

ASX Announcement

10.09.18

Investa Office Fund (ASX:IOF)

Blackstone Proposal – Further Improved Scheme Consideration

Investa Listed Funds Management Limited (**ILFML**) as responsible entity of the Investa Office Fund (**IOF**) refers to the proposal by entities affiliated with The Blackstone Group L.P. (**Blackstone**) to acquire all of the units in IOF, to be implemented by way of trust scheme (**Scheme**).

As announced to ASX on 6 September 2018, Blackstone stated that it was prepared to increase the consideration payable per IOF unit under the Scheme from \$5.3485 to \$5.52 per IOF unit (less distributions declared or paid on or after 6 September 2018). The Blackstone price increase was subject to certain conditions being satisfied, including that the ILFML Board use best endeavours to set a new date for the Scheme meeting which "is as soon as possible and in any event no later than 14 September 2018". The ILFML Board has worked with Blackstone to address those conditions, and the parties have agreed that the earliest practicable date on which the Scheme meeting may be resumed to allow time for lodgement of updated proxies, would be Monday, 17 September 2018.

ILFML and Blackstone have also entered into transaction documents to amend the consideration payable under the Scheme as follows:

- if the resolutions to approve the Scheme are voted on by IOF unitholders on or before 17 September 2018 (unless Blackstone has waived this requirement), and the Scheme is implemented, IOF unitholders will receive an increase in cash consideration from \$5.3485 to \$5.52 per IOF unit (**Increased Price**); and
- if the resolutions to approve the Scheme are voted on by IOF unitholders after 17 September 2018 (except where Blackstone has waived the requirement that the resolutions be voted on by IOF unitholders on or before 17 September 2018), and the Scheme is implemented, IOF unitholders will receive cash consideration of \$5.3485 per IOF unit (**Base Price**).

Blackstone has stated that it will not increase the consideration payable under the Scheme further, and accordingly, the increased consideration is best and final, in the absence of a superior proposal.

ILFML and Blackstone have also agreed to amend the quantum of the break fee payable under the Implementation Agreement as follows:

- if IOF unitholders vote on the resolutions to approve the Scheme on or before 17 September 2018 (unless Blackstone has waived this requirement), the break fee which may be payable by ILFML under clause 12.2 of the Implementation Agreement will be equal to 1% of the aggregate Increased Price, which is approximately \$33 million; and
- if IOF Unitholders vote on the Proposal Resolutions after 17 September 2018 (except where Blackstone has waived the requirement for the Proposal Resolutions to be voted on by IOF Unitholders on or before 17 September 2018), the break fee which may be payable by ILFML under clause 12.2 of the Implementation Agreement will be equal to 1% of the aggregate Base Price, which is approximately \$32 million.

A break fee equal to 1% of the equity value of IOF (calculated using the aggregate Increased Price or the

aggregate Base Price, as applicable) is consistent with Takeovers Panel guidance and market practice. The ILFML Board was prepared to accept the amendments to the break fee in light of the Increased Price and the increase in costs incurred by Blackstone in connection with the Scheme.

ILFML and Blackstone have also agreed that, in the event that the Implementation Agreement is validly terminated, Blackstone will no longer be subject to the standstill obligations which it is currently subject to, and may also enter into consortium arrangements with other parties to pursue a further transaction (including purchasing IOF units on market or making a takeover offer) in relation to IOF should it choose to do so.

ILFML intends to seek judicial advice later today to confirm it would be justified to recommence the adjourned IOF unitholder meeting to consider the Scheme and to approve the release of supplementary disclosure.

Subject to receiving judicial advice, it is proposed that the IOF unitholder meeting will recommence at **2:00pm (Sydney time) on Monday 17 September 2018** at the Hilton Hotel, Level 4, Room 5, 488 George Street, Sydney.

The ILFML Directors continue to unanimously recommend that IOF unitholders vote in favour of the Blackstone Scheme in the absence of a superior proposal.

End

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About Investa Office Fund

Investa Office Fund (ASX code: IOF) is an externally managed Australian listed real estate investment trust, included in the S&P/ASX 100 index. IOF is governed by the Independent Board of Investa Listed Funds Management Limited as Responsible Entity, and managed by Investa – one of Australia’s largest and most highly regarded office managers. IOF has total assets under management of over \$4.3 billion, with 20 investment grade office buildings in core CBD markets across Australia. The Fund receives rental income from more than 400 tenants, including government agencies and blue chip organisations. IOF’s strategy is to deliver attractive risk-adjusted returns investing in high quality Australian office buildings, leveraging Investa’s fully integrated specialist property sector capabilities to outperform.