



# Devine Limited Presentation

Full Year Results to 30 June, 2008

# Agenda



1. Financial Highlights
2. Strategic Highlights
3. Review of Operations
  1. Property Development
  2. Housing and Land
  3. Body Corporate and Property Management
  4. Devine Constructions
4. Outlook

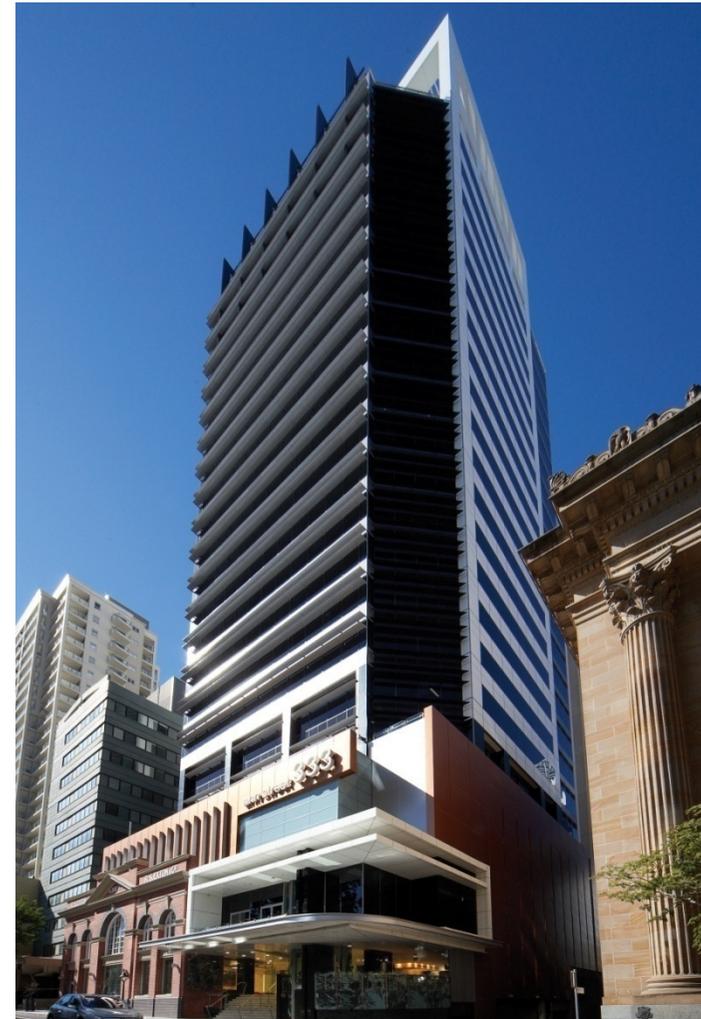
# Financial Highlights



\$M	30 June 2008	30 June 2007	% Change
Revenue	577.52	547.97	Up 5.4%
Profit Before Tax	45.3	30.89	Up 46.6%
NPAT	31.85	21.36	Up 49.1%
EPS Basic	12.1c	14.3c	Down 15%
EPS Diluted	11.9c	13.8c	Down 14%
Final Dividend (Fully Franked)	4.0c	4.0c	-
Full Year Dividend (Fully Franked)	8.0c	8.0c	-

# Strategic Highlights

- **Leighton Partnership** - Devine and its major shareholder Leighton Holdings (ASX: LEI) have formally entered into three joint venture development opportunities;
  - Queensland Rail Site (Townsville) – Mixed-use Development
  - Hamilton Harbour (Brisbane) – Mixed-use Development
  - 145 Ann Street (Brisbane) – Office Tower
- **Charlotte Towers** - Settlement of all remaining units in the company's Charlotte Towers residential project in the Brisbane CBD.
- **333 Ann St Completion** - The completion in June 2008 of Devine's first office development in the Brisbane CBD (pictured right). The project was pre-sold for \$119.5 million.
- **ICB Central Fully Leased** – Devine's Commercial Division fully leased the ICB Central development at Herston in Brisbane which reached 70% completion stage as at 30 June 2008.
- **SSKB Acquisition** – Devine acquired body corporate and property management company, SSKB Pty Ltd, in September 2007.



# Strategic Highlights

- **Currumbin Sale** – Settlement in May 2008 of development site at Currumbin on the Gold Coast for \$75 million.
- **Bourke Street** - The commencement of a 398-room Serviced Apartment Hotel development in Bourke St (pictured right) in the Melbourne CBD following its sale for \$136 million to the Singapore based The Ascott Group.
- **Housing Profitability** - A return to profitability for the company's Housing & Land division.
- **Increased Land Bank** - A 92% increase in the company's national residential land bank which totaled 8,775 equivalent lots either owned or under control as at 30 June, 2008.
- **Rights Issue** - The successful completion in December 2007 of a 1 for 5 Rights Issue which raised \$62.5 million in additional shareholders' equity.



# Property Development



\$M	30 June 2008	30 June 2007	% Change
Revenue	290.53	363.65	(20%)
Profit Before Tax	41.33	37.61	10%

- Settlement of all remaining units in the company's Brisbane CBD Charlotte Towers residential unit project.
- Sale of the Hamilton Harbour (pictured right) development site into a JV with Leighton Properties.
- Completion in June of the 25 level office tower in the Brisbane CBD at 333 Ann St.
- Strong progress recorded at the ICB Central development at Herston in inner Brisbane.
- The sale and settlement of the development site at Currumbin on the Gold Coast.



# Major Projects



Project	Actual/Expected Commencement	Type	Est. Gross Realisation - \$M's
333 Ann St ,Brisbane (pre-sold)	Completed June 08 Settled July 08	Commercial Offices	\$120
ICB Central, Herston, Brisbane (pre-sold)	Completion expected Sept 08	Commercial Offices	\$73.5
Bourke Street, Melbourne (pre-sold)	Under construction, land settled June 2008	Hotel	\$136
99 Mary St, Brisbane	Mid 2009	Strata Offices/Hotel	\$93
French Quarter precinct (Brisbane)	June Qtr. 2009	Hotel/Residential/Retail	\$1,200

## Devine/Leighton Properties Joint Ventures

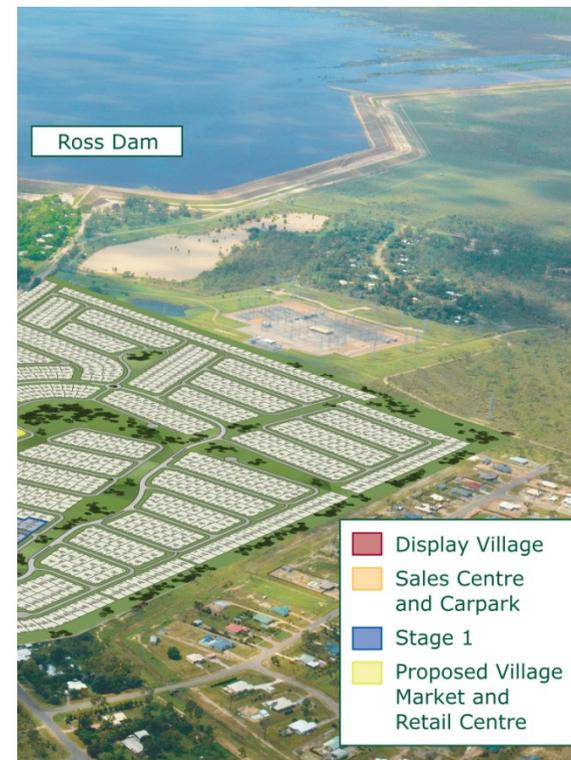
145 Ann Street (Brisbane)	Construction to commence Sept Qtr 2008	Commercial offices	\$300
Hamilton Harbour (Brisbane )	Dec. Qtr 2008 / Early 2009	Commercial/Residential/Retail*	\$400
Queensland Rail Site (Townsville)	June Qtr. 2009	Residential/Commercial/Retail*	\$1,300

# Housing and Land



\$M	30 June 2008	30 June 2007	% Change
Revenue	277.186	183.884	50.7
Profit (Loss) Before Tax	4.52	(6.205)	-

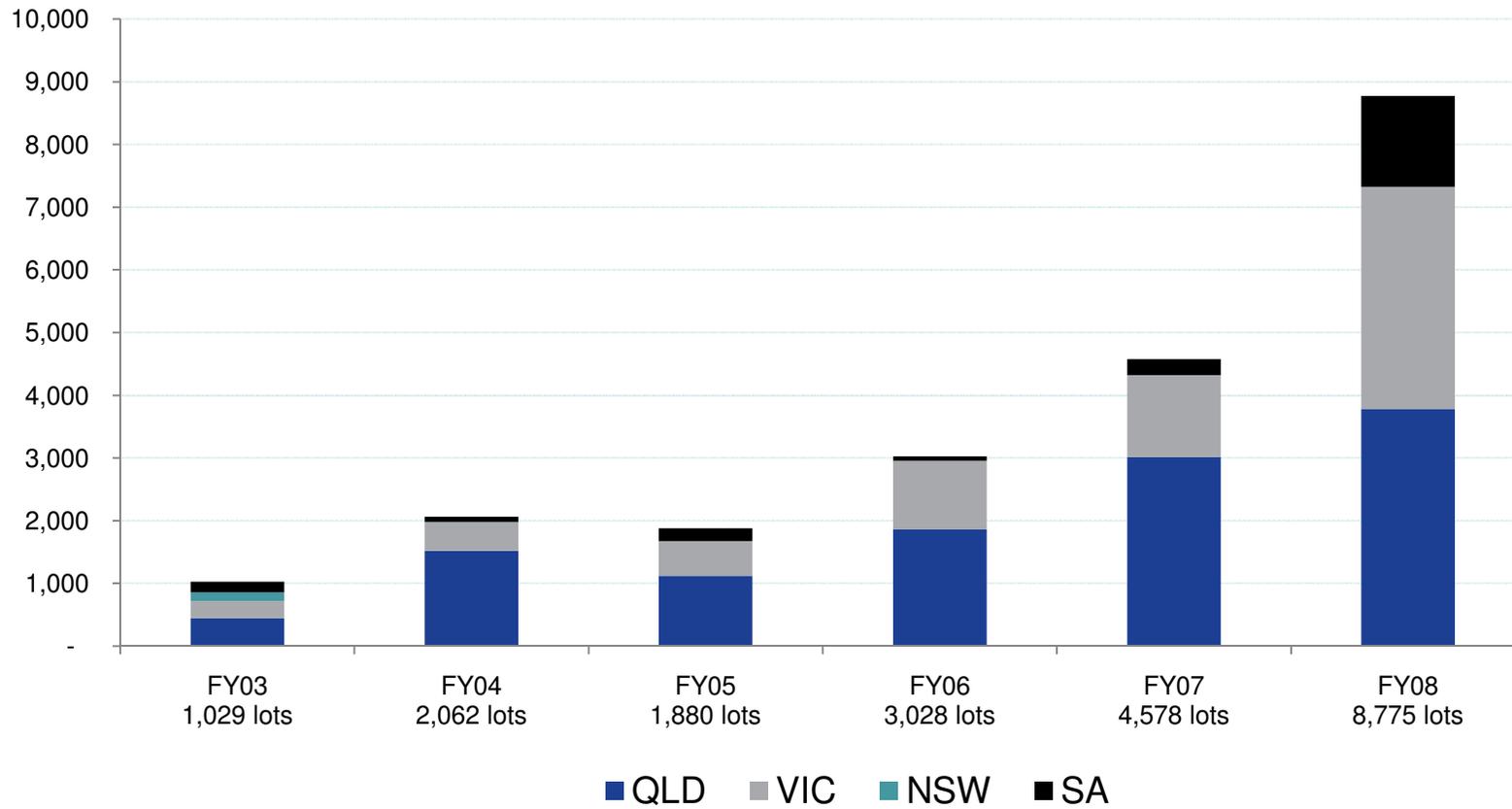
- Housing and Land produced a \$10.7 million turnaround with earnings before tax of \$4.52 million, from a loss of \$6.20 million in the previous year.
- Continuing strategy of selling developed land to other builders and introducing new housing designs on most of its residential estates.
- Land bank as at 30 June, 2008, is just under 9,000 equivalent lots.
- Existing land inventory will provide a sound base from which to grow the housing and land division over the next few years and take advantage of the upturn in the housing market when it comes.
- A joint venture was recently entered into on one of the company's larger land holdings in Victoria and further joint ventures are planned to optimise capital usage and the management of risk.



# Housing and Land



Devine Limited - Residential Land Lots Owned/Controlled\*



\* as at 30 June, 2008.

## Body Corporate and Property Management



\$M	30 June 2008
<b>Revenue</b>	8.699
<b>Profit Before Tax</b>	1.494

- Devine acquired the SSKB body corporate and property management business in September 2007.
- Business has now been fully integrated into the Devine Group.
- Earnings to 30 June, 2008, were in line with the budget and projections reviewed during the acquisition due diligence phase.
- Devine has completed a strategic review of the business and a detailed business plan prepared.
- Plans are now underway to significantly grow the number of “lots” under body corporate management over the next five years leveraging SSKB’s proven systems and the sound reputation.

# Devine Constructions



- 333 Ann Street office tower completed in June 2008, ahead of schedule and within budgeted costs.
- ICB Central at Herston (pictured right) in Brisbane continues ahead of schedule and within budgeted costs.
- Construction capability provides Devine with a competitive advantage when considering new development opportunities.
- Division will also be tendering for the construction of the various Devine/Leighton JV projects.
- Currently no plans to tender for third party work.



# Outlook



- Devine believes the fundamentals for the housing market in Australia remain sound with a significant and growing undersupply of housing which is evidenced by historically low vacancy rates and rising rents.
- Devine is well positioned in relation to its larger property development projects and the JV's it has with Leighton Properties. Good progress is being made across a number of these that will result in a material contribution of revenue and profits over the next few years.
- Forecasting activity levels for the current financial year remains difficult. Uncertainty remains as to the timing of a recovery in the housing market and the commencement of a number of large-scale property development projects is subject to a number of variables including the time taken to gain regulatory and other approvals.
- Based on the company's latest budget projections, Directors are expecting at this stage that the result for 2008/09 year will be around 15% up on the year just ended.



## **ABOUT DEVINE:**

Devine Limited is a leading Australian property developer with diversified operations in Queensland, Victoria and South Australia. The company was established in 1993 by current Managing Director David H.T. Devine, is listed on the Australian Securities Exchange (ASX) and has a market capitalisation of approximately \$240 million. Devine has a current national pipeline of land developments and projects which, when completed and sold, will have an end value exceeding \$3 billion. Devine's operations include housing, community development, medium density and high-rise residential developments an in-house construction division, and property and body corporate management. Devine is approximately 43% owned by Leighton Properties and together the companies are progressing three joint venture projects with a combined end value of \$2 billion.

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