

2015 Full Year Results Presentation

SUMMARY - FY15

FINANCIAL

- Revenue of \$90M.
- Net loss after tax of \$10.8M.
- Forward order book of \$203M in construction
- \$No corporate debt. All debt project specific.

OPERATIONS

- Successful completion of Abode project.
- 4 construction projects completed, with 9 active projects.
- Delays to \$110M of construction projects commencing.
- 3 new development projects secured.
- Sale of Rockingham Quest for \$22M.
- Project rectification costs fully incurred at \$5M
- Resolution of Bestbar litigation - \$2.5M
- Restructuring of fixed costs during the year of \$3.5M

OUTLOOK

- 4 development projects due for completion in FY16, Capri, 288 Lord St, Quest Rockingham and Quest Adelaide Tce.
- Tendering / negotiating circa \$87M of third party work.



Financial Update

FINANCIAL SUMMARY

		FY15	FY14	CHANGE
Revenue	\$M	88.9	195.3	-54%
EBIT	\$M	(13.7)	5.4	-354%
NPAT	\$M	(10.8)	4.7	-330%
OPERATING CASH FLOW ⁽ⁱ⁾	\$M	(50.9)	(11.4)	-346%
EPS BASIC	CPS	(2.3)	1.2	-292%

- (i) Development costs on internal projects are classified as “Operating” cash outflows, while the cash draw downs from the project specific debt facilities used to fund these activities are classified as “Finance” cash inflows. This creates a mismatch (or negative “Operating” cash flow) in the Statement of Cash Flows in the Financial Statements. This negative operating cash flow is reversed when settlements commence on internal projects.

BALANCE SHEET

Statement of Financial Position As at 30 June 2015	FY15 \$'000s	FY14 \$'000s	CHANGE
Cash and cash equivalents	3,273	6,911	-53%
Trade and other receivables	9,180	17,994	-49%
Inventories	98,198	49,275	99%
Trade and other payables	43,986	45,539	0%
Interest bearing loans and borrowings	*65,709	*18,341	258%
Net Assets	5,337	16,115	-67%

* All project specific, no corporate debt

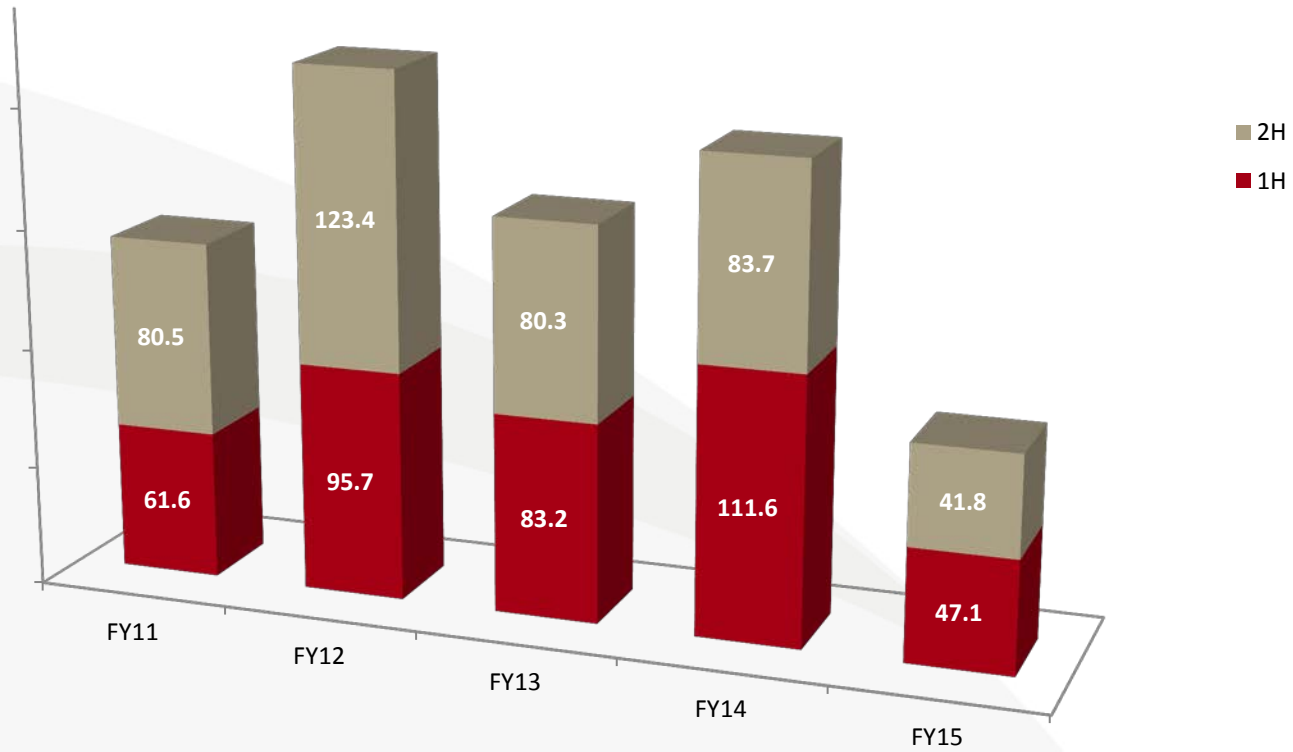
DEBT MANAGEMENT

Project	Expected completion	Financed amount (\$m)	Drawn amount (\$m)	Maturity date
176 Adelaide Tce Perth	FY16	29.1	10.2	Jan 17
Quest Rockingham	FY15	17.9	16.5	Sep 15
Lord St Highgate	FY16	*23.3	**21.5	May 16
Capri Rockingham	FY16	23.6	13.2	Mar 17
Scarborough	FY17	4.1	4.1	Sep 16
Other – Finance Leases		0.2	0.2	
Total		98.2	65.2	

* DGX share is 50 %

** As at 31 August 15 balance now \$0.7m

REVENUE





Construction Update

YEAR END CONSTRUCTION UPDATE

Completions

- Queens Riverside Stg 2 - \$99M
- Ocean Edge - \$34M
- Abode West Perth - \$23M
- Podium 202 - \$11M
- Wickham Lodge - \$50M




Secured Contracts

- Carter Lane Subiaco - \$7M
- Scarborough - \$16M
- Chemlabs - \$76M
- Quest Midland - \$15M

Construction Commencements

- Empire East – Perry Lakes - \$9M
- Empire West – Perry Lakes - \$31M
- Capri Rockingham - \$16M

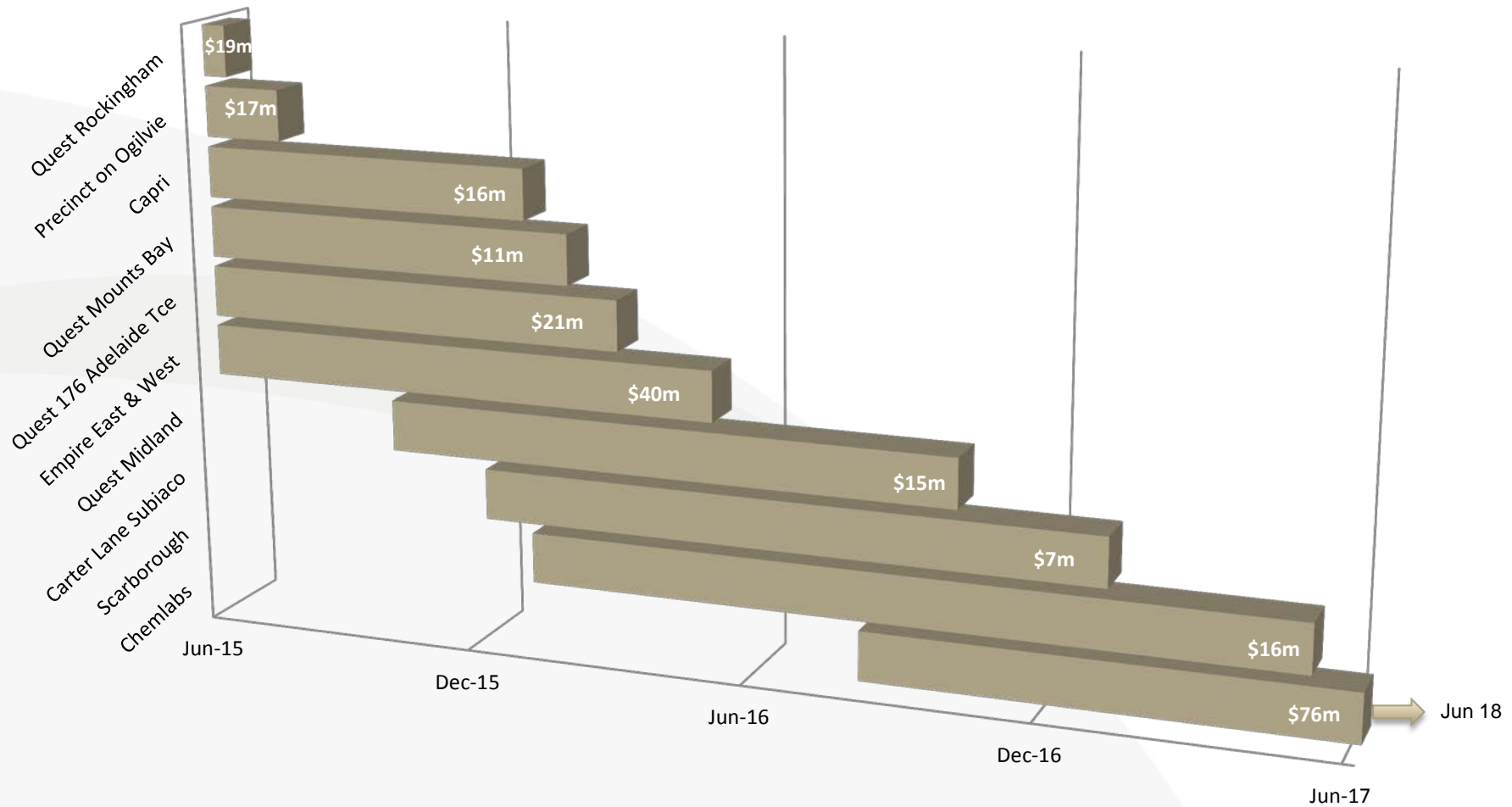
CURRENT CONSTRUCTION PROJECTS

Project	Quest Mounts Bay	
Description:	Construction of Quest Apartments - 71 boutique rooms over 7 levels	
Value:	\$11 million	
Completion Date:	Jun 15	
Project	Precinct on Ogilvie	
Description:	9 storey mixed use development, 2 levels commercial and 34 apartments over 7 levels	
Value:	\$17 million	
Completion Date:	Sep 15	
Project	Quest - Rockingham	
Description:	Quest Apartments – 96 keys over 7 levels	
Value:	\$13 million	
Completion Date:	Jul 15	

CURRENT CONSTRUCTION PROJECTS

Project	288 Lord Street Highgate	
Description:	68 apartments, 5 commercial tenancies over 6 levels	
Value:	\$16 million	
Completion Date:	Jun 15	
Project	Quest Adelaide Tce	
Description:	Quest Apartments - 98 apartments over 20 levels – 130 keys	
Value:	\$21 million	
Completion Date:	Mar 16	
Project	Empire East & West	
Description:	123 one, two & three bedroom apartments over 4 levels	
Value:	\$40 million	
Completion Date:	Aug 16	

CONSTRUCTION PIPELINE SUMMARY



A photograph of a modern, two-story building with a white facade and a section clad in light-colored stone tiles. A curved concrete walkway with a glass railing is visible on the left. A red arc graphic is drawn over the image. The text 'Property Development Update' is overlaid in a red serif font.

Property Development Update



YEAR END DEVELOPMENT HIGHLIGHTS

Completions	<ul style="list-style-type: none">• Abode - \$38M
Approvals	<ul style="list-style-type: none">• Nil
Construction Commencements	<ul style="list-style-type: none">• Capri Apartments
Acquisitions / JV's	<ul style="list-style-type: none">• Chemlabs - \$160M• Scarborough - \$33M• Carter Lane - \$15M

PIPELINE COMPLETION SUMMARY

		FY15	FY16	FY17	FY18
Project	DGX Interest				
Abode	50%	36M			
288 Lord	50%		38M		
Quest Rockingham	100%		24M		
Quest Adelaide Tce	100%		42M		
Capri	100%		27M		
Carter Lane	100%			15M	
Scarborough	100%			33M	
Chemlabs	50%				160M
FY Totals (\$M)		36M	131M	48M	160M
Diploma's Interests (\$M)		18M	112M	48M	80M
Total Pipeline (\$M)		375M			

*figures are ex-GST

Current Status:

Completed

Under Construction

Planning

ABODE

15 CAMPBELL STREET, WEST PERTH

Project: 86 residential apartments in a multi level building comprising of a mix of 1 bedroom and 2 bedroom apartments with an average price of \$465,000.

- Status: Complete
- Ownership: 50% JV with land owner
- Value: \$41M
- Sales: \$41M – 84 of 86 Settled



QUEST

FLINDERS LANE, ROCKINGHAM

Project: 48 serviced apartments with 96 keys over 6 levels located just 200 metres from the pristine Rockingham Beach. The building has been fully committed via a lease from Quest Group for an initial term of 15 years.

- Status: Lease commenced, awaiting settlement
- Ownership: 100% owned by DGX
- Value: 22M
- Completion: Anticipated June 2015
- Lease: 100% leased to Quest serviced apartments subsidiary



288 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
- Completion : Settlements commenced
- Sales: \$26M – 72% Presold



CAPRI

24 FLINDERS LANE, ROCKINGHAM

Project: 76 residential apartments in a 5 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 : January 2016
- Sales: \$26.5M – 88% Presold



QUEST

176 ADELAIDE TERRACE, PERTH

Project: 98 serviced apartments with 130 keys over 19 levels located within walking distance of the Perth CBD. The building has been fully committed via a lease from Quest Group for an initial term of 15 years.

- Status: Under construction
- Ownership: 100% owned by DGX
- Value: \$43M
- Completion : March 2016
- Lease: 100% leased to Quest serviced apartments subsidiary



SCARBOROUGH

254 WEST COAST HWY, SCARBOROUGH

Project: 38 apartments, 2 commercial units and 14 short stay apartments.

- Status: Planning. Pre selling to commence in Sep 15
- Ownership: 100%
- Value: \$33M
- Completed: FY17



CARTER LANE

62 CARTER LANE, SUBIACO

Project: 24 apartments and 120m2 of ground level commercial space.

- Status: Planning. Pre selling to commence Oct 15
- Ownership: 100%
- Value: \$15M
- Completed: FY17



CHEMLABS

101 HAY STREET, EAST PERTH

Project: 226 apartments over 16 levels, 1300m² office, retail plus 1700m² supermarket located within the existing heritage building.

- Status: Approval Stage. Construction to commence September 2016
- Ownership: 50%
- Value: \$160M
- Completed: FY18



SUMMARY

- Construction forward order book of \$203M secured over next 36 months.
- Currently tendering/negotiating \$87M of new construction work for third party clients.
- Strategy is to generate an even spread of internal v external construction work by leveraging the group's integrated model and relationships.