



Australian Securities Exchange - Company Announcements Platform

Centuria Capital Group

Acquisition of 360 Capital Group's real estate platform

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- Centuria Capital Group "Centuria" to acquire the majority of 360 Capital Group's real estate funds management platform including co-investment interests in listed funds for a total of \$217m
- Transformational change with 63% increase in funds under management "FUM" from \$2.2bn to \$3.6bn
- Significant increase in recurring revenue (base management fees and co-investment distributions) forecast at 77% of total revenue
- Forecast FY17 underlying EPS yield 9.9%
- Forecast FY17 DPS yield 7.5%
- Centuria market capitalisation to increase from approximately \$80m to \$230 million (based on \$1.00 per security issue price) providing greater liquidity for its security holders
- Greater Balance Sheet strength enables Centuria to co-invest at the fund level aligning Centuria with the interests of its investors

Centuria Capital Group (**Centuria**) is pleased to announce it has agreed to acquire the majority of 360 Capital Group's (**TGP**) real estate management platform for \$217 million.

"The acquisition transitions Centuria to the next stage of growth, and is consistent with our strategy of growing the property funds platform, growing recurring revenues and an increased level of co-investment in managed funds," said John McBain, Group Chief Executive Officer.

The Transaction involves Centuria acquiring 360 Capital Investment Management Limited (**CIML**) the manager of 360 Capital Industrial Fund (**TIX**), 360 Capital Office Fund (**TOF**) and four unlisted real estate funds for \$91.5 million, plus \$10 million in cash in support of CIML's AFSL and net assets requirements.

The Transaction includes the acquisition of TGP's co-investment stakes in TIX (15.6%) and TOF (19.99%) for \$115.8 million. Centuria has also entered into a two year put and call option arrangement over TGP's equity interests in four unlisted funds in the sum of \$59 million.



Centuria's subsidiary, Centuria Property Funds Limited (CPFL), in its capacity as the Responsible Entity of Centuria Metropolitan REIT (CMA), announced it will acquire a further 8.8% of TOF from TGP, conditional on TOF unitholder approval.

The Transaction makes Centuria one of the largest ASX listed pure-play Australian real estate fund managers, with property FUM increasing to in excess of \$2.8 billion (\$3.6 billion in total FUM including its existing Investment Bond business).

Mr McBain said: "This transaction is transformational for Centuria and consistent with the Group's strategy to increase the scale of its property funds management platform, increase recurring revenues and expand access to distribution channels for third party capital".

"The TGP property platform is complementary with Centuria's platform as its funds under management are largely listed REITs while Centuria's existing property business is weighted towards unlisted property funds".

"On completion, Centuria will have substantially greater scale positioning it for growth. Centuria now has improved capacity to raise funds in the listed REIT market, unlisted real estate funds and in Centuria itself".

The \$900 million listed 360 Capital industrial Fund (TIX) will be renamed Centuria Industrial REIT. Centuria will utilise its integrated property services capability to preserve the income characteristics of the fund whilst seeking to add value through its hands-on management style.

The 360 Office Fund (TOF) will be renamed Centuria Urban REIT. Once the transaction is complete, and subject to market conditions being appropriate, the potential exists for CMA and TOF to merge and create a sector-dominant metropolitan office REIT with over \$600 million of assets.

"Centuria has a long term track record of delivering strong shareholder and investor returns. This transformational transaction will build on this success by delivering new growth opportunities and introducing a broader investor base to the Centuria platform," concluded Mr McBain.

- Ends -

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About Us

Centuria Capital "CNI" is an ASX-listed specialist investment manager with \$2.2 billion in funds under management. We offer a range of investment opportunities including listed and unlisted property funds as well as tax-effective investment bonds. Our drive, allied with our in-depth knowledge of these sectors and intimate understanding of our clients, allows us to transform opportunities into rewarding investments.

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