ASX MARKET & MEDIA ANNOUNCEMENT

14 February 2017

Finbar announces redesign of Civic Heart

- **Civic Heart redesign to take into account new scheme amendment changes**
- **Changes due to high level of uncertainty around the South Perth planning framework**
- **Decision reflects Finbar's ability to be agile and responsive**

Perth, 14 February 2017: Western Australia's leading apartment developer, Finbar Group Limited (ASX: FRI) (**Finbar** or **the Company**) has announced its decision to discontinue marketing the Civic Heart project in its current form and intends to redesign the project taking into account the recent new scheme amendment changes which are soon to be gazetted.

The decision was made as a result of the continuing high level of uncertainty around the City of South Perth planning framework which has been disruptive to the marketing of Civic Heart and has impacted the ability for Finbar to deliver such a large mixed-use development within normal development timeframes.

"While Finbar was not directly involved in the Supreme Court challenge relating to a neighbouring development, the uncertainty and confusion around this action and the City's posturing in their revised town planning scheme negatively impacted our ability to achieve important development marketing milestones. This in turn did not de-risk the project sufficiently to satisfy our strict internal commencement criteria," said Darren Pateman, Managing Director, Finbar Group.

"Finbar values the trust that our purchasers place in us to complete projects and we did not make this decision lightly, however the redesign reflects Finbar's ability to be agile and respond effectively when external factors negatively impact a project."

"Details of the new project will be announced in coming months and it is anticipated the project will be approved, launched, and completed prior to the date in which Civic Heart would have been completed in its original form.

"Ultimately our redesign will result in a project that meets the newly revised planning aspirations of the City and community, mitigates development risk, and still gives an attractive outcome for our company shareholders," Mr Pateman said.

For further information, please visit www.finbar.com.au or contact:

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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.