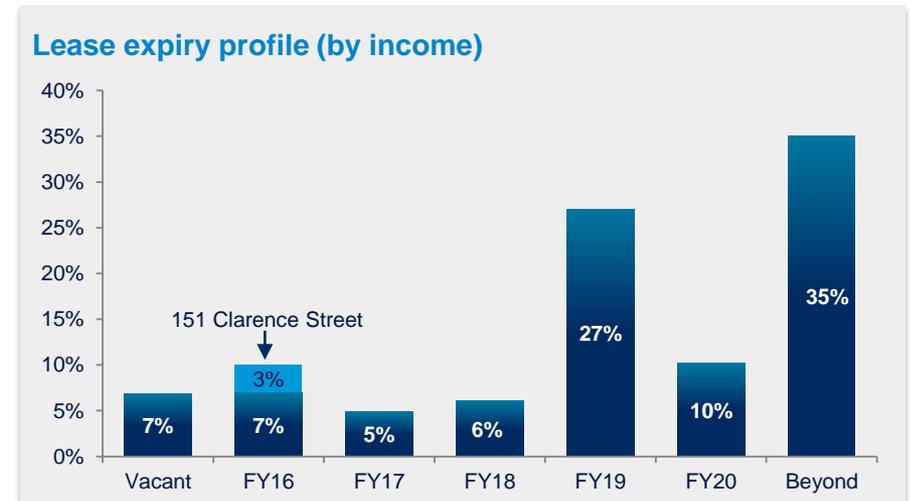
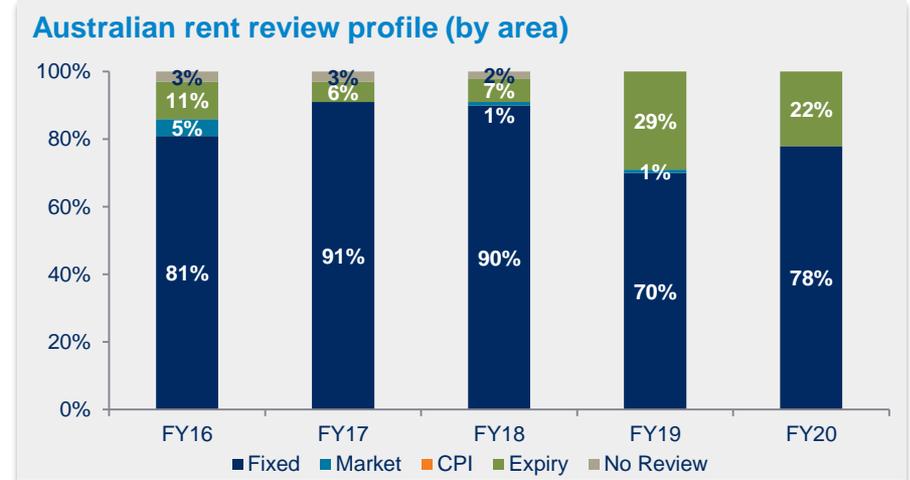
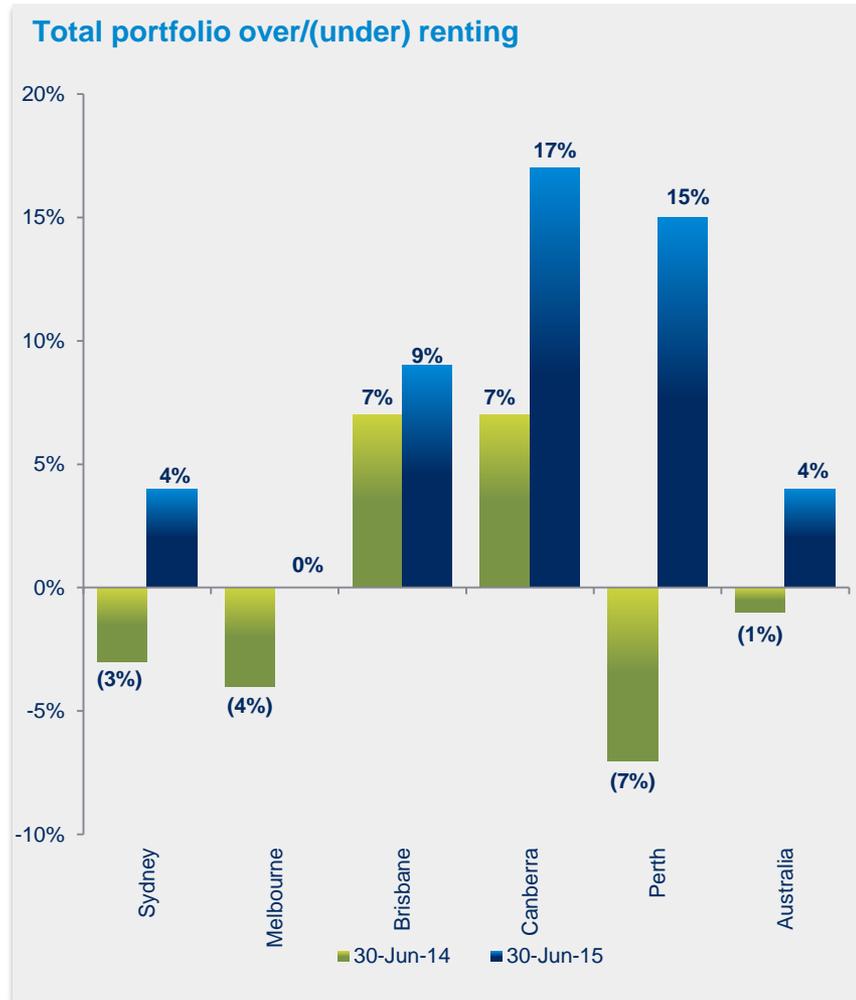


Top 20 Tenants



Appendix 16

Portfolio leasing metrics



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Appendix 17

Environmental portfolio statistics

	FY15	FY14	Change
Electricity Consumption intensity (kWh/sqm/yr) ¹	80	84	(5%)
Gas Consumption intensity (MJ/sqm/yr) ¹	72	77	(6%)
CO2 Emissions (kg.CO ₂ /sqm/yr) ¹	74	78	(5%)
Water Consumption intensity (L/sqm/yr) ¹	714	692	3%
NABERS Energy Weighted Portfolio Rating (stars)	4.4	4.2	0.2
NABERS Water Weighted Portfolio Rating (stars)	3.7	3.7	-

> Recognition:

- Global A-List CDP Climate Performance Leadership Index 2014 - one of only 5 Australian ASX companies
- Top quartile of sustainable funds globally and a GRESB GreenStar 2014
- Certificate of Distinction for the Sasakawa Award from the UN Office for Disaster Risk Reduction (UNISDR) for Investa and partners for government advocacy, through the Australian Business Roundtable for Disaster Resilience and Safe Communities

1. Stated on a per square metre basis; preliminary data

Appendix 18

Morgan Stanley's intentions for Investa Office

- > Investa Office is ultimately owned by funds controlled by Morgan Stanley Real Estate Investing (Morgan Stanley)
- > In February 2015 Morgan Stanley commenced a process to realise their holding of Investa Office:
 - Sale of nine Investa Property Trust (IPT) assets to China Investment Corporation (CIC) was announced in July 2015
 - Mirvac Group granted a period of exclusivity in relation to the IOM platform in August 2015
- > Morgan Stanley have confirmed they will not consider a bid for IOM from IOF
 - IOF retains certain rights in relation to IOM (under the Implementation Deed)
 - It is understood Morgan Stanley intend to transact on IOM in a manner not to trigger IOF's pre-emptive rights

MORGAN STANLEY REAL ESTATE INVESTING

INVESTA OFFICE MANAGEMENT PLATFORM

\$9bn¹



1. As at 30 June 2015

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Disclaimer

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