

ASX MARKET & MEDIA ANNOUNCEMENT

11 February 2014

EXCLUSIVITY AGREEMENT REACHED WITH HANSSEN

- **10 year exclusivity agreement between Finbar and primary contractor.**
- **5 million shares issued to Hanssen by way of private placement.**
- **Hanssen to fund share purchase by loan to be repaid within 5 years.**
- **\$2.15 billion pipeline now firmly resourced with available construction services.**
- **Builder's and Finbar's interests firmly aligned to group's long term profitability.**

Perth, 11 February 2014: Western Australia's leading apartment development company Finbar Group Limited (ASX: FRI) (**Finbar** or **the Company**) is pleased to announce that it has entered into a ten year exclusivity agreement with long standing relationship builder, Hanssen Pty Ltd (**Hanssen**).

This agreement has exclusively bound Hanssen to provide building and construction services to Finbar, its subsidiaries, or nominated joint venture entities for a period of ten years and allows Finbar to appoint other building contractors to ensure continued competitive pricing from Hanssen.

Finbar has agreed to place 5,000,000 ordinary shares to Hanssen issued at a price calculated by the volume weighted average price of Finbar shares in the 20 business days following this announcement.

The calculated total value of the private placement will be classed as a loan to Hanssen which, under the terms of the agreement, must be repaid within five years from issue with interest calculated according to bank business loan rates and payable every six months.

Speaking on the transaction, Finbar Managing Director Darren Pateman said, "This agreement is a very important negotiation to secure the effective and economic development of our current pipeline. This unique building contractor relationship Finbar has enjoyed for many years has given our company a competitive advantage that would be difficult and expensive to replicate."

“Whilst we have enjoyed an exclusive arrangement from the outset of our relationship with Hanssen some 15 years ago, we cannot assume that it will always be this way. This agreement guarantees Hanssen’s services for a further 10 years and ensures that we continue to protect and retain two of our most important competitive advantages as a developer in WA, namely our low cost construction base and development agility.”

“As such, the Board is of the opinion that this transaction not only aligns the interests of our primary contractor to the long term success of the Group but also secures adequate resources to develop the \$2.15 billion pipeline that the Company continues to bolster and is due to be developed within the next six years,” Mr Pateman added.

- ENDS -

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

Darren Pateman
Managing Director
Finbar Group Limited
Email: darren@finbar.com.au

Professional Public Relations
James Harris
Tel: 08 9388 0944
Email: james.harris@ppr.com.au

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.