



Australian Securities Exchange - Company Announcements Platform

Centuria Capital Group

Proposed transaction overview

Transaction Overview

Centuria has agreed to acquire TGP's property funds management platform under CIML and the majority of TGP's co-investment holdings in TIX (15.6%) and TOF (19.99%). Centuria has also entered into a two year put and call option arrangement over the majority of TGP's equity interests in four unlisted funds (~\$59m) as part of the Transaction.

CIML		Co-Investment Holdings	Deferred Settlement
Managed Funds		Strategic Co-Investments	Unlisted Equity Interests
Listed	Unlisted		
360 Capital Office Fund (ASX:TOF)	360 Capital 111 St George's Terrace Property Trust	19.99% interest in TOF	42.3% interest in 360 Capital 111 St. George's Terrace Property Trust
360 Capital Industrial Fund (ASX:TIX)	360 Capital Retail Fund No. 1	15.6% interest in TIX	49.9% interest in 360 Capital Retail Fund No. 1
	360 Capital Havelock House Property Trust		38.8% interest in 360 Capital Havelock House Property Trust
	360 Capital 441 Murray Street Property Trust		35.7% interest in 360 Capital 441 Murray Street Property Trust

Property Funds Management

The purchase price of \$91.5 million for the funds management platform represents an FY17 annualised EBIT multiple of 10.0x. Centuria will leverage its existing capabilities to manage the new platform with only minimal increase in corporate overheads expected as a result of the transaction. Centuria has developed a detailed integration plan to ensure an orderly transition of the listed and unlisted funds.

Listed Co-investments

Centuria has agreed to acquire the majority of TGP's co-investment holdings in TIX (15.6%) and TOF (19.99%) for a total consideration of \$115.8 million.



Unlisted Equity Interests

Centuria has entered into put and call arrangements over the majority of TGP's equity interests in four unlisted funds managed by CIML for a fixed price consideration of \$58.9m. Centuria intends to arrange for the transfer of the majority of the unlisted equity interests into new or existing unlisted Centuria funds over the two-year period.

Transaction Funding

The Transaction will be funded as follows:

Sources	(\$m)	Uses	(\$m)
Available cash	27.1	Purchase of CIML property fund management rights	91.5
Vendor financing	50.0	CIML net assets acquired (predominantly cash)	10.0
Equity raising	150.0	Co-investments in TIX and TOF (including accrued distribution)	115.8
		Transaction and equity raising costs	9.7
Total Sources	227.1	Total Uses	227.1

TGP has agreed to provide Centuria with \$50m in vendor financing for a minimum period of 18 months. The vendor loan has been provided to allow Centuria adequate time after Transaction to establish a long-term financing arrangements via traditional banking channels.

Transaction Highlights

The Transaction and associated Equity Raising provides a range of benefits for new and existing Centuria investors including:

- creation of a leading property funds management platform that includes exposure to a dedicated ASX listed industrial REIT (TIX) and the potential to create the largest ASX listed metro focused office fund/REIT;
- significant improvement in Centuria's earnings quality with recurring revenues expected to increase from 65% to 77% post transaction;
- leverages Centuria's existing capabilities and under-utilised property platform;
- compelling market metrics offering investors an expected forecast FY17 PE multiple of 10.1x and FY17 DPS Yield of 7.5%



The Equity Raising

Centuria will raise \$150 million under the Equity Raising, comprising the Placement, Conditional Placement and an accelerated non-renounceable Entitlement Offer. Securities issued under the Offer will rank equally with existing securities on issues. The Equity Raising is fully underwritten by Moelis Australia Advisory Pty Ltd (Underwriter).

The Equity Raising is conditional on TGP unitholders approving a change of RE of TGP (from CIML to a new entity) at the AGM scheduled for 28 November 2016, and TOF unitholders approving the sale of TGP's 28.8% in TOF to Centuria (19.99%) and CMA (8.8%), at an EGM anticipated to be held on 23 December 2016.

Conditional Entitlement Offer

Under the Entitlement Offer, eligible securityholders are invited to participate on a pro-rata basis by subscribing for 1 new Centuria security for every 1 security owned at 7.00pm on 25 November 2016 at an issue price of \$1.00 per security.

The Entitlement Offer comprises an accelerated non-renounceable entitlement offer to Institutional Investors (Institutional Entitlement Offer) and a non-renounceable entitlement offer to Retail Investors (Retail Entitlement Offer).

Placement

Centuria is conducting a \$23 million Placement to new and existing Institutional and Sophisticated Investors at an issue price of \$1.00 per security.

Conditional Placement

Centuria is conducting a \$50 million Conditional Placement to new and existing Institutional Investors at an issue price of \$1.00 per security.

The Conditional Placement is also subject to approval of the issue of New Securities under the Conditional Placement by eligible CNI security holders at an EGM scheduled for 3 January 2017. If the Conditional Placement is not approved, the Conditional Placement new securities will not be issued. Centuria has entered into alternative funding arrangements in order to proceed with the Transaction.

Key dates

The key dates for the offer are set out in the following timetable. The key dates are subject to change.

<u>Indicative Offer Timetable</u>	<u>Date</u>
Trading Halt and announcement of the Transaction and Equity Raising	Wednesday, 23 November 2016
Placement, Conditional Placement & Institutional Entitlement Offer opens	Wednesday, 23 November 2016
Placement, Conditional Placement & Institutional Entitlement Offer closes	Thursday, 24 November 2016
Record date for Retail Entitlement Offer (7:00pm AEST)	Friday, 25 November 2016
TGP AGM	Monday, 28 November 2016
Retail Entitlement Offer Opens	Wednesday, 30 November 2016
TOF EGM to approve the sale of 28.8% stake by TGP to Centuria and CMA (Estimated)	Friday, 23 December 2016
Retail Entitlement Offer Closes (5:00pm AEST)	Wednesday, 28 December 2016
Record date for 1 st half interim dividend/distribution to be paid February 2017	Friday, 30 December 2016
Centuria EGM to approve Conditional Placement	Tuesday, 3 January 2017
Settlement of the Entitlement Offer, Placement & Conditional Placement (assuming Transaction is approved)	Thursday, 5 January 2017
Allotment under the Entitlement Offer, Placement & Conditional Placement (assuming Transaction is approved)	Friday, 6 January 2017
ASX quotation and dispatch of holding statements	Monday, 9 January 2017

Eligible retail securityholders will be sent details of the entitlement offer shortly. Retail securityholders with questions about the Offer should contact the Entitlement Offer Information Line on 1300 648 172 (from within Australia) or +61 3 9415 4140 (from outside Australia) or visit www.centuriacapitaloffer.com.au during the Retail Offer Period.

- Ends -



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

John McBain

CEO

Centuria Capital Limited

Phone: 02 8923 8910

Email: john.mcbain@centuria.com.au

Shalome Ruitter

Investor Relations Manager

Centuria Property Funds Limited

Phone: 02 8923 8962

Email: shalome.ruitter@centuria.com.au

Carden Calder

Media enquiries

BlueChip Communication

Phone: 02 9018 8601

Email: carden@bluechipcommunication.com.au

Katy Lithgow

Media enquiries

BlueChip Communication

Phone: 02 9018 8603

Email: katy@bluechipcommunication.com.au

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.

Any forward looking statements included in this announcement involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, CNI and its directors. In particular, they speak only as of the date of this announcement, they assume the success of CNI's business strategies, and they are subject to significant regulatory, business, competitive and economic uncertainties, risks and other factors. Actual future events may vary materially from forward looking statements and assumptions on which those statements are based. Other than as required by law, although they believe there is a reasonable basis for the forward looking statements, neither CNI nor its directors, officers, employees or any related body corporate, gives any representation, assurance or guarantee (express or implied) as to the accuracy or completeness of any forward looking statement or that the occurrence of any event, result, performance or achievement will actually occur. Recipients are cautioned not to place undue reliance on such forward looking statements.