

# Westpac Office Trust

Investor Meeting Presentation

10 September 2009

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# Contents

- Instalment Receipt Restructure Proposal
- Business Development Agreement
- Financial Year 2009 Reporting Highlights
- Positioning For Market Recovery
- Summary



# Instalment Receipt Restructure Proposal

Resolution 1 seeks Investors' approval to:

- 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 on 1 November 2011 from \$0.50 per Instalment Receipt to \$0.25 with the remaining \$0.25 payable on 1 November 2013
- Amend certain aspects of the Instalment Debt

# Proposal Offers New Flexibility For Investors

The Proposal offers existing Investors choice:

## 1. Continue to hold Instalment Receipts

- Investors can elect to do nothing
- All Instalment Receipts extended for 2 years until November 2013
- Final Instalment payment will change from \$0.50 per Instalment Receipt in November 2011 to \$0.25 in November 2011 and \$0.25 in November 2013

## 2. Sell all or part of their investment

- Brokers may sell underlying Units
- Settlement process will repay Instalment Debt
- Investors to receive net proceeds
- Normal T+3 settlement

## 3. Convert Instalment Receipts to Units

- Pay \$0.50 per Instalment Receipt early to receive Units and full distribution
- Conversion windows prior to each quarterly record date

## Benefits Of The Proposal

- Increased flexibility for existing Investors
- Extension of the Instalment Receipts term for 2 years to November 2013
- Broader market appeal
- Increased market capitalisation
- Potential for earlier ASX S&P A-REIT index inclusion
- Reduced market perception of Final Instalment payment risk
- Enhanced capital flexibility
- Removal from ASX of 'partly paid' trading

# Amend and Extend The Business Development Agreement

- The Business Development Agreement between the Trust Manager and the Westpac Group facilitates new investments by the Trust by providing:
  - Support services from Westpac to assist with transactions
  - Exclusive access to defined Westpac resources and capability as required
- Current agreement expires July 2010
- Resolution 2 seeks Investors' approval to:
  - Extend the term of the agreement until July 2014
  - Expand the scope of services provided
  - Include provisions dealing with confidentiality and IP of the parties

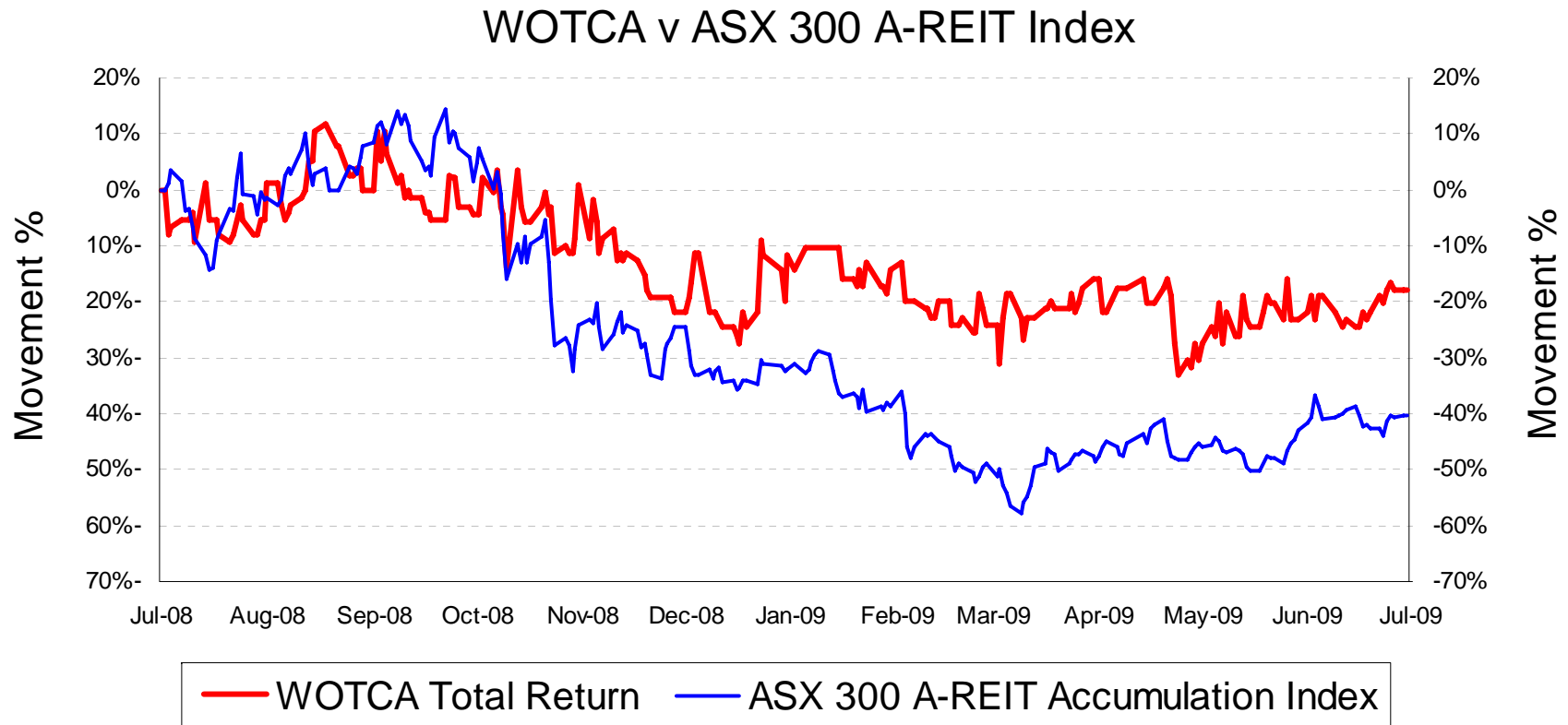
# Financial Year 2009 Reporting Highlights

## Resilient Performance in a volatile market

- Predictable Distributions
  - FY09 6.65 cpa in line with August 2008 guidance
  - Adjusted Funds From Operations (AFFO) based Distribution Policy commenced FY09
  - No debt maturing until July 2011
- Strong Operating Performance
  - FY09 Net property income increased 11% (like-for-like increase 3.4%)
  - 98.7% occupancy maintained
  - 7% total lease expiry risk through 2010-2014
- Australasian Investment Focus
  - Focussed investment criteria
  - Simple investment trust structure
  - Low management costs

# Resilient Performance

- Trust outperformed ASX 300 Property Index by 22.3% in FY09



Source: S&P and Bloomberg

# Positioning For Market Recovery

- Market recovery has begun
  - Strengthening consensus that the bottom of the asset value correction is in sight
  - Early signs that capital markets are re-opening
  - Investors are returning to the asset market and the REIT sector
- Maintain Strong portfolio performance
  - Pursue expansion potential in existing large properties
  - Maintain high occupancy
- Disciplined approach to capital management
  - Equity - Secure broader equity market support by trading Units
  - Debt - Capitalise on improving debt markets with no refinance need until July 2011
    - Continue to pursue sale of smaller assets to reduce gearing
- Seek strategically consistent opportunities that may arise from sector rationalisation

## Westpac Office Trust – Summary

- Resilient performance in a volatile market
- The Proposal is an important step in positioning the Trust for market recovery
- Broader investor support will benefit existing Investors
- Greater choice available to existing Investors
- No change required for existing Investors
- Independent Expert confirms the Proposal is in the best interest of Investors
- Your Board recommends both Resolutions

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