

ASX Announcement

DATE: 28.03.2013

Sale of Cumberland Lorne Resort Assets

Trinity Limited (ASX: TCQ) announces that it has today entered into sale contracts for a significant portion of its property investment at Cumberland Lorne Resort in Lorne, Victoria, for \$9.1 million following an extensive marketing campaign that started in late 2012.

Details of the Sale Transaction

Trinity Limited (Trinity) advises that the sale transaction, structured across three contracts, includes 23 apartments, the conference centre, the resort manager's apartment and the management company which owns the management rights for the Cumberland Lorne Resort.

The first contract (the Land Contract) is for the 23 apartments and conference centre for a total sale price of \$8.513 million. This contract is unconditional and expected to settle within 30 days.

The other two contracts (the Management Contracts) are interdependent and relate to the sale of the manager's apartment and the shares in the resort management company for a total sale price of \$0.6 million plus the net tangible assets of the resort management company

The Management Contracts are subject to conditions precedent. They are to settle contemporaneously and are expected to settle by 30 June 2013.

Individual Apartment Sales

Trinity previously announced the sale of two individual Lorne apartments during the post-Christmas period which will settle in early April.

Additionally, Trinity has recently executed a third and unconditional contract of sale on an individual penthouse apartment at a sales price exceeding current book value, with settlement in November 2013.

Following settlement of the Land Contract, the Management Contracts and the three individual apartment sales referred to above, Trinity will own 14 apartments at the resort.

These remaining 14 apartments owned by Trinity will be marketed for sale individually. The sales process is expected to take up to two years with focused marketing efforts over the 2013-14 and 2014-15 summer periods.

Financial Impact of Sales

During the half-year ended 31 December 2012, Trinity wrote down its Lorne assets by \$3.1 million as a reflection of the current coastal leisure property market and Trinity's preferred strategy of disposing of its holding in Cumberland Lorne Resort substantially in one-line.

The resulting loss on the sale transaction is expected to be approximately \$1.9 million after transaction costs.

Conversely, the sale of the three individual apartments will realise a total profit of \$0.4 million over the next 9 months.

The remaining 14 apartments held by Trinity at the resort will be sold individually. Sales prices exceeding current book values are expected to be realised. Total increase in value or profit of around \$1.0 million is anticipated over the sales period.

Since the Lorne Resort asset marketing campaign commenced, the Trinity Board has considered a range of offers from parties interested in purchasing some or all of the Lorne Resort assets. In light of the offers received, the Board also considered a range of strategies for the Lorne Resort assets from continuing individual apartment sales (possibly over several years) through to a one-line sale of all Lorne Resort assets. Having regard to all relevant matters, the sale transaction above, together with a focused sales strategy for the remaining 14 apartments, was determined by the Board to produce the best net present value outcome.

Proceeds of Sale

Most of the net proceeds from the sale of the Lorne assets will be applied to reducing Trinity's debt facilities with National Australia Bank Limited.

Update on Capital Management

An update on the ongoing capital management program will be announced upon settlement of the Land Contract, which is expected to occur by 30 April 2013.

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