



Australian Securities Exchange – Company Announcements Platform

Centuria Property Funds Limited CENTURIA METROPOLITAN REIT

CMA Q1 FY18 OPERATING UPDATE

Wednesday, 25 October 2017

Centuria Property Funds Limited (**CPFL**), as Responsible Entity of Centuria Metropolitan REIT (**ASX:CMA**), is pleased to provide CMA's operating update for Q1 FY18.

Key CMA highlights during the quarter

- Increased portfolio occupancy¹ 1.3% to 98.6%
- Increased WALE² to 4.3 years
- Agreed 12 leases over 3,473sqm, representing 2.1% of portfolio NLA
- Reduced FY18 lease expiry² from 4.7% to 3.6%
- On-strategy acquisition of two assets in Western Australia valued at \$91.8 million³ growing portfolio value to \$760 million⁴
- Successfully completed a \$90 million capital raising, increasing CMA's market capitalisation to over \$500 million⁵
- Reduced gearing⁶ by 2.5% to 27.0%
- Added to the S&P/ASX 300 AREIT Index on 18 September 2017
- Generated a rolling 12-month total return of 18.9%, significantly outperforming the S&P/ASX 300 AREIT Index

CMA Trust Manager, Mr Nicholas Blake commented: "The first quarter of FY18 has seen CMA continue to bed down significant activity in the portfolio which translates to a meaningful benefit to CMA securityholders. Particularly pleasing is the addition of CMA to the S&P/ASX 300 Index in September, a significant milestone for the Trust."

¹ By area

² Weighted by gross income

³ Before transaction costs

⁴ Assumes Williams Landing, VIC as if complete

⁵ Based on the closing CMA security price of \$2.42 per security on 29 September 2017

⁶ As at 30 September 2017, unaudited

Property portfolio and leasing

Leasing momentum has continued into the first quarter with a total of 3,473sqm leased or at heads of agreement, reflecting 2.1% of the portfolio’s lettable area.

This significant leasing activity has improved portfolio occupancy to 98.6% and reduced remaining FY18 lease expiry to 3.6%.

A significant portion of this leasing activity relates to new lease transactions at 54 and 60 Marcus Clarke Street, Canberra ACT – lifting the combined occupancy and WALE to 95.8% and 3.3 years respectively.

Significant leases agreed in the quarter include:

- 54 Marcus Clarke Street, Canberra ACT
 - A new 10 year lease over 622sqm to Marcus Clarke Chambers
 - A new 5 year lease over 224sqm to Savills
 - A new 7 year lease over 321sqm to Lead ASN

- 60 Marcus Clarke Street, Canberra ACT
 - A new 5 year lease over 425sqm to Evolve FM
 - A new 5 year lease over 436sqm to Slater & Gordon

- 42-46 Colin Street, West Perth WA
 - A new 10 year lease over 492sqm to GeersSullivan

- 9 Help Street, Chatswood NSW
 - A 5 year renewal over 412sqm to Imagination Technologies

	1QFY18	FY17	Movement
Portfolio occupancy	98.6%	97.3%	↑ 1.3%
Portfolio WALE	4.3y	3.9y	↑ 0.4y
FY18 lease expiry	3.6%	4.7%	↓ 1.1%
FY19 lease expiry	14.7%	16.9%	↓ 2.2%



Capital management

CMA has been well supported in equity capital markets during the quarter, raising an additional \$90 million of equity to fund acquisitions.

At 30 September 2017, CMA's gearing reduced by 2.5% to 27.0%.

Transactions

CMA continues to pursue the acquisition of quality 'fit for purpose' metropolitan office assets to enhance its investment portfolio.

During the quarter CMA settled the acquisition of two assets in Perth, Western Australia for \$91.8 million. These properties are 100% leased with a WALE of 4.3 years as at 30 September 2017.

Additionally, in late June CMA entered an agreement to acquire a 12,919sqm asset currently under construction in Williams Landing, Victoria. The asset will be 100% leased to Target Australia for 10 years from completion, expected in January 2019. These recent acquisitions are detailed below.

CMA now holds a portfolio of 18 high quality assets which, on completion of these transactions, have an investment value of \$760 million.

Property name	Purchase price	Yield	WALE
42-26 Colin Street, West Perth	\$33,600,000	8.7%	4.9
144 Stirling Street, Perth	\$58,200,000	9.2%	3.7
2 Kendall Street, Williams Landing	\$58,200,000	6.5%	10.0
Total	\$150,000,000	8.0%	5.8

FY18 guidance

CMA reaffirms its FY18 distributable earnings guidance of 18.6 cents per security. Distribution per security guidance is 18.1 cents per unit.

Distributions will continue to be paid in equal quarterly instalments, fulfilling CMA's securityholders desire for regular and predictable income.

Based on CMA's closing security price of \$2.42 per security on 29 September 2017, CMA is delivering a distribution yield of 7.5%.



CMA Trust Manager, Mr Nicholas Blake commented:

“Our hands on management approach continues to deliver increased occupancy, reduction of future lease expiries and new acquisitions, growing our well-diversified portfolio to \$760 million in value.”

– Ends –

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

Nicholas Blake

Trust Manager

Centuria Metropolitan REIT
Phone: 02 8923 8923
Email: nicholas.blake@centuria.com.au

Natalie Powell

Chief Marketing Officer

Centuria Property Funds Limited
Phone: 02 8923 8923
Email: natalie.powell@centuria.com.au

Hengky Widjaja

Senior Analyst, Listed Property

Centuria Metropolitan REIT
Phone: 02 8923 8923
Email: hengky.widjaja@centuria.com.au

Katy Lithgow

Senior Consultant

BlueChip Communication
Phone: 02 9018 8603
Email: katy@bluechipcommunication.com.au

About Centuria Property Funds Limited

Centuria Property Funds Limited (CPFL), a wholly-owned subsidiary of Centuria Capital Group (CNI), is the Responsible Entity for the ASX listed Centuria Metropolitan REIT (CMA).

CPFL, combined with Centuria Property Funds No. 2 Limited (CPF2L), the Responsible Entity for the ASX listed Centuria Industrial REIT (CIP), has \$3.4 billion of funds under management in 16 unlisted property funds, one open-ended diversified property fund and two listed REITs.

CNI is an ASX-listed specialist investment manager with \$4.2 billion in total funds under management.

www.centuria.com.au