

Trinity Group

Financial Results Presentation

30 June 2014



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Units in Trinity Stapled Trust are stapled to shares in Trinity Limited. The stapled securities are listed on the ASX (ASX Code: TCQ).

This presentation contains a summary of information from Trinity Group's 2014 Financial Report. Accordingly, this presentation should be read in conjunction with Trinity Group's 2014 Financial Report for the year ended 30 June 2014.

Trinity Group's 2014 Financial Report has been audited by Trinity Group's auditors. However, the Profit from Operations information contained in this presentation has not been audited or reviewed by Trinity Group's auditors. It has not been calculated in accordance with International Financial Reporting Standards and may not be comparable to similarly titled measures of other companies. It has been provided to enable securityholders to gain a better understanding of Trinity Group's underlying profit from operations.

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All financial information is in Australian dollars and all statistics are current as at 30 June 2014 unless otherwise indicated.

Certain statements in this presentation are forward looking statements. These statements are not guarantees of future performance. Actual results could differ materially from those referred to in this presentation.

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Key Financial Highlights

Profit

- Profit of \$0.5 million as compared with a loss of \$4.4 million in FY13.
- Profit from operations of \$1.6 million as compared with \$1.7 million in FY13.
- Administration and overhead costs remain at similar levels when compared to previous financial year.

Revenue and Earnings

- Total revenue reduced by \$9.5 million or 49% compared to FY13.
- Earnings per security of 0.3cps. Up from (2.6)cps in FY13.

Balance Sheet

- Strong balance sheet with cash balance of \$17.4 million at 30 June 2014.
- NTA per security was 35.9cps. Up from 35.0cps at 30 June 2013.

Key Financial Highlights (cont'd)

Movements in Property Value

- Fair value of investment properties increased by \$1.2 million or 2%.

Debt and Gearing

- Financing costs reduced by \$1.0 million or 35% compared to previous year.
- Debt reduction of \$6.0 million from asset sales during FY14.
- Debt facility extended by 12 months to 31 October 2015.

Distributions

- No distribution was paid during FY14.

Business Highlights

Capital Management

- Capital management program completed in November 2013 with an on-market buyback.
- \$23.3 million capital returned to securityholders since capital management program commenced in 2011.

Asset Sales

- Non or low income producing assets sold including:
 - 13 Compark Circuit in Mulgrave, Victoria; and
 - 8 apartments at Cumberland Lorne Resort.
- Asset sale program of non-core assets now largely completed.

Strategy/Growth Update

- Appointment of Mr Bevan Towning as Chief Investment Officer – a highly experienced property funds management professional.
- Ongoing discussions and negotiations to acquire material interests in property funds management businesses.
- Increased focus on establishing and building a new funds management platform including externally managed property investment vehicles.
- Second AFSL granted to enable Trinity to expand its property funds management services.
- Considerable interaction with financial intermediaries (e.g. stockbrokers, financial planners and accountants).
- External funds management advisory services to an overseas investor may result in future opportunities.

Financial Overview

	FY14 Actual	FY13 Actual
Financial information subject to audit		
Revenue and Other Income	\$9.94M	\$19.48M
Net Profit/(Loss)	\$0.47M	(\$4.43M) ¹
Basic/Diluted Earnings/(Loss) per Security	0.3 cents	(2.6) cents
Distribution per Security	0 cents	3 cents ²

1 The primary driver of the net loss in FY13 was a \$4.0M expense on the write down and disposal of a significant portion of Cumberland Lorne Resort assets.

2 A one-off capital distribution of 3 cents per security was paid on 7 June 2013 from Trinity Stapled Trust.

- Total revenue reduced by \$9.5 million compared to FY13 primarily due to:
 - reduced revenue following the sale of a significant portion and management rights of Cumberland Lorne Resort; and
 - reduced rental income following the sale of 13 and 15 Compark Circuit, Mulgrave, Vic.
- Improved net profit of \$0.47 million as compared to FY13 including:
 - \$0.4 million gain from the sale of 8 apartments at Cumberland Lorne Resort; and
 - \$1.2 million increase in the fair value of investment properties.

Balance Sheet Summary

	June 2014 \$'000	June 2013 \$'000
Assets		
Cash and Cash Equivalents	17,397	15,110
Investment Properties and related assets	58,773	63,880
Inventory	5,903	9,979
Other	1,854	2,380
Total Assets	83,927	91,349
Liabilities		
Interest bearing loans and borrowings	31,548	37,517
Trade and other payables	866	1,308
Other	101	136
Total Liabilities	32,515	38,961
Net Assets	51,412	52,388
Securities on issue ('000)	143,217	149,599
NTA per security (cps)	35.9	35.0
Gearing (%)	21.3	29.4

- Significant cash balance of \$17.4 million available for growth opportunities.
- NTA increased to 35.9cps primarily as a result of the on-market buyback.
- Debt reduction of \$6.0 million from asset sales.
- Gearing reduced to 21.3% during FY14.

Debt Summary

	30 June 2014	30 June 2013
Interest Bearing Loans and Borrowings	\$31.5M	\$37.5M
Total Debt Facility – NAB	\$31.6M	\$37.6M
Balance Sheet Gearing Ratio	21.3%	29.4%
Property Loan to Value Ratio (LVR)	49.0%	50.3%
Loan to Value Ratio Covenant	50.8%	50.8%
Percentage of Debt Hedged	50.6%	42.5%

- Debt reduction of \$6.0 million from asset sales.
- Debt facility with NAB was extended by 12 months and now expires on 31 October 2015.
- Reductions in interest rates applying to the unhedged portion of debt facilities during 2014.

Reconciliation of Profit from Operations

Financial Information not subject to audit	Notes	FY14 \$'000	FY13 \$'000
Profit from Operations		1,592	1,720
Reconciling items			
Fair value adjustments/write downs			
- Investment properties		1,144	(754)
- Inventory		(1,095)	(3,042)
- Derivative financial instruments		66	63
Non-cash income / (expense) – property investment	1	(551)	170
Loss on sale of investment properties		(412)	(430)
Loss on sale of Cumberland Lorne Resort assets		-	(1,996)
Amortisation and depreciation		(75)	(159)
Employee options expense		(200)	-
Share of net loss of equity accounted investments		-	(4)
Total reconciling items		(1,123)	(6,152)
Reported Profit/(loss) for the year		469	(4,432)

1 IFRS straight-line lease income and lease incentive and lease cost amortisation

Property Portfolio

Property	Location	Sector	NLA ¹ (m ²)	Occupancy by Area (%)	WALE ² (Years)	Major Tenants	Book Value 30 June 2013 (\$M)	Book Value 30 June 2014 (\$M)	Cap Rate ⁴ (%)
Investment Properties									
Trinity Place/The Chambers 308 Queen/88 Creek Street, Brisbane	Qld	Commercial	4,554	90	2.8	NAB NextDC Acciona	33.2 ³	36.05 ³	8.25
Yamaha Centre Rivergate Place, Murrarie	Qld	Industrial	11,552	100	8.9	Yamaha Motor Aust	24.5	24.2	7.5
Inventory									
Cumberland Lorne Resort ⁵	Vic	Tourism	n/a	n/a	nil	-	5.2	2.05	n/a
San Remo Site	Vic	Rural/ Future Residential	n/a	n/a	nil	-	4.8	3.85	n/a

1 Net lettable area.

2 Weighted average lease expiry as at 30 June 2014.

3 30 June 2014 book value includes Transferrable Site Areas (TSAs) valued at \$1.7M. 30 June 2013 book value excluded TSAs held for sale.

4 Capitalisation rates are effective as at 30 June 2014.

5 Trinity owns 7 apartments, 2 of which are under contract as at 28 August 2014.

Property Portfolio

308 Queen Street/88 Creek Street, Brisbane QLD



Yamaha Centre, Murrarie QLD



Cumberland Lorne Resort, Lorne VIC



San Remo Site, San Remo VIC





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