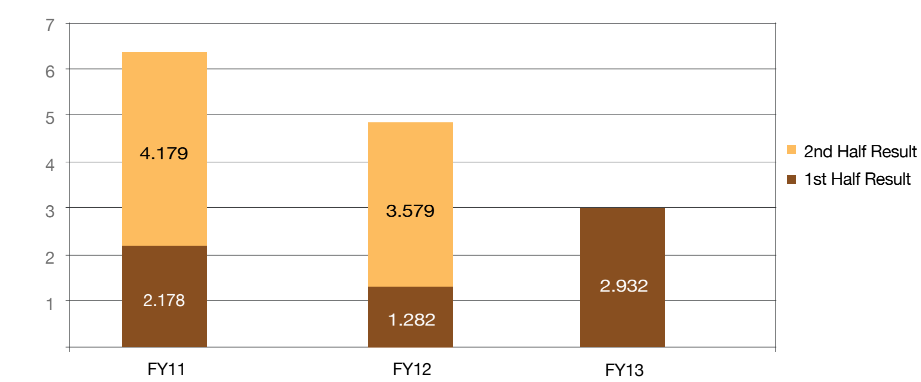
Results Announcement for the half year ending 31 December 2012

Centuria Capital Limited

Presentation to Investors and Analysts

31 December 2012 - Financial Performance

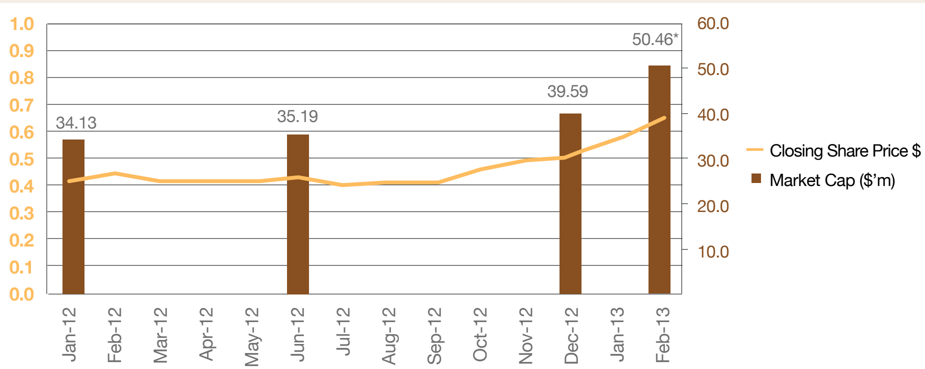
Underlying Net Profit After Tax (NPAT) ($m)



- **1H13 underlying earnings well above 1H11 & 1H12**
- **2H13 expected to settle acquisition of 175 Castlereagh Street, Sydney**
- **Further large Sydney CBD asset expected to settle in FY13**

- **Underlying Earnings Per Share 3.8c** (31 Dec 2011: 1.6c)
- **Statutory 31 December 2012 - NPAT $2.8 million** (31 Dec 2011: $1.0 m)
- **Statutory Earnings Per Share 3.5c** (31 Dec 2011: 1.2c)

Share Price & Market Capitalisation Movements



*As at 20 February 2013

- **Progressive increase in share price and in turn, market capitalisation**

Underlying Results
(excl. Benefit Funds)

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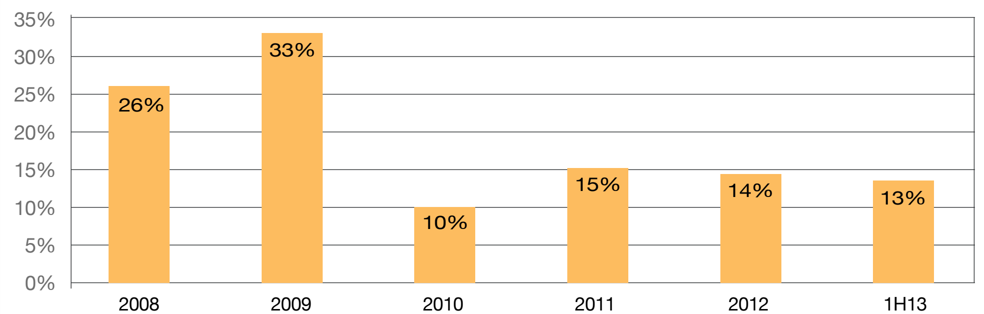
Half Year Ended 31 December	2012	2011	Commentary for major movements
Underlying EBIT by major division	**$'000**	**$'000**	
- Centuria Property Funds	2,050	741	Turnaround in property as predicted in our market updates
- Centuria Life	3,804	3,842	
- Residential Mortgages	1,603	1,640	
- Insurance	458	481	
- Corporate	(2,378)	(3,175)	Reduction in staff costs and other corporate costs
- Other	394	(83)	Settlement accounting adjustment of NLT asset sales
Total underlying EBIT	**5,931**	**3,446**	
Finance costs (Corporate)	(591)	(544)	Driven by changes in corporate facility costs
Total underlying NPBT	**5,340**	**2,902**	
Underlying tax expense	(2,408)	(1,620)	
Underlying NPAT	**2,932**	**1,282**	
Non-recurring adjustments			
- Prior year non-recurring adjustments	-	(302)	
- Mortgageport deferred consideration (Other)	145	-	Partial unwind of present value of deferred consideration
- Centuria Life seed capital investment (Centuria Life)	(273)	-	Present value adjustment to reflect expected repayment dates
- Tax benefit on non-recurring adjustments	38	-	
Reported NPAT	**2,842**	**980**	

31 December 2012 - Corporate Update

Gearing

Corporate Debt / Equity Ratio

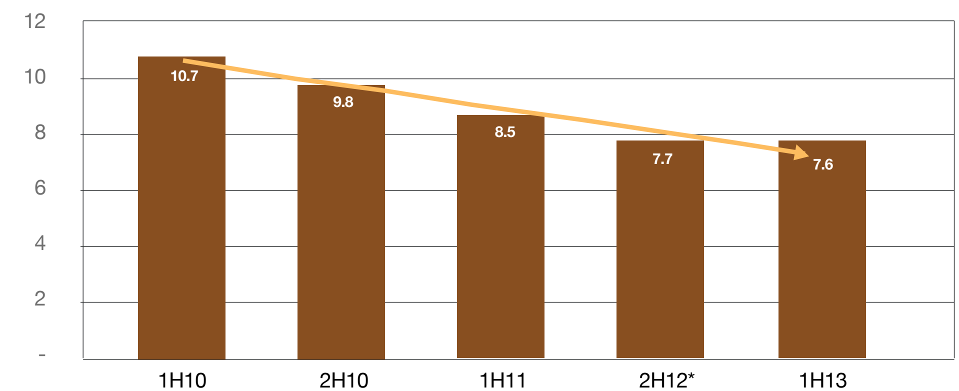


Corporate debt excludes non-recourse debt

- **Corporate debt to equity remains low**
- **No expectation that debt levels will increase in the near-term**

Expense Management

Employee, Admin and Other Costs ($'m)



*2H12 excludes provisions raised for the convertible notes and the CBGF1 loan investment

- **Continued trend of reduction in corporate costs**

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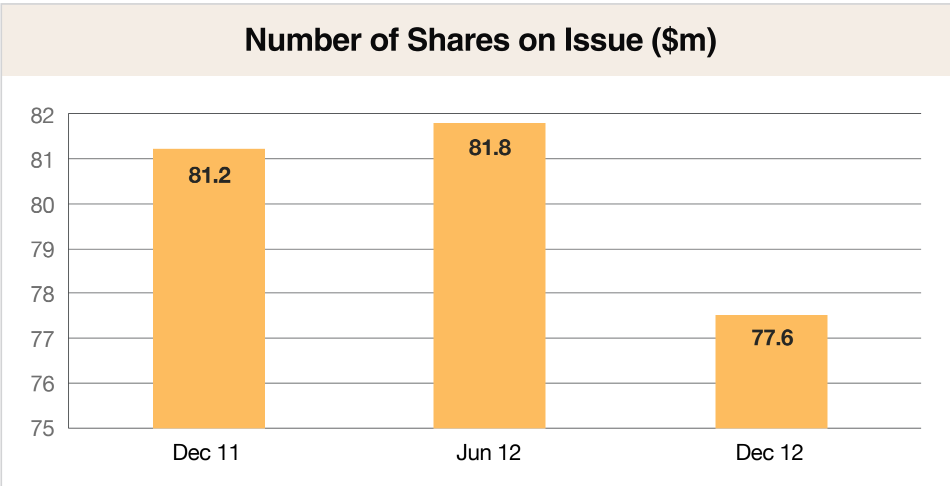
31 December 2012 - Corporate Update (continued)

Unmarketable Parcel Share Buy-back



- 4.2 million shares bought back and cancelled at $0.4775 per share (December 2012)
- Total number of shareholders reduced by 45% from 15,094 to 8,313, resulting in reduced corporate costs

Dividend

- 1.25 cents per share fully franked interim dividend declared - payable 28 March 2013
- Dividend Reinvestment Plan suspended

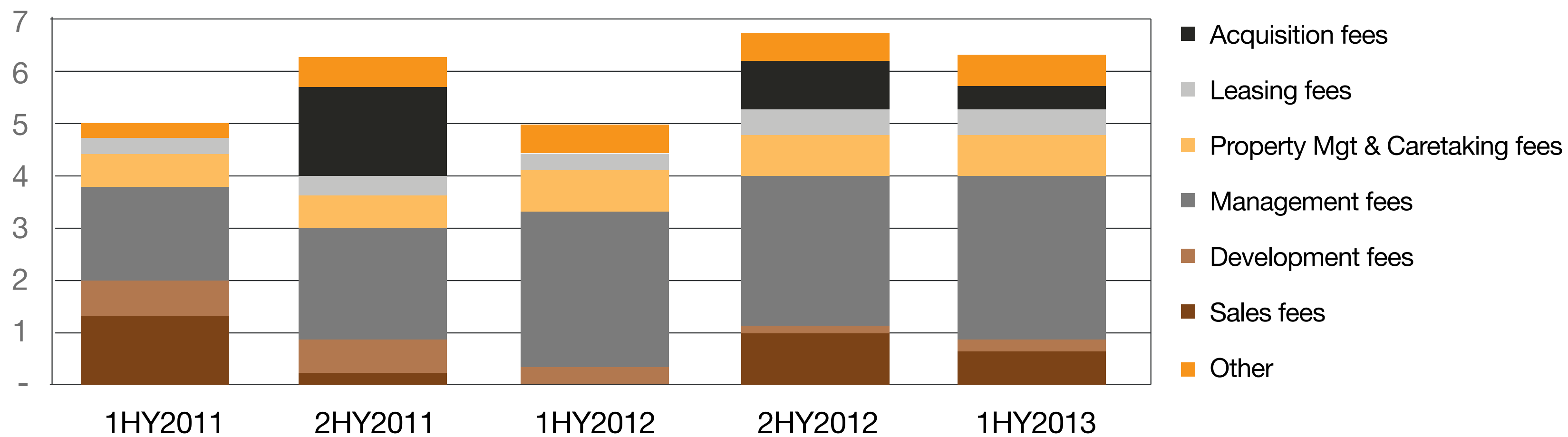
NLT Assets Sale

- Completion of the sale of the legacy investment properties:
  - Moonah Links, Fingal
  - Pepper Sands Resort, Torquay
- No net impact on balance sheet or income statement

31 December 2012 - Property Division

Revenue Sources

Property Division Revenue Sources (by half-year period) ($m)

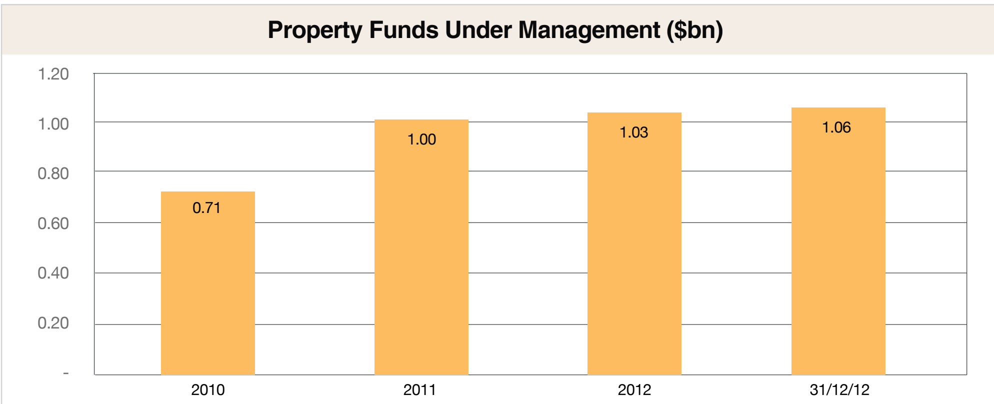


Note: acquisition fees are shown net of external commissions paid

- **Diverse sources of property income**
- **Continued contribution from transactional income**
- **Future potential performance and sale fees >$10m anticipated over next 5-10 years**

31 December 2012 - Property Division (continued)

Funds Under Management



- Corporate Drive ($23.3m) (Dec 12), and Castlereagh Street ($56.0m) (forecast - Mar 13)
- New trust forecast in 2H13, asset of ~$90m
- Singapore office - new focus on wholesale investors alongside existing retail business

Business Profile of Funds

29 — Number of Funds

50 — Number of Buildings

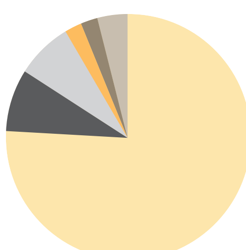
93% — Portfolio Occupancy

6,100 — Number of Investors

3.7 years — Portfolio Weighted Average Lease Expiry (income)

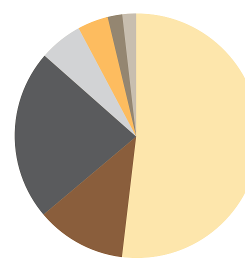
Portfolio by Sector

Office	76.00%
Industrial	8.00%
Retail Bulky Goods	8.00%
Retail	4.00%
Specialty Use	2.00%
Mixed Use	2.00%
	4.00%



Portfolio by State

New South Wales	52.00%
Queensland	22.00%
Victoria	12.00%
South Australia	6.00%
Australian Capital Territory	4.00%
Northern Territory	2.00%
Western Australia	2.00%



31 December 2012 - Financial Services

Centuria Life (including Guardian)

- 88,653 number of policies at 31 December 2012 (30 June 2012: 80,312)
- Performance of all unit-linked bonds exceeds prior half-year
- Reduction in net funds outflows
- Final stages of new investment product as an alternative to traditional superannuation offerings

$444 m

Total FUM of Centuria Life Bonds

$262 m

Total FUM of Over Fifty Guardian Friendly Society Bonds

$706 m

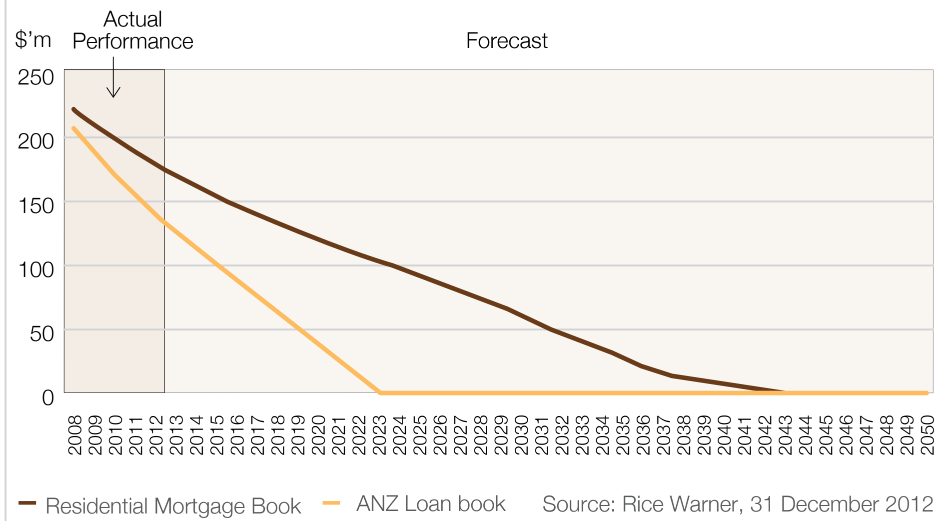
Total FUM

31 December 2012 - Financial Services (continued)

Residential Mortgages

- **Value of book at 31 December 12 - $180m** (30 June 12: $182m) **secured by $768m of property (average LVR:19%)**
- **Non-recourse loan at 31 December 12 - $145.5 m** (30 June 12: $152m)
- **Warehouse loan facility maturity date extended to 28 February 14**
- **Embedded shareholder equity $37.8m** (30 June 12: $33m) **(representing Residential Mortgages value plus cash less loan facility balance)**
- **Number of loans: 1,881** (30 June 12: 1,979)
- **Average loan balance: $95,851** (30 June 12: $92,132)
- **Actual performance assists in predicting future outcomes, as highlighted in the graph**

Projection of Future Cash Flows
Embedded Value - at 31 December 2012
8.8% average actual redemption rate (2008 to 2012)
12% p.a. redemption rate ($'000) - forecast



Source: Rice Warner, 31 December 2012

* The above projection is subject to many variables including run-off rate, regular refinancing, and projection given as a guide only

Appendices

Statutory Account Reconciliations

General comment on statutory accounts reconciliation

- **The "Statutory Accounts" show the consolidated corporate entities including the Benefit Funds which Centuria is required to consolidate under AIFRS.**
- **The "Benefit Funds" reflect the stand alone assets of policyholders.**
- **The "Statutory accounts excluding Benefit Funds" reflect the value and performance of Centuria shareholder funds.**

Appendix 1:
Income Statement for half year ended 31 December 2012

	Statutory Accounts	Benefit Funds	Statutory Accounts excluding Benefit Funds
	$'000	$'000	$'000
Revenue (Note 1)	7,133	-	7,133
Residential Mortgages interest income	7,571	-	7,571
Centuria Life revenue	6,018	-	6,018
Other income	753	-	753
Total revenue	**21,475**	**-**	**21,475**
Finance costs	(6,199)	-	(6,199)
Employee benefits expense	(4,009)	-	(4,009)
Administrative and other expenses	(3,568)	-	(3,568)
Centuria Life expenses	(2,487)	-	(2,487)
Net (expense)/revenue from benefit funds	471	471	-
Net profit before tax	**5,683**	**471**	**5,212**
Tax	(2,841)	(471)	(2,370)
Reported net profit after tax	**2,842**	**-**	**2,842**

Note 1: Major balances include $6.2m fees from property funds, $0.6m commissions from the insurance division, and $0.3m of other income

Appendix 2:
Balance Sheet as at 31 December 2012

	Statutory Accounts	Benefit Funds	Statutory Accounts excluding Benefit Funds
	$'000	$'000	$'000
Assets			
Cash and cash equivalents (Note 1)	9,557	-	9,557
Trade and other receivables (Note 2)	13,663	-	13,663
Financial Assets at fair value through profit and loss	270	-	270
Financial assets - Residential Mortgages (Note 3)	**200,447**	**-**	**200,447**
Other assets	1,693	-	1,693
Investment in associates	684	-	684
Plant & equipment	817		817
Assets in respect of benefit funds	443,814	443,814	-
Deferred tax assets	8,612	-	8,612
Intangible assets	53,284	-	53,284

Note 1: Major balances include $1m Corporate, $3m Residential Mortgages, $4m Centuria Life, and $1m Centuria Property
Note 2: Major balances include $3m Centuria Diversified Property Fund loan, $2.4m SPV loans, and $5.8m including Seed Capital investment and other receivables
Note 3: Residential Mortgages at cost $180m, plus fair value adjustment of $20m

Appendix 2:
Balance Sheet as at 31 December 2012 (continued)

	Statutory Accounts	Benefit Funds	Statutory Accounts excluding Benefit Funds
	$'000	$'000	$'000
Liabilities			
Trade and other payables	4,804	-	4,804
Corporate debt	12,300	-	12,300
Borrowings - Residential Mortgages	**145,543**	**-**	**145,543**
Income tax payable	6,601	-	6,601
Derivative financial liabilities	26,939	-	26,939
Liabilities in respect of benefit funds	443,814	443,814	-
Other liabilities	471	-	471
Provisions	1,056	-	1,056
Total Liabilities	**641,528**	**443,814**	**197,714**
Net Assets	**91,313**	**-**	**91,313**
Equity			
Issued capital	88,267	-	88,267
Reserves	(563)	-	(563)
Retained earnings	3,609	-	3,609
Equity attributable to equity holders of the parent	**91,313**	**-**	**91,313**
Total Equity	**91,313**	**-**	**91,313**

Appendix 3:
Cash Flow Statement for half year ended 31 December 2012

	Statutory Accounts	Benefit Funds	Statutory Accounts excluding Benefit Funds
	$'000	$'000	$'000
Cash flows from operating activities			
Interest received	523	-	523
Management fees received (Note 1)	10,040	-	10,040
Rent, trust distributions and other income received (Note 2)	2,256	-	2,256
Benefit funds payments	(24,636)	(24,636)	-
Payments to suppliers and employees	(11,611)	-	(11,611)
Income tax paid	(1,190)	-	(1,190)
Net cash flows used in operating activities	**(24,618)**	**(24,636)**	**18**
Cash flows from investing activities			
Benefit funds receipts	22,862	22,862	-
Payments for plant and equipment	(185)	-	(185)
Proceeds from investment in other financial assets	71	-	71
(Payments)/receipts for investment property - Moonah and Torquay	15,000	-	15,000
Net cash flows provided by investing activities	**37,748**	**22,862**	**14,886**

Note 1: Major balances include $5.7m of Centuria Life management fees, $3.8m of Centuria Property Funds income, and $0.5m Centuria Strategic Property Funds
Note 2: Major balances include $0.6m insurance income, $0.3m NLT fee, $1m Centuria Property Funds acquisition and leasing fee

Appendix 3:
Cash Flow Statement for half year ended 31 December 2012 (continued)

	Statutory Accounts	Benefit Funds	Statutory Accounts excluding Benefit Funds
	$'000	$'000	$'000
Cash flows from financing activities			
Loans to related entities	(92)	-	(92)
Repayment of borrowings - Residential Mortgages	(6,915)	-	(6,915)
Funds received from Residential Mortgage customers	10,490	-	10,490
Repayment of borrowings - NLT	(15,530)	-	(15,530)
Repayment of borrowings - other	(800)	-	(800)
Share buy back	(2,009)	-	(2,009)
Interest paid on mortgage loans - Residential Mortgages	(5,309)	-	(5,309)
Financing costs paid	(591)	-	(591)
Net cash flows used in financing activities	**(20,756)**	**-**	**(20,756)**
Net decrease in cash and cash equivalents	**(7,626)**	**(1,774)**	**(5,852)**
Cash and cash equivalents at the beginning of the period - Corporate	47,852	36,991	10,861
Cash and cash equivalents at the beginning of the period - Residential Mortgages	4,548	-	4,548
Cash and cash equivalents at the end of the period - Corporate	**41,458**	**35,217**	**6,241**
Cash and cash equivalents at the end of the period - Residential Mortgages	**3,316**	**-**	**3,316**

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