

1H16

Interim Results



60 Marcus Clarke Street, Canberra, ACT

CMA continued to deliver on its strategy:

- > Forecast distributions of 4.25 cents per stapled security paid quarterly in line with guidance
- > Secured 26 leasing transactions across 8,766 sqm¹ (approximately 7.8% of total portfolio NLA)
- > Portfolio occupancy increased to 97.3 per cent^{1,2} and WALE maintained at 4.8 year^{1,2}
- > Canberra sub-portfolio occupancy increased to 87 per cent from 76 per cent
- > Portfolio valuations increased by 3.9 per cent³ to \$379.2 million⁴
- > NTA increased by 8 cents to \$2.05 per stapled security
- > Portfolio weighted average cap rate firmed 28 basis points to 8.15 per cent⁴

1. Includes 7 transactions where terms have been agreed but subject to lease finalisation
2. By NLA
3. On a like for like basis, excluding 203 Pacific Highway, St Leonards (50% interest)
4. Including 203 Pacific Highway, St Leonards (50% interest)

- > Maintained a disciplined capital structure
 - > Gearing at 32 per cent within the Fund's 25-35 per cent target range
 - > Significant headroom on all debt covenants with no debt maturities until December 2019
- > Acquired 203 Pacific Highway St Leonards, a high quality metropolitan office asset in a market where competing supply is restrained
- > Reaffirm FY16 earnings and distribution guidance of 17.9 and 17.0 cents per stapled security, respectively.



Financial Overview

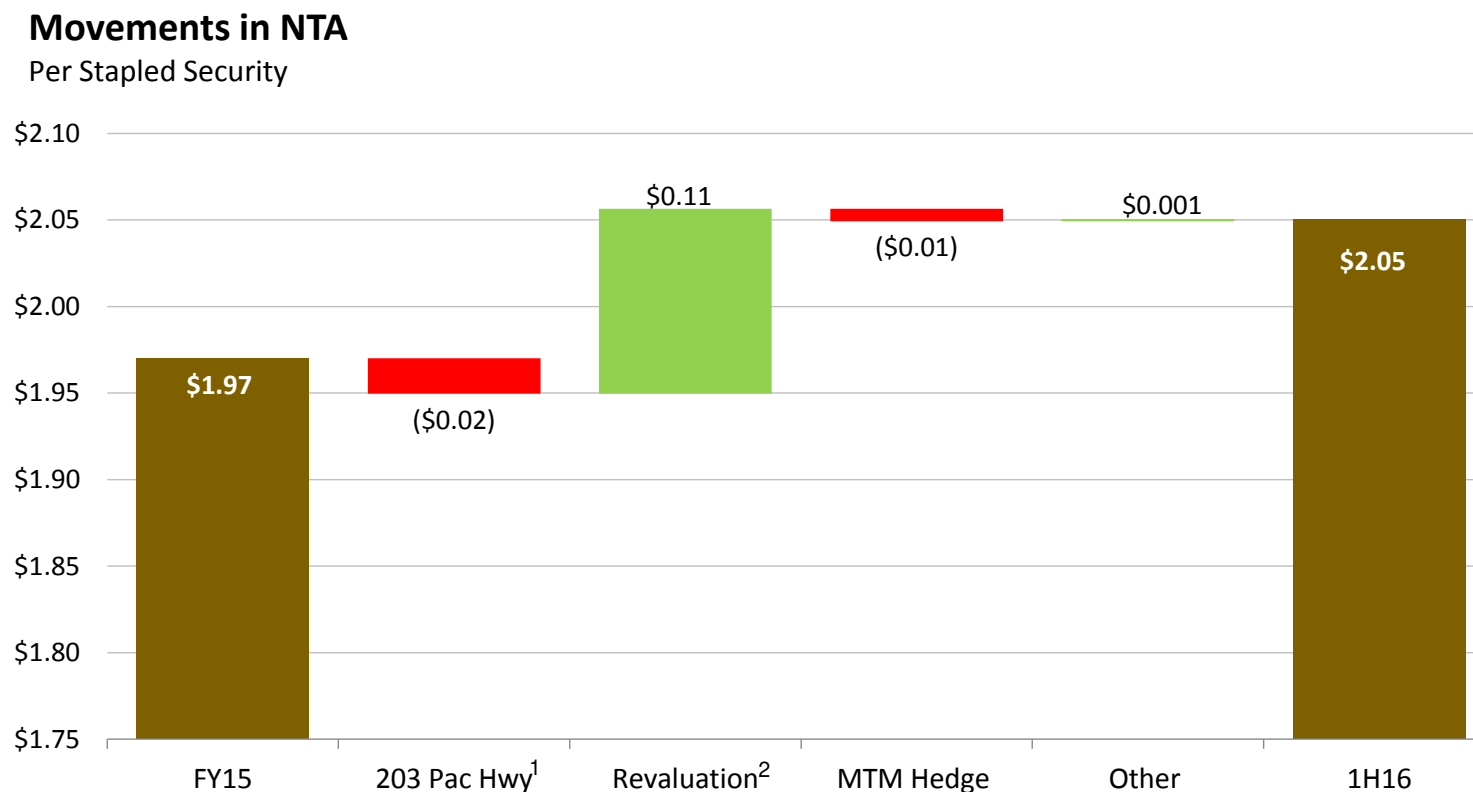
Financial snapshot		
Statutory profit/(loss)	(\$m)	19.3
Distributable earnings ¹	(\$m)	10.9
Distributable earnings per security	(cents)	9.1
Annualised distributable earnings yield ²	(%)	9.2
Distribution	(\$m)	10.1
Distribution per stapled security	(cents)	8.5
Annualised distribution yield ²	(%)	8.5

Balance sheet metrics		
Total assets	(\$m)	385.7
NTA per stapled security	(\$)	2.05
Gearing	(%)	32.0

1. Distributable earnings is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash and significant items. The Directors consider that distributable earnings reflect the core earnings of the Fund.

2. Based on CMA closing price of \$1.99 per security as at 5 February 2016

- > 8 cents (4.1%) increase in NTA per stapled security over 1H16 mostly driven by revaluation increase



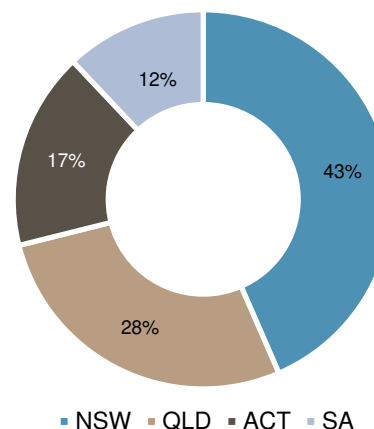
1. Net transaction costs associated with the acquisition
2. Includes 203 Pacific Highway uplift in valuation

Portfolio snapshot		
Number of assets	(#)	13
Book value	(\$m)	379.2
WACR	(%)	8.15
Occupancy ^{1,2}	(%)	97.3
FY16 expiries ³	(%)	8.6
WALE ^{1,2}	(years)	4.8

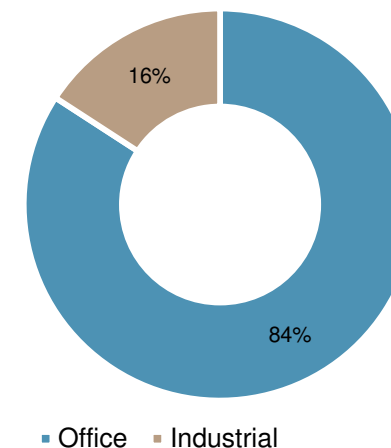
- > Portfolio is well diversified geographically with a well spread tenant base
- > Occupancy improved to 97.3% from 96.7% since 30 June 2015

1. Includes 7 transactions where terms have been agreed but subject to lease finalisation
2. By NLA
3. Inclusive of current vacancies

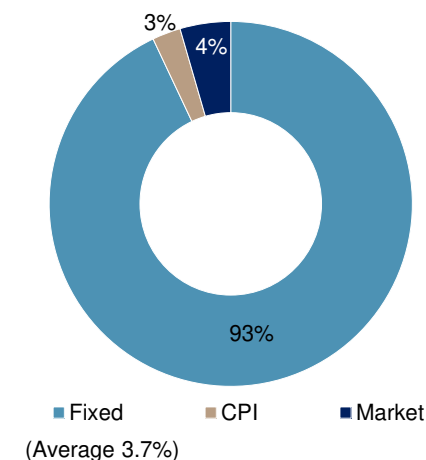
Geographic diversification (by value)



Asset type diversification (by value)



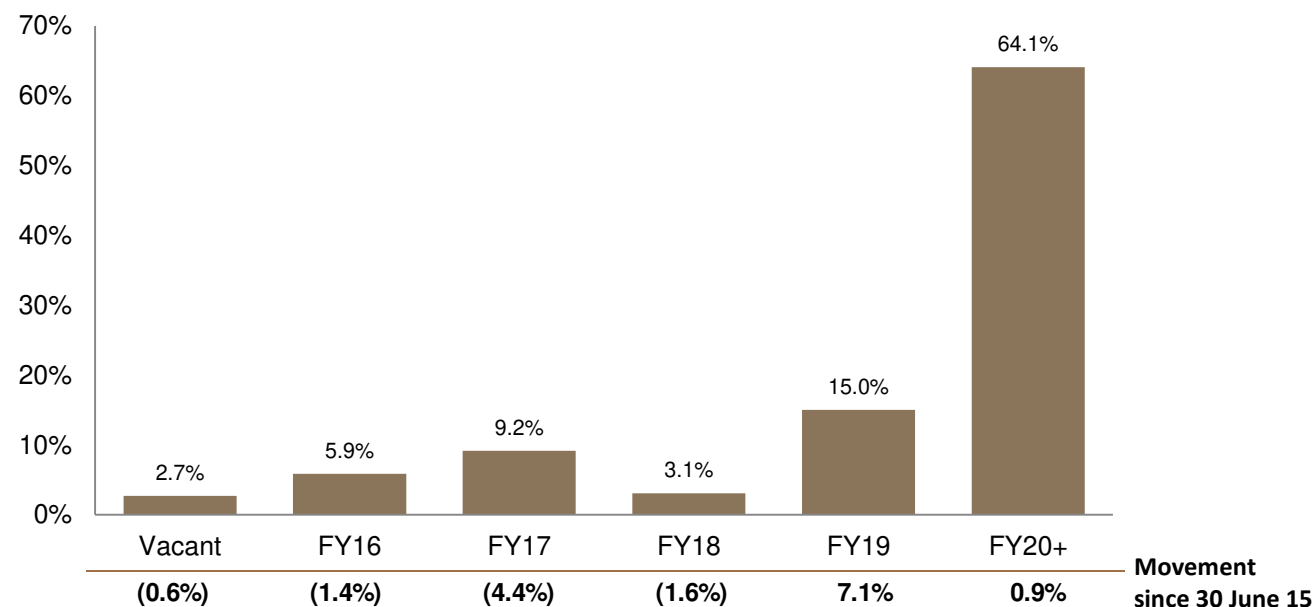
Rental Reviews



Portfolio Metrics

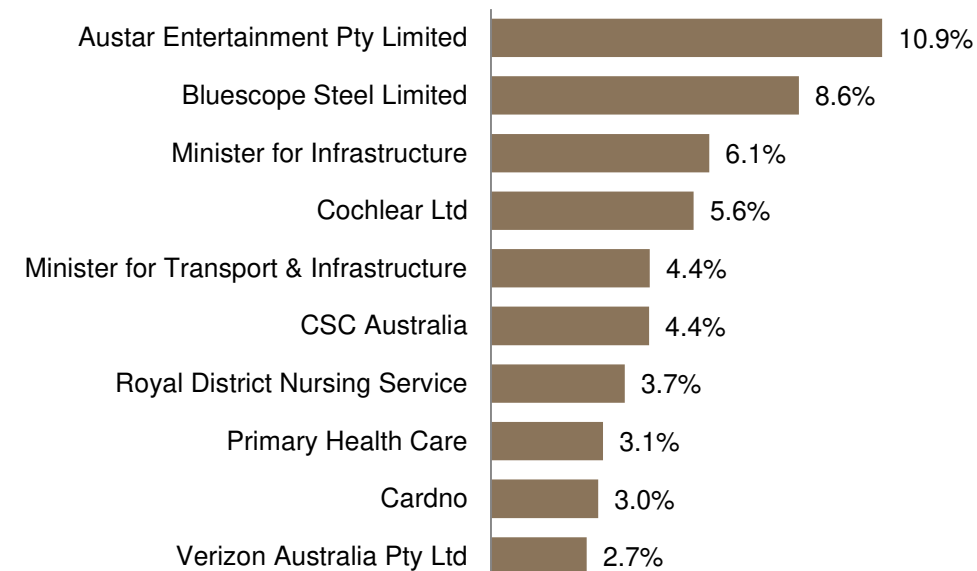
- > Occupancy of 97.3 per cent^{1,2}
- > Improved expiry profile since 30 June 2015 whilst maintaining a WALE of 4.8 years^{1,2}
- > Approximately 76 per cent of rental revenue derived from ASX listed, multinational, national and government tenants

Weighted Average Lease Expiry^{1,2}



1. Includes 7 transactions where terms have been agreed but subject to lease finalisation
2. By NLA

Tenant Diversification (top 10 tenants by gross income)



Significant Leasing Success

- > 26 lease transactions across 8,766 sqm¹ (approximately 7.8% of total portfolio NLA)
 - > 15 new leases across 5,409 sqm (including 10 new leases across 3,913 sqm of previously vacant space)
 - > 11 renewals across 3,357 sqm
- > Significant leasing success achieved in Canberra and Chatswood
 - > 1,417 sqm leased at 54 Marcus Clarke Street, Canberra
 - > 3,918 sqm leased at 60 Marcus Clarke Street, Canberra
 - > 2,314 sqm leased at 9 Help Street, Chatswood
- > Since acquisition in May 2015 the Canberra sub-portfolio occupancy has increased from 76 per cent to 87 per cent²



1. Includes 7 transactions where terms have been agreed but subject to lease finalisation
 2. Includes 4 transactions where terms have been agreed but subject to lease finalisation

Capital Transactions

- > 203 Pacific Highway, St Leonards was acquired for \$43.0 million¹ in partnership with Centuria unlisted funds
 - > Independent valuation at acquisition of \$43.5 million
 - > Positive acquisition opportunity for CMA leveraging the Centuria business platform
- > 11 storey A grade asset located above St Leonards rail station and adjacent to the Royal North Shore Hospital
 - > 100 per cent occupied by three major tenants with a 4.9 year WALE
 - > Attractive location for health care related tenants, such as Primary Health Care, who occupy 31 per cent of the property²
- > Acquisition is in line with CMA's investment strategy to invest in quality assets in metropolitan markets where competing supply is restrained

1. 50% interest before costs. Settlement occurred 23 December 2015

2. By gross income



203 Pacific Highway, St Leonards

Property type	Office
Purchase price (50% interest)	\$43.0m
Independent valuation (50% interest)	\$43.5m
Capitalisation rate	7.8%
Initial yield	8.0%
Net lettable area	11,737 sqm
Weighted average lease expiry (by NLA)	4.9 years
Occupancy (by NLA)	100%
Building constructed	2000

- > Two assets have been independently valued at 31 December 2015
 - > **9 Help Street Chatswood**
 - > Continued leasing success and ongoing transactional appetite for quality North Shore assets has resulted in an uplift in value of \$3.5 million (7.2 per cent) to \$52.0 million
 - > **3 Carlingford Road, Epping**
 - > Uplift in assumed unit lot sale price to \$250,000 based on current zoning has increased value to \$25.0 million (19 per cent)
 - > Draft masterplan currently before Council will enhance site density and provide for corresponding value uplift once approved
- > Total portfolio valuation uplift of 3.9 per cent¹
- > Portfolio WACR firmed by 28 basis points to 8.15 per cent²



Artist's impression 3 Carlingford Road, Epping

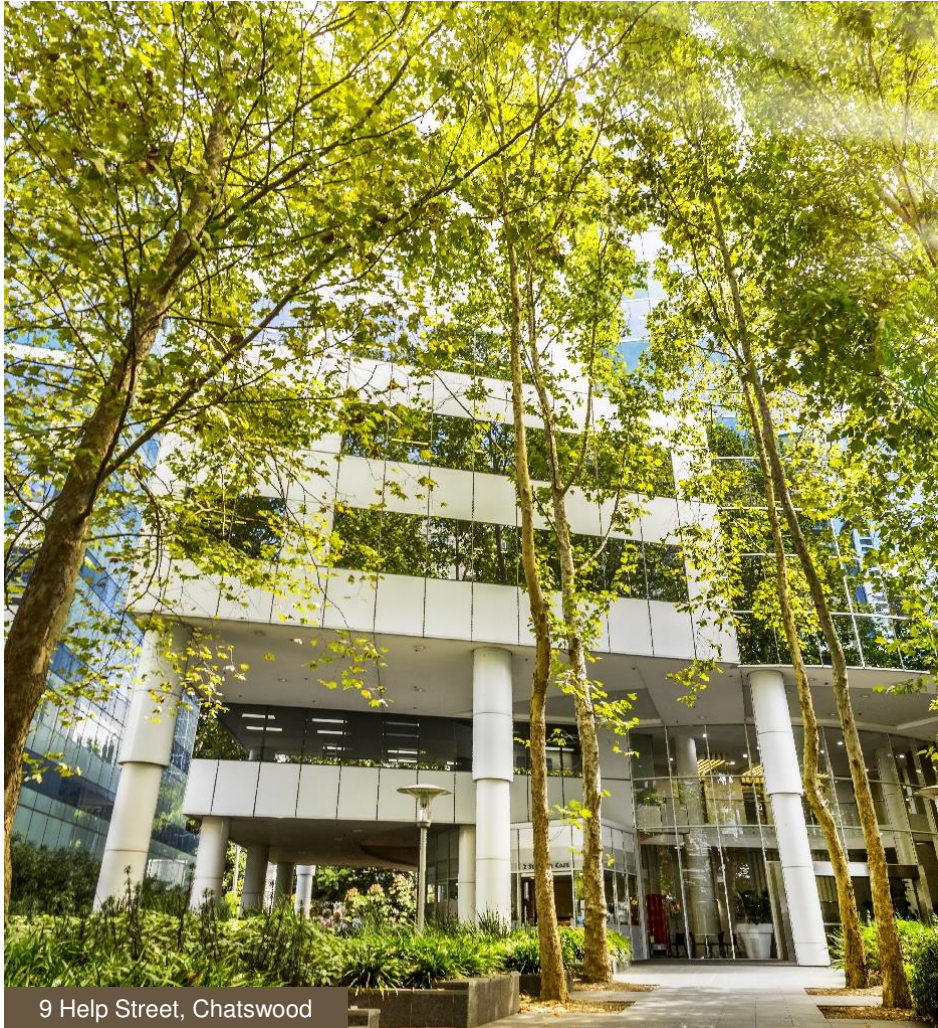
1. On a like for like basis, excluding 203 Pacific Highway
 2. Including impact of 203 Pacific Highway acquisition

Key valuation metrics		31 Dec 2015	30 Jun 2015
Book value	(\$m)	379.2	323.1
Capitalisation rate ²	(%)	8.15	8.43

- > Conservative gearing maintained at 32 per cent
 - > within the target range of 25-35 per cent
- > Long dated and staggered debt maturity profile with 65% of total debt hedged
- > Interest cost of 4.0 per cent¹
- > Significant financial headroom
 - > ICR and LTV covenants of 2 times and 50 per cent, respectively
 - > \$11.7 million undrawn capacity

Key debt metrics		
Facility limit	(\$m)	140.0
Drawn amount	(\$m)	128.3
Undrawn capacity	(\$m)	11.7
Weighted average debt expiry	(years)	4.4
Proportion hedged	(%)	65%
Weighted average hedge maturity	(years)	4.2
Interest cost ¹	(%)	4.0
Interest cover ratio	(x)	7.4

1. Including weighted average swap rate, facility establishment fees and all-in margins (base & line fees)



9 Help Street, Chatswood

- > CMA is well positioned to deliver on its promise to securityholders despite global uncertainty and equity market volatility
 - > Attractive financial profile with contracted rental growth
 - > Conservative capital structure
 - > Potential for capital growth over time
- > Tenant demand in metropolitan office markets is expected to remain strong due to restrained supply in calendar year 2016
- > Continued focus on portfolio leasing in order to maximise occupancy and to deliver enhanced income returns
 - > CMA is undertaking minor refurbishment works at 1 Richmond Road and 54 & 60 Marcus Clarke Street to maximise tenant appeal

- > CMA's strategy and ongoing focus remains unchanged
 - > Acquire quality 'fit for purpose' metropolitan real estate assets delivering a stable and secure income stream
 - > Execute initiatives to generate income and value uplift through active asset management, risk mitigation and repositioning strategies
 - > Emphasis on tenant retention to ensure occupancy and income are maximised
 - > Maintain a disciplined capital structure



9 Help Street, Chatswood

- > FY16 distributable earnings¹ guidance of 17.9 cents per stapled security reaffirmed
- > FY16 distribution guidance of 17.0 cents per stapled security delivered in equal quarterly payments
 - > Distribution yield of 8.5 per cent²
 - > Currently trading at 2.9 per cent discount² to \$2.05 NTA

1. Distributable earnings is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash and significant items. The Directors consider that distributable earnings reflect the core earnings of the Fund.

2. Based on CMA closing price of \$1.99 per security as at 5 February 2016



3 Carlingford Road, Epping

- > CMA's portfolio is in a stronger position today than when the Fund listed in December 2014
 - > Portfolio occupancy has increased
 - > Portfolio valuation has increased
 - > WALE has improved
- > CMA is meeting its forecasts and delivering on its strategy
 - > CMA generates a distribution yield of 8.5 per cent¹
 - > Further diversified the portfolio with the acquisition of five strategic acquisitions since listed
 - > Maintained a disciplined capital structure with gearing at 32 per cent



14 Mars Road, Lane Cove

1. Based on CMA closing price of \$1.99 per security as at 5 February 2016

Appendices

Appendix A – Income Statement

\$m	31-Dec-15
Revenue	
Gross property income	16.9
Straight lining of rental income ⁽¹⁾	0.8
Interest income	0.0
Total revenue	17.7
Expenses	
Direct property expenses	(3.6)
Responsible entity fees	(0.9)
Finance costs	(1.8)
Management and other administrative expenses	(0.5)
Total expenses	(6.8)
Sub-total	10.9
Investment properties revaluation gain / (loss)	9.3
Loss on fair value of derivatives financial instrument	(0.9)
Statutory net profit	19.3

Notes:

(1) Net of amortisation of leasing commissions and tenant incentives

Appendix B – Distribution Statement

\$m	31-Dec-15
Statutory net profit	19.3
Straight lining of rental income ⁽¹⁾	(0.8)
Investment properties revaluation gain / (loss)	(9.3)
Loss on fair value of derivatives financial instrument	0.9
Lease incentives funded by vendors on property acquisitions	0.7
Distributable earnings ⁽²⁾	10.9
Distribution	10.1
Distributable Earnings per stapled security (cents)	9.1
Distribution per stapled security (cents)	8.5
Annualised Distributable Earnings yield⁽³⁾ (%)	9.2
Annualised Distribution Yield⁽³⁾ (%)	8.5

Notes:

(1) Net of amortisation of leasing commissions and tenant incentives

(2) Distributable earnings is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash and significant items. The Directors consider that distributable earnings reflect the core earnings of the Fund.

(3) Based on CMA closing price of \$1.99 per security as at 5 February 2016

Appendix C – Balance Sheet

\$m	31-Dec-15
Cash	5.7
Investment properties	379.2
Other assets	0.8
Total assets	385.7
Interest bearing liabilities	127.3
Derivative financial instruments	1.6
Other liabilities	11.9
Total liabilities	140.8
Net assets	244.8
Stapled securities on issue (millions)	119.4
Net tangible assets per stapled security (\$)	2.05
Gearing (%) ⁽¹⁾	32.0%

Notes:

(1) Gearing is defined as interest bearing liabilities less cash divided by total assets less cash

Appendix D – Investment Portfolio

	State	Dec 15 Valuation	NLA (sqm)	WALE ¹ (years)	Occupancy ¹
Office					
9 Help Street, Chatswood	NSW	52.0	9,401	2.5	93.8%
203 Pacific Highway, St Leonards ²	NSW	43.5	11,737	4.9	100.0%
3 Carlingford Road, Epping	NSW	25.0	4,702	2.9	96.8%
44 Hampden Road, Artarmon	NSW	8.0	2,339	2.5	95.3%
54 Marcus Clarke, Canberra	ACT	14.8	5,161	2.7	80.2%
60 Marcus Clarke, Canberra	ACT	49.2	12,215	3.3	90.0%
35 Robina Town Centre Drive, Robina	QLD	47.3	9,814	7.8	100.0%
555 Coronation Drive, Brisbane	QLD	33.8	5,591	3.0	100.0%
1 Richmond Road, Keswick	SA	25.2	8,135	3.0	100.0%
131-139 Grenfell Street, Adelaide ³	SA	20.4	4,052	3.9	100.0%
Industrial					
13 Ferndell Street, Granville	NSW	17.1	15,301	4.3	100.0%
14 Mars Road, Lane Cove	NSW	19.3	10,601	6.0	100.0%
149 Kerry Road, Archerfield	QLD	23.6	13,774	9.0	100.0%
Total / weighted average		379.2	112,822	4.8	97.3%

Notes:

(1) Includes 7 transactions where terms have been agreed but subject to lease finalisation

(2) 50% interest

(3) Levels 5 - 9

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