

### Centuria Capital Group

#### “The Zenith” sale delivers strong performance fee for CNI

Friday, 7 June 2019

Centuria Capital Group (ASX: **CNI** or **Centuria**) is pleased to announce:

- **Divestment of 100% interest in The Zenith by Centuria Property Funds Limited in conjunction with a fund managed by BlackRock for \$438.2 million**
- **Asset completely repositioned through active management initiatives**
  - **More than 40,000sqm of leasing (58 deals), WALE extended by 72%**
- **CNI performance fee in excess of \$9 million generated**

CNI subsidiary, Centuria Property Funds Limited, in conjunction with a fund managed by BlackRock, have exchanged contracts to divest their respective 50% interests in 821 Pacific Highway, Chatswood, NSW (The Zenith) for a total consideration of \$438.2 million. The jointly owned A-Grade asset was acquired for \$279.1 million in 2016, reflecting the general strength of the market and asset management strategy in enhancing the yield on the property.

Held in the closed-end unlisted Centuria Zenith Fund, proceeds from Centuria’s 50% interest will be distributed to investors following the completion of the sale. CNI expects to generate a performance fee of over \$9 million from the sale which will be deployed into real estate and capital management initiatives for Centuria.

Since acquisition in 2016, The Zenith has benefitted from a strategic capital works program including foyer refurbishments, the commencement of lift upgrades and best in class end of trip facilities to improve amenity and provide an attractive destination for tenants in a strengthening suburban office market. During ownership, the 44,102sqm asset has experienced strong repositioning through 58 lease deals across more than 40,000sqm of leasing, achieving 100% occupancy<sup>1,2</sup> and an improved WALE<sup>1,2</sup> from 2.5 to 4.3 years.

Jason Huljich, Head of Real Estate and Funds Management, said: “With support from Centuria’s in house real estate team and national distribution capability, The Zenith represents another example of our ability to identify opportunities and implement value add strategies for real estate with a view to delivering quality assets for our investors and more attractive properties for our tenant customers.”

“Whilst it was originally intended that the property be held over a longer period, buyer interest in the property was extremely strong. Investors in the Centuria Zenith Fund have benefitted from attractive quarterly distribution returns as well as enjoying a substantial capital gain from the sale reflecting the strong rental yield and capital growth driven by extremely strong market conditions. Success for The Zenith has been further underpinned by Centuria’s collaborative approach alongside our wholesale partner, BlackRock, resulting in milestones from the asset plan being achieved ahead of schedule.”

– Ends –

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1 Occupancy by area, WALE by income  
2 As at March 2019

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

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**About Centuria Capital Group**

Centuria Capital Group (CNI) is an ASX-listed specialist investment manager with \$6.2 billion<sup>3</sup> of assets 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.

[www.centuria.com.au](http://www.centuria.com.au)

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Centuria Property Funds Limited (ABN 11 086 553 639 AFSL 231149), a wholly owned subsidiary of CNI, is the Responsible Entity of the Centuria Zenith Fund (ARSN 612 163 416). Past performance is not a reliable indicator of future performance.

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<sup>3</sup> Assuming completion of Heathley Limited acquisition.