

## ASX Announcement

20 July 2015

## FY15 RESULTS GUIDANCE AND CAPITAL MANAGEMENT

### Results Guidance

Unity Pacific Group (ASX: UPG) provides the following guidance in relation to the consolidated financial results for UPG for the year ended 30 June 2015:

	<b>30 June 2015 Guidance Range</b>	<b>30 June 2014 Audited Result</b>
Net Tangible Assets (NTA) per security	\$1.44 - \$1.47 <sup>1</sup>	\$1.44 <sup>1</sup>
Net Profit/(Loss)	\$0.2 million - \$1.4 million	\$0.469 million
Total Comprehensive Income / (Loss)	\$0.2 million - \$1.4 million	\$0.469 million

<sup>1</sup> The NTA per security as at 30 June 2015 and 30 June 2014 has been calculated based on the number of securities on issue following the 1:4 security consolidation which was completed in December 2014.

The movement in NTA since 31 December 2014 (at which time UPG's reported NTA was \$1.51 per security) is primarily the result of a write down of the 308 Queen Street/88 Creek Street, Brisbane property due to the deteriorating Brisbane CBD commercial office market, a high level of lease expiries in the 2016 financial year and a pending change in Brisbane CBD planning law that has caused the value of the transferrable development rights (which attach to the heritage 308 Queen Street building) to be significantly written down.

The guidance range includes a one-off \$2.5 million profit on sale of UPG's industrial property at 69 Rivergate Place, Murarrie, Queensland in December 2014 offset by the above property write down as a consequence of an updated revaluation and UPG's trading results for the year. The complex application of accounting standards to certain transactions and investments, and their effect on the timing of profit recognition, is the primary reason for the broad guidance range provided.

### Capital Management

As previously stated, the underlying profit combined with the profit on sale of the Rivergate property was expected to underpin a distribution to be paid by September 2015. The Board is now considering alternative options to maximise securityholder value in the short-term which will result in material surplus cash reserves being returned to securityholders in lieu of a distribution.

The Board will provide further details of any capital management initiatives as soon as it is in a position to do so.

### Review of Growth Strategy

Since late 2013, UPG has been pursuing growth opportunities in the property funds management sector by means of acquisition of existing funds management businesses. One of the primary objectives of this approach was to generate sustainable distributions for securityholders which would underpin an improved security trading price within a timeframe considered acceptable to a significant number of securityholders.

Despite being financially well positioned to pursue growth opportunities by either the acquisition of the whole or part of existing funds management businesses, the Board has reached the view that the anticipated period of time required to execute opportunities in this sector will not result in sustainable distributions for securityholders in the short-term.

In March 2015, UPG completed the acquisition of 16 Marie Street, Milton on behalf of The Marie Street Trust as part of the overall strategy of building UPG's external property funds management operations. This is part of an increased focus on establishing new vehicles that UPG will manage in its own right and under its own name, rather than through a joint venture partner or investing in an existing business. UPG continues to actively manage The Marie Street Trust for which UPG is the responsible entity and manager.

A more detailed analysis of UPG's full year results will be released when they have been finalised. UPG is expecting to release its full year results by Monday 31 August 2015.

For further information, contact:

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