



Australian Securities Exchange – Company Announcements Platform

## Centuria Property Funds Limited

### CENTURIA METROPOLITAN REIT – MARCH 2015 DISTRIBUTION, MARKET UPDATE AND PROPERTY REVALUATIONS

**Sydney, 15 April 2015:** Centuria Property Funds Limited (**CPFL**) as responsible entity of Centuria Metropolitan REIT (**ASX: CMA** or the **Fund**) is pleased to announce for the period from ASX listing to 31 March 2015 the following:

- The Fund's distribution of 5.06 cents per CMA stapled security in line with PDS forecast;
- A market update highlighting the Fund's achievements since ASX listing; and
- An independent valuation of 3 Carlingford Road, Epping has been completed resulting in a \$4.5 million or 27% increase on prior book value.

#### Distribution for the period from ASX listing date to 31 March 2015

The distribution will be 5.06 cents per CMA stapled security. This equates to an annualised distribution yield of 8.25% on the ASX listing price of \$2.00, and is in line with the forecast provided in the Fund's Product Disclosure Statement (**PDS**) dated 11 November 2014. The distribution covers the period from 9 December 2014 to 31 March 2015.

On 8 April 2015, CPFL announced it had approved the introduction of a Distribution Reinvestment Plan (**DRP**) for CMA. The **DRP** will not apply to the distribution for the period from ASX listing date to 31 March 2015 given the relatively short period of time between CPFL approving the introduction of the **DRP** and the record date for this distribution.

For more information regarding the **DRP**, please refer to the **DRP** Rules which are available on the Listed Property page of Centuria's website at [www.centuria.com.au/listed-property/investor-centre/](http://www.centuria.com.au/listed-property/investor-centre/).

Key distribution dates:

Event	Date
CMA stapled securities trade ex-distribution	Monday, 20 April 2015
Record date	Wednesday, 22 April 2015
Payment date	Friday, 24 April 2015

## **Market update**

The Fund has had an active period since ASX listing, successfully executing a number of achievements in the period to 31 March 2015. These have included:

### **1. Locked-in low interest rates**

As announced on 15 December 2015, the Fund entered into a five year interest rate swap to hedge 100% of its drawn debt at ASX listing at an all-in interest rate of approximately 4.1%. This rate was lower, and the term of the swap was longer, than what was assumed in the PDS forecast.

### **2. Leasing success at 9 Help Street, Chatswood**

As announced on 19 February 2015, the Fund has reached agreement with CH2MHill Pty Ltd, the largest tenant at 9 Help Street, Chatswood, to extend its lease over its core premises of 1,815 square metres (sqm) for three years until 31 March 2019. As part of the agreement CH2MHill surrendered, in return for partial upfront payment to the Fund, approximately 1,102 sqm of surplus space. A portion of this space (588 sqm) has since been leased to a division of Lend Lease for use as project space.

These transactions have had the effect of increasing the building's lease expiry profile from 1.7 years at ASX listing date to 1.9 years as at 31 March 2015.

### **3. Draft master plan for 3 Carlingford Road, Epping lodged with Parramatta City Council**

The Fund, together with the owners of certain properties surrounding 3 Carlingford Road, lodged a draft master plan with Parramatta City Council to pursue re-zoning and development approval at 3 Carlingford Road and certain surrounding properties. 3 Carlingford Road is within the recently approved Epping Town Centre Activation Precinct, and is already zoned for residential development.

CPFL will update CMA stapled securityholders on the progress of the master plan as appropriate.

### **4. Security price performance**

As at 31 March 2015, CMA's closing price on the ASX was \$2.21, delivering investors a 10.5% return on the ASX listing price of \$2.00.

## **Independent valuation of 3 Carlingford Road, Epping**

The Fund's asset at 3 Carlingford Road, Epping was independently revalued as at 31 March 2015, resulting in a \$4.5 million or 27% increase on prior book value<sup>1</sup>. The increase in value may be attributed to increased developer interest generated by the planning progress of the previously announced Urban Activation Precinct and recent sales evidence.

As a result of this uplift in valuation the Fund's Net Tangible Asset backing per CMA stapled security (NTA) is estimated to be \$1.97 as at 31 March 2015<sup>1</sup>, which is up 6 cents compared to NTA of \$1.91 at ASX listing.

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<sup>1</sup> Valuation and NTA are unaudited. NTA is pro forma for the payment of the distribution for the period to 31 March 2015.



## Conclusion

Mr Nicholas Collishaw, CEO Listed Property Funds said: "It has been an extremely busy period post ASX listing. The leasing success at 9 Help Street, Chatswood and the lodgement of the draft master plan for 3 Carlingford Road, Epping reflects Centuria's continued progress on re-leasing and repositioning the Fund's assets."

"It is very pleasing to deliver an increased lease expiry profile at 9 Help Street and a 27% increase in the value at 3 Carlingford Road within our first four months following ASX listing. These successes further highlight the ability of Centuria to add value for CMA stapled securityholders", Mr Collishaw said.

– Ends –

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

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## 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 currently comprises five office and three industrial assets with an independent valuation of \$187.4 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 over \$865 million of property under management across CMA and 15 unlisted property funds.

CNI is an ASX-listed specialist investment manager with \$1.6 billion in funds under management.