

## ASX MARKET & MEDIA ANNOUNCEMENT

11 July 2016

### FINBAR FORECASTS ~\$21 MILLION OPERATING PROFIT FOR FY16 WITH RECORD PRE-SALE CONTRACTS

- **Finbar forecasts an operating profit of ~\$21m for FY16.**
- **Largest level of pre-sale contracts in Finbar's history totalling ~\$451m.**
- **Expected after tax net profit of \$8m after \$13m investment property impairments.**
- **Final dividend of \$0.04 per share declared.**
- **\$1.84 billion project pipeline.**

**Perth, 11 July 2016:** Western Australia's leading apartment development company, Finbar Group Limited (ASX: FRI) (**Finbar or the Company**) anticipates that for the financial year ended 30 June 2016 (FY16) it will report an operating profit of approximately \$21 million (FY15: \$27.4m) and an after tax net profit of approximately \$8 million after investment property impairments totalling \$13 million.

During FY16 Finbar settled 453 apartments with a combined sales value of \$318 million across all wholly owned and joint venture projects. The company has also finished the year with record presales of \$451 million, an increase of 11 per cent from the previous year, and the largest year-end pre-sale contract level in the Company's history.

Finbar Managing Director, Darren Pateman said, "This year has been a more subdued year with respect to property market activity in Western Australia however our projected result reflects a solid operating performance. Our focus this year has been to solidify our market share position amid reduced competitive activity and to drive pre-sales to ensure the continuation of project commencements for the benefit of future earnings."

"Notwithstanding the softer local economic and market conditions, we expect to deliver a respectable operating profit finishing the year with a strong balance sheet with no residual debt on stock completed and held for sale. The biggest anticipated negative impact on our reported net profit will be the non-cash effects of the revaluations of Finbar property held for investment income purposes. Whilst our property occupancy rates are high and rents achieved are above market, the impact of a reduction in prevailing market rents State wide have had a negative impact on external valuations," Mr Pateman said.

There is a distinctly active market for completed stock and Finbar anticipates good cash flow from the sale of completed stock held for sale and is earmarked for redeployment into FY2017 project commencements at Aire Apartments in West Perth and Civic Heart in South Perth.

Finbar has a \$1.84 billion project pipeline with projects currently under construction including, Aurelia in South Perth, Concerto in East Perth, and Motive in West Leederville.

As a result of forecasting a respectable operating profit, Finbar Directors have resolved to announce today a final dividend of 4 cents per share fully franked. Combined with the 3 cent interim dividend paid in March 2016, this dividend will result in a total fully franked dividend of 7 cents per share for FY16.

Full dividend details are contained in a separate notice to follow today.

For further information, please visit [www.finbar.com.au](http://www.finbar.com.au) or contact:

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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.