ASX MARKET & MEDIA ANNOUNCEMENT

26 February 2014

FINBAR DELIVERS RECORD $18.9 MILLION PROFIT FOR H1 FY14

Key Points:

- **Record net profit of $18.9m for H1 FY14; up 34.5% on H1 FY13.**
- **Record cash position of $64.1 million to fund future growth.**
- **Fully franked H1 FY14 dividend increased by 14% to $0.04 per share.**
- **Strong year to date sales activity totalling ~$207 million.**
- **Three new JVs secured with one wholly owned acquisition.**
- **Growth now supported by $2.24 billion project pipeline.**
- **Finbar is on track to achieve ~$31 million net profit for FY14.**

Perth, 26 February 2014: Western Australia's leading apartment development company Finbar Group Limited (ASX: FRI) (**Finbar** or **the Company**) has today announced a record net profit after tax of $18.9 million for the first half of the 2014 financial year (**H1 FY14**), a 34.5% increase on the previous corresponding period.

The largest generator of earnings for H1 FY14 relates to the completion and settlement of lots in the second stage of the Company's wholly owned Pelago project in the Pilbara town of Karratha along with settlements of the wholly owned St Marks project in Highgate.

Finbar has finished the half year with a robust record cash position of $64.1 million which has placed the Company in a strong position to fund capital commitments for land settlements and joint venture working capital requirements.

As a result of the strong first half, Finbar Directors have resolved to announce a 14% increase in the interim dividend from 3.5c per share to 4.0c per share fully franked. Further details will be provided by way of a separate ASX announcement to follow.

Speaking on the half year results today, Finbar Managing Director Darren Pateman said, "With a robust first half under our belt, a record cash position and cashflow forecast from the settlements of the Ecco project and sold out Au project anticipated within the next six months, we continue to remain in an acquisitive mode to seek new projects that meet our

disciplined criteria with a view to strengthening our project pipeline for 2017 onwards and securing our continued long term growth."

Projects Update

Sales activity for the financial year to date has been strong with the Company selling 286 apartments, both by way of completed lots and off-the-plan sales, with a sales value of $206.8 million. The sales activity increased late in the second half of H1 FY14 as a result of the release of Norwood, Subi Strand and Toccata projects.

During the year to date, Knightsgate, St Marks and Pelago East were completed and all settlements for sold properties in these projects have occurred. The Ecco project has also recently reached a stage of practical completion with settlements anticipated to commence in April 2014 and impact on company earnings in H2 FY14.

As a result of the completions, the Company retired a total of $87.1 million in project specific debt for construction facilities that relate to the completed projects.

Finbar has received development approvals for Norwood (~$36 million end value), Subi Strand (~$172 million end value), Arbor North (~$77 million end value) as well as a Scheme Amendment that would allow the planned Anchorage project in Port Hedland to realise its full redevelopment potential, subject to development approval (~$400 million end value).

The year to date has seen the commencement of construction of three large projects at Spring View Towers (~$100 million end value), Toccata (~$85 million end value) and Subi Strand (~$172 million end value).

During the year to date, the Company has negotiated and secured three new joint ventures with land owners on sites on the corner of Tenth Avenue, Kennedy Street and Railway Parade in Maylands (~$183 million end value), 172 Railway Parade in West Leederville (~$90 million JV end value), and Lot 1014 Springs in Rivervale (~$75 million end value). Furthermore, Finbar's wholly owned subsidiary has contracted the acquisition of a development site located at 269 James Street in Northbridge where a residential development is in the current stages of planning (~$50 million end value).

The securing of these new joint ventures and acquisitions has bolstered Finbar's development pipeline to $2.24 billion, the largest projected pipeline in Finbar's history and one that can be built upon with projects currently being considered for viability.

Leasing activity for Finbar's commercial property has remained subdued in H1 FY14 with no additional leasing space being secured in the Company's Fairlanes project during the period. Fairlanes is currently 80% leased, the Monadelphous building remains 99% leased while Finbar has secured leases for 31% of the recently completed commercial space in the Pelago East project for the year to date.

Sales for regional projects in Karratha have also remained subdued as a result of the current Pilbara market conditions and resource sector sentiment. However, as anticipated, leasing

activity has been strong with residential apartments being leased for rental returns while the property is held as stock for sale. Finbar does not have any debt on residential regional projects.

Outlook

The Company reaffirms its guidance of achieving an after tax profit of approximately $31 million for FY14.

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For further information, please refer to the Half Year Results & Project Update 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.