



Unity Pacific

**Unity Pacific Group  
Half Year Results Presentation  
31 December 2014**

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

This presentation contains a summary of information from Unity Pacific Group's 31 December 2014 Half Year Financial Report. The 31 December 2014 Half Year Financial Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this presentation should be read in conjunction with Unity Pacific Group's 31 December 2014 Half Year Financial Report, annual financial report for the year ended 30 June 2014 and any public announcements made by Unity Pacific Group and Unity Pacific Stapled Trust during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Unity Pacific Group's 31 December 2014 Half Year Financial Report has been reviewed by Unity Pacific Group's auditors. However, the Profit from Operations information contained in this presentation has not been audited or reviewed by Unity Pacific 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 Unity Pacific Group's underlying profit from operations.

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All financial information is in Australian dollars and all statistics are current as at 31 December 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.

# Key Business Highlights

- Sale of Rivergate Centre, Murarrie for \$27.0 million - \$2.53 million profit on sale
- Sale of 2 apartments at Cumberland Lorne Resort, 5 apartments remain for sale
- Cash of \$23.7 million at 31 December 2014, an increase of \$6.3 million primarily as a result of asset sales
- Debt reduction of \$19.6 million (from the proceeds of asset sales) reducing the Group's debt facility to \$12.0 million and balance sheet gearing to nil
- Finance facilities extended to 31 October 2017 and a reduction in total facility fees payable
- Agreement to acquire 16 Marie Street, Milton for The Marie Street Trust - capital raising in progress for March property settlement
- 1:4 security consolidation in December 2014 resulting in a corresponding increase in the Group's security price
- Change of name to Unity Pacific Group and associated rebranding
- Pursuit of opportunities in the property funds management sector

# Key Financial Information

	31 Dec 2014	30 June 2014
Net Tangible Assets (NTA) per Security	\$1.51	\$1.44 <sup>1</sup>
Closing Share Price per Security	\$1.025	\$0.250
Trading Discount to NTA	(32.1%)	(30.4%)
Total Assets	\$66.8m	\$83.9m
Net Assets	\$54.0m	\$51.4m
Balance Sheet Gearing Ratio	-	21.3%
Property Loan to Value Ratio (LVR)	30.4%	49.0%
Securities on Issue <sup>2</sup>	35.8m	143.2m
Market Capitalisation	\$36.7m	\$35.8m

<sup>1</sup> Restated from 35.9 cents as a result of a 1:4 security consolidation completed in December 2014.

<sup>2</sup> Reduction in securities on issue as a result of 1:4 security consolidation completed in December 2014.

# Financial Results Summary

	31 Dec 2014 Actual	31 Dec 2013 Actual
<b>Financial Information Subject to Audit Review</b>		
Revenue and Other Income	\$6.53m	\$4.41m
Net Profit	\$2.56m	\$0.02m
Basic/Diluted Earnings per Security	7.15 cents	0.06 cents <sup>1</sup>
Distribution per Security	0 cents	0 cents
<b>Financial Information Not Subject to Audit Review</b>		
Profit from Operations	\$0.77m	\$0.78m

<sup>1</sup> Restated as a result of a 1:4 security consolidation completed in December 2014.

# Profit from Operations

	31 Dec 2014 \$'000	31 Dec 2013 \$'000
<b>Reported Profit for the Half Year - Reviewed</b>	<b>2,561</b>	<b>20</b>
Basic EPS – reviewed	7.15 cents	0.06 cents <sup>1</sup>
<b>Reconciliation Items to Profit from Operations <sup>2</sup></b>		
Fair value adjustments/write downs	473	406
Non-cash property investment (income)/expense	232	123
Other non-cash (income)/expenses <sup>3</sup>	(2,491)	232
Total reconciling items	(1,786)	761
<b>Profit from Operations – Not Reviewed<sup>4</sup></b>	<b>775</b>	<b>781</b>
Basic EPS – Profit from Operations – not reviewed	2.16 cents	2.18 cents <sup>1</sup>

<sup>1</sup> Restated as a result of a 1:4 security consolidation completed in December 2014.

<sup>2</sup> Reconciliation items are detailed in the Segment Reporting note in the 31 December 2014 Half Year Financial Report.

<sup>3</sup> Includes gain on sale of Rivergate Centre, Murarrie of \$2.53 million.

<sup>4</sup> Profit from Operations is a measure which is not calculated in accordance with International Financial Reporting Standards and has not been audited or reviewed by the auditor of Unity Pacific Group.

# Asset Summary

	31 Dec 2014	30 Jun 2014
Cash and Cash Equivalents	\$23.7m	\$17.4m
Investment Properties <sup>1</sup>	\$35.0m	\$58.8m
Inventory	\$5.3m	\$5.9m
Other Assets	\$2.8m	\$1.8m
<b>Total Assets</b>	<b>\$66.8m</b>	<b>\$83.9m</b>

<sup>1</sup> Rivergate Centre, Murarrie was sold in December 2014.

# Property Portfolio

Property	Location	Sector	NLA <sup>1</sup> (m <sup>2</sup> )	WALE <sup>2</sup> (Yrs)	Major Tenants	Book Value 31 Dec 2014 (\$m)	Book Value 30 June 2014 (\$m)	Cap Rate <sup>4</sup>
<b>Investment Property</b>								
308 Queen/ 88 Creek Street, Brisbane	Qld	Commercial	4,554	2.8	NAB NextDC Acciona	36.05 <sup>3</sup>	36.05 <sup>3</sup>	8.25%
<b>Inventory</b>								
Cumberland Lorne Resort	Vic	Tourism	n/a	nil	-	1.42 <sup>5</sup>	2.05 <sup>5</sup>	n/a
San Remo Site	Vic	Rural/Future Residential	n/a	nil	-	3.85	3.85	n/a

1 Net lettable area.

2 Weighted average lease expiry as at 30 June 2014.

3 Book value includes Transferrable Site Areas (TSAs) valued at \$1.7M.

4 Capitalisation rates are effective as at 30 June 2014.

5 Unity Pacific owned 5 apartments at 31 December 2014 and 7 apartments at 30 June 2014.



# Debt Summary

	31 Dec 2014	30 Jun 2014
Interest Bearing Loans and Borrowings <sup>1</sup>	\$12.0m	\$31.6m
Total Debt Facility – NAB <sup>1</sup>	\$12.0m	\$31.6m
Balance Sheet Gearing Ratio	-	21.3%
Property Loan to Value (LVR) Ratio	30.4%	49.0%
LVR Ratio Covenant	50.0%	50.8%
Percentage of Debt Hedged <sup>2</sup>	-	50.6%
Expiry of Debt Facility – NAB <sup>3</sup>	31 Oct 2017	31 Oct 2015

<sup>1</sup> Proceeds from the sale of Rivergate Centre, Murarrie and Lorne apartments were used to repay \$19.6m of debt.

<sup>2</sup> Unity Pacific Group's hedge expired during the half year.

<sup>3</sup> The debt facilities with NAB were extended during the half year for a further two years to 31 October 2017.

# Property Update

## 308 Queen Street/88 Creek Street

- Vacancy rate (by NLA) now 3.7% (down from 10.4% as at 30 June 2014)
- Focus is the management of a number of lease expiries which will occur in 2015 and 2016 in a deteriorating Brisbane CBD office market
- Proactively working with tenants of expiring leases to understand future accommodation needs to enhance tenant retention
- 308 Queen Street (the heritage building) suffered damage in the severe hail storm which occurred in Brisbane on 27 November 2014
- Due to insurance coverage, financial loss to the Group from the storm should be minimal
- Some rectification works expected to occur to prevent future damage should similar severe weather events occur in the future

# Property Update (continued)

## San Remo Site

- 3 lot (40 hectares) rural sub division application lodged for value preservation and to maximise sale options
- Council has requested additional information and an application decision is still being awaited

## Cumberland Lorne Apartments

- 5 remaining apartments to be sold
- 2 apartments settled during the half year
- No apartment sales contracted so far during the recent summer sales period
- Quiet sales period for Lorne and nearby Great Ocean Road townships

# Growth Activity

- Launch of The Marie Street Trust with the offer closing on 11 March 2015
- Increased focus on the sourcing of properties for the establishment of new investment vehicles to be managed by Unity Pacific
- Continue to concurrently pursue new opportunities including business acquisition, joint venture opportunities and other funds management services