



Australian Securities Exchange - Company Announcements Platform

Centuria Capital Limited

EXTRAORDINARY GENERAL MEETING

CHAIRMAN'S ADDRESS TO SECURITYHOLDERS

3 January 2016

Good morning ladies and gentlemen,

My name is Peter Done and I will Chair today's meeting as the Chairman of the Board, Garry Charny, is currently overseas.

On behalf of the board, I would like to welcome you to this Extraordinary General Meeting of stapled security holders in Centuria Capital Group.

It is now 10:00am and I declare that this meeting is open.

I note that the quorum requirement for this meeting (being two members present) has been satisfied.

In attendance today are my fellow board members:

John McBain, CEO of Centuria Capital, Jason Huljich, CEO of Unlisted Property Funds and non-executive directors: John Slater and Susan Wheeldon-Steel. Nicholas Collishaw is overseas and sends his apologies.

Simon Holt, our CFO and James Lonie, Company Secretary are also in attendance.

A notice of meeting including an explanatory memorandum and proxy form was sent to



Centuria security holders in order to convene this meeting. I will take the notice and explanatory memorandum as read.

This meeting was convened in order to consider the approval of a placement of stapled securities by Centuria.

The explanatory memorandum contains detailed information about the proposed placement.

By way of background, as announced to the ASX on 23 November 2016:

Centuria Capital Group has agreed to acquire the majority of 360 Capital Group's real estate management platform and co-investments for an initial payment of \$217 million. This includes co-investment stakes in 360 Capital Industrial Fund (TIX) and 360 Capital Office Fund (TOF).

To help fund the acquisition, Centuria has conducted a \$150 million fully underwritten equity raising, comprising:

- A 1 for 1 accelerated pro-rata non-renounceable entitlement offer of Stapled Securities to raise approximately \$77 million - as a pro-rata offer, the directors are permitted to make the offer without security holder approval;
- A Placement of Stapled Securities to existing and new institutional investors to raise approximately \$23 million. This placement is being made under the listing rules which allow the directors to issue up to 15% of Centuria's issued capital without security holder approval; and
- A conditional placement of Stapled Securities to existing and new institutional investors to raise approximately \$50 million. It is this component of the equity raising that requires Centuria security holder approval and for which approval is being sought at this meeting.

The acquisition of the majority of TGP's property funds management platform was subject to a number of conditions including TGP securityholder approval. That approval was required to change the responsible entity of TGP. Also TOF unitholder approval was required for the sale of TGP's 28.8% in TOF. I am very pleased to announce that those approvals have been obtained.



The explanatory memorandum sets out in detail the opportunity that the transaction represents for Centuria. It will be a transformational change in terms of the scale of Centuria's funds management business and is expected to result in a 63% increase in funds under management (**FUM**) from \$2.2 billion to \$3.6 billion.

Centuria expects that the transaction will transform it into one of the largest listed pure play real estate fund managers in Australia, with property FUM in excess of \$2.8 billion across its listed and unlisted retail equity platforms.

The acquisition of the listed funds platform will complement Centuria's leading unlisted property funds management business which has \$1.3 billion funds under management.

Other benefits expected to result from the transaction include:

- Expanding the investor base for Centuria across both listed and unlisted funds with the addition of existing investors in TGP funds.
- Materially improving Centuria's earnings quality, with recurring revenues expected to increase from 65% to 77% post transaction.
- Bringing the existing property funds management platform to scale with minimum changes in corporate overheads.

I will now move to the consideration of the Resolution to be proposed at this meeting.

Resolution 1 will be approved if passed by at least 50% of votes cast by shareholders entitled to vote on the resolution.

ENDS