ASX MARKET & MEDIA ANNOUNCEMENT

23 August 2017

FINBAR REPORTS $5.1 MILLION PROFIT IN FY17

Key Points:

- **Operating profit of $9.6 million**
- **After tax net profit of $5.1 million**
- **$2 billion project pipeline with $1 billion in approved projects**
- **21 years of consecutive profit**

Perth, 23 August 2017: Finbar Group Limited (ASX: FRI) (Finbar or the Company) has delivered a profit after tax and impairments of $5.1 million for the full year ended 30 June 2017 after releasing its audited results today. This result represents 21 years of consecutive profit for the Company.

The after-tax profit was directly impacted by subdued Perth property market conditions resulting in moderating sales conditions and further reduction in valuations on investment property totalling $4.5 million from an operating profit of $9.6 million.

Finbar completed FY17 by more than doubling its cash position to $67 million. A portion of this cash has subsequently enabled the full repayment of facilities for both Concerto and Motive projects which has resulted in the company being debt free on all completed development stock with an estimated sales value of $138 million, $75 million of which is directly attributable to Finbar for deployment into new construction commencements for pre-sold projects.

The biggest contributor to Finbar's earnings in FY17 were profits from commencement of settlements in the Concerto project which reached practical completion in May. Settlements for 102 apartments in the 227 unit project occurred during the reporting period which will result in the revenue for the balance of 125 units falling into subsequent reporting periods, 55 of which have already been sold.

Finbar continues to leverage its brand equity and expertise by securing through joint venture arrangements two new pivotal development sites – Canning Highway Applecross and Lot 1000 Riversdale Road in the Springs precinct, Rivervale. The two projects have a total end value of approximately $410 million. Development approval has been received for the Applecross project and a sales launch will occur this calendar year.

Finbar Managing Director Darren Pateman said, “The persistence of the subdued property market has presented a challenging environment but one in which Finbar will stand to be a significant beneficiary in the long term with our debt free stock, our $2 billion pipeline $1 billion of which has development approval, reduced competition, and competitive advantages that ensure we remain an efficient and agile producer that can protect margins”.

“The ability of Finbar to operate effectively in this challenging environment is best reflected in two significant projects, Aire and Aurelia, being substantially progressed in construction, and the large scale development, Vue Tower, and boutique luxury development Reva Apartments, expected to commence construction in the second half of CY17.”

The company is also pleased to confirm that company Chairman, John Chan, will remain as Executive Chairman to provide support to the company’s strategy as Finbar positions itself within a recovering market cycle.

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