ASX MARKET & MEDIA ANNOUNCEMENT

29 August 2012

FINBAR REPORTS $28.3 MILLION RECORD PROFIT

Perth, 29 August 2012: Finbar Group Limited (ASX: FRI) ("Finbar" or "the Company") has delivered a record net profit after tax of $28.3 million for the full year ended 30 June 2012 after releasing its Annual Report today. This profit is Finbar's sixth consecutive year of earnings growth and represents an 18% increase over the previous corresponding period.

Annual Report Key Points:

- Net profit after tax up 18% to $28.3 million.
- 16% increase in interim dividend resulting in $0.09 per share fully franked dividend attributable to the year.
- Robust balance sheet with a $31.7m cash position to support current project pipeline.
- New development projects secured with The Springs and Port Hedland to resupply project pipeline.
- Fairlanes Office Building moved from completed development stock to investment asset and marked to market valuation of $52 million.
- FY13 investment income anticipated to increase as a result of strong office rental takeup and retention of Fairlanes Office building.
- Completion of first regional development project (Pelago West) expected to have immediate impact on earnings for H1 FY13.

Commenting on today's release, Finbar's Managing Director Darren Pateman said that whilst post GFC confidence levels still had a lingering effect on Western Australian property markets, Finbar had benefited from reduced competition, flat construction costs, and a strengthened brand position, which have all helped ensure that projects completed in FY12 are now effectively sold out.

"Finbar has used the softer market cycle to secure new project opportunities at attractive raw development land values to bolster our future pipeline and focus on our expansion into the Pilbara region where we have now completed the first stage of our Karratha project and managed to secure a substantial site in Port Hedland," Mr Pateman said.

"Finbar is well positioned to benefit substantially from improving confidence levels and the return to the market of the property investor which are currently having a noticeable impact on sales rates across all projects. This activity has underpinned the construction commencement viability of $365 million of new projects which we will have kicked off between now and the end of September."

In his report, Mr Pateman said that has was confident, based on current construction progress and sales activity, that Finbar would see further profit growth in FY13.

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