

# ASX RELEASE

13 August 2013

ASX Market Announcements  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir / Madam

**Watpac enters unconditional contract to sell Newstead site**

In accordance with Listing Rule 3.1, Watpac Limited ('Watpac' or 'Company') advises it has entered into an unconditional contract to sell the site at 11 Breakfast Creek Road in Newstead to Tatts Group (ASX: TTS).

The transaction is valued at \$8 million and forms part of Watpac's broader group strategy to recycle capital back into its existing businesses.

The contract is expected to settle in September 2013.

A press release is attached.

Yours sincerely,  
WATPAC LIMITED



Mark Baker  
COMPANY SECRETARY

# PRESS RELEASE

13 August 2013

## **Watpac enters unconditional contract to sell Newstead site to Tatts Group for \$8 million**

Watpac Limited ('Watpac' or 'Group') today announced it has entered into an unconditional contract to sell its Joule development site at 11 Breakfast Creek Road in Newstead to Tatts Group (ASX: TTS) for \$8 million.

Tatts Group intends to build its new national headquarters on the 3,254 square metre site, which is located in the heart of the urban renewal precinct in Newstead and Fortitude Valley. Settlement is scheduled to occur in September 2013.

Tatts Group joins a growing number of national companies establishing permanent operations within the Newstead Riverpark precinct, including Watpac, Energex, Macquarie Bank, Virgin, Fujitsu, Bechtel and Bank of Queensland.

Watpac Chief Executive Officer, Martin Monro, said Watpac's decision to sell the site forms part of the Group's ongoing strategy to divest property assets to recycle capital back into existing businesses.

"This transaction is an excellent outcome for both parties," Mr Monro said. "For Watpac, the sale provides an opportunity to repatriate capital back into existing businesses, which aligns with our stated near term objectives.

"For Tatts Group it is an opportunity to purpose-build a new national headquarters in a prime city-fringe location, with excellent exposure to Breakfast Creek Road and in close proximity to major transport networks.

"The transaction is a strong endorsement of the now well-established office precinct connecting Newstead and Fortitude Valley and we believe this confidence will continue to attract tenants to the area."

The transaction was negotiated by Seb Turnbull, National Director of Sales and Investments at Jones Lang LaSalle.

Mr Monro said Watpac successfully eliminated the Group's property debt in June 2013 following the sale of more than \$120 million in property assets along Australia's east coast in FY13.

"The transaction is at current book value and while a modest impairment was recorded in FY13, it represents market value," he said. "We will continue our strategy to divest property assets in FY14 to return capital to existing businesses and further strengthen our financial position."

Watpac's rebalanced property portfolio is now valued at less than \$90 million and includes Waterloo Stages II, III and IV in Newstead, which is also located in the Newstead precinct and adjacent to the Group's head office. Other properties include the Centra Park Industrial Estate in Coolumb on the Sunshine Coast, and retail tenancies at the mixed-use Rue de Chapel development in Melbourne.

Mr Monro said Watpac's current strategies are aimed at restoring long-term value for shareholders.

"The Group's national contracting operations in construction and mining, and our civil operations in Western Australia, are performing well despite growing competition and tightening margins in the sector," he said. "We remain focused on strengthening and growing these core businesses consistent with the market conditions."

Established in 1983, Watpac is a listed national construction, mining services and property development group with operations in all mainland States and Territories. In 2013-14 Watpac is focused on the delivery of more than \$1.4 billion work in hand across the company's contracting businesses.

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**-ENDS-**

**For further information:** Sarah Dixon, Corporate Affairs Manager on 07 3251 6453 or 0427 992 957.

**Note to editors:** Watpac is a leading, national construction, mining contracting and property development group. We have been listed on the Australian Stock Exchange since 1985 and have offices in Brisbane, Townsville, Sydney, Melbourne, Adelaide and Perth. More information is available at [www.watpac.com.au](http://www.watpac.com.au).

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