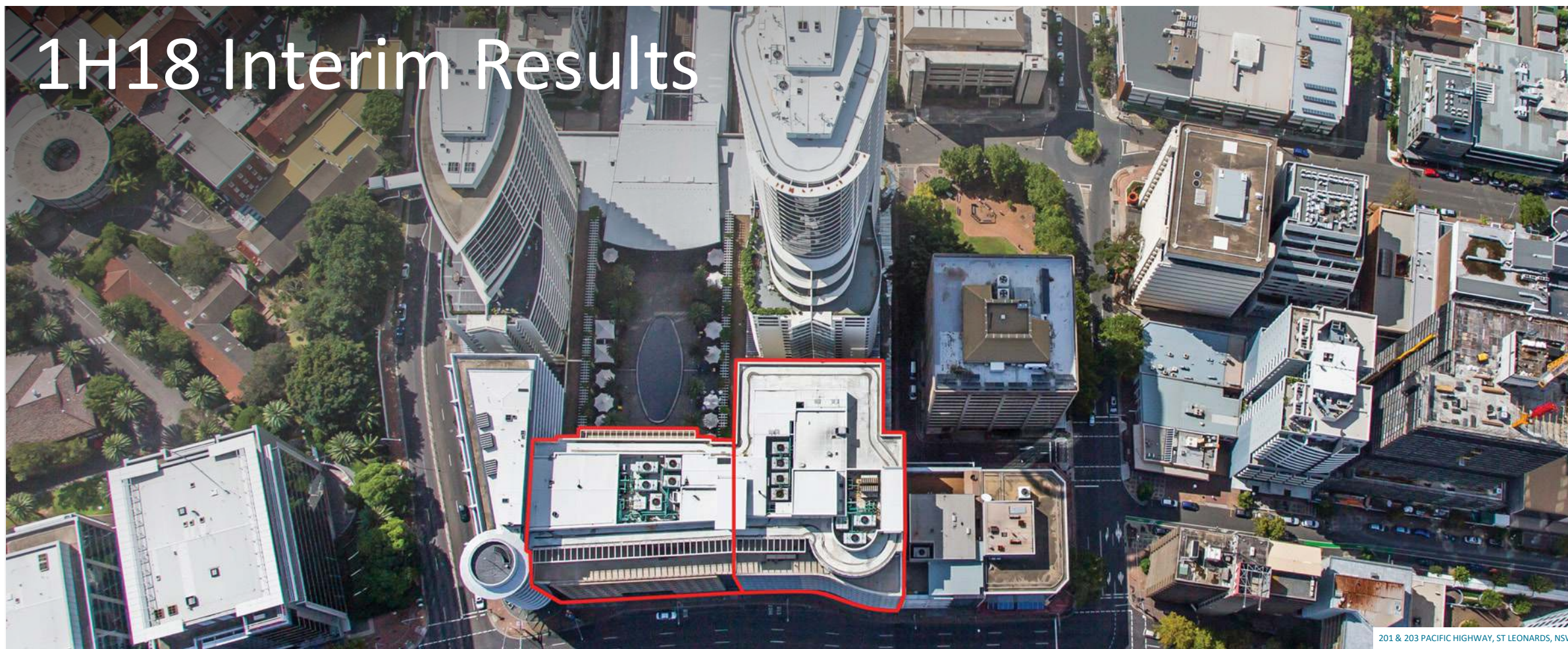


Centuria Metropolitan REIT

1H18 Interim Results



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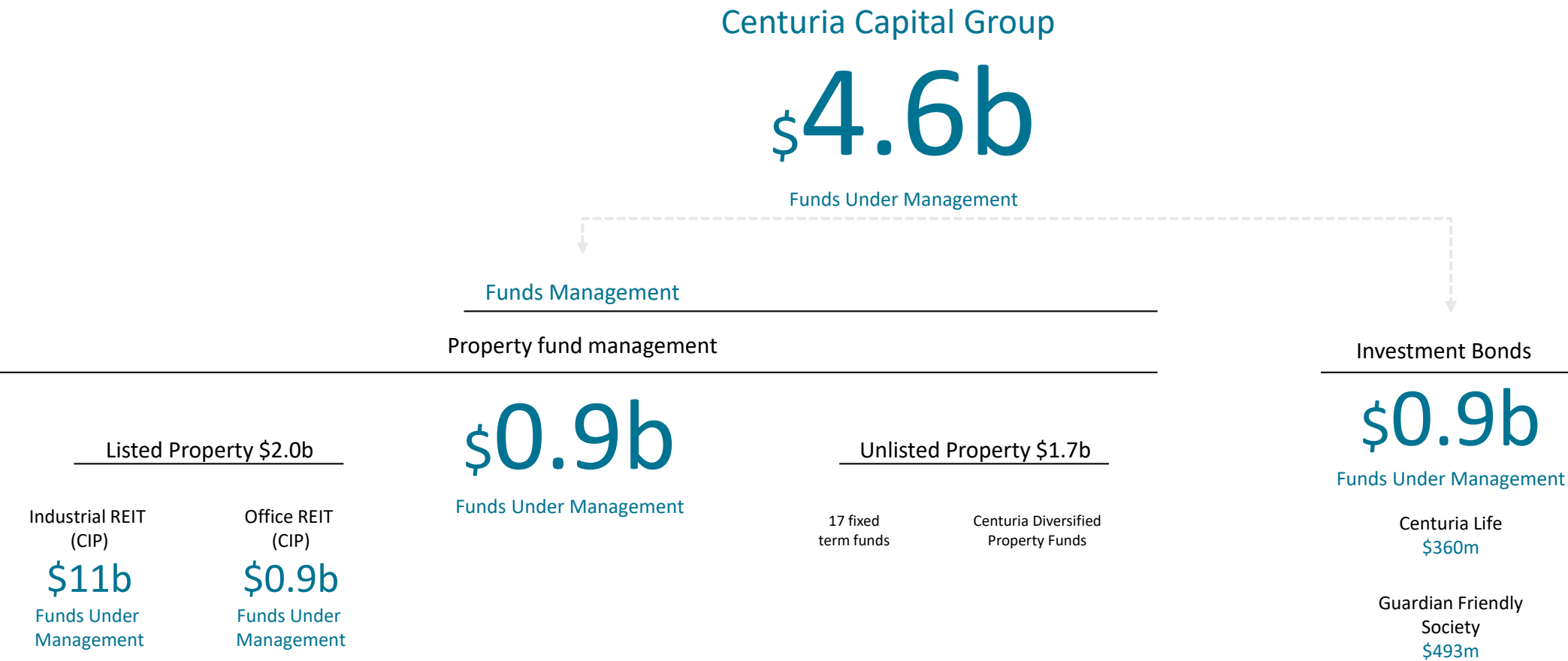
Appendices



Section 1

Introduction

Centuria Capital
 ASX listed specialist investment manager



CMA, Australia's largest ASX listed metropolitan office REIT

Key Metrics



19

High quality assets



\$900m

Portfolio value



\$579m

Market capitalisation¹



29.6%

Gearing³



97.8%

Portfolio occupancy⁵



4.3 yrs

Portfolio WALE⁴



18.1cps

FY18 distribution guidance



18.1cps

FY18 distribution guidance

20.9%^{1,2}

12 month total return
at 31 December 2017
outperforming the S&P/ASX300
A-REIT Index at 6.4%^{1,2}

1) Based on CMA closing price of \$2.39 on 31 December 2017

2) Source: Moelis & Company

3) Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill

4) By gross income

5) By area

Section 2

Results Overview

Highlights

Continuing to deliver on strategy



Delivered on stable earnings

Active management driving portfolio performance
Reaffirm FY18 distributable earnings guidance of 18.6 cps ¹
Positive track record of delivering on earnings and distribution forecasts



Improved scale and relevance

Australia's largest and leading ASX listed metropolitan office REIT
Enhanced scale and liquidity, and included in the S&P/ASX 300 A-REIT Index



Institutional grade property portfolio

Successfully completed the acquisition of four additional assets in the direct market
High quality, well diversified portfolio delivering stable and predictable rental income
Driving investor returns through rental growth and opportunities for capital growth
Continued repositioning of the portfolio through strategic transactions



Disciplined capital management

Conservative gearing of 29.6% ² within target range of 25-35%
Staggered maturity profile with significant covenant headroom
Well supported by both investors and lenders raising \$150 million of equity and \$60 million of debt over the period

1) 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

2) Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill

Financial overview

Financial snapshot		1H18	1H17
Statutory profit/(loss)	\$m	39.2	27.1
Distributable earnings ¹	\$m	19.9	10.9
Distributable earnings per security	cps	9.4	9.2
Distribution	\$m	20.9	10.4
Distribution per security	cps	9.05	8.75
Distribution earnings per yield ²	%	7.6	7.8
Weighted average securities on issue	M	212.8	119.4
Balance sheet metrics		1H18	1H17
Total assets	\$m	902.5	440.6
NTA per stapled security	\$	2.39	2.32
Gearing ³	%	29.6	33.8

1) 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

2) Based on CMA closing price of \$2.39 per security as at 31 Dec 2017 and \$2.25 per security as at 6 February 2017

3) Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill

20.9% ^{1,2}

12 month total return
at 31 December 2017
outperforming the S&P/ASX300
A-REIT Index at 6.4% ^{1,2}

9.4 cps

1H18 distributable earnings

9.05 cps

1H18 distributions paid

\$2.32 cps

Net tangible assets

29.5%

Gearing³

Capital management

Maintained a disciplined balance sheet

29.6%

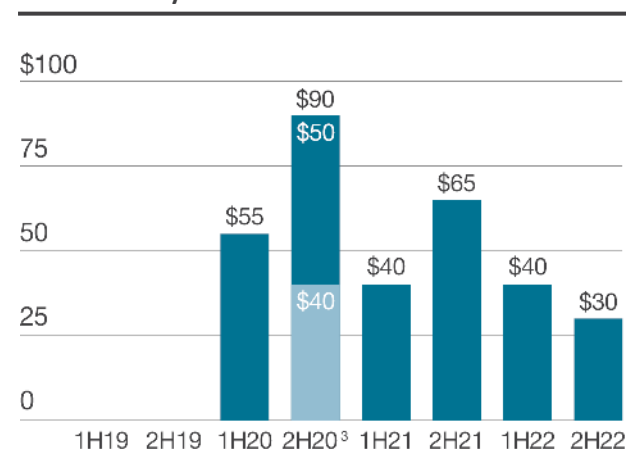
Gearing

3.7%

All in cost of debt²

- Multi-bank debt facilities provides diversity of funding sources and enhanced balance sheet capacity
- Staggered debt tranches with no single maturity exceeding 25% of total facilities
 - First maturity in December 2019
- Undertook \$150 million of equity raisings over the half
- Adequate gearing capacity to fund settlement of
- 2 Kendall Street, Williams Landing, VIC on completion 4
- Significant covenant headroom, interest cover ratio covenant of 2.0x and LVR covenant of 50.0%

Debt Maturity Profile



Key debt metrics

		1H18
Facility limit	(\$m)	320
Drawn amount	(\$m)	297.6
Undrawn capacity	(\$m)	22.4
Weighted average debt expiry	(years)	3.0
Proportion hedged	(%)	54.0
Weighted average hedge maturity	(years)	2.6
Cost of debt ²	(%)	3.7
Gearing ⁴	(%)	29.6
Interest cover ratio	(times)	6.1
LVR	%	35.3

1) Based on CMA's closing price of \$2.39 per security as at 9 August 2017.

2) 30 June 2017 pro forma adjusted for the acquisitions and capital raising announced on 13 July 2017.

3) Including weighted average swap rate, facility establishment fees and all-in margins (base and line fees).

Capital transactions – acquisitions and disposals

Acquired quality income generating metropolitan office assets

- Acquisition of four metropolitan office assets, totalling \$210.9 million; assets are highly complimentary to existing portfolio
- Acquisitions are fully occupied with attractive income profiles
- Disposal of 44 Hampden Road, Artarmon reflecting a 14.4% premium to book value and an 18.4% annual IRR over CMA's ownership period

Summary of acquisitions	State	Independent Valuation (\$m) ¹	Initial yield ¹	Cap rate	NLA (sqm)	WALE (years) ²	Occupancy ⁴
201 Pacific Highway, St Leonards (50%)	NSW	85.8	6.6%	6.5%	16,488	3.5	100%
77 Market Street, Wollongong ³	NSW	33.3	7.5%	7.3%	6,755	4.3	100%
144 Stirling Street, Perth	WA	58.2	9.2%	7.5%	11,042	3.9	100%
42-46 Colin Street, West Perth	WA	33.6	8.7%	7.5%	8,439	4.5	100%
Total		210.9	7.8%	7.1%	42,724	3.9	100%

Summary of disposals	State	Sale Price (\$m)	Premium to 1H18 BV
44 Hampden Road, Artarmon	NSW	10.3	14.4%
Total		10.3	—

1) 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

2) By income. WALE at acquisition date

3) 77 Market Street, Wollongong includes lease transactions agreed post 30 June 2017

4) By area

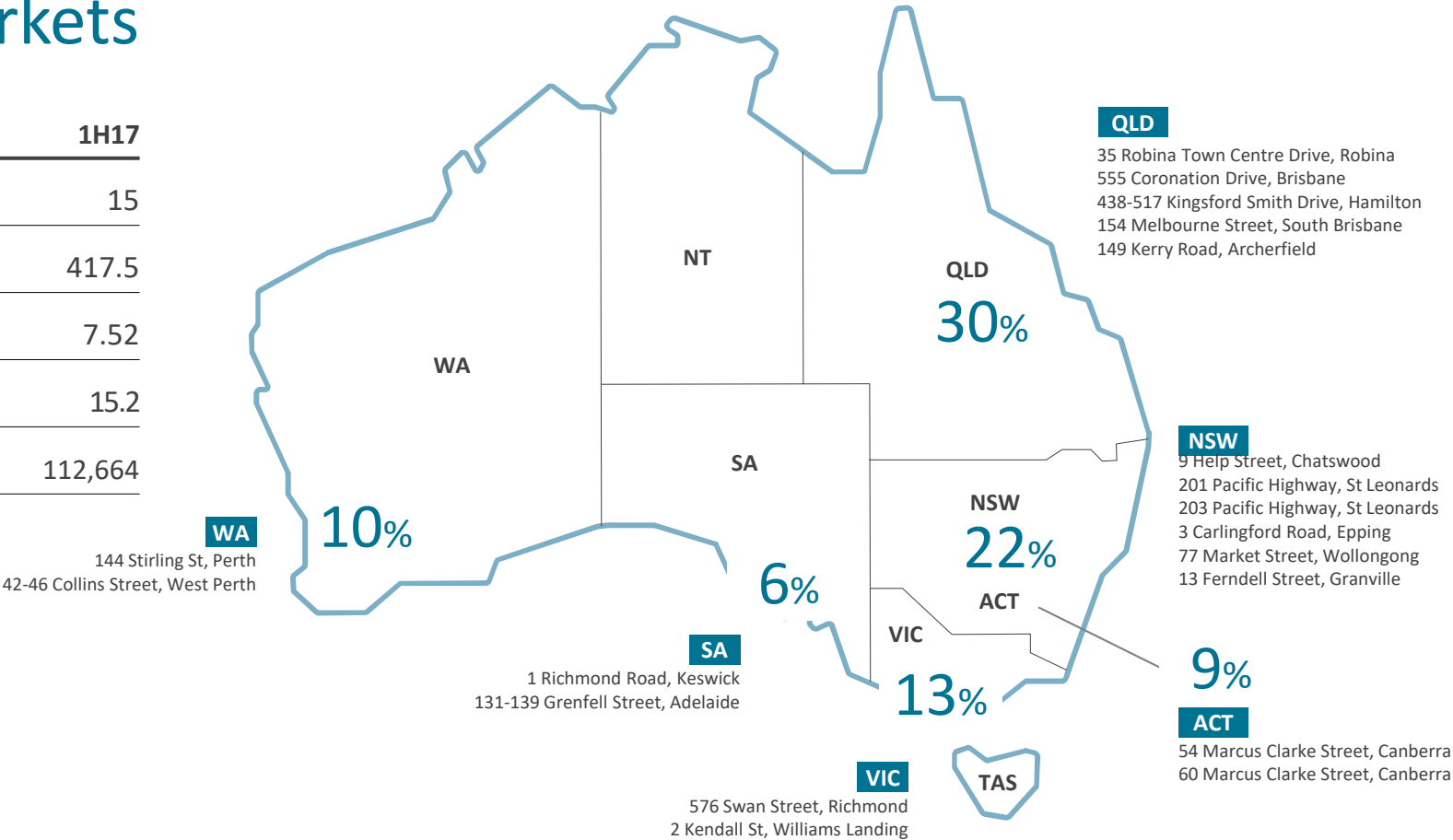
Section 3

Portfolio Overview

Portfolio composition

Geographically diversified portfolio weighted to eastern seaboard markets

Portfolio Snapshot		1H18 ¹	1H17
Number of assets	#	18	15
Book value	\$m	899.7	417.5
WACR	%	6.87	7.52
1H NOI	\$m	26.3	15.2
NLA	sqm	184,360	112,664



1) Includes Williams Landing, VIC, as if complete

Leasing overview

Focus on leasing to maximise occupancy and income

- Secured 20 lease transactions in 1H18 across 9,234sqm
 - 12 new leases across 3,913sqm
 - 8 renewals across 5,321sqm
 - 16 lease transactions less than 500sqm highlights benefits of leveraging Centuria's integrated property management platform
- Solid earnings visibility for the remainder of FY18 with low expiry of 1.2%^{1,2}

Key lease transactions	No. of transactions	sqm
203 Pacific Highway, St Leonards, NSW	1	3,503
54 & 60 Marcus Clarke Street, ACT	8	2,513
9 Help Street, Chatswood, NSW	4	1,887
42-46 Colins Street, West Perth, WA	1	492

Submarket	Occupancy ^{2,3}	WALE ²
NSW	100.0%	3.7
VIC	100.0%	7.1
QLD	94.2%	4.6
SA	94.8%	3.1
ACT	97.4%	3.2
WA	100.0%	4.0
Total	97.8%	4.3

1) Weighted by gross income

2) Includes Williams Landing, VIC, as if complete

3) By area

5.0%

Portfolio NLA leased in 1H18

9,324sqm

Portfolio NLA leased in 1H18

4,674sqm

FY18 expiries and vacancy leased

1.2%

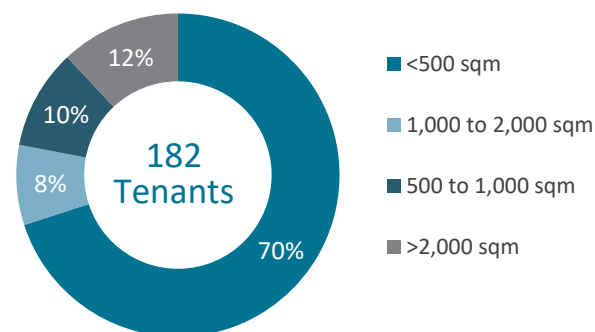
FY18 expiries^{1,2}

Tenancy profile

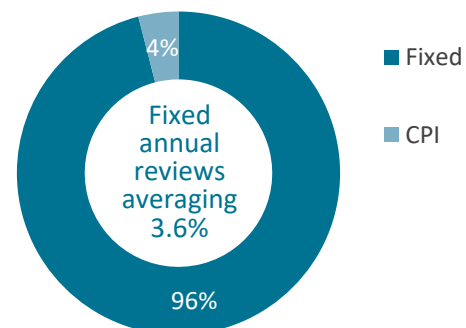
Earnings growth underpinned by high quality tenants and contracted rental growth

- Well diversified rent roll with 42.8% of gross rental income derived from top ten institutional and government tenants
- Earnings growth supported by 96% of rental income subject to fixed annual reviews averaging 3.6% p.a.
- Active management platform drives leasing performance from multi-tenant assets with <500sqm users
- Immaterial arrears across the portfolio

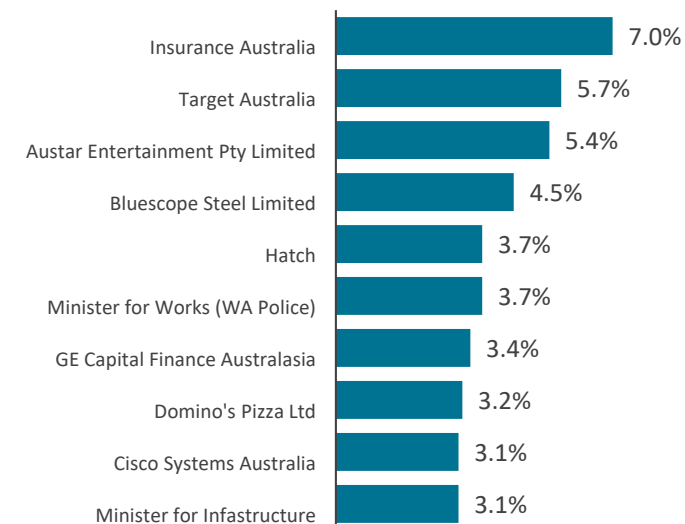
Tenancy profile by size cohort (by no. tenant) ¹



Rental reviews ¹



Tenant diversification (top 10 tenants by gross income) ¹



1) Includes Williams Landing, VIC, as if complete

Portfolio metrics

Portfolio positioned to drive ongoing performance

- Low forward lease expiry profile ensures visibility of future earnings
 - Minimal expiries of 1.2% ^{1,2} remaining in FY18
- Increased WALE to 4.3 years ³, 0.5 years over 1H17
- Known expiry of SMEC at 154 Melbourne Street, South Brisbane, QLD, increased vacancy slightly
- Refurbishment completed, actively pursuing expressions of interest
- Department of Housing and Public Works 1,624sqm lease renewal post 1H18, five year term, reduces FY19 lease expiry
- Average NABERS energy rating of 3.8

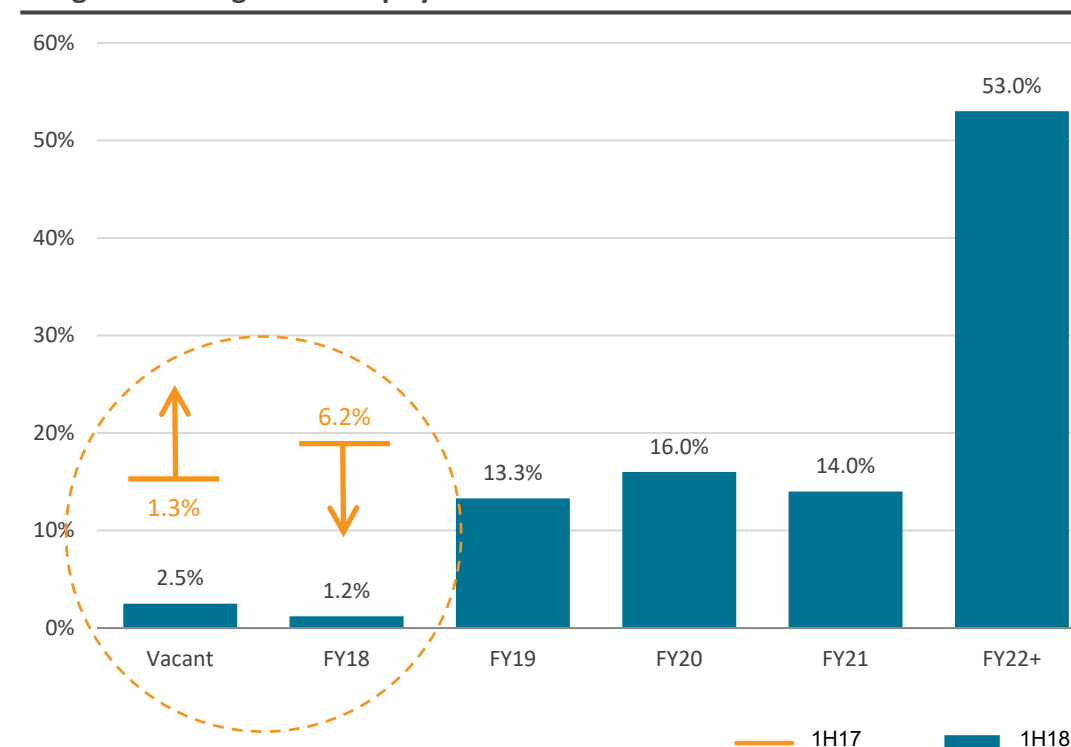
Portfolio Snapshot		Post 30 June ¹	FY17	FY16
Occupancy ²	%	97.8	97.3	97.2
FY18 expiries ³	%	4.7	6.0	6.6
WALE ³	yrs	4.3	3.9	3.9

1) Includes Williams Landing, VIC, as if complete

2) By area

3) Weighted by gross income

Weighted Average Lease Expiry ^{1,3}

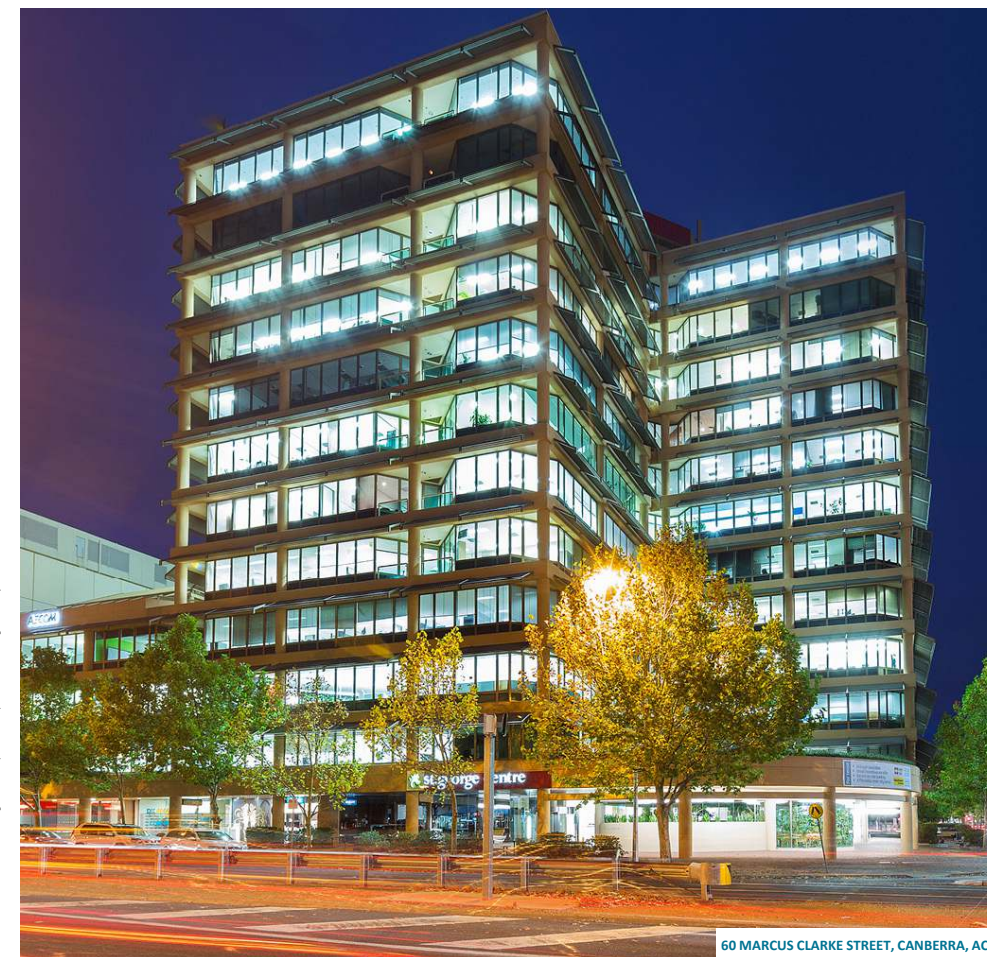


Portfolio valuations

Robust market fundamentals and active management driving valuation growth

- 100% of portfolio externally valued at 30 November 2017
 - Book value adjusted for December capital expenditure spend
- Like for like portfolio valuations increased year on year by 7.0% ¹ to \$634.7 million
 - Total portfolio value increased 51.7% to \$899.7 million
- Like for like portfolio WACR firmed year on year by 47 basis points to 6.84% ¹
 - Total portfolio WACR firmed year on year by 44 basis points to 6.87%

	Book value				Capitalisation rate		
	1H18	1H17	Increase	%	1H18	1H17	Change (bps)
Like for like portfolio ¹ ex. acquisitions	\$634.7m	\$593.1m	\$41.6m	7.0	6.84%	7.31%	(47 bps)
Acquisitions	\$265.0m	—	\$265.0m	—	6.93%	—	—
Total	\$899.7m	\$593.1m	\$306.6m	51.7	6.87%	7.31%	(44 bps)



1) Like for like valuation increase from 1H17 excluding 44 Hampden Road, Artarmon, NSW and 14 Mars Road, Lane Cove, NSW

Section 4

Guidance & Strategy

FY18 Guidance

- FY18 distributable earnings guidance of 18.6 cps
- FY18 distribution guidance of 18.1 cps
- Paid in equal installments of 4.525 cps per quarter
 - 9.05 cps paid in 1H18
 - 9.05 cps remaining to be paid in 2H18
- Strong forecast distribution yield of 7.6% 1 per annum



9 HELP STREET, CHATSWOOD, NSW

1) Based on the CMA closing price of \$2.39 per security on 31 December 2017

Strategy

CMA's strategy and focus remains unchanged

Fund strategy

- Acquire quality 'fit for purpose' metropolitan real estate assets delivering stable and secure income streams
- Maintain a disciplined capital structure with gearing below 35%
- Acquisition decisions driven by bottom up market research

Portfolio strategy

- Focus on portfolio leasing to ensure occupancy, WALE and income continue to be maximised
- Execute initiatives to generate income and value uplift through active asset management, risk mitigation and repositioning strategies
- Divest assets and recycle capital where appropriate

In Australia's metropolitan office markets, superior assets selection, active asset management and close relationships with tenants are the cornerstone of success.

CMA represents an opportunity to gain exposure to investment grade portfolio managed by hands on professional managers specialising in generating value throughout the property cycle

Section 6

Appendices

[Appendix A – History of Centuria Metropolitan REIT](#)

[Appendix B – Market Outlook](#)

[Appendix C – Income Statement](#)

[Appendix D – Distribution Statement](#)

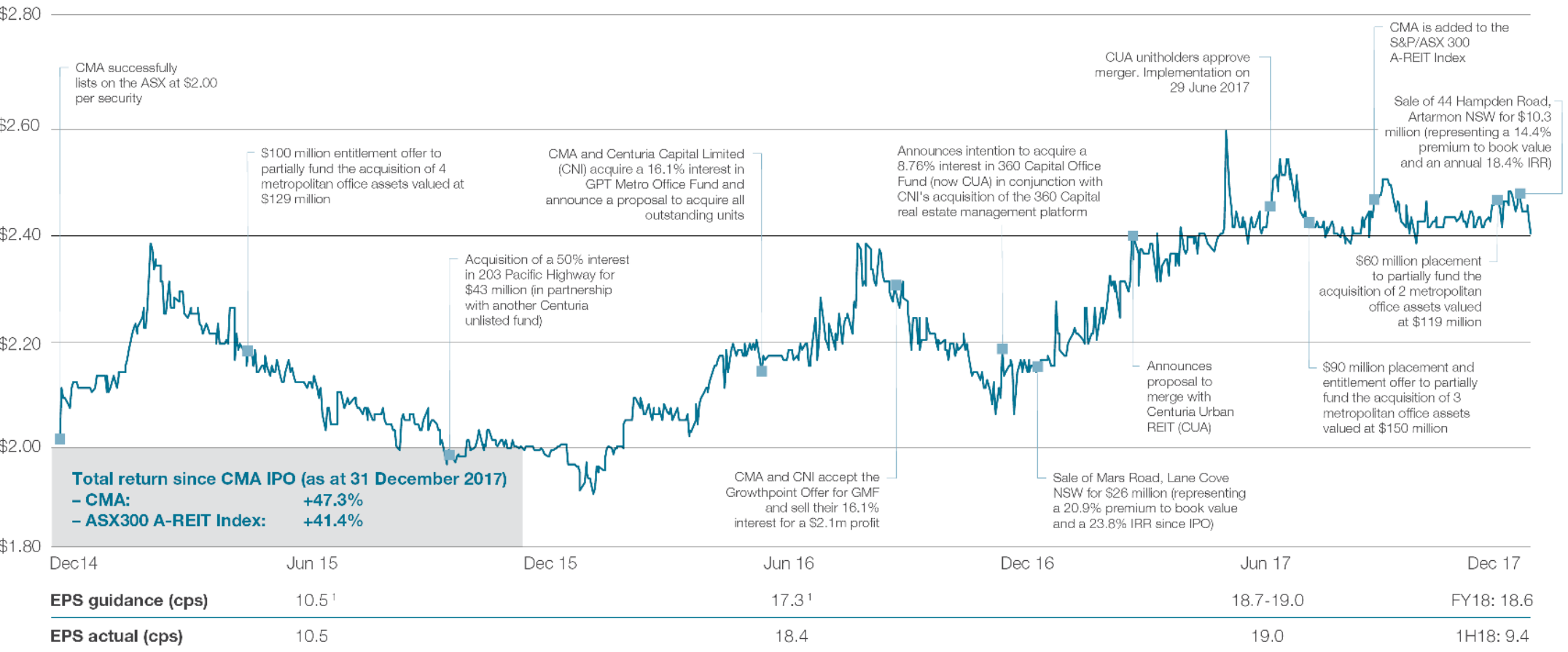
[Appendix E – Balance Sheet](#)

[Appendix F – NTA Movement](#)

[Appendix G – FFO Reconciliation](#)

[Appendix H – Investment Portfolio](#)

Appendix A – History of Centuria Metropolitan REIT



1) Based on restated guidance in the CMA acquisition and entitlement offer presentation – 29 April 2015
Source: Company filings, IRESS, Factset as at 31 December 2017

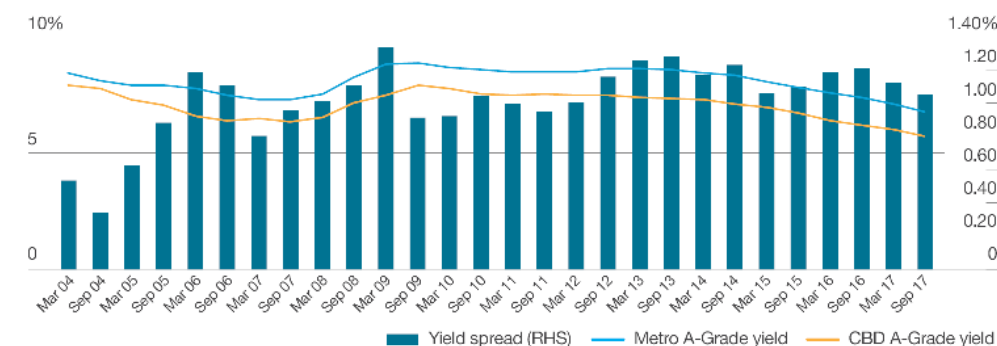
Appendix B – Market outlook

Robust supply and demand fundamentals in metropolitan office markets

- Non-CBD market supply is generally trending below historic averages
 - Majority of supply surrounds Sydney and Melbourne where vacancies are constrained
- Australian metro market total vacancy (9.1%) is lower than total CBD vacancy (9.8%). Metro vacancy has predominantly been impacted by demand, CBDs by withdrawal
- Seven out of ten lowest vacancy markets are metro markets
- Large infrastructure market development and project delivery is supporting tenant and employment bases across various national markets
- Strong effective CBD rent growth, particularly in Sydney and Melbourne is impacting metro markets
 - Incentives continue to decline
- Metro recorded highest positive absorption since December 2012, influenced by tenants seeking relocation
- Continuing strong activity for sub 1,000sqm occupiers, supporting CMA's tenant composition across 80% of the portfolio
- Increased interest in metro assets from both domestic and international investors seeking transaction opportunities due to competitive, tightly held CBD markets
- Yield spread has tightened between metro and CBD, likely to underpin further capital growth within certain metro markets

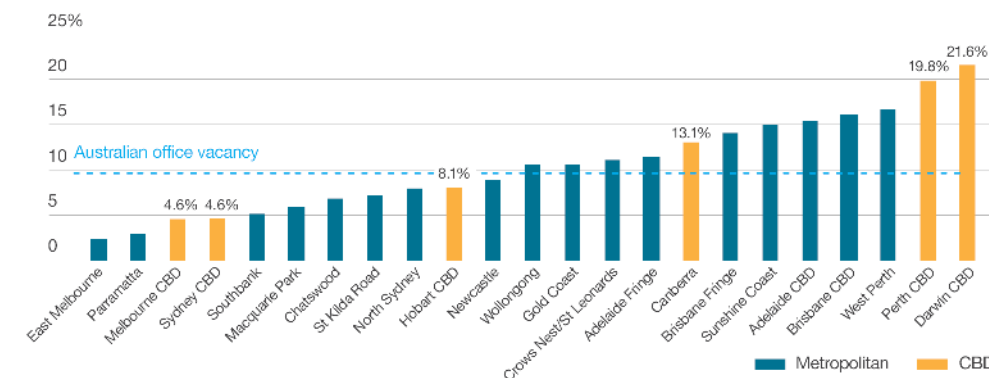
Yield spread – A-grade metro vs CBD A-grade

Source: ColliersEdge



Australian office vacancy rates

Source: PCA/OMR



Appendix C – Income Statement

\$'000

30 December 2017

Revenue

Gross property income	33,503
Interest Income	96
Total revenue	33,599

Expenses

Direct property expenses	(7,243)
Responsible entity fees	(1,959)
Finance costs	(3,764)
Management and other administrative expenses	(723)

Total expenses (13,689)

Sub-total 19,910

Straight lining of rental income	2,659
Amortisation of leasing fees	(889)
Gain / (loss) on fair value of investment properties	18,600
Gain / (loss) on fair value of derivatives financial instrument	(653)
Amortisation of borrowing costs	(255)
Business combination transaction costs	(198)

Statutory net profit 39,174

Appendix D – Distribution Statement

\$'000	30 June 2017
Statutory net profit	39,174
Straight lining of rental income ¹	(2,659)
Amortisation of Leasing fees	889
(Gain) / loss on fair value of investment properties	(18,600)
Loss / (gain) on fair value of derivatives financial instrument	(653)
Amortisation of borrowing costs	255
Business combination transaction costs	198
Distributable earnings	19,910
Distribution	20,768
Distributable Earnings per stapled security (cents)	9.4
Distribution per stapled security (cents)	9.05
Annualised Distributable Earnings yield ¹	7.8%
Annualised Distribution Yield ¹	7.6%

1) Based on CMA closing price of \$2.39 per security as at 31 December 2017

Appendix E – Balance Sheet

\$'000	31 December 2017
Cash	46,273
Investment properties	841,441
Goodwill	6,356
Trade and other receivables	5,535
Other assets	2,912
Total assets	902,517
Interest bearing liabilities ¹	295,793
Trade and other receivables ²	20,887
Derivative financial instruments	434
Total liabilities	317,714
Net assets	585,403
Securities on issue (thousands)	242,237

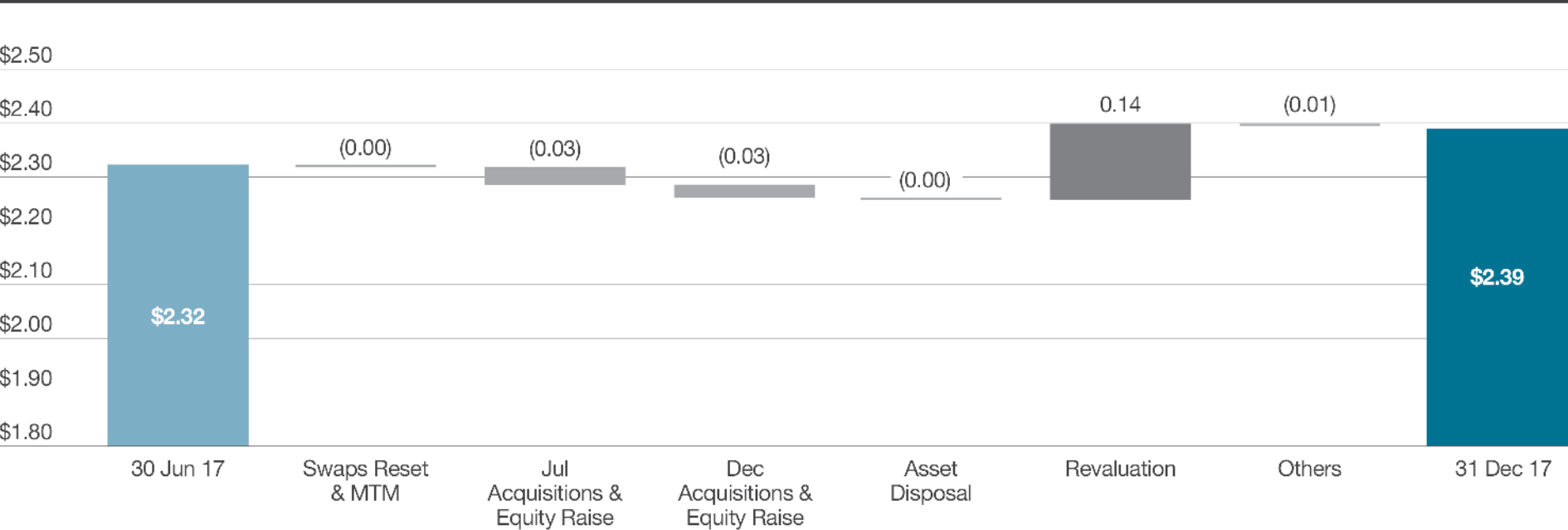
1) Drawn debt net of borrowing costs

2) Includes \$11.0m distributions payable

3) Gearing is defined as interest bearing liabilities less cash divided by total assets less cash and goodwill

Appendix F – NTA movement

Strong NTA growth



1) Other includes movement in cash, payables, receivables and DRP impact

Appendix G – FFO Reconciliation

Property	CMA Distributable Earnings (\$'000)	PCA FFO (\$'000)	Difference (\$'000)
Statutory Net Profit	39,174	39,174	0
Straight lining of rental income ¹	(2,659)	(2,659)	0
Amortisation of leasing fees	889	889	0
Gain / (loss) on fair value of investment properties	(18,600)	(18,600)	0
Loss (gain) on fair value of derivatives financial instrument	653	653	0
Amortisation of borrowing costs	255	255	0
Business combination transaction costs	198	198	0
Funds from Operations	19,910	19,910	0
FFO per share	9.4	9.4	0.0
Distribution per share	9.05	9.05	0.0
Weighted average number of securities ('000)	212,823	212,823	

1) Net of amortisation of tenant incentives.

Appendix H – Investment Portfolio

Property	State	Ownership	31 Dec 17 Book value	Caprate	NLA (sqm)	WALE ² (sqm)	Occupancy ³
Office							
9 Help Street, Chatswood	NSW	100%	68.5	6.50%	9,394	3.0	100.0%
203 Pacific Highway St Leonards	NSW	50%	53.8	6.75%	11,734	5.9	100.0%
3 Carlingford Road, Epping	NSW	100%	28.3	6.25%	4,702	2.2	100.0%
54 Marcus Clarke, Canberra	ACT	100%	20.0	8.00%	5,169	4.0	95.3%
60 Marcus Clarke, Canberra	ACT	100%	62.5	7.25%	12,132	2.9	98.2%
35 Robina Town, Centre Drive, Robina	QLD	100%	55.0	7.13%	9,814	5.8	100.0%
555 Coronation Drive, Brisbane	QLD	100%	33.7	7.75%	5,591	2.8	87.1%
483 Kingsford Smith Drive, Brisbane	QLD	100%	77.0	6.38%	9,322	7.0	100.0%
154 Melbourne Street, South Brisbane	QLD	100%	76.2	6.75%	11,300	2.2	80.7%
576 Swan Street, Richmond	VIC	100%	62.0	5.88%	8,331	4.2	100.0%
1 Richmond Road, Keswick	SA	100%	31.4	8.00%	8,100	4.0	92.1%
131-139 Grenfell Street, Adelaide	SA	100%	19.13	8.00%	4,052	1.9	100.0%
Industrial							
13 Ferndell Street, Granville	NSW	100%	19.9	7.00%	15,302	2.3	100.0%
149 Kerry Road, Archerfield	QLD	100%	27.3	6.50%	13,774	7.0	100.0%
Total / weighted average (excl. acquisitions)			634.7	6.84%	128,717	4.0	96.9%
201 Pacific Highway, St Leonards	NSW	50%	84.6	6.50%	16,488	3.4	100.0%
77 Market St, Wollongong	NSW	100%	33.3	7.25%	6,755	4.2	100.0%
144 Stirling Street, Perth ¹	WA	100%	55.3	7.50%	11,042	3.4	100.0%
42-46 Colin Street, West Perth	WA	100%	33.6	7.50%	8,439	4.6	100.0%
Total incl. Acquisitions (excl. Williams Landing)			841.4	7.23%	150,492	3.9	97.6%
Investment Properties Under Constructions							
2 Kendall Street, Williams Landing	VIC	100%	58.2	6.50%	12,919	10.0	100.0%
Total Portfolio / weighted average			899.7	6.87%	184,360	4.3	97.8%

1) 144 Stirling Street, Perth valuation includes outstanding existing incentives

2) By income

3) By area

Disclaimer

This presentation has been prepared by Centuria Property Funds Limited Limited (ABN 11 086 553 639, AFSL 231 149) (CPFL) as responsible entity of Centuria Metropolitan REIT ('CMA' or the 'Trust').

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Distributable earnings is a financial measure which is not prescribed by Australian Accounting Standards (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 the Trust.

All dollar values are in Australian dollars (\$) or A\$) unless stated otherwise.

Thank you

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