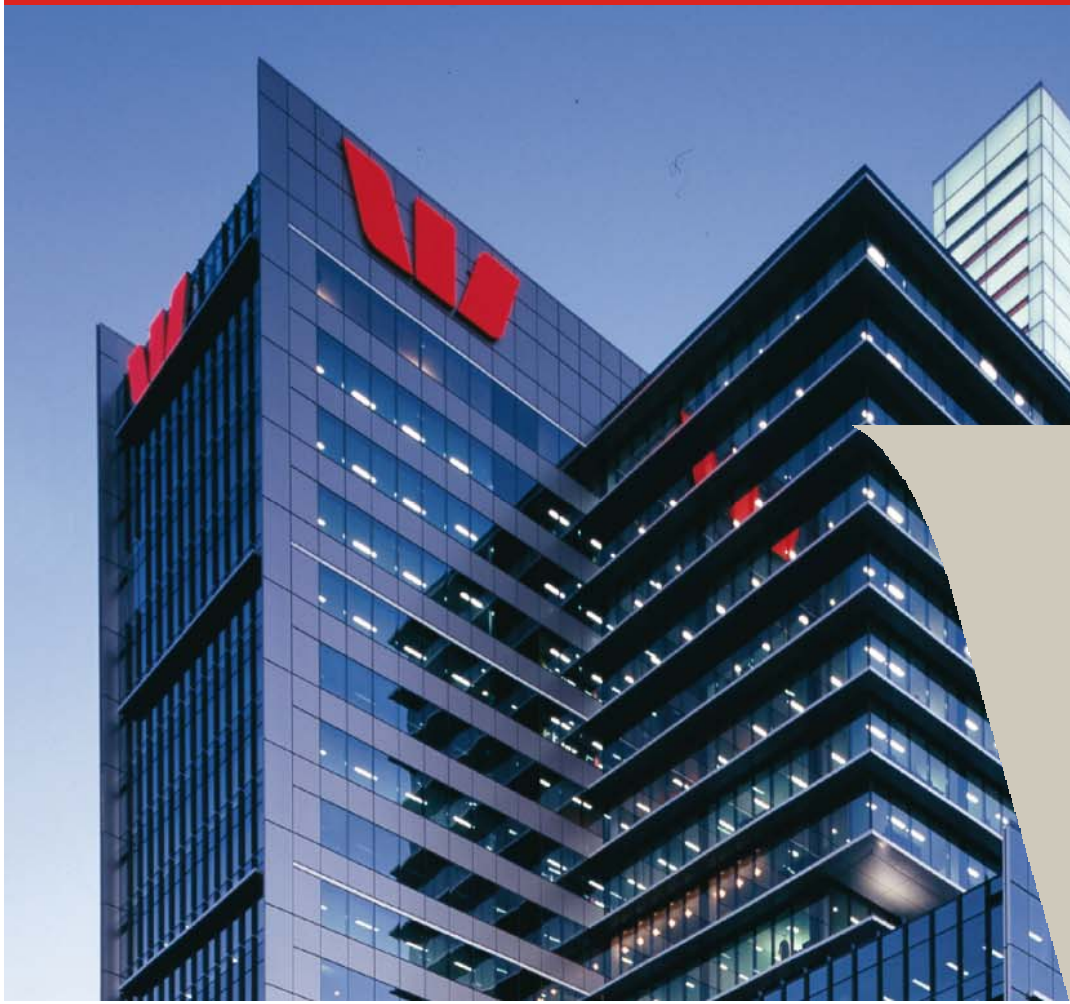
Westpac Funds Management Limited



Westpac Office Trust

Instalment Receipt Restructure Proposal

ABN 28 085 352 405 AFSL No. 233718

14 August 2009

Westpac Funds Management Limited

Important Notice

This presentation contains sensitive information regarding a proposal which is set out in detail in an Explanatory Memorandum and Notice of Meeting dated 13 August 2009 issued by Westpac Funds Management Limited ABN 28 085 352 405 AFSL 233718 (“WFML”) as responsible entity of Westpac Office Trust.

WFML does not make any express or implied representation or warranty as to completeness of the information contained in this presentation and any investor should read the Explanatory Memorandum in full prior to deciding whether to vote at the meeting of investors.

WFML expressly disclaims any and all liability which may arise as a result of the information contained in this presentation, including errors in or omissions from this presentation.

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Content

- Executive Summary
- Instalment Receipts Background
- Proposal
- Business Development Agreement
- Key Dates and Events
- Appendices

Westpac Funds Management Limited

Executive Summary

- Westpac Funds Management Limited ("WFML") as responsible entity for Westpac Office Trust ("the Trust") is seeking approval at a meeting of investors on 10 September 2009 to;
  - Commence trading Units in substitution for Instalment Receipts, and
  - Extend the term and payment arrangements of the Instalment Receipts

  ("the Proposal")

- Expected benefits of the Proposal include;
  - Broader investor support and market appeal
  - Increased flexibility for existing investors
  - Reduced market risk associated with the $0.50 final instalment in November 2011

- KPMG as independent expert has concluded that the Proposal is in the best interests of investors

- Investors' approval will also be sought at the meeting to amend and extend until July 2014 the Business Development Agreement between WFML and Westpac Banking Corporation

- WFML recommends investors vote in favour of the resolutions

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Instalment Receipts Background

- Westpac Office Trust has 481.1m Instalment Receipts (ASX: WOTCA) on issue
- Investors paid a first instalment of $0.50 on the initial application for Units and are obliged to pay the Final Instalment of $0.50 per Unit on 1 November 2011
- Westpac Securities Limited paid the balance of the issue price, $0.50 per Unit, on behalf of investors, constituting the Instalment Debt
- The Instalment Debt is at a fixed interest rate of 6.5% p.a. until 1 November 2011
- Instalment Receipts are evidence of an investor's beneficial ownership of Units, their obligation to pay interest on the Instalment Debt and to pay the Final Instalment when due on 1 November 2011
- Under the existing structure, investors do not have the option to pay the Final Instalment before November 2011

Summary of the Proposal

- Cease trading Instalment Receipts and commence trading Units in the Trust on the ASX
- Extend the term of the Instalment Receipts from 1 November 2011 to 1 November 2013
- Reduce the amount of Instalment Debt payable 1 November 2011 from $0.50 per Instalment Receipt to $0.25 per Instalment Receipt on 1 November 2011, with the remaining $0.25 per Instalment Receipt payable on 1 November 2013
- Provides investors with flexibility to;
  - Continue to hold their Instalment Receipts
  - Sell all or some of their Instalment Receipts through brokers
  - Convert Instalment Receipts to Units prior to each quarterly record date
- Costs associated with the Proposal are estimated at $5.6m and are not expected to materially impact the gearing and future distributions of the Trust

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Proposal

Expected Benefits

- Increased flexibility for existing Investors to continue to hold Instalment Receipts or convert to Units
- Extension of Instalment Receipts for a further two years until November 2013
- Reduced market risk from amending and extending the payment terms for the Final Instalment
- Broader investor appeal may support improved liquidity
- Increased market capitalisation based upon recognition of Unit value
- Potential for earlier REIT Index inclusion
- Enhanced capital flexibility for the Trust
- Removal from ASX “partly paid’ trading requirements relating to the Instalment Receipts

Independent Expert Opinion

- The opinion of KPMG, as Independent Expert is that, having regard to the advantages, disadvantages and other considerations of the Proposal, as well as the implications if the Proposal is not approved, the Proposal is in the best interests of investors.
- The Independent Expert’s Report is included in the Explanatory Memorandum. Details of the Benefits and Risks of the Proposal are included in the Explanatory Memorandum.

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Proposal

Costs

- Fees and costs related to the Proposal are estimated to total $5.6 million
- $3.2 million(1) of the total estimated costs relate to arrangements that permit early repayment of the Instalment Debt and facilitate trading. These costs will vary depending on future interest rates and the rate of conversion or trading of Instalment Receipts.
- Costs will be debt funded from existing facilities and are not expected to materially impact the Trust's gearing or distributable income
- 2010 Distribution guidance of 6.65 cents per Unit resulting in net distributions of 3.40 cents per Instalment Receipt, after payment of Instalment Debt interest of 3.25 cents, allows for the costs of the Proposal
- Details of the fees and related party arrangements with Westpac Banking Corporation ("Westpac") and its related entities are included in the Explanatory Memorandum

(1) Assumptions: Interest Rates at 28 July 2009 and 50% conversion of Instalment Receipts before 16 November 2009.

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Business Development Agreement

Summary

- The Trust is currently party to a Business Development Agreement (“the Agreement”) with Westpac which provides the Trust with access to services and resources from Westpac including exclusivity for transaction opportunities

- The current agreement is due to expire in July 2010

- The Agreement allows the Trust to access this capability on a deal-by-deal basis, paying market fees to Westpac on successfully completed transactions, without incurring additional overhead costs

- Investors will be asked to approve revisions to the scope of the services that Westpac may provide and extend the term of the Agreement by four years to July 2014 at the meeting on 10 September 2009

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Key Dates and Events

Before the Investor Meeting

Event	Date
ASX Announcement	09:00am (AEST), Friday 14 August 2009
Despatch of Explanatory Memorandum	05:00pm (AEST), Tuesday 18 August 2009
Deadline for lodgement of Proxy forms	05:00pm (AEST), Tuesday 8 September 2009
Unitholder Meeting to Consider Resolutions	11:00am (AEST), Thursday 10 September 2009

After the Investor Meeting(1)

Event	Date
Instalment Receipts cease trading on the ASX	Friday, 11 September 2009
Ordinary Fully Paid Units commence trading on the ASX	Monday, 14 September 2009
Repayment of $0.25 (50% of balance) per Instalment Receipt of instalment debt	1 November 2011
Repayment of $0.25 (fully repaid) per Instalment Receipt of instalment debt	1 November 2013

(1) Subject to investor approval at the meeting on 10 September 2009

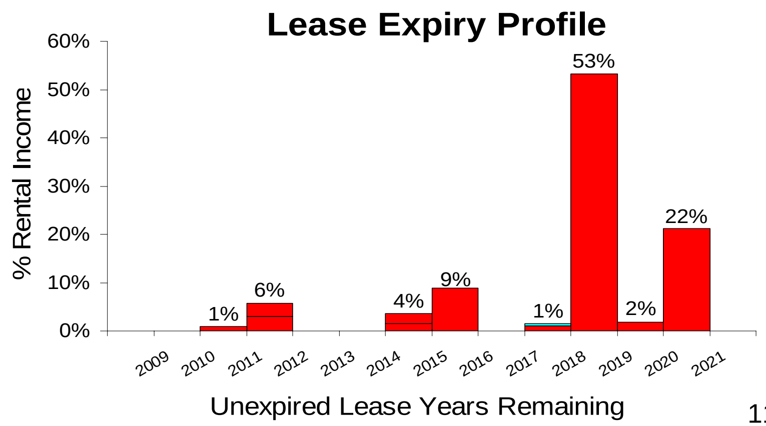
Appendix 1 - Trust Overview

Westpac Funds Management Limited

- **Resilient property portfolio**
  - 100% Australian markets exposure
  - 92% rental income from Westpac, Woolworths and IBM Australia
  - 97% of portfolio independently valued in FY09
  - Weighted average cap rate 7.32%
- **Sound and transparent financial structure**
  - No debt facilities maturing until June 2011
  - Interest rates fully hedged until November 2011
  - Adequate headroom on debt covenants(2)
  - No foreign currency exposure
- **Low risk, predictable distributions**
  - FY10 distribution(3) guidance 6.65 cents per Unit
  - Property rental income only. No fund management income or development profit
  - 7% total lease expiry prior to 2014 and 9.2yr WALE(4)
  - Distribution policy aligned to core Trust earnings

	FY09 (1)	FY08
Portfolio Metrics		
Portfolio Value	$1,173m	$1,287m
NTA per Unit	$0.86	$1.24
Weighted Average Cap Rate	7.32%	6.22%
WALE	9.2 yrs	10.2 yrs
Occupancy	100%	100%

	FY09 (1)	FY08
Funds Metrics		
EPU	6.98 cpu	6.62 cpu
DPU	6.65 cpu	7.25 cpu
Interest Cover Ratio	1.72x	1.83x
LVR (Debt / Property Value)	62.6%	57.6%
Gearing (Debt / Total Assets)	61.5%	53.9%



Note: Figures as at 30 June 2009

(1) FY09 unaudited data
(2) LVR Covenant 70% ICR Covenant 1.5x
(3) Distribution policy is defined as Net Profit adjusted for non-cash IFRS items, less provision for operating capital expenditure and re-leasing costs
(4) Weighted Average Lease Expiry at 30 June 2009

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Appendix 2 – Portfolio Valuations Summary 30 June 2009

Property	Tenant	Property Valuation				Cap Rate		
		Jun-09 ($m)	Dec-08 ($m)	Movement ($m)	Movement (%)	Jun-09	Dec-08	Movement
Westpac Place (1)	Westpac	$730.0m	$765.0m	-$35.0m	-4.6%	6.88%	6.35%	0.53%
Woolworths NSO (2)	Woolworths	$234.0m	$240.0m	-$6.0m	-2.5%	7.75%	7.50%	0.25%
Pennant Hills (2)	IBM	$93.0m	$95.0m	-$2.0m	-2.1%	8.50%	8.00%	0.50%
Kensington (2)	UNSW	$36.0m	$38.0m	-$2.0m	-5.3%	7.75%	7.25%	0.50%
Cannon Hill 2 (1)	Honeywell	$25.8m	$29.0m	-$3.3m	-11.2%	8.25%	7.75%	0.50%
Cannon Hill 1 (1)	Westpac	$18.3m	$21.3m	-$3.1m	-14.5%	8.25%	7.75%	0.50%
Macquarie Park (50%) (1)	Westpac	$17.5m	$19.2m	-$1.7m	-8.6%	9.10%	8.50%	0.60%
Bedford Park (1)	Westpac	$18.0m	$19.2m	-$1.2m	-6.1%	8.75%	8.25%	0.50%
Total / Weighted Average		**$1,172.5m**	**$1,226.7m**	**-$54.2m**	**-4.4%**	**7.32%**	**6.85%**	**0.47%**

Note: The information for 30 June 2009 is subject to audit
(1) Independent Valuation
(2) Internal Appraisal

Westpac Funds Management Limited

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