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Unity Pacific Group Financial Results Presentation 30 June 2015

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All financial information is in Australian dollars and all statistics are current as at 30 June 2015 unless otherwise indicated.

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Key Business Highlights

- Sale of Rivergate Centre, Murarrie for \$27.0 million - \$2.53 million profit on sale.
- Sale of 2 apartments at Cumberland Lorne Resort, 1 further apartment sold subsequent to year end, 4 apartments remain for sale.
- Cash balance of \$20.4 million at 30 June 2015 which will be reduced by the \$15.0 million capital distribution which is to occur on 31 August 2015.
- Debt reduction of \$19.6 million from the proceeds of asset sales.
- Group's debt facility reduced to \$12.0 million and balance sheet gearing to nil.
- Finance facilities extended to 31 October 2017 and a reduction in total facility fees payable.
- 1:4 security consolidation in December 2014 resulting in a corresponding increase in the Group's security price.
- Change of name from Trinity Group to Unity Pacific Group.
- Establishment of The Marie Street Trust as part of Unity Pacific Group's new external funds management platform. 16 Marie Street, Milton settled in March 2015.

Business Update

- Capital raising for The Marie Street Trust is close to finalisation. Unity Pacific Group's holding in the trust as at 31 August 2015 is 24%.
- Announced on 20 July 2015 that business growth by acquisition of interests in property funds management businesses will no longer be pursued.
- 42 cents per security capital distribution to be paid on 31 August 2015, totalling \$15.04 million from cash reserves.
- The Board is considering the sale of real property assets, further capital management initiatives and other corporate initiatives.

Key Financial Information

	30 June 2015	30 June 2014
Net Tangible Assets (NTA) per Security	\$1.472 ²	\$0.359 ¹
Closing Share Price per Security	\$1.03 ²	\$0.250 ¹
Trading Discount to NTA	(30.0%)	(30.4%)
Total Assets	\$65.7m	\$83.9m
Net Assets	\$52.7m	\$51.4m
Balance Sheet Gearing Ratio	-	21.3%
Property Loan to Value Ratio (LVR)	30.4%	49.0%
Securities on Issue	35.8m ²	143.2m ¹
Market Capitalisation	\$36.9m	\$35.8m

¹ The Security Price, NTA and Securities on Issue is prior to the 1:4 security consolidation completed in December 2014.

² The Security Price, NTA and Securities on Issue is after the 1:4 security consolidation completed in December 2014.



Financial Results Summary

	FY15 Actual	FY14 Actual	Change
Financial Information Subject to Audit			
Revenue and Other Income	\$9.76m	\$9.94m	-\$0.18m
Net Profit Attributable to Securityholders	\$1.32m	\$0.47m	+\$0.85m
Basic/Diluted Earnings per Security ¹	3.7 cents	1.3 cents	+2.4 cents
Distribution per Security	0 cents	0 cents	-
Financial Information Not Subject to Audit Review			
Profit from Operations	\$0.97m	\$1.59m	-\$0.62m

¹ Earnings per Security for FY14 have been restated as a result of a 1:4 security consolidation completed in December 2014.

Reconciliation of Profit from Operations

	FY15 \$'000	FY14 \$'000
Profit for the Year Attributable to Stapled Securityholders - Audited	1,321	469
Profit attributable to non-controlling interests	426	-
Profit for the Year – Audited	1,747	469
Basic EPS per stapled security – audited	3.7 cents	1.3 cents ¹
Profit from Operations⁴ – Not Audited		
Reconciling items to Profit from Operations²		
Fair value adjustments/write downs	1,621	(115)
Non-cash property investment (income)/expense	312	551
Other non-cash (income)/expenses ³	(2,712)	687
Total reconciling items	(779)	1,123
Profit from Operations – Not Audited	968	1,592
Basic EPS – Profit from Operations – not audited	2.7 cents	4.4 cents¹

¹ Restated as a result of a 1:4 security consolidation completed in December 2014.

² Reconciliation items are detailed in the Segment Reporting note in the 30 June 2015 Financial Report.

³ Includes gain on sale of Rivergate Centre, Murarrie of \$2.53 million.

⁴ Profit from Operations is a measure which is not calculated in accordance with International Financial Reporting Standards and has not been audited by the auditor of Unity Pacific Group.

Financial Highlights

Revenue

- Total revenue decreased by \$0.18 million or 1.8% compared to FY14:
 - primarily due to \$3.0 million decrease in revenue from sale of Cumberland Lorne Resort apartments; and
 - offset by \$2.53 million profit on sale of Rivergate Centre and insurance proceeds from storm damage at 308/88 Creek Street, Brisbane.

Profit

- Net profit improvement to \$1.32 million as compared to FY14 due to profit on asset sales but increase impacted by property revaluations, higher overheads and employee costs as a result of the pursuit of business growth.
- Profit from Operations (directors' assessment; not subject to audit) of \$0.97 million compared with \$1.59 million in FY14.

Movements in Property Value

- 308 Queen Street/88 Creek Street fair value decreased by \$1.91 million primarily due to writedown of Transferrable Site Areas (TSAs).
- Inventory values remained unchanged.

Financial Highlights (continued)

Debt and Gearing

- Financing costs net reduction of \$0.78 million or 41% compared to the previous year due to lower debt levels and cost of debt.
- Debt reduction of \$19.59 million from asset sales.

The Marie Street Trust

- Unity Pacific Group:
 - acquired a material interest in The Marie Street Trust on the trust's establishment in March 2015.
 - ceased to control The Marie Street Trust for accounting purposes on 30 June 2015 due to the continued capital raising.
 - results include The Marie Street Trust's financial results until control ceased.

Asset Summary

	30 June 2015	30 June 2014
	\$'000	\$'000
Cash and Cash Equivalents	20,442	17,397
Investment Properties and related assets	34,145	60,250
Inventory	5,274	5,903
Equity Accounted Investments	5,200	-
Other	590	377
Total Assets	65,651	83,927

Debt Summary

	30 June 2015	30 June 2014
Interest Bearing Loans and Borrowings ¹	\$12.0M	\$31.5M
Total Debt Facility – NAB ¹	\$12.0M	\$31.6M
Balance Sheet Gearing Ratio	-	21.3%
Property Loan to Value Ratio (LVR)	30.4%	49.0%
Loan to Value Ratio Covenant	50.0%	50.8%
Percentage of Debt Hedged ²	-	50.6%
Expiry of Debt Facility – NAB ³	31 Oct 2017	31 Oct 2015

1 Significantly lower debt facilities at 30 June 2015 due to repayment of \$19.59 million from asset sales during FY15.

2 \$16 million hedge expired during FY15 with no replacement hedge entered into due to the current interest rate environment and lower debt.

3 The debt facilities with NAB were extended during FY15 for a further two years to 31 October 2017.

Property Portfolio

Property	Location	Sector	NLA ¹ (m2)	Occupancy by Area (%)	Average Lease Duration ² (Years)	Major Tenants	Book Value 30 June 2014 (\$M)	Book Value 30 June 2015 (\$M)	Cap Rate ⁴ (%)
Investment Properties									
308 Queen/ 88 Creek Street, Brisbane	Qld	Commercial	4,553	95%	2.4	NAB NextDC Acciona	36.05 ³	34.145 ³	7.81%
Inventory									
Cumberland Lorne Resort ⁵	Vic	Tourism	n/a	n/a	nil	-	2.05	1.42	n/a
San Remo Site	Vic	Rural/ Future Residential	n/a	n/a	nil	-	3.85	3.85	n/a

1 Net lettable area.

2 Average Lease Duration by income.

3 30 June 2015 book value includes Transferrable Site Areas (TSAs) valued at \$0.395M (30 June 2014: \$1.70M).

4 Capitalisation rates are effective as at 30 June 2015.

5 Unity Pacific Group owns 4 apartments as at 31 August 2015.



Unity Pacific

Property Update

308 Queen Street/88 Creek Street

- Vacancy rate (by NLA) is 5.3% at 30 June 2015 (down from 10.4% as at 30 June 2014).
- Focus is the management of a number of lease expiries which will occur in second half of 2015 and 2016 (39.4% of NLA) in a deteriorating Brisbane CBD office market.
- 308 Queen Street (the heritage building) suffered damage in a severe hail storm which occurred in Brisbane on 27 November 2014. Due to insurance coverage, financial loss to the Group from the storm should be minimal.



Property Update (continued)

San Remo Site

- 3 lot (40 hectares) rural sub division application lodged for value preservation and to maximise sale options.
- Council's decision on the application is pending.

Cumberland Lorne Apartments

- 2 apartments settled in FY15.
- 1 further apartment sold subsequent to year end.
- 4 remaining apartments to be sold.
- All apartments sold at a small profit to book value.
- Continued marketing of individual apartments for sale to occur in forthcoming summer.

Property Portfolio

308 Queen Street/88 Creek Street, Brisbane QLD



Cumberland Lorne Resort, Lorne VIC



San Remo Site, San Remo VIC



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