



Annual General Meeting

28 November 2014

Location shot from SeaSpray

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Overview

Major Transformation

- Projects, strategy, shareholders, capital structure, head office and people

Portfolio

- PBD participates in medium to high density and residential developments and land subdivisions on the east coast of Australia and owns unique legacy assets in Western Australia

Financial

- New investments, overheads and repayment of a previous corporate term facility which was funded via an entitlement issue, proceeds of a new corporate term facility, deferred vendor terms and legacy asset sales
- FY14 statutory results reflect restructuring costs and legacy asset impairments, however, the underlying ongoing costs have been reduced. While PBD will continue to incur financing and operating costs, significant embedded value in its portfolio is expected to be realised over the next two years

Overview



Significant Embedded Value in New Projects

- Has invested \$81 million in new projects
- Significant de-risking has been achieved through pre-sales, together with construction underway across the portfolio
- Completion of all projects currently expected within two years
- Approximately \$120 million forecast to be returned from the new projects (corporate overheads and corporate financing but after project financing)
- With its partners, PBD is focusing on construction delivery, settlements and maximising returns from unsold stock

Legacy Asset Strategy

- Continuing to explore options to maximise returns and free up capital from Western Australian assets (currently held at a combined book value of \$70 million) in order to reduce corporate debt and/or to redeploy into new projects

Tax Efficient Capital Structure

- PBD has approximately \$175 million in unrecognised tax losses which should be able to be applied against future residential project profits. Any future tax utilisation will be subject to meeting tax legislation at the time

Financial Results: Profit and Loss



Summarised Profit and Loss	FY14 (\$M)	FY13 (\$M)	Change	Comment on FY14
Underlying Loss after Tax	(5.4)	(6.1)	11.5%	Lower interest and ongoing running costs
Legacy asset impairment/reversal	(2.4)	2.5	(196%)	Oceanique apartments and Peel Water assets
Restructuring cost	(0.3)	-	-	Redundancy and relocation costs
Financing cost	(0.5)	-	-	Hedging and foreign exchange costs
Statutory Loss after Tax	(8.6)	(3.6)	(140%)	
Dividend/Distribution	Nil	Nil	-	

Financial Results: Balance Sheet



Summarised Balance Sheet	FY14 (\$M)	FY13 (\$M)	FY14 Commentary
Assets			
New east coast projects	86.7	9.0	Acquisition of The Milton, Burwood Square and SeaSpray
WA projects	69.6	75.5	Sale of Oceanique and Esperance, impairments
Other assets	4.8	0.4	Cash and foreign exchange hedge deposit
Total Assets	161.1	84.9	
Liability			
	FY14	FY13	FY14 Commentary
Bank debt	(32.9)	(22.8)	New 3 year term corporate facility, partial funding of new investments
Vendor financing	(27.2)	-	SeaSpray due 6/2015 and Burwood Square due 9/2015
Other liability	(1.2)	(1.1)	
Total Liabilities	(61.3)	(23.9)	
Shareholders' Fund			
	FY14	FY13	FY14 Commentary
Equity	269.6	228.1	
Reserves	6.0	-	Fair value increment / new east coast projects
Accumulated losses	(175.8)	(167.2)	
Net Asset	99.8	60.9	Rights issue in November 2013
NTA per share	\$0.015	\$0.016	
Interest bearing gearing ratio	19%	27%	(interest bearing debt – cash) / (total assets – cash)

Project Summary: New Project Portfolio



Project (Partner)	PBD's interest Carrying value as at 30 June 2014 (\$'M)	Nature of interest	Gross (\$'M)		Venture Project finance (\$'M)	Progress	Key Variables in Project	Current Completion Expectation
			Residential (\$'M)	Retail & Commercial (\$'M)				
			Pre-sold (\$'M)	Pre-sold (\$'M)				
The Milton (Aveo)	32.1	50% ¹	210.5		108.5 ⁴	40% complete. 48% retail/commercial let.	Unsold residential, commercial / retail leasing & sales. Construction.	H1 2016
			191.1	19.4				
			156.5	4.7				
Burwood Square (B1 Group)	27.6	48% ¹	217		127.0 ⁴	Foundation stage construction. Strong enquiry on retail space.	Retail leasing & sales. Construction.	H2 2016
			150.5	66.5				
			150.5	-				
Bridgeview (Dundas Developents)	9.0	50% ²	35.4		13.3 ⁴	Basement construction complete.	Construction.	Q2 2015
			35.4	-				
			34.1	-				
SeaSpray (Aveo)	18.0	100% ³	55.2		-	Stages 1-3 (90 lots) under construction	Council approvals. Sales. Construction.	H2 2016
			55.2	-				
			4.26	-				

¹ Joint venture profit participation agreement. PBD participates in development decisions but outsources day to day activities to joint venture partner

² Joint venture SPV. PBD receives a priority return from project.

³ Land titles held by partner. Civil costs funded by the project partner. PBD manages the planning, marketing and sales. PBD receives net proceeds after deductions from civil and land costs. PBD committed to pay up to \$14.5 m for all lots unsold at 30 June 2015.

⁴ Construction finance (capitalised facility limit)

Project Updates

PBD
Developments



The Milton

300 apartments (85% sold)
2270 sqm of retail/commercial
Estimated end value: \$210 million
PBD interest in project: 50%
Status: Under construction
Completion: August 2015

PBD
Developments



Burwood Square

210 apartments (1 remaining)
7,455 sqm Retail & Commercial
Estimated end value: \$217 million
PBD Interest in project: 48%
Status: Under construction
Completion: mid 2016

PBD
Developments



Bridgeview

23 townhouses (1 remaining)
Estimated end value: \$35 million
PBD interest in project: 50%
Status: Under construction
Completion: Mid 2015

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Developments



Seaspray

247 lot residential subdivision
Estimated end value: \$55 million
PBD interest in project: 100%
Status: Stages 1-3 under construction
Completion: Mid 2016

PBD
Developments

SeaSpray is a 14 hectare englobo subdivision located only 20km's from Melbourne's CBD. Seaspray comprises 247 residential lots, located near Melbourne's Port Philip Bay with a natural coastline and sprawling natural vegetation.

The local area has an array of facilities including:

- Parkland and wetlands
- Playgrounds
- Sports ovals
- Primary schools
- Childcare facilities
- Planned neighbourhood shopping centre

Construction is underway with Stage 1 due for completion mid December 2014.



Point Grey

3,080 lots
Estimated end value: \$1.3+ billion
PBD interest in project: 100%
Size: 275 hectares
Status: Approved subdivision and Marina

PBD
Developments



Oceanique

66 luxury apartments
Completed in July 2010
Available apartments: 18
PBD interest in project: 100%

PBD
Developments



Outlook



- Currently expecting improved underlying earnings performance in FY15 and returning to significant profitability in FY16
- Future results will also be affected by market conditions and success in optimising value in relation to the legacy assets in Western Australia
- Continued sale of Oceanique apartments with all options being considered to divest the remaining apartments
- Assessing options for Point Grey now that all approvals have been obtained and an infrastructure strategy developed
- Continue to explore opportunities to optimise PBD's funding position
- Continue to review future acquisition of developments and opportunities

Resolutions

