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Centuria Capital Group Market and Earnings Update

Sydney, 26 September 2017

- **Sale of 10 Spring Street, Sydney**
- **Revised Operating EPS arising from significant performance fee of 16.5 – 17.0 cps**
- **FY18 DPS guidance of 8.2 cps**
- **Board and management update**

Centuria Capital Limited (ASX:CNI) (**Centuria** or **CNI**) is pleased to provide the following market update.

Sale of 10 Spring Street, Sydney

Centuria Property Funds Limited (**CPFL**) (a wholly owned subsidiary of Centuria) as the responsible entity of the unlisted Centuria 10 Spring Street Fund has today entered into an agreement to sell the 10 Spring Street office building for \$270.05 million. The property was acquired in 2013 for \$91 million whilst 20% vacant. CPFL was able to re-position the property by adopting a value-add strategy based on re-leasing into a firming rental market. The property also benefited from inclusion as a core growth precinct in the 2016 Draft City of Sydney Planning Strategy.

Investors in the Centuria fund have tripled their equity investment over four years in addition to receiving an average annual return of 8%.

Revised Operating EPS Guidance

As a consequence of the sale of the 10 Spring Street property, CPFL will earn a net performance fee of \$25.8 million which will be distributed to its parent, CNI. That fee substantially exceeds the forecast fee included in CNI's FY18 forecasts on which its operating earnings per stapled security (**EPS**) guidance was based. Accordingly, CNI has revised its FY18 operating EPS guidance from 10.8 cents per stapled security to 16.5 -17.0 cents per stapled security.

FY18 DPS Guidance

CNI is pleased to announce FY18 distribution per stapled security (**DPS**) guidance of 8.2 cents (FY17 - 7.5 cents).



Board Membership Update

CPFL and Centuria Property Funds No. 2 Limited (CPF2L)

CPFL and CPF2L are wholly owned subsidiaries of CNI which act as responsible entities for Centuria's listed and unlisted property funds.

Effective 1 October 2017, Nick Collishaw and Roger Dobson will join the boards of CPFL and CPF2L and Jason Huljich will retire from both boards to focus on an increased Centuria Group workload. Both Nick Collishaw and Jason Huljich will continue to serve as CNI directors.

CNI Chairman Garry Charny and CPFL Chairman Peter Done joined in welcoming and warmly congratulating both Nick Collishaw and Roger Dobson on their appointments. Roger Dobson is a highly experienced finance and restructuring partner at Jones Day in Sydney. Nick Collishaw's appointment is in preparation for him transitioning from his current executive role into a non-executive role in 2018.

Management Update

From 1 January 2018, Nick Collishaw's executive role as CEO Listed Funds will transition to that of non-executive director of CNI, CPFL and CPF2L. Whilst Mr Collishaw will devote a majority of his time to further developing his existing private interests, he will continue in a support role at Centuria with special emphasis on equity capital markets and the Centuria listed property funds at both an institutional and investor level.

From 1 January 2018, Jason Huljich, who has successfully led Centuria's unlisted property funds division for 12 years, will also assume responsibility for Centuria's listed property funds division. He will be assisted by the existing senior executive team of Nicholas Blake and Ross Lees, fund managers of CMA and CIP respectively.

Mr Collishaw, a major CNI securityholder, said;

"Establishing and growing the Centuria REITs has been my prime focus since joining the Centuria team in 2013 and I am delighted to accept an invitation to sit on their controlling boards and to maintain my involvement with the business. The transitional strategy has been thoroughly planned and I am entirely comfortable with the arrangements we have made in relation to the ongoing operation of the Centuria REITs".

Group CEO Comment

Group CEO John McBain said: "Centuria is in the fortunate position of having a significant number of performance fees embedded within its unlisted property funds portfolio. Performance fees contributed \$16 million to Centuria Group revenues in FY16 and the Spring Street fee at \$25.8 million, whilst the highest to date, is by no means an isolated event."

Mr McBain also welcomed Mr Dobson and Mr Collishaw to the CPFL and CPF2L boards. "The Centuria Group has a strong growth setting and it is vital that our governing boards contain individuals with deep industry experience and outstanding reputations. I have known both Nick



and Roger for over 20 years and not only do I respect them greatly, I believe they have these attributes in abundance. I am delighted with the appointments”.

- Ends -

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About Us

Centuria Capital "CNI" is an ASX-listed specialist investment manager with \$4.2 billion in funds under management. We offer a range of investment opportunities including listed and unlisted property funds as well as tax-effective investment bonds. Our drive, allied with our in-depth knowledge of these sectors and intimate understanding of our clients, allows us to transform opportunities into rewarding investments.

Any forward-looking statements included in this announcement involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, CNI and its directors. In particular, they speak only as of the date of this announcement, they assume the success of CNI's business strategies, and they are subject to significant regulatory, business, competitive and economic uncertainties, risks and other factors. Actual future events may vary materially from forward looking statements and assumptions on which those statements are based. Other than as required by law, although they believe there is a reasonable basis for the forward-looking statements, neither CNI nor its directors, officers, employees or any related body corporate, gives any representation, assurance or guarantee (express or implied) as to the accuracy or completeness of any forward-looking statement or that the occurrence of any event, result, performance or achievement will actually occur. Recipients are cautioned not to place undue reliance on such forward-looking statements.

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Consisting of:
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