

## ASX Announcement

31 August 2015

## UNITY PACIFIC FULL YEAR RESULTS TO 30 JUNE 2015

Unity Pacific Limited (ASX: UPG) announces the following consolidated financial results for Unity Pacific Group ('Unity Pacific') for the year ended 30 June 2015:

	<b>30 June 2015 Audited Result</b>	<b>30 June 2014 Audited Result</b>
Net Profit and Other Comprehensive Income attributable to Securityholders	\$1.32 million	\$0.47 million
Net Tangible Assets ('NTA') per Security	\$1.47 <sup>1</sup>	\$1.44 <sup>1</sup>

1 Unity Pacific Group undertook a 1:4 security consolidation during the first half of the year. The securities on issue and NTA per security as at 30 June 2014 have been restated on a 1:4 basis.

## Results In Line with Previous Guidance

The results are in line with Unity Pacific's 30 June 2015 guidance announcement of 20 July 2015.

## Results Commentary

Unity Pacific has delivered a net profit attributable to securityholders of \$1.32 million for the 2015 year. A summary of the key inclusions in the net profit result is as follows:

- a net profit of \$2.53 million on the sale of Rivergate Centre, Murarrie, Queensland;
- the establishment of The Marie Street Trust; and
- a decrease of \$1.91 million in the value of 308 Queen Street/88 Creek Street, Brisbane primarily due to a writedown in the value of the Transferrable Site Areas (TSAs) attached to the 308 Queen Street heritage building.

Unity Pacific's Managing Director, Chris Morton, noted "the \$2.53 million profit on the sale of the Rivergate Centre at Murarrie (which occurred in December 2014) has underpinned the FY15 net profit for the Group. The Board's decision to sell the property was motivated by a then strengthening of capitalisation rates for quality industrial properties in Brisbane. The application of the sale proceeds to debt resulted in the balance sheet gearing reducing to nil, with the balance of the sale proceeds being retained for future use by the Group."

Mr Morton added, "As previously highlighted, the CBD Brisbane commercial property leasing market remains challenging with continued high vacancy rates. Conditions will continue to impact the 308 Queen Street/88 Creek Street property. The property currently has a relatively low vacancy rate of 5.3% at 30 June 2015. However, there are some major tenant lease expiries in FY16. The property value has also been impacted by a pending change in CBD planning law which has caused the transferrable development rights which attach to the 308 Queen Street heritage building to be significantly written down."

### **The Marie Street Trust**

In March 2015, Unity Pacific Group completed the acquisition of 16 Marie Street, Milton on behalf of The Marie Street Trust, a new wholesale property trust which is being promoted by Unity Pacific. The Marie Street Trust is a part of Unity Pacific's external funds management platform which generates funds management revenue for the Group.

### **Capital Management**

As previously announced, a capital distribution of 42 cents per stapled security will be paid on 31 August 2015 to those securityholders on the securityholder register at 13 August 2015. The total amount of the distribution payable of \$15.04 million is being funded from surplus cash reserves. Those surplus cash reserves had previously been reserved by the Board for business acquisition activities which will now not be pursued.

### **NTA**

Unity Pacific's NTA as at 30 June 2015 was \$1.47 cents per security as compared to \$1.44 at 30 June 2014. The payment of the capital distribution on 31 August 2015 reduces the NTA by 42 cents per security.

### **Business Update**

The Board is currently considering the sale of real property assets, further capital management and other corporate initiatives.

For further information, contact:

### **Chris Morton**

Managing Director