

ASX MARKET ANNOUNCEMENT

19 February 2019

FINBAR FIRST HALF RESULTS & FY GUIDANCE

- H1 FY19 net profit after tax of \$1.89m
- Results second half weighted due to anticipated completion of Vue Tower and Palmyra Apartment Estate (Palmyra)
- Anticipating full year after tax profit of between \$15m and \$17m on anticipated completion of Vue Tower and Palmyra
- Fully franked interim dividend of \$0.03 per share

Perth, 19 February 2019: Western Australia's leading apartment development company, Finbar Group Limited, (ASX: FRI) (**Finbar** or **the Company**) has today announced a net profit after tax of \$1.89 million for the first half of the 2019 financial year (**H1 FY19**).

Finbar forecasts that the FY19 results will be second half weighted with the Company currently in the settlement phase for its wholly owned Reva project as well as the anticipated completion of both the Vue Tower East Perth and Palmyra East joint venture projects in May & June, with settlements expected on both in June 2019.

With a combined projected end sales value of \$200 million, \$120 million of which is now pre-sold, it is currently anticipated that the revenue for sold units at Vue Tower and Palmyra will fall in the current financial year if the completion timing occurs as currently scheduled. The directors are therefore cautiously optimistic that the Company will report a net profit after tax for the financial year ending 30 June 2019 of between \$15 million and \$17 million.

Construction is now well underway at Sabina in Applecross, where stage one of the three stage project can now be seen above ground level with completion estimated in FY2020.

Despite the substantial construction program currently underway, incorporating the Vue Tower, Palmyra, and Sabina projects, Finbar has still completed H1 FY18 with a cash position of \$34 million and is anticipating strong inflows from settlements at Reva and the anticipated completion near financial year end of both Vue Tower and Palmyra.

The company currently has \$92.1 million in completed stock for sale (\$55.5 million attributable to Finbar after joint venture interests) and has sold down on average \$5.8 million per month in

H1 FY19. The total of completed stock for sale was bolstered by the recent completion of Reva in South Perth.

Finbar has sold \$110.5 million in property in H1 FY19, which is similar to sales achieved in the previous corresponding period.

Commenting on the half-year financial results today, Finbar Managing Director, Darren Pateman, said, “we regrettably saw further impairments to the City office asset as commercial office leasing conditions remain subdued however this was offset by an increase in values in Karratha where we are seeing a further uplift in residential leasing activity from corporate entities as the Western Australian resource sector continues to recover.”

“The anticipated completion of both Vue Tower and Palmyra very close to the end of the financial year will provide the majority of earnings for the year. If completed as currently anticipated, this will provide a healthy lift to profit numbers as we work our way into the next market cycle.”

“Current sales activity is steady on last year with the company selling on average one apartment per day, every day, and as always the company remains well positioned to benefit from a further uplift in local market conditions with a significant and largely pre-approved project pipeline.

As a signal of the Company’s confidence in achieving improved full-year net profit results, the Board of Directors has resolved to pay a fully franked interim dividend of 3.0 cents per share with full details to follow by way of a separate announcement.

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Finbar Group Limited, its controlled entities and its jointly controlled entities, is a property development company whose core business lies in the development of medium to high density residential apartments and commercial property within the Perth Metropolitan Area and the Pilbara within the State of Western Australia.