



Unity Pacific

**Unity Pacific Group
Half Year Results Presentation
31 December 2015**

Disclaimer

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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).

This presentation contains a summary of information from Unity Pacific Group's 31 December 2015 Half Year Financial Report. The 31 December 2015 Half Year Financial Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this presentation should be read in conjunction with Unity Pacific Group's 31 December 2015 Half Year Financial Report, annual financial report for the year ended 30 June 2015 and any public announcements made by Unity Pacific Group and Unity Pacific Stapled Trust during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and lodged with the ASX which are available at www.asx.com.au.

Unity Pacific Group's 31 December 2015 Half Year Financial Report has been reviewed by Unity Pacific Group's auditors. However, the Profit from Operations information contained in this presentation has not been audited or reviewed by Unity Pacific Group's auditors. It has not been calculated in accordance with International Financial Reporting Standards and may not be comparable to similarly titled measures of other companies. It has been provided to enable securityholders to gain a better understanding of Unity Pacific Group's underlying profit from operations.

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All financial information is in Australian dollars.

Key Business Highlights

- 42 cents per stapled security capital distribution paid 31 August 2015 from the Trust, totalling \$15.04m from cash reserves
- Settlement of 1 Cumberland Lorne Resort apartment, 4 remain for sale
- 'Rezoning' of land at San Remo progressed with a Notice of Decision to Grant a Permit issued by the local council, subject to conditions
- An appeal against the San Remo permit was lodged by an objector; an outcome is pending
- Unity Pacific's holding in The Marie Street Trust reduced to 1.85m units (30 June 2015: 5.20m units, current: 0.15m units).
- Settlement of the sale of 300m² of TSAs (transferrable site areas) which attach to the 308 Queen Street heritage building, \$0.46 million above book value
- Conditional sale contracts, \$1.0m above book value, entered into for remaining 834m² of TSAs
- Sales campaign for 308 Queen St/88 Creek St, Brisbane commenced February 2016
- Sentinel Property Group made a conditional offer to fund a security buyback however no agreement reached
- Expressions of Interest Campaign for the sale of the Unity Pacific corporate vehicle and remaining assets commenced in February 2016, closing 18 March 2016



Unity Pacific

Key Financial Information

	31 Dec 2015	30 June 2015
Net Tangible Assets (NTA) per Security	\$1.05 ¹	\$1.47
Closing Share Price per Security	\$1.00	\$1.03
Trading Discount to NTA	(4.8%)	(30.0%)
Total Assets	\$50.4m	\$65.7m
Net Assets	\$37.6m	\$52.7m
Balance Sheet Gearing Ratio	7.2%	-
Property Loan to Value Ratio (LVR)	31.1%	30.4%
Securities on Issue	35.8m	35.8m
Market Capitalisation	\$35.8m	\$36.9m

¹ A 42 cents per security capital distribution was paid from Unity Pacific Stapled Trust on 31 August 2015 and was the primary cause of the decrease in the NTA per security.

Financial Results Summary

	31 Dec 2015 Actual	31 Dec 2014 Actual
Financial Information Subject to Audit Review		
Revenue and Other Income	\$3.58m	\$6.53m
Net Profit/(Loss)	(\$0.08)m	\$2.56m
Basic/Diluted Earnings/(Loss) per Security	(0.22) cents	7.15 cents
Distribution per Security	42 cents ¹	0 cents
Financial Information Not Subject to Audit Review		
Profit/(Loss) from Operations	(\$0.01)m	\$0.78m

¹ A 42 cents per security capital distribution was paid from Unity Pacific Stapled Trust on 31 August 2015.

Reconciliation of Profit from Operations

	31 Dec 2015 \$'000	31 Dec 2014 \$'000
Profit for the Half Year– Reviewed	(78)	2,561
Basic EPS per stapled security – reviewed	(0.22) cents	7.15 cents
Reconciliation to Profit/(Loss) from Operations ¹		
Fair value adjustments/write downs	888	473
Non-cash property investment (income)/expense	122	232
Other non-cash and non-recurring (income)/expenses	(945)	(2,491) ²
Total reconciling items	65	(1,786)
Profit/(Loss) from Operations – Not Reviewed ³	(13)	775
Basic EPS – Profit from Operations – not reviewed	(0.04) cents	2.16 cents

¹ Reconciliation items are detailed in the Segment Reporting note in the 31 December 2015 Half Year Financial Report.

² Includes gain on sale of Rivergate Centre, Murarrie of \$2.53 million.

³ Profit from Operations is a measure which is not calculated in accordance with International Financial Reporting Standards and has not been audited or reviewed by the auditor of Unity Pacific Group.

Asset Summary

	31 Dec 2015 \$'000	30 Jun 2015 \$'000
Cash and Cash Equivalents ¹	9,019	20,442
Investment Properties and related assets	34,040	34,145
Inventory	4,947	5,274
Investment in Managed Fund ²	1,850	5,200
Other	522	590
Total Assets	50,378	65,651

1 A 42 cents per security capital distribution was paid from Unity Pacific Stapled Trust on 31 August 2015, resulting in a significant cash decrease

2 Unity Pacific Group's and the Trust's investment in The Marie Street Trust reduced from 1.85 million units as at 31 December 2015 to 0.15 million as at the date of this presentation.

Property Portfolio

Property	Location	Sector	Book Value 31 Dec 2015 (\$m)	Book Value 30 June 2015 (\$m)
Investment Property				
308 Queen Street/ 88 Creek Street, Brisbane	Qld	Commercial	33.75	33.75
TSAs - 308 Queen Street/ 88 Creek Street, Brisbane			0.29 ¹	0.40
Total Investment Property			34.04	34.15
Inventory				
Cumberland Lorne Resort	Vic	Tourism	1.10	1.42
San Remo Site	Vic	Rural/ Future Residential	3.85	3.85
Total Inventory			4.95	5.27

¹ The book value of 834m² of TSAs excludes a potential profit on sale of \$1.0 million which is subject to two conditional contracts completing by September 2016.

Debt Summary

	31 Dec 2015	30 Jun 2015
Interest Bearing Loans and Borrowings	\$12.0m	\$12.0m
Total Debt Facility – NAB	\$12.0m	\$12.0m
Balance Sheet Gearing Ratio	7.2%	-
Property Loan to Value (LVR) Ratio	31.1%	30.4%
LVR Ratio Covenant	50.0%	50.0%
Percentage of Debt Hedged	-	-
Expiry of Debt Facility – NAB	31 Oct 2017	31 Oct 2017

Property Update

308 Queen Street/88 Creek Street

- Significant lease expiries occurred during the half year
- Vacancy rate of 19.5% (by income) or 23.5% (by NLA) as at 31 December 2015
- New leases for 10.8% of NLA commenced during half year
- Focus on re-leasing vacant space and future major tenant expiries
- On-market sales campaign commenced on 11 February 2016, closing 24 March 2016
- JLL appointed to manage the sales process

Property Update (continued)

308 Queen Street/88 Creek Street

Transferrable Site Areas

- The sale of 300m² of TSAs settled 24 December 2015 resulting in a profit on sale of \$0.46m
- 834m² of TSAs remained as at 31 December 2015
- Two conditional sales contracts entered into for the remaining TSAs for a sale price of \$1.3m, compared with a book value of \$0.3m
- Sales contracts are conditional upon development approvals being granted on the relevant purchasers' sites by September 2016
- Profit on sale of \$1.0m (approx.) will be realised if these sales complete

Property Update (continued)

San Remo Site

- Local council issued a Notice of Decision to Grant a Permit to subdivide the land into three lots and to use one of the lots for a Leisure and Recreation facility (golf course) and associated tourist accommodation, subject to conditions
- An appeal has been lodged by an objector
- The issuing of the permit is dependent on successful resolution by mediation in relation to the objector's application or a decision of the Victorian Civil and Administrative Tribunal
- Mediation has been scheduled for 8 April 2016

Cumberland Lorne Apartments

- 1 apartment settled during the half resulting in a profit of \$0.03m
- 4 apartments remain for sale