



Australian Securities Exchange - Company Announcements Platform

Centuria Property Funds Limited

CENTURIA METROPOLITAN REIT

Centuria Metropolitan REIT's proposed acquisition of an 8.76% stake in 360 Capital Office Fund

Sydney, 23 November 2016 Centuria Property Funds Limited (**CPFL**), as Responsible Entity of Centuria Metropolitan REIT (**CMA**), announces that it has contracted with 360 Capital Investment Management Limited (**CIML**) to acquire a strategic interest of 6,423,084 units (representing 8.76%) in the 360 Capital Office Fund (**TOF**) for \$2.25 per unit from 360 Capital Group (**TGP**) and its subsidiaries (**Proposed Acquisition**).

Centuria Capital Group (**CNI**) today also announced its intention to acquire CIML, which is the responsible entity of TOF, as well as a 19.99% interest in TOF units (excluding the units acquired by CMA) as part of a broader transaction between TGP and CNI (**Manager Proposal**).

The Proposed Acquisition is conditional on the approval of TOF unitholders at an extraordinary general meeting expected to be held on or around Friday 23rd December and the successful completion of the Manager Proposal.

Subject to these conditions being met, the Proposed Acquisition is expected to complete on or around 9 January 2017.

The TOF units to be acquired by CMA under the Proposed Acquisition represent approximately 8.76% of TOF units on issue. The acquisition price of \$2.25 per unit reflects TOF's net tangible asset backing (NTA) as at 30 June 2016 of \$2.25 per unit. The total acquisition cost is approximately \$14.5 million.

The TOF portfolio is complementary to CMA's property portfolio. Accordingly, the acquisition of the 8.76% strategic interest in TOF represents an investment in, and exposure to, similar underlying assets for CMA stapled securityholders. CMA's intentions in relation to its 8.76% stake are as follows:

- to maintain the investment as a long term strategic investment;
- to maximise the return on CMA's investment through supporting active asset management and strategic initiatives; and
- to support the on-going management of TOF by CIML.

CPFL believes that the property portfolios of CMA and TOF are highly complementary and it is currently CPFL's intention to consider a merger of CMA and TOF at some time in the future. Any proposal will need to be in the best interests of both groups of investors. At this stage no terms or other details in relation to any potential merger have been determined.

The Proposed Acquisition will be funded from existing debt facilities. CMA's gearing upon completion of the acquisition will remain below 35%.

CPFL reaffirms its FY17 distributable earnings guidance of 18.7 – 19.0 cps with FY17 distribution guidance unchanged at 17.5 cps.



- Ends -

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About Centuria Metropolitan REIT

Centuria Property Funds Limited (CPFL) which is a wholly-owned subsidiary of Centuria Capital Group (CNI), is the Responsible Entity for the ASX-listed Centuria Metropolitan REIT (CMA). CMA focusses on investing in real estate assets in metropolitan markets across Australia and holds a portfolio of assets valued at \$398.7 million diversified across Sydney, Brisbane, Canberra and Adelaide.

CPFL has approximately \$1.5 billion of property under management in 14 unlisted property funds and 1 listed fund.

CNI is an ASX-listed specialist investment manager with \$2.2 billion in total funds under management.