



Investor Presentation

Half Year Results - 2011

Trafalgar Corporate Group Limited

February 2011

Trafalgar ›

Trafalgar Corporate Group (ASX:TGP) is a property investment and development group and as at 31 December 2010 had:

- Gross Assets of \$217.3m, comprising:
 - Investment Assets \$169.6m
 - Development Assets \$ 27.6m
 - Other Assets \$ 20.1m
- Total Debt \$ 80.0m
- Net Assets \$133.9m
- Net Tangible Assets per security of \$1.57

- The planned sale of investments properties and exit from development activities has progressed as follows:
 - Settlement of the Melbourne Broadcast Centre sale in August 2010
 - Settlement of the Sydney Airport Centre sale in August 2010
 - Exchanged conditional contracts for the sale of the Thiess Building in Brisbane
 - Exchanged contracts for the sale of 1 Rhodes development superlot
 - Exchanged contracts for the sale of the last Pendle Hill Sydney development lot (settled February 2011)
 - Completed the Beverley South Australia industrial subdivision works and settled 5 pre-sale contracts
 - Exchanged and settled 5 industrial units in the Nexus Brisbane development

Key Highlights (Continued)

- Corporate and employment costs reduced by a further 27%, compared to the previous corresponding period.
- Good progress was made in relation to investment property leases as follows:
 - Terms were agreed to renew the Thiess Pty Ltd lease over the Thiess Headquarters building in Brisbane for a further 10 years
 - A new 5 year lease was executed for 578m² of vacant space in the Fujitsu Building in Brisbane
 - A new 2 year lease was entered into with Downer EDI Group in relation to the Granville building

Results Highlights – HY2011

Summary

Results Summary	HY2011	HY2010	2010/2011 % Change	HY2009	2009/2010 % Change
Revenue from Operations (incl JVs) (\$m)	9.7	12.8	(24.2%)	14.0	(8.6%)
Operating Profit before Fair Value Adjustments (\$m)	0.6	3.0	(80.0%)	1.7	76.5%
Fair Value Adjustments (\$m)	1.7	2.3	(26.1%)	(34.9)	106.6%
Profit/(Loss) before tax (\$m)	2.3	5.3	(56.6%)	(33.2)	116.0%
Profit/(Loss) after tax (\$m)	2.3	5.3	(56.6%)	(33.2)	116.0%
Earnings per security (cents) before Fair Value Adjustments (fully diluted comparison)	0.7	3.5	(80.0%)	2.0	75.0%
Earnings per security (cents) after tax (fully diluted comparison)	2.7	6.2	(56.5%)	(38.9)	115.9%
Total distributions (cents)	0.0	0.0	0.0%	5.0	(100.0%)
Total assets (\$m)	217.3	293.9	(26.1%)	350.1	(16.1%)
Net tangible assets per security (\$) (fully diluted comparison)	1.57	1.57	0.0%	1.85	(15.1%)
Gearing (%)	36.8	50.4	27.0%	48.8	(3.3%)

Results Highlights

Segment Analysis HY2011 Results

Results Summary

Stapled Group

	HY2011 \$'000s	HY2010 \$'000s	HY2009 \$'000s
Operations			
Property development (incl JVs)	580	825	327
Net Rent from investment properties	6,448	9,471	9,702
Fees, interest & other income	186	260	284
Total results from segments	7,214	10,556	10,313
Corporate costs	(673)	(708)	(904)
Employment costs ⁽¹⁾	(799)	(1,309)	(1,481)
	(1,472)	(2,017)	(2,385)
Operating profit before interest	5,742	8,539	7,928
Finance and borrowing costs	(5,098)	(5,525)	(6,241)
	644	3,014	1,687
Profit before tax & unrealised valuations	644	3,014	1,687
Inventory & development project impairments	(289)	0	(4,702)
Impairment of goodwill	0	0	(2,715)
Unrealised gains/(losses) on fair value of swaps	939	2,473	(12,044)
Unrealised gains/(losses) on revaluation of investment in Sydney Airport Centre	(14)	(169)	(570)
Unrealised gains/(losses) from fair value adjustment of investment properties	1,039	0	(14,855)
	2,319	5,318	(33,199)
Profit/(Loss) before income tax	2,319	5,318	(33,199)
Income tax expense	0	0	0
	2,319	5,318	(33,199)
Net Profit/(Loss) after Tax before Distributions	2,319	5,318	(33,199)

Notes:

1) Employment costs exclude Tallwoods Estate sales and golf course staffing costs, which are included under property development operations.

Results Highlights

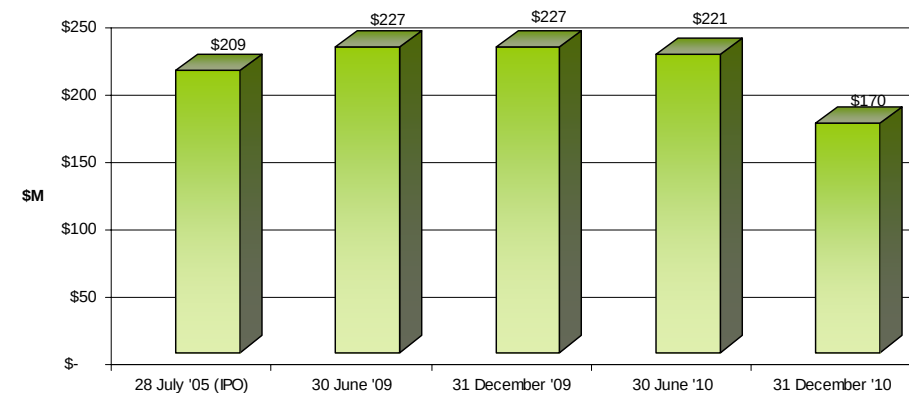
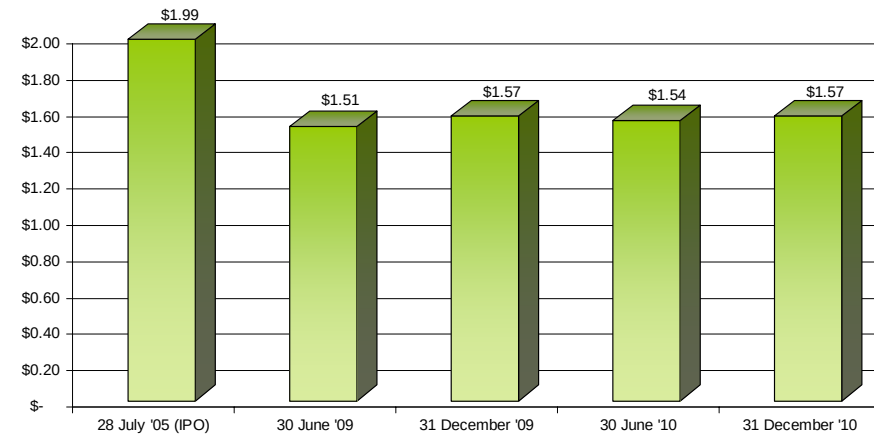
Key Points of Segment Analysis

- Property Development revenue declined 29.7%, reflecting the winding down of development activities
- Investment property income declined 31.9% due to the sale of the Melbourne Broadcast Centre, increased vacancies in the Fujitsu Building in Brisbane and expiry of the Goulburn building rental guarantee
- Corporate costs were reduced by 5% compared to HY2010
- Employment costs were reduced by 39% compared to HY2010
- Finance costs only decreased marginally by 7.7% compared to the previous corresponding period, notwithstanding a significant debt reduction, reflecting the impact of higher funding costs
- There were no material write-offs during HY2011, reflecting stabilised property values. The value of the Thiess Building in Brisbane increased by \$1.0m during the reporting period, based on the conditional sale contract price
- Unrealised gains on fair value of interest rate swaps contributed gains of \$0.9m, compared to gains of \$2.5m for the previous corresponding period

Results Highlights

Asset Movement

- Net Tangible Assets⁽¹⁾ of the Group have increased to \$1.57 per security
- The value of the Investment Property Portfolio has declined to \$170m⁽²⁾ due to the sale of the Melbourne Broadcast Centre



Notes:

1) Based on 85,351,913 ordinary securities on issue as at 31 December 2010

2) Excludes the Sydney Airport Centre investment

Results Highlights

Capital Management

	Dec-10	Jun-10
Bank debt (\$m)	80.0	139.1
Gearing (debt/total tangible assets)	36.8%	49.9%
Average debt maturity	2013	2013
Percentage of debt hedged	100.0%	73.8%
Total assets (\$m)	217.3	279.0

Debt maturity profile:

\$80.0m Facility - March 2013

\$5.0m Facility - Working Capital March 2011

- Gearing decreased in HY2011 as a result of \$59.1m reduction in debt
- Group LVR is expected to reduce as a result of the Thiess building sale post HY2011
- Further debt reduction will occur as development asset proceeds are received
- The Group complied with its banking covenants as at 31 December 2010 as follows:

		Limit	Actual HY2011	Actual FY2010
Loan to Valuation (LVR) ¹	- Trusts	65%	47.2%	59.8%
Gearing (total liabilities/total assets) ²	- Group	60%	38.6%	52.8%
Interest Coverage Ratio (ICR) ³	- Trusts	1.4x's	1.76x's	1.60x's
Interest Coverage Ratio (ICR) ⁴	- Group	1.0x's	1.34x's	1.80x's

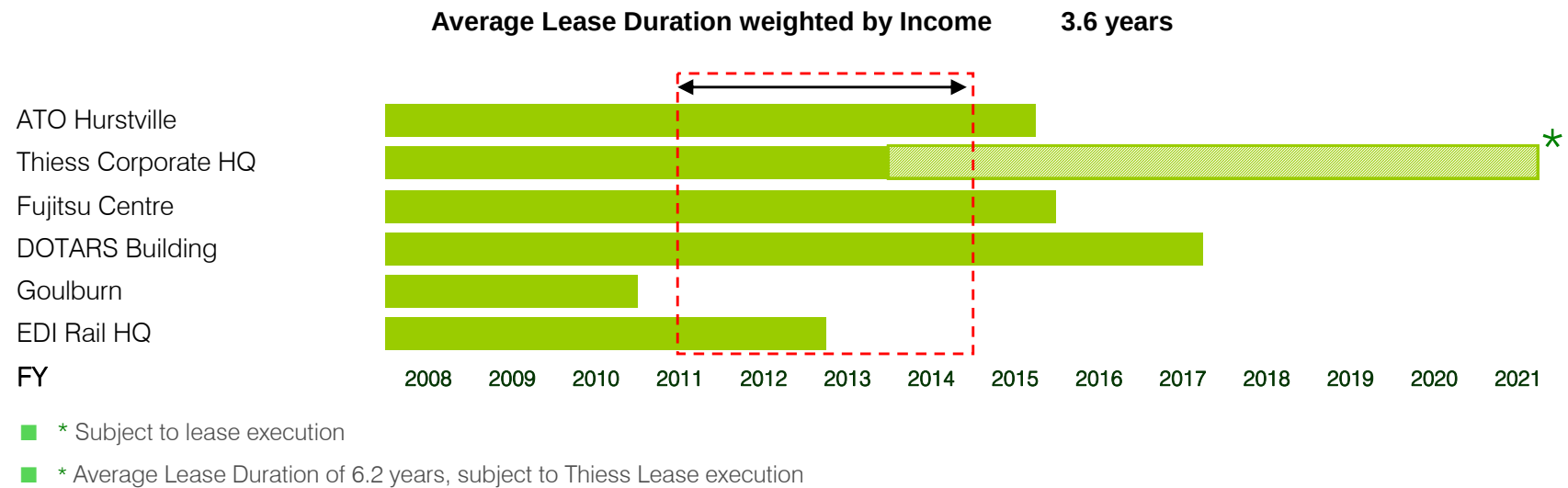
1. The LVR limit reduces in May 2011 - Trusts 60%
2. The Gearing limit reduces in May 2011 - Group 55%
3. The ICR limit increases in May 2011 - Trusts 1.5x's
4. The ICR limit increases in July 2011 - Group 1.5x's

Note:

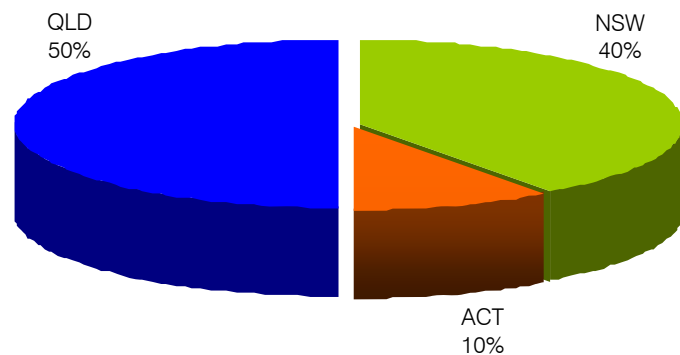
(1) If surplus cash of \$5.2m (net of statutory requirements) was applied to reduce debt at 31 December 2010, the adjusted LVR would have been 44.1% for the Trusts

Results Highlights

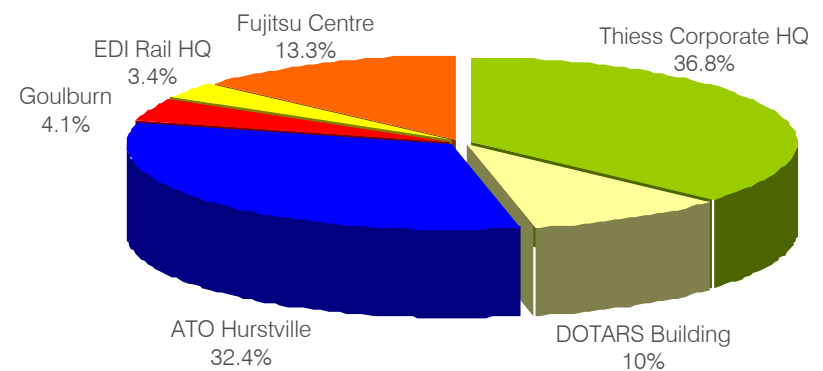
Investment Property Portfolio – Overview



Value by State



Value by Building



Results Highlights

Investment Property Portfolio - Valuation

Property	Location	Asset Type	Major Tenant	Initial Lease Duration	Lease Start Date	Valuation Base Capitalisation Rate	Directors' Valuation \$m ⁽¹⁾	Portfolio %
Thiess Corporate HQ	QLD	A-grade Office	A subsidiary of Leighton Holdings	10 years	Mar-11	8.50%	\$62.51	36.8%
Fujitsu Centre	QLD	A-grade Office	Fujitsu	5 years	Jun-10	8.50%	\$22.50	13.3%
ATO Hurstville	NSW	A-grade Office	Commonwealth Government	10 years	Feb-05	8.75%	\$54.90	32.4%
Goulburn	NSW	B-grade Industrial	Vacant	N/A	N/A	12.00%	\$7.00	4.1%
EDI Rail HQ	NSW	A-grade Industrial	EDI Limited	2 years	Sep-10	9.50%	\$5.85	3.4%
DOTARS Building	ACT	B-grade Office	Department of Infrastructure	7 years	Aug-10	9.50%	\$16.89	10.0%
Totals					(Weighted Yield)	8.86%	\$169.65	100%

- The weighted core yield has increased (from 8.54% as at June 2010) to 8.86% as at 31 December 2010 due to the sale of the Melbourne Broadcast Centre
- The focus for investment properties is to renew expiring tenant leases.
- A new 10 year lease has been agreed with Thiess Group for the Thiess Building.
- A new 5 year lease has been entered into with Carabella Resources for 578m² of space within the Fujitsu Centre.
- A new 2 year lease has been entered into with Downer EDI Group in relation to the Granville building

Notes:

1) Directors' Valuations are supported by independent valuations dated 30 June 2010

Results Highlights

Development Portfolio - Overview

Direct Development Projects	% Interest	Type	Book Value \$m
Rhodes Shoreline	50%	Residential	\$21.30
Frances Park	50%	Residential	\$0.14
Total Funds Invested in Direct Developments			\$21.44

Indirect Development Projects

Pendle Hill ⁽¹⁾	Profit Participation	Industrial	\$0.20
Beverley	Profit Participation	Industrial	\$2.14
Nudgee	Profit Participation	Industrial	\$3.26
Redmyre Road	Profit Participation	Commercial	\$0.55
Total Funds Invested in Indirect Development Projects			\$6.15

Refer to the Appendix for detailed comments on each development project.

Notes:

1) The Pendle Hill project was finalised post 31 December 2010

Results Highlights

Development Portfolio – Overview (Continued)

Direct Development Property:

- Rhodes
 - Stage 2B settled in October 2010
 - Stages 2A & 3A are due to settle on completion of remediation (targeted April/May 2011)
 - Stage 3B exchanged with settlement due no later than 30 September 2011 (subject to completion of remediation and additional floor space approval)

Indirect Development Projects:

- Pendle Hill - 100% sold (last lot settled February 2011)
- Beverley - Civil works completed and 5 pre-sale lots settled (31% sold)
- Nudgee - 75% sold
- Redmyre House - 78% sold

Key Strategic Objectives

The key strategic objectives remain unchanged from those announced at the FY2010 AGM, being:

- Complete the orderly realisation of the Group's development assets
- Continue to improve the tenant lease expiry profile in order to maximise investment property realisation values

It is the intention of the Board to make a capital distribution following the settlement of the Thiess Centre

Appendix



Thies Corporate Headquarters, Brisbane QLD

- TGP owns 100% of Thies Corporate Headquarters
- The property is an A-grade suburban office building comprising 10 levels and located at 179 Grey Street South Brisbane, 1.4 kms south of the Brisbane CBD.
- The building is fully leased to Thies Pty Limited a subsidiary of Leighton Holdings Limited, until June 2013. A new 10 year lease has been agreed with Thies, subject to documentation.
- A sale contract has been entered into for \$63.33 million, conditional on execution and registration of a new 10 year lease.
- The property represents 36.8% of the investment portfolio by value

	Dec-10	Jun-10	Dec-09
Valuation \$m	62.5	61.5	65.0
Core Cap Rate	8.5%	8.5%	8.25%



Fujitsu Centre, Brisbane QLD

- TGP owns 100% of the Fujitsu building
- The property is a modern A-grade suburban office building located on Breakfast Creek Road at the gateway to Brisbane's CBD, an area undergoing significant development
- The building's major tenant is Fujitsu Australia Limited (37% leased) until May 2015 (with a 2 year option) and the balance to various commercial tenants
- The property represents 13.3% of the investment portfolio by value
- 49% leased investment property as at 31 December 2010

	Dec-10	Jun-10	Dec-09
Valuation \$m	22.5	22.5	26.0
Core Cap Rate	8.5%	8.5%	9.0%

Investment Portfolio



Distribution Centre, Goulburn, NSW

- TGP owns 100% of this large distribution facility located at 158 Hume Street, Goulburn
- The property is a freehold 5.6 hectare site in the regional centre of Goulburn with a 19,475sqm logistics distribution warehouse facility building
- The property represents 4.1% of the investment portfolio by value
- Currently 100% vacant

	Dec-10	Jun-10	Dec-09
Valuation \$m	7.0	7.0	10.25
Core Cap Rate	12%	12%	10.5%



EDI Rail Headquarters, Granville NSW

- TGP owns 100% of the EDI Rail Regional Headquarters
- The property is an A-grade industrial building located in Granville, approximately 22km from the Sydney CBD
- The building is fully leased to EDI Rail, a subsidiary of Downer EDI until September 2012 (with a 2 year option)
- The property represents 3.4% of the investment portfolio by value

	Dec-10	Jun-10	Dec-09
Valuation \$m	5.9	5.9	6.3
Core Cap Rate	9.5%	9.5%	9.5%

Investment Portfolio



Melbourne Broadcast Centre, Melbourne VIC

- This property was sold in August 2010



ATO Regional Office, Hurstville NSW

- TGP owns 100% of the ATO's regional office at Hurstville
- The property is an A-grade suburban office building completed in 1994 to accommodate the ATO and is located close to Hurstville railway station
- The building is fully leased to the ATO until February 2015 (with 2 x 5 year options)
- The property represents 32.4% of the investment portfolio by value

	Dec-10	Jun-10	Dec-09
Valuation \$m	54.9	54.9	53.5
Core Cap Rate	8.75%	8.75%	8.75%

Investment Portfolio



DOTARS House, Canberra ACT

- TGP owns 100% of the DOTARS Building
- The property is a B-grade office building located in the heart of Canberra's CBD
- The Department of Transport and Infrastructure lease approximately 55% of the building. The DOTARS lease is over 3 floors expiring 2017
- The property represents 10% of the investment portfolio by value
- This building is currently 43% vacant and has been refurbished to approximately a 4.5 star NABERS rating during the period

	Dec-10	Jun-10	Dec-09
Valuation \$m	16.9	15.7	17.4
Core Cap Rate	9.5%	9.5%	8.75%

Investment Portfolio – Equity Investment



Qantas Global Headquarters, Mascot NSW

- This asset was sold in August 2010



Shoreline Waterfront Village, Rhodes NSW

- Residential development comprising apartments and townhouses
- TGP holds 50% interest (Brookfield Multiplex holds remaining 50%)
- Situated on the Rhodes Peninsula, Homebush Bay, NSW
- Development use – residential
- Settled sale of 1 super lot (October 2010)
- Further super lot sale exchanged (Stage 3B)
- Additional 2 super lots pre-sold are due to settle upon completion of remediation (currently forecast for second quarter 2011)
- A further 2 waterfront super lots are available for sale



Ashtan Place, Nudgee, QLD

- Industrial units
- TGP provides mezzanine funding and has a development profit share agreement
- Situated at Ashtan Place, Nudgee, Queensland
- Site area of 11.8ha
- 28 industrial lots
- As at 14 February 2011, 75% sold and settled

Indirect Development Portfolio



Bungaree Road, Pendle Hill, NSW

- Industrial land subdivision
- TGP provides mezzanine funding and has a development profit share agreement
- Situated at Bungaree Road, Pendle Hill, Sydney
- Transacted December 2007
- Site area: 4.2ha
- 30 industrial lots
- The final lot was sold and settled in February 2011



Main Street, Beverley, SA

- Industrial estate
- TGP provides mezzanine funding and has a development profit share agreement
- Situated at Main Street, Beverley, Adelaide
- Site area of 3.39ha
- 16 industrial lots
- Civil works are complete
- 31% of the lots have been sold with a further 19% under negotiation

Indirect Development Portfolio



Redmyre Road, Strathfield NSW

- 6 level commercial strata office development comprising 4,152sqm
- TGP hold 15% (balance held by TOF5 investors)
- Situated at 9-13 Redmyre Road, Strathfield, NSW
- Development use – strata offices
- As at 14 February 2011, 78% settled

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