

# Centuria Metropolitan REIT

FY18 RESULTS | ASX:CMA | 21 AUGUST 2018



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SECTION ONE

# Introduction



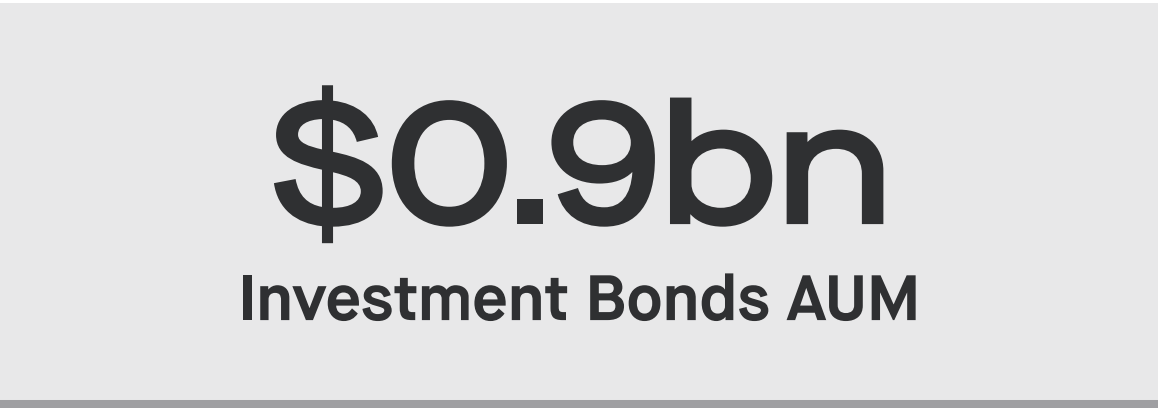
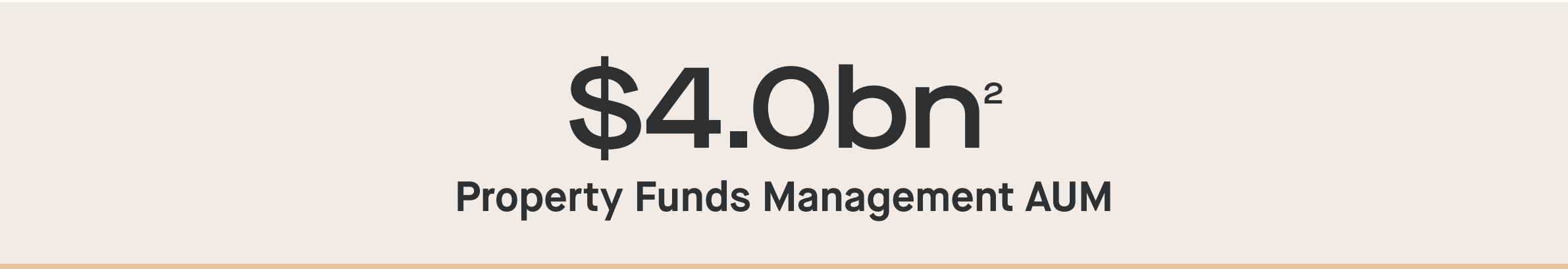




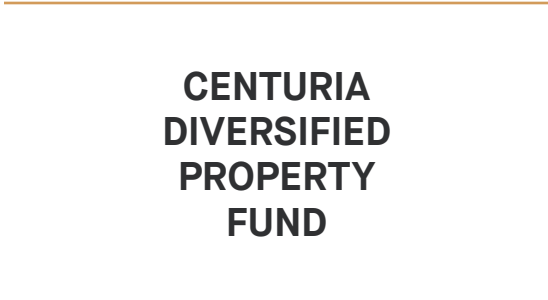
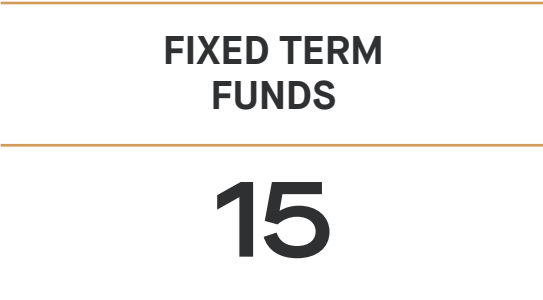
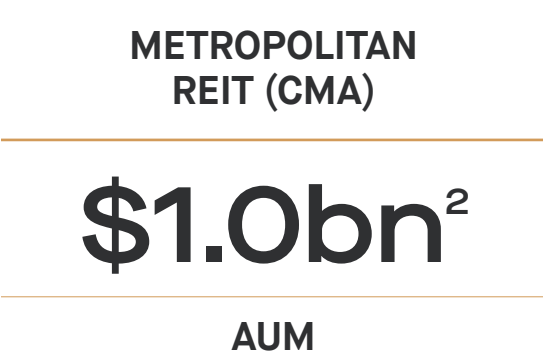
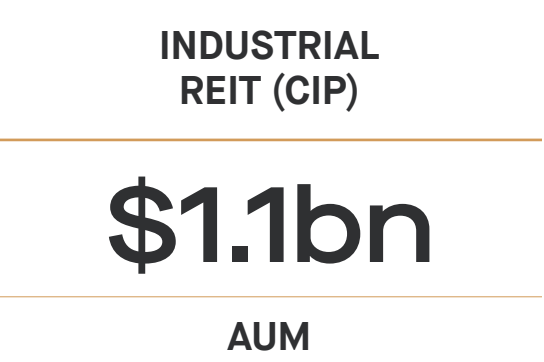
# Centuria Profile

## Centuria Capital Group

\$428m Market Capitalisation<sup>1</sup>



CENTURIA METROPOLITAN REIT (CMA) <sup>3</sup>	CENTURIA INDUSTRIAL REIT (CIP) <sup>3</sup>	PROPERTYLINK GROUP
19.9%	19.9%	9.3%



<sup>1</sup> As at 30 June 2018

<sup>2</sup> Includes 2 Kendall Street, Williams Landing, VIC, as if complete

<sup>3</sup> Co-investment ownership percentage includes the ownership by associates of Centuria Capital Group

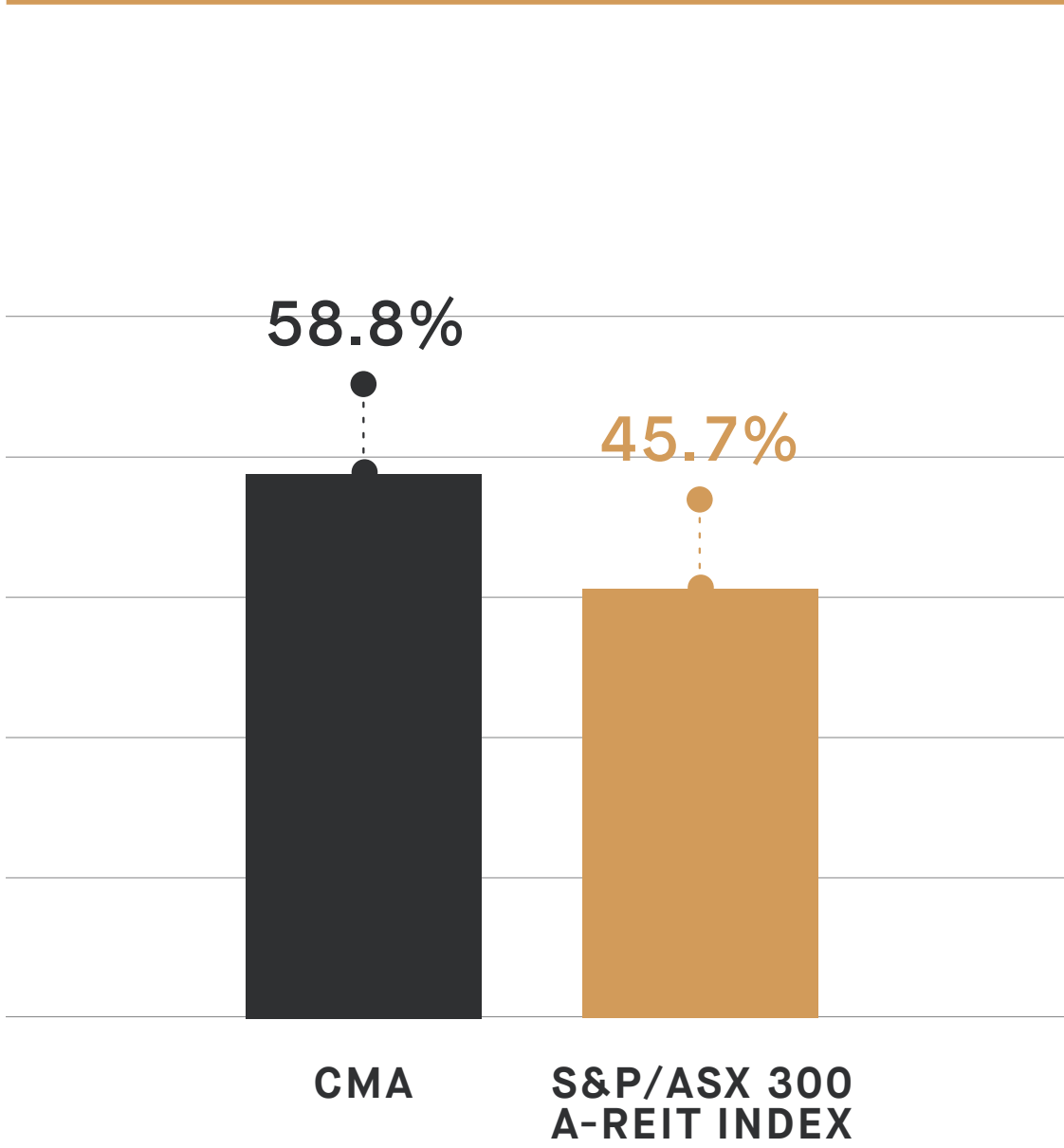
AUSTRALIA'S LARGEST ASX LISTED METROPOLITAN OFFICE REIT

# Creating shareholder value since inception

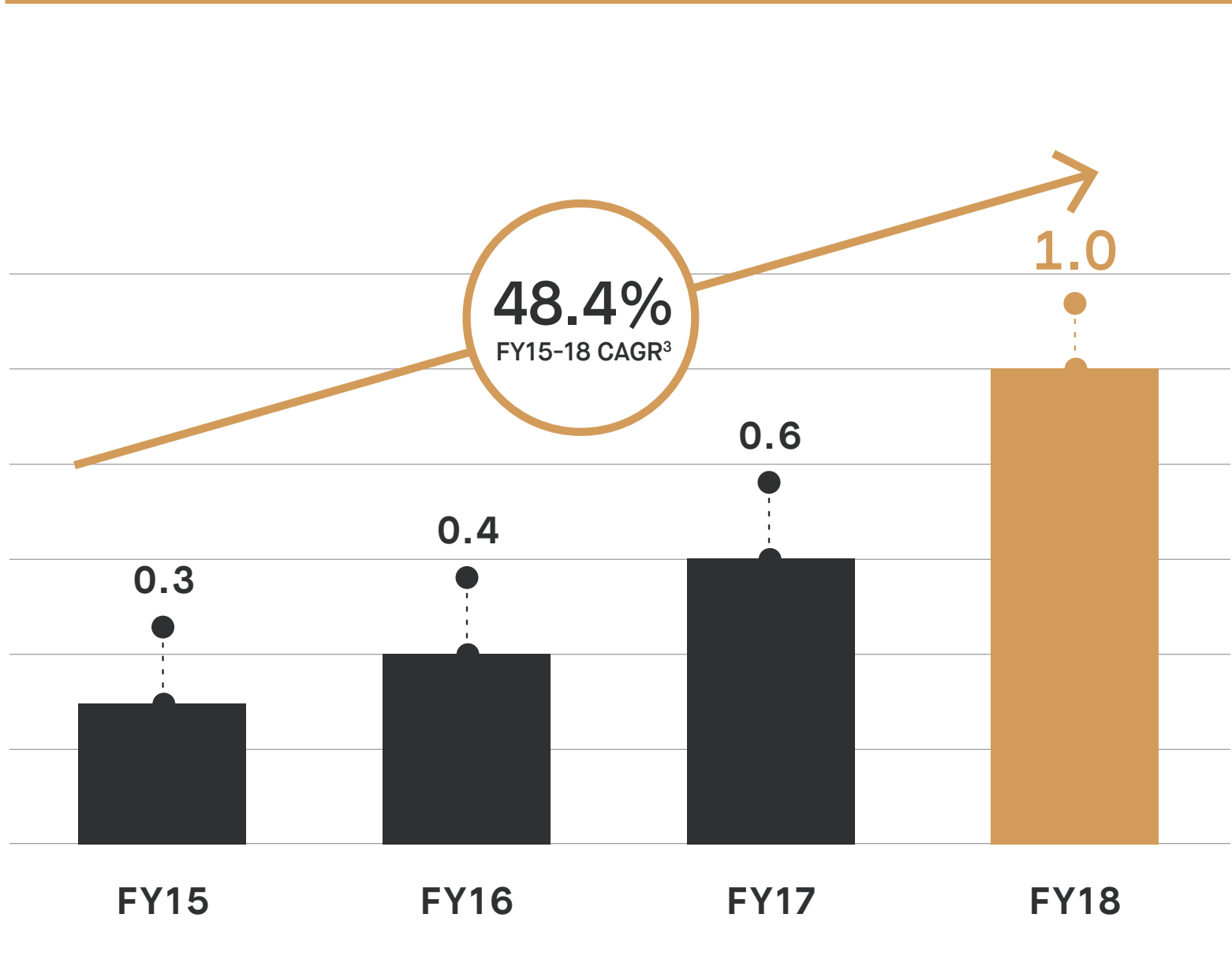


Annual total unit holder return **14.8%** since IPO<sup>1</sup>

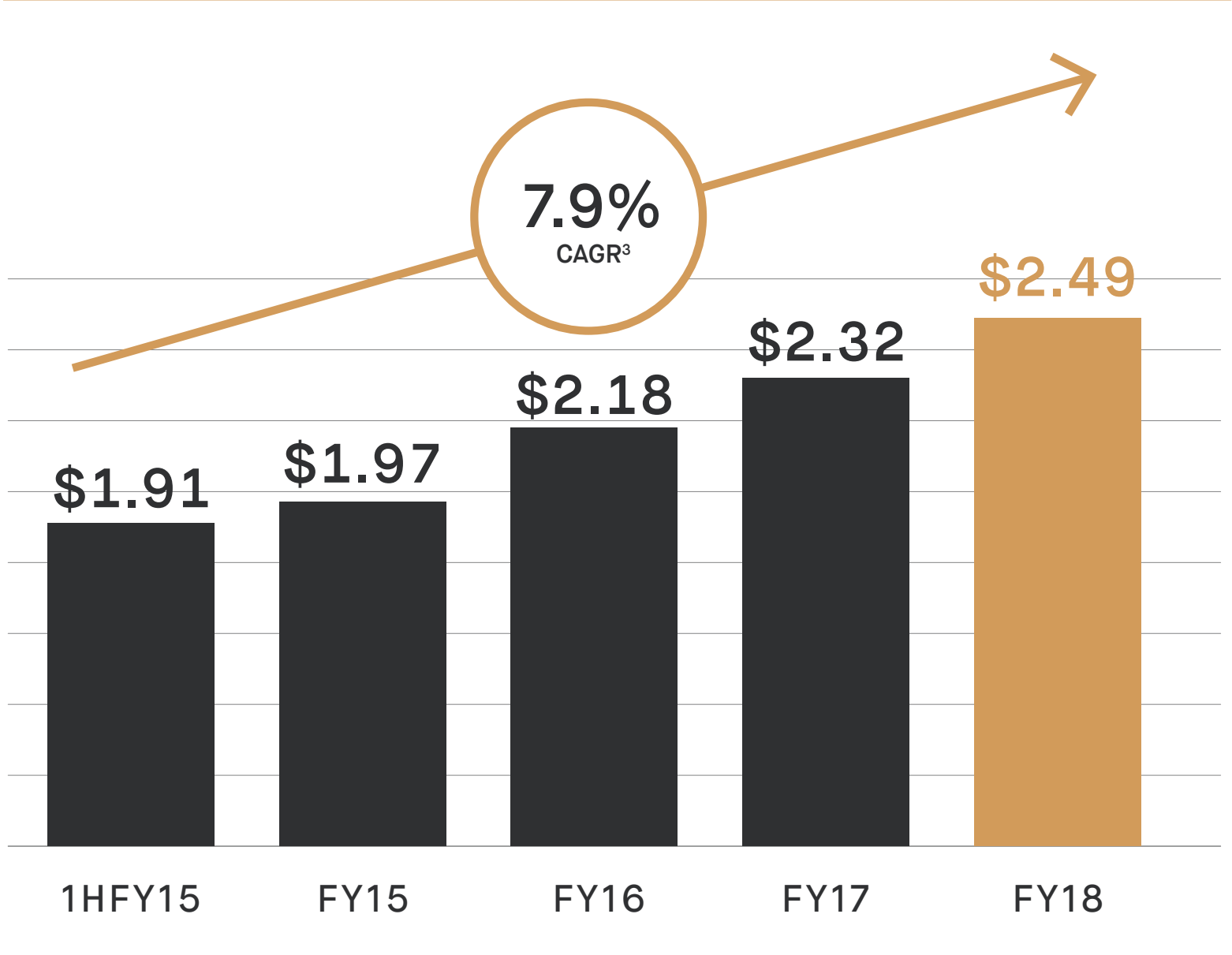
TOTAL RETURN SINCE IPO<sup>1, 2</sup>



ASSETS UNDER MANAGEMENT (\$BN)



NTA (\$) PER UNIT



<sup>1</sup> IPO December 2014  
<sup>2</sup> Source: Moelis Australia  
<sup>3</sup> Past performance is not indicative of future performance

## Key metrics



**14.9%**  
Return on equity<sup>1</sup>



**19**  
High quality assets<sup>2</sup>



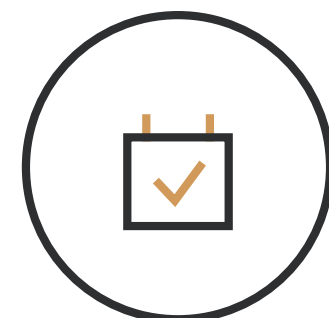
**\$601m**  
Market capitalisation<sup>3</sup>



**\$930.5m**  
Portfolio value<sup>2</sup>



**98.9%**  
Portfolio occupancy<sup>4</sup>



**4.0yrs**  
Portfolio WALE<sup>5</sup>



**28.3%**  
Gearing<sup>6</sup>



**7.2%**  
12 month total return<sup>7</sup>

<sup>1</sup> Return on equity calculated as (closing NTA minus opening NTA plus distributions) divided by opening NTA

<sup>2</sup> Includes 3 Carlingford Road, Epping, NSW, settlement expected in November 2018. Includes 2 Kendall Street, Williams Landing, VIC as if complete

<sup>3</sup> Based on CMA closing price of \$2.48 on 30 June 2018

<sup>4</sup> By area

<sup>5</sup> By gross income

<sup>6</sup> Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill

<sup>7</sup> Source: Moelis Australia. Based on movement in security price from ASX opening on 1 July 2017 to ASX closing on 30 June 2018 plus distributions per security paid during the respective period(s) assuming re-investment of distributions

# Australia's pre-eminent metropolitan office REIT

**1**

## Earnings delivery

.....

**Guidance achieved**  
distributable earnings of **18.6 cpu**<sup>1</sup>  
distribution of **18.1 cpu**

Continued track record of **delivering on earnings** and distributions

Strong return on equity **14.9%**<sup>2</sup>

**2**

## Active management

.....

**Over \$256m of transactions**  
leveraging Centuria's extensive experience  
in metropolitan markets

**28% gearing**, within target range

**Occupancy 99%**<sup>3</sup> **highest since inception**,  
WALE 4.0 years<sup>4</sup>

NTA uplift **7.3%** to **\$2.49** per units in FY18

**3**

## Portfolio enhancement

.....

**\$1.0 billion**<sup>5</sup> of total assets underpinned  
by high quality office assets

**Mature portfolio** underpinned by high credit  
tenants and diverse income streams

Inclusion in the **S&P/ASX 300 index**

<sup>1</sup> Distributable earnings is a financial measure which is not prescribed by Australian Accounting Standard (AAS) and represents the profit under AAS adjusted for specific non-cash and significant items. The Directors consider that distributable earnings reflect core earnings of CMA

<sup>2</sup> Return on equity calculated as (closing NTA minus opening NTA plus distributions) divided by opening NTA

<sup>3</sup> By area

<sup>4</sup> By gross income

<sup>5</sup> Includes 2 Kendall Street, Williams Landing, VIC as if complete



SECTION TWO

# Financial Results

77 MARKET STREET  
WOLLONGONG, NSW



# Delivered FY18 guidance and focused on maximising return on equity

\$'000 – REVENUE		30 JUN 2018	30 JUN 2017	VARIANCE
Gross property income	\$m	73.1	40.0	33.1
Other income	\$m	-	0.6	(0.6)
Interest income	\$m	0.2	0.1	0.1
<b>Total revenue</b>	<b>\$m</b>	<b>73.3</b>	<b>40.7</b>	<b>32.6</b>
EXPENSES				
Direct property expenses	\$m	(16.7)	(8.9)	(7.8)
Responsible entity fees	\$m	(4.2)	(2.4)	(1.8)
Finance costs	\$m	(8.4)	(5.5)	(2.9)
Management and other administrative expenses	\$m	(1.6)	(1.1)	(0.5)
<b>Total expenses</b>	<b>\$m</b>	<b>(30.9)</b>	<b>(17.9)</b>	<b>(13.0)</b>
<b>Distributable earnings</b>	<b>\$m</b>	<b>42.4</b>	<b>22.8</b>	<b>19.6</b>
Weighted average securities on issue	m	227.6	119.7	108.2
Distributable earnings per unit <sup>1</sup>	cpu	18.6	19.0	(0.4)
Distribution	\$m	42.7	20.9	21.8
Distribution per unit	cpu	18.1	17.5	0.6
Distribution yield <sup>2</sup>	%	7.3	7.0	0.3
Return on equity <sup>3</sup>	%	14.9	14.7	0.1
Payout ratio	%	97.2	91.9	5.3

**Revenue increase** driven by acquisitions and leasing in FY18

Responsible entity fees increased due to acquisitions and **positive revaluations**

**Delivered FY18 guidance**, increased distribution per unit by 3.4%

**Return on equity** driven by leasing velocity and active asset management initiatives

<sup>1</sup> Distributable earnings is a financial measure which is not prescribed by Australian Accounting Standard (AAS) and represents the profit under AAS adjusted for specific non-cash and significant items. The Directors consider that distributable earnings reflect the core earnings of CMA

<sup>2</sup> Based on CMA closing price of \$2.48 per security as at 30 Jun 2018 and \$2.50 per security as at 30 June 2017

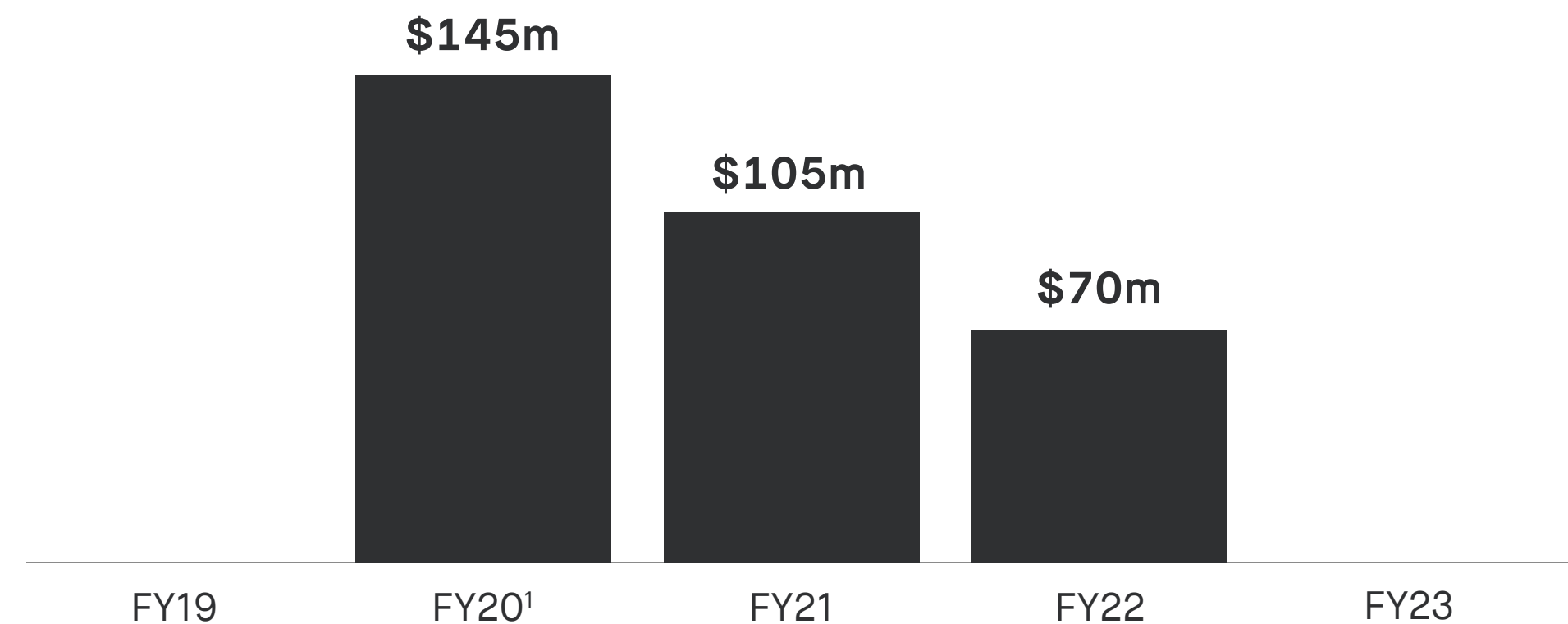
<sup>3</sup> Return on equity calculated as (closing NTA minus opening NTA plus distributions) divided by opening NTA



# Balance sheet headroom

- Conservatively **structured debt book**, well supported by major domestic lenders
- **Staggered debt tranches** reduce refinancing risk
  - No near term maturities
- Well positioned to **access equity** and debt markets
- Gearing **below 35%** following funding commitments for 2 Kendall Street, Williams Landing, VIC and sale of 3 Carlingford road, Epping, NSW
- Significant **covenant headroom**, interest cover ratio covenant of 2.0x and LVR covenant of 50.0%

## DEBT MATURITY PROFILE



KEY DEBT METRICS		FY18	FY17
Facility limit	\$m	320.0	260.0
Drawn amount	\$m	267.6	189.5
Undrawn capacity	\$m	52.4	70.5
Weighted average debt expiry	Years	2.5	3.4
Proportion hedged	%	59.8	54.9
Weighted average hedge maturity	Years	2.49	3.0
Cost of debt <sup>2</sup>	%	3.6	3.9
Gearing <sup>3</sup>	%	28.3	29.5
Interest cover ratio	Times	6.1	5.6
Loan to value rate	%	30.7	31.1

<sup>1</sup> Comprises \$40 million in May 2020 and \$50 million in June 2020

<sup>2</sup> Including weighted average swap rate, facility establishment fees and all-in margins (base and line fees)

<sup>3</sup> Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill. 30 June 2018 proforma gearing of 30.0% adjusted for 2 Kendall Street, Williams Landing, VIC and sale of 3 Carlingford Road, Epping, NSW



### 3.6%

All in cost of debt<sup>2</sup>



### \$52.4m

Current facility headroom



### 28.3%

Gearing<sup>3</sup>



SECTION THREE

# Portfolio Overview

201 PACIFIC HIGHWAY,  
ST LEONARDS, NSW



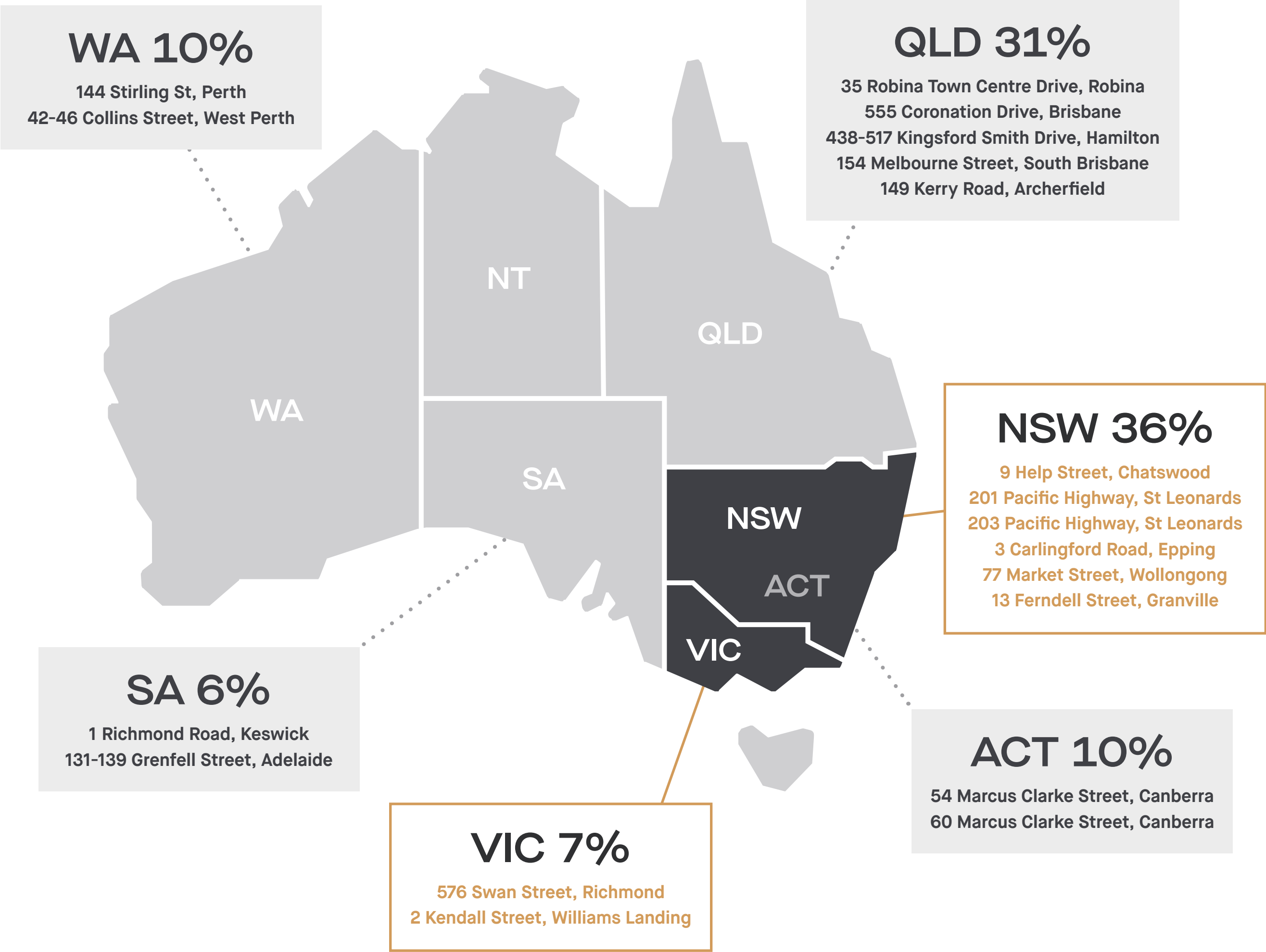
# Geographically diversified portfolio weighted to eastern seaboard markets

PORTFOLIO SNAPSHOT		FY18 <sup>1</sup>	FY17
Number of assets	#	19	15
Book value	\$m	930.5	610.0
WACR	%	6.68	7.19
NLA	sqm	184,339	131,011
OCCUPANCY BY AREA	%	98.9	97.3
WALE GROSS INCOME	Yrs	4.0	3.9



Average NABERS energy rating of 4.0 Stars<sup>2</sup> driven by management initiatives

<sup>1</sup> Excluding WACR, includes Williams Landing, VIC, as if complete. 3 Carlingford Road, Epping, NSW contracted to sell, settlement expected in November 2018.  
<sup>2</sup> Excl. 3 Carlingford Road, Epping, NSW (held for sale), CMA's industrial assets and 35 Robina Town Centre, Robina QLD





# Demonstrating proactive asset management, providing income continuity

## Highest portfolio occupancy since inception

- Four of six sub markets **fully occupied**, remainder at near maximum occupancy
- **Significant asset repositioning achieved**
  - Canberra assets now fully occupied
  - 154 Melbourne Street substantial releasing progress, 2,893 sqm leased 25.6% of NLA
  - Positive reversion realised on recent leasing deal at 203 Pacific Highway St Leonards
  - Lease extension over 28.7% of NLA at 1 Richmond Road

KEY LEASE TRANSACTIONS	NO. OF TRANSACTIONS	SQM
203 Pacific Highway, St Leonards, NSW	1	3,503
154 Melbourne Street, Brisbane, QLD	3	2,893
54 & 60 Marcus Clarke Street, ACT	8	2,513
1 Richmond Rd, Keswick, SA	1	2,330
9 Help Street, Chatswood, NSW	4	1,887

SUBMARKET	OCCUPANCY (%) <sup>1,2</sup>	WALE (YRS) <sup>2,3</sup>
NSW	99.9	3.4
VIC	100.0	6.8
QLD	96.1	4.3
SA	100.0	3.6
ACT	100.0	2.9
WA	100.0	3.7
<b>Total</b>	<b>98.9</b>	<b>4.0</b>

### 9.75%

Portfolio NLA leased in FY18

### 17,970sqm

Portfolio NLA leased in FY18

### 6,985sqm

19 new leases in FY18

### 10,985sqm

17 renewals in FY18

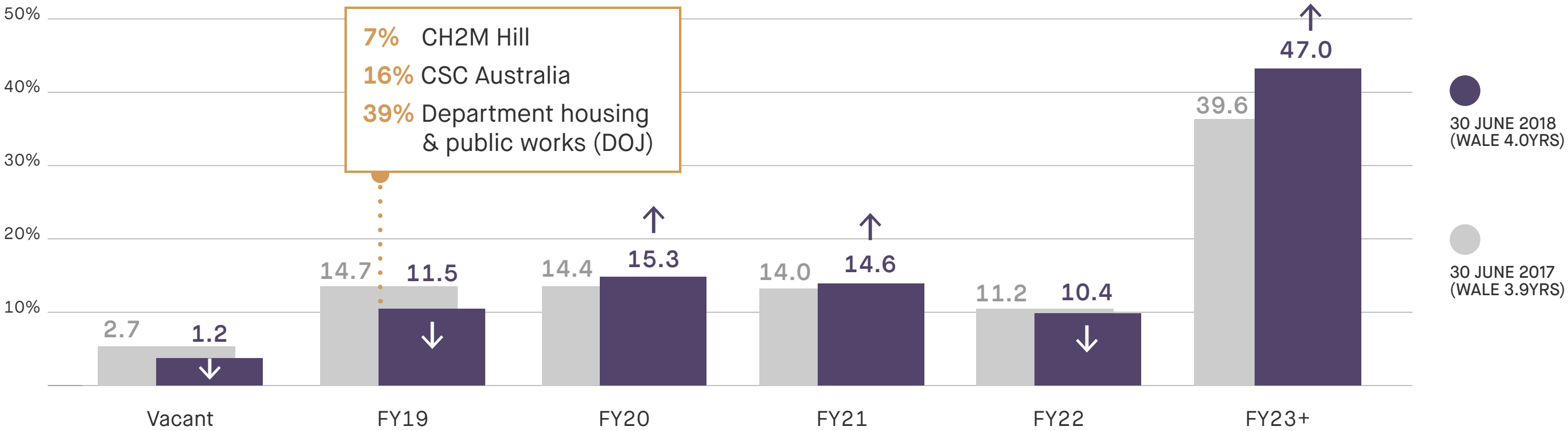
<sup>1</sup> By area

<sup>2</sup> Includes Williams Landing, VIC, as if complete

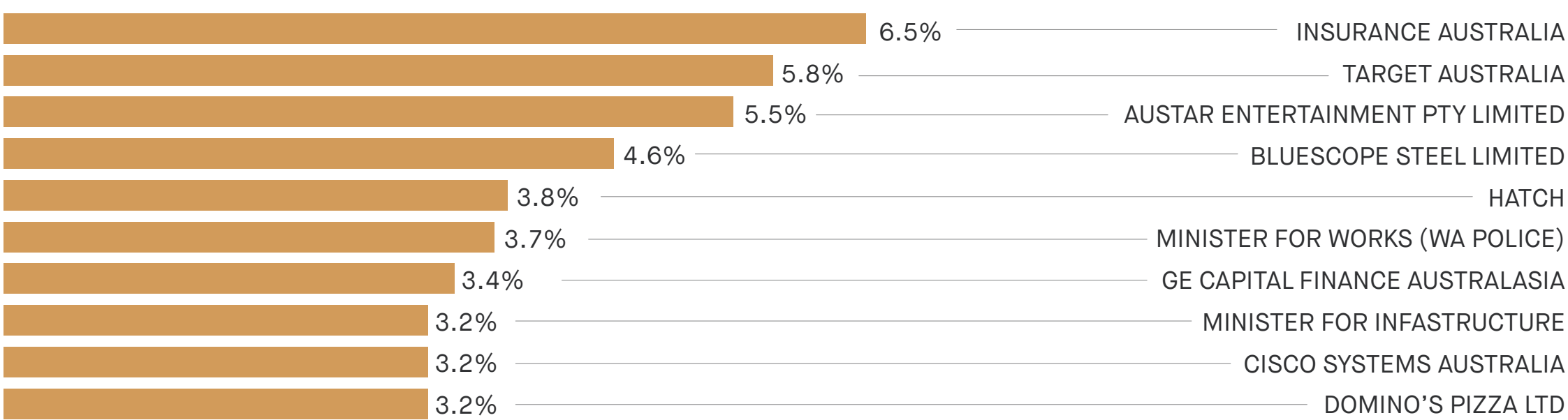
<sup>3</sup> By gross income

# Mature portfolio with quality tenants

WEIGHTED AVERAGE LEASE EXPIRY<sup>1,3</sup>



TENANT DIVERSIFICATION (TOP 10 TENANTS BY GROSS INCOME)<sup>1</sup>



- **43% of portfolio income** underpinned by high credit worthy and government tenants
- Diversity of **quality income streams**
- **99% occupancy<sup>2</sup>** highest since inception, WALE increased to 4.0 years
- **47% of income expiry is at or beyond FY23**

<sup>1</sup> Includes Williams Landing, VIC, as if complete  
<sup>2</sup> By area  
<sup>3</sup> Weighted by gross income



# Valuation growth underpinned by market drivers and active management initiatives

	BOOK VALUE				CAPITALISATION RATE		
	FY18 \$m	FY17 \$m	INCREASE \$m	%	FY18 %	FY17 %	BPS
Like for like portfolio <sup>1</sup> ex. acquisitions	626.2	574.0	52.3	9.1	6.65	7.22	(57)
Acquisitions <sup>2</sup>	268.3	-	268.3	n.a	6.90	n.a	n.a
Disposals <sup>3</sup>	36.0	36.0	36.0	n.a	5.25	6.69	(144)
<b>Total</b>	<b>930.5</b>	<b>610.0</b>	<b>320.6</b>	<b>52.6</b>	<b>6.68</b>	<b>7.19</b>	<b>(52)</b>

## GAIN IN VALUATION

PROPERTY	FY18 VALUATION	FY17 VALUATION	VALUATION MOVEMENT	CAP RATE MOVEMENT	COMMENTS
3 Carlingford Road, Epping, NSW	36.0	27.0	9.0	(100bps)	Held for sale. Settlement expected November 2018
203 Pacific Highway St Leonards, NSW	57.0	47.5	9.5	(50bps)	Driven by leasing initiatives and strong NSW transaction demand
9 Help Street, Chatswood, NSW	76.0	65.0	11.0	(50bps)	Driven by leasing initiatives and strong NSW transaction demand
1 Richmond Road, Keswick, SA	33.0	28.5	4.5	(100bps)	Supported by active asset management

<sup>1</sup> Like for like valuation increase from FY18 excluding 3 Carlingford Road, Epping, NSW

<sup>2</sup> Includes 2 Kendall Street, Williams Landing, VIC as if complete

<sup>3</sup> Asset held for sale 3 Carlingford Road, Epping, NSW

- **Total portfolio value increased** year on year by **52.6%** to **\$930.5million<sup>2</sup>**
  - Like for like portfolio increased 9.1% to \$626.2<sup>1</sup> million
  - Valuation growth aided by leasing success and rental growth
- **Transactional activity** accretive to like for like portfolio cap rate of **6.65%<sup>1</sup>**
  - Acquisitions **7.10%** average cap rate
  - Divestments **5.25%** average cap rate
  - Positive market evidence for 2 Kendall St, Williams Landing, VIC



Over \$256 million transacted to improve portfolio quality

Acquisitions \$210.9m

201 PACIFIC HIGHWAY  
ST LEONARDS, NSW (50%)



**\$85.8m** acquisition,  
6.6% initial yield<sup>1</sup>

3.5 year WALE<sup>2</sup>,  
**100% occupied**<sup>3</sup>

Adjoins CMA's 203  
Pacific Highway, above  
St Leonard's train station

77 MARKET STREET  
WOLLONGONG, NSW<sup>4</sup>



**\$33.3m** acquisition,  
7.5% initial yield<sup>1</sup>

4.3 year WALE<sup>2</sup>,  
**100% occupied**<sup>3</sup>

Anchored by AHM Group  
(Medibank Private) and  
Illawarra Retirement Trust

144 STIRLING STREET  
PERTH, WA

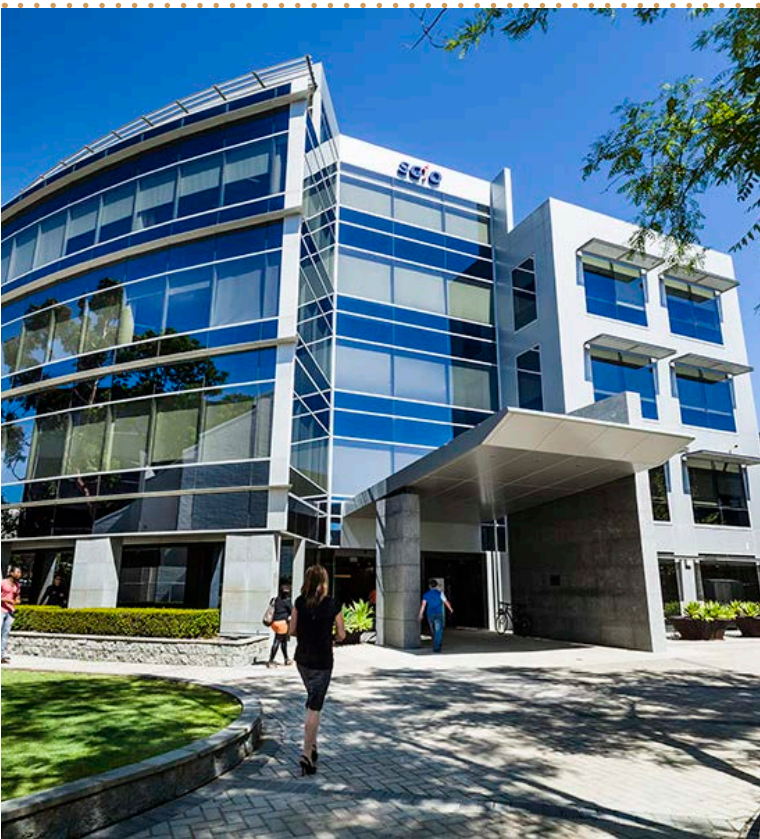


**\$58.2m** acquisition,  
9.2% initial yield<sup>1</sup>

3.9 year WALE<sup>2</sup>,  
**100% occupied**<sup>3</sup>

Predominantly leased  
to WA Government  
(WA Police)

42-46 COLIN STREET  
WEST PERTH, WA



**\$33.6m** acquisition,  
8.7% initial yield<sup>1</sup>

4.5 year WALE<sup>2</sup>,  
**100% occupied**<sup>3</sup>

Predominantly leased  
to IAG Australia

Divestments \$46.3m

3 CARLINGFORD ROAD  
EPPING, NSW<sup>5</sup>



**\$36.0m** divestment  
27.2% premium to  
prior valuation

44 HAMPDEN ROAD  
ARTARMON, NSW



**\$10.3m** divestment,  
14.4% premium to  
prior valuation

<sup>1</sup> Before transaction costs. Acquisition price for 144 Stirling Street, Perth and 201 Pacific Highway, St Leonards are gross price before adjustment for existing outstanding incentives

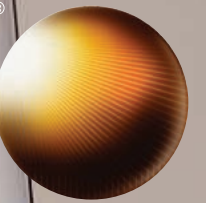
<sup>2</sup> By income. WALE at acquisition date

<sup>3</sup> By area

<sup>4</sup> 77 Market Street, Wollongong includes lease transactions agreed post 30 June 2017

<sup>5</sup> Unconditional contract for sale, settlement targeted for 1H19





## SECTION FOUR

# Guidance & Strategy



203 PACIFIC HIGHWAY,  
ST LEONARDS, NSW



# Continue to build Australia's pre-eminent metropolitan office REIT

1

**Become pure play**, high quality office portfolio

1a

**Complete acquisition** of 2 Kendall Street, Williams Landing, VIC

1b

**Settle disposal of** 3 Carlingford Road, NSW, and non-core industrial assets

1c

**Dispose of** remaining industrial assets if market conditions are favorable

2

**Maintain leasing** focus addressing FY19 expiry profile

3

**Access balance sheet** and capital management initiatives to increase portfolio scalability and market prominence

.....

**CMA is well positioned with a 99% occupancy<sup>1</sup>, 4.0 year WALE<sup>2</sup> and gearing<sup>3</sup> currently at 28.3%**

.....

<sup>1</sup> By gross income

<sup>2</sup> By area

<sup>3</sup> Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill. 30 June 2018 proforma gearing of 30.0% adjusted for 2 Kendall Street, Williams Landing, VIC and sale of 3 Carlingford Road, Epping, NSW



# Continue to build Australia's pre-eminent metropolitan office REIT

## STRATEGY

CMA remains focused on generating predictable and quality income streams and executing initiatives to create value.

- Deliver **secure income streams** through a diversified, national tenant base with a focus on occupancy and WALE
- Continue to **enhance portfolio**, upgrade asset quality
- Provide a pure-play, **high quality office portfolio** overseen by hands-on management

## GUIDANCE

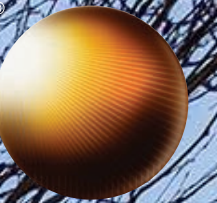
### FY19 Guidance

- FY19 **distributable earnings** guidance of **18.3 – 18.5 cpu**
- Includes impact from expected divestment of remaining industrial assets
- FY19 **distribution guidance** of **18.1 cpu**
  - Distribution guidance in line with FY18 distribution
  - Paid in equal **quarterly instalments** of **4.525 cpu**
- Strong FY19 forecast **distribution yield** of **7.3%**<sup>1</sup> p.a.

<sup>1</sup> Based on the CMA closing price of \$2.48 per security on 30 June 2018







## SECTION FIVE

# Appendices

Appendix A – Market Outlook

Appendix B – Income Statement

Appendix C – Distribution Statement

Appendix D – Balance Sheet and NTA Movement

Appendix E – FFO Reconciliation

Appendix F – Key Vacancies

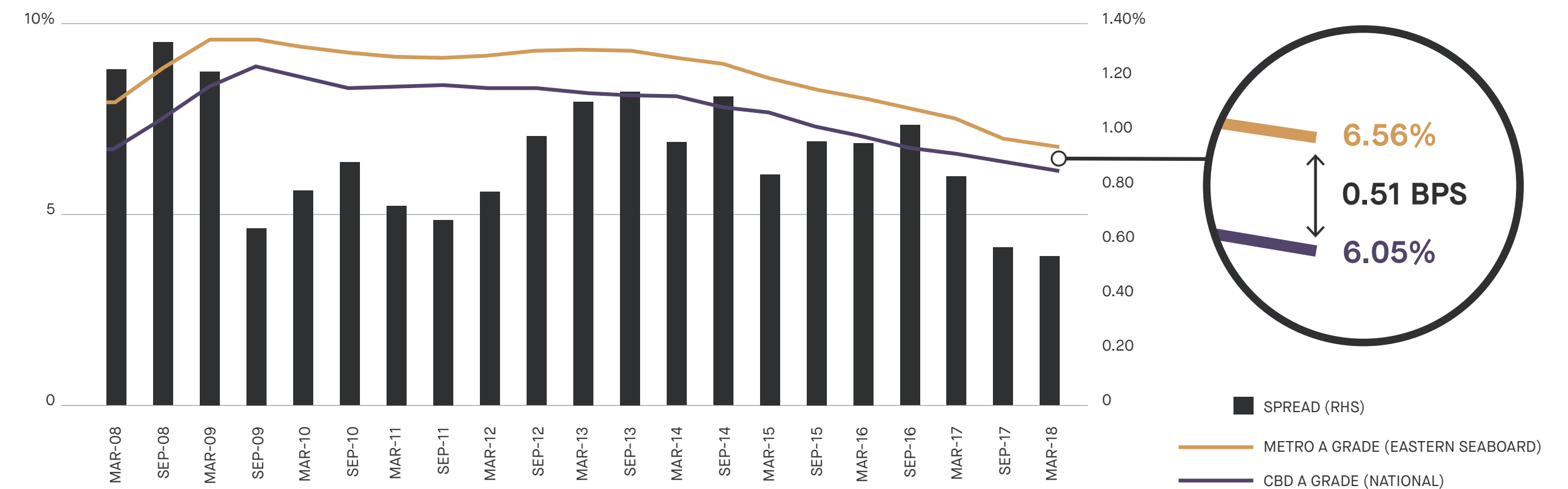
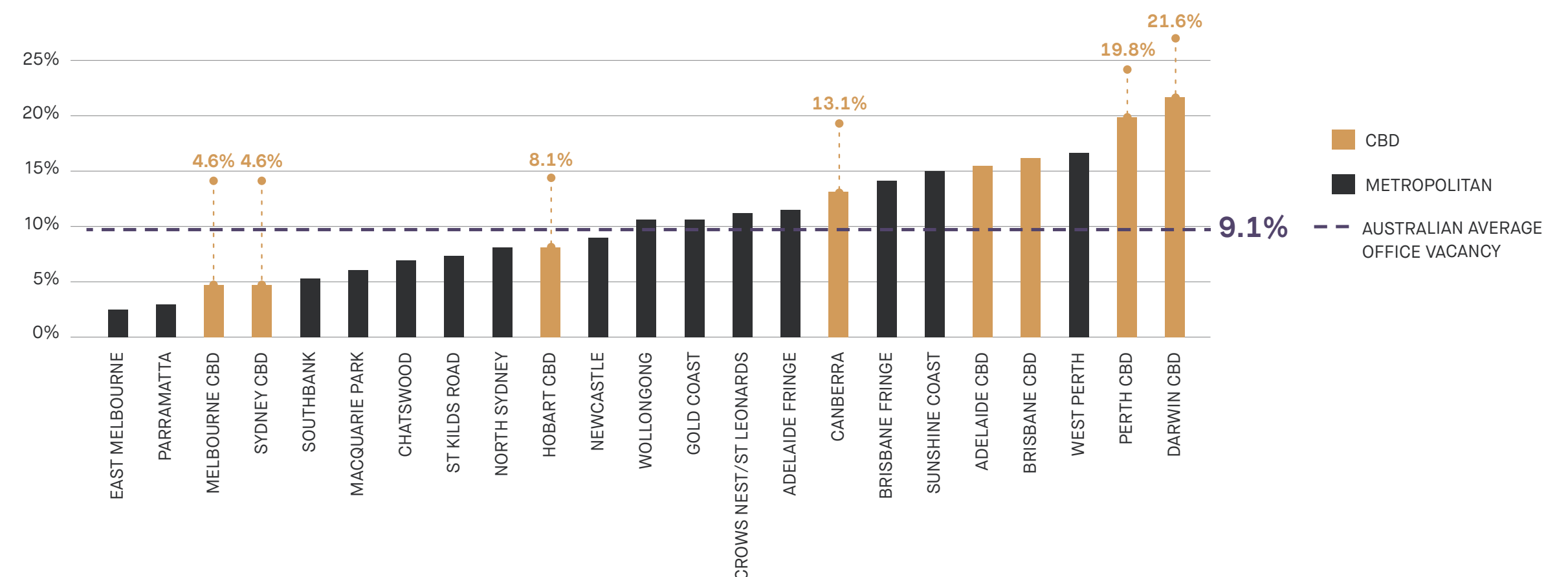
Appendix G – Investment Portfolio

9 HELP STREET,  
CHATSWOOD, NSW



# Robust supply and demand fundamentals in metropolitan office markets

- **Non-CBD supply** continues to trend below historic averages in several markets
- **Australian metro market** total vacancy (9.0%), lower than total CBD vacancy (9.2%)
- **Metro vacancy** has predominantly been impacted by demand, CBD's by withdrawal
- Seven out of ten **lowest vacancy markets**, nationally, are metro markets. Particularly low vacancy across Sydney North Shore markets
- **Effective rent growth** continues, particularly in low vacancy markets
- Yield spread **convergence continuing** between certain CBD and metro markets driven by increased investor demand for value outside CBD markets
- Continued **appetite for assets** well located near transport and infrastructure amenity

YIELD SPREAD – A-GRADE METRO VS CBD A-GRADE<sup>1</sup>

AUSTRALIAN OFFICE VACANCY RATES<sup>2</sup>

<sup>1</sup> Source: ColliersEdge

<sup>2</sup> Source: PCA/OMR

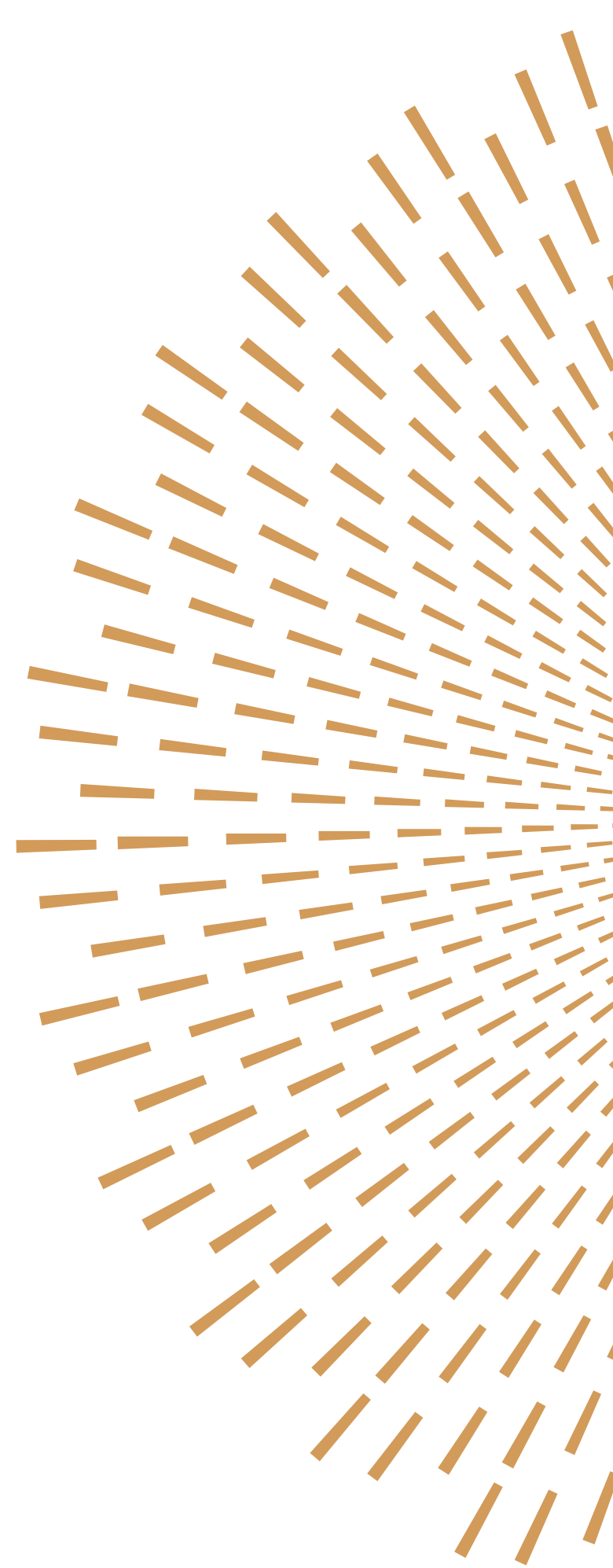
## APPENDIX B

# Income Statement



\$'000 – REVENUE	30 JUN 18	30 JUN 17
Gross property income	73,098	40,019
Other income	27	14
Interest income	195	115
<b>Total revenue</b>	<b>73,320</b>	<b>40,148</b>
EXPENSES		
Direct property expenses	(16,685)	(8,408)
Responsible entity fees	(4,192)	(2,385)
Finance costs	(8,450)	(5,496)
Management and other administrative expenses	(1,625)	(1,068)
<b>Total expenses</b>	<b>(30,952)</b>	<b>(17,357)</b>
<b>Distributable earnings</b>	<b>42,368</b>	<b>22,791</b>
Net (gain) on fair value of investment properties	41,957	17,180
Loss/(gain) on fair value of derivative financial instruments	(646)	1,420
Straight-lining of rental income <sup>1</sup>	3,927	1,366
Amortisation of incentives and leasing fees	(1,530)	(356)
Net (gain) on fair value of investments	-	884
Lease incentives funded by vendors on property acquisitions	-	(538)
Business combination transaction costs	(434)	(4,263)
Amortisation of borrowing costs	(560)	(367)
Corporate simplification costs	-	(428)
<b>Statutory net profit</b>	<b>85,082</b>	<b>37,689</b>

<sup>1</sup> Net amortisation of tenant intensives





## APPENDIX C

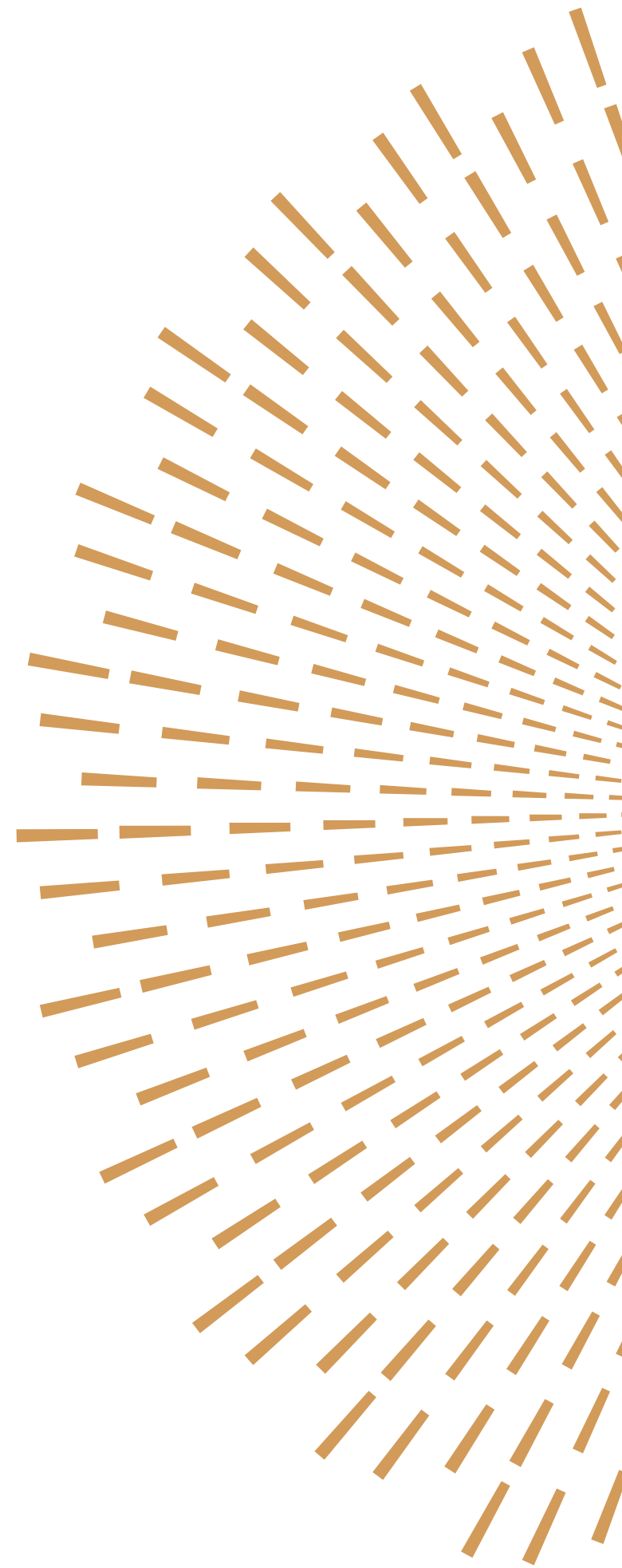
# Distribution Statement



\$'000	30 JUNE 2018	30 JUNE 2017
<b>Statutory net profit</b>	<b>85,082</b>	<b>37,689</b>
Net (gain) on fair value of investment properties	(41,957)	(17,180)
Loss/(gain) on fair value of derivative financial instruments	646	(1,420)
Straight-lining of rental income <sup>1</sup>	(3,927)	(1,366)
Amortisation of incentives and leasing fees	1,530	356
Net (gain) on fair value of investments in listed trusts	-	(884)
Lease incentives funded by vendors on property acquisitions	-	538
Business combination transaction costs	434	4,263
Amortisation of borrowing costs	560	367
Corporate simplification costs	-	428
<b>Distributable earnings for the period</b>	<b>42,368</b>	<b>22,791</b>
<b>Distribution</b>	<b>42,740</b>	<b>20,897</b>
Distributable Earnings per stapled security (cents)	18.6	19.0
Distribution per stapled security (cents)	18.1	17.5
<b>Annualised Distributable Earnings yield<sup>2</sup></b>	<b>7.5%</b>	<b>7.6%</b>
<b>Annualised Distribution Yield<sup>2</sup></b>	<b>7.3%</b>	<b>7.0%</b>

<sup>1</sup> Net amortisation of tenant incentives

<sup>2</sup> Based on the CMA closing price of \$2.48 per security on 30 June 2018 and \$2.50 on 30 June 2017





## APPENDIX D

# Balance Sheet and NTA Movement



\$'000	30 JUNE 2018	30 JUNE 2017
Cash	18,978	8,187
Investment properties	872,300	609,950
Goodwill	6,356	6,356
Trade and other receivables	1,325	1,127
Other assets	3,852	3,402
<b>Total assets</b>	<b>902,811</b>	<b>629,022</b>
Interest bearing liabilities <sup>1</sup>	265,961	187,742
Trade and other liabilities <sup>2</sup>	25,950	18,753 <sup>3</sup>
Derivative financial instruments	428	1988
<b>Other liabilities</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>292,339</b>	<b>208,483</b>
<b>Net assets</b>	<b>610,472</b>	<b>420,539</b>
Securities on issue (thousands)	242,793	178,241
Net tangible assets per unit (\$)	2.49	2.32
Gearing (%) <sup>4</sup>	28.3	29.5

<sup>1</sup> Drawn debt net of borrowing costs

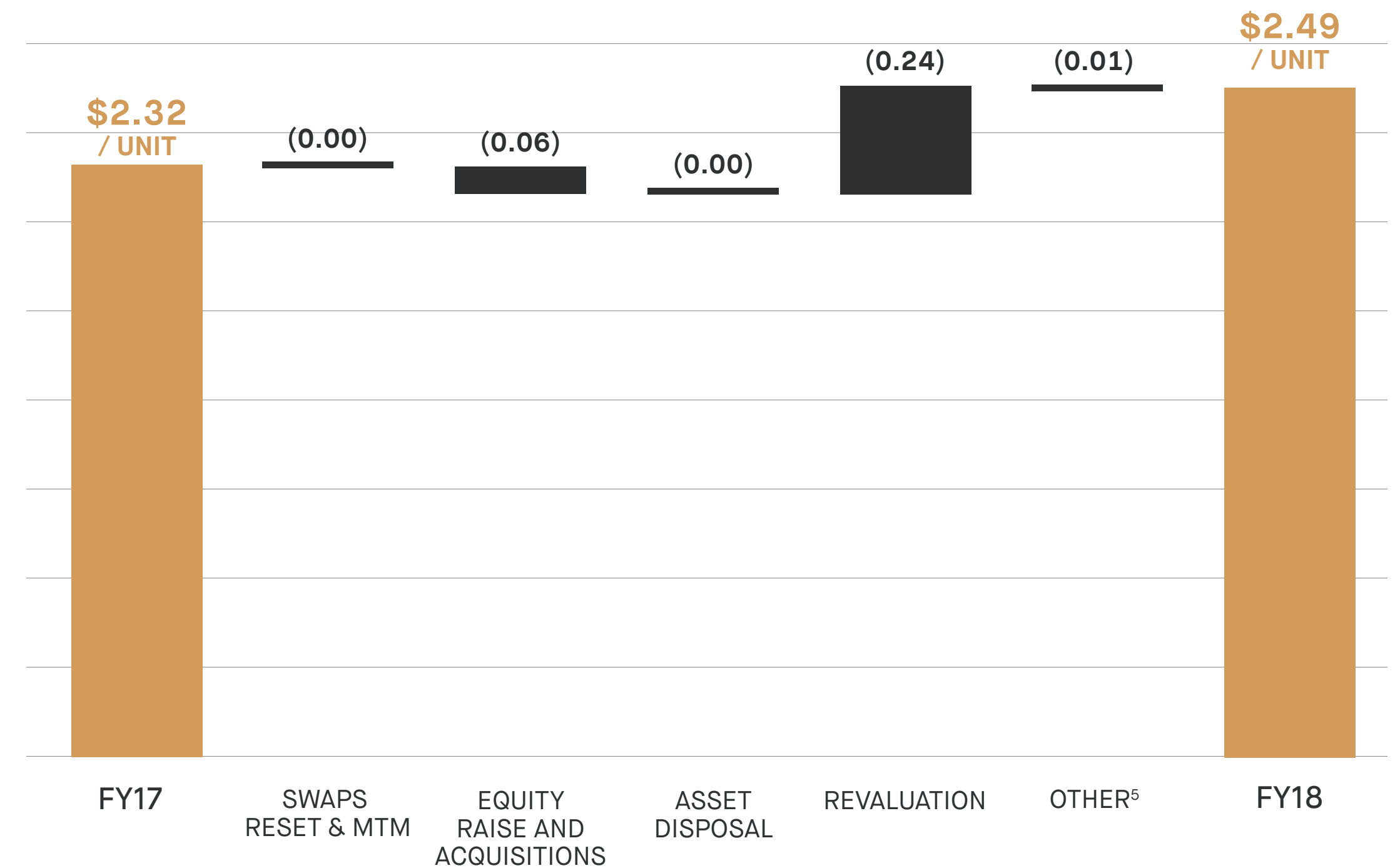
<sup>2</sup> Includes \$11.0m distributions payable

<sup>3</sup> Includes \$5.2m distributions payable and \$4.3m transaction costs payable

<sup>4</sup> Gearing is defined as interest bearing liabilities less cash divided by total assets less cash and goodwill

<sup>5</sup> Other includes movement in cash, payables, receivables and DRP impact

## NTA MOVEMENT





APPENDIX E

FFO Reconciliation



<div>CMA</div>			
PROPERTY	DISTRIBUTABLE EARNINGS	PCA FFO (\$'000)	DIFFERENCE (\$'000)
Statutory net profit for the year	85,082	85,082	0
Net (gain) on fair value of investment properties	(41,957)	(41,957)	0
Loss/(gain) on fair value of derivative financial instruments	646	646	0
Straight-lining of rental income <sup>1</sup>	(3,927)	(3,927)	0
Amortisation of incentives and leasing fees	1,530	1,530	0
Net (gain) on fair value of investments in listed trusts	-	-	
Lease incentives funded by vendors on property acquisitions	-	-	
Business combination transaction costs	434	434	
Amortisation of borrowing costs	560	560	0
Corporate simplification costs	-	-	0
<b>Funds from Operations</b>	<b>42,368</b>	<b>42,368</b>	<b>0</b>
FFO per share	18.6	18.6	0
Distribution per share	18.1	18.1	0
Weighted average number of securities ('000)	227,637	227,637	0

1 Net amortisation of tenant incentives



APPENDIX F

Key vacancies



		<div>NLA</div>	<div>PORTFOLIO AREA</div>		
PROPERTY	(SQM)	%	VACANT SINCE	STATUS	
154 Melbourne Street, South Brisbane, QLD	1,316	0.7%	Gym: Jul-17 L2: Nov-17	Comprises a ground floor commercial suite (230sqm), plus 1,086sqm of former SMEC space on the second level. Negotiations currently underway on both	
555 Coronation Dr, Brisbane, QLD	550	0.3%	Sept-17	Ground floor space split into three suites with spec fitout. Several proposals, early negotiation stage	
485 Kingsford Smith Dr, Hamilton, QLD	72	0.1%	Rental G'tee	Under rental guarantee until May 2019	
Total / Average	1,938	1.1%			



# APPENDIX G

## Investment Portfolio



ASSET	STATE	OWNERSHIP	BOOK VALUE	CAP RATE	NLA	WALE <sup>3</sup>	OCCUPANCY <sup>4</sup>
<b>Office</b>							
201 Pacific Highway, St Leonards	NSW	50%	85.0	6.50%	16,488	2.9	99.8%
9 Help Street, Chatswood	NSW	100%	76.0	6.00%	9,394	3.0	100.0%
203 Pacific Highway, St Leonards	NSW	50%	57.0	6.50%	11,734	5.4	100.0%
3 Carlingford Road, Epping <sup>1</sup>	NSW	100%	36.0	5.25%	4,702	2.0	100.0%
77 Market St, Wollongong	NSW	100%	34.6	7.00%	6,755	4.4	100.0%
576 Swan Street, Richmond	VIC	100%	63.5	5.75%	8,331	3.7	100.0%
154 Melbourne Street, South Brisbane	QLD	100%	78.5	6.75%	11,314	2.2	88.4%
483 Kingsford Smith Drive	QLD	100%	78.0	6.25%	9,322	6.5	99.2%
35 Robina Town Centre Drive, Robina	QLD	100%	55.3	7.13%	9,814	5.3	100.0%
555 Coronation Drive, Brisbane	QLD	100%	32.5	7.50%	5,569	2.5	90.1%
144 Stirling Street, Perth <sup>2</sup>	WA	100%	56.0	7.50%	11,042	2.9	100.0%
42-46 Colin Street, West Perth	WA	100%	34.5	7.50%	8,439	4.6	100.0%
60 Marcus Clarke, Canberra	ACT	100%	63.5	7.00%	12,132	2.4	100.0%
54 Marcus Clarke, Canberra	ACT	100%	20.9	7.50%	5,169	3.9	100.0%
1 Richmond Road, Keswick	SA	100%	33.0	7.50%	8,087	5.0	100.0%
131-139 Grenfell Street, Adelaide	SA	100%	19.3	8.00%	4,052	1.4	100.0%
<b>Industrial</b>							
149 Kerry Road, Archerfield	QLD	100%	28.1	6.25%	13,774	6.5	100.0%
13 Ferndell Street, Granville	NSW	100%	20.7	6.75%	15,302	1.8	100.0%
<b>Total / weighted average</b>			<b>872.3</b>	<b>6.68%</b>	<b>171,420</b>	<b>3.7</b>	<b>98.8%</b>
<b>Under construction</b>							
2 Kendall Street Williams Landing, Melbourne	VIC	100%	58.2	6.50%	12,919	10.0	100.0%
<b>Total / weighted average</b>			<b>930.5</b>	<b>6.68%</b>	<b>184,339</b>	<b>4.0</b>	<b>98.9%</b>

<sup>1</sup> Contracted to sell, settlement anticipated to occur September 2018

<sup>2</sup> 144 Stirling Street, Perth valuation includes outstanding existing incentives

<sup>3</sup> By gross income

<sup>4</sup> By area



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Thank you

