

The title of the presentation, '2015 Half Year Results Presentation', displayed in a large, red, sans-serif font. The background of the slide features a photograph of a modern high-rise building with a glass facade and a smaller building with 'FRASERSUITES' signage, set against a blue sky with white clouds. A large, curved, light-grey graphic element sweeps across the middle of the slide, and a red line curves along its edge. Palm trees are visible in the foreground and background.

# 2015 Half Year Results Presentation



# HIGHLIGHTS – HY15

## FINANCIAL

- Revenue of \$47M.
- Loss after tax of \$1.2M.
- Working capital surplus of \$2.1M.
- \$No corporate debt. All debt project specific.

## OPERATIONS

- Sale of 2 Quest Serviced Apartment Developments for \$63.5M. To generate net cash of \$20m
- Announced subsequent to half year end circa \$180M of new development work.
- Funding secured for all active projects in development pipeline.
- Delayed starts on construction work in excess of \$100M for clients.
- Provision against recovery of \$2m of back charges against sub contractor

## OUTLOOK

- Current construction order book in excess of \$242M
- Total development pipeline in excess of \$400M (Diploma share \$280M).
- New opportunities to extend pipeline of construction and property opportunities under consideration.



# Financial Update



# FINANCIAL SUMMARY

		HY15	HY14	CHANGE
Revenue	\$M	47.1	111.6	-58%
EBIT	\$M	(1.7)	3.3	-152%
NPAT	\$M	(1.2)	1.9	-163%
OPERATING CASH FLOW <sup>(i)</sup>	\$M	(17.0)	6.3	-370%
EPS BASIC	CPS	(0.26)	0.60	-143%

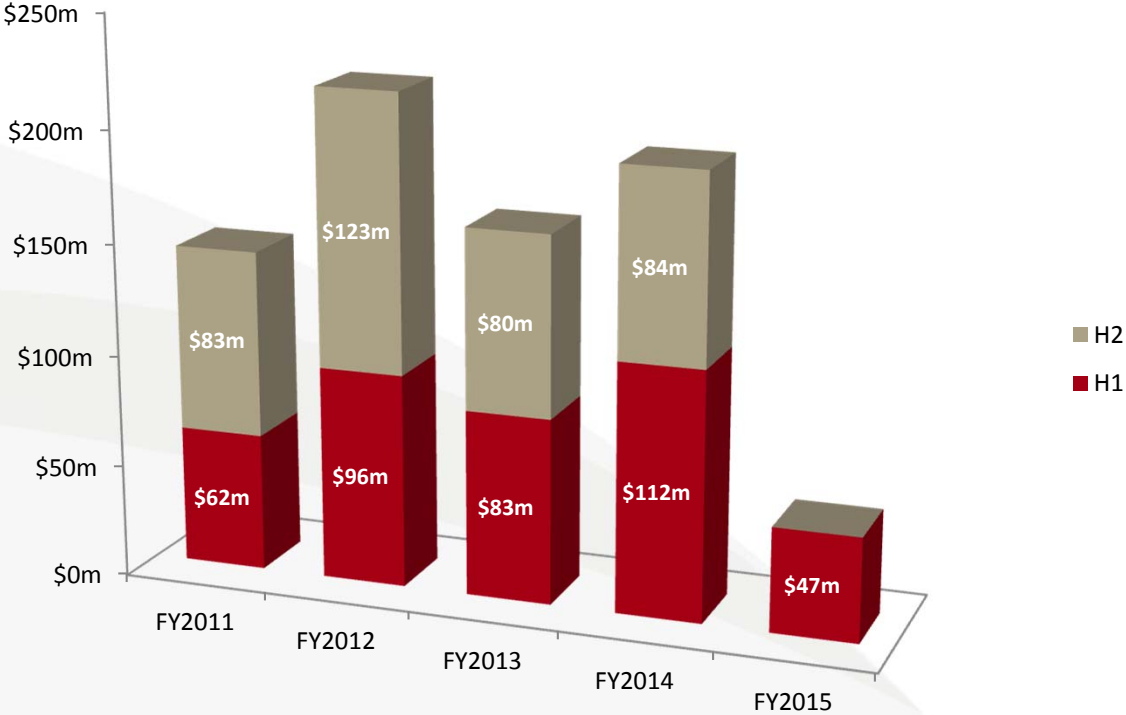
- (i) Development costs on internal projects are classified as "Operating" cash outflows, while the cash draw downs from the project specific debt facilities used to fund these activities are classified as "Finance" cash inflows. This creates a mismatch (or negative "Operating" cash flow) in the Statement of Cash Flows in the Financial Statements. This negative operating cash flow is reversed when settlements commence on internal projects.

# BALANCE SHEET

Statement of Financial Position As at 31 December 2014	HY15 \$'000s	FY14 \$'000s	CHANGE
Cash and cash equivalents	2,342	6,911	-66%
Trade and other receivables	9,334	17,994	-48%
Inventories	55,254	49,275	12%
Trade and other payables	30,665	45,539	-33%
Interest bearing loans and borrowings	*30,774	*18,341	68%
Net Tangible Assets	14,953	16,115	-7%

\* All project specific, no corporate debt

# REVENUE





A photograph of a modern multi-story building with a mix of grey, white, and bright yellow architectural elements. The building features balconies with glass railings and large windows. In the foreground, there is a curved, semi-transparent glass structure that partially obscures the lower part of the building. The text "Construction Update" is overlaid in red on the left side of the image.

# Construction Update

# CURRENT CONSTRUCTION PROJECTS

Project	Podium 202/203
Description:	22 Townhouses with common area, two lifts and basement parking
Value:	\$ 10.5 million
Completion Date:	March 15



Project	Quest Mounts Bay
Description:	Construction of Quest Apartments - 71 boutique rooms over 7 levels
Value:	\$11 million
Completion Date:	Jun 15



Project	Precinct on Ogilvie
Description:	9 storey mixed use development, 2 levels commercial and 34 apartments over 7 levels
Value:	\$17 million
Completion Date:	Jun 15



Project	Quest - Rockingham
Description:	Quest Apartments – 96 keys over 7 levels
Value:	\$11 million
Completion Date:	Mar 15

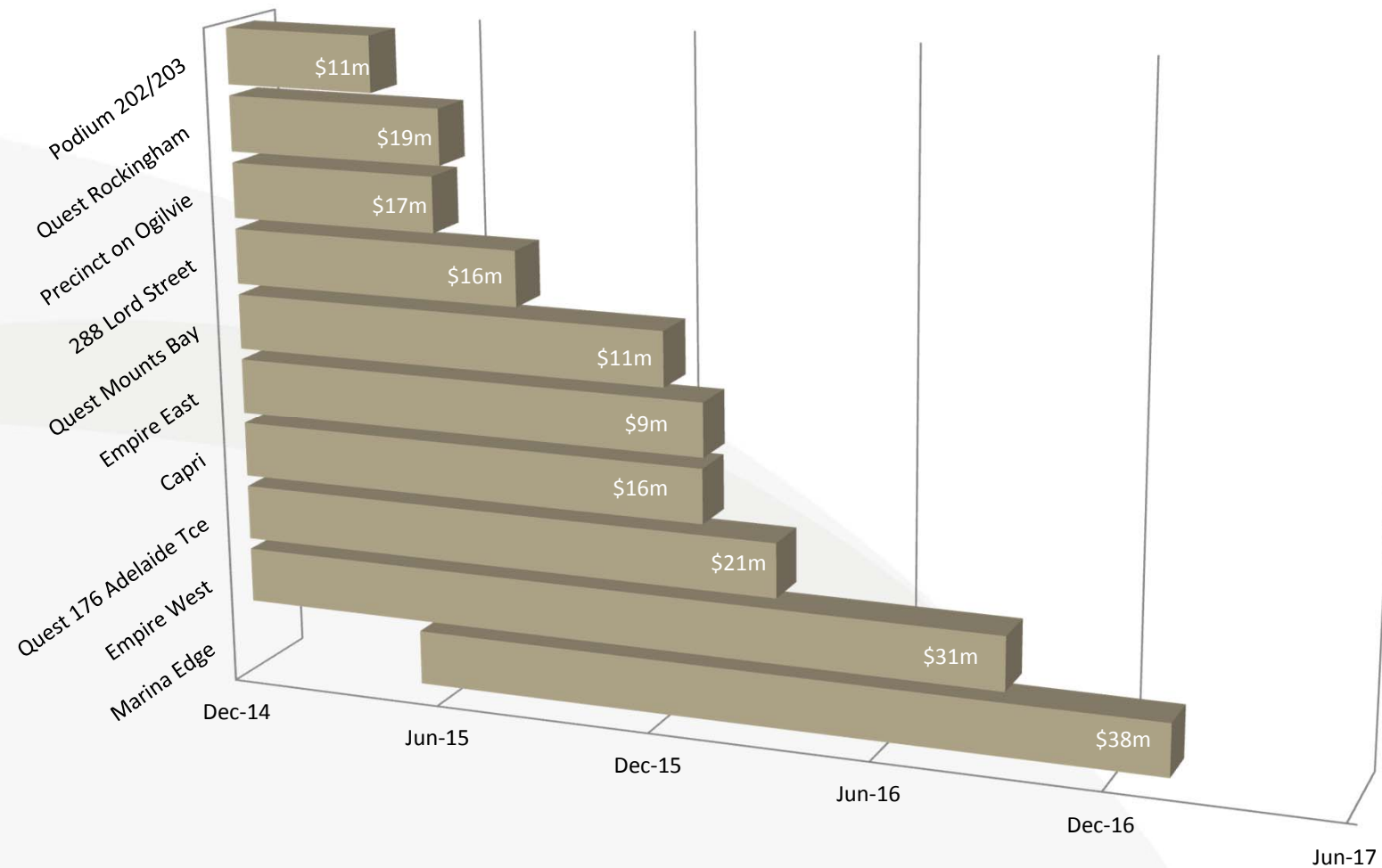




# CURRENT CONSTRUCTION PROJECTS

Project	288 Lord Street Highgate	
Description:	68 apartments, 5 commercial tenancies over 6 levels	
Value:	\$16 million	
Completion Date:	Nov 15	
Project	Quest 176 Adelaide Tce	
Description:	Quest Apartments - 98 apartments over 20 levels – 130 keys	
Value:	\$21 million	
Completion Date:	Mar 16	
Project	Marina Edge	
Description:	Construct 109 apartments in the recently established Port Coogee marina precinct over 9 levels	
Value:	\$38 million	
Completion Date:	Start May 15: Finish early 2017	
Project	Empire East & West	
Description:	123 one, two & three bedroom apartments over 4 levels	
Value:	\$40 million	
Completion Date:	Start Jan 15: Finish mid 2016	

# CONSTRUCTION PIPELINE SUMMARY



A photograph of a modern, two-story building. The building features a prominent white, curved overhang on the left side. The right corner of the building is clad in light-colored, rectangular stone tiles. Large windows are visible, some with indoor plants. The ground floor has glass doors and windows, revealing an interior with a reception desk and the word 'Autism' on the wall. A red fire alarm pull station is visible on the wall near the entrance. A semi-transparent white circle with a red arc is overlaid on the left side of the image.

# Property Development Update



# YEAR END DEVELOPMENT HIGHLIGHTS

Completions	<ul style="list-style-type: none"><li>• Nil</li></ul>
Sales	<ul style="list-style-type: none"><li>• Quest Rockingham - \$22M</li><li>• Quest Adelaide Terrace - \$42M</li></ul>
Under Construction	<ul style="list-style-type: none"><li>• Abode - \$36M</li><li>• 288 Lord - \$38M</li><li>• Quest Rockingham - \$22M</li><li>• Quest Adelaide Terrace - \$42M</li><li>• Capri - \$27M</li></ul>
Acquisitions	<ul style="list-style-type: none"><li>• Subiaco - \$14M</li><li>• Scarborough - \$45M</li><li>• Chemlabs - \$150M</li></ul>

# PIPELINE COMPLETION SUMMARY

		FY15	FY16	FY17+
Project	DGX Interest			
Abode	50%	36M		
288 Lord	50%		38M	
Quest Rockingham	100%		22M	
Quest 176	100%		42M	
Capri	100%		27M	
Subiaco	100%			14M
Scarborough	100%			45M
Chemlabs	50%			150M
	<b>FY Totals (\$M)</b>	<b>36M</b>	<b>129M</b>	<b>209M</b>
	<b>Diploma's Interests (\$M)</b>	<b>18M</b>	<b>110M</b>	<b>134M</b>
	<b>Total Pipeline (\$M)</b>	<b>374M</b>		

\*figures are ex-GST

## Current Status:

Under Construction

New Developments

# ABODE

## 15 CAMPBELL STREET, WEST PERTH

Project: 86 residential apartments in a multi level building comprising of a mix of 1 bedroom and 2 bedroom apartments with an average price of \$465,000.

- Status: Under construction
- Ownership: 50% JV with land owner
- Value: \$41M
- Completion: Expected April 2015
- Sales: \$41M – 100% Presold





# QUEST

## FLINDERS LANE, ROCKINGHAM

Project: 48 serviced apartments with 96 keys over 6 levels located just 200 metres from the pristine Rockingham Beach. The building has been fully committed via a lease from Quest Group for an initial term of 15 years.

- Status: Under construction
- Ownership: 100% owned by DGX
- Value: 22M
- Completion: Anticipated June 2015
- Sales: Heads of terms agreed for sale of building on completion, subject to due diligence expected to be completed by end of March 2015



# 288 LORD STREET

## HIGHGATE

Project: 68 residential apartments and 5 street facing commercial tenancies in a 6 storey building. The project comprises a mix of 1 bedroom and 2 bedroom apartments with an average price of \$495,000.

- Status: Under construction
- Ownership: 50% JV
- Value: \$36M
- Completion : Anticipated September 2015
- Sales: \$29M – 82% Presold



# CAPRI

## 24 FLINDERS LANE, ROCKINGHAM

Project: 76 residential apartments in a 5 storey building located just 200 metres from the pristine Rockingham Beach. The project consists of a mix of 1 bedroom and 2 bedroom apartments with an average price of \$400,000.

- Status: Pre-selling. Construction to commence October 2014
- Ownership: Wholly owned by DGX
- Value: \$30M
- Completion : January 2016
- Sales: \$24M – 80% Presold





# QUEST

## 176 ADELAIDE TERRACE, PERTH

Project: 98 serviced apartments with 130 keys over 19 levels located within walking distance of the Perth CBD. The building has been fully committed via a lease from Quest Group for an initial term of 15 years.

- Status: Under construction
- Ownership: 100% owned by DGX
- Value: \$42M
- Completion : March 2016
- Sales: Heads of terms agreed for sale of building on completion, subject to due diligence expected to be completed by end of March 2015.

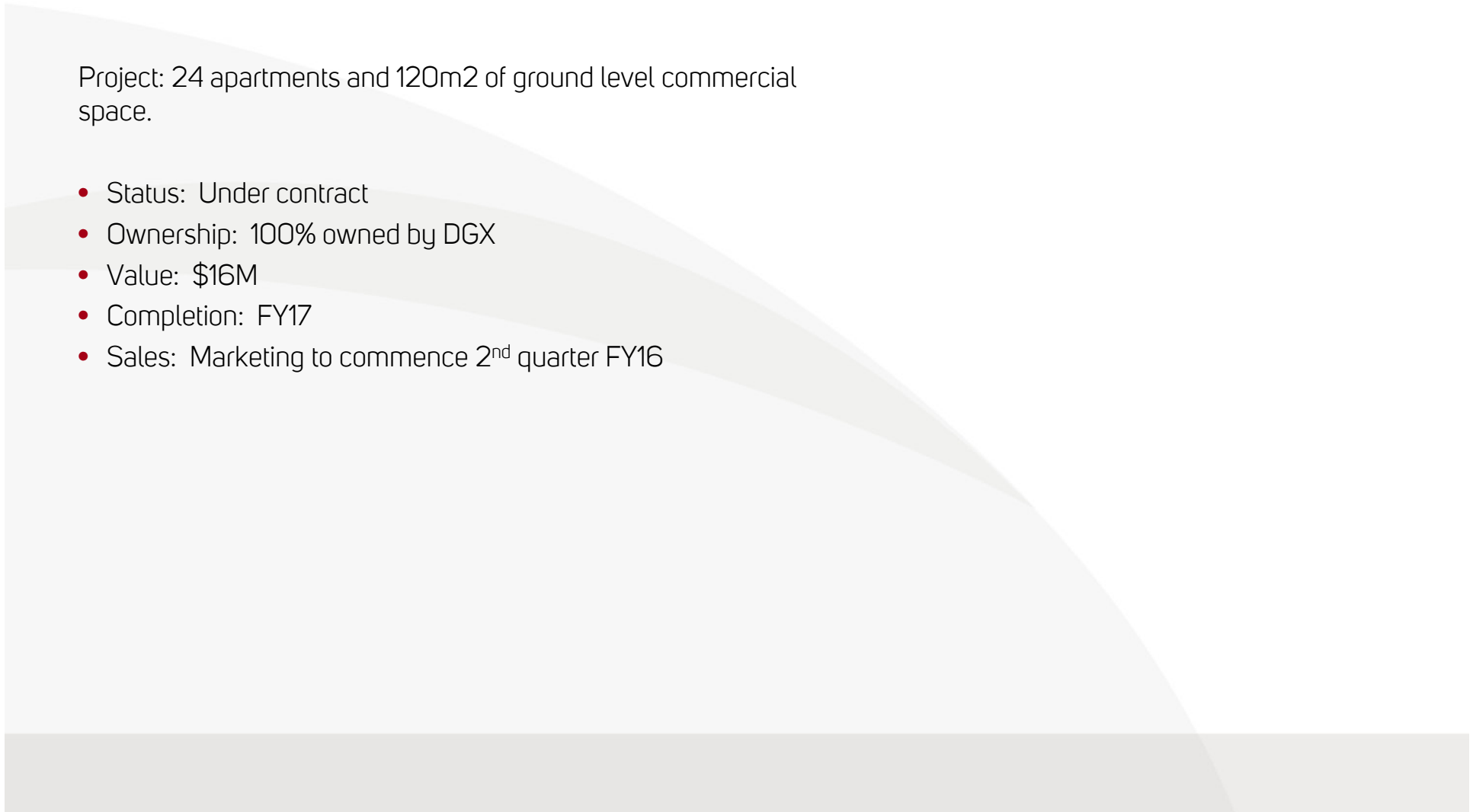




# SUBIACO

## CORNER OF CARTER LANE AND CENTRO AVENUE, SUBIACO

Project: 24 apartments and 120m<sup>2</sup> of ground level commercial space.

- Status: Under contract
  - Ownership: 100% owned by DGX
  - Value: \$16M
  - Completion: FY17
  - Sales: Marketing to commence 2<sup>nd</sup> quarter FY16
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# SCARBOROUGH

## 254-256 WEST COAST HWY, SCARBOROUGH

Project: 12 level mixed use commercial residential building with extensive ocean views consisting of 80 apartments plus 350m<sup>2</sup> of ground level commercial space.

- Status: Settled – DA Preparation
- Ownership: 100% owned by DGX
- Value: \$50M
- Completion: FY17
- Sales: Marketing to commence mid 2015





# CHEMLABS

## 101 HAY STREET , EAST PERTH

Project: 16 level mixed use commercial residential building with views over Queens Gardens, the WACA ground, Swan River and Burswood. It will consist of 226 apartments plus a 1700m<sup>2</sup> supermarket along with boutique amenities such as restaurants, bars and office tenancies.

- Status: Under contract
- Ownership: JV - 50% owned by DGX
- Value: \$160M
- Completion: FY18
- Sales: Marketing 4th quarter 2015





# SUMMARY

- Construction forward order book of \$242M secured over next 24 months.
  - Development forward order book of \$400M (\$280m Diploma's share).
  - Sold, subject to due diligence, 2 Quest Serviced Apartment developments to generate net cash to Diploma of \$20M.
  - Strategy is to generate an even spread of internal v external construction work by leveraging the group's integrated model and relationships.
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