



Australian Securities Exchange – Company Announcements Platform

Centuria Property Funds Limited

CENTURIA METROPOLITAN REIT

ACQUISITIONS AND ENTITLEMENT OFFER

Sydney, 29 April 2015: Centuria Property Funds Limited (**CPFL**) as responsible entity of Centuria Metropolitan REIT ASX: CMA (**CMA** or the **Fund**) is pleased to announce that the Fund has entered into agreements to acquire four commercial office assets located in the metropolitan markets of Adelaide, Canberra and the Gold Coast (**Acquisitions**)¹. The total purchase price for the Acquisitions of \$129.3 million is supported by independent valuations and reflects an initial yield of 8.5%². Settlement of the Acquisitions is expected to occur prior to 30 June 2015.

To partially fund the Acquisitions, the Fund is undertaking a fully underwritten 2 for 3 accelerated non-renounceable entitlement offer to raise approximately \$100 million (**Entitlement Offer**) at a fixed issue price of \$2.10 per new stapled security in CMA (**Issue Price**). CMA will utilise debt and existing cash to fund the balance of the Acquisitions and related costs³.

The Acquisitions are accretive to distributable earnings from settlement. The Fund is forecasting FY16 distributable earnings of 17.9 cents per Stapled Security, a 3.5% increase to the re-stated forecast in the Product Disclosure Statement for the Fund dated 11 November 2014 (**PDS**)⁴. Distributions for FY16 are forecast at 17.0 cents per Stapled Security, in line with PDS forecast. The forecasts assume the completion of the Acquisitions.

The Issue Price represents a 3.2% discount to CMA's closing price of \$2.17 on 28 April 2015. At the Issue Price the new stapled securities (**New Stapled Securities**) are forecast to deliver a 8.5% distributable earnings yield for FY16 and a 8.1% distribution yield for FY16.

New Stapled Securities issued under the Entitlement Offer will rank equally with existing Stapled Securities and will be entitled to the full distribution for the quarter ending June 2015 forecast to be 4.16 cents per stapled security, which is in line with the PDS forecast.

Mr Nicholas Collishaw, CEO Listed Property Funds said: "The Acquisitions are in line with the Fund's objectives and have strong strategic rationale. They provide a complementary mixture of income streams from long leases to high quality tenants and the potential to add value by leasing vacant space and addressing upcoming expiries."

"The Entitlement Offer provides an opportunity for all eligible CMA Stapled Securityholders to participate in the transaction and the continued growth of the Fund".

The Fund is being advised by UBS AG, Australia Branch (Sole Financial Advisor, Sole Bookrunner and Sole Underwriter on the Entitlement Offer), National Australia Bank Limited (Co-lead Manager on the Entitlement Offer) and Henry Davis York (Legal Advisor).

¹ One of the four properties to be acquired by the Fund, Grenfell Street, Adelaide, is being acquired from the Centuria 131–139 Grenfell Street Fund (ARSN 160 600 895), which is a related party of CPFL, the responsible entity of CMA. Stapled Securityholder approval is required under ASX Listing Rule 10.1 for this acquisition.

² As at 1 July 2015 and excludes any acquisition costs.

³ CPFL has obtained a credit and pricing approved terms sheet from National Australia Bank Limited to increase the facility limit of the Fund's existing debt facility by approximately \$40 million.

⁴ Restated PDS forecast of 17.3 cents per Stapled Security as detailed on slide 5 of the investor presentation released to the ASX today.



Overview of the Acquisitions

Property	State	Independent valuation (\$m) ⁵	Initial yield ⁶	Cap rate	NLA ⁷ (sqm)	WALE (years) ⁸	Occupancy ⁹
60 Marcus Clarke Street, Canberra	ACT	49.1	8.5%	8.3%	12,215	2.2	76.1%
35 Robina Town Centre Drive, Robina	QLD	46.0	8.0%	7.8%	9,814	8.5	100.0%
131-139 Grenfell Street, Adelaide ¹⁰	SA	20.0	9.9%	9.1%	4,052	4.7	100.0%
54 Marcus Clarke Street, Canberra	ACT	14.2	10.0%	10.0%	5,161	2.1	76.0%
Total		129.3	8.5%	8.4%	31,241	4.5	86.7%

Financial impact¹¹

The transaction is expected to have the following impact on the Fund:

- Accretive to distributable earnings in FY16 from the date of settlement
- Approximate 70% increase in the value of the Fund's property portfolio to \$317 million¹²
- 2% decrease in NTA per Stapled Security from \$1.97 to \$1.93 due to one-off transaction costs
- Pro forma gearing of 25% on completion of the Acquisitions and the Entitlement Offer, at the low end of the Fund's target gearing range of 25 – 35%

Grenfell Street, Adelaide approval

The Fund is acquiring Grenfell Street from Centuria 131–139 Grenfell Street Fund (ARSN 160 600 895), which is a related party of CPFL. Stapled Securityholder approval is required to acquire this asset under ASX Listing Rule 10.1. Approval will be via an ordinary resolution (more 50% threshold). CPFL and its associates are not able to vote their Stapled Securities on that resolution. CPFL will be convening Stapled Securityholder meetings at which CMA Stapled Securityholders will be asked to vote on the resolution seeking their approval of the acquisition of Grenfell Street. The CMA Stapled Securityholder meetings will be convened under a separate notice of meetings which is expected to be sent to Stapled Securityholders mid-May.

Stapled Securityholder approval is not required to acquire the three other properties as these are being acquired from vendors not related to CPFL. The Entitlement Offer is not conditional on Stapled Securityholder approval of the acquisition of Grenfell Street.

In the event the acquisition of Grenfell Street is not approved by Stapled Securityholders the Fund will draw upon less debt and pro forma gearing would reduce to approximately 19%. The Fund would maintain the debt capacity for future acquisition opportunities. FY16 forecast distributable earnings would fall by approximately 5% to 17.1 cents per Stapled Security and FY16 forecast distributions would fall by approximately 5% to 16.2 cents per Stapled Security¹³.

Centuria commitment to the Entitlement Offer

Centuria Capital Limited and its institutional associates, the Fund's largest Stapled Securityholders, with approximately 16% of the Stapled Securities on issue¹⁴ have committed to take up their full entitlement under the Entitlement Offer amounting to approximately \$16 million.

⁵ As at 31 March 2015.

⁶ As at 1 July 2015 and excludes any acquisition costs.

⁷ Net lettable area

⁸ WALE stands for "weighted average lease expiry", it is measured by area.

⁹ By area.

¹⁰ Levels 5 – 9.

¹¹ Assumes the completion of the Acquisitions and the Entitlement Offer. Please refer to the investor presentation released to the ASX today for information on key risks and key assumptions.

¹² Based on the most recent independent valuations.

¹³ Assuming a consistent payout ratio to the current FY16 forecast.

¹⁴ As at 28 April 2015.



Key Dates of the Entitlement Offer

Key event	Date
Trading halt, Institutional Entitlement Offer and Bookbuild opens	10.00am, Wednesday, 29 April 2015
Institutional Entitlement Offer and Bookbuild closes	5.00pm, Wednesday, 29 April 2015
Trading of Staple Securities recommences on ASX on an 'ex-entitlement' basis.	Thursday, 30 April 2015
Entitlement Offer Record Date	7.00pm, Monday, 4 May 2015
Retail Entitlement Offer Booklet is despatched and Retail Entitlement Offer opens	Thursday, 7 May 2015
Last date for receipt of Early Retail Entitlement Offer applications	5.00pm, Wednesday, 13 May 2015
Settlement of New Stapled Securities issued under the Institutional Entitlement Offer and Early Retail Entitlement Offer	Thursday, 14 May 2015
Allotment and normal trading of New Stapled Securities issued under the Institutional Entitlement Offer and Early Retail Entitlement Offer	Friday, 15 May 2015
Retail Entitlement Offer closes	5.00pm, Thursday, 21 May 2015
Allotment of remaining New Stapled Securities issued under the Retail Entitlement Offer	Friday, 29 May 2015
Normal trading of remaining New Stapled Securities issued under the Retail Entitlement Offer	Monday, 1 June 2015

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to AEST. Any changes to the timetable will be posted on Centuria's website at www.centuria.com.au

Additional information

Additional information about the Acquisitions and Entitlement Offer including key risks is contained in the investor presentation released to the ASX today. The retail entitlement offer booklet will be released separately and mailed to eligible Stapled Securityholders. This will also be available on the Listed Property page of Centuria's website at www.centuria.com.au/listed-property/investor-centre/.

– Ends –

For more information or to arrange an interview, please contact:

Nicholas Collishaw
CEO
Centuria Listed Property Funds
Phone: 02 8923 8923
Email: nicholas.collishaw@centuria.com.au

Heather Romao
Head of Communications
Centuria Capital Limited
Phone: 02 8923 8914
Email: heather.romao@centuria.com.au



Kate Bailey

Consultant

BlueChip Communication

Phone: 02 9018 8606 / 0421 986 328

Email: kate@bluechipcommunication.com.au

About us

Centuria Metropolitan REIT (**CMA**) is an ASX listed REIT focused on investing in office and industrial assets in metropolitan markets across Australia. The Fund's portfolio on completion of the transaction will comprise eight office and three industrial assets with an independent valuation of \$317 million.

Centuria Property Funds Limited (**CPFL**), which is a wholly-owned subsidiary of Centuria Capital Limited (**ASX: CNI**), is the Responsible Entity for the ASX-listed CMA. CPFL has approximately \$1 billion of property under management across CMA and 15 unlisted property funds.

CNI is an ASX-listed specialist investment manager with \$1.7 billion in funds under management.

Important Information

No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this document, or any events or results expressed or implied in any forward-looking statement. These statements can generally be identified by the use of words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "predict", "guidance", "plan" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and are by their nature subject to significant uncertainties, risks and contingencies. Actual results or events may differ materially from any expressed or implied in any forward-looking statement and deviations are both normal and to be expected. Past performance is not a reliable indicator of future performance. Please refer to the investor presentation released to the ASX today for information on key risks.