



Unity Pacific

Unity Pacific Group Annual General Meeting

29 September 2016

Disclaimer

This presentation is dated 29 September 2016 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).

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All statistics are current as at 30 June 2016 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



Unity Pacific

AGM Presentation

- **Chairman's Overview**
 - Business Highlights
 - Off-market Takeover Offer
 - Performance History
 - Acknowledgements

- **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

FY16

Aug 2015	Dec 2015	Jan 2016	Feb 2016	June 2016
<ul style="list-style-type: none"> 42cps capital distribution paid 31 August 2015; totalling \$15.04m from cash reserves. 	<ul style="list-style-type: none"> Notice of Decision to Grant a Permit issued for 'rezoning' of San Remo Land, subject to conditions. 	<ul style="list-style-type: none"> All remaining TSAs (1,134m²) either under conditional sales contracts or settled at a premium to book value. 	<ul style="list-style-type: none"> 308 Queen Street Sales Campaign commences. Expressions of Interest Campaign for the sale of the UPG corporate vehicle commences. 	<ul style="list-style-type: none"> Sale of 308 Queen Street settled on 30 June 2016; net profit of \$2.18m. San Remo independent valuation as at 30 June 2016 of \$8.5m; \$4.65m above 30 June 2015 valuation.

FY17

July 2016	Aug 2016	Sep 2016
<ul style="list-style-type: none"> 80cps capital distribution paid 25 July 2016; totalling \$28.64m from asset sales and cash reserves. Entered into Bid Implementation Deed for off-market takeover. 	<ul style="list-style-type: none"> Settlement of final TSA sale on 31 August 2016 resulting in overall premium to 30 June 2015 valuation of 308 Queen Street of \$3.75m. New application to subdivide San Remo Land into 2 lots submitted following appeals against the San Remo permit. 	<ul style="list-style-type: none"> Off-market takeover bid unconditional as at 12 September 2016.

Off-market Takeover Offer

made by Sentinel Security Investments Limited

(ACN 614 308 735)

- Consideration offered per stapled security comprises:
 - 41.5 cents cash; and
 - 1 share in the Bidder (San Remo Share) being a contingent value preference share deemed to be fully paid to an amount of 5.5 cents.
- Each San Remo share will be redeemed for an additional cash payment if the San Remo land is sold within 9 months of the offer period closing for net proceeds exceeding \$6.0 million.
 - Net proceeds of \$8.0 million equates to 5.5 cents per San Remo Share.
 - Net proceeds of equal to or less than \$6.0 million will result in no redemption amount per San Remo Share.
- Unity Pacific's directors unanimously recommend securityholders **ACCEPT** the Sentinel Investments offer, in the absence of a superior proposal.
- As at 26 September 2016, Sentinel Investments and related entities have a relevant interest in 29.5 million or 82.4% of UPG securities on issue.
- Refer to the Bidder's Statement dated 6 September 2016 and Target's Statement dated 8 September 2016 for further information.

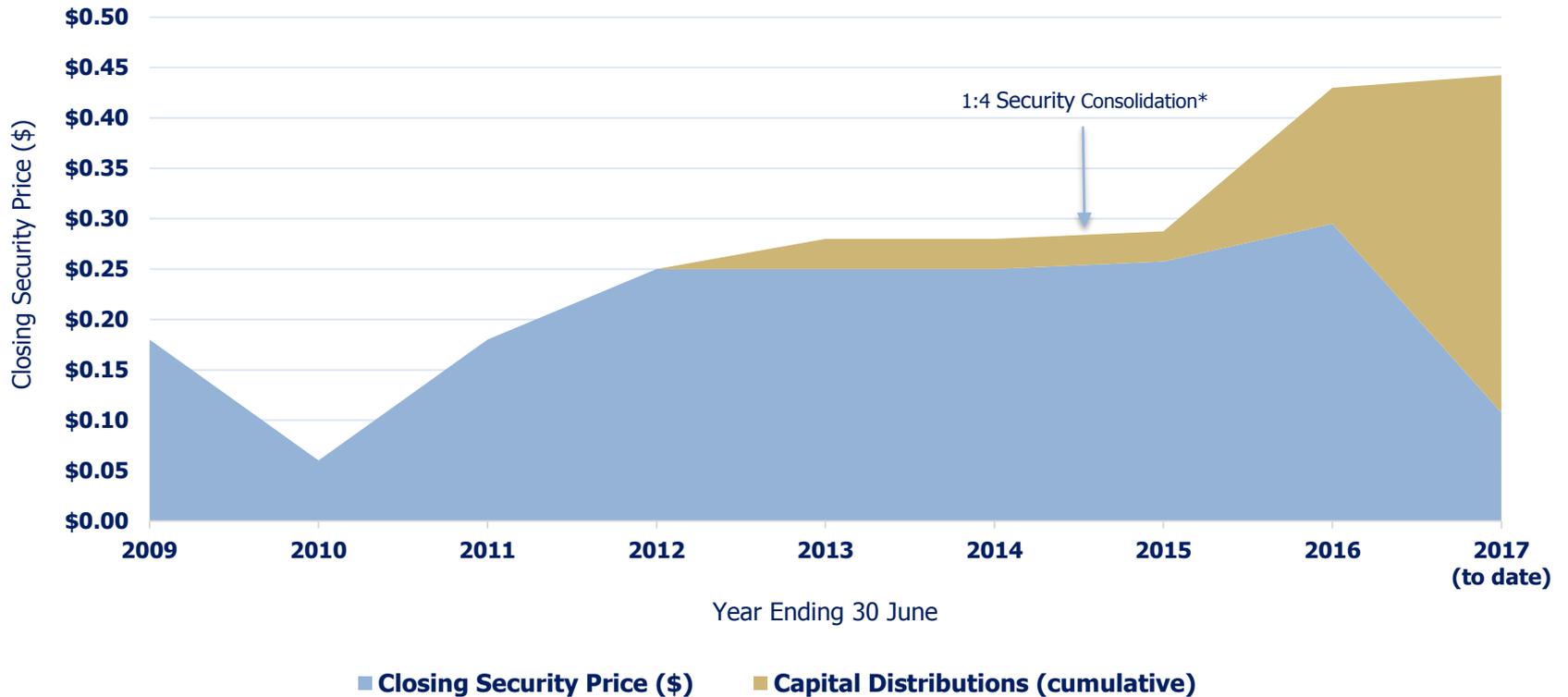
Off-market Takeover Offer

Key Dates for off-market takeover bid

Announcement of the Offer	28 July 2016
Date of the Offer	9 September 2016
Date of Bidder's Statement	6 September 2016
Date of Target's Statement	8 September 2016
Close of the Offer Period unless extended or withdrawn ¹	10 October 2016 7.00pm (Sydney time)

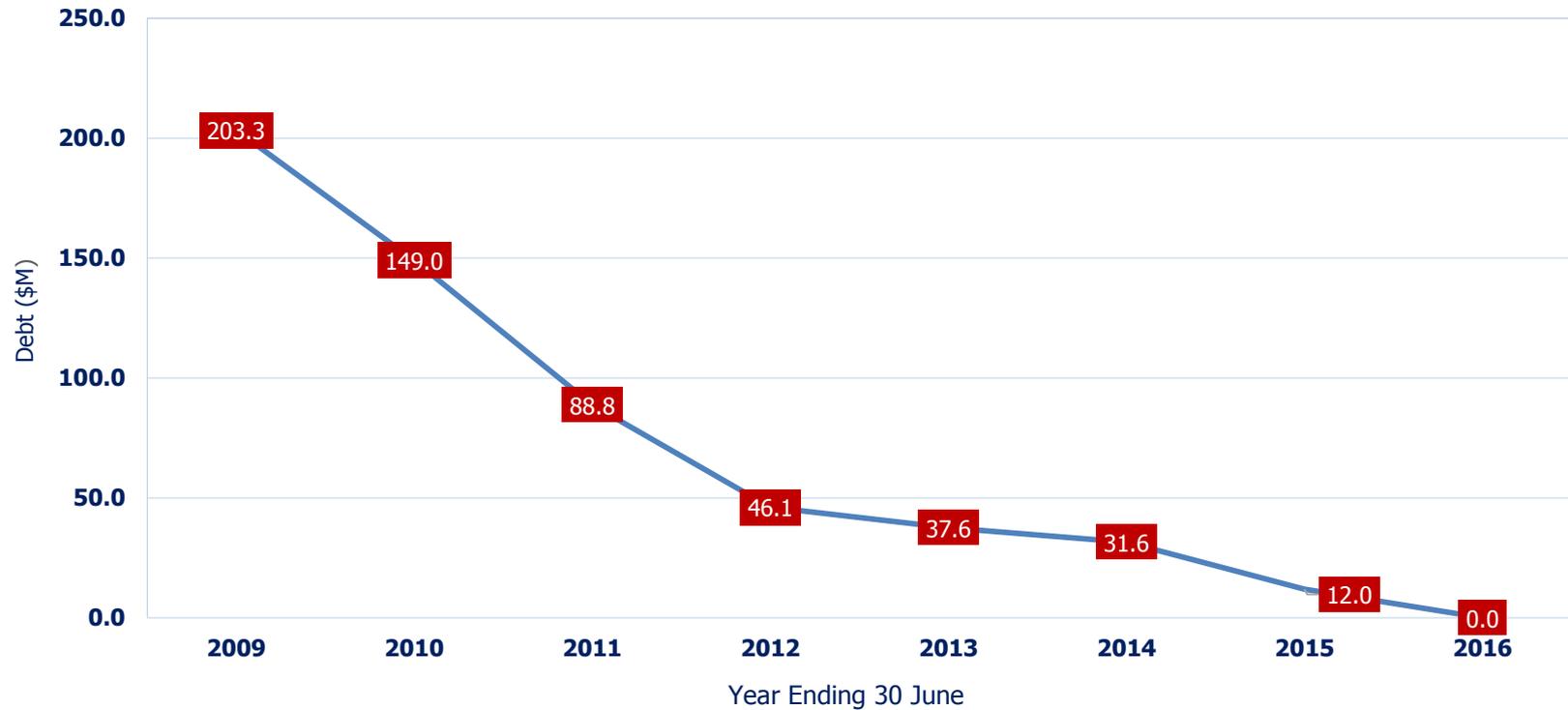
¹ The closing date of the Offer may change as permitted by the Corporations Act. Any changes to the Key Dates will be announced through the ASX and notified on Unity Pacific's website at www.unitypacific.com.au

Growth in Securityholder Value



* For comparative purposes, the closing security price and capital distributions post December 2014 are shown on a pre 1:4 security consolidation basis.

Debt Reduction 2009 - 2016



Capital Management Initiatives

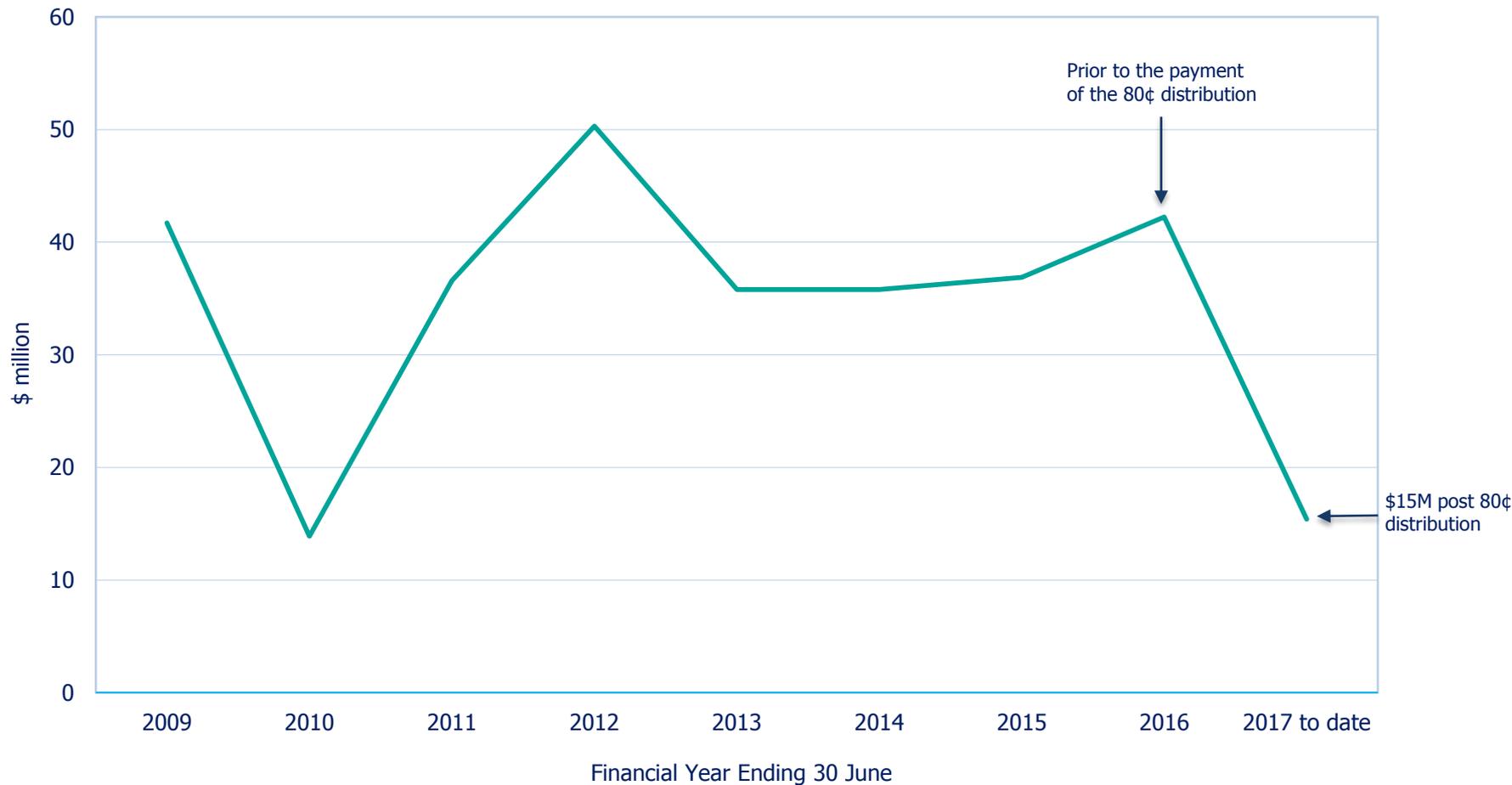
Financial Year	Capital Management Initiative	\$ Per Security	Total Paid (\$M)
2011	On-Market Buyback		2.2
2012	Off-Market Buyback		15.0
2013	Capital Distribution	0.03 ¹	4.5
2014	On-Market Buyback		1.6
2016	Capital Distribution	0.42	15.0
2017	Capital Distribution	0.80	28.6
Total Capital Management Initiatives			66.9
Total Return of Capital as at 25 July 2016		1.34²	
Off-market Takeover Consideration ³		0.47	16.8
Total Capital Return/Total Value Realised		1.81	83.7

1 This capital distribution was paid on 7 June 2013 at the rate of 3 cents per security and was prior to the 1:4 security consolidation which occurred in December 2014.

2 The capital distribution paid June 2013 has been converted to a post consolidation equivalent of 12 cents per security for the purpose of total return of capital.

3 Assumes San Remo Shares redeemed for deemed paid-up value of 5.5 cents per share. No assurance is given that this will occur.

Market Capitalisation



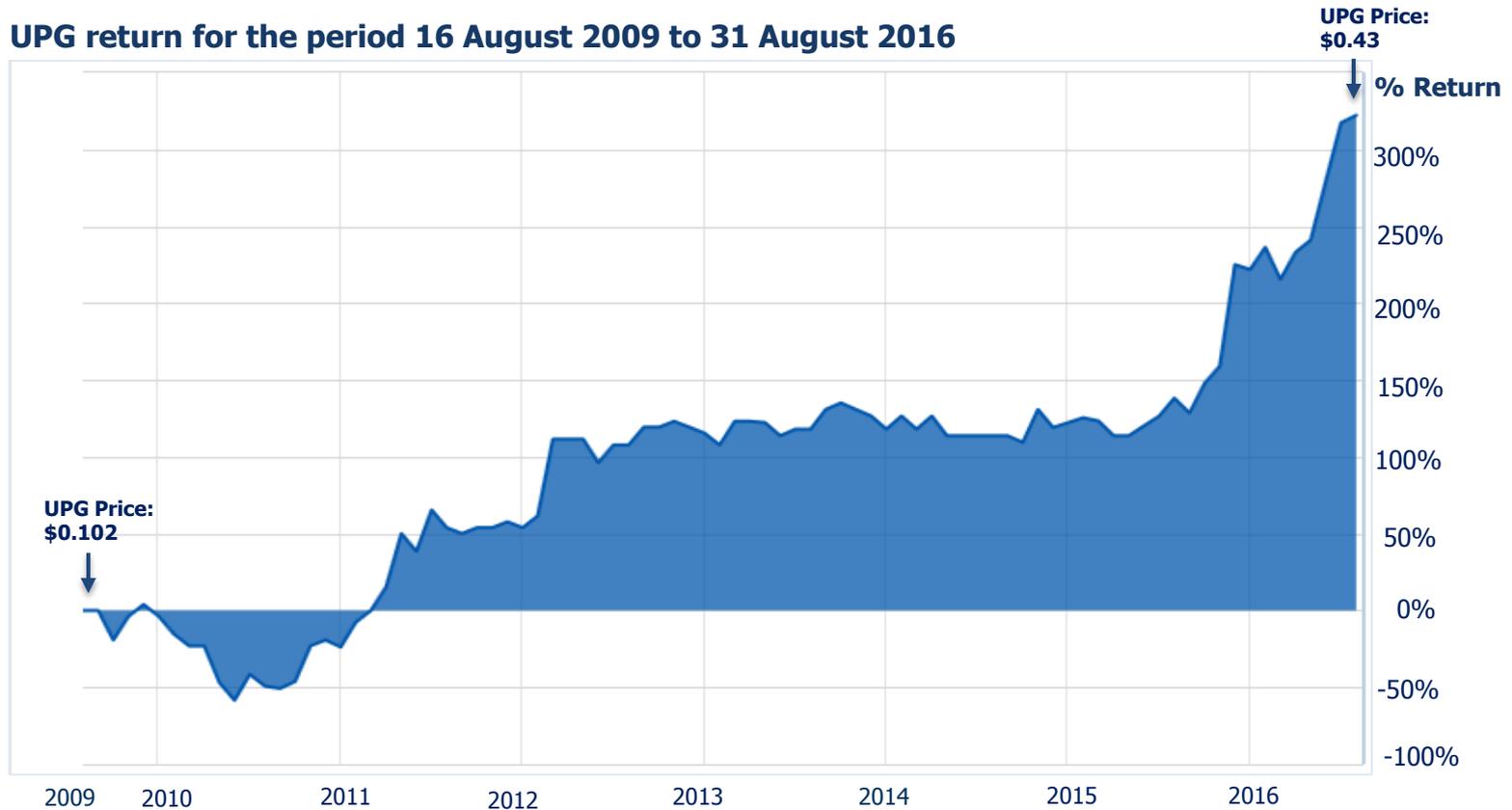
Performance Comparison

- Best performing ASX listed A-REIT on a 3 and 5 year annualised basis¹.
 - 3 year total return (ann.) = 96.76%
 - 5 year total return (ann.) = 61.05%
- Best performing ASX listed stapled A-REIT on a 1 year annualised basis¹.

¹ ASX "Spotlight on A-REITS", August 2016

UPG Return: 2009 - 2016

UPG return for the period 16 August 2009 to 31 August 2016



Source: ASX

Acknowledgements

Current Directors

Brett Heading 21 August 2009 – current

Chris Morton 21 August 2009 – current

Murray Boyte 6 March 2015 – current

Past Directors

Richard Friend 25 September 2007 – 22 October 2014

Bevan Towning 22 October 2014 – 31 October 2015

Financier and Key Advisers

National Australia Bank

BDO

McCullough Robertson

InterFinancial

Jones Day



Chris Morton, Managing Director



Key Financial Information

	FY16	FY15	Comments
Net Tangible Assets (NTA) per Security	\$0.42	\$1.47	Movement = profit of \$0.17 less 2 capital distributions totalling \$1.22
Closing Share Price per Security	\$1.18	\$1.03	June 16 share price is 'cum div' including 80cps capital distribution paid 25 July 2016
Trading Discount to NTA	(3.3%)	(30.0%)	June 16 NTA adjusted for 80cps capital distribution
Securities on Issue	35.8m	35.8m	
Market Capitalisation	\$42.2m	\$36.9m	June 16 market cap reduced by \$28.6m after payment of 80cps capital distribution on 25 July 2016
EPS	17.0 cents	3.7 cents	
Distributions per Security	\$1.22	-	42cps paid 31 August 2015 and 80cps paid 25 July 2016

Financial Results Summary

	FY16 \$m	FY15 \$m	Comments
Investment property net income ¹	1.9	4.0	Rivergate Centre, Murarrie sold in Dec 2014
Interest and other income	0.7	1.0	Includes The Marie Street Trust distributions and sale of Lorne apartments
Borrowing costs	(0.5)	(1.0)	Debt repayment in Dec 2014
Employee costs and overheads	(2.3)	(3.0)	Business growth strategy in FY15. Annualised employee costs reduced by 50% since then.
Profit from operations²	(0.3)	1.0	
Gain on sale of property	3.2	2.5	FY16: 308 Queen St/88 Creek St, Brisbane (incl TSAs) FY15: Rivergate Centre, Murarrie
Property revaluations	2.9	(2.0)	FY16: San Remo Revaluation FY15: Devaluation of TSAs at 308 Queen St
IFRS adjustments and other items	0.3	(0.2)	
Net profit³	6.1	1.3	

1 As assessed by the directors (unaudited). Directly-owned property only. Excludes contribution from The Marie Street Trust during the period of control in FY15.

2 As assessed by the directors (unaudited).

3 Audited.

Net Asset Summary

	FY16 \$m	FY15 \$m	Movement
Cash and Cash Equivalents	35.2	20.4	Increase due to sale of property; reduced by \$28.6m payment of 80cps capital distribution on 25 July 2016
Investment Properties	-	34.1	Sale of 308 Queen St/88 Creek St, Brisbane and TSAs
Inventory	9.6	5.3	San Remo valuation increased
Investments in Managed Fund	0.1	5.2	Redeemed as part of capital raising
Other Assets	0.4	0.6	
Total Assets	45.3	65.6	
Interest Bearing Liabilities	-	12.0	Full debt repayment
Provision for Capital Distribution	28.6	-	80cps capital distribution paid 25 July 2016
Other Liabilities	1.6	0.9	
Total Liabilities	30.2	12.9	
Net Assets	15.1	52.7	

Debt Summary

	FY16	FY15	Movement
Total Debt Facility – NAB	-	\$12.0m	
Balance Sheet Gearing Ratio	-	-	Cash exceeds debt
Property Loan to Value Ratio (LVR)	-	30.4%	\$12.0m debt repayment
LVR Covenant	-	50.0%	Debt facility with NAB repaid in full on 30 June 2016
Expiry of Debt Facility – NAB	-	31 Oct 2017	

Property Portfolio

Sale of 308 Queen Street/88 Creek Street, Brisbane

- Sale of 308 Queen Street/88 Creek Street, Brisbane approved by securityholders at 2015 AGM.
- Sale completed on 30 June 2016 for a sale price of \$37.3M (prior to vendor allowances for lease incentives) and resulting in a profit of \$2.18M after transaction costs.
- Additionally 1,134m² of TSAs sold since June 2015 for a profit of \$1.57M.
- The sale of the property and the TSAs have resulted in a profit to the
- 30 June 2015 book value of \$3.75M.



The Chambers, 308 Queen Street, Brisbane

Property Portfolio

San Remo Site

- 'Rezoning' of land progressed.
- Notice of Decision to Grant a Permit issued by the local council for 3 lot subdivision with 1 lot for a Leisure and Recreation Facility (golf course) and associated tourist accommodation, subject to conditions.
- An appeal against the San Remo permit was lodged by an objector.
- The applications have been withdrawn and re-lodged with the subdivision now being a 2 lot subdivision rather than the original 3 lot subdivision.
- The land is being marketed for sale commencing October 2016.



San Remo Site, San Remo VIC

Cumberland Lorne Apartments

- 1 apartment settled in FY16.
- Apartment sold at a small profit to book value.
- 4 apartments remain for sale.

Items of Ordinary Business

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 2016.



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 2016 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	2,267,407	9,166	22,289	2,298,862	10,000

Item 3

Re-election of Director

Mr Murray Boyte

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

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

Item 3

Re-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	2,282,407	4,166	22,289	2,308,862	0



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