

Media Release

10 October 2017

Australian Unity Office Fund announces \$105.75 million acquisition and \$50 million equity raise

Australian Unity Investment Real Estate Limited, as the responsible entity for the Australian Unity Office Fund (ASX:AOF), today announced it has entered into an unconditional agreement to acquire 150 Charlotte Street, Brisbane for \$105.75 million.

The building is in the heart of the Brisbane CBD adjacent to the 'Golden Triangle' and sits in close proximity to major bus, ferry and train networks and the Queen Street Mall shopping precinct. It is 100 percent occupied with a 5.7 year weighted average lease expiry, and over 75 percent of the rental income is derived from well-known tenants Boeing Defence Australia and the Commonwealth Government.

Grant Nichols, Fund Manager AOF said the purchase was consistent with AOF's acquisition strategy and will improve the portfolio's position, including increasing its weighted average lease expiry, occupancy and lease expiry profile.

"The acquisition capitalises on an opportunity in the improving Brisbane CBD office market and will neatly complement AOF's existing portfolio", he said.

"In Brisbane we have now seen 10 consecutive quarters of positive net absorption to June 2017. This, coupled with the variance in capitalisation rate spreads between Brisbane and Sydney, makes the acquisition a compelling opportunity for investors in AOF as it nears its 18 month listing milestone", said Mr Nichols.

"150 Charlotte Street further underpins AOF's ability to provide sustainable income returns to investors" he said.

In conjunction with the acquisition, AOF is conducting an equity raising (via a fully underwritten accelerated non-renounceable entitlement offer) to raise approximately \$50 million at a fixed price of \$2.23 per unit.

Proceeds from the equity raising will be used to partially fund the acquisition with the balance funded via an extension to AOF's debt facilities with a new \$70 million, five year tranche.

Enquiries:
Nathan Clarke
Six O'Clock Advisory
0400 442 414

Media Release

Subject to no material change in market conditions, AOF's FY18 funds from operations guidance of 17.1 – 17.3 cpi and FY18 distribution guidance of 15.6 cpi has not changed.

The retail entitlement information booklet is expected to be made available to investors on Monday, 16 October 2017 and the offer will close at 5:00pm on Monday, 30 October 2017.

Ends

Contact

Nathan Clarke, Six O'Clock Advisory

Mobile 0400 442 414

About AOF

AOF is an ASX-listed REIT that wholly owns a diversified portfolio of eight office properties (nine including the property at 150 Charlotte Street Brisbane) located across Australian metropolitan and CBD markets in Sydney, Adelaide, Melbourne, Brisbane and Canberra. This announcement is issued by Australian Unity Investment Real Estate Limited ABN 86 606 414 368 AFSL 477434 ('AUIREL'). AUIREL is a wholly owned subsidiary of Australian Unity Limited ABN 23 087 648 888.

About Australian Unity

Australian Unity is a national health, wealth and living mutual company providing services to almost one million Australians, including more than 280,000 members. Australian Unity's history as a trusted mutual organisation dates back to 1840. It has grown organically—by continually evolving to provide the services and products needed by the communities it serves—as well as through successful strategic mergers and diversification in to new business activities.

Enquiries:
Nathan Clarke
Six O'Clock Advisory
0400 442 414