

A white, curved graphic element containing the text "2016 Half Year Results Presentation". The text is in a red, sans-serif font, with "2016 Half Year" on the top line and "Results Presentation" on the bottom line.

**2016 Half Year**  
Results Presentation

# HIGHLIGHTS – 16

## FINANCIAL

- Revenue of \$88.6M.
- Profit after tax of \$0.6M.
- No corporate debt.
- Positive cash inflow from operating of \$15.3M.
- Project specific debt of \$32M paid.

## OPERATIONS

- Completed sale of Quest Rockingham for \$22M.
- Completed Lord Street Highgate Development and settled 53 out of 68 Apartments.
- Awarded \$52M Riverwood Apartment contract.
- Obtained Development Approval for \$35 M Horizon Scarborough and \$16M Elan Subiaco.
- Appointment of Chief Operating Officer Adam Harry

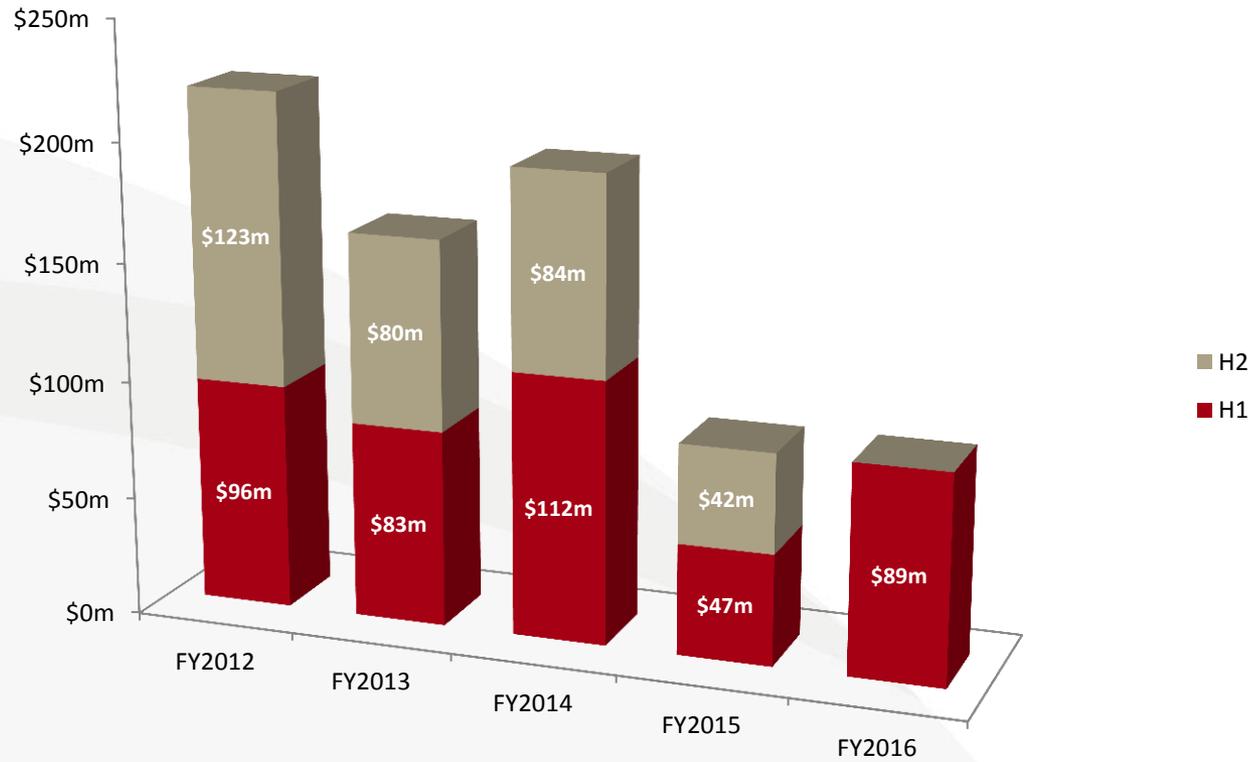
## OUTLOOK

- Current construction order book in excess of \$115.7M.
- Total development pipeline in excess of \$282M (Diploma share \$202M).
- New opportunities to extend pipeline of construction opportunities under consideration.
- Tender pipeline of \$150M on 3<sup>rd</sup> party construction work by the end of quarter (March 2016).

# Financial Update



# REVENUE



# BALANCE SHEET

Statement of Financial Position As of June 2015	FY16 \$'000s	FY15 \$'000s	CHANGE
Cash and cash equivalents	8,337	3,273	+155%
Trade and other receivables	3,796	9,180	-59%
Inventories	84,094	98,198	-14%
Trade and other payables	38,866	43,986	-12%
Interest bearing loans and borrowings	*55,514	*65,709	-16%
Net Tangible Assets	5,991	5,337	+12%

\* All project specific, no corporate debt



FRASERSUITES

FRASERSUITES  
GOLD  
STANDARD  
SIGNED  
OFF

# Construction Update

# CURRENT CONSTRUCTION PROJECTS

<b>Project</b>	Quest 176 Adelaide Tce
<b>Description:</b>	Quest Apartments - 98 apartments over 20 levels – 130 keys
<b>Value:</b>	\$22 million
<b>Completion Date:</b>	May 16



<b>Project</b>	Quest Mounts Bay
<b>Description:</b>	Construction of Quest Apartments - 71 boutique rooms over 7 levels
<b>Value:</b>	\$11 million
<b>Completion Date:</b>	March 16



<b>Project</b>	Empire West
<b>Description:</b>	96 one, two & three bedroom apartments over 4 levels
<b>Value:</b>	\$31 million
<b>Completion Date:</b>	June 16



<b>Project</b>	Quest Midland
<b>Description:</b>	Quest Apartments – 102 apartments over 7 levels
<b>Value:</b>	\$16 million
<b>Completion Date:</b>	April 17



# CURRENT CONSTRUCTION PROJECTS

<b>Project</b>	Capri – 24 Flinders Lane
<b>Description:</b>	76 Apartments over 6 levels in Rockingham
<b>Value:</b>	\$16 million
<b>Completion Date:</b>	Feb 16



<b>Project</b>	Elan Subiaco
<b>Description:</b>	24 Apartments and 120m2 of ground level commercial space
<b>Value:</b>	\$8 million
<b>Completion Date:</b>	May 17



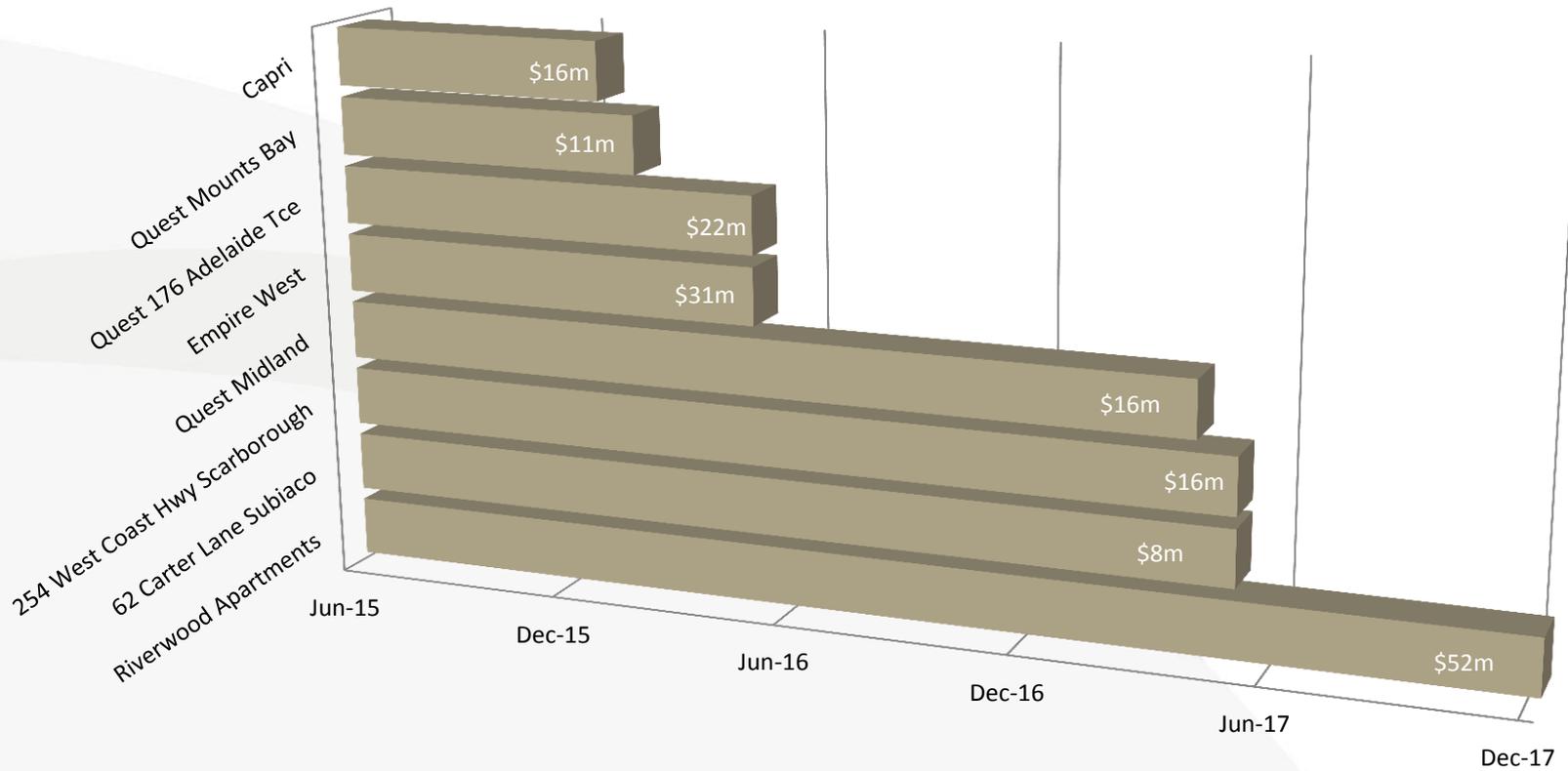
<b>Project</b>	Riverwood Apartments
<b>Description:</b>	154 Apartments over 18 levels and 600m2 of ground level commercial space
<b>Value:</b>	\$52 million
<b>Completion Date:</b>	Feb 18



<b>Project</b>	Horizon Scarborough
<b>Description:</b>	39 Apartments, 4 commercial units and 14 short stay apartments
<b>Value:</b>	\$16 million
<b>Completion Date:</b>	May 17



# CONSTRUCTION PIPELINE SUMMARY





# Property Development Update

QUEST

# YEAR END DEVELOPMENT HIGHLIGHTS

Completions	<ul style="list-style-type: none"><li>• Quest Rockingham</li><li>• 288 Lord Street Highgate</li></ul>
Sales	<ul style="list-style-type: none"><li>• Quest Rockingham</li></ul>
Under Construction	<ul style="list-style-type: none"><li>• Quest Adelaide Terrace - \$42M</li><li>• Capri - \$30M</li><li>• Subiaco - \$15M</li><li>• Scarborough - \$35M</li></ul>
Acquisitions	<ul style="list-style-type: none"><li>• 101 Hay Street East Perth (Chemlabs)</li></ul>

# PIPELINE COMPLETION SUMMARY

		FY16	FY17	FY 18
Project	DGX Interest			
288 Lord	50%	38M		
Quest Rockingham	100%	22M		
Quest 176	100%	42M		
Capri	100%	27M		
Subiaco	100%		14M	
Scarborough	100%		31M	
Chemlabs	50%			170M
	<b>FY Totals (\$M)</b>	<b>129M</b>	<b>45M</b>	<b>170M</b>
	<b>Diploma's Interests (\$M)</b>	<b>110M</b>	<b>45M</b>	<b>85M</b>
	<b>Total Pipeline (\$M)</b>	<b>344M</b>		

\*figures are ex-GST

## Current Status:

Under Construction

New Developments

Completed

# QUEST

## FLINDERS LANE, ROCKINGHAM

Project: 48 serviced apartments with 96 keys over 7 levels located just 200 metres from the pristine Rockingham Beach. The building was fully committed via a lease from Quest Group.

- Status: Completed
- Ownership: 100% owned by DGX
- Value: \$22M
- Practical Completion: Achieved July 2015
- Sales: A sale of the asset was completed in September 2015



# 288 LORD

## LORD STREET, HIGHGATE

Project: 68 residential apartments and 5 street facing commercial tenancies in a 6 storey building. The project comprises a mix of 1 bedroom and 2 bedroom apartments with an average price of \$495,000.

- Status: Completed
- Ownership: 50% JV
- Value: \$36M
- Practical Completion : Achieved July 2015
- Sales: 5 Apartments available, 1 commercial lot available



# CAPRI

## FLINDERS LANE, ROCKINGHAM

Project: 76 residential apartments in a 6 storey building located just 200 metres from the pristine Rockingham Beach. The project consists of a mix of 1 bedroom and 2 bedroom apartments with an average price of \$400,000.

- Status: Under Construction
- Ownership: Wholly owned by DGX
- Value: \$30M
- Completion : March 2016
- Sales: \$29M – 96% Presold



# QUEST

## ADELAIDE TERRACE, PERTH

Project: 98 serviced apartments with 130 keys over 20 levels located within walking distance of the Perth CBD. The building has been fully committed via a lease from Quest Group.

- Status: Under construction
- Ownership: 100% owned by DGX
- Value: \$42M
- Completion : May 2016
- Sales: The project is currently being marketed for sale through appointed agents



# ELAN

## CARTER LANE, SUBIACO

The project will comprise of 22 apartments and 120m<sup>2</sup> of ground level commercial space, located in one of Perth's most diverse and liveable areas, Subi Centro. This vibrant and attractive area benefits from the cosmopolitan shopping and entertainment strip of Rokeby Road and Hay Street. Offering immediate proximity to Subiaco's established amenities and infrastructure.

- Status: Pre Sale
- Ownership: 100% owned by DGX
- Value: \$16M
- Completion: FY17
- Sales: Marketing commenced



# HORIZON

## WEST COAST HWY, SCARBOROUGH

Project: 9 level mixed use commercial residential building with extensive ocean views consisting of 39 apartments, 11 short stay apartments and 430m<sup>2</sup> of ground level commercial space.

- Status: Pre Sale
- Ownership: 100% owned by DGX
- Value: \$35M
- Completion: FY17
- Sales: \$22M – 60% Presold



# EMPORIUM

## HAY STREET, EAST PERTH

Project: 21 story mixed use commercial residential building with views over Queens Gardens, the WACA ground, Swan River and Burswood. It will consist of 165 apartments, 136 room Hotel, a 1700m<sup>2</sup> supermarket, 720m<sup>2</sup> Commercial Office and 570m<sup>2</sup> Retail Food and Beverage.

- Status: Under contract / DA
- Ownership: JV - 50% owned by DGX
- Value: \$180M
- Completion: FY18
- Sales: Marketing 2nd quarter 2016



# SUMMARY

- Half year result – return to profitability.
- Construction forward order book of \$116M secured over next 24 months.
- Development forward order book of \$344M (\$240M Diploma's share).
- Strategy is to generate a larger spread of external v internal construction work by leveraging the group's integrated model and relationships.
- Renewed focus on external constructor pipeline. Actively seeking to expand the group through organic growth and or acquisitions.
- Geographical diversity remains a key strategy for growth.