

ASX Announcement – Australian Unity Office Fund

21 December 2016

Asset valuation increases for HY17

Australian Unity Office Fund (“AOF”) today announced that the following four properties have been externally valued as at 31 December 2016:

- 468 St Kilda Road, Melbourne
- 32 Phillip Street, Parramatta
- 2 Eden Park Drive, North Ryde
- 64 Northbourne Avenue, Canberra

Combined these valuations have resulted in an estimated increase of \$13.7 million or 10.5% over the preceding book value for those properties externally valued. This equates to an increase in net tangible assets of 9.8 cents per unit. The weighted average capitalisation rate across the portfolio tightened to 7.8%.

Grant Nichols, Fund Manager of AOF said ‘The increase in property values has been generated from a general tightening of capitalisation rates resulting from comparable market transactions combined with positive leasing outcomes across a number of properties. Since listing AOF in June 2016, over 5,000sqm of leasing has been completed representing approximately 5.5% of the portfolio by area’.

At 2 Eden Park Drive, North Ryde, the valuation increased by 16% over the preceding book value. Much of this increase was driven from the leasing success achieved since listing, where a number of new leases and lease renewals have been completed at an average rent 12% above the prior valuation market rent.

Further details relating to individual property valuations will be announced at the AOF half year results on Wednesday, 8 February 2017.

Grant Nichols said ‘We continue to see solid tenant demand, particularly for sub-1,000 sqm tenants in most markets that AOF is invested. Combined with continuing strong demand for Australian office investment, we expect current valuation levels to continue to be well supported’.

ASX code:

AOF

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About AOF

AOF is an ASX-listed REIT that wholly owns a diversified portfolio of eight office properties 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.

The Australian Unity Group is a national healthcare, financial services and retirement living organisation that provides services to around 1,000,000 Australians, including 300,000 members nationwide and employs some 7,000 staff as at 30 June 2016.