



Australian Securities Exchange - Company Announcements Platform

Centuria Property Funds Limited CENTURIA METROPOLITAN REIT

CMA FY18 Operating Update

Thursday, 19 July 2018

- NTA increased by 10.0 cpu since Dec-17 to \$2.49 per unit¹
- Portfolio value increased by \$31.9 million to \$930.5 million², as a result of leasing success and strong market conditions through the year
- Underlying portfolio metrics remain robust with occupancy at 98.9%³ and WALE of 4.0⁴ years
- Unconditionally exchanged 3 Carlingford Road, Epping, NSW at a 27.2% premium to book value on a deferred settlement basis
- Practical completion of 2 Kendall Street, Williams Landing, VIC remains on schedule with rent commencement anticipated in January 2019

Valuation Update

Centuria Property Funds Limited (**CPFL or Centuria**), has undertaken valuations on CMA's portfolio as at 30 June 2018, generating an uplift in value of \$31.9 million, or 3.6% for the six months to 30 June 2018. Four independent valuations were undertaken across 20% of the portfolio by book value. CMA's WACR has firmed a total of 21 bps to 6.68%.

State	No. of Properties	Dec 17 Value ⁵	Jun 18 Value ⁵	Increase on Dec-Val	Cap Rate (Dec-17) ⁵	Cap Rate (Jun-18) ⁵
NSW	6	289.5	309.3	19.8	6.64%	6.30%
VIC	2	120.2	121.7	1.5	5.88%	5.75%
QLD	5	269.0	272.4	3.4	6.82%	6.72%
WA	2	88.9	90.5	1.6	7.50%	7.50%
SA	2	50.3	52.3	2.0	8.00%	7.68%
ACT	2	80.8	84.4	3.7	7.43%	7.12%
Total	19	898.6	930.5	31.9	6.89%	6.68%

1 Subject to audit finalisation

2 Includes 3 Carlingford Road, Epping, NSW held for sale

3 By area

4 By gross income

5 With the exception of cap rates, includes 2 Kendall Street, Williams Landing, VIC as if complete



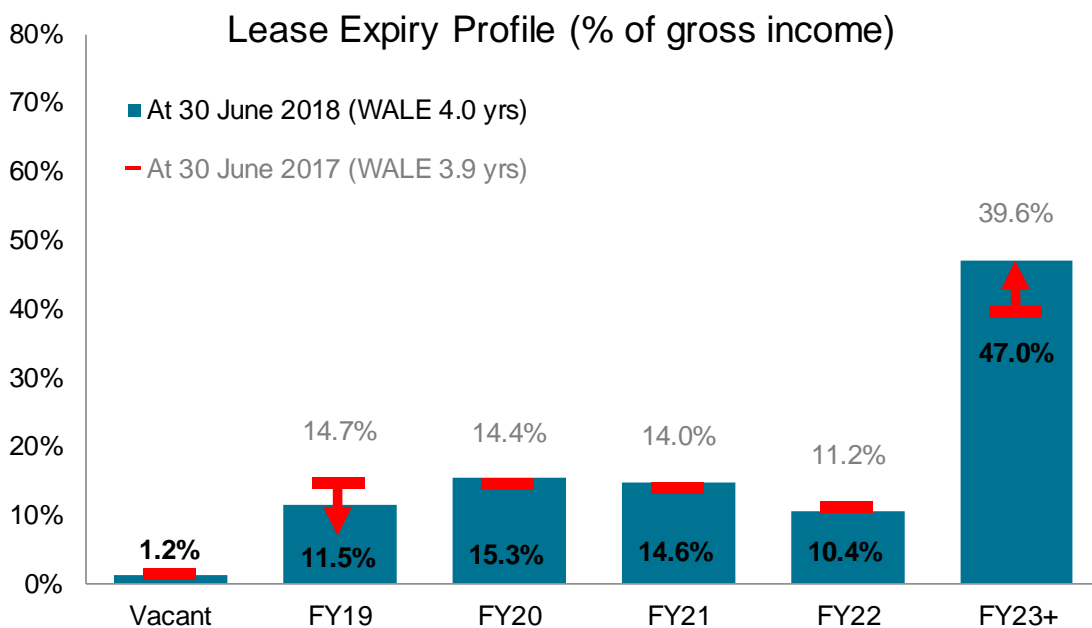
Accordingly, CMA’s NTA is expected to increase by 10.0 cpu, or 4.2%, to \$2.49 per unit¹.

Doug Hoskins - Acting CMA Trust Manager, commented: “Our ongoing active management of the portfolio, as supported by the strong capability of our in-house property management platform, continues to generate strong value with CMA’s NTA increasing 7.3% year on year.

“Moreover, investor demand for quality metropolitan assets, like those owned by CMA, continues to increase as institutional investors seek value outside the highly priced CBD markets. As a specialist in metropolitan office markets, CMA remains well positioned to drive successful outcomes and identify astute investment opportunities.”

Portfolio Update

CMA’s portfolio remains well placed with occupancy at 98.9%³ and WALE at 4.0⁴ years. Due to ongoing leasing initiatives, over 45% of the portfolio’s forward income expiries now extend out to FY23 and beyond.



The portfolio continues to enjoy strong green credentials, with the office portfolio’s average NABERS energy rating at 4.0⁶ stars.

⁶ Excl. 3 Carlingford, Epping NSW (held for sale), CMA’s industrial assets and 35 Robina Town Centre, Robina QLD



Capital Transactions

Construction of Target Headquarters at 2 Kendall Street, Williams Landing, VIC is substantially progressed. Practical completion remains on schedule with rent anticipated to commence in January 2019.

As announced on 20 June 2018, CMA has entered into an unconditional contract to divest 3 Carlingford Road, Epping NSW on a deferred settlement basis with a 10% non-refundable deposit. The sale price of \$36.0 million⁷ represents a 27.2% premium to the 31 December 2017 book value and is forecast to generate an unlevered IRR of approximately 21.3%⁸ upon settlement in September 2018⁹.

Doug Hoskins, commented: “The sale of 3 Carlingford Road, Epping represents the culmination of a strategy set at CMA’s listing in December 2014, delivering on a promise to unlock capital value for CMA unitholders utilising Centuria’s development expertise.

“Additionally, 2 Kendall Street, Williams, VIC remains on track for settlement. Pleasingly, recent transactional evidence indicates rental and capital value uplift in the Williams Landing precinct since CMA’s agreement to acquire the asset in June 2016.”

FY18 Results Presentation

CMA’s FY18 results including audited financial statements and FY19 earnings and distribution guidance will be released to the market, via webcast, on 21 August 2018. We encourage all CMA unitholders to view the presentation.

- Ends -

For more information or to arrange an interview, please contact:

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⁷ Before transaction costs

⁸ IRR calculated on an unlevered basis, commencing from December 2015

⁹ Settlement can be deferred at further 60 days at CMA’s election. CMA continues to receive all income through to settlement



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About Centuria Property Funds Limited

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 is Australia's largest ASX listed metropolitan office REIT and is included in the S&P/ASX300 index. CMA owns a portfolio of 17 high quality metropolitan office assets and two industrial assets with a portfolio value of \$900 million. The properties are located in core metropolitan submarkets throughout Australia.

CPFL, combined with Centuria Property Funds No. 2 Limited (CPF2L), the Responsible Entity for the ASX listed Centuria Industrial REIT (CIP), has approximately \$3.8 billion of funds under management in 16 unlisted property funds, one open-ended diversified property fund and two listed REITs.

CNI is an ASX-listed specialist investment manager with \$4.7 billion in total funds under management.

www.centuria.com.au

Disclaimer

All information and statistics in this announcement are current as at 20 June 2018 unless otherwise specified. It contains selected summary information and does not purport to be all-inclusive, comprehensive or to contain all of the information that may be relevant, or which a prospective investor may require in evaluations for a possible investment in CMA. It should be read in conjunction with CMA's periodic and continuous disclosure announcements which are available at www.centuria.com.au.

This announcement is provided for general information purposes only. It should not be relied upon by the recipient in considering the merits of CMA or the acquisition of securities in CMA.

Before making an investment decision, the recipient should consider its own financial situation, objectives and needs, and conduct its own independent investigation and assessment of the contents of this announcement, including obtaining investment, legal, tax, accounting and such other advice as necessary or appropriate.

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