



29 October 2014

Dear Shareholder,

Centuria Capital Limited – ASX Code: CNI

Centuria Capital Limited is pleased to advise shareholders of the final dividend payment for the year ended 30 June 2014 as well as to provide an update on recent activities.

Final Dividend

A final dividend of 1.50 cents per share has been paid today. Please find attached a dividend statement for your records. The dividend has been fully franked to 100% of the corporate tax rate. Together with the interim dividend paid in March 2014, total dividend payments for the year increased to 2.75 cents per share (fully franked).

Full Year Results

A results announcement for the full year ending 30 June 2014 is available under the News and Media tab of Centuria's website www.centuria.com.au.

The 2014 Annual Report will also be available on the website shortly under the Company Reports tab.

A summary of the performance and highlights for the year ended 30 June 2014 is as follows:

- Underlying NPAT increased by 10.6%
- Underlying EPS increased by 11.1%
- Dividends per Share (fully franked) increased by 120%
- Net Assets per Share increased by 9.6%
- Record result for the property funds division, recording NPAT of \$3.5 million
- Unlisted property funds division records \$99.6 million acquisition, the largest to date in Centuria's history
- Major offshore investment fund secured via Singapore office
- Launch of Centuria Credit Bond in August 2014 as part of the Centuria TaxAstute Series
- Strategic review of two non-core business units completed and these non-core assets have been monetised subsequent to balance date (see further information below).



Events Subsequent to FY14

In October 2014, Centuria announced to the market two significant capital transactions: the sale of its variable rate Reverse Mortgage Portfolio; and the sale of its insurance agency subsidiary, Over Fifty Insurance Pty Ltd.

The sales are summarised as follows:

- Sale of the variable rate reverse mortgage assets yielding \$32.6 million equity
- Sale of Over Fifty Insurance Pty Limited for \$5.2 million
- Combined a total of \$37.8 million equity released (prior to transaction costs and taxation impact which is minor).

These sales represent the successful implementation of Centuria's previously announced strategy. The sales release substantial capital from non-core assets, thereby strengthening the Group's balance sheet to support the growth of core businesses and the implementation of a number of capital management initiatives.

It is anticipated that capital will be allocated to the following areas;

- Co-investment in the forthcoming Centuria Metropolitan REIT
- Provide seed capital to secure assets for the unlisted property funds division
- Co-investment with CNI investors in value-add property projects arising from existing portfolio and co-investment with wholesale property clients
- Expanding CNI's investment bond business with the launch of the new Tax Astute products
- Free up working capital and ensure gearing remains modest
- Pursue accretive corporate acquisitions which complement existing business activities
- Centuria has also commenced an on-market share buy-back programme to purchase and cancel up to 10% of CNI shares on issue over a 12 month period.

These initiatives promote greater clarity of Centuria's market positioning as a Specialist Investment Manager and form part of CNI's long-term strategic plan.

We look forward to the 2015 financial year focussing on our two core divisions, property funds management and tax effective investment bonds, and the far greater free cash available to the group which will enhance our ability to grow these divisions substantially.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "J. McBain", with a large, stylized loop at the end.

John McBain
Group CEO