

# Centuria Capital Limited

## Results Briefing

### FY15

20 August 2015  
[www.centuria.com.au](http://www.centuria.com.au)



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|                                    |                    |
|------------------------------------|--------------------|
| Group Chief Executive              | John McBain        |
| CEO Unlisted Property Funds        | Jason Huljich      |
| CEO Listed Property Funds          | Nicholas Collishaw |
| General Manager - Investment Bonds | Neil Rogan         |
| Acting CFO                         | Lee-Anne Wilson    |

Centuria Capital Limited  
Suite 39.01, Level 39  
100 Miller Street  
North Sydney NSW 2060

T: 02 8923 8923  
F: 02 9460 2960

# FY15 Review



# FY15 Performance and Review

- During FY15 Centuria realised in excess of \$36 million from non-core divisions.
- Sale of the \$124 million Variable Rate Reverse Mortgage Portfolio yielding \$31.7 million cash before transaction costs and taxation.
- Sale of the Over Fifty Insurance business for \$5.2 million.
- At year end the group had cash in excess of \$25 million with undrawn corporate debt facilities and is utilising its enhanced balance sheet to grow core businesses.
- Statutory Profit \$8.6 million (FY14 \$9.1 million).
- Underlying NPAT \$6.3 million (FY14 \$5.9 million) driving record Property Funds Management divisional NPAT.
- Total dividends for FY15 of 4.75 cps, fully franked – increased 72% year on year
- 22.8% total shareholder return<sup>(1)</sup>.
- Successful listing of the Centuria Metropolitan REIT on ASX plus completion of additional \$100m equity raising within the first six months of listing.

1. Includes dividends declared in FY15

|   |  |
|---|--|
| <b>4.75 cps</b><br><hr style="width: 100%;"/> <b>Total dividends for FY15</b> | <b>22.8%</b><br><hr style="width: 100%;"/> <b>Total shareholder return</b> |
|---|--|

# FY15 Results Overview

## Financial Summary

|                                       | 30-Jun-15     | 30-Jun-14             | Change       |
|---------------------------------------|---------------|-----------------------|--------------|
| Statutory NPAT                        | \$8.6m        | \$9.1m                | (5.7%)       |
| Statutory EPS (basic)                 | 11.0c         | 11.6c                 | (5.2%)       |
| Underlying NPAT <sup>(1)</sup>        | <b>\$6.3m</b> | <b>\$5.9m</b>         | <b>6.4%</b>  |
| Underlying EPS (basic) <sup>(1)</sup> | <b>8.1c</b>   | <b>7.6c</b>           | <b>6.8%</b>  |
| Dividends per share (fully franked)   | <b>4.75c</b>  | <b>2.75c</b>          | <b>72.7%</b> |
| Payout ratio                          | 58.6%         | 36.2%                 | 61.8%        |
| Net Assets                            | \$119m        | \$103m <sup>(2)</sup> | 14.9%        |
| Net Assets per share <sup>(3)</sup>   | \$1.55        | \$1.32 <sup>(2)</sup> | 17.0%        |
| NTA per share <sup>(3)</sup>          | \$0.86        | \$0.65 <sup>(2)</sup> | 32.9%        |
| Funds Under Management:               |               |                       |              |
| Property Funds                        | \$876m        | \$922m                | (5.0%)       |
| Investment Bonds                      | \$715m        | \$714m                | 0.1%         |

1. Underlying profit is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents profit under AAS adjusted for specific non-cash and significant items.
2. The Statement of Financial Position as at 30 June 2014 has been restated. Refer to the Centuria Capital Limited Financial Statements lodged with ASX on 20 August 2015 for further information.
3. Net Assets per share and NTA per share based on ordinary shares on issue at 30 June (excluding contingently issuable performance rights).



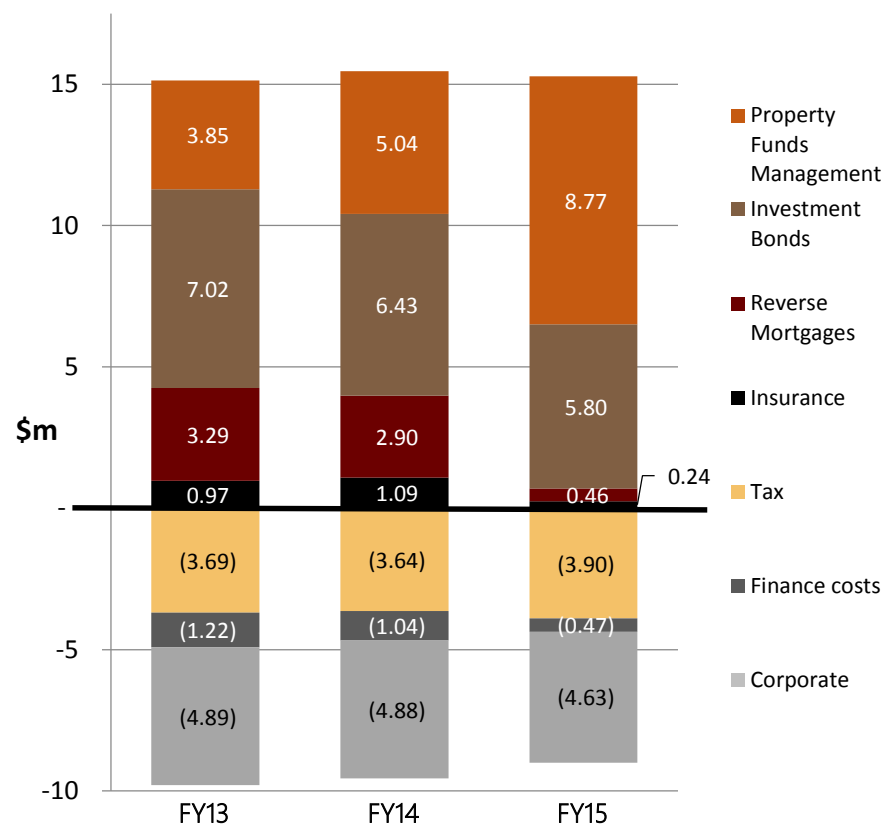
# Underlying Segment Results

|   | 2015          | 2014          | Commentary  |
|---|---------------|---------------|---|
| <b>Underlying profit by segment <sup>(1), (2)</sup></b> |               |               |   |
| Property funds management                               | 8,774         | 5,043         | Reflects increased performance and sales fees   |
| Investment bonds  | 5,803         | 6,430         | Retention improved 9% with increased business focus   |
| Reverse mortgage portfolio                              | 456           | 2,897         | Reflects sale of portfolio in Oct-14  |
| Insurance   | 244           | 1,090         | Reflects sale of subsidiary in Oct-14   |
| Corporate   | (4,628)       | (4,878)       |   |
| <b>Underlying profit before interest and tax</b>        | <b>10,649</b> | <b>10,582</b> |   |
| Corporate finance costs                                 | (473)         | (1,040)       | Reflects repayment of facility in Dec-14  |
| <b>Underlying profit before tax</b>                     | <b>10,176</b> | <b>9,542</b>  |   |
| Underlying tax expense                                  | (3,896)       | (3,638)       |   |
| <b>Underlying net profit after tax</b>                  | <b>6,280</b>  | <b>5,904</b>  |   |
| <b>Non-underlying adjustments:</b>                      |               |               |   |
| Unrealised gain on fair value of derivatives            | 1,148         | 5,007         | Accounting valuation of Reverse Mortgage interest rate swaps  |
| Centuria Life seed capital valuation movement           | (1,795)       | (511)         | Refer to Note (3) below   |
| Accounting gains on sales of non-core assets            | 5,194         | -             | \$4.873 million gain on sale of Insurance Agency and \$0.321 million gain on sale of Reverse Mortgage portfolio |
| Other non-underlying adjustments                        | -             | 38            |   |
| Tax impact of above non-recurring adjustments           | (2,266)       | (1,360)       |   |
| <b>Statutory net profit</b>                             | <b>8,561</b>  | <b>9,078</b>  |   |

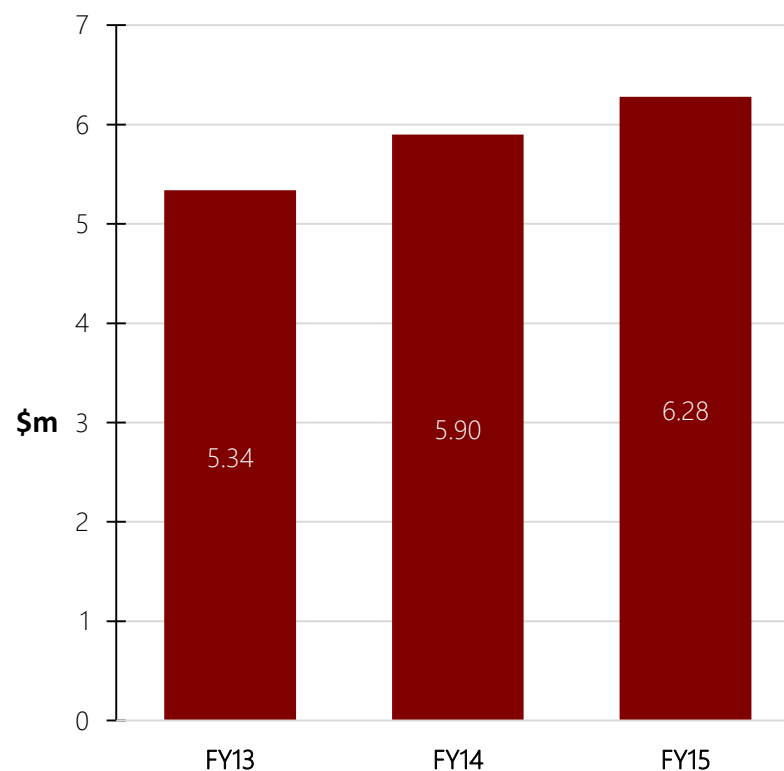
- Underlying profit is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents profit under AAS adjusted for specific non-cash and significant items.
- Extracted from Segment Information in Note 3 of the Centuria Capital Limited financial statements lodged with ASX on 20 August 2015.
- Impairment of seed capital resulted from the write-down of the two remaining legacy non-performing commercial loans within the Income Accumulation Fund Friendly Society bond.

# FY15 Results Overview

Underlying Net Profit Before Finance Costs and Tax by Segment<sup>(1)</sup> (\$millions)



Underlying Net Profit After Tax (\$millions)



1. Underlying profit is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents profit under AAS adjusted for specific non-cash and significant items.

# CNI share price relative performance to S&P/ASX Small Ordinaries Index\*



Total shareholder return FY15 equals 22.8% (includes FY 15 dividends)

\*The S&P/ASX Small Ordinaries Index represents the small cap members of the S&P/ASX 300 Index, but excludes those in S&P/ASX 100 Index. The S&P/ASX Small Ordinaries index is used as an institutional benchmark for small cap Australian equity portfolios. The index covers approximately 7% of Australian equity market capitalization (Source :ASX)



# Property Funds Management Division

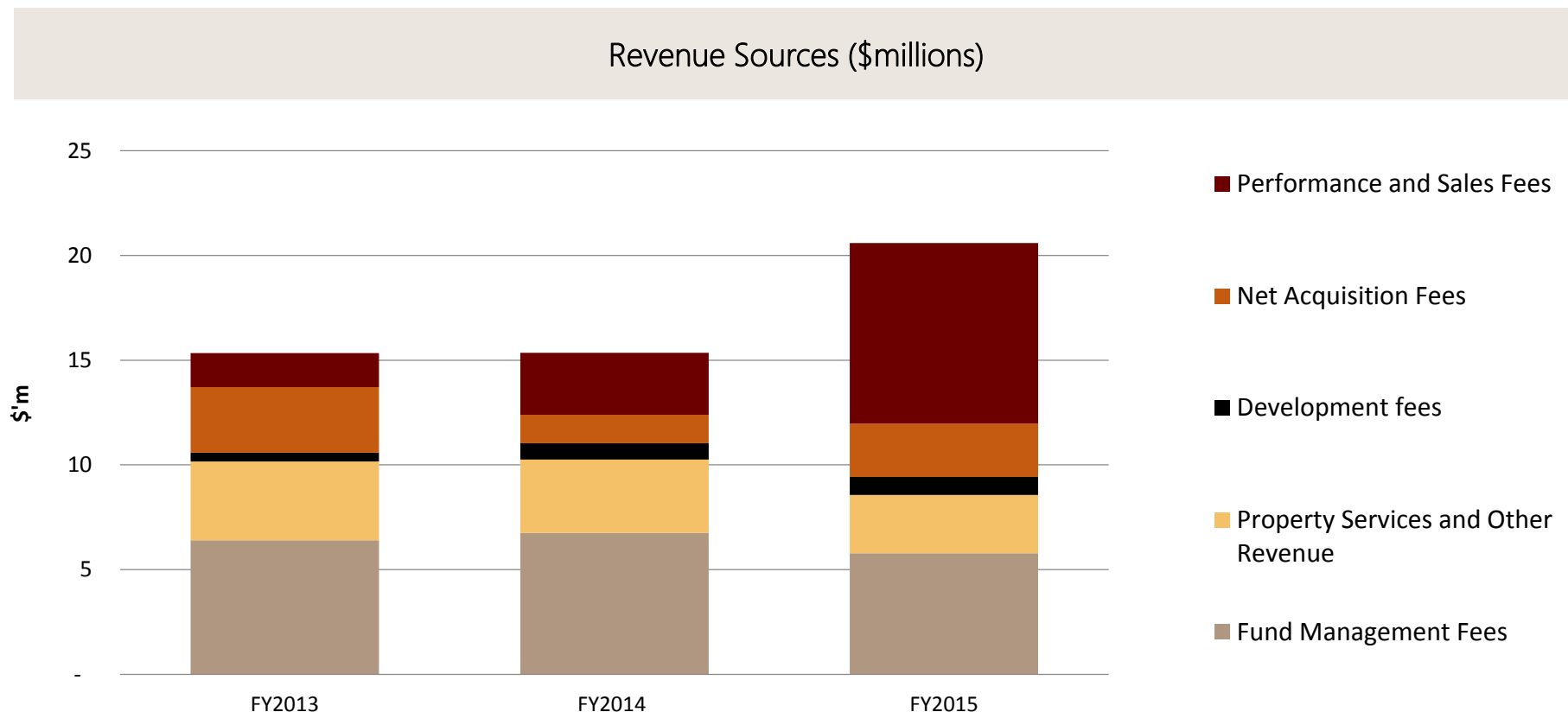


# Property Funds Management Division

- Creation of Listed Property business unit and downstream development model creates two new revenue and profit streams for the Group which are directly on-strategy and will be significant profit generators in the near term.
- Centuria Metropolitan REIT (CMA) successfully listed on the ASX in December 2014 with \$183 million diversified portfolio.
- Launched Centuria 2 Wentworth Street (Parramatta) Fund and acquired the remaining 50% interest in Channel Seven Building, Australia Technology Park, Sydney.
- Unlisted Property acquisitions totalled over \$150 million.
- Historically low interest rates create high investor demand for both listed and unlisted property vehicles.
- Centuria commenced construction of 62 residential units in Mosman, Sydney for Belmont Road Development fund.
- Asian investor base now established. Singapore operations relocated to Australia.



# FY15 Property Funds Management Division



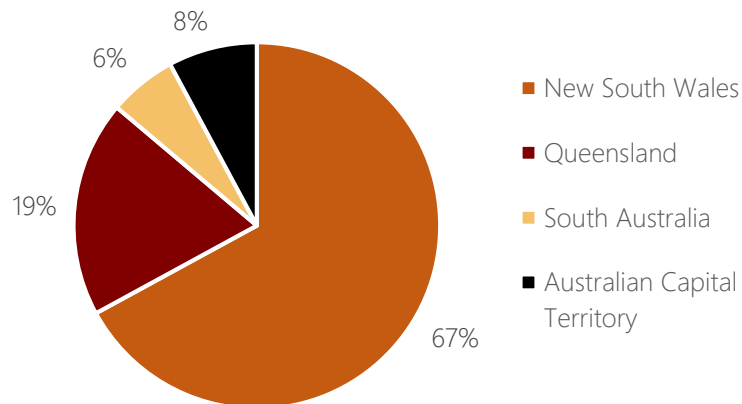
- Significant performance and sales fees contributed to a stand-out FY2015 result for the division.
- Core unlisted property FUM fluctuating to a limited extent as the unlisted property division reacts to property cycles (see comments slide 14). Unlisted Property FUM exhibits an inverse relationship to level of performance fees.
- Core listed property FUM will generally increase in a predictable manner.

# FY15 Property Funds Management Division

## Asset and Investor Profile

- Nine property acquisitions during the year, two in the unlisted property funds division and seven in the listed property funds division totaling \$355 million.
- 13 property disposals from unlisted property funds division totaling \$370 million
- Continued focus on self managed superannuation fund trustees and high net worth/family trust market by unlisted division.
- Unlisted investors have strong appetite to participate in repositioning and development vehicles and co-investment along side institutions.

Portfolio by State



## Business Profile of Funds

**3,461**

Number of Investors

**14**

Number of Funds

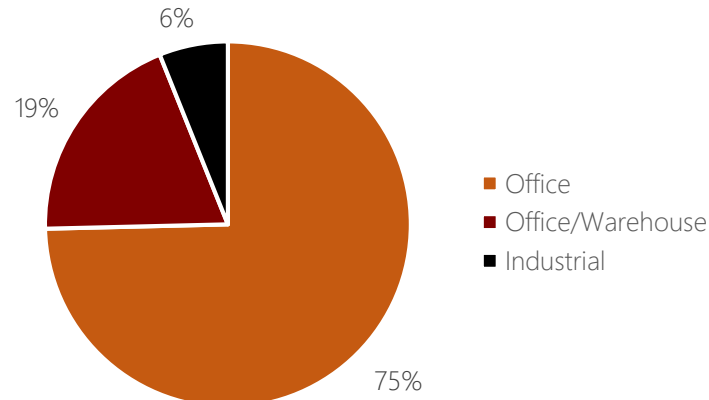
**4.7** years

Portfolio Weighted Average Lease Expiry (Income)

**23**

Number of Properties

Portfolio by Sector



# Unlisted Property Funds Management

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- Strong property market allowed Centuria to realise on thirteen mature assets driving significant profits for investors and releasing substantial performance fees for Centuria.
- Prevailing low interest rates afford Centuria an extended period to market unlisted vehicles with a comparative advantage to traditional fixed interest investments.
- Purchased 2-10 Wentworth Street, Parramatta for \$45 million. Over 500 Reservations of Interest received for the required equity and the fund raising closed oversubscribed two weeks early.
- Purchased remaining 50% interest in 8 Central Avenue, Australia Technology Park (Channel Seven Building) for \$109 million. \$64 million capital raising most heavily oversubscribed offer in history of company closing five weeks early.
- Commenced construction of 62 apartments at Belmont Road, Mosman. The first example of Centuria co-investing with property investors to reposition an existing passive office trust - maximising investor returns and releasing substantial development management and performance fees to Centuria at completion of the project.
- Increased development team capability to take advantage of existing residential development pipeline. One project at an advanced stage is the repositioning of an existing mature Macquarie Park, Sydney office property into a 350 apartment residential project.

# Unlisted Property Funds Management

## Strategy and Outlook

- Create differentiated property investment products to suit a range of investor risk/return requirements:
  - Passive: High quality modern assets producing income returns superior to traditional fixed term investments.
  - Core-Plus: Assets producing an income return with potential for capital growth through repositioning or refurbishment.
  - Value Add: Generally mature office/industrial assets where Centuria has identified the opportunity for further potential such as residential redevelopment.
- Centuria's strategy is to co-invest with existing clients providing underwriting where required and retaining short term equity stakes where returns exceed Centuria's cost of capital.
- With a sixteen-year track record, Centuria is well positioned to analyse property cycles - at certain times there will be a bias towards selling into a strong market and at other times a bias towards acquisition at attractive prices in a weaker market.
- In certain cycles acquisitions will drive earnings and at others, performance and sale fees will be greater.
- To diversify earnings from the traditional "syndicate" model Centuria has established the listed CMA REIT and Centuria's redevelopment/co-investment vehicles.

# Unlisted Property – Passive Case Study

## 8 Central Avenue, Australian Technology Park, Sydney

### Investment Rationale

- Average unexpired lease term of 11.0 years
- High quality tenant profile - NSW Government and Seven West
- ~2.5km from Sydney CBD - emerging business precinct
- Modern asset with low forecast capex requirements

### Asset Summary (June 2015)

|                            |                  |
|----------------------------|------------------|
| Purchase price (50% stake) | \$109.38 million |
| Valuation (1.9% premium)   | \$111.50 million |
| NLA                        | 36,451           |
| Occupancy                  | 100%             |
| WALE (by income)           | 11.0 years       |

### Fees

|                     |                  |
|---------------------|------------------|
| Acquisition Fee     | 2.00%            |
| Fund Management Fee | 0.80%            |
| Performance Fee     | 20% over 10% IRR |



| Year to June          | 2016      | 2017  |
|-----------------------|-----------|-------|
| Forecast distribution | 8.50%     | 8.75% |
| Forecast tax deferral | 100%      | 100%  |
| Distribution payments | Quarterly |       |

### Offer Summary

|                             |          |
|-----------------------------|----------|
| Equity raised               | \$64.48m |
| Minimum investment          | \$50,000 |
| Offer closed oversubscribed | May 2015 |



# Unlisted Property – Core Plus Case Study

## 441 St Kilda Road, Melbourne

Centuria acquired the property in June 2012 for \$58 million. Over the next 2 years the Centuria team added significant value to the asset utilising its strong asset management experience and sold the property in October 2014 for \$82.1 million.

- Purchased off-market – Centuria research targeted precinct as having high growth potential.
- Re-leased 40% of the total NLA of the property within 6 months to quality tenants in a difficult leasing environment.
- Increased the average rental in the property from \$280 psqm on purchase to a new benchmark of \$330 psqm on sale (18% increase in 2 years).
- Repositioned the asset and its WALE to ensure it was highly sought after by prospective purchasers.
- Sold the asset at optimum point in the cycle and set a record rate per square metre for a St Kilda Road asset.
- CNI realised significant sales and performance fees.

### Investment Returns

|                       |                |
|-----------------------|----------------|
| Purchase price        | \$58 million   |
| Sale price            | \$82.1 million |
| Capital Gain          | 35.1%          |
| IRR (Post Fees)       | 20.6%          |
| Average Income Return | 7.5%           |



441 St Kilda Road, Melbourne, VIC



# Unlisted Property – Value Add Case Study

## Centuria Belmont Road Development Fund



### Background

- Existing ten year duration Centuria passive office fund restructured to create the opportunity for investors to participate in opportunistic equity returns.
- High-end boutique 62 unit residential development in prestigious Mosman location – 92% presold.
- Equity raising significantly oversubscribed.
- Construction has commenced.
- Development, Management and Performance fees payable to Centuria plus profit on balance sheet co-investment (forecast circa \$5 million recognised upon completion of the development).



### Fund Overview

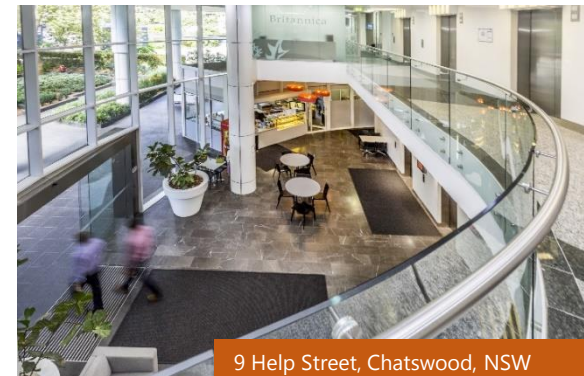
|                        |           |
|------------------------|-----------|
| Fund Launch            | Jan 2015  |
| Fund Term              | 2.2 years |
| Equity Raised          | \$13.75m  |
| Centuria Co-investment | \$3.75m   |
| Forecast Total Return  | 53.7%     |
| Forecast IRR           | 21.9%     |



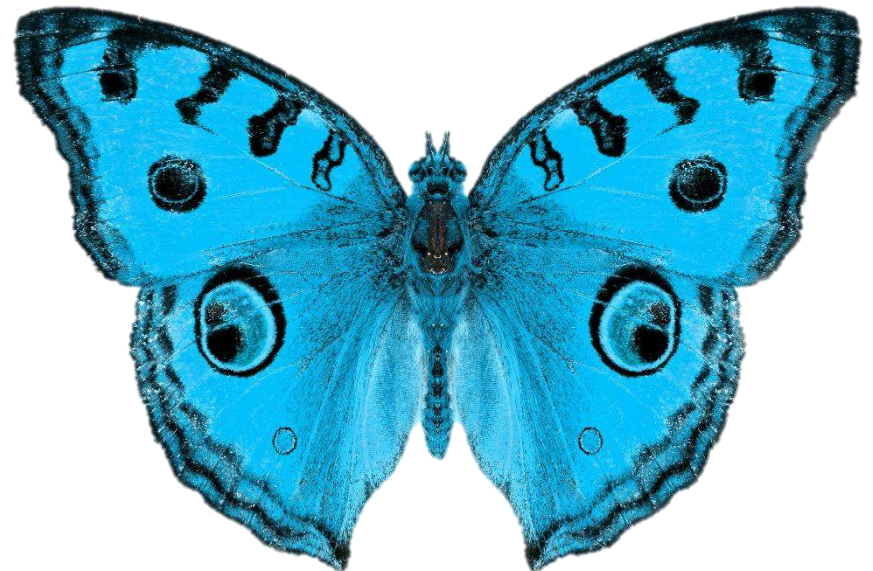
# Listed Property Funds Management

## Centuria Metropolitan REIT

- Centuria Metropolitan REIT (ASX code: CMA) listed on the ASX on 10 December 2014.
- Managed by Centuria Property Funds Limited, CMA utilises the Group's professional capabilities in property management, development and accounting, generating new recurring income for the Group.
- Nicholas Blake has been appointed CMA Trust Manager alongside REIT specialist Nicholas Collishaw, CEO Listed Property.
- In May 2015, CMA successfully completed a two-for-three accelerated non-renounceable entitlement offer raising an additional \$100 million for the acquisition of four additional assets valued at \$129.3 million.
- CNI subscribed for its full entitlement in May 2015, maintaining its strategic alignment with CMA investors and ensuring it will benefit from CMA's ongoing performance
- As at 30 June 2015, CMA had a market capitalisation of \$245.5 million with conservative gearing of 24%.
- Establishment of CMA enabled retention of \$110 million of existing FUM and has delivered over \$210 million of new FUM since listing.



# Investment Bond Division



# Investment Bond Division

**\$383m**

**Total FUM of Centuria  
Life Investment Bonds**

**\$332m**

**Total FUM of Over Fifty  
Guardian Friendly Society  
Bonds**

**\$715m** (Jun-14 \$714m)

**Total FUM**

- Centuria Life manages two friendly societies – Centuria Life Friendly Society and the Over Fifty Guardian Friendly Society. Combined, the two friendly societies are the 4<sup>th</sup> largest friendly society/insurance bond issuer in Australia with 9.7% market share (Plan for Life March 2015).
- Division headed by industry specialist Neil Rogan – ex AMP Head of Marketing and Campaigns, Neil appointed in October 2014 with mandate to grow the division.
- Key imperative is to create positive inflows over 2015/16 period to put division in strong growth trajectory.
- Centuria Life is a wholly owned APRA-regulated Life Insurance company authorised to issue Investment Bond (Insurance Bonds).
- Steady growth in policyholder numbers to 83,814 primary holders at 30 June 2015, up from 83,136 at 30 June 2014. Over Fifty Guardian FUM continues steady growth up 8.93% from 2013/2014.
- Centuria Life Friendly Society retention improved by 8.93% from 2013/2014. Total redemptions decreased from \$46.58m to \$42.42m for the period.



# FY15 Investment Bond Division

## Strategy for Investment Bond Division

- Centuria is positioning the Investment Bond Division in the retail financial advice market as the investment bond provider of choice for third party distributors and selected aligned advisers.
- Providing financial advisers with financial planning strategies and client support tools where an investment bond creates a beneficial client outcome for:
  - Maximising Centrelink entitlements with aged care
  - Estate planning
  - Tax effective income streams
  - Business succession planning
  - Complementing superannuation savings
  - Saving for child's education
- With ongoing regulatory uncertainty around superannuation, Investment Bonds are well placed as tax-effective savings vehicles for accumulation of wealth and income outside of superannuation.



# FY15 Investment Bond Division

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## Strategy for Investment Bond division (cont'd)

- New online calculators demonstrating the value of investing in an investment bond as well as calculating the cost of funding a child's education.
- Business development team trained and focussed on providing end-to-end value for advisers and their clients.
- Business Development Managers appointed in NSW January 2015 and Victoria June 2015.

## Product development

- Closure of investment options where there is no longer consumer demand.
- Continue to partner with 3<sup>rd</sup> party distributors to grow white labelled investment bonds such as the partnership with Implemented Portfolios.
- Based on adviser and client feedback, 3 new funds will be added to the Centuria Unit Linked Investment Bond range in September including Cash Plus, Imputation and Property Funds.
- Centuria Australian Shares Investment Bond was one of only two Australian Shares Funds from a universe of 38 awarded a 5 Star Morningstar Rating.

# FY15 Non-Core Assets

## Reverse Mortgage Portfolio Update

- Centuria successfully sold its variable rate reverse mortgage portfolio in October 2014 in line with its strategy to monetise non-core operations.
- \$31.7 million cash was released to the Group (before transaction costs and taxation).
- Fixed interest rate loan portfolio with a book value of \$26.6 million at 30 June 2015 retained.
- Value of book secured by \$82.4 million of residential property (38.7% weighted average LVR).
- Non-recourse warehouse loan reduced to \$11.3m at 30 June 2015 (30 June 2014: \$114.2m).
- Loan facility maturity date extended to 30 September 2016.
- This fixed interest portfolio is considered a long-term stable investor



# Group Strategy – Refreshed for 2015

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*"FY 15 marks a year where the CNI balance sheet has been substantially strengthened. The sale of non-core divisions and focus on the performance of core business units has generated increased underlying NPAT"*

## Strategic objectives

Centuria will utilise its enhanced balance sheet focussing its core operations to drive increased shareholder wealth, specifically:

- Utilise existing skill base to expand core business activities
- Provide reliable, growing dividends
- Generate increased earnings per share

## Detailed strategies

- Expand and diversify product range to meet increased investor demand
- Co-invest with clients to generate increased investment activity
- Utilise and recycle balance sheet to underwrite new product offerings
- Centuria's Investment Bond business now in expansion phase
- Corporate acquisitions considered where scale and market position enhanced



# Appendices



### General comment on statutory accounts reconciliation

- The “Statutory Accounts” show the consolidated results of the Company and its controlled entities, including the Benefit Funds of Centuria Life, which Centuria is required to consolidate under Australian Accounting Standards.
- The “Benefit Funds” reflect the stand alone results, assets and liabilities of policyholders of the benefit funds.
- The “Statutory accounts excluding Benefit Funds” reflect the results, assets and liabilities attributable to Centuria shareholder funds.

# Appendix 1:

## Income Statement for year ended 30 June 2015<sup>(1)</sup>

|   | Statutory<br>Accounts | Benefit<br>Funds | Statutory Accounts<br>excluding Benefit<br>Funds |
|---|-----------------------|------------------|--|
|   | \$'000                | \$'000           | \$'000   |
| Property funds management revenue   | 20,617                | -                | 20,617   |
| Investment bond revenue   | 32,093                | (22,015)         | 10,078   |
| Reverse mortgages revenue <sup>(2)</sup>                                      | 5,596                 | -                | 5,596  |
| Insurance revenue <sup>(2)</sup>  | 287                   | -                | 287  |
| Corporate revenue   | 5,817                 | -                | 5,817  |
| <b>Total revenue</b>  | <b>64,410</b>         | <b>(22,015)</b>  | <b>42,395</b>                                    |
| Finance costs   | (3,890)               | -                | (3,890)  |
| Employee benefits expense   | (12,464)              | -                | (12,464)   |
| Administrative and other fees and expenses                                    | (10,248)              | -                | (10,248)   |
| Impairment of related party receivable (seed capital) <sup>(3)</sup>          | (2,218)               | -                | (2,218)  |
| Unrealised gain from fair value movements of derivative financial instruments | 1,148                 | -                | 1,148  |
| Expenses attributable to Benefit Funds  | (20,395)              | 20,395           | -  |
| <b>Net profit before tax</b>  | <b>16,343</b>         | <b>(1,620)</b>   | <b>14,273</b>                                    |
| Income tax expense  | (7,782)               | 1,620            | (6,162)  |
| <b>Statutory Profit for the period</b>  | <b>8,561</b>          | <b>-</b>         | <b>8,561</b>                                     |

1. Extracted from the Statement of Comprehensive Income and Segment Information of the Centuria Capital Limited Financial Statements lodged with ASX on 20 August 2015.

2. Revenue and results from the reverse mortgages and insurances divisions were impacted by the sales that took place in October 2014.

3. Discounting of seed capital is disclosed as part of finance costs in the financial statements.

# Appendix 2:

## Summary Balance Sheet as at 30 June 2015<sup>(1)</sup>

|  | Statutory<br>Accounts | Benefit<br>Funds | Statutory Accounts<br>excluding Benefit<br>Funds |
|--|-----------------------|------------------|--|
|  | \$'000                | \$'000           | \$'000   |
| <b>Assets</b>  |                       |                  |  |
| Cash and cash equivalents <sup>(2)</sup>                           | 25,487                | -                | 25,487   |
| Other financial assets – reverse mortgage portfolio <sup>(3)</sup> | 43,754                | -                | 43,754   |
| Properties held for development <sup>(4)</sup>                     | 23,011                | -                | 23,011   |
| Intangible assets  | 53,025                | -                | 53,025   |
| Assets in respect of Benefit Funds                                 | 386,401               | (386,401)        | -  |
| Other assets   | 19,669                | -                | 19,669   |
| <b>Total assets</b>  | <b>551,347</b>        | <b>(386,401)</b> | <b>164,946</b>                                   |
| <b>Liabilities</b>   |                       |                  |  |
| Borrowings – reverse mortgages                                     | 11,303                | -                | 11,303   |
| Borrowings – development facility <sup>(4)</sup>                   | 9,609                 | -                | 9,609  |
| Derivative financial liabilities – reverse mortgages               | 17,576                | -                | 17,576   |
| Liabilities in respect of Benefit Funds                            | 386,401               | 386,401          | -  |
| Other liabilities  | 7,607                 | -                | 7,607  |
| <b>Total liabilities</b>   | <b>432,496</b>        | <b>386,401</b>   | <b>46,095</b>                                    |
| <b>Net assets</b>  | <b>118,851</b>        | <b>-</b>         | <b>118,851</b>                                   |

1. Extracted from the Statement of Financial Position of the Centuria Capital Limited Financial Statements lodged with ASX on 20 August 2015.

2. Includes \$9.6m not available for use (\$1.2m Reverse Mortgages division and \$8.4m Investment Bonds division).

3. Other financial assets – reverse mortgage receivables of \$26.6m plus fair value adjustment of \$17.2m.

4. Assets and liabilities of Centuria Belmont Road Development are required to be included in the results of the Group, notwithstanding the Group holds a 27.26% equity interest.

# Appendix 3:

## Summary Cash Flow Statement for the year ended 30 June 2015 <sup>(1)</sup>

|   | Statutory<br>Accounts | Benefit<br>Funds | Statutory Accounts<br>excluding Benefit<br>Funds |
|---|-----------------------|------------------|--|
|   | \$'000                | \$'000           | \$'000   |
| Cash flows from operating activities                                    |                       |                  |  |
| Management fees received  | 29,734                | -                | 29,734   |
| Payments to suppliers and employees                                     | (25,424)              | -                | (25,424)   |
| Benefit Funds net cash used in operating activities                     | (27,855)              | 27,855           | -  |
| Other net operating receipts  | (26,662)              | -                | (26,662)   |
| <b>Net cash flows provided by/(used in) operating activities</b>        | <b>(50,207)</b>       | <b>27,855</b>    | <b>(22,352)</b>                                  |
| Cash flows from investing activities                                    |                       |                  |  |
| Benefit Funds net cash provided by investing activities                 | 5,408                 | (5,408)          | -  |
| Payments for plant and equipment  | (539)                 | -                | (539)  |
| Acquisition of investments in managed funds                             | (6,154)               | -                | (6,154)  |
| Net proceeds from sale of subsidiary                                    | 4,873                 | -                | 4,873  |
| <b>Net cash flows provided by/(used in) investing activities</b>        | <b>3,588</b>          | <b>(5,408)</b>   | <b>(1,820)</b>                                   |
| Cash flows from financing activities                                    |                       |                  |  |
| Proceeds from sale of reverse mortgages, net of repayment of borrowings | 31,702                | -                | 31,702   |
| Repayment of borrowings – corporate                                     | (12,000)              | -                | (12,000)   |
| Other net financing activities  | 16,841                | -                | 16,841   |
| <b>Net cash flows provided by financing activities</b>                  | <b>36,543</b>         | <b>-</b>         | <b>36,543</b>                                    |
| <b>Net increase in cash and cash equivalents</b>                        | <b>(10,076)</b>       | <b>22,447</b>    | <b>12,371</b>                                    |

1. Extracted from the Statement of Cash Flows of the Centuria Capital Limited Financial Statements lodged with ASX on 20 August 2015.

# Disclaimer

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