

ASX MARKET & MEDIA ANNOUNCEMENT

27 August 2015

FINBAR REPORTS \$25.9 MILLION PROFIT IN FY15

Key Points:

- **Finbar delivers profit after tax of \$25.9 million in FY15.**
- **Record cash position of \$70 million to fund working capital and future growth.**
- **Spring View Towers, Subi Strand and Toccata largely contributed to FY15 profit.**
- **Record pre-sales level of ~\$408 million representing a 70% increase on FY14.**
- **\$2 billion project pipeline underpins significant profit growth.**

Perth, 27 August 2015: Finbar Group Limited (ASX: FRI) (**Finbar** or **the Company**) has delivered a profit after tax of \$25.9 million for the full year ended 30 June 2015 after releasing its audited results today.

The biggest contributor to Finbar's earnings in FY15 were profits from the completion and settlement of sold units at the Spring View Towers, Subi Strand, and Toccata which were all completed on time and with robust profit margins.

Finbar completed FY15 with a record cash position of \$70 million and retired \$143 million of project facility debt which was repaid as a result of project completions. This enhanced cash position has reinforced the balance sheet and enabled the Company to adequately fund working capital commitments for our project pipeline as well as allow us to consider new acquisition opportunities.

Finbar has achieved strong sales across all metropolitan projects this past year including 603 presales with a total value of \$407.7 million currently secured. This figure represents more than a 70% increase on the previous financial year end and is now the largest pre-sale level in the Company's history which will underpin Finbar's future earnings growth.

Rental income for the group also increased marginally throughout the year as a result of strong leasing support from the Company's Karratha rental portfolio where rents remain stable and apartments enjoy 90% occupancy rates. This increase was achieved even after the reduction in rental income following the sale of the Gateway commercial building in Victoria Park during March 2015.

Finbar has had a very active year in securing new development opportunities with the successful negotiation of new land purchases and joint ventures at Civic Heart in South Perth and 63 Adelaide Terrace East Perth along with the wholly owned acquisition of 5-7 Harper Terrace South Perth.

Further success has been achieved with development approvals for Motive in West Leederville, Linq in Northbridge, Aurelia in South Perth, Civic Heart in South Perth, Sunago in Dianella, Anchorage in Port Hedland, Aire in West Perth and 31 Rowe Avenue at the Springs.

Construction works commenced on five projects during the financial year at Arbor North, Aurelia, Concerto, Linq and Unison, joining Norwood which is currently under construction. Both Norwood and Arbor North are due for completion prior to the end of the calendar year.

Finbar Managing Director Darren Pateman said, "We have had a very active period of securing our medium to long term growth ambitions for the Company whilst also reporting a respectable level of earnings in the current environment. Finbar has a high quality pipeline of approved projects which are supported by a strong balance sheet and provide the Board and management with the confidence to achieve future growth and value for our shareholders."

In terms of our FY16 financial performance and beyond, the Company has sufficient transparency on our current pipeline to see a significant uplift in profit in the years ahead as the larger projects in the current project pipeline reach maturity. However, the timing of our project completions will be hard to predict which will ultimately impact on our reported profit.

Based on our current pipeline of projects under construction and completed stock for sale, Finbar is anticipating improvement in the FY16 profit and will provide guidance closer to the end of the financial year.

Finbar remains most confident that the existing and recently refreshed \$2 billion project pipeline is consistent to meet the group's growth targets as we continue to benefit from our unique cost advantages, robust sales across multiple projects and industry leading profit margins.

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Finbar Group Limited, its controlled entities and its jointly controlled entities, is a property development company whose core business lies in the development of medium to high density residential apartments and commercial property within the Perth Metropolitan Area and the Pilbara within the State of Western Australia.