

# Centuria Metropolitan REIT

1H19 RESULTS | ASX:CMA | 06 FEBRUARY 2019



# Contents

1. Introduction
2. Financial Results
3. Portfolio Overview
4. Guidance & Strategy
5. Appendices

SECTION ONE

# Introduction



825 ANN STREET,  
FORTITUDE VALLEY, QLD

# Centuria Profile

## Centuria Capital Group

\$489m Market Capitalisation<sup>1</sup>

**\$5.6bn**

Assets Under Management (AUM)

**\$0.5bn**

Co-Investments

**\$4.8bn**

Property Funds Management AUM

**\$0.8bn**

Investment Bonds AUM

Centuria  
Metropolitan REIT  
(CMA)

Centuria  
Industrial REIT  
(CIP)

Propertylink  
Group  
(PLG)

**24.9%<sup>2</sup>**

**24.2%<sup>2</sup>**

**19.5%**

Listed Property \$2.6bn

Unlisted Property \$2.2bn

Industrial REIT  
(CIP)

Metropolitan REIT  
(CMA)

Fixed term funds

Centuria  
Diversified  
Property Fund

**\$1.2bn**

**\$1.4bn**

**15**

AUM

AUM

<sup>1</sup> Based on CNI closing price of \$1.275 on 31 December 2018

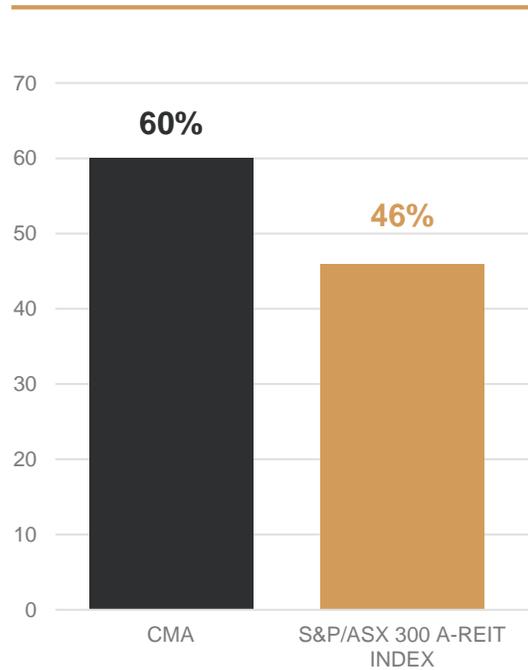
<sup>2</sup> Co-investment ownership percentage includes the ownership by associates of Centuria Capital Group

As at 31 December 2018

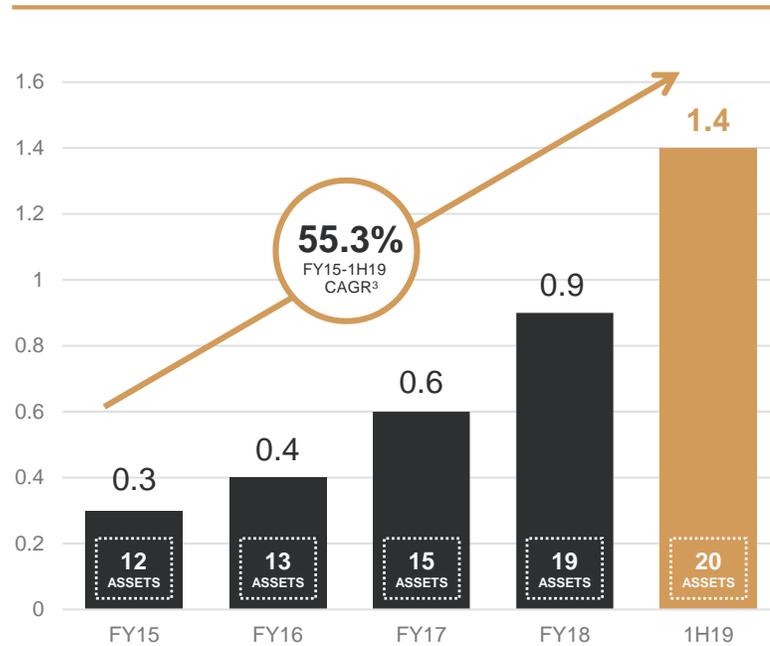
# Centuria management – creating unitholder value since inception

Annual total unitholder return 13.5% since IPO<sup>1,2,3</sup>

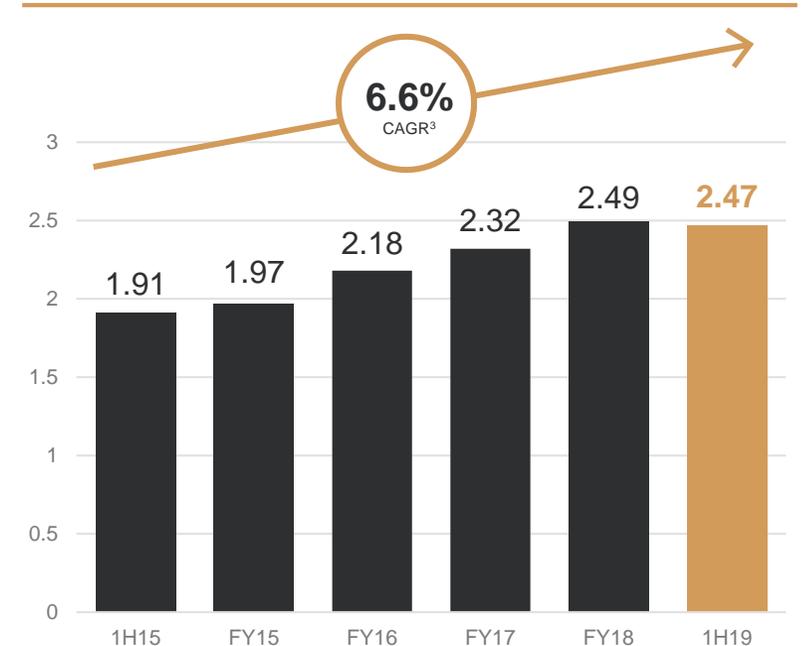
TOTAL RETURN SINCE IPO<sup>1,2,3</sup>



PORTFOLIO VALUE (\$BN)



NTA (\$) PER UNIT<sup>4</sup>



1. IPO December 2014

2. Source: Moelis Australia

3. Past performance is not indicative of future performance

4. NTA per unit is calculated as net assets less goodwill divided by closing units on issue

# Key metrics – a quality, pure play office platform

## PORTFOLIO



**20**

High quality assets<sup>1</sup>



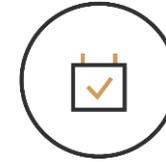
**\$1.4bn**

Portfolio value<sup>1</sup>



**98.8%**

Portfolio occupancy<sup>1,2</sup>



**4.3yrs**

Portfolio WALE<sup>1,3</sup>

## FINANCIAL



**\$844m**

Market capitalisation<sup>4</sup>



**35.3%**

Gearing<sup>5</sup>



**10.9%**

12 month return on equity<sup>6</sup>



**8.2%**

12 month total return<sup>7</sup>

S&P/ASX300 A-REIT accumulation index 3.3%

1. Excludes 13 Ferndell St, Granville, NSW (settled on 31 January 2019)

2. By area

3. By gross income

4. Based on CMA closing price of \$2.37 on 31 December 2018

5. Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill. Pro-forma gearing 34.2% post-settlement of 13 Ferndell Street, Granville NSW (settled on 31 January 2019)

6. Return on equity calculated as (closing NTA minus opening NTA plus distributions) divided by opening NTA

7. Source: Moelis Australia. Based on movement in security price from ASX opening on 1 January 2018 to ASX closing on 31 December 2018 plus distributions per security paid during the respective period(s) assuming re-investment of distributions

# 1H19 summary

**1**

## Actively managing portfolio

**98.8% occupancy**<sup>1,2</sup>, WALE<sup>1,3</sup> of 4.3 years predominately underpinned by 75% multinational, ASX and government tenants

Portfolio value increased to **\$1.4 billion** following Hines acquisition at 3.8% discount to valuation

2.1% NTA<sup>4</sup> uplift to **\$2.47 per unit** since October 2018 portfolio acquisition

**2**

## Capital management initiatives

ICR of 5.6x and LVR of **37% ensure** ample headroom with debt covenants

New debt tranches implemented **further diversifying** debt expiry profile

No debt expiry until end of **FY20**

**3**

## Repositioned CMA as a pure play office REIT

On track to **deliver FY19 earnings** and distribution guidance

**Strong 12 month** return on equity of 10.9%<sup>5</sup>

1. Excludes 13 Ferndell St, Granville, NSW (settled on 31 January 2019)

2. By area

3. By gross income

4. NTA per unit is calculated as net assets less goodwill divided by closing units on issue

5. Return on equity calculated as (closing NTA minus opening NTA plus distributions) divided by opening NTA

SECTION TWO

# Financial Results



576 SWAN STREET,  
RICHMOND, VIC

# On track to deliver FY19 earnings guidance

REVENUE		31 DEC 2018	31 DEC 2017	VARIANCE
Gross property income	\$m	46.6	34.5	12.1
Interest income	\$m	0.3	0.1	0.2
<b>Total revenue</b>	<b>\$m</b>	<b>46.9</b>	<b>34.6</b>	<b>12.3</b>

EXPENSES				
Direct property expenses	\$m	(10.5)	(7.2)	(3.2)
Responsible entity fees	\$m	(3.0)	(2.0)	(1.0)
Finance costs	\$m	(6.4)	(4.0)	(2.3)
Management and other administrative expenses	\$m	(0.5)	(0.7)	0.2
<b>Total expenses</b>	<b>\$m</b>	<b>(20.4)</b>	<b>(13.9)</b>	<b>(6.4)</b>
<b>Funds from operations (FFO)</b>	<b>\$m</b>	<b>26.5</b>	<b>20.7</b>	<b>5.9</b>
Weighted average securities on issue	m	282.2	230.1	52.1
Funds from operation per unit <sup>1</sup>	cpu	9.39	9.70	(0.31)
Distributions	\$m	26.0	19.8	6.1
Distribution per unit	cpu	8.88	9.05	(0.17)
Distribution yield <sup>2</sup>	%	7.4%	7.7%	(0.3)%
Return on equity <sup>3</sup>	%	10.9%	10.8%	0.1%
Payout ratio (% of FFO)	%	94.6%	93.3%	1.3%

**Increase predominantly** driven by \$520.9 million portfolio acquisition

Funds from Operations (FFO) per unit in line with revised **FY19 guidance**

Return on equity driven by **leasing success and positive market fundamentals**

1. FFO is the Trust's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items

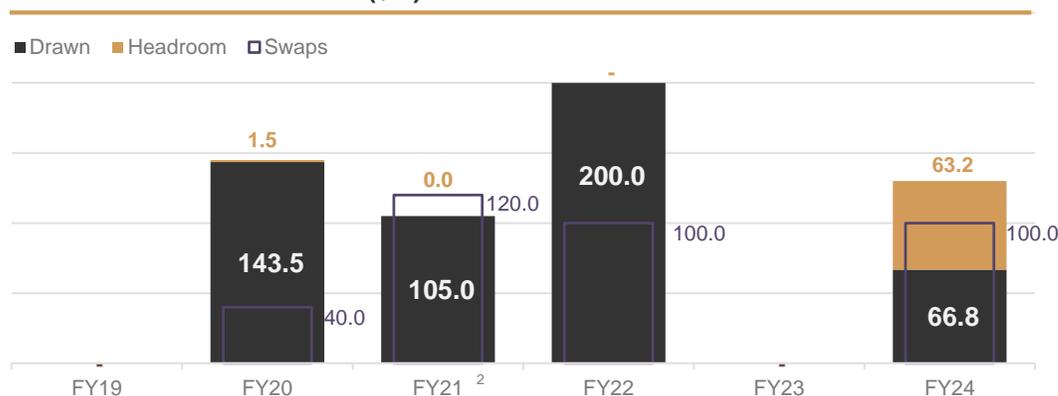
2. Based on CMA closing price of \$2.37 per security as at 31 December 2018 and \$2.36 per security as at 31 December 2017

3. Return on equity calculated as (closing NTA minus opening NTA plus distributions) divided by opening NTA

# New facilities and hedging maintain solid debt profile

- **Significant covenant headroom** ICR 5.6x and LVR 36.8% (covenant 50%)
- **\$315 million** of debt re-financed or established, reducing refinancing risk and debt expiry profile
- **Refinancing well supported** by diverse major lenders contributing to a competitive 3.7% 'all in' cost of debt
- **Interest rate swaps** expanded to cover 70% of drawn debt
- Current gearing<sup>1</sup> of **35.3% reducing below 35%** following settlement of 13 Ferndell St, Granville, NSW in January 2019

DEBT MATURITY PROFILE (\$M)



KEY DEBT METRICS		1H19	FY18
Facility limit	\$m	580.0	320.0
Drawn amount	\$m	515.3	267.6
Undrawn capacity	\$m	64.7	52.4
Weighted average debt expiry	yrs	2.9	2.5
Proportion hedged	%	69.9	59.8
Weighted average hedge maturity	Years	2.9	2.49
Cost of debt <sup>3</sup>	%	3.7	3.6
Gearing <sup>1</sup>	%	35.3	28.3
Interest cover ratio	Times	5.6	6.1
Loan to value ratio	%	36.8%	30.7



**3.7%**

All in cost of debt<sup>3</sup>



**\$64.7m**

Current facility headroom



**35.3%**

Gearing<sup>1</sup>

1. Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill. Pro-forma gearing of 34.2% post-settlement of 13 Ferndell Street, Granville NSW (held for sale)

2. Comprises \$40 million in May 2020 and \$55 million in June 2020

3. Including weighted average swap rate, facility establishment fees and all-in margins (base and line fees)

SECTION THREE

# Portfolio Overview

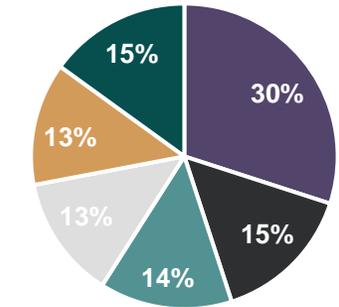


203 PACIFIC HIGHWAY,  
ST LEONARDS, NSW

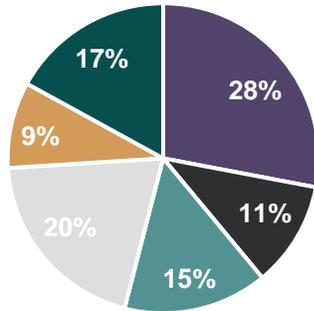
# Geographically diversified portfolio weighted to eastern seaboard markets

PORTFOLIO SNAPSHOT		1H19 <sup>1</sup>	FY18 <sup>3</sup>
Number of assets	#	20	19
Book value	\$m	1,376.4	930.5
WACR	%	6.32	6.68
NLA	sqm	218,203	184,339
Occupancy by area	%	98.8	98.9
WALE by gross income	yrs	4.3	4.0
Average NABERS rating (by value) <sup>2</sup>	Stars	4.6	4.3
Average building age (by value)	yrs	15.5	18.4

FY18 TENANT MIX

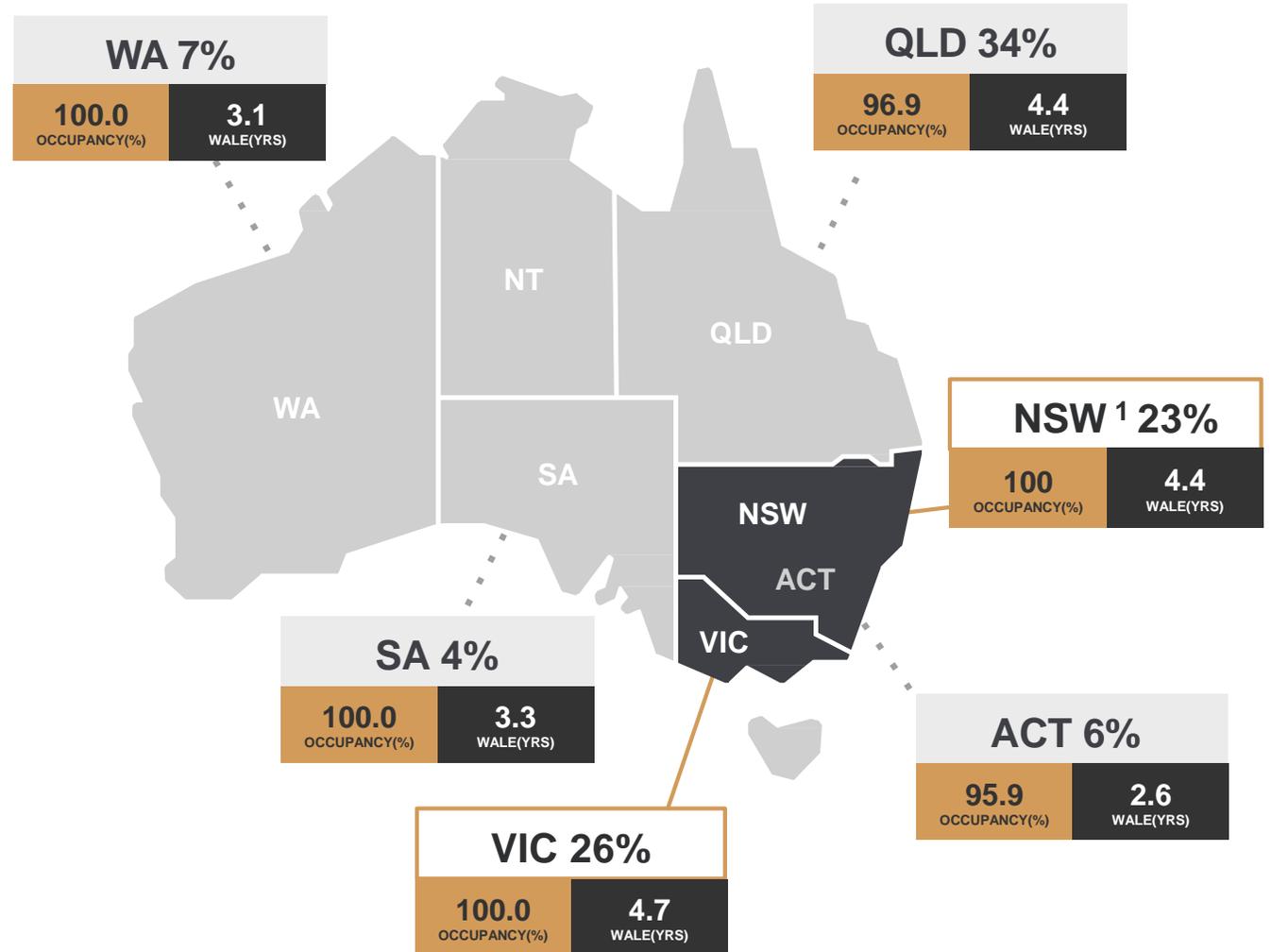


1H19 TENANT MIX<sup>1</sup>



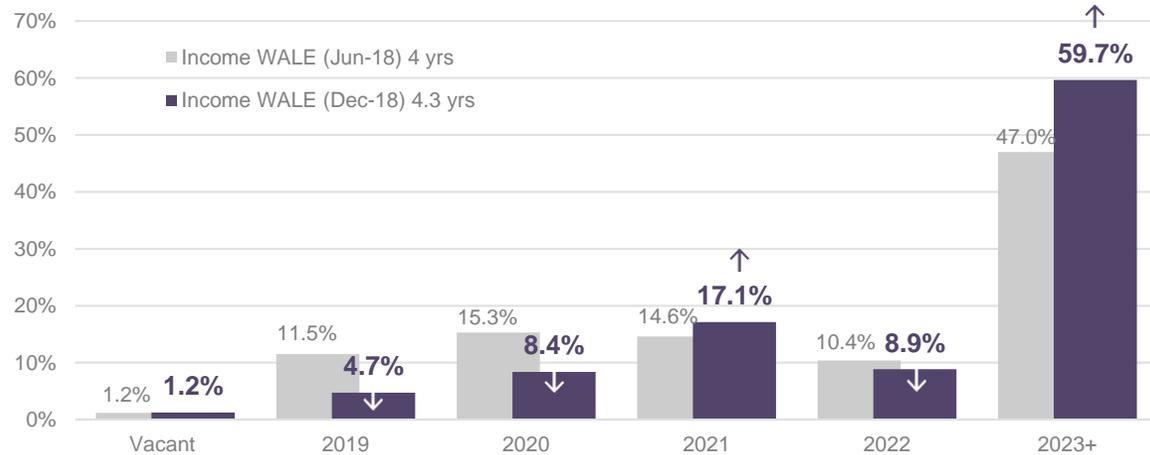
- ASX Listed Company
- Government
- Listed Multinational
- Multinational
- National
- Other

1. Excludes 13 Ferndell St, Granville, NSW (settled 31 January 2019)  
 2. Excludes 13 Ferndell St, Granville, NSW, 14 Kerry Road, Archerfield, QLD and 35 Robina Town Centre, Robina, QLD  
 3. Includes 2 Kendall St, Williams Landing, VIC as if complete

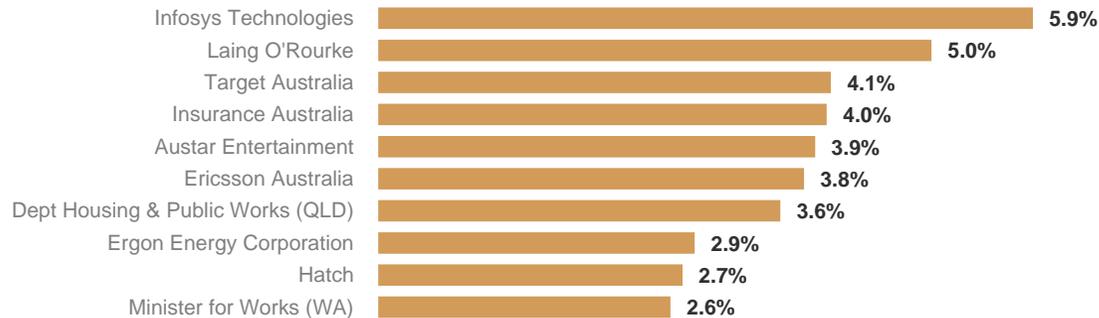


# Established portfolio with quality tenants

## WEIGHTED AVERAGE LEASE EXPIRY<sup>1,3</sup>



## TENANT DIVERSIFICATION (TOP 10 TENANTS BY GROSS INCOME)<sup>1</sup>



1. Excludes 13 Ferndell Street, Granville NSW (settled 31 January 2019)  
 2. By area  
 3. Weighted by gross income  
 4. Includes Heads of Agreement

- **75% of portfolio income** derived from multinational, ASX and government tenants, up from 72% at FY18
- **High occupancy** at 98.8%<sup>2</sup>, WALE increased to 4.3 years<sup>1</sup>
- **59.7%** of lease expiries occur at or beyond FY23
- **Increased tenant diversification** improves income security, smoothes lease expiry profile
- Exposure to active small tenant market provides **opportunities for leasing** velocity across a staggered profile

**6.7%**  
 Portfolio NLA leased in 1H19<sup>4</sup>

**14,564sqm**  
 Portfolio NLA leased in 1HFY19<sup>4</sup>

**2,878sqm**  
 9 new leases in 1H19<sup>4</sup>

**11,686sqm**  
 7 renewals in 1H19<sup>4</sup>

# Valuation growth underpinned by market drivers and active management initiatives

	BOOK VALUE (\$m)				CAP RATE (%)		
	DEC-18	JUN-18	INCREASE	%	DEC-18	JUN-18	BPS
NSW	269.8	252.6	17.2	6.8%	6.22%	6.42%	(19)
QLD	240.2	244.3	(4.0)	(1.7%)	6.79%	6.77%	2
ACT	85.8	84.4	1.3	1.6%	7.12%	7.12%	-
SA	54.8	52.3	2.5	4.8%	7.67%	7.68%	(1)
VIC	130.2	121.7	8.5	7.0%	5.81%	6.11%	(30)
WA	91.0	90.5	0.5	0.6%	7.50%	7.50%	-
<b>Total</b>	<b>871.7</b>	<b>845.7</b>	<b>26.0</b>	<b>3.1%</b>	<b>6.63%</b>	<b>6.74%</b>	<b>(11)</b>
Like-for-Like <sup>1</sup>	871.7	845.7	26.0	3.1%	6.63%	6.74%	(11)
Acquisition	504.7	-	504.7	n.a	5.77%	n.a	n.a
Disposal	24.2	84.8	(60.6)	n.a	6.00%	5.95%	5
<b>Total</b>	<b>1,400.6</b>	<b>930.5</b>	<b>470.1</b>	<b>50.5%</b>	<b>6.31%</b>	<b>6.67%</b>	<b>(36)</b>

## GAIN IN VALUATION

ADDRESS	CAP RATE CHG	PREVIOUS VALUATION	BV	VALUE CHANGE	COMMENT
13 Ferndell St, Granville, NSW <sup>2</sup>	-	20.7	24.2	3.5	Reflects net sale price
201 Pacific Highway, St Leonards, NSW	(50)	85.0	95.0	10.0	Driven by Cisco lease renewal
203 Pacific Highway, St Leonards, NSW	(25)	57.0	62.3	5.3	Market fundamentals and cap rate compression
Target HQ, Williams Landing, VIC	(63)	58.2	64.2	6.0	Market fundamentals and cap rate compression

- Overall like-for-like revaluation gain of **\$26.0m** in 1H19<sup>1</sup>
- WACR reduced by **36bps to 6.31%**
- **Strong investor demand** and rental growth in certain sub markets are key market drivers
- Leasing success contributed to **largest valuation increase** at 201 Pacific Highway
- **Target HQ** at Williams Landing valued 10% greater than purchase price at settlement

1. Like for like valuation increase from FY18 includes 2 Kendall Street, Williams Landing, VIC

2. Asset held for sale 13 Ferndell Street, Granville NSW settled 13 January 2019

3. Exchanged July 2017, settled December 2018

# Execution of transaction initiatives improves portfolio quality

**FY18 | \$257.2m**

**1HFY19 | \$575.7m**

ACQUIRED<sup>1</sup>



**\$85.8m**

201 Pacific Highway, St Leonards NSW



**\$33.3m**

77 Market Street, Wollongong NSW



**\$58.2m**

144 Stirling Street, Perth WA



**\$33.6m**

42-46 Colin Street, West Perth WA



**\$223.3m**

818 Bourke Street, Docklands VIC



**\$169.5m**

825 Ann Street, Fortitude Valley QLD



**\$86.5m**

100 Brookes Street, Fortitude Valley QLD



**\$41.6m<sup>2</sup>**

465 Victoria Avenue, Chatswood NSW

DIVESTED



**\$36.0m**

3 Carlingford Road, Epping NSW



**\$10.3m**

44 Hampden Road, Artarmon NSW



**\$30.6m**

14 Kerry Road, Archerfield QLD



**\$24.2m**

13 Ferndell Street, Granville NSW

1. Before transaction costs  
2. 25% interest

SECTION FOUR

# Guidance & Strategy



154 MELBOURNE  
STREET,  
SOUTH BRISBANE, QLD

# Delivering on FY19 priorities

**1** **Completion of core strategy** to reposition CMA as a pure play office REIT with quality income streams

**1a** **Settlement** of 2 Kendall Street, Williams Landing, VIC – \$6.0m valuation uplift since acquisition, 10 year lease to Target Australia

**1b** **Divestment** of all industrial assets delivering Australia’s largest sector specific listed office REIT

**1c** **Diversification of tenant profile** reducing Top 10 concentration from 44% of gross income to 39%<sup>5</sup>

**2** **Progress on late FY19 expiries**, actively commencing re-leasing initiatives for FY20 expiries – reduction in FY19/20 expiries from 26.8% to 13.1%

**3** **Pro-forma balance sheet gearing** within target range, underpinned by diverse debt expiry profile and significant covenant headroom

**CMA is well positioned with a 98.8% occupancy<sup>1</sup>, 4.3 year WALE<sup>2,3</sup> and 35.3% gearing<sup>4</sup>**

1. By area  
 2. By gross income  
 3. Excluding 13 Ferndell Street, Granville NSW (held for sale)

4. Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill. Pro-forma gearing of 34.2% post-settlement of 13 Ferndell Street, Granville NSW (held for sale)  
 5. Excluding industrial assets

# Continue to build Australia's leading metropolitan office REIT

## STRATEGY

**CMA remains focused on generating predictable and quality income streams and executing initiatives to create value**

- Deliver **secure income streams** through a national portfolio and diversified tenant base with a focus on occupancy and WALE
- Continue to **enhance the portfolio** and upgrade asset quality
- Provide a pure-play, **high quality office portfolio** overseen by hands-on management

## GUIDANCE

**FY19 Guidance remains unchanged**

- FY19 **distribution** guidance of **17.6 cents per unit (cpu)**
- FY19 **funds from operations<sup>1</sup>** guidance of **18.7cpu**
- Remaining FY19 distributions to be paid in equal **quarterly instalments** of **4.358cpu**
- FY19 forecast **distribution yield** of **7.4%<sup>2</sup> p.a.**



2 Kendall Street, Williams Landing, VIC

ARTIST IMPRESSION

1. FFO is the Trust's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items

2. Based on the CMA closing price of \$2.37 per security on 31 December 2018

## SECTION FIVE

# Appendices

Appendix A – Market Research

Appendix B – Income Statement

Appendix C – FFO Reconciliation

Appendix D – Balance Sheet and NTA Movement

Appendix E – Key Vacancies and Upcoming Expiries

Appendix F – 1H19 Acquisitions Profiles

Appendix G – Investment Portfolio

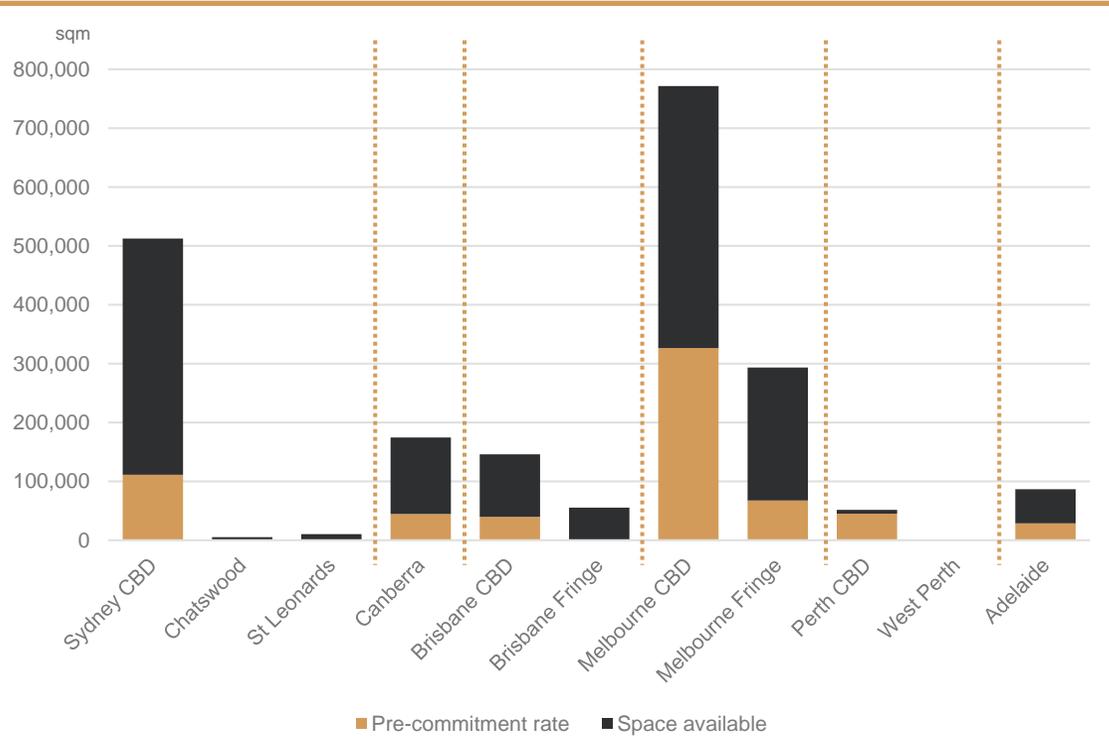


201-203 PACIFIC  
HIGHWAY,  
ST LEONARDS, NSW

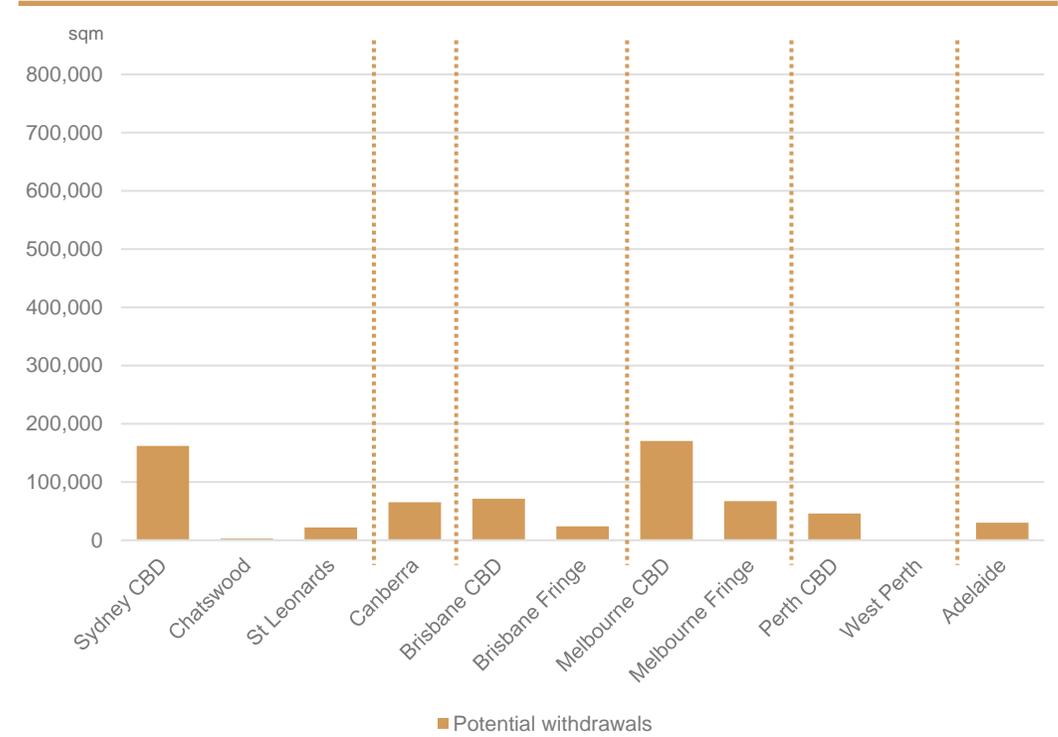
# Market indicators

Limited space availability from new supply in metropolitan markets

TOTAL STOCK EXPECTED TO COMPLETE 4Q CY18-2022<sup>1</sup>



POTENTIAL WITHDRAWALS 4Q CY18-2022<sup>1</sup>

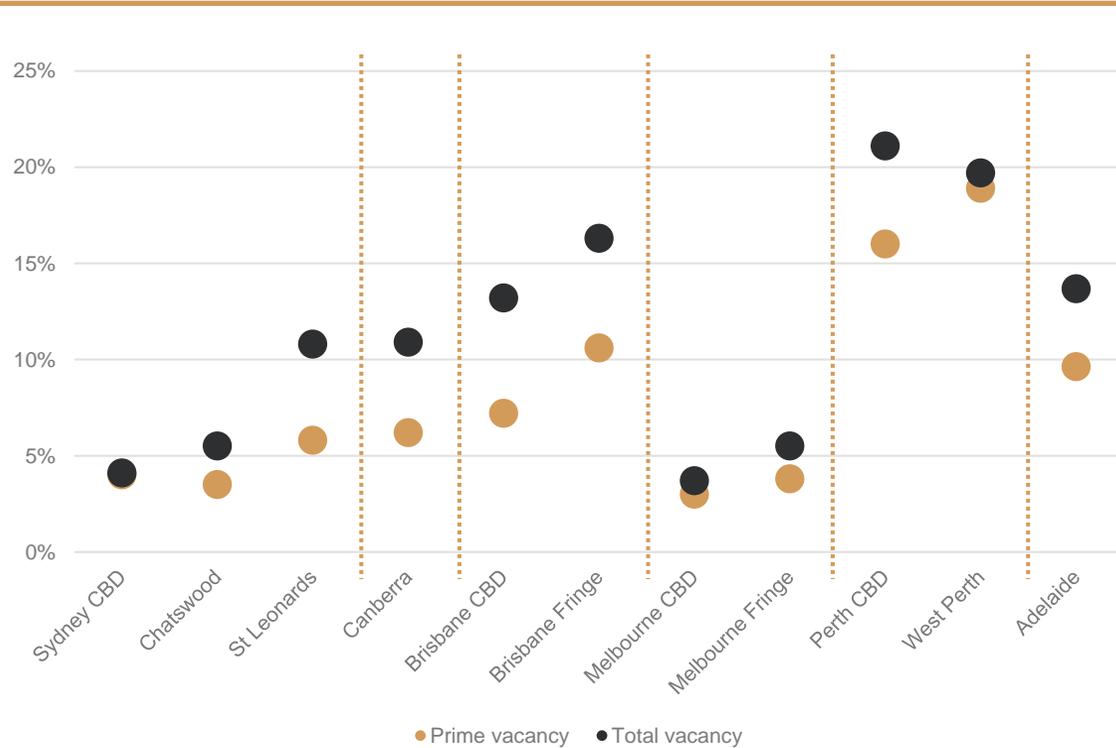


1. Source: JLL Research

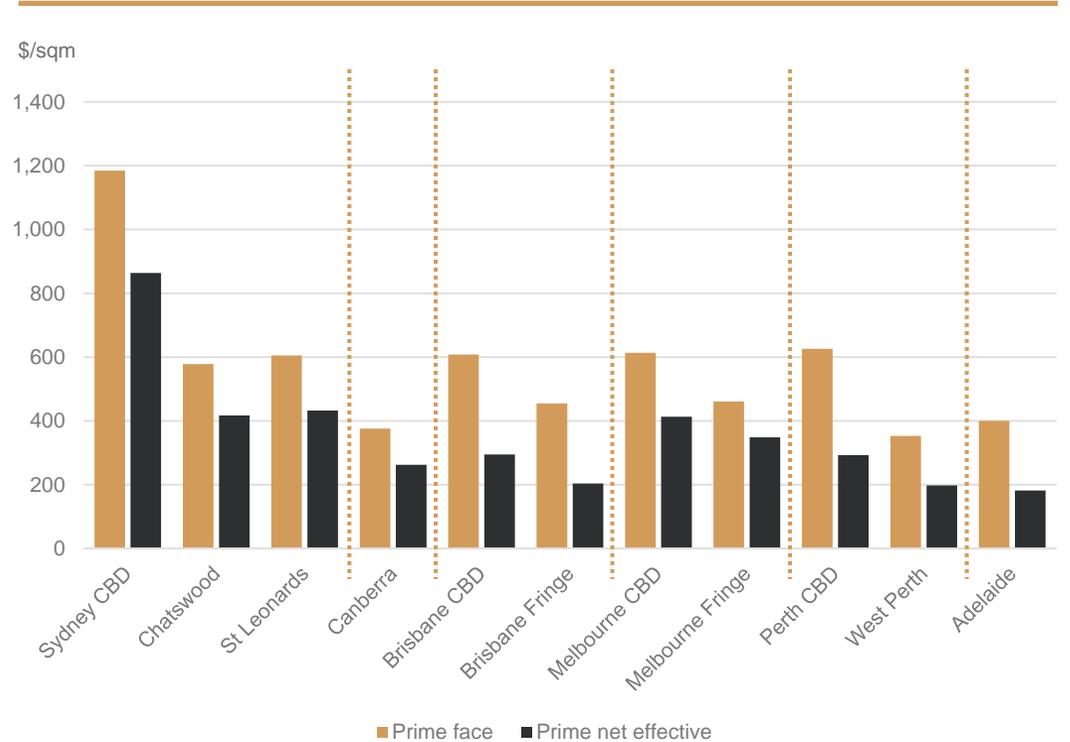
# Market indicators

Prime space continues to attract tenants & metro rents remain attractive

VACANCY RATES 4Q CY18<sup>1</sup>



PRIME RENTS 4Q CY18<sup>1</sup>



1. Source: JLL Research

# Income Statement

\$'000 – REVENUE	31 DECEMBER 18	31 DECEMBER 17
Gross property income	46,611	34,486
Interest income	253	96
<b>Total revenue</b>	<b>46,864</b>	<b>34,582</b>
Direct property expenses	(10,470)	(7,243)
Responsible entity fees	(2,986)	(1,959)
Finance costs	(6,355)	(4,020)
Management and other administrative expenses	(542)	(708)
<b>Total expenses</b>	<b>(20,353)</b>	<b>(13,930)</b>
<b>Funds from operations<sup>1</sup></b>	<b>26,511</b>	<b>20,652</b>
Net (gain) on fair value of investment properties	(8,406)	18,601
Loss/(gain) on fair value of derivative financial instruments	(2,561)	(653)
Straight-lining of rental income and amortisation of leasing commissions and tenant incentives	(570)	786
Business combination transaction costs	(319)	(212)
<b>Statutory net profit</b>	<b>14,655</b>	<b>39,174</b>

1. FFO is the Trust's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items

# FFO Reconciliation

\$'000	31 DECEMBER 2018	31 DECEMBER 2017
<b>Statutory net profit</b>	<b>14,655</b>	<b>39,174</b>
Net (gain) on fair value of investment properties	8,406	(18,600)
Loss/(gain) on fair value of derivative financial instruments	2,561	653
Straight-lining of rental income and amortisation of leasing commissions and tenant incentives	570	(786)
Business combination transaction costs	319	212
<b>Funds from operations<sup>1</sup></b>	<b>26,511</b>	<b>20,652</b>
<b>Distribution</b>	<b>26,527</b>	<b>20,768</b>
FFO per unit (cents)	9.39	9.70
Distribution per unit (cents)	8.88	9.05
Annualised FFO yield <sup>2</sup>	8.0%	8.2%
Annualised Distribution Yield <sup>2</sup>	7.4%	7.7%

1. FFO is the Trust's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items

2. Based on the CMA closing price of \$[2.37] per security on 31 December 2018 (\$[2.36] per security on 31 December 2017)

# Balance Sheet and NTA Movement

\$'000	31 DECEMBER 2018	30 JUNE 2018
Cash	19,192	18,978
Investment properties	1,400,570	872,300
Goodwill	6,356	6,356
Trade and other receivables	3,902	1,325
Other assets	2,848	3,852
<b>Total assets</b>	<b>1,432,868</b>	<b>902,811</b>
Interest bearing liabilities <sup>1</sup>	512,875	265,961
Trade and other liabilities <sup>2</sup>	30,302	25,950
Derivative financial instruments	2,989	428
<b>Total liabilities</b>	<b>546,166</b>	<b>292,339</b>
<b>Net assets</b>	<b>886,702</b>	<b>610,472</b>
Securities on issue (thousands)	356.3	242.8
Net tangible assets per unit (\$)	2.47	2.49
Gearing (%) <sup>3</sup>	35.3%	28.3%

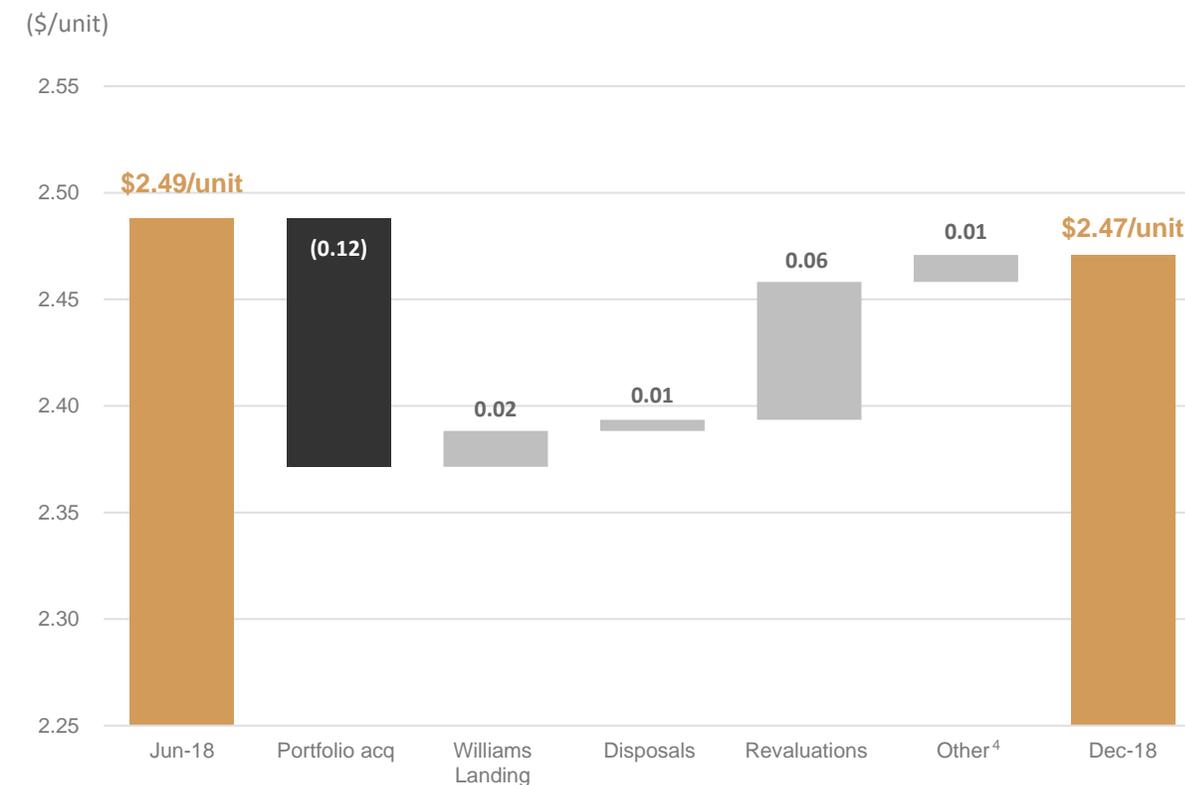
1. Drawn debt net of borrowing costs

2. Includes \$15.5m distributions payable

3. Gearing is defined as interest bearing liabilities less cash divided by total assets less cash and goodwill

4. Other includes movement in cash, payables, receivables

## NTA MOVEMENT



## Key vacancies and upcoming expiries

PROPERTY	VACANT SINCE	NLA (SQM)	PORTFOLIO AREA %	COMMENTS
154 Melbourne St, South Brisbane, QLD	Oct-17	1,086	0.5	Spec-fitout recently installed
154 Melbourne St, South Brisbane, QLD	Aug-18	531	0.2	Two additional suites have recently become vacant on Level 4
555 Coronation Drive, Toowong, QLD	Apr-17	371	0.2	The remaining vacancy after a tenancy was split
54 and 60 Marcus Clarke, Canberra, ACT	Aug-18	702	0.3	Recently vacated area which has been split into suites
<b>Total</b>		<b>2,690</b>	<b>1.2</b>	

UPCOMING EXPIRIES ACROSS VARIOUS TENANCIES	2019	2020
154 Melbourne Street, South Brisbane	4,282	129
131-139 Grenfell Street, Adelaide	-	4,052
60 Marcus Clarke, Canberra	382	2,992
203 Pacific Highway, St Leonards	128	3,629
555 Coronation Drive, Brisbane	1,963	1,092
100 Brookes St, Fortitude Valley	-	1,876
54 Marcus Clarke, Canberra	14	904
483 Kingsford Smith Drive	904	96
825 Ann St, Fortitude Valley	-	519
201 Pacific Highway, St Leonards	406	83
818 Bourke St, Docklands	253	175
465 Victoria Ave, Chatswood	-	324
9 Help Street, Chatswood	-	219
<b>Total</b>	<b>8,331</b>	<b>16,089</b>
<b>% of total NLA</b>	<b>3.8%</b>	<b>7.4%</b>

# 818 Bourke Street, Docklands, VIC

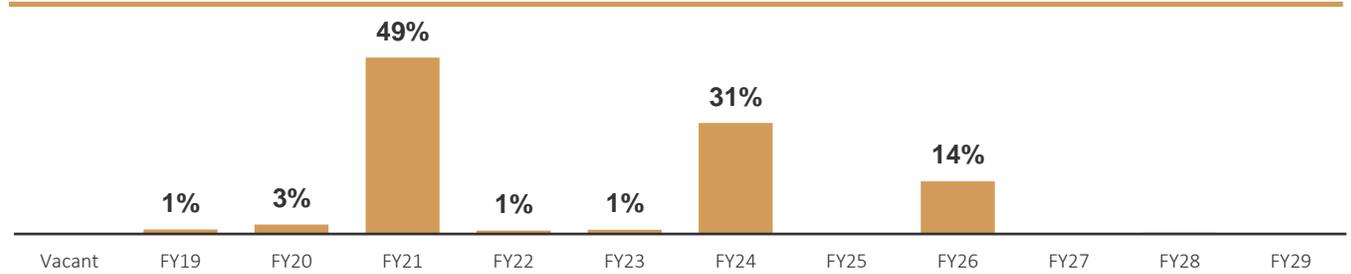


Property type	Office
Ownership	100% CMA
Purchase price	\$223.3m
Capitalisation rate	5.25%
Initial yield	5.44%
Occupancy <sup>1</sup>	100%
WALE by income <sup>2</sup>	4.0 years
Site area	4,283 sqm
NLA	23,260 sqm

## Key characteristics

- Well located high quality office asset built by Lendlease in 2007
  - Large efficient floor plates averaging 3,575sqm
  - Asset's office space is currently fully leased
- Positioned in the Docklands precinct, which currently has **one of the nation's** lowest sub-market vacancy rates at 1.2%<sup>3</sup>
- Strong positioning within** the precinct with uninterrupted river views and immediate river frontage

## LEASE EXPIRY PROFILE<sup>2</sup>



## SUMMARY OF MAJOR TENANTS

TENANT	NLA (SQM)	GROSS INCOME	% INCOME	RENT REVIEW	LEASE EXPIRY
Infosys Technologies	10,740	\$6.8m	46%	4.25%	Nov-20
Ericsson Australia	7,150	\$4.4m	30%	3.75%	Dec-23
Australian Bureau of Statistics	3,427	\$2.0m	13%	3.75%	May-26

1. By area, including a rental guarantee over 175 sqm of vacant space which expires in FY20

2. By income as at 30 September 2018, including non-binding heads of agreement

3. Source: CBRE Research

# 825 Ann Street, Fortitude Valley, QLD

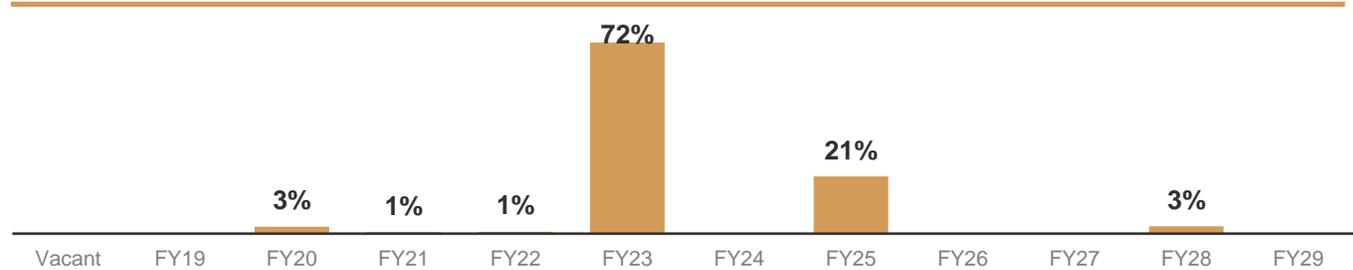


Property type	Office
Ownership	100% CMA
Purchase price	\$169.5m
Capitalisation rate	6.25%
Initial yield	6.76%
Occupancy <sup>1</sup>	100%
WALE by income <sup>2</sup>	4.9 years
Site area	5,492 sqm
NLA	19,115 sqm

## Key characteristics

- **Fully leased, high quality, A-grade building**, well located within Fortitude Valley near public transport links and retail amenity
- **6.0% prime vacancy rate** in Fortitude Valley<sup>3</sup>
- Macquarie Group recently expanded their footprint and **extended their lease**

### LEASE EXPIRY PROFILE<sup>2</sup>



### SUMMARY OF MAJOR TENANTS

TENANT	NLA (SQM)	GROSS INCOME	% INCOME	RENT REVIEW	LEASE EXPIRY
Laing O'Rourke	8,085	\$5.7m	43%	3.50%	Mar-23
Ergon Energy Corporation	4,944	\$3.3m	25%	3.50%	Mar-23
Macquarie Group Services	4,301	\$2.9m	22%	3.50%	Jan-25

1. By area, including a rental guarantee over 519 sqm of vacant space which expires in FY20

2. By income as at 30 September 2018, including non-binding heads of agreement

3. Source: CBRE Research

# 100 Brookes Street, Fortitude Valley, QLD

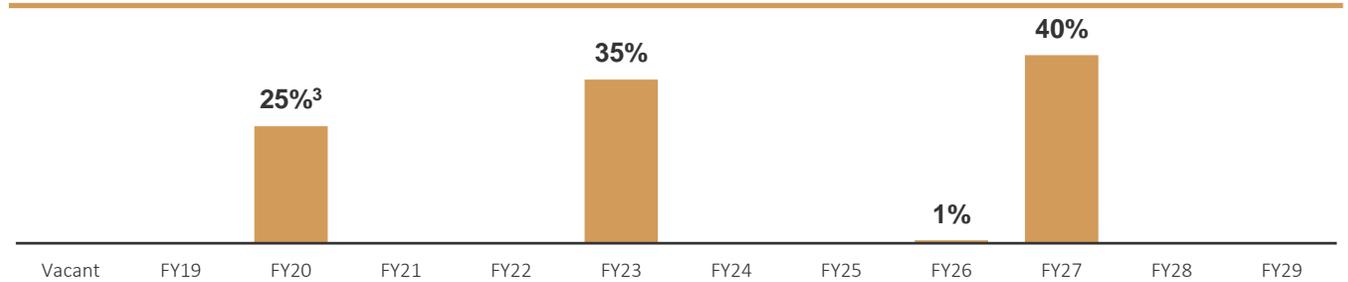


Property type	Office
Ownership	100% CMA
Purchase price	\$86.5m
Capitalisation rate	6.25%
Initial yield	6.54%
Occupancy <sup>1</sup>	100%
WALE by income <sup>2</sup>	5.1 years
Site area	2,141 sqm
NLA	9,602 sqm

## Key characteristics

- Well presented **high-quality A-grade building** with large efficient floor plates averaging 1,700sqm
- **Capital expenditure** program completed
- Large site area of approx. **2,100sqm**
- **High quality tenants** include Aurizon and DXC Technology
- **6.0% prime vacancy** rate in Fortitude Valley
- Heads of agreement signed for a lease to **DXC Technology** expiring Jul-26

## LEASE EXPIRY PROFILE<sup>2</sup>



## SUMMARY OF MAJOR TENANTS

TENANT	NLA (SQM)	GROSS INCOME	% INCOME	RENT REVIEW	LEASE EXPIRY
DXC Technology	4,085	\$2.6m	40%	3.50%	Jul-26
Aurizon	3,941	\$2.2m	33%	3.75%	May-23

1. By area, including a rental guarantee over 1,977 sqm of vacant space which expires in FY20

2. By income as at 30 September 2018, including non-binding heads of agreement

3. Reflects expiry of the rental guarantee

# 465 Victoria Avenue, Chatswood, NSW



Property type	Office
Ownership	25% CMA / 75% Lederer Group
Purchase price <sup>1</sup>	(for 25%) \$41.6m
Capitalisation rate	5.75%
Initial yield	5.41%
Occupancy <sup>2</sup>	100%
WALE by income <sup>3</sup>	5.1 years
Site area	~3,200 sqm
NLA <sup>1</sup>	15,637 sqm

1. Reflects CMA's ownership interest

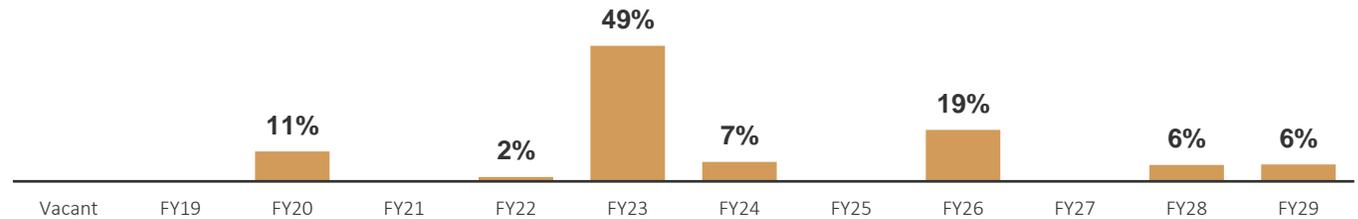
2. By area, including a rental guarantee over 51sqm of vacant space which expires in FY20

3. By income as at 30 September 2018, including non-binding heads of agreement

## Key characteristics

- One of only five **prime investment grade assets** in Chatswood, NSW. The asset is currently fully leased<sup>2</sup> and well located with direct access to the Chatswood Transport Interchange
- **High quality asset** with capital expenditure program completed 2010/12
- Potential upside from current below market rents
- **Large site area** which may be reviewed for potential future development upside
- Under Centuria management there is a **significant opportunity to reposition** the rental profile, similar to the “Zenith” asset

## LEASE EXPIRY PROFILE<sup>2</sup>



## SUMMARY OF MAJOR TENANTS

TENANT	NLA (SQM)	GROSS INCOME	% INCOME	RENT REVIEW	LEASE EXPIRY
The Hollard Insurance Company	8,004	\$5.1m	46%	4.00%	Nov-22
Carnival PLC	3,445	\$2.1m	19%	3.75%	Jan-26

# Investment Portfolio

PROPERTY PORTFOLIO	STATE	OWNERSHIP (%)	BOOK VALUE (\$M)	CAP RATE (%)	NLA (SQM)	\$/SQM	WALE (YRS) <sup>2</sup>	OCCUPANCY (% OF NLA) <sup>3</sup>
201 Pacific Highway, St Leonards	NSW	50	95.0	6.00	16,489	5,761	4.2	100.0
9 Help Street, Chatswood	NSW	100	76.5	6.00	9,395	8,143	3.0	100.0
203 Pacific Highway, St Leonards	NSW	50	62.3	6.25	11,734	5,305	5.1	100.0
465 Victoria Ave, Chatswood	NSW	25	41.1	5.75	15,639	2,625	4.9	100.0
77 Market St, Wollongong	NSW	100	36.0	7.25	6,739	5,342	6.1	100.0
60 Marcus Clarke, Canberra	ACT	100	64.5	7.00	12,099	5,331	2.2	96.5
54 Marcus Clarke, Canberra	ACT	100	21.3	7.50	5,171	4,109	3.8	94.7
825 Ann St, Fortitude Valley	QLD	100	63.0	6.25	19,155	8,510	4.7	100.0
483 Kingsford Smith Drive, Hamilton	QLD	100	78.1	6.25	9,322	8,378	5.9	100.0
154 Melbourne Street, South Brisbane	QLD	100	78.0	6.75	11,312	6,895	2.6	85.7
100 Brookes St, Fortitude Valley	QLD	100	77.6	6.25	9,602	8,076	4.9	100.0
35 Robina Town Centre Drive, Robina	QLD	100	55.3	7.13	9,814	5,635	4.8	100.0
555 Coronation Drive, Brisbane	QLD	100	28.8	7.75	5,568	5,172	2.3	93.3
818 Bourke St, Docklands	VIC	100	23.1	5.25	23,271	9,587	3.7	100.0
576 Swan Street, Richmond	VIC	100	66.0	5.75	8,331	7,922	3.2	100.0
2 Kendall Street, Williams Landing	VIC	100	64.2	5.88	12,919	4,969	10.0	100.0
1 Richmond Road, Keswick	SA	100	36.0	7.50	8,087	4,451	4.5	100.0
131-139 Grenfell Street, Adelaide	SA	100	18.8	8.0	4,052	4,628	0.9	100.0
144 Stirling Street, Perth	WA	100	56.0	7.50	11,042	5,072	2.5	100.0
42-46 Colin Street, West Perth	WA	100	35.0	7.50	8,462	4,136	4.3	100.0
<b>Total / weighted average</b>			<b>1,376.4</b>	<b>6.32</b>	<b>218,203</b>	<b>6,308</b>	<b>4.3</b>	<b>98.8</b>
<b>HELD FOR SALE</b>								
13 Ferndell Street, Granville <sup>1</sup>	NSW	100	24.2	6.00	15,302	1,583	1.3	100.0
<b>Total / weighted average</b>			<b>1,400.6</b>	<b>6.31</b>	<b>233,505</b>	<b>5,998</b>	<b>4.2</b>	<b>98.8</b>

1. Settlement 31 January 2019

2. By gross income (equity share)

3. By area (100%)

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