



2011 Half Year Results Presentation

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3. Divisional Performance
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Overview

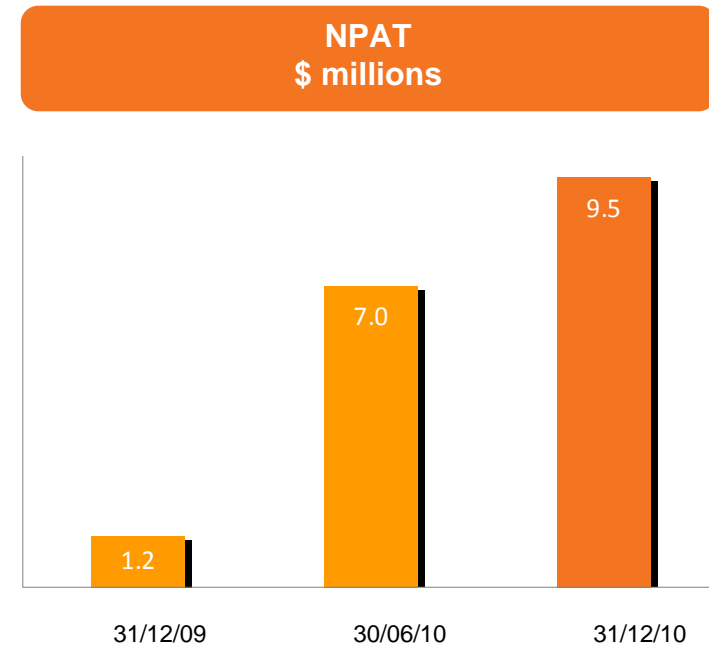
- 1.1 Performance Overview
- 1.2 Operating Highlights

1. Overview

HY11 Performance Overview



- Net Profit after tax of \$9.5 million; a significant increase on the corresponding half year
- Total revenue from operations of \$230 million
- Revenue from Residential Homes and Communities up 4% from the corresponding half year
- Strong operating cash flow of \$42 million
- 929 residential lots settled
- 657 houses commenced
- Maintained low gearing level at 27%
- Dividend of 1.0 cents per share fully franked



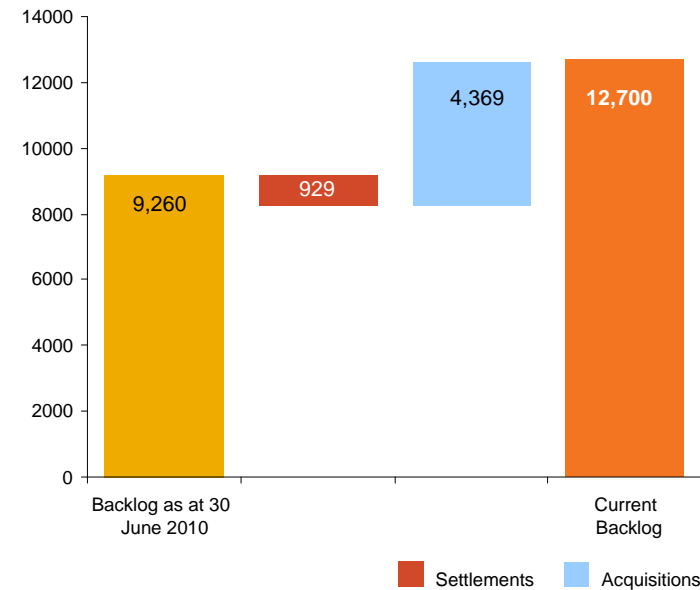
1. Overview

HY11 Operating Highlights



- Implemented growth strategy, securing four new development sites in growth corridors in Melbourne, Brisbane and Adelaide using capital-efficient structures
- Secured over 4,300 new lots for future development boosting our pipeline to 10,000 lots and 2,700 apartments, with a total end value of \$2.8 billion
- 5+ years future supply of residential land secured in backlog, with 77% zoned for immediate staged development
- New management team integrated into the business and performing strongly
- New Devine Group brand launched as part of growth and positioning strategy
- Strong market response to Hamilton Harbour project with third tower sales progressing well
- Hamilton Harbour (Towers One & Two) construction advancing well, with construction of third tower targeted for mid-2011 commencement

National Backlog (No. of dwellings)





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Financial Performance

- 2.1 Financial Highlights
- 2.2 Balance Sheet Summary
- 2.3 Operating Cash Flows Extract

2. Financial Performance

HY11 Financial Highlights



\$ millions	1 July to 31 Dec 2010	1 Jan to 30 June 2010	1 July to 31 Dec 2009
Revenue - Housing and Land	209.9	247.0	201.8
- Apartments and Other	19.9	25.9	104.8
EBIT	21.0	19.0	11.1
Finance costs	(7.4)	(9.2)	(9.3)
Income tax expense	(4.1)	(2.8)	(0.6)
NPAT	9.5	7.0	1.2
Earnings Per Share	1.5 cents	1.5 cents	0.3 cents

2. Financial Performance

Balance Sheet Summary



\$ millions	As at 31 Dec 2010	As at 30 June 2010
Assets - Cash	22.9	20.0
- Receivables	69.0	78.3
- Inventories/Investments	481.8	452.6
- Other	8.8	8.8
Total Assets	582.5	559.7
Liabilities - Trade and other payables	61.8	68.9
- Interest bearing debt	132.8	109.5
- Non-interest bearing debt	38.0	35.8
- Other	10.2	9.1
Total Liabilities	242.8	223.3
Net assets/shareholder funds	339.7	336.4
Net Tangible Assets (NTA)	336.4	333.1
NTA per share	53.0 cents	52.5 cents
Gearing ¹	26.8%	23.2%

¹ Gearing is defined as (interest bearing & non-interest bearing debt – cash held) / (total assets – cash held)

2. Financial Performance

Operating Cash Flow Extract



\$ millions	1 July to 31 Dec 2010	1 July to 31 Dec 2009
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	260.6	332.8 *
Payments to suppliers and employees (inclusive of GST)	(213.3)	(243.4)
Joint venture profit distributions received	2.4	-
Net finance costs	(5.7)	(12.3)
Income taxes	(2.5)	(3.1)
Net cash inflow (outflow) from operating activities	41.5	74.0*

* Period to 31 December 2009 benefited from sale of non-core assets



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Divisional Performance

- 3.1 Residential Homes & Communities
- 3.2 Residential Apartments
- 3.3 Devine Constructions

3. Divisional Performance

Residential Homes & Communities



- National land settlements of 929; with additional 657 housing starts for the period
- Housing operations continuing to expand attracting new markets and price points
- Newly secured development opportunities have embedded Devine in key growth corridors within existing geographies for the long term
- Replenishing Victorian backlog with more than 2,000 lots secured; including flagship Stonehill at Bacchus Marsh master planned community
- Achieved record 7.5% market share in Greater Adelaide housing sector ¹
- Opening of 10 new display homes across four locations nationally bringing total homes on display to 31



Lakeside – South Australia



Display Home – Arndell, Victoria

3. Divisional Performance

Residential Apartments



- Hamilton Harbour has continued to attract strong sales and enquiry with:
 - 92% of apartments in the first two stages at unconditional contract status, and
 - 49% of Stage 3 now sold and unconditional
- New opportunity secured; 107 apartment project in Teneriffe, Brisbane CBD fringe
- New project signals Devine's ability to apply high density residential capabilities to mid-scale, medium density opportunities
- Southbank regeneration project in Townsville achieved planning approval



Artist impression of Hamilton Harbour



Artist impression of retail precinct at Hamilton Harbour

3. Divisional Performance

Devine Constructions



- Hamilton Harbour Tower One is progressing well with structural cycles completing verticals up to floor 14 and slabs up to floor 12
- Tower Two is close to entering structural cycles which will see the structure advance noticeably from this point in the coming months
- The operation currently has a workforce of over 400 onsite and in the coming months will peak at 600 workers
- First apartments expected to be completed by December 2011



Hamilton Harbour Construction – Brisbane, Queensland



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Capital Management

4.1 Key Metrics

4. Capital Management Key Metrics

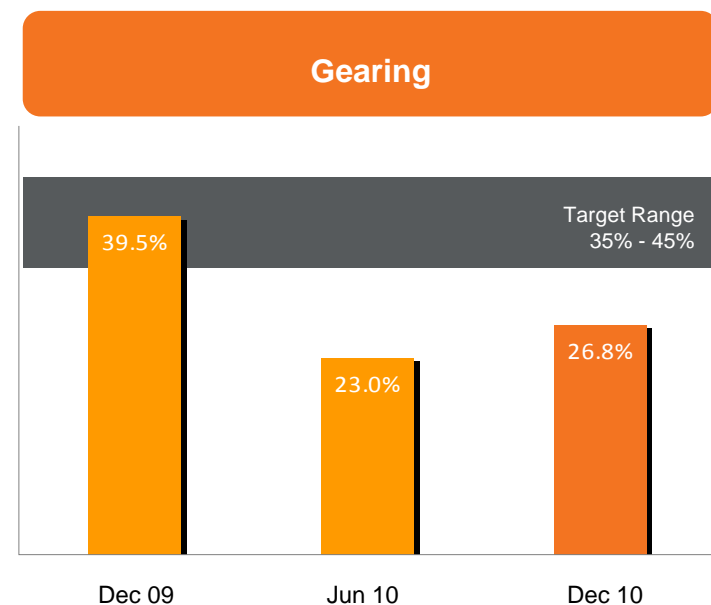


Key Metrics	As at 31 Dec 2010	As at 30 June 2010	As at 31 Dec 2009
Gearing ¹	26.8%	23.2%	39.5%
Weighted average debt ²	2.25 years	2 years	Minimal
Undrawn facilities plus cash	\$85 million	\$110 million	Minimal

¹ Gearing is defined as (interest bearing & non-interest bearing debt – cash held) / (total assets – cash held)

² By total facility expiry

- Increase of, and extension to core banking arrangements completed
- Maintained modest gearing levels and adequate reserves to enable further growth





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Development Pipeline

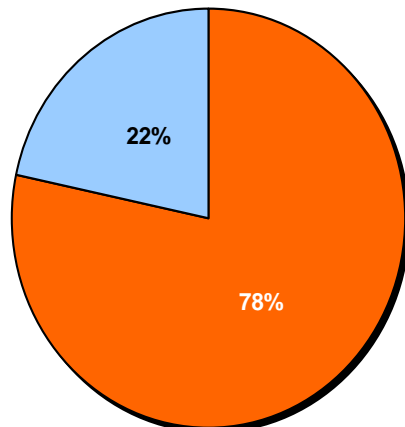
- 5.1 Pipeline By Mix & Geography
- 5.2 Pipeline Summary

5. Development Pipeline Pipeline by Mix & Geography



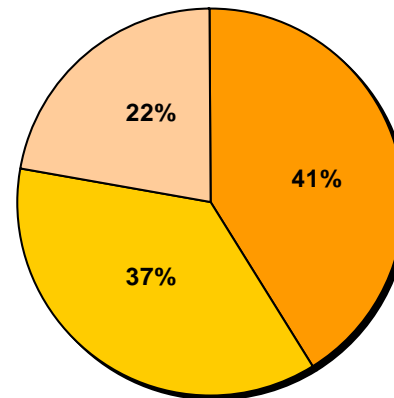
- Housing and Land portfolio well-diversified across existing geographies
- Secured pipeline provides significant timeline of future earnings

Pipeline by Mix



■ Homes & Communities ■ Apartments

Homes & Communities Pipeline by Geography




■ Queensland ■ Victoria ■ South Australia

5. Development Pipeline Pipeline Summary



Homes & Communities



Projects	29
Lots Remaining	10,000
Development Timeframe	10 years
End Value ¹	\$1.7 billion


¹ Land Value Only

Apartments



Projects	9
Apartments Remaining	2,700
Development Timeframe	5 years
End Value	\$1.1 billion

Constructions



Projects	2
Contract Value	\$170 million
Development Timeframe	1 year

5. Development Pipeline Pipeline Project Profile



Stonehill, Bacchus Marsh, Melbourne



Location	Approx. 48 kilometres west of Melbourne CBD
Size	Approx. 141 hectares. Population 3,000 at completion
Structure	Joint Venture
Opportunity	1,500 residential allotments, convenience retail centre, community centre
Timeframe	8 to 10 year development timeframe (Commencing May 2011)
Product	Home & Land Packages, and Land Only (Ave. Lot Size 485sqm)
Market Reach	Couples and families, FHB's and Upgraders, Commuters (Melbourne, Ballarat, Geelong, Melton)
End Value	Approx. \$800 million (\$251 million ¹)

¹ Land Value Only

Commercial Road Site, Teneriffe, Brisbane



Location	Teneriffe, Brisbane CBD Fringe
Size	Approx. 1,875 sqm.
Structure	Staged settlement agreement
Opportunity	Approx 107 residential apartments, 480sqm ground floor retail
Timeframe	2 year development timeframe (Sales commencing mid CY2011)
Product	One & Two Bedroom apartments
Market Reach	Existing near CBD residents & workers, FHB's, Investors
End Value	Approx. \$60 million



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Strategy & Outlook

- 6.1 Strategy
- 6.2 Operational Outlook

6. Strategy & Outlook

Strategy



Key elements of Devine's growth strategy include:

- A continued focus on the residential sector to:
 - Create residential communities
 - Construct residential homes
 - Develop residential and mixed-use apartment projects
 - Undertake targeted construction projects
- Replenishment of backlog through capital-efficient models including joint ventures and land management agreements
- Expansion into urban growth corridors in new geographies
- Over the past six months Devine has made strong progress in the implementation of its growth strategy by:
 - Securing 4,300 new lots for future development to increase backlog in a capital-efficient manner to 10,000 lots and 2,700 apartments
 - Expanding apartment development operations to include smaller scale projects
 - Settling 929 lots and commencing 657 houses
 - Achieving sales targets for Hamilton Harbour



Lakeside, South Australia



Display Home – Alberi Park, Queensland

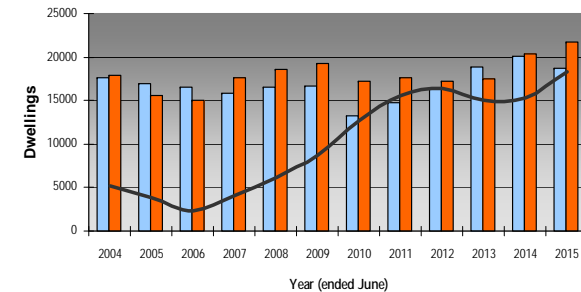
6. Strategy & Outlook

Market Outlook

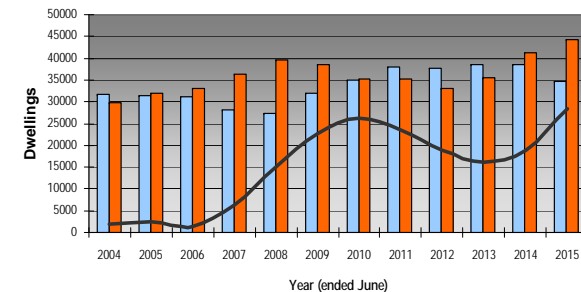


- Strong demand for affordable solutions, and general lack of supply are maintaining residential markets
- Market remains cautious and sensitive to further interest rate rises, however strong employment and economic outlook is underpinning sentiment
- Geographic diversity remains key to maintaining sales momentum:
 - Victoria: Strong population and economic growth driving demand for residential dwellings. Outperforming all other states with good support from government
 - South Australia: Strengthening economic conditions will see dwelling starts remain at high levels. Despite a forecast stock surplus in the market, population growth will maintain housing starts at or above 2009 levels ¹
 - Queensland: Recent flooding events will likely continue to disrupt the market in the short term, however medium term should see market return to 'normal' with potential for benefits to come from 're-building' phase
- Continuing depth of underlying demand, combined with affordability constraints, will apply pressure to urban growth being expanded and densities increased

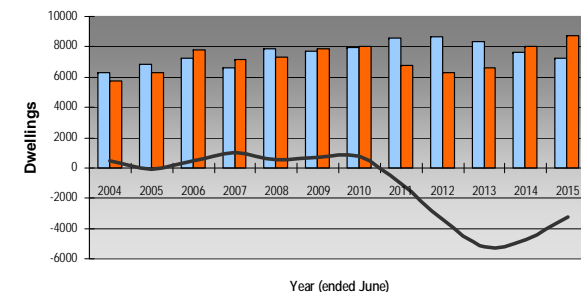
Completions, Demand & Deficiency (Brisbane)



Completions, Demand & Deficiency (Melbourne)



Completions, Demand & Deficiency (Adelaide)



■ Total Dwellings
 ■ Annual Underlying Demand
 — Stock Deficiency

6. Strategy & Outlook

Operational Outlook



- No current or future development sites, or company assets were adversely affected by recent floods and weather events
- Devine is continuing to investigate residential opportunities in new geographic markets including Canberra, regional Queensland and regional NSW
- Devine well-positioned to continue implementation of growth strategy with:
 - a strong balance sheet
 - low gearing level
 - strong operating cash flow
- Results for FY11 are expected to be maintained within the profit guidance given at the company's AGM in October 2010; that is for a profit after tax in the range of \$20 million to \$22 million



Mountview – Redbank Plains, Queensland



Devine's Sorrento 390

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