

GEO Property Group

Comprising:

GEO Property Trust ("Trust")

ARSN 104 482 206

(Responsible Entity: GEO Management Limited)

ABN 77 116 506 882, AFSL 304866)

GEO Property Group Limited ("Company")

ABN 38 117 546 326

ASX Code: GPM

Date: 31 August 2010



ASX ANNOUNCEMENT/MEDIA RELEASE

GEO RETURNS TO PROFIT FULL YEAR RESULTS FOR YEAR TO 30 JUNE, 2010

- Net profit after tax of \$18.2 million (30 June 2009: loss of \$131.6 million).
- Operating profit of \$21.1 million, compared to \$22.7 million in prior year.
- NTA of 34.9 cps
- Lower debt as a result of non-core asset sales has allowed GEO to re-stock the residential development portfolio.
- Gearing as at 30 June 2010 reduced to 22.2% (30 June 2009: 37.7%)
- \$71 million of carried forward sales, or 35% of revenue expected for FY11 as at 20 August 2010

Leading residential developer GEO Property Group (ASX: GPM) has completed a \$149.8 million turnaround in net earnings after today reporting strong growth in revenue and profit for the year to 30 June, 2010.

The Group's Net Profit after Tax (NPAT) of \$18.2 million, compared to a net loss of \$131.6 million in the previous year, was built on near record settlements of 863, up from 711 in the 2009 year. The higher number settlements lifted total revenue by 21 per cent from \$212.9 million in 2009 to \$272.2 million in 2010.

A highlight of the Group's full year result was net operating cashflows of \$77 million while Net Tangible Assets of the Group at the end of the year were \$148.8 million, representing 34.9 cps.

GEO Property Group Managing Director Guy Farrands said the result underlined the strength of the business and reconfirmed the value of the Group's decision to focus exclusively on residential property development.

"We have remained focused on bringing quality product to the market and meeting the expectations of consumers looking for affordable homes in great areas."

"Our ability to deliver a record number of settlements with vastly reduced expenses further underlies the efficiency of the business and the potential for future earnings growth."

Mr Farrands said the Group's reduced levels of debt which has created greater financial stability provided the flexibility to undertake a re-stocking of the Group's development portfolio, including the acquisition of approximately 520 new lots over the last 12 months.

"The sale of four non-core investment property assets, with a further three properties to be sold shortly, will complete the orderly unwinding of our investment arm and leaves the Group as a pure developer of residential house and land and land-only projects," he said.

"At the end of the year we had a total pipeline of nearly 4495 lots spread across a diverse range of geographic locations."

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During FY10 the Group achieved total settlements of 863 (2009: 711), including proportional share of JV sales, at an average gross margin of 20.9%.

Mr Farrands said the strong sales could be attributed to stronger underlying demand throughout the year

“Our Victorian operations continue to benefit from strong conditions which are driving high volumes and better margins. In Queensland there are still a number of challenges,” he said.

“Interest rate concerns have somewhat subsided in recent months but there is still uncertainty among buyers about the political outlook as well as the impact of offshore financial and economic events.”

The Group is well positioned to build on the platform now set. This depends on the speedy resolution of issues which are affecting short term demand for the Group’s products.

“Political uncertainty leading up to and after the Federal election is impacting demand for new homes and land,” he said. “Time will tell if this uncertainty is simply delaying purchase decisions or if it will result in a more pronounced reduction in activity.”

Despite the current market conditions the Group was already well placed for a strong start to the current year with a total value of unconditional contracts as at 20 August 2010, to be carried into FY11 of \$71 million.

For more information, please contact:

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