

ASX Announcement

17 June 2016

SALE OF 308 QUEEN STREET/88 CREEK STREET, BRISBANE AND DISTRIBUTION GUIDANCE

Unity Pacific Group (ASX: UPG) (Unity Pacific) announces that it has entered into an unconditional contract for the sale of 308 Queen Street/88 Creek Street, Brisbane (the Property) following a successful on-market expressions of interest sales campaign conducted by JLL. Settlement is expected to occur on 30 June 2016.

Property Sale Details

The contracted sale price for the Property is \$37.3 million. The sale will result in Unity Pacific receiving approximately \$36.6 million after deducting usual vendor allowances for outstanding lease incentives.

Securityholders approved the sale of the Property at Unity Pacific's 2015 Annual General Meeting, subject to a premium to the 30 June 2015 independent valuation amount of \$34.1 million, including the transferrable development rights (known as TSAs) which attach to the heritage 308 Queen Street building, being achieved.

Value Realised Since 30 June 2015

Unity Pacific expects the sale of the Property to result in a profit of \$2.1 million after transaction costs. In addition, 760m² of TSAs have been sold (the Settled TSAs) since 30 June 2015 for a profit of \$1.0 million.

Since 30 June 2015, the sale of the Property and the Settled TSAs will result in a profit to the 30 June 2015 book value of \$3.1 million.

In addition, Unity Pacific still has one conditional contract to sell 374m² of TSAs for \$0.6 million. This TSA sale contract is conditional on the purchaser obtaining its development approval by 30 September 2016 (this date may be extended to 31 December 2016).

The purchaser of the Property has agreed that Unity Pacific will remain entitled to any proceeds received from the settlement of this TSA sale contract. If this TSA sale contract lapses, no additional consideration is payable to Unity Pacific by the purchaser of the Property and the relevant TSAs will become the Property purchaser's ongoing asset.

Distribution of Property Sale Proceeds

It is the Board's intention to use the net proceeds from the Property sale to repay Unity Pacific's debt facility of \$12 million and distribute surplus funds to securityholders.

Subject to settlement of the sale of the Property the Board intends to distribute approximately \$28.6 million to securityholders by 25 July 2016. This equates to 80 cents per security.

Please refer to Unity Pacific's separate announcement of 17 June 2016 for more details about the proposed distribution.

ENDS

For further information, contact:

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