



Unity Pacific

Unity Pacific Group Annual General Meeting

Thursday 19 November 2015

Disclaimer

This presentation is dated 19 November 2015 and has been prepared by Unity Pacific Group, which comprises Unity Pacific Limited (ACN 110 831 288) and Unity Pacific Stapled Trust (ARSN 111 389 596).

Unity Pacific Investment Management Limited (ACN 137 565 149; AFSL 338688) is the Responsible Entity of Unity Pacific Stapled Trust.

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).

While this presentation has been prepared with all reasonable care, no responsibility or liability is accepted for any errors or omissions or misstatement however caused. All forecasts and estimates are based on certain assumptions which may change without notice. If those assumptions change, our forecasts and estimates may also change. All forecasts and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

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All statistics are current as at 30 June 2015 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.

Brett Heading, Chairman

AGM Presentation

- **Chairman's Overview**
 - Business Highlights and Update
 - Proposed Sale of 308 Queen Street/88 Creek Street, Brisbane
 - Financial Impact of Asset Sale
 - Future Activities, Direction and Issues
 - Capital Management
 - Security Price Performance
 - Board of Directors
- **Managing Director's Presentation**
 - Key Financial Information
 - Financial Results Summary
 - Net Asset Summary
 - Debt Summary
 - Property Portfolio Update
- **Items of Business**

Business Highlights and Update

FY15

Dec 2014

- Sale of Rivergate Centre, Murarrie.

Jan 2015

- Launch of The Marie Street Trust.

March 2015

- Settlement of 16 Marie Street, Milton.
- UPG subscribed for equity shortfall.

FY16

July 2015

- Business growth by acquisition of property funds management businesses no longer to be pursued.

Aug 2015

- 42 cents per security capital distribution paid on 31 August 2015, totalling \$15.04 million from cash reserves.

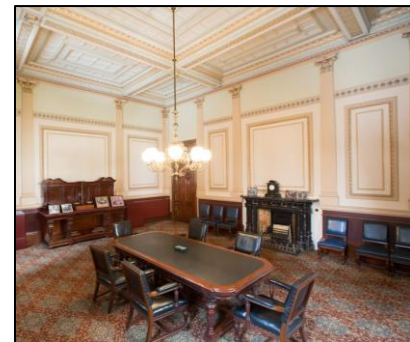
Oct 2015

- Proposed sale of 308/88 Creek Street, Brisbane
- The Board considering strategies:
 - the sale of the remaining property assets;
 - further capital management initiatives; and
 - and other corporate initiatives.



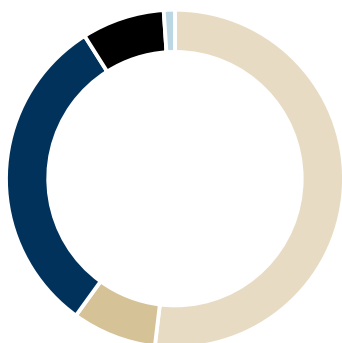
Proposed Sale of 308 Queen St/88 Creek St

- Current strong property investment market despite difficult leasing conditions.
- Attractive investment proposition – premium location, quality office accommodation, heritage characteristics of 308 Queen St, lack of <\$50 million buildings in CBD location, strong and diverse cashflow.
- Sales campaign to commence January 2016 (subject to member approval).
- Sale subject to price being at a premium to 30 June 2015 valuation of \$34.1 million.
- Net sale proceeds to be distributed to members (subject to ASX listing rules).
- If not sold, continue to focus on managing significant lease expiries.

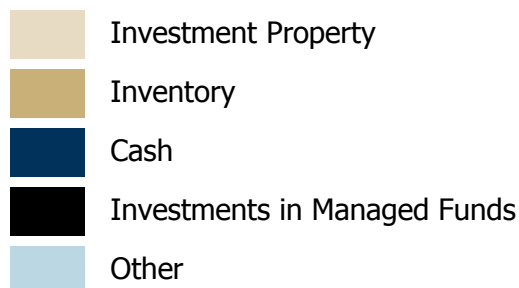
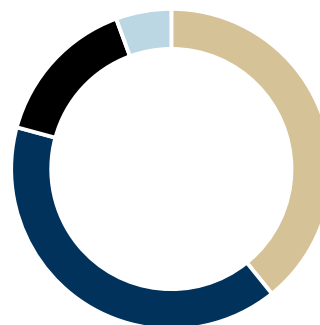


Financial Impact of Asset Sale

**Asset Summary
as at 30 June 2015**



**Remaining Asset Summary
Post Sale and Distribution¹**



¹Indicative only. Sale price and distributions not yet determined. Unity Pacific will also continue its funds management business and manage The Marie Street Trust.

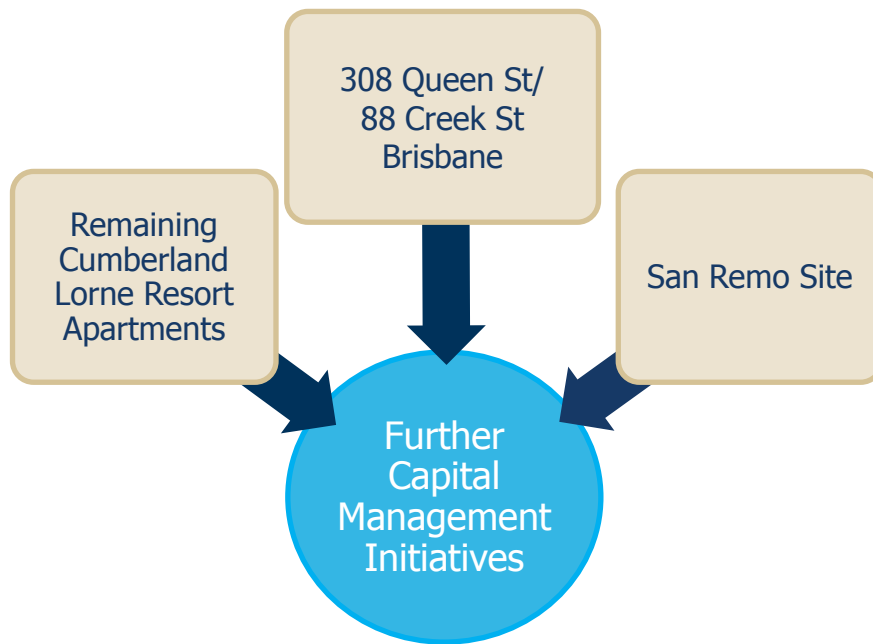
Financial Impact of Asset Sale

Impact on Earnings

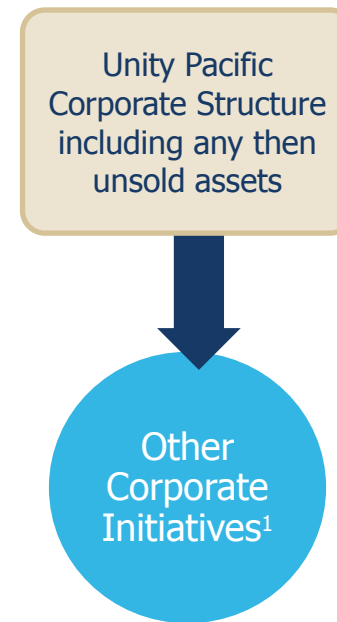
- Significant contribution by the asset to UPG profit from operations and operating cashflow in recent years.
- Contributed \$2.5 million (before finance costs) towards FY15 underlying profit from operations of \$1.0 million.
- Necessary to maintain appropriate level of cash reserves for working capital following asset sale.
- Overhead structure will continue to be reduced.

Future Activities, Direction and Issues

Asset Sales



Corporate Structure



¹Compliance with the ASX Listing Rules for continued quotation of securities on the ASX

Capital Management

- 42 cents per security capital distribution paid on 31 August 2015.
- \$38.3 million returned to securityholders since 2011.
- Current intention to distribute the net proceeds from the sale of 308/88 Creek Street to Securityholders (subject to approval and the ASX Listing Rules).

Security Price Performance

- Best performing ASX listed A-REIT on a 5 year annualised basis (ASX analysis).
- 5 year total return (ann.) - 80.92%¹.

[illegible]

¹ ASX Spotlight on A-REITS, September 2015

Board of Directors



*Brett Heading
Chairman*



*Chris Morton
Deputy Chairman & MD*



*Murray Boyte
Non-Executive Chairman*

- Murray Boyte appointed as an Non-Executive Director in March 2015. Chairman of the Audit Committees.
- Bevan Towning was CIO and Executive Director until 31 October 2015.

Chris Morton, Managing Director



Unity Pacific

Key Financial Information

	FY15	FY14	Comments
Net Tangible Assets (NTA) per Security	\$1.47 ²	\$0.36 ¹	NTA reduced since June 2015 due to 42cps distribution paid 31 August 2015
Closing Share Price per Security	\$1.03 ²	\$0.25 ¹	\$0.80 security trading price as at 17 November 2015.
Trading Discount to NTA	(30.0%)	(30.4%)	24% (approx.) trading discount to NTA ³ as at 17 November 2015.
Securities on Issue	35.8m ²	143.2m ¹	
Market Capitalisation	\$36.9m	\$35.8m	Market capitalisation \$28.6m as at 17 November 2015
EPS	3.7 cents	1.3 cents ²	
Distribution (cps)	-	-	42cps paid 31 August 2015

1 Pre 1:4 security consolidation completed in December 2014.

2 Post 1:4 security consolidation completed in December 2014.

3 Based on FY15 NTA per security less distribution paid 31 August 2015. Not based on an audited NTA as at the AGM meeting date.

Financial Results Summary

	FY15 \$m	FY14 \$m	Comments
Investment property net income	4.0	4.6	Reduction due to sale of Rivergate Centre, Murrarie in Dec 14
Interest and other income	0.9	0.9	Includes The Marie Street Trust (TMST) distributions and sale of Lorne apartments
Borrowing costs	(1.0)	(1.8)	Debt repayment in Dec 14
Employee costs and overheads	(2.9)	(2.1)	Business growth strategy in FY15
Profit from operations¹	1.0	1.6	
Gain / (loss) on sale of property	2.5	(0.4)	FY15: Rivergate capital gain; FY14: Compark loss
Property revaluations	(2.0)	-	Decrease in fair value of Transferrable Site Areas (TSAs) on 308 Queen St
IFRS adjustments and other items	(0.2)	(0.7)	Other items includes: TMST in FY15; options granted in FY14
Net profit²	1.3	0.5	

1 As determined by the Directors (unaudited).

2 Audited.

Net Asset Summary

	30 June 2015 \$m	30 June 2014 \$m	Movement
Cash and Cash Equivalents	20.4	17.4	\$15m distribution paid in August 2015
Investment Properties	34.1	60.3	Sale of Rivergate Centre
Inventory	5.3	5.9	Sale of 2 apartments at Cumberland Lorne Resort
Equity Accounted Investments	5.2	-	Investment in The Marie Street Trust
Other	0.6	0.4	
Total Assets	65.6	84.0	
Interest Bearing Liabilities	12.0	31.5	Debt reduction from the proceeds of asset sales
Other Liabilities	0.9	1.0	
Total Liabilities	12.9	32.5	
Net Assets	52.7	51.5	

Debt Summary

	FY15	FY14	Movement
Balance Sheet Gearing Ratio	-	21.3%	Cash exceeded debt
Property Loan to Value Ratio (LVR)	30.4%	49.0%	\$19.5m debt repayment
LVR Covenant	50.0%	50.8%	
Expiry of Debt Facility – NAB	31 Oct 2017	31 Oct 2015	Two year facility extension

Property Portfolio

308 Queen Street/88 Creek Street

Sector	Commercial
Book Value (30 June 2015)	\$34.15 million ¹
Capitalisation Rate	7.81%
Net Lettable Area (NLA)	3,565m ² office / 985m ² retail
Vacancy (by NLA as at 30 June 2015)	5.3%
Average Lease Duration (by Income at 30 June 2015)	2.4 years
Major Tenants	National Australia Bank, NextDC Limited, Acciona



The Chambers, 308 Queen Street, Brisbane

¹ 30 June 2015 book value includes Transferrable Site Areas (TSAs) valued at \$0.395m.

- Vacancy rate (by NLA) is 5.3% at 30 June 2015 (down from 10.4% as at 30 June 2014).
- Focus is the management of a number of lease expiries which will occur in second half of 2015 and 2016 (39.4% of NLA) in a deteriorating Brisbane CBD office market.
- 308 Queen Street (the heritage building) suffered damage in a severe hail storm which occurred in Brisbane on 27 November 2014. Due to insurance coverage, financial loss to the Group from the storm was minimal.

Property Portfolio (continued)

Cumberland Lorne Apartments

Location	148 - 174 Mountjoy Parade, Lorne, Vic
Sector	Tourism
Book Value (30 June 2015)	\$1.42 million
No. of Apartments Owned	4

- 2 apartments settled in FY15, 1 further apartment sold subsequent to year end.
- 4 remaining apartments to be sold.
- All apartments sold at a small profit to book value.
- Marketing of individual apartments for sale to start in December 2015.

Property Portfolio (continued)

San Remo Site

Location	140 Punchbowl Road, San Remo, Vic
Sector	Rural/future residential
Book Value (30 June 2015)	\$3.85 million
Site Area	120.8 hectares



San Remo Site, San Remo VIC

- 3 lot (40 hectares) rural sub division application lodged for value preservation and to maximise sale options. In addition a land use permit for a leisure and recreation facility including gold course and associated tourist facilities (residential hotel) has been made.
- Council's decision on the application is pending.

Items of Ordinary Business



Unity Pacific

Item 1

Financial Report

To receive and consider Unity Pacific Group's Financial Report, incorporating the Directors' Report and the Independent Audit Report, for the financial year ended 30 June 2015.



Item 2

Adoption of Remuneration Report

To consider and, if thought fit, to pass the following as an ordinary resolution in accordance with section 250R(2) of the Corporations Act:

'That the Remuneration Report (which forms part of the Directors' Report) of the Company for the year ended 30 June 2015 be adopted.'

The vote is advisory only and does not bind the Directors of the Company.



Item 2

Adoption of Remuneration Report

Proxies

	Votes For	Votes Against	Votes Discretionary	Total	Abstain
Total number of proxy votes exercisable by all proxies validly appointed	16,255,074	118,549	12,270	16,385,893	137,301

Item 3

Election of Director

Mr Murray Boyte

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That Mr Murray Boyte, who was appointed to the Board following the last annual general meeting of the Company and being eligible, be elected as a director of the Company in accordance with clause 17.3(b) of the Constitution.'

Item 3

Election of Director

Mr Murray Boyte

Proxies

	Votes For	Votes Against	Votes Discretionary	Total	Abstain
Total number of proxy votes exercisable by all proxies validly appointed	26,250,396	2,000	12,270	26,264,666	16,248

Item 4

Re-election of Director

Mr Brett Heading

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That Mr Brett Heading, retiring by rotation in accordance with the Company's constitution, and being eligible, be re-elected as director of the Company.'

Item 4

Re-election of Director

Mr Brett Heading

Proxies

	Votes For	Votes Against	Votes Discretionary	Total	Abstain
Total number of proxy votes exercisable by all proxies validly appointed	26,250,882	2,000	12,270	26,265,152	15,762

Item 5

Disposal of 308 Queen Street/88 Creek Street, Brisbane

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That for the purposes of ASX Listing Rule 11.2 and for all other purposes, approval is given for the sale of the investment property located at 308 Queen Street / 88 Creek Street, Brisbane, in such manner, and on such terms as Unity Pacific Group sees fit (subject to its fiduciary and statutory duties to Members)."



Item 5

Disposal of 308 Queen Street/88 Creek Street, Brisbane

Proxies

	Votes For	Votes Against	Votes Discretionary	Total	Abstain
Total number of proxy votes exercisable by all proxies validly appointed	26,224,210	30,540	12,270	26,267,020	13,894



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