

24 August 2018**Australian Unity Office Fund delivers strong net profit**

Australian Unity Investment Real Estate Limited, as the Responsible Entity for the Australian Unity Office Fund (ASX:AOF), announced today strong results, including a statutory net profit of \$97.3 million, an increase of 61 per cent year-on-year, for the financial year to 30 June 2018.

The FY18 result is a continuation of the strong performance AOF has achieved since listing in June 2016, delivering unitholders a total return of over 50%¹.

The strong FY18 performance included 20 per cent growth in net tangible assets (NTA) to \$2.67 per unit (\$2.23 per unit at 30 June 2017), and 44 per cent growth in the portfolio value over the course of the year to \$635.6 million.

Grant Nichols, Fund Manager AOF, said the higher valuations in AOF's properties located in the metropolitan markets of Sydney and Melbourne, and the acquisition of the Charlotte Street Brisbane CBD office tower for \$105.75 million, contributed to the increase in portfolio value.

"We're seeing strong investment demand and leasing conditions in metropolitan markets on St Kilda Road (Victoria) and Parramatta (NSW), as well as improving conditions in North Ryde (NSW)", he said.

Mr Nichols said AOF was well placed to take advantage of the favourable outlook for Australian office markets.

"With a robust capital structure including gearing around 30 per cent, the fund is in a strong position to benefit from the market's improving rental growth and strong investment demand", Mr Nichols said.

"Since listing in 2016, AOF has continued to deliver on its key objective of providing unitholders with sustainable income returns via regular distributions, with the potential for capital growth over the long term", he said.

Barring unforeseen changes to operating conditions, AOF's Funds From Operations (FFO) guidance for full 2019 financial year is 17.2 to 17.4 cents per unit, and the Fund's distribution guidance is 15.8 cents per unit for the same period.

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

Media Release

Portfolio Update at 30 June 2018

Portfolio Value	\$635.6 million
Weighted average capitalisation rate	6.5%
Portfolio net lettable area	107,647sqm
WALE	4.1 years
Occupancy	95.0%

- For the period from 20 June 2016 (the IPO date) to 14 August 2018

ASX Total Shareholder Return



Source: UBS, Company filings, Datastream, IRESS as at 14 August 2018

More information about AOF's full-year results to 30 June 2018 is available at www.australianunityofficefund.com.au

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For media enquiries contact:
Nathan Clarke, Six O'Clock Advisory
Mobile: 0400 442 414

Media Release

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.

About Australian Unity

Australian Unity is a national health, wealth and living mutual company providing services to almost one million Australians, including 270,000 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.

AOF is issued by Australian Unity Investment Real Estate Limited (AUIRE), 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.

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