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Commonwealth Property Office Fund (CPA)

Unitholder meeting

28 May 2012

Richard Haddock AM

Chairman, Commonwealth Managed Investments Limited

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Agenda

- CFSGAM Property
- State of the market
- Fund overview
- Questions



Artist's impression of 5 Martin Place, Sydney NSW

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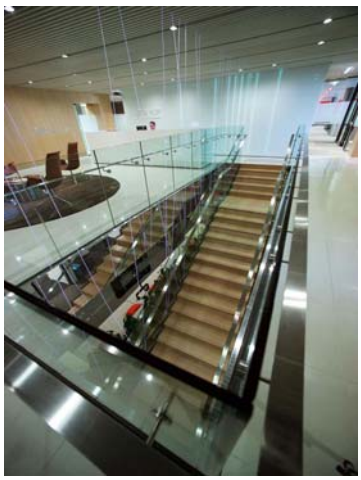
Angus McNaughton

Managing Director, Property, Colonial First State Global Asset Management

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CFSGAM Property
One of Australia's leading property investment managers

- We have a broad property funds platform including:
  - Commonwealth Property Office Fund
  - CFS Retail Property Trust
  - Kiwi Income Property Trust
  - A suite of wholesale property funds and third party mandates
- A leader in sustainability
- Focused on long-term, quality investment returns
- Supported by one of the largest asset management teams in Australasia



11 Waymouth Street, Adelaide

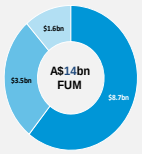
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Overview
CFSGAM Property platform

CFSGAM Property

$A18bn Funds under management (FUM)
950+ employees

Listed Funds	Wholesale Funds	Asset Management





A$20bn[1]
Assets under management

Development Management | Property Management | Leasing | Marketing | Finance

Corporate Infrastructure

Finance | Treasury | Legal | Tax | Responsible Investment and Sustainability | Human Resources | Strategy | Transaction Structuring and Execution | Compliance and Risk Management

CFX – CFS Retail Property Trust
CPA – Commonwealth Property Office Fund
KIP – Kiwi Income Property Trust
1. Includes assets that are managed by CFSGAM Property on behalf of third parties.
Source: CFSGAM Property at 31 December 2012.

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State of the market
Mixed indicators

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Global Asset Management

Australian economy
- Low unemployment
- Growth forecast to return to trend

Capital markets
- Debt costs have reduced
- Share markets continue to be impacted by global sentiment

A-REIT sector
- 8.8% outperformance vs ASX200 YTD[1]
- Gap to NTA has reduced in recent times

Office
- Office demand is subdued, but new supply is limited
- Stable market environment, driving steady rent and valuation growth

1. As at 21 May 2012.

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Colonial First State
Global Asset Management

Charles Moore

Fund Manager, Commonwealth Property Office Fund

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Fund overview
CPA invests in a high quality Australian office portfolio

- Experienced management team
- Ninth largest A-REIT by market capitalisation[1]
- Listed on the ASX[2] for more than 13 years
- Owns quality Australian office buildings
- Strong balance sheet with low gearing
- Focused on rental income with a stable revenue stream and secure tenants
- Occupancy rate of 96.3%[3]
- Long portfolio weighted average lease expiry of 5.0 years[3] (by income)
- Top 100 entity on the ASX[2]



58 Mounts Bay Road, Perth

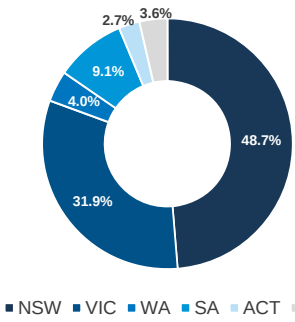
1. As at 30 April 2012.
2. Australian Securities Exchange.
3. As at 31 March 2012.

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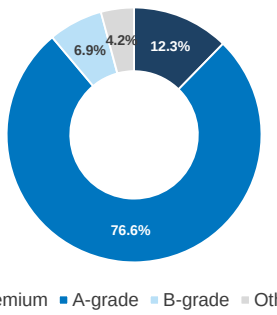
Portfolio overview
High quality, well diversified portfolio

- 25 office buildings located across Australia
- $3.5 billion portfolio
- Portfolio is diversified by building grade and geographic location

Portfolio geographic diversification (by value)



Portfolio property grade diversification (by value)



* QV shopping centre.

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Office market observations

Market conditions mixed, healthy portfolio performance

Demand driven by local economies

- Weakness in traditional white collar sectors impacting Sydney and to a lesser extent Melbourne
- Mining and associated industries underpin strong demand in Perth and Brisbane

Sentiment reflected in supply

- Melbourne vacancy rates to rise to long-term average
- Sydney is expected to remain in balance
- Brisbane and Perth are likely to remain volatile

Improved economy bodes well

- Outlook for improved economic conditions should underpin office market demand

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Operational highlights

Focused on unitholder value

Divestments

- Sold 3 Perth assets (at book value)
- Sold 259 George St (at a 15% premium)
- Sold 50% of 5 Martin Place development (at a 16% premium)

Executed our buy-back program

- Acquired 4.5% of CPA's units on issue via the off and on-market buy-backs to date

Restructured debt profile

- $1.2 billion of debt restructured and interest rate swaps terminated
- Reducing debt costs from 6.8% to 6.3% since June 2011

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Operational highlights

Portfolio and balance sheet remain well placed

	30 June 2011	Current	
Total assets	$3.9 billion	$3.5 billion[1]	• Actively recycled capital
NTA	$1.11	$1.14[2]	• Unitholder value improved
Average cost of debt	6.8%	6.3%[2]	• Lower cost of debt
Gearing	26.4%	20.8%[2]	• Strong balance sheet
Occupancy rate	96.7%	96.3%[2]	• Stable occupancy
Portfolio WALE	5.3 years	5.0 years[2]	• Long WALE maintained
Average cap rate[2]	7.6%	7.5%[2]	• Asset values are stable

1. As at 31 December 2011.
2. Based on unaudited accounts as at 31 March 2012.

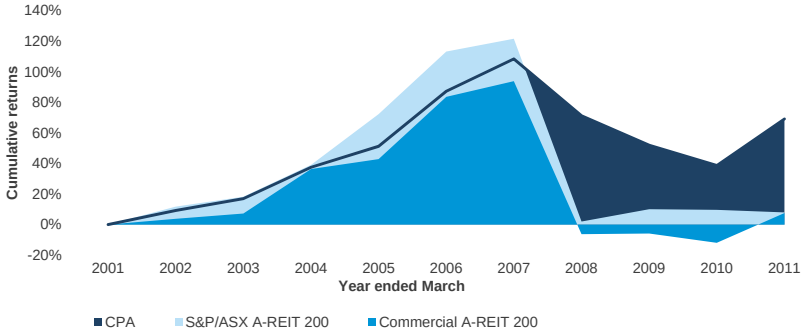
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Performance

CPA has provided solid long-term performance

CPA cumulative total return

Total cumulative returns, 10 years to March 2012



Total returns over 10 years[1]:

- CPA 74% (5.7% p.a.)
- Commercial A-REIT 200 12% (1.1% p.a.)
- S&P/ASX A-REIT 200 16% (1.5% p.a.)

Note: Past performance is not indicative of future performance.
1. Assuming the reinvestment of distributions.
Source: UBS Australia 2012.

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Capital management[1]

Debt well diversified by source and duration

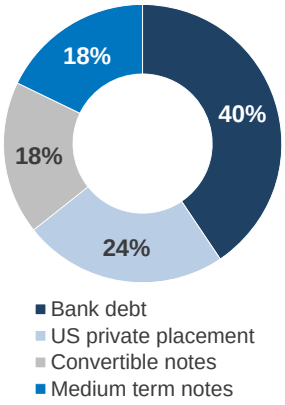
6.3%
Weighted average interest rate

20.8%
Gearing

3.7 yrs
Weighted average duration of debt

74%
Proportion of debt hedged

Diversified debt funding sources



1. As at 31 March 2012, gearing is based on unaudited accounts.

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Sustainability

A global leader in responsible property investment

- Ranked first in 2011 Global Real Estate Sustainability Benchmark (GRESB) survey
- Awarded 6-star Green Star for the 145 Ann Street, Brisbane development
- Highest accolades for 2011 Carbon Disclosure Project
- Received two merit awards in the 2011 Asia Pacific Real Estate Association's (APREA) best practices awards



Chilled beam air conditioning, 11 Waymouth Street, Adelaide

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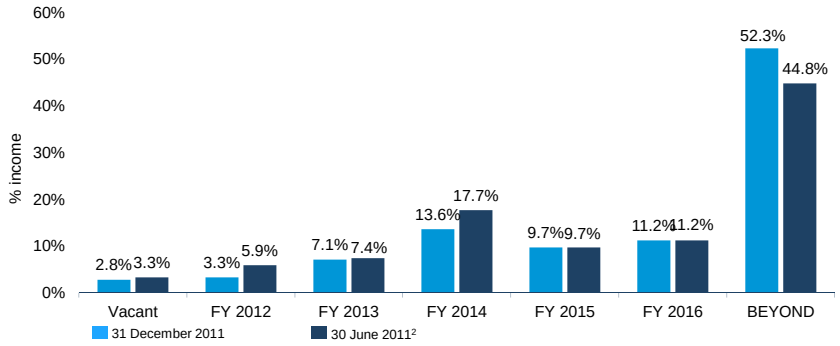
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Leasing focus[1]

Short-term expiry risk remains limited

- Over 390 tenants
- Top 15 tenants generate 56% income

Lease expiry profile



1. As at 31 December 2011.
2. Excluding 5 Martin Place, Sydney, and the sold properties being three Perth assets and 259 George Street, Sydney.

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Development update

Focused on obtaining tenant pre-commitments

Development pipeline breakdown as at 31 March 2012

Development projects	CPA estimated cost $m	Status
Projects under construction		
145 Ann Street, Brisbane	210[1,2]	On-track for completion in September 2012
Potential projects with planning approval		
5 Martin Place, Sydney	212[1,3]	Will commence on 30% pre-commitment
South Tower, 385 Bourke Street, Melbourne	196[4]	Will commence on 30% pre-commitment
Site 4B, Sydney Olympic Park	130	Planning and concept stages
Total development pipeline	**748**	

1. Including land, construction costs, incentives and an allowance for finance costs.
2. $80 million remaining to be spent.
3. Represents CPA's 50% interest.
4. Including construction costs, incentives and an allowance for finance costs.

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Strategic reviews
Investigating appropriate fees and distribution payouts

Performance fee benchmark

- Office sector benchmark has reduced from seven REITs to just one
- Review is expected to conclude in July 2012

Distribution policy

- CPA is looking to further improve transparency, governance and consistency within the sector
- No material change in the quantum of the distribution is expected as a result of the review
- The review is expected to concluded in July 2012



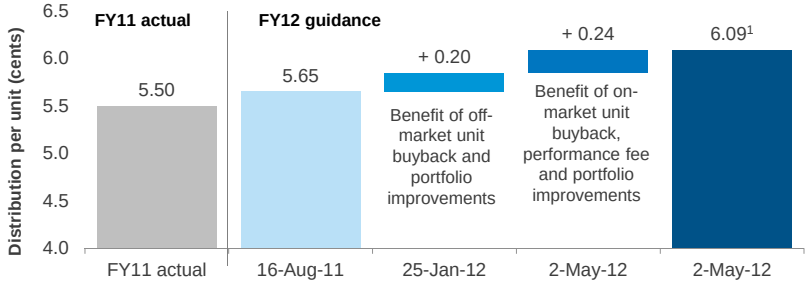
385 Bourke Street, Melbourne Vic

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Returns to unitholders
FY12 distribution guidance upgraded twice

- Value enhancements throughout the year have contributed significantly towards unitholder returns
- FY12 guidance is up 10.7% from FY11 distribution

CPA distribution per unit, FY12 upgrades



1. Assuming there is no performance fee payable, the Fund's taxable income is no more than 80% of distributable income and there is no unforeseen material deterioration in existing economic conditions. If a performance fee is payable for the six-month period ending 30 June 2012, CPA's distribution guidance is 5.91 cpu.

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Forward focus

Delivering on strategy, focusing on value

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Enhance value

- Continue unit buy-back where return hurdles remain attractive
- Pursue tenant pre-commitments for major developments
- Continue to recycle capital
  - Prudently sell mature non-core assets
  - Investigate opportunistic acquisitions

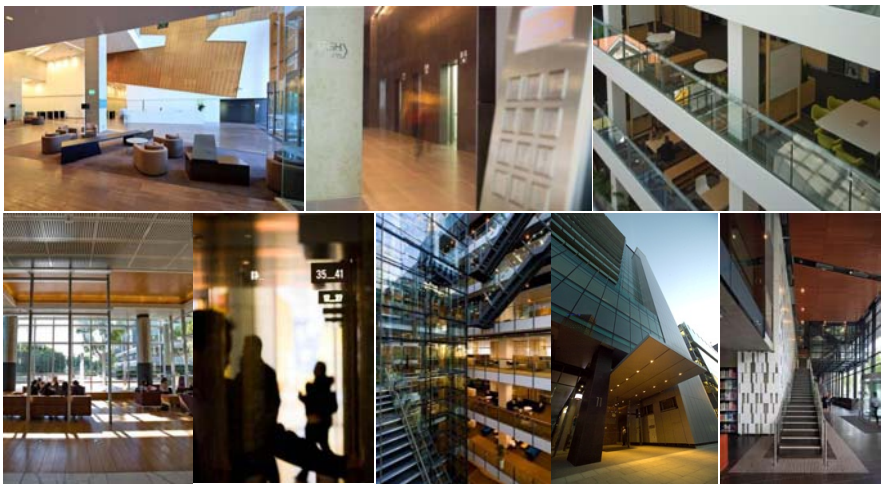
Reduce risk

- Focus on major lease expiries ahead of time
- Drive sustainability initiatives to minimise cost impacts

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Questions

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Further information

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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. Its stock market trading code is CPA. The Fund comprises 25 assets with a total asset value of $3.5 billion and is managed on behalf of more than 23,000 investors from 27 countries.

About Colonial First State Global Asset Management (CFSGAM)
CFSGAM is the consolidated asset management arm of Commonwealth Bank of Australia (the 'Bank'), and sits within the Bank's Wealth Management division. Entities within CFSGAM provide management services to the Fund. CFSGAM Property is a fully integrated real estate investment business with approximately $18 billion in funds and assets under management, employing more than 950 people across Australia and New Zealand.

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