

ASX Announcement

24 February 2016

RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2015 AND BUSINESS UPDATE

Unity Pacific Limited (ASX: UPG) announces the following consolidated financial results for Unity Pacific Group ('Unity Pacific') for the half year ended 31 December 2015 (half year):

	31 December 2015 Reviewed Result	31 December 2014 Reviewed Result
Net Profit / (Loss) and Total Comprehensive Income / (Loss)	(\$0.08) million	\$2.56 million
		30 June 2015 Audited Result
Net Tangible Assets ('NTA') per Security	\$1.05	\$1.47

Results in Line with Previous Guidance

The results are in line with Unity Pacific's 31 December 2015 guidance announcement of 29 January 2016.

Results Commentary

Unity Pacific's result for the half year was a loss of \$0.08 million compared with a profit of \$2.56 million for the half year ended 31 December 2014 ("previous half year"). Key transactions and events which have impacted Unity Pacific Group's half year result are as follows:

- underlying loss from operations of \$0.01 million;
- profit of \$0.46 million on the sale of 300m² of transferrable development rights (known as TSAs) which attach to the heritage 308 Queen Street building; and
- costs associated with an extensive capital works program at 308 Queen Street/88 Creek Street.

The half year result does not include a potential \$1.0 million gain on the sale of Unity Pacific's remaining TSAs. During the half year and subsequent to year end, Unity Pacific entered into two contracts to sell the remaining TSAs. These contracts are conditional on the purchasers obtaining their respective development approvals by 8 September 2016 and 30 September 2016. Due to the conditional nature of the contracts, the contracted sales price has not been reflected in the half year result or NTA per security. These contracts are transferable to any purchaser of the 308 Queen Street property.

The profit for the previous half year included a \$2.53 million gain on the sale of Rivergate Centre, Murarrie, Queensland.

NTA

The capital distribution of 42 cents per security paid on 31 August 2015 resulted in the reduction in NTA during the half year.

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Business Update and Outlook

Unity Pacific has made a number of recent announcements in relation to its remaining assets, expressions of interest in the corporate vehicle and its process to maximise remaining securityholder value.

Sale of 308 Queen Street/88 Creek Street, Brisbane

The on-market expressions of interest sales campaign for Unity Pacific's investment property located at 308 Queen Street/88 Creek Street, Brisbane commenced on 11 February 2016.

An information memorandum has been prepared and will be made available to interested parties by JLL, the sales agent appointed by Unity Pacific to manage the sales process. Submissions are due to be received by JLL from interested parties by Thursday 24 March 2016.

If the sales campaign is successful and subject to the Board being satisfied with the terms and conditions of sale, including price, it is the Board's current intention to distribute the net proceeds of sale to Members.

Corporate Expressions of Interest Process (EOI Process)

Earlier this month, Unity Pacific commenced an EOI Process for Unity Pacific's corporate structure and the assets that will remain after the sale of 308 Queen Street/88 Creek Street.

An information memorandum has been prepared and expressions of interest are due to be submitted by 18 March 2016 with the selection of a preferred bidder by 30 March 2016. Unity Pacific's corporate advisor, InterFinancial, is assisting with this process.

Unity Pacific will evaluate the expressions of interests received and select the parties with whom it will negotiate at its absolute discretion.

San Remo Site

In December 2015, the Bass Coast Shire Council resolved to issue a Notice of Decision to Grant a Permit to subdivide Unity Pacific's land in San Remo into three lots in two stages and to use one of the lots for a Leisure and Recreation Facility (golf course) and associated tourist accommodation in accordance with certain endorsed plans and subject to numerous conditions. Objectors had 21 days from the issue of the Notice of Decision to lodge an application for a review of the decision at the Victorian Civil and Administrative Tribunal.

As previously advised, one objector has lodged an application for a review of the decision and mediation in relation to this application is scheduled for 8 April 2016.

Subject to a favourable outcome from the review, the possible valuation effect of the Permit and its impact on the Board's strategy for the land are being considered.

Cumberland Lorne Apartments

Unity Pacific owns 4 apartments at Cumberland Lorne Resort. The remaining apartments are expected to be included as part of a transaction involving the Unity Pacific corporate vehicle.

The Board will continue to update Unity Pacific securityholders as appropriate.

For further information, contact:

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