Colonial First State Property Limited
ABN 20 085 313 926

Manager of Commonwealth Property Office Fund

Responsible Entity:
Commonwealth Managed Investments Limited
ABN 33 084 098 180
AFSL 235384

Registered Address:
Ground Floor, Tower 1
201 Sussex Street
Sydney NSW 2000

Principal Office of the Manager:
Level 7 52 Martin Place
GPO Box 3892
Sydney NSW 2001 Australia

Telephone: 02 9303 3500
Facsimile: 02 9303 3622

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17 August 2010

COMMONWEALTH PROPERTY OFFICE FUND (CPA)

Annual results for the 12 months ended 30 June 2010

Overview

In a year in which global financial markets showed signs of recovery and the Australian economy exceeded expectations, Commonwealth Property Office Fund (CPA or the 'Fund') continued to provide a unique investment opportunity in the A-REIT sector, with its exclusive focus on investing in quality Australian office buildings. This simple and transparent management approach, which has been in place since inception, has proven its strength and resilience throughout economic and property cycles.

Darren Steinberg, Head of Property for Colonial First State Global Asset Management (CFSGAM) said: "The improvement in the Australian economy during the 2010 financial year has seen investor support for the A-REIT sector strengthen and CPA maintain its consistent long-term outperformance, outperforming the A-REIT[1] sector returns over the three, five and ten-year periods to 30 June 2010."

Charles Moore, Fund Manager of CPA said: "CPA delivered a solid result, generating a profit of $114.2 million for the 12 months to 30 June 2010, reflecting sound operating performance and a reduction in the negative impact from property and financial derivatives revaluations."

Key operating highlights for the year included:

- Distribution of 5.55 cents per unit
- The Fund generated a profit of $114.2 million
- Net property income decreased 9.9% and on a like-for-like[2] basis, increased 3.0%
- Distributable income was down 7.3% as a result of a reduction in net property income, driven by asset sales and an increase in vacancy
- Net tangible asset backing (NTA) per unit reduced to $1.13, down from $1.15 at 30 June 2009
- Total gross assets reduced 1.6% to $3.1 billion
- The Manager maintained an active approach to capital management, reducing the Fund's gearing[3] to 23.5% at 30 June 2010
- The acquisition of 145 Ann Street, Brisbane and 58 Mounts Bay Road, Perth (50% interest), improving the fundamentals of the portfolio
- The sale of 300 Queen Street, Brisbane and 16 Parliament Place, West Perth, with the proceeds used to retire debt and strengthen the Fund's balance sheet
- 78,522 sqm of space was successfully leased or renewed, resulting in an occupancy level of 92.6% and a weighted average lease expiry profile (by income) of 4.7 years[4] at 30 June 2010
- Rent reviews were completed over 540,960 sqm of space, achieving an average increase of 3.8%
- Improvements in the NABERS Energy ratings for 13 assets and significant improvements in all environmental performance indicators

Looking forward, we remain focused on driving income growth and seeking opportunities that improve portfolio fundamentals and the overall quality of the portfolio. Our expert knowledge of Australia's office markets, combined with a proven track record of actively managing each and every asset, will continue to drive underlying performance over the longer term.

1. S&P/ASX 200 Property Accumulation Index.
2. Including those assets owned for both 12-month periods and excluding 175 Pitt Street, Sydney.
3. Gearing equals borrowings to total assets. For this calculation, total assets exclude the fair value of derivatives and borrowings is the amount drawn down as per Note 12 of the Financial report and adjusted for the fair value of cross currency swaps.
4. Including terms agreed with ACT Government at Finlay Crisp Centre, Canberra; BNP Paribas at 60 Castlereagh Street, Sydney; Gallagher Bassett at 201 Miller Street, North Sydney and a Commonwealth Government department at 175 Pitt Street, Sydney.

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Financial results
CPA's profit for the 12 months to 30 June 2010 was $114.2 million, compared to a loss of $543.7 million for the previous year. The difference in the net result was primarily due to the change in the property and derivatives revaluations. The profit included a net loss on investment properties and associates revaluations of $27.9 million (compared to a $597.3 million loss for the previous year) and a net loss on the fair value of derivatives of $14.0 million (compared to a $68.5 million loss for the previous year). Distributable income was $136.2 million, compared to $147.0 million for the previous year.

Underlying the result was a 9.9% decrease in net property income to $210.2 million primarily as a result of asset sales. On a like-for-like basis, net property income increased by 3.0%.

Annual distribution
In August 2009, we announced an amendment to the distribution policy, ceasing the practice of using debt to fund the majority of building maintenance capital expenditure required to maintain the quality of the Fund's portfolio. This adjustment, effective from the 2010 financial year, results in the Fund distributing either 70% to 80% of distributable income, or the Fund's taxable income, whichever is the greater for any financial period. The adjustment provides a more sustainable distribution, further strengthens the Fund's balance sheet and is consistent with practices adopted by other commercial A-REITs.

The Fund paid an annual distribution of $107.7 million, compared to $151.9 million for the previous year. This equated to a distribution of 5.55 cents per unit, which is a 36.9% decrease on the 8.80 cents per unit paid in the previous year, due to the revised distribution policy and the units issued during the year. However, the final distribution was above the original August 2009 guidance of 5.30 cents per unit, primarily as a result of the underlying portfolio performing better than expected, combined with interest cost savings from active capital management initiatives.

Gross assets
Total gross assets at 30 June 2010 were $3.1 billion, reducing 1.6% from $3.2 billion at 30 June 2009, mainly as a consequence of a reduction in the fair value of derivatives and a decrease in the cash balance held at 30 June 2009.

NTA per unit reduced marginally from $1.15 at 30 June 2009 to $1.13 at 30 June 2010, primarily due to the November 2009 $100 million institutional equity placement, $23.8 million Unit Purchase Plan and issue of units as a consequence of performance fee payments.

The Fund's portfolio consists of 26 properties, located in major office markets across Australia, with 62.0% of the portfolio (by value) held within Sydney. The majority of assets are occupied by blue chip tenants with low risk profiles. Some 57.1% of income is derived from the top 15 tenants.

Investment performance
Over the 12 months to 30 June 2010, the Fund delivered a total return[5] of 18.5%, which was below the UBS Commercial 200 Accumulation Index (the 'Index') return of 26.6%. CPA's relative performance for the year was impacted by the outperformance of less defensive stocks in the Index as investors increased their risk appetite. Over the three, five and 10-year periods, the Fund outperformed the Index by 13.7%, 9.1% and 6.6% respectively.

As reported for the six months to 31 December 2009, CPA underperformed the customised office property accumulation index[6] (the 'benchmark') by 21.3%. However, taking into consideration the carry-over of positive performance from 30 June 2009, the Responsible Entity was entitled to a performance fee of $4.5 million for the six months ended 31 December 2009.

Due to the Fund delivering a period of absolute positive performance, the fee was paid to the Manager in April 2010. The period of absolute positive performance also resulted in the prior performance fee entitlements that had been accrued since 30 June 2008 being paid to the Manager in April 2010.

For the six months to 30 June 2010, CPA outperformed the benchmark by 10.4%. As a result, the Responsible Entity was entitled to a performance fee of $4.5 million for the six months ended 30 June 2010. In accordance with the Fund's Constitution, the fee is accrued and will not be paid until the Fund delivers a period of absolute positive performance.

At 30 June 2010, the carry-forward balance is 18.5% of positive performance over the benchmark.

5. Total return comprised unit price performance and distribution income yield.
6. For the purposes of calculating the performance fee, the benchmark, which is the UBS Commercial 200 Accumulation Index, is customised to remove the effect of CPA on the Index. A 20-day volume weighted average price (VWAP) is applied to both the CPA accumulation index and the customised index.

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Capital management
Mr Moore said: "Over the year, domestic debt markets improved markedly, with increased liquidity, reductions in margins on bank debt and an increase in demand from domestic corporate bond holders for the issuance of medium term notes. However, the effects of the European sovereign debt crisis towards the end of the financial year have caused some concern regarding a potential flow-on effect to the cost of debt in the Australian market."

Proceeds from asset sales over the year were used to retire debt and strengthen the Fund's balance sheet. The acquisitions of 145 Ann Street, Brisbane and a 50% interest in 58 Mounts Bay Road, Perth were funded through a fully underwritten $100 million institutional placement at a price of $0.91 per new unit (reflecting a 6.3%[7] discount to the five-day volume weighted average price at the time), and a new $200 million issue of convertible notes. The convertible notes introduced a new source of capital to the Fund, improving the capacity, duration and diversity of CPA's debt profile. At the same time, we offered retail investors the opportunity to participate in a Unit Purchase Plan (UPP) at the same price as units purchased under the institutional placement, raising a further $23.8 million.

We continued to focus on our active approach to capital management to ensure that CPA's balance sheet remained strong and a competitive cost of capital is maintained.

During the year, we:
- successfully negotiated a change to the loan to value ratio covenant of total liabilities to total assets, from 40% to 45%, giving the Fund additional flexibility
- repaid, with existing debt facilities, $100 million in bank debt that was due to expire in June 2010, saving associated holding costs
- terminated an undrawn $50 million bank bill facility that was due to expire in June 2010, saving associated holding costs, and
- renegotiated a $220 million bank debt facility, extending the expiry from September 2010 to June 2015.

We are currently in discussions with lenders regarding the expiries in the 2011 financial year. Given the reopening of debt markets and the Manager's relationship with lenders, we are confident of managing this exposure.

As at 30 June 2010, the Fund's gearing level was 23.5% (down from 27.4% at 30 June 2009), with borrowings of $728.5 million.

At 30 June 2010, the Fund's weighted average debt maturity was 3.9 years and the weighted average interest rate (including margins and fees) was 7.2%. The Fund had undrawn debt facilities of $653 million. The Fund's total borrowings were 94% hedged. The weighted average maturity on hedged debt was 5.7 years and the weighted average interest rate on hedged debt was 5.8% (including convertible notes and excluding margins and fees).

Mr Moore said: "While CPA's strong financial position gives us a solid footing, we remain focused on prudently managing the balance sheet for the Fund's capital commitments and maintaining its flexibility for acquisition opportunities that may arise."

Flowback/alignment fee
During the year, the CFSGAM Property asset management division delivered value to unitholders via the income stream related to its distributable earnings that flows back to the Fund (flowback or alignment fee). The total distributable earnings from the asset management division to the Fund equated to $445,000 for the year ($367,460 for the 12 months to 30 June 2009).

Acquisitions and divestments
In November 2009, we entered into contracts to acquire two assets – 145 Ann Street, Brisbane ($210 million excluding acquisition costs) and a 50% interest in 58 Mounts Bay Road, Perth ($95 million excluding acquisition costs). The acquisitions are value enhancing to the existing portfolio and in line with the Fund's strategy of investing in prime quality office buildings located in central business districts and major suburban markets in Australia. The acquisitions are expected to deliver a blended initial yield of 7.9% (excluding acquisition costs).

145 Ann Street, Brisbane comprises a 120-year leasehold interest in a development property where Leighton Properties (Brisbane) Pty Ltd will construct a 27,820 sqm A-grade office tower over 27 levels. The total estimated development cost is $210 million, which includes an initial deposit of $10 million (November 2009), development payments of $179 million (December 2009 – April 2012) and a final payment of $21 million on practical completion (mid 2012).

7. The pricing was adjusted for the accrual of the 2.65 cents per unit distribution for the six months ended 31 December 2009.

CPA settled the acquisition of the 50% interest in 58 Mounts Bay Road, Perth on 25 June 2010. The property comprises a 22,400 sqm A-grade office tower and is centrally located in the prime western precinct of Perth's CBD. The property is 100% leased and the tenants include Clough, North West Shelf Shipping Service Company Pty Ltd, Euroz Securities Limited, Cape Bouvard Developments and Sumitomo.

In July 2009, we sold 300 Queen Street, Brisbane for $110.0 million, which allowed us to realise an average total return of 11.8% per annum since the acquisition of the property in October 2002. The sale represented a 16.7% discount to the 31 March 2009 independent valuation and was consistent with the Fund's strategy of divesting non-core assets. The sale reduced the Fund's exposure to potential vacancy and capital expenditure risk at this asset. The transaction settled on 31 July 2009.

In December 2009, we sold 16 Parliament Place, West Perth for $14.5 million, delivering a solid total return to investors of 12.7% per annum since we acquired the property in April 2002. The sale, consistent with the Fund's strategy of divesting non-core assets, was transacted at the book value of the property at 30 September 2009 and reduced the Fund's exposure to vacancy risk from this asset. The transaction settled on 29 January 2010.

Development

Development provides an important growth opportunity for the Fund, delivering new long-term income streams. The creation of a dedicated commercial development team in 2007 has been a key driver of future redevelopment opportunities from the Fund's existing asset base and the prudent identification and delivery of new development opportunities.

As at 30 June 2010, CPA identified a $1.3 billion development pipeline. The refurbishment of 175 Pitt Street, Sydney was completed during the year, with the latest acquisition of 145 Ann Street, Brisbane being the only development project currently under construction.

Development under construction

145 Ann Street, Brisbane

The construction of 145 Ann Street, Brisbane commenced in December 2009 and is expected to be complete in mid-2012. The project involves the construction of a 27,820 sqm A-grade office building over 27 levels and on completion the building will target a 6-star Green Star design rating, a 5-star NABERS Energy rating and a 4-star NABERS Water rating.

Estimated cost^	$210 million
Initial yield	7.8%
Forecast IRR	10.0%
Leased	100%*

^ Including construction costs, incentives and an allowance for finance costs.

* Includes 66% of income pre-committed by tenants and 34% of income subject to a five-year rental guarantee provided by Leightons Properties (Brisbane) Pty Ltd with a parent guarantee from Leighton Holdings Limited.

Future development

During the year, we focused on our future development pipeline, gaining development approval for a number of projects. The target incremental yield range on these developments is 7% to 8%, with target Green Star ratings of 5-stars. These future development projects provide exciting growth opportunities for the Fund. Major projects with planning approvals in place include the South Tower at 385 Bourke Street, Melbourne, and 1 and 5 Mill Street, Perth.

In addition, at 120 Pitt Street, Sydney, development planning approvals for the redevelopment of this landmark building are expected to be received in the near term. The future developments will provide organic value enhancing opportunities for the Fund in prime CBD locations, drawing on the expertise of an established commercial development team.

120 Pitt Street, Sydney

At 120 Pitt Street, Sydney, a significant redevelopment of this landmark building is expected to commence following the expiry of the Commonwealth Bank of Australia's lease in mid 2011. The redevelopment will incorporate the retention of key heritage features and the construction of an additional nine levels of office space on the south-eastern corner of the building. The asset will be transformed into a premium-grade office building featuring large floor plates with ceiling heights well in excess of standard office space. The project will target ratings of 5-star Green Star, 5-star NABERS Energy and 4.5-star NABERS Water.

Portfolio update

Despite subdued tenant demand during the financial year, we have maintained solid occupancy levels across the Fund's portfolio, achieving an occupancy rate of 92.6% (by income). The leasing transactions secured during the year reflected our continued focus on actively managing the portfolio and gaining favourable leasing outcomes to improve the Fund's portfolio income. The leasing success continued post year end at 175 Pitt Street, Sydney where almost 30% of the space is now committed.

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We successfully negotiated 78,522 sqm in new leases and renewals during the year, including a new 9,295 sqm lease to TRUenergy at 385 Bourke Street, Melbourne, and a renewal of 13,793 sqm of space for Blake Dawson at 225 George Street, Sydney. Details of leasing and renewals during the period are outlined in **Appendix 1.**

The portfolio management team continued to resolve lease expiries before they became due, securing lease terms over 33,238 sqm of the Fund's portfolio. Major leasing achievements included the 13,500 sqm option exercised by NSW Rail Corporation at 14 Lee Street, Sydney and the 9,343 sqm option exercised at 60 Castlereagh Street, Sydney by BNP Paribas. The exercise of the options over the NSW Rail Corporation and BNP Paribas space has significantly reduced the immediate lease expiry risk in the portfolio.

Leasing and renewal activity, including the options exercised and the Perth and Brisbane acquisitions during the year, has contributed to the Fund's weighted average lease expiry profile, or WALE (by income), increasing from 4.5 years at 30 June 2009 to 4.7 years[8] at 30 June 2010.

Rental reviews over 540,960 sqm of tenanted space were undertaken during the year, (see **Appendix 2** for further details), achieving an average rental increase of 3.8%. Of the space reviewed, 92% was subject to fixed rental increases with the remainder reviewed to market.

In the 2011 financial year, 566,751 sqm is subject to review, with 82% of the area subject to fixed review at an average increase of 3.5% and the remainder to be reviewed to market.

Asset revaluations

The entire property portfolio[9] was independently revalued twice over the 12 months to 30 June 2010, which resulted in a $27.3 million revaluation decline. After accounting for straight-lining of fixed rental increases, a loss of $27.9 million was recorded in the statement of comprehensive income.

The reported revaluation decline of $27.9 million comprised a $70.1 million loss in the six months to 31 December 2009, followed by a $42.2 million gain in the six months to 30 June 2010. The increase in asset values for the six months to 30 June 2010 has been the consequence of independent valuers reflecting improving sentiment across office markets by adjusting the investment yields used in their assessments together with revising their assumptions of leasing downtime periods, rental growth and leasing incentive levels.

A number of CPA assets recorded increases in value, reflecting a combination of leasing success, capital expenditure and an improved outlook for Australian office markets. Transactional activity has provided valuers with comparable evidence that the downward pressure on values for quality assets has eased. The independent valuations have confirmed that investment yields for quality assets have stabilised and in a number of instances, have firmed modestly.

The weighted average capitalisation rate of the portfolio reflected this trend, softening marginally from 7.7% at 30 June 2009 to 7.8% at 31 December 2009, and reversed in the six months to 30 June 2010, to end the year unchanged at 7.7%.

Sustainability

As a responsible fund manager we see sustainability as the effective management of environmental, social and governance (ESG) issues to add value to the portfolio and reduce costs, so that the Fund remains attractive to all stakeholders.

Mr Moore said: "We believe that understanding and proactively responding to changing priorities relating to ESG issues is essential to enhancing the future returns of the Fund."

CPA's track record and long-term commitment to sustainability was again recognised through its inclusion in the Dow Jones Sustainability World Index and in the FTSE4Good Index, and we continually seek ways to improve and report on our sustainability initiatives. On an annual basis, we disclose information to the Carbon Disclosure Project (CDP) on the Fund's approach to climate change risk and opportunities, and report on greenhouse gas emissions and strategies for managing climate change.

During the year, we achieved improvements in the NABERS Energy ratings for 13 assets and significant improvements in all environmental performance indicators. We are on track to achieve the portfolio weighted average NABERS Energy and Water performance targets set for 2012, and this year we have been able to lift our NABERS Energy rating target for 2012 to 4.5-stars.

8. Including terms agreed with ACT Government at Finlay Crisp Centre, Canberra; BNP Paribas at 60 Castlereagh Street, Sydney; Gallagher Bassett at 201 Miller Street, North Sydney and a Commonwealth Government department at 175 Pitt Street, Sydney.
9. Excluding acquisitions and divestments made during the year.

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Office market and Fund outlook

Australian office markets have been challenging this year and were characterised by rising vacancy rates, higher leasing incentives and subdued tenant demand. However, positive signs have emerged, with strong labour market data, stabilising asset values and increasing tenant enquiry levels.

The vacancy rates for most markets are generally near the long-term average and well below the peaks of the major office market crash in 1992. As economic momentum continues to strengthen and companies position for growth, tenant demand will increase and place positive pressure on market rents.

Mr Steinberg said: "An improving Australian economy, combined with increased liquidity in capital markets and early signs of improving tenancy demand are contributing to a positive change in sentiment towards Australia's key office markets. We expect this sentiment to translate into strengthening office market fundamentals over the coming year and are confident about the future performance of the Australian office markets and the associated benefits to the CPA portfolio."

"Our outlook for the next 12 to 18 months is positive. In the medium-to-long term, the strength of the Australian economy augurs well for Australian property markets and for A-REITs with proven strategies to deliver solid long-term returns for investors."

Mr Moore said: "As we head into the 2011 financial year, we are well positioned to capitalise on the forecast improved market conditions. Our experienced and active asset management team is focused on optimising and driving the performance from each asset to grow the income and increase the value of the portfolio."

"While the year ahead remains challenging, we are targeting a payout ratio of 80% of distributable income, or the Fund's taxable income, whichever is the greater and expect to achieve a distribution[10] in the range of 5.40 to 5.50 cents per unit for the 12 months ending 30 June 2011."

Mr Steinberg said: "As we enter the 2011 financial year, the combination of CPA's experienced team, the quality of the office buildings in the portfolio and the implementation of active capital and asset management strategies will provide a strong foundation for the Fund to pursue opportunities to further improve the quality and scale of the portfolio."

10. Assuming a 50% chance the performance fee is payable and there is no unforeseen material deterioration in economic conditions.

ENDS

For further information please contact:

Charles Moore
Fund Manager
Commonwealth Property Office Fund
Phone: +612 9303 3438 or +61 414 457 011
Email: chmoore@colonialfirststate.com.au

Darren Steinberg
Head of Property
Colonial First State Global Asset Management
Phone: +612 9303 2328 or +61 417 262 980
Email: dsteinberg@colonialfirststate.com.au

Investor contact:
David Yates
Head of Investor Relations
Colonial First State Global Asset Management
Phone: +612 9303 3516 or +61 418 861 047
Email: dyates@colonialfirststate.com.au

Media contact:
Malvina Zayats
Communications Manager
Colonial First State Global Asset Management
Phone: +612 9303 6746 or +61 416 229 056
Email: mzayats@colonialfirststate.com.au

About Commonwealth Property Office Fund

Commonwealth Property Office Fund (CPA or the 'Fund') is an office sector-specific Australian Real Estate Investment Trust (A-REIT) which invests in prime quality office property located in central business districts and major suburban markets across Australia. The Fund listed on the Australian Securities Exchange in April 1999 and its stock market trading code is CPA.

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Commonwealth Property Office Fund (CPA)
Appendix 1 - Major leasing activity (over 500sqm)
For the period 1 July 2009 - 30 June 2010

Property	Tenant	Level/ suite	Area (sqm*)	Lease Comm	Term (years)	New rental ($/sqm)	Type (net/gross)	Rent review structure
New South Wales								
10 Shelley Street Sydney	KPMG	1	1,461.0	1-May-09	6.8	578	Net	2010,2012,2014 market reviews, 2011,2013,2015 annual 5% increases
14 Lee Street Sydney	State Property Authority	Ground-6	13,500.0	6-Jul-10	5.0	340	Net	2011,2013,2015 fixed 2.5% increases, 2012 market (net effective) with ratchet
175 Pitt Street Sydney	Bendigo and Adelaide Bank	Mezzanine, 1	2,452.7	1-Jan-11	5.0	N/A	Net	Annual 4% increases
201 - 207 Kent Street Sydney	I-Med Network	24	1,325.0	1-Jan-10	5.0	560	Net	Annual minimum 3.5% or CPI increases with market review in 2014
201 - 207 Kent Street Sydney	White Energy	Part level 20	829.8	1-Oct-09	5.0	560	Net	Annual 4% increases
201 - 207 Kent Street Sydney	Barangaroo Delivery Authority	Part level 21	730.0	1-Jun-10	3.0	575	Net	Annual 4% increases
201 Miller Street North Sydney	Nestle	9	669.3	17-Sep-09	3.3	435	Net	Annual 4% increases
201 Miller Street North Sydney	McAfee Australia	19	664.5	1-Feb-10	5.0	460	Net	Annual 4% increases
201 Miller Street North Sydney	McAfee Australia	20	664.5	1-Feb-10	5.0	465	Net	Annual 4% increases
202 Miller Street North Sydney	McAfee Australia	Part level 10	495.5	1-Feb-10	5.0	410	Net	Annual 4% increases
225 George Street Sydney	Blake Dawson	35-41	13,793.0	1-Jan-12	3.3	990	Gross	Annual 4.25% increases
225 George Street Sydney	JP Morgan	Part level 24,26,28,32	6,531.0	1-Jul-11	1.1	973	Gross	Annual 4% increases
225 George Street Sydney	JP Morgan	Part level 27&29,25	2,885.0	1-Jul-11	1.3	973	Gross	Annual 4% increases
225 George Street Sydney	Calyon	22	892.4	1-May-09	3.0	790	Gross	CPI + 2% Increases
259 George Street Sydney	Maple-Brown Abbott	31	996.9	1-Sep-10	5.0	805	Gross	Annual 4% increases
56 Pitt Street Sydney	The Donington Group	15	824.0	1-Jul-09	5.0	720	Gross	Annual 4% increases
56 Pitt Street Sydney	QIC	Part level 12	514.8	1-May-10	1.0	800	Gross	Nil
60 Castlereagh Street Sydney	Birdanco Nominees	12	1,170.5	1-Apr-10	10.0	790	Gross	Annual 3.75% increases to year 4, annual 4% increases from Yr 5
60 Castlereagh Street Sydney	BNP Paribas	Part level 1	668.5	1-Jul-10	0.5	720	Gross	Nil
South Australia								
45 Pirie Street Adelaide	AAPT	1	641.4	1-Jul-10	3.0	400	Net	Annual 4% increases
45 Pirie Street Adelaide	Goldman Sachs JB Were	13	522.8	1-Nov-09	1.5	440	Gross	Annual 4% increases
Victoria								
2 Southbank Boulevard Melbourne	SPI Powernet	Part level 28, 29	2,308.5	1-Oct-05	10.0	410	Net	Annual 3.65% increases
2 Southbank Boulevard Melbourne	Australand Property Group	Level 14	1,805.5	10-Jun-09	10.0	390	Net	Annual 3.5% increases
2 Southbank Boulevard Melbourne	H J Heinz	Part level 10	639.0	1-Dec-07	7.8	396	Net	Annual 3.45% increases
2 Southbank Boulevard Melbourne	Vanguard Investments	Part level 36	511.0	1-Aug-05	7.8	407	Net	2010 market review, then annual 3.5% increases
385 Bourke Street Melbourne	Truenergy	28-34	9,295.0	1-Jun-10	10.0	380	Net	Annual 4% increases
385 Bourke Street Melbourne	UniSuper Management	39	1,395.0	1-Mar-10	1.1	410	Net	Nil

*100% ownership basis

Commonwealth Property Office Fund (CPA)
Appendix 2 - Major rent reviews (over 500sqm)
For the period 1 July 2009 - 30 June 2010

APPENDIX 2

Property	Tenant	Level/suite	Area (sqm*)	Review date	Review type	Passing rent ($/sqm)	New rent ($/sqm)	Rent type (net/gross)	Variance (%)
Australian Capital Territory									
Finlay Crisp Centre Nara House	ACT Government	Whole building	7,505.8	1-Jul-09	CPI	364	374	Gross	2.7%
New South Wales									
10 Shelley Street Sydney	KMPG	2-15, part ground	26,261.0	1-Feb-10	Market (with Ratchet)	642	642	Net	-
10 Shelley Street Sydney	KMPG	1	1,461.0	1-Feb-10	Market (with Ratchet)	578	578	Net	-
101 George Street Parramatta	Commonwealth Bank of Australia	3-11	17,625.0	9-Nov-09	Fixed	418	433	Gross	3.8%
120 Pitt Street Sydney	Commonwealth Bank of Australia	1-6	13,578.0	19-Apr-10	Fixed	482	511	Net	6.0%
120 Pitt Street Sydney	Commonwealth Bank of Australia	Ground	2,016.0	19-Apr-10	Fixed	1,199	1,271	Net	6.0%
120 Pitt Street Sydney	Commonwealth Bank of Australia	Mezzanine	627.4	19-Apr-10	Fixed	302	320	Net	6.0%
14-18 Lee Street Sydney	Toga	Lower ground	600.0	13-Nov-09	Market (without Ratchet)	436	401	Net	(8.0%)
150 George Street Parramatta	Commonwealth Bank of Australia	Whole building	21,964.3	23-Nov-09	Fixed	316	327	Net	3.5%
175 Pitt Street Sydney Retail	Fitness First Australia	Basement	1,410.0	3 Sep 09	Fixed	563	586	Gross	4.0%
2 Dawn Fraser Ave Sydney Olympic Park	Commonwealth Bank of Australia	Part ground, 1-7	18,803.2	23-Dec-09	Fixed	299	308	Net	3.3%
2 Dawn Fraser Ave Sydney Olympic Park	Commonwealth Bank of Australia	Part ground	1,040.3	23-Dec-09	Fixed	490	506	Net	3.3%
4 Dawn Fraser Ave Sydney Olympic Park	Commonwealth Bank of Australia	Part ground, 1-7	13,515.2	21 Aug 09	Fixed	299	308	Net	3.3%
4 Dawn Fraser Ave Sydney Olympic Park	Commonwealth Bank of Australia	Part ground	798.0	21 Aug 09	Fixed	490	506	Net	3.3%
201 - 207 Kent Street Sydney	Aon Corporation Australia	504, 21, 2602, 27-34	12,288.8	1 Jul 09	Fixed	525	545	Net	3.8%
201 - 207 Kent Street Sydney	Kellog Brown Root	12,13	3,482.0	1-Jun-10	Fixed	513	536	Gross	4.5%
201 - 207 Kent Street Sydney	ARUP	9,10	3,482.0	1-Oct-09	Fixed	480	500	Net	4.3%
201 - 207 Kent Street Sydney	Austrade	22,23	2,650.0	1-May-10	Fixed	516	534	Net	3.5%
201 - 207 Kent Street Sydney	Lend Lease	15	1,698.0	1-Nov-09	Fixed	524	549	Net	4.8%
201 - 207 Kent Street Sydney	State Electoral Office	25	1,325.0	30-Dec-09	Market (with Ratchet)	514	565	Net	10.0%
201 - 207 Kent Street Sydney	Five D	Part level 11	1,267.4	1-Feb-10	Fixed	503	526	Net	4.5%
201 - 207 Kent Street Sydney	Aberdeen	6	1,021.2	1-Apr-10	Fixed	465	484	Net	4.0%
201 - 207 Kent Street Sydney	ICPS	Part level 18	619.4	15-May-10	Fixed	522	544	Gross	4.3%
201 - 207 Kent Street Sydney	Plzen	Part level 18	589.9	1-Mar-10	Fixed	579	604	Net	4.3%
201 - 207 Kent Street Sydney	Simply Active Australia	Part level 2	587.6	1-Dec-09	Fixed	141	146	Gross	4.0%
201 - 207 Kent Street Sydney	ABC Learning Centres	Part ground, 5	570.2	1-Apr-10	Fixed	315	328	Net	4.0%
201 - 207 Kent Street Sydney	Bacardi Lion	8	560.3	1-Oct-09	Fixed	570	597	Net	4.8%
201 Miller Street North Sydney	Gallagher Bassett	5-8	2,664.5	1-Feb-10	Fixed	394	409	Net	4.0%
201 Miller Street North Sydney	Gallagher Bassett	12,13	1,333.8	1-Feb-10	Fixed	405	421	Net	4.0%
201 Miller Street North Sydney	Brave New World Communications	4	667.8	15-Feb-10	Fixed	374	389	Net	4.0%
201 Miller Street North Sydney	DDI-Asia Pacifc	18	664.5	19-Feb-10	Fixed	427	445	Net	4.0%
201 Miller Street North Sydney	Sybase Australia	15	663.1	1-Apr-10	Fixed	437	454	Net	4.0%
201 Miller Street North Sydney	Jobpac International Systems	1	638.0	1-Aug-09	Fixed	373	388	Net	4.0%
225 George Street Sydney	Deloitte	1-10	17,250.0	1-Dec-09	Fixed	799	839	Gross	5.0%
225 George Street Sydney	JP Morgan	24-32	9,416.0	1-Mar-10	Fixed	900	936	Gross	4.0%
225 George Street Sydney	Norton Rose (formerly Deacons)	16,20	9,163.0	1-Jan-10	Fixed	919	956	Gross	4.0%
225 George Street Sydney	Travinto	35-38	7,805.0	11-Apr-10	Market (with ratchet)	850	850	Gross	-
225 George Street Sydney	Barclays Global	43,44	3,992.0	1 Aug 09	Fixed	993	1,033	Gross	4.0%
225 George Street Sydney	Deloitte	14,15	3,793.0	10-Jan-10	Fixed	1,050	1,092	Gross	4.0%
225 George Street Sydney	ASX	Sydney Futures Exchange building	3,637.2	1-Mar-10	Fixed	479	498	Net	4.0%
225 George Street Sydney	Travinto	40	1,996.0	1-May-10	Market (with ratchet)	850	850	Gross	-
225 George Street Sydney	Colliers	12	1,916.0	1-Oct-09	Market (with ratchet)	850	850	Gross	-
225 George Street Sydney	Ethereal	13	1,916.0	1 Jul 09	Fixed	811	844	Gross	4.0%
225 George Street Sydney	MF Global	21	1,734.5	1-Mar-10	Fixed	965	1,004	Gross	4.0%
225 George Street Sydney	Barclays Capital	42	1,061.9	1 Aug 09	Fixed	1,040	1,082	Gross	4.0%
225 George Street Sydney	Itochu	Part level 29	906.2	15-Feb-10	Fixed	1,069	1,106	Gross	3.5%
225 George Street Sydney	Calyon	Part level 22	892.4	1-May-10	Fixed	750	829	Gross	10.5%
225 George Street Sydney	Da Vinci	Part level 24	826.0	22-Jan-10	Fixed	924	963	Gross	4.2%
225 George Street Sydney	Giovannis	Plaza restaurant	574.5	24-Jun-10	Fixed	538	564	Gross	5.0%
225 George Street Sydney	Hoxiram	JB01	557.0	9-Dec-09	CPI	1,829	1,872	Gross	2.3%
259 George Street Sydney	Suncorp	5-10	5,747.8	1-Oct-09	CPI	597	619	Semi Gross	3.8%
259 George Street Sydney	Suncorp	17-21	4,905.7	1-Oct-09	CPI	674	700	Semi Gross	3.8%
259 George Street Sydney	Suncorp	11-15	4,780.5	1-Oct-09	CPI	633	657	Semi Gross	3.8%
259 George Street Sydney	Fitness First Australia	Lower ground, ground	3,644.5	14-Sep-09	Fixed	453	472	Semi Gross	4.0%
259 George Street Sydney	Suncorp	2	1,772.6	1-Oct-09	CPI	581	603	Semi Gross	3.8%
259 George Street Sydney	Suncorp	3	1,237.2	1-Oct-09	CPI	467	484	Semi Gross	3.8%
259 George Street Sydney	Liquid Capital Australia	34	1,016.7	1-Nov-09	Fixed	754	784	Semi Gross	4.0%

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Commonwealth Property Office Fund (CPA)
Appendix 2 - Major rent reviews (over 500sqm)
For the period 1 July 2009 - 30 June 2010

APPENDIX 2

Property	Tenant	Level/suite	Area (sqm*)	Review date	Review type	Passing rent ($/sqm)	New rent ($/sqm)	Rent type (net/gross)	Variance (%)
New South Wales (continued)									
259 George Street Sydney	OneSteel Trading	40	1,007.4	15-May-10	Fixed	804	834	Semi Gross	3.8%
259 George Street Sydney	Gould Ralph Services	42	1,002.8	1-Nov-09	Fixed	884	919	Semi Gross	4.0%
259 George Street Sydney	Standard & Poor's	27	964.8	15-Jun-10	Fixed	720	749	Semi Gross	4.0%
259 George Street Sydney	Suncorp	23	955.6	1-Oct-09	CPI	745	773	Semi Gross	3.8%
259 George Street Sydney	Suncorp	22	953.2	1-Oct-09	CPI	739	767	Semi Gross	3.8%
259 George Street Sydney	SMS Consulting Group	28	739.2	23-Jul-09	Fixed	756	788	Semi Gross	4.3%
259 George Street Sydney	GBST Holdings	Part level 26	529.0	1-May-10	Fixed	731	760	Semi Gross	4.0%
34-36 George Street Burwood	Hewlett-Packard (formerly EDS Business Services)	2-4	9,285.0	10-Oct-09	Fixed	281	292	Net	4.0%
34-36 George Street Burwood	Rail Corporation NSW	Part ground, 1	3,845.7	1-Nov-09	Fixed	280	291	Net	4.0%
34-36 George Street Burwood	Hewlett-Packard (formerly EDS Business Services)	Part ground	1,048.0	10-Oct-09	Fixed	307	319	Net	4.0%
56 Pitt Street Sydney	Suncorp	1-2 and part level 6	2,166.0	1-Feb-10	Fixed	591	613	Gross	3.8%
56 Pitt Street Sydney	DTZ	16	823.6	1-Jan-10	Fixed	627	677	Gross	8.0%
56 Pitt Street Sydney	GWP Services	22	823.4	1-May-10	Fixed	784	819	Gross	4.5%
56 Pitt Street Sydney	Austock Group Limited	9	779.0	23 Jul 09	Fixed	608	633	Gross	4.0%
56 Pitt Street Sydney	Insurance Council of Australia	4	778.0	1-Nov-09	Fixed	600	627	Gross	4.5%
56 Pitt Street Sydney	Lynas Corporation	7	771.1	1-Mar-10	Fixed	680	714	Gross	5.0%
56 Pitt Street Sydney	Norton White	11	761.9	1-Feb-10	Fixed	633	658	Gross	4.0%
56 Pitt Street Sydney	Fortis Investment Management	13	761.4	1-May-10	Fixed	721	754	Gross	4.5%
56 Pitt Street Sydney	Concord Capital	Part level 17	588.0	1-Feb-10	Fixed	660	686	Gross	4.0%
56 Pitt Street Sydney	Transocean Securities	Part level 5	584.3	1 Jul 09	Fixed	622	647	Gross	4.0%
56 Pitt Street Sydney	National E-Health Transition Authority	Part level 20	571.0	1 Sep 09	Fixed	676	703	Gross	4.0%
60 Castlereagh Street Sydney	BNP Paribas	2, 4-8	8,674.5	1 Jul 09	Fixed	416	431	Net	3.5%
60 Castlereagh Street Sydney	Goodman International	9,10	2,248.0	1 Jul 09	Fixed	678	705	Gross	4.0%
60 Castlereagh Street Sydney	Shaw Stockbroking	15,16	1,930.4	1-May-10	Fixed	765	796	Gross	4.0%
60 Castlereagh Street Sydney	Atlantic Acceptance	3	1,677.7	1-Mar-10	Fixed	602	626	Gross	4.0%
60 Castlereagh Street Sydney	Balmain Commercial	14	1,191.0	14-Feb-10	Fixed	725	754	Gross	4.0%
60 Castlereagh Street Sydney	RMB Australia	13	1,189.5	1-Apr-10	Fixed	830	867	Gross	4.5%
60 Castlereagh Street Sydney	Goodman International	18	1,188.5	1 Jul 09	Fixed	725	754	Gross	4.0%
60 Castlereagh Street Sydney	Gateway Credit Union	11	1,105.0	1-Nov-09	Fixed	715	744	Gross	4.0%
60 Castlereagh Street Sydney	Laing & Simmons Commercial	Part level 1	840.5	1-Feb-10	Fixed	556	577	Gross	3.8%
60 Castlereagh Street Sydney	Verandah Bar	Ground level Elizabeth St (ESL)	785.1	1-Nov-09	CPI	701	720	Gross	2.8%
60 Castlereagh Street Sydney	BNP Paribas	Part level 1	668.5	1-Oct-09	Fixed	646	674	Gross	4.3%
South Australia									
108 North Terrace Adelaide	SA Government	Whole building	20,111.9	15-Jun-10	Fixed	378	394	Net	4.0%
11 Waymouth Street Adelaide	SA Government	2-8	10,960.0	1-Feb-10	Fixed	406	422	Gross	4.0%
11 Waymouth Street Adelaide	Australian Bureau of Statistcis	9-11	4,580.8	1-Feb-10	Fixed	428	443	Gross	3.5%
11 Waymouth Street Adelaide	ANZ	20,21	2,927.8	1-Feb-10	Fixed	396	410	Net	3.5%
11 Waymouth Street Adelaide	Deloitte	16,17	2,903.7	1-Feb-10	Fixed	377	391	Net	3.8%
11 Waymouth Street Adelaide	Australian Tax Office	15	1,613.5	1-Feb-10	Fixed	461	477	Gross	3.5%
11 Waymouth Street Adelaide	SA Government	18	1,610.9	1-Feb-10	Fixed	388	402	Net	3.8%
11 Waymouth Street Adelaide	Commonwealth Government	12	1,578.2	1-Feb-10	Fixed	445	460	Gross	3.5%
11 Waymouth Street Adelaide	Commonwealth Government	13	1,391.4	1-Feb-10	Fixed	449	467	Gross	4.0%
11 Waymouth Street Adelaide	ANZ	Part level 19	716.1	1-Feb-10	Fixed	402	416	Net	3.5%
11 Waymouth Street Adelaide	WSP Lincolne Scott	Part level 19	709.1	1-Feb-10	Fixed	395	411	Net	4.0%
11 Waymouth Street Adelaide	Woods Bagot	Part level 14	676.6	1-Feb-10	Fixed	389	405	Gross	4.0%
11 Waymouth Street Adelaide	Commonwealth Government	Part level 14	642.7	1-Feb-10	Fixed	476	495	Gross	4.0%
45 Pirie Street Adelaide	SA Government	Ground, 2-11, 14, 17	13,956.7	1 Sep 09	Fixed	378	391	Gross	3.5%
45 Pirie Street Adelaide	Norman Waterhouse	12,15	2,229.0	1-Oct-09	Fixed	406	420	Gross	3.5%
45 Pirie Street Adelaide	QBE	Part level G & 13 and level 16	1,993.2	1-Jan-10	Fixed	402	417	Gross	3.8%
45 Pirie Street Adelaide	AAPT Limited	101A	641.4	1 Jul 09	Fixed	409	426	Gross	4.0%

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For the period 1 July 2009 - 30 June 2010

APPENDIX 2

Property	Tenant	Level/suite	Area (sqm*)	Review date	Review type	Passing rent ($/sqm)	New rent ($/sqm)	Rent type (net/gross)	Variance (%)
Victoria									
2 Southbank Boulevard Melbourne	PriceWaterhouseCoopers	15-27	22,967.5	10-Jun-10	Fixed	388	401	Net	3.4%
2 Southbank Boulevard Melbourne	SPI Powernet	30-32	5,800.0	1-Sep-09	Fixed	394	407	Net	3.5%
2 Southbank Boulevard Melbourne	PMP Limited	Part level 10, 11, 12	3,881.0	4-Jul-09	Fixed	370	382	Net	3.4%
2 Southbank Boulevard Melbourne	HJ Heinz	8,9, part level 10	3,508.5	1-Sep-09	Fixed	371	384	Net	3.5%
2 Southbank Boulevard Melbourne	Microsoft Corporation	5-7	3,185.0	1-Nov-09	Fixed	295	305	Net	3.5%
2 Southbank Boulevard Melbourne	Vanguard Investments	33,34	2,927.5	30-Jun-10	Fixed	405	419	Net	3.4%
2 Southbank Boulevard Melbourne	SPI Powernet	Part level 28, 29	2,308.5	1-Oct-09	Fixed	395	410	Net	3.7%
2 Southbank Boulevard Melbourne	Australand	Part level 14	1,805.5	10-Jun-10	Fixed	390	404	Net	3.5%
2 Southbank Boulevard Melbourne	Aviva Investors	Part level 28	1,401.0	1-Nov-09	Fixed	398	412	Net	3.4%
2 Southbank Boulevard Melbourne	Kaplan Education	Part level 4	1,045.2	1-Aug-09	Fixed	335	349	Net	4.0%
2 Southbank Boulevard Melbourne	Morrows	Part level 13	816.5	31-Aug-09	Fixed	381	394	Net	3.4%
2 Southbank Boulevard Melbourne	Genesis FitnessClub	3	683.0	20-Jun-10	Market (without ratchet)	405	350	Gross	(13.6%)
2 Southbank Boulevard Melbourne	H J Heinz	Part level 10	639.0	1-Sep-09	Fixed	383	396	Net	3.5%
2 Southbank Boulevard Melbourne	Fisher Graham Group	Part level 13	609.5	1-Oct-09	Fixed	364	377	Net	3.5%
2 Southbank Boulevard Melbourne	LEK Consulting	Part level 35	547.0	8-Jun-10	Fixed	417	431	Net	3.4%
2 Southbank Boulevard Melbourne	Vanguard Investments	Part level 36	511.0	1-Aug-09	Fixed	394	407	Net	3.5%
385 Bourke Street Melbourne	Commonwealth Bank of Australia	2 and 6-11	8,160.0	19-Apr-10	Fixed	286	297	Net	3.8%
385 Bourke Street Melbourne	Commonwealth Bank of Australia	Part level 1, 4 and 13-16	7,621.0	19-Apr-10	Fixed	308	320	Net	3.8%
385 Bourke Street Melbourne	Unisuper Management	36-38	4,079.0	30-Apr-10	Fixed	385	400	Net	4.0%
385 Bourke Street Melbourne	Herbert Geer	19-21, 23	4,065.0	1-Oct-09	Fixed	345	358	Net	3.8%
385 Bourke Street Melbourne	Iress Market Technology	17,18	2,448.0	1 Jul 09	Fixed	352	364	Net	3.5%
385 Bourke Street Melbourne	Commonwealth Bank of Australia	5-12	2,413.0	19-Apr-10	Fixed	303	314	Net	3.7%
385 Bourke Street Melbourne	Commonwealth Bank of Australia	Lower Ground	1,968.0	19-Apr-10	Fixed	66	68	Net	3.7%
385 Bourke Street Melbourne	Hunt & Hunt	25, part level 26	1,740.0	1-Jan-10	Fixed	357	371	Net	4.0%
385 Bourke Street Melbourne	FIS Australasia	27	1,287.0	1-Oct-09	Fixed	354	368	Net	4.0%
385 Bourke Street Melbourne	Piper Alderman	24	1,284.0	1 Jul 09	Fixed	354	366	Net	3.5%
385 Bourke Street Melbourne	Herbert Geer	22	1,283.0	1-Oct-09	Fixed	370	384	Net	3.8%
385 Bourke Street Melbourne	SAHA International	26	832.0	1 Sep 09	Fixed	350	365	Net	4.3%
Western Australia									
1 Mill Street Perth	Pilbara Iron	Whole building	6,234.6	1-Jan-10	Fixed	525	560	Net	6.7%
14-16 Parliament Place West Perth	Great Southern Limited	Whole building	3,120.0	1-Dec-09	Fixed	324	340	Net	5.0%
197 St George Terrace Perth	WA Government	18-20	2,567.0	1 Jul 09	Fixed	368	386	Net	5.0%
197 St George Terrace Perth	WA Government	21-23	2,567.0	1 Jul 09	Fixed	373	391	Net	5.0%
197 St George Terrace Perth	WA Government	26-28	2,567.0	1 Jul 09	Fixed	399	419	Net	5.0%
197 St George Terrace Perth	WA Government	14,15,17	2,524.1	1 Jul 09	Fixed	352	369	Net	5.0%
197 St George Terrace Perth	WA Government	8-10	2,506.1	1 Jul 09	Fixed	320	336	Net	5.0%
197 St George Terrace Perth	WA Government	11-13	2,506.1	1 Jul 09	Fixed	331	347	Net	5.0%
197 St George Terrace Perth	WA Government	1	2,378.8	1 Jul 09	Fixed	252	265	Net	5.0%
197 St George Terrace Perth	WA Government	24,25	1,711.3	1 Jul 09	Fixed	383	402	Net	5.0%
197 St George Terrace Perth	WA Government	4,5	1,670.7	1 Jul 09	Fixed	294	309	Net	5.0%
197 St George Terrace Perth	WA Government	6,7	1,670.7	1 Jul 09	Fixed	310	325	Net	5.0%
197 St George Terrace Perth	WA Government	2,3	1,623.2	1 Jul 09	Fixed	284	298	Net	5.0%
197 St George Terrace Perth	WA Government	Mezzanine	598.0	1 Jul 09	Fixed	226	237	Net	5.0%
197 St George Terrace Perth	WA Government	Ground	586.9	1 Jul 09	Fixed	210	221	Net	5.0%
42-46 Colin Street West Perth	NRMA Insurance Limited	Whole building	8,760.0	7-Oct-09	Fixed	361	376	Net	4.0%
5 Mill Street Perth	BHP Billiton Iron Ore	1-3	2,203.5	1-Feb-10	Fixed	525	543	Net	3.5%
5 Mill Street Perth	Brunel Australia	7	737.0	1-Mar-10	Fixed	223	238	Net	6.5%
5 Mill Street Perth	Australasian Resources	4	737.0	1-Jan-10	Fixed	600	636	Net	6.0%

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