

Office Property Trust

Continuous Disclosure Notice – 11 October 2011

The Australian Securities & Investments Commission (ASIC) requires responsible entities of unlisted property schemes in which retail investors invest to provide a statement addressing eight disclosure principles. These eight principles are contained in ASIC Regulatory Guide 46: Unlisted property schemes – Improving disclosure for investors.

This document has been prepared by Australian Unity Property Limited (AUPL) as the responsible entity of the Office Property Trust (Trust) to update investors on the information relevant to the disclosure principles. This document should be read in conjunction with the latest Annual Report for the Trust, available from our website australianunityinvestments.com.au/opt

Alternatively, you can call us on 13 29 39 for a copy. Copies will be provided free of charge.

This document has been updated as at 11 October 2011 (with financial information as at 30 June 2011), from its previous issue on 28 February 2011 to reflect an update to the Trust's portfolio information.

The financial information is extracted from the Trust's accounting and property management records.

The Trust's composition and diversity will change over time as assets are acquired or disposed and tenancies re-let.

Disclosure Principle 1 – Gearing ratio

The gearing ratio of the Trust, calculated as total interest bearing liabilities divided by total assets was 52.88%, as at 30 June 2011, based on audited accounts.

The gearing ratio calculates the extent to which the Trust's total assets are funded by interest bearing liabilities. It gives an indication of the potential risks investors face in terms of external liabilities that rank ahead of them. If the Trust's gearing ratio under its debt facilities increases, the Trust will have a higher reliance on external liabilities to Trust assets and a greater exposure to funding costs if interest rates rise. This will have a negative impact on the cash distributions and the value of the Trust.

Disclosure Principle 2 – Interest cover

The Trust's interest cover is calculated by using the following formula:

$$\text{Interest cover} = \frac{(\text{EBITDA} - \text{unrealised gains} + \text{unrealised losses})}{\text{Interest expense}}$$

Where:

EBITDA = earnings before interest, tax, depreciation and amortisation

Interest expense = Interest expense on debt facilities, net of hedging arrangements and interest income, adjusted for various AIFRS treatments including property.

The Trust's interest cover ratio for the 12 months to 30 June 2011 was 1.61 times based on audited accounts).

Interest cover indicates the ability of the Trust to meet interest payments from operating cash. It is an indicator of the Trust's financial health and is a key to assessing the sustainability of, and risks associated with, the Trust's level of borrowing. If the Trust's interest cover decreases then the risk of the Trust not being able to meet interest payments will increase.

The Trust is in compliance with its interest cover debt covenant.

Disclosure Principle 3 – Trust borrowing

The Trust's borrowing as at 30 June 2011 is summarised in the table below:

Borrowing details	
Borrowing facility drawn amount	\$42.77 million
Borrowing facility limit	\$43.30 million
Borrowing facility maturity	December 2011
% of borrowings hedged	92.00%
Weighted hedge expiry	2.60 years

A campaign for the sale of the Trust's assets is currently underway. It is expected that the borrowing facility will be repaid from the sale proceeds prior to the maturity date.

To the best of AUPL's knowledge, there have been no breaches of loan covenants as at the date of this document.

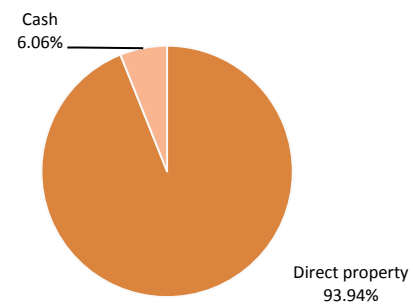
All amounts owed to lenders and other creditors will rank before each investor's interest in the Trust. The Trust's ability to repay principal and interest and meet all loan covenants under its debt facilities is material to its performance and ongoing viability.

Disclosure Principle 4 – Portfolio diversification**Direct property portfolio**

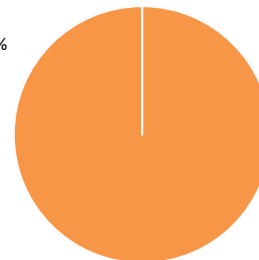
Property	Sector	Independent valuation			Book value	% of portfolio
		Date	\$M	Cap rate %	\$M	%
Olderfleet Buildings, 477 Collins Street, Melbourne, VIC	Office/Car Park	November 2010	65.40	8.00	65.46	83.75
172 Moreland Road, Brunswick, VIC	Office	June 2010	12.70	8.00	12.70	16.25
Total			78.10		78.16	100.00

Asset allocation

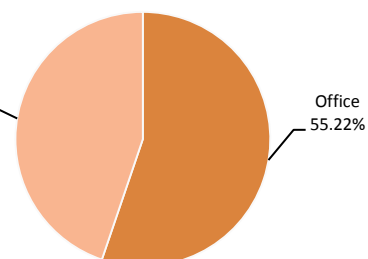
Asset class	\$M	% of portfolio
Direct property	78.16	93.94
Unlisted property	Nil	Nil
Australian REITs	Nil	Nil
Cash and cash equivalents	5.04	6.06
Total	83.20	100.00

**Direct property geographic allocation**

Location	\$M	% of portfolio	Number
VIC	78.16	100.00	2
Total	78.16	100.00	2

Vic
100.00%**Direct property by sector**

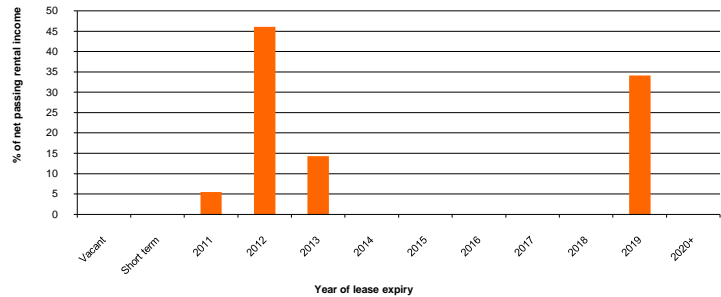
Sector	\$M	% of portfolio
Office	43.16	55.22
Car Park	35.00	44.78
Total	78.16	100.00

Car Park
44.78%

Direct property occupancy and lease details

Occupancy rate by area	100.00%	
Weighted average lease expiry by income	3.79 years	
Major tenants and % of base rental income	S&K Car Park Management Pty Ltd	29.39%
	Accenture	19.54%
	Centrelink	18.88%
	Cap Gemini Ernst & Young Australia Pty Ltd	11.29%
	Melbourne Conference and Training Centre	6.25%

Direct property lease expiry profile



Property development

There were no development projects in the Trust as at 30 June 2011.

Disclosure Principle 5 – Valuation policy

Regular valuation of underlying property assets is an important aspect of managing the Trust in the best interests of all investors. The valuations are conducted by qualified independent valuers in accordance with industry standards.

We have a policy of generally obtaining independent valuations on Trust direct properties each year.

Disclosure Principle 6 – Related party transactions

Australian Unity Property Limited ('AUPL') is the Responsible Entity of the Trust.

AUPL has appointed Australian Unity Property Management Pty Ltd ABN 76 073 590 600 ('AUPM') and Australian Unity Funds Management Limited ('AUFM') (both related parties) to provide some property management and administrative services to the Trust. Investor approval has not been sought as each of these appointments has been made on arm's length commercial terms.

AUPL, AUPM and AUFM are wholly owned subsidiaries of Australian Unity Limited ABN 23 087 648 888 and are members of the Australian Unity Group.

AUPM

AUPM is a licensed property management business that may, under a written arrangement, provide the following services to the Trust as nominated from time to time:

- strategic advice on property acquisitions and sales or arranging the sale or acquisition of property assets
- management of premises
- debt arranging, debt structure advice, debt facility negotiation and debt management

- valuation services
- leasing services; and
- property management and project supervision.

The appointment of AUPM for these services is not exclusive and AUPL may engage external service providers to undertake these functions.

From 1 July 2011 up to the date of this document there have been no services provided by AUPM.

AUFM

AUFM provides the Trust with registry and accounting services under a written arrangement.

The appointment of AUFM is exclusive but may be terminated by either party by providing three months notice without cause or earlier if certain conditions are not met.

Other related party service providers

AUPL may appoint other related parties from time to time. Please refer to our website australianunityinvestments.com.au/opt for updates.

Monitoring of related party transaction and conflicts management

Related party transactions carry a risk that they could be assessed and reviewed less rigorously than transactions with other parties.

Australian Unity has policies and guidelines in place to manage the risk of any actual or perceived conflict of interest as a result of a related party transaction. Related party transactions with Australian Unity Group entities are reviewed and approved by senior management with clearly identified governance policies and guidelines. Decisions in relation to conflict of interest and related party transactions are documented.

Updates to related party transactions and further information

As appropriate, we will provide ongoing updates of material service engagements and financial benefits that are paid to related parties through updates to this Continuous Disclosure Notice.

The value of related party payments are reported yearly as part of the Trust's audited annual accounts. The latest Continuous Disclosure Notice and annual audited accounts can be found on our website australianunityinvestments.com.au/opt. Alternatively we can send you a copy free of charge by calling us on 13 29 39.

Disclosure Principle 7 – Distribution practices

Distributions for the Fund are currently suspended.

When distributions resume, it is anticipated that they will be met from net income and net realised capital gains and paid quarterly. Generally, net investment income is paid to you after the end of the Trust's distribution period. Any net realised gains earned by the Trust are generally not paid until the end of the financial year. The distribution policy will be aligned to the ongoing earning capacity of the Trust.

Although it is not our intention to source future distribution payments from sources other than net income and net realised capital gains, we may do so if we consider it to be in the interests of our investors (for example if rental income is suddenly reduced unexpectedly) and where payment from that source is expected to be sustainable given the circumstances. We would notify investors if this occurred.

Disclosure Principle 8 – Withdrawal rights

Investors may only withdraw their investment in response to a withdrawal offer. The Trust is a non-liquid scheme and its assets limit our ability to provide investors with withdrawal opportunities.

On a periodic basis and at least annually, we assess the liquid assets of the Trust. If sufficient liquid assets are available, and the Trust is in a financial position to do so, we may make a withdrawal offer in writing to all investors.

As withdrawal offers are dependent on the Trust's liquidity, we cannot guarantee when withdrawals offers will be made.

For further enquiries

Please contact us either by telephone, email or mail as shown below:

Contact us

Address	114 Albert Road South Melbourne, VIC 3205
Investor Services	13 29 39
Adviser Services	1800 649 033
Website	australianunityinvestments.com.au
Email	investments@australianunity.com.au

Important information

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