

6 February 2018

Australian Unity Office Fund – completes PDS forecast period with continued strong results

Australian Unity Investment Real Estate Limited as responsible entity for the Australian Unity Office Fund (ASX: AOF) today announced the AOF half-year results to 31 December 2017.

AOF announced a net profit of \$26.3 million, which was \$16.5 million more than the PDS forecast of \$9.8 million. The primary reason for the increase in net profit was \$14.9 million of net fair value increment of investment properties, based on a combination of capitalisation rate compression, increased market rents and an improved weighted average lease expiry and occupancy.

Grant Nichols, Fund Manager of AOF said, since listing in 2016, AOF has either delivered or exceeded the eighteen-month financial forecast set out in the PDS.

“These results demonstrate that AOF is achieving its primary objective of providing unitholders with sustainable income returns with the potential for capital growth”, he said.

“Since listing in June 2016 AOF has generated significant growth, with net tangible assets growing by approximately 18%, while the size of the portfolio has grown from \$393.8 million to \$574.8 million.”

“The strength of the fund is underpinned by 94.4% occupancy – with no significant single lease expiry until June 2022 – and its strong income profile with over 60% of the portfolio leased to investment grade tenants such as Telstra, State and Federal Governments, Boeing and GE”, Mr Nichols said.

Distributions of \$11.8 million or 7.8 cents per unit were declared during the period. AOF has reconfirmed its full-year FFO guidance to 30 June 2018 of between 17.1 and 17.3 cents per unit and distributions guidance for the same period of 15.6 cents per unit.

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Media Release

AOF as at 31 December 2017 – portfolio overview

Portfolio book value	\$574.8 million
Weighted average capitalisation rate	7.0%
Portfolio net lettable area	108,626 sqm
Occupancy (by net lettable area)	94.4%
Weighted average lease expiry	4.5 years

For the more detailed AOF half yearly results to 31 December 2017 visit australianunityofficefund.com.au

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For media enquiries contact:

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About the Australian Unity Office Fund (AOF).

AOF is an ASX-listed REIT that wholly owns a diversified portfolio of nine office properties located across Australian metropolitan and CBD markets in Sydney, Adelaide, Melbourne, Brisbane and Canberra.

AOF is issued by Australian Unity Investment Real Estate Limited, ABN 86 606 414 368, AFS Licence No. 477434. This information is general information only and is not based on the financial objectives, situations or needs of any particular investor. Past performance is not a reliable indicator of future performance.

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.

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