

*ASX Announcement*

## **TRINITY ANNOUNCES NTA ASSESSMENT, FINANCING UPDATE AND CONFIRMS PROPERTY SETTLEMENTS**

**DATE: 05.07.2010**

Trinity Limited (ASX: TCQ) has today announced that it estimates the Group's Net Tangible Assets (NTA) as at 30 June 2010 will be in the range of 17 cents to 20 cents per security. This compares to an NTA per security of 22 cents at 31 December 2009.

The Group is forecasting a full year loss of between \$50 million and \$59 million for the year ended 30 June 2010, compared with a \$226 million loss in the previous financial year.

Trinity Chairman Brett Heading said the Board was encouraged that property valuations for Trinity's Australian direct property holdings appeared to have stabilised and that the Board believed its prudent management of a complex situation over the last year had helped restore a degree of stability to the balance sheet which is reflected in the NTA.

Factors that have contributed to the reduction in the NTA since 31 December 2009 include:

<b>Description</b>	<b>NTA Movement per security (cents)</b>
Loss on sale of direct property assets	(0.8)
Loss on sale of investments and co-investments	(0.8)
Impairment of investments and co-investments	(1.8)
Revaluation of Japanese assets	(1.4)
Amortisation of borrowing costs relating to debt facilities repaid	(0.7)
Reclassification of Goodwill to tangible investment through 50% sale of Trinity Funds Management Limited	4.1

The NTA range is based on the estimated results for the year ended 30 June 2010 prepared in accordance with Australian accounting standards and includes the face value of all liabilities, including limited recourse loans. Mr Heading noted that some property assets are financed by limited recourse debt and, while it is not the Board's current intention to sell those assets, if they were sold for current book values, the Group's NTA would improve by an estimated 7c per security from the estimated NTA range mentioned above.

## **FINANCING UPDATE**

Trinity confirms that it has complied with its 30 June 2010 banking covenants for its debt facilities with National Australia Bank (NAB) which expire on 31 October 2011. The next test of banking covenants is at 30 September 2010 when Trinity is required to have a loan to value ratio of 60% and interest cover of 1.5 times.

Trinity has commenced discussions with NAB regarding the extension of its existing facilities including a new range of covenants. Trinity will update the market upon conclusion of these discussions.

Trinity also advises that it is continuing discussions with the financier of its residential property asset in Tokyo regarding the refinance of the facility which expires on 31 July 2010. The Board is also considering implementing an orderly sales campaign commencing in August 2010. The finance facility is a limited recourse loan, secured against the property. A wholly owned subsidiary of Trinity Limited has provided a limited guarantee of the facility, which may only be called if the borrower breaches obligations in relation to its conduct, representations and warranties.

## **PROPERTY SETTLEMENTS**

Trinity also confirms that the previously announced sales of Mulgrave Business Park (50% owned by Trinity Stapled Trust) and Centrepont Arcade, Innisfail (also owned by Trinity Stapled Trust) have now settled with proceeds being applied to reduce NAB debt.

## **ENDS**

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More information on Trinity can be found on our website [www.trinity.com.au](http://www.trinity.com.au)

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