



Australian Securities Exchange - Company Announcements Platform

**Centuria Property Funds No. 2 Limited as
responsible entity for
CENTURIA URBAN REIT**

**Extraordinary General Meeting Script –
Chairman's address to CUA Unitholders**

Sydney, 14 June 2017

Welcome

Good morning ladies and gentlemen. My name is John Slater and I am the chairman of the board of directors of Centuria Property Funds No. 2 Limited, the Responsible Entity of Centuria Urban REIT.

On behalf of the board, I would like to welcome you to this Extraordinary General Meeting of unitholders in Centuria Urban REIT (which I will refer to as CUA) to vote on a proposal to merge CUA with Centuria Metropolitan REIT (which I will refer to as CMA).

It is now 10:00am and I declare that this meeting of CUA Unitholders is open.

Quorum

I note that the quorum requirement for this meeting has been satisfied.

In attendance today are my fellow board members Michael Figg, Independent Non-Executive Director, and Robert Lloyd, Independent Non-Executive Director.

Nicholas Collishaw, CEO Listed Property Funds Management, Doug Hoskins, CUA Trust Manager and Charisse Nortjé, Company Secretary are also in attendance.

Notice of meeting

A notice of meeting dated 12 May 2017, including an explanatory memorandum and proxy form, was sent to CUA Unitholders in order to convene this meeting. I will take the notice of meeting and explanatory memorandum as read.

The Proposal

The explanatory memorandum contains detailed information about the Proposal.



On 3 March 2017, Centuria Property Funds No. 2 Limited (which I will refer to as CPF2L) as Responsible Entity of CUA, announced that it had entered into a Scheme Implementation Agreement with Centuria Property Funds Limited (or CPFL) as Responsible Entity of CMA for CMA to acquire all of the issued units in CUA in an “NTA-for-NTA” merger of equals transaction by way of Trust Scheme.

On 21 April 2017, CPF2L announced that the Scheme Implementation Agreement had been amended to include a condition precedent to the Proposal that non-associated CMA Unitholders approve the acquisition by CMA under the Proposal of CUA Units held by a subsidiary of Centuria Capital Group (or CNI). CNI is the parent company of CPFL and CPF2L.

This condition has now been satisfied.

CPFL has put forward the Proposal to, in effect, merge CUA and CMA to create a combined entity which CPFL considers will have greater scale, diversification and synergies for the benefit of both CUA and CMA Unitholders.

Proposal overview

If the Proposal is implemented, CUA will become wholly owned by CMA and eligible CUA Unitholders will receive:

- 0.88 New CMA Units for every 1 CUA Unit held (Scrip Consideration); plus
- \$0.23 cash consideration for every 1 CUA Unit held (Cash Consideration).

Ineligible Foreign Unitholders will not receive any New CMA Units under the Scheme, but will receive the Cash Consideration and the proceeds of sale (net of brokerage) by the Nominee of the New CMA Units to which the Ineligible Foreign Unitholders would otherwise be entitled as Scrip Consideration.

Entitlements to distribution

CUA Unitholders, whose CUA Units are to be acquired by CMA, will be entitled to a distribution of up to 3.75 cents per CUA Unit to be paid in respect of the period 1 April 2017 to the Distribution Entitlement Date (expected to be 28 June 2017). From the issue to them of New CMA Units, CUA Unitholders will participate fully in CMA distributions for any subsequent distribution periods commencing after the Distribution Entitlement Date.

Why should CUA Unitholders vote in favour of the Proposal?

If implemented, the Proposal will provide Scheme Unitholders who receive New CMA Units with an investment in a Merged Group that will be one of the largest metropolitan office-focused REITs on the ASX.

The Proposal offers the following potential benefits:

- significant distributable earnings accretion;
- a material increase in scale and diversification;
- the continuation of the metropolitan office investment mandate;
- a reduction in ongoing base management fee; and



- an improved trading liquidity and increased market capitalisation with potential for S&P/ASX 300 Index inclusion.

Loneragan Edwards & Associates was appointed as the independent expert and has concluded that the Proposal is fair and reasonable to, and in the best interests of, non-associated CUA Unitholders in the absence of a superior proposal.

Items of business

I will now move on to the formal matters before today's meeting. The business of this meeting is to consider and, if thought fit, to pass the two resolutions in the notice of meeting.

Voting

Voting on the Resolutions will be conducted by way of a poll. On a poll, each CUA Unitholder present in person or by proxy has one vote for each dollar of its total interest held in CUA.

On arriving this morning, you will all have received a voting card. These cards are colour coded to help us clearly identify those entitled to vote and ask questions at the meeting today.

Those persons holding a YELLOW card are entitled to both speak and to vote on the resolutions to be put to CUA Unitholders at the meeting, except for those CUA Unitholders excluded from voting on a particular resolution as set out in the notice of meeting. Those who have been given a YELLOW card will notice that the resolutions and voting boxes are on the back of these cards.

Those holding a BLUE card are not entitled to vote but are entitled to speak at the meeting. If you are holding a WHITE card then you are visitor and you are not entitled to vote or speak at the meeting.

As set out in the notice of meeting, voting on the resolutions will be decided by way of a poll. Please hold on to your voting card to vote on the resolutions. Your voting card will be collected after the vote. You should only vote on the resolutions when I as Chairman ask you to complete the YELLOW card.

When voting on the resolutions is complete, we will close the meeting and publish the results of the poll as soon as possible through a release made to the ASX.

I appoint Emma Collins from Boardroom Pty Limited as returning officer. The Returning Officer will arrange for the collection of all voting cards, the counting of the votes in accordance with the voting exclusions as set out in the notice of meeting and then advise me of the results of the poll.

Resolution 1 is an ordinary resolution and will be passed if more than 50% of the votes cast on the resolution by CUA Unitholders who are entitled to vote are in favour of the resolution.

Resolution 2 is a special resolution and will be passed if at least 75% of the votes cast on the resolution by CUA Unitholders who are entitled to vote are in favour of the resolution.

In accordance with section 253E and item 7 of section 611 of the Corporations Act, CPF2L (the responsible entity of CUA), CPFL as responsible entity of CMA, CNI and their associates will not be entitled to vote their securities on the proposed resolutions.



Accordingly, CPF2L will disregard any votes cast on those resolutions by CPF2L, CPFL, CNI and their associates. I intend to vote as Chairman all open proxies in favour of the two resolutions.

Persons holding CUA Units at 7:00 pm (Australian Eastern Standard Time) on Tuesday, 13 June 2017 will, for the purposes of determining voting entitlements at the EGM, be taken to be CUA Unitholders.

I intend to read out and propose each of the resolutions and then to conduct a poll.

Resolution 1 – Acquisition Resolution

Resolution 1 is an ordinary resolution and will be passed if more than 50% of the votes cast on the resolution are in favour.

The proxy votes received for Resolution 1 are as follows:

For:	85.57%
Against:	00.17%
Open:	14.26%
Abstain:	00.00%

I now move that the following resolution be adopted by passing an ordinary resolution as set out in the notice of meeting: ***“That, subject to the passing of Resolution 2, for the purposes of item 7 section 611 of the Corporations Act 2001 (Cth) and for all other purposes, the acquisition of units in the Centuria Urban REIT ARSN 106 453 196 by Centuria Property Funds Limited ACN 086 553 639, as Responsible Entity of Centuria Metropolitan REIT ARSN 124 364 718, on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting, be approved.”***

Resolution 2 – Constitutional Amendment Resolution

Turning to Resolution 2, it is a special resolution and will be passed if at least 75% of the votes cast on the resolution are in favour.

The proxy votes received for Resolution 2 are as follows:

For:	85.64%
Against:	00.10%
Open:	14.26%
Abstain:	00.00%

I now move that the following resolution be adopted by passing a special resolution as set out in the notice of meeting: ***“That, subject to the passing of Resolution 1, in accordance with section 601GC(1)(a) of the Corporations Act 2001 (Cth), the Constitution of the Centuria Urban REIT ARSN 106 453 196 be amended as set out in the Supplemental Deed attached as Annexure 3 to the Explanatory Memorandum accompanying this Notice of Meeting.”***

At this point, I would like to give you the opportunity to ask any questions you may have in relation to the two resolutions or the Proposal?

I now call for a poll on the resolutions.



Accordingly, if you would complete any voting cards, I will ask Boardroom to collect them for the purposes of the poll.

As the counting of votes and the conduct of the poll may take some time, I propose to close the meeting and to publish the results of the poll as soon as possible through a release made to the ASX.

CLOSURE

That ends the meeting which I now declare closed. Thank you all for your attendance and interest and we look forward to your continued support.

- Ends -

For further information, please contact:

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About Centuria Property Funds No. 2 Limited

Centuria Property Funds No. 2 Limited (CPF2L), a wholly-owned subsidiary of Centuria Capital Group (CNI), is the Responsible Entity for the ASX listed Centuria Urban REIT (CUA) and Centuria Industrial REIT (CIP).

CPF2L, combined with Centuria Property Funds Limited (CPFL), the Responsible Entity for the ASX listed Centuria Metropolitan REIT (CMA), has approximately \$3.0 billion of funds under management in 17 unlisted property funds and 3 listed REIT's.

CNI is an ASX-listed specialist investment manager with \$3.8 billion in total funds under management.