



5 December 2017

ASX Market Announcements
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam

Centuria Metropolitan REIT (ASX Code: CMA): Accelerated pro-rata non-renounceable entitlement offer

Notice under section 1012DAA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Centuria Property Funds Limited ACN 086 553 639 as responsible entity of the Centuria Metropolitan REIT (**CMA**), under section 1012DAA(2)(f) of the Corporations Act 2001 (Cth) (**Corporations Act**), as modified by Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**Legislative Instrument**).

CMA has today announced an accelerated pro-rata non-renounceable entitlement offer to raise approximately \$60 million (before costs) (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by Moelis Australia Advisory Pty Ltd (**Moelis**) and UBS AG, Australia Branch (**UBS**) (together, the **Underwriters**), subject to the terms of the underwriting agreement.

The Entitlement Offer comprises the issue of 1 new CMA unit (**New Unit**) for every 8.65 Units in CMA held by eligible existing CMA unit holders at 7pm (AEST) on 7 December 2017 (**Eligible Unitholders**).

The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) seeks to raise approximately \$25 million (before costs).

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) seeks to raise approximately \$35 million (before costs).

With respect to the Entitlement Offer, CMA advises that:

- (a) the Units will be issued without a product disclosure statement under Part 7.9 of the Corporations Act;
- (b) this notice is being given under section 1012DAA(2)(f) of the Corporations Act, as modified by the Legislative Instrument;
- (c) as a disclosing entity, CMA is subject to regular reporting and disclosure obligations;
- (d) as at the date of this notice, CMA has complied with:
 - (1) the provisions of Chapter 2M of the Corporations Act as they apply to CMA; and
 - (2) section 674 of the Corporations Act as it applies to CMA;
- (e) as at the date of this notice, there is no excluded information of the type referred to in sections 1012DAA(8) or 1012DAA(9) of the Corporations Act; and
- (f) in respect to section 1012DAA(7)(f) of the Corporations Act, the potential effect of the issue of the Units pursuant to the Entitlement Offer on the control of CMA and the consequences

of that effect will depend on a number of factors, including the extent to which Eligible Unitholders take up the Units under the Entitlement Offer.

The potential effect of the Entitlement Offer on control is summarised below:

- If all Eligible Unitholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of CMA;
- If 50% of Eligible Unitholders take up their entitlements under the Entitlement Offer, then new investors¹ will receive 12.6 million Units (being 5.2% of units on issue in CMA following the Entitlement Offer) and the interests of those Eligible Unitholders who do not take-up their entitlements under the Entitlement Offer will be diluted;
- If 25% of Eligible Unitholders take up their entitlements under the Entitlement Offer, then new investors² will receive 18.8 million Units (being 7.8% of units on issue in CMA following the Entitlement Offer) and the interests of those Eligible Unitholders who do not take-up their entitlements under the Entitlement Offer will be diluted; and
- If no Eligible Unitholders take up their entitlements under the Entitlement Offer, then new investors³ will receive 25.1 million Units (being 10.4% of the units on issue in CMA following the Entitlement Offer) and the interests of all Eligible Unitholders will be diluted.

The securities offered under the Entitlement Offer will represent 10.4% of the total number of securities (post raising). Moelis currently have no interest in any securities in CMA and UBS have an interest of less than 1% in securities in CMA⁴.

The Underwriters are seeking sub-underwriting commitments for the Units to be issued under the Entitlement Offer. However, even if those sub-underwriting commitments do not eventuate or are defaulted on, the maximum percentage of new Units which:

- Moelis could hold, assuming no other investor or unitholder take-up of the Units offered in the Entitlement Offer, would be 5.2% of the Units on issue in CMA following the Entitlement Offer; and
- the maximum percentage of new Units which UBS could hold, assuming no other investor or unitholder take-up of the Units offered in the Entitlement Offer, would be no more than 5.2% plus the interest of less than 1% disclosed above of the Units on issue in CMA following the Entitlement Offer .

CNI sub-underwriting

Centuria Capital Limited ACN 095 454 336 (CNI) has voting power of 19.9% in CMA.

CNI will sub-underwrite part of the Retail Entitlement Offer.

CNI will not sub-underwrite the Institutional Entitlement Offer.

The following table sets out the voting power of CNI in CMA in the following scenarios:

	Retail take-up (%)	Total theoretical voting power held by CNI
Scenario A	0%	21.6%
Scenario B	50%	20.7%
Scenario C	100%	19.9%

¹ Potentially including the Underwriters and certain sub-underwriters appointed in relation to the Entitlement Offer.

² Potentially including the Underwriters and certain sub-underwriters appointed in relation to the Entitlement Offer.

³ Potentially including the Underwriters and certain sub-underwriters appointed in relation to the Entitlement Offer.


⁴ Based on the current knowledge of UBS.

The maximum total theoretical percentage interest by which CNI would increase its holding in CMA would be 1.6%.

No person other than CNI will exceed the 20% acquisition limit.

The interests of Eligible Unitholders who do not take up their entitlements under the Entitlement Offer will be diluted. CMA's Unitholders who are not Eligible Unitholders (being foreign Unitholders to whom an Entitlement Offer will not be made) are not entitled to participate in the Entitlement Offer and their percentage holding in CMA will also be diluted.

Yours faithfully,



James Lonie
Company Secretary

About Us

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). CMA focusses on investing in office and industrial assets in metropolitan markets across Australia and holds a portfolio of assets diversified across Sydney, Brisbane and Adelaide.

CPFL, combined with Centuria Property Funds No.2 Limited (CPF2L), has approximately \$3.0 billion of funds under management in 17 unlisted property funds and 2 listed REIT's.

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