



## Devine Limited – FY09 Results Presentation

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# FY09 Highlights

## Financial

- Rolled over a \$180 million “Evergreen” core debt facility in late 2008 which has extended the next renewal date to February 2011.
- In negotiations to extend the core debt facility by a further 12 months to February 2012.
- Facility represents approximately 67 per cent of total company interest bearing debt.
- Balance of debt secured by individual land holdings and projects.

## Housing and Land

- Profit up 225% in 09 despite challenging conditions..
- Strong level of work in the system coming in to the 2009/10 year.
- Victorian and South Australian markets particularly strong.
- First Home Owners Grant (FHOG) and lower official interest rates providing strong stimulus for demand in Devine’s traditional market.

## Property Development

- Completion in September 2008 and settlement of the company’s first city fringe commercial development at Herston in Brisbane
- Significant level of pre-leasing achieved on the company’s proposed Brisbane CBD office development, “King George Central” which is to be undertaken in a JV with Leighton Properties.
- Excellent market response to the first stage of the “Hamilton Harbour” residential development

## Devine Constructions

- Completed ICB Central on time and within budget
- Awarded fit-out contract for the building by tenant (Queensland Health)



# FY09 Financial Highlights



\$M	FY 2008/09	FY 2007/08	% Change
<b>Revenue</b>	<b>440.50</b>	<b>577.52</b>	<b>(23.7)</b>
<b>Gross Profit</b> (incl. Other Revenue)	<b>148.93</b>	<b>165.59</b>	<b>(10.1)</b>
Expenses	107.00	96.16	11.3
Depreciation and amortisation	1.21	1.27	(4.7)
Equity accounted (profits)/losses	1.67	(0.07)	N/A
<b>EBIT</b>	<b>39.05</b>	<b>68.23</b>	<b>(42.8)</b>
Finance costs	17.08	22.92	(25.5)
Income tax (benefit) / expense	5.27	13.46	(60.8)
<b>NPAT</b>	<b>16.70</b>	<b>31.85</b>	<b>(47.6)</b>
<b>EPS Basic</b>	5.7 cents	12.1 cents	(52.9)
<b>EPS Diluted</b>	5.6 cents	11.9 cents	(52.9)
<b>Interim Dividend (Fully Franked)</b>	3.0 cents	4.0 cents	(25.0)
<b>Final Dividend (Fully Franked)</b>	Nil	4.0 cents	N/A



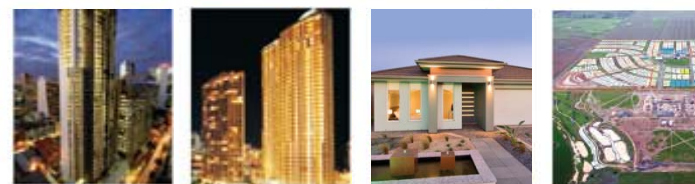
# Balance Sheet Summary



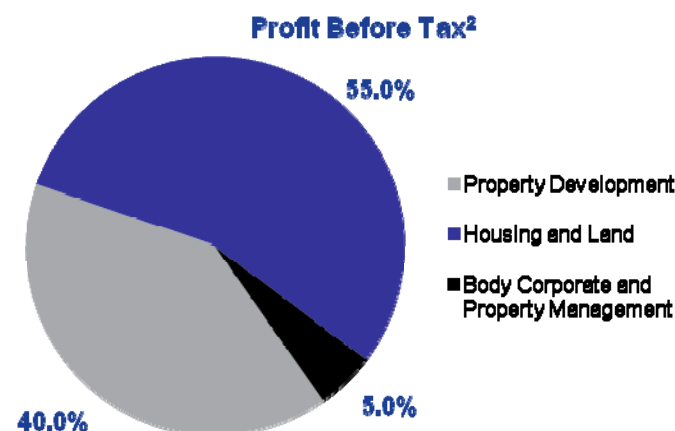
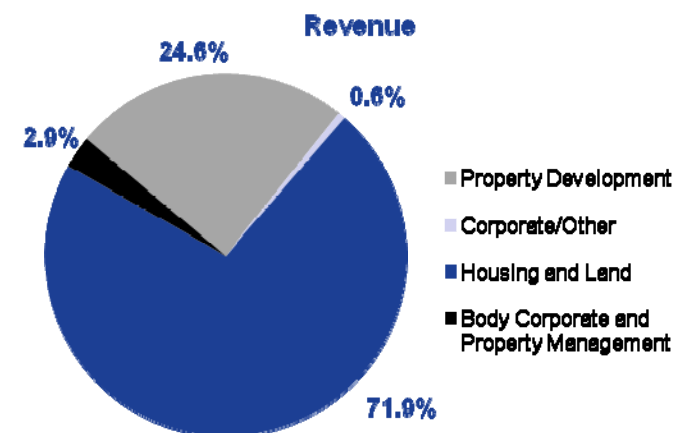
\$M	30 June 2009	30 June 2008	% Change
Assets - Cash	0.74	19.99	(96.3)
- Receivables	67.56	95.14	(29.0)
- Inventories	550.66	580.54	(5.1)
- Other	54.22	63.72	(14.9)
<b>Total Assets</b>	<b>673.18</b>	<b>759.39</b>	<b>(11.4)</b>
Liabilities - Trade and other payables	60.36	81.65	(26.1)
- Interest bearing	267.47	298.34	(10.3)
- Non-interest bearing	62.44	114.46	(45.4)
- Other	17.63	13.37	31.9
<b>Total Liabilities</b>	<b>407.90</b>	<b>507.82</b>	<b>(19.7)</b>
Net assets/shareholders funds	265.28	251.57	5.4
Net Tangible Assets (NTA)	248.23	234.69	5.8
Gearing*	49.0%	53.1%	(4.1)
NTA per share	78.7 cents	82.1 cents	(4.1)

\*Net interest bearing & non-interest bearing debt / total assets – cash held.

# FY09 Divisional Results



\$M	FY 2008/09	FY 2007/08	% Change
<b>Property Development</b>			
Revenue	110.55	292.71	(62.2)
Profit Before Tax	10.66	41.33	(74.2)
<b>Housing and Land</b>			
Revenue	322.54	277.73	16.1
Profit (Loss) Before Tax	14.67	4.52	224.6
<b>Body Corporate and Property Management</b>			
Revenue	12.87	8.80	N/A
Profit Before Tax	1.34	1.49 <sup>1</sup>	N/A
<b>Corporate/Other</b>			
Revenue	2.87	3.80	(24.5)
Profit (Loss) Before Tax	(4.70)	(2.04)	N/A



1. Nine months to June 2008
2. Excludes \$4.7m loss before tax attributed to Corporate/Other division

# Business Snapshot



## PROFILE

<b>Head Office</b>	Brisbane
<b>Operations</b>	Queensland, Victoria, South Australia
<b>Employees</b>	256
<b>Operations</b>	Contract home builder, residential land developer, property developer, large scale construction division

## ASX DETAILS

<b>Listed</b>	November, 1993
<b>Total Shares on issue</b>	315.5 million
<b>Market Capitalisation</b>	\$178 million (as at 26/08/2009)
<b>Share Price (52-week high/low)</b>	56.5 cents (97.5c/42c)

## LARGEST SHAREHOLDERS

Leighton Holdings Limited	43.7%
David Devine/Devine Industries Pty Ltd (David Devine – Managing Director)	10.3%
Larrapinta Pty Ltd (Ken Woodley – Marketing Director)	3.1%
Wilmar Enterprises Pty Ltd	1.7%
Citicorp Nominees	1.2%

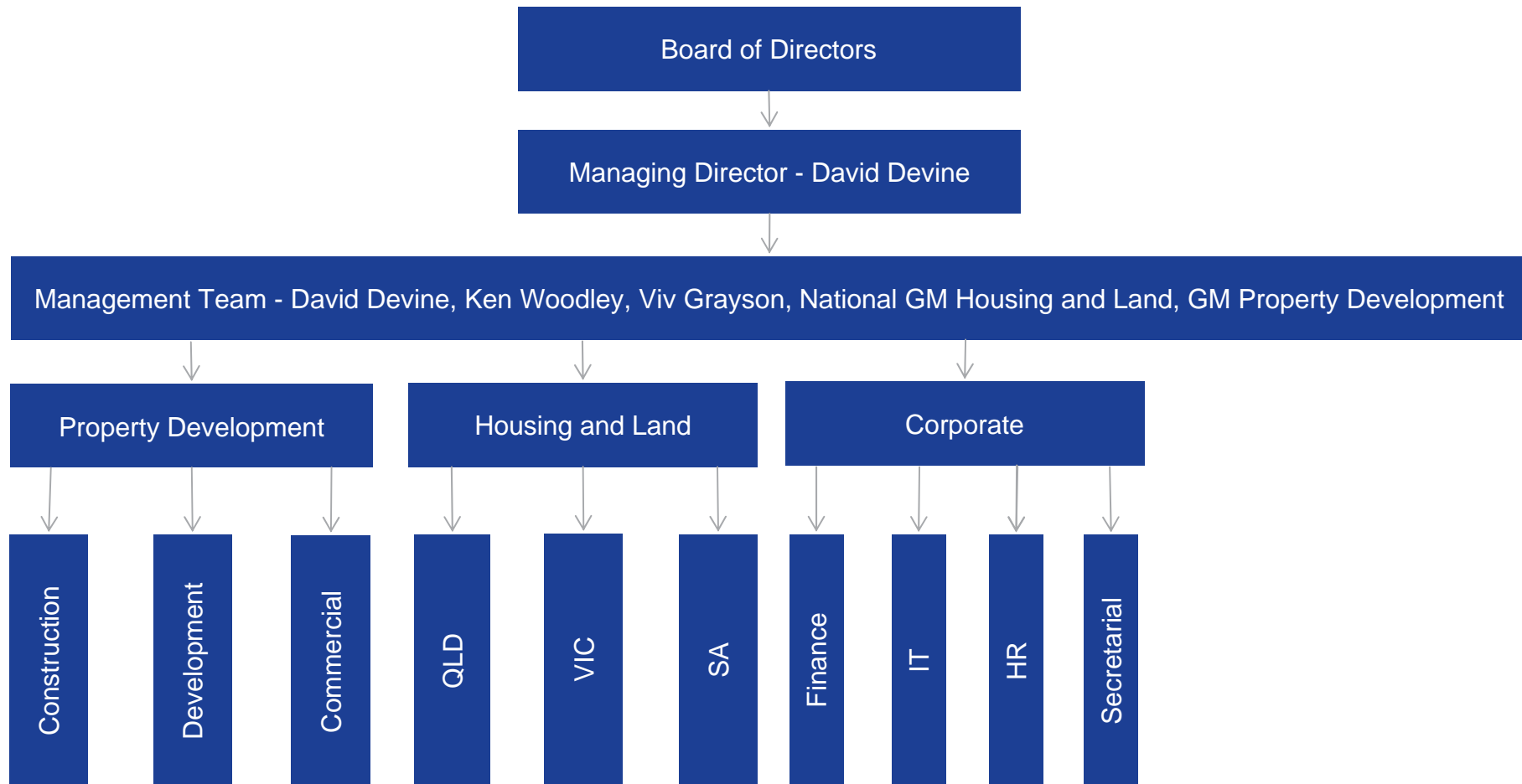
## KEY EXECUTIVES

Managing Director	David Devine
Marketing Director	Ken Woodley
CFO/ Company Secretary	Viv Grayson
National GM - Housing & Land	Luke Hartman
Manager – Property Development	Terry Conway
National Manager - Commercial	Jim Watson
Manager – Devine Constructions	John Kerr
General Manger – South Australia	Steve Weightman

## DIRECTORS

Mr Doug Ridley	Non-Executive Chairman
Mr David H.T Devine	Managing Director
Mr Peter J Ferris AM, KCSG	Non-Executive Director
Hon. Terry Mackenroth	Non-Executive Director
Mr Graeme E McOrist	Non-Executive Director
Mr Richard (Rick) W Parris	Non-Executive Director
Mr Vyrl A Vella	Non-Executive Director
Mr Kenneth (Ken) M Woodley	Marketing Director

# Corporate Structure





# Property Development

## FY09 Highlights

- ICB Central completed ahead of schedule and well within budget. Also \$14M fit out contract completed for State Government
- Final settlement of 333 Ann St
- Construction progressing well ahead of schedule and within budget on Bourke St, Melbourne. Now scheduled for completion June 2010 quarter (previously Sept. 2010).
- Receipt of a development approval on the company's proposed Brisbane CBD office development, "King George Central" which is to be undertaken in a JV with Leighton Properties. Pre-leasing now at 75%.
- Strong pre-sales of residential units in Hamilton Harbour stage 1 with 86% of 257 units now sold. (This project is also a JV with Leighton Properties)



# Major Projects Update



Project	Status	Type	Est. Gross Value
333 Ann St ,Brisbane (pre-sold)	Completed, fully leased and settled in July 08.	Commercial Offices	\$120m
ICB Central, Brisbane (pre-sold)	Project completed ahead of schedule and well within budget in Aug 2008. Pre-sold and fully leased on completion.	Commercial Offices	\$74m
Bourke Street, Melbourne (pre-sold)	47% complete at June 2009, ahead of schedule for June 2010 quarter completion. Devine declaring revenue and profits progressively.	Hotel	\$136m
96 Albert, Brisbane	This proposed future development site in Brisbane CBD to now be sold.		
French Quarter (Brisbane) – incl. Margaret St	Continuing to progress the submission of an application for a development approval for this exciting future redevelopment opportunity.	Residential/Mixed-use	\$740m

## Devine/Leighton Properties Joint Ventures

145 Ann Street (Brisbane)	Development approval received during first half. Pre-leasing is well advanced with 75% pre-leased.	Commercial Offices	\$220m
Hamilton Harbour (Brisbane )	Development approval now received and marketing of first stage of residential commenced March 2009. First stage 86% sold.	Commercial/ Residential/Retail	\$500m
Queensland Rail Site (Townsville)	Development application lodged with Townsville City Council and will be progressed through the second half.	Residential/ Commercial/Retail	\$1,300m

# JV Project Overview Hamilton Harbour

## PROJECT PROFILE

Location	Hamilton, Brisbane
Site	2.1 ha
JV Partner	Leighton Properties Pty Ltd
Style	Mixed-use precinct with residential, office and retail components.
Value	\$500 million
Commencement	Dec Qtr 2009
Est. Completion	Staged development over approximately 5 years

Hamilton Harbour is the first joint venture between Devine and Leighton Properties and is planned as a vibrant community of apartment dwellers, urban office workers, stylish showrooms, lively cafes and other retail outlets.

**The project masterplan was approved early in the March quarter with residential sales and a comprehensive leasing campaign commenced shortly thereafter. The project has received a positive response from both buyers and potential tenants.**

When complete, Hamilton Harbour will consist of approximately 18,500 square metres of prime green office space - PCA A-Grade and Five Star Green Star rating, 6,000 square metres of retail and showroom facilities and in excess of 650 apartments.

The 1.5ha property is at 485 Kingsford Smith Drive and 29 Hercules St. It is in the heart of the Australia TradeCoast region next to the Port of Brisbane Corporation's North Shore development with Multiplex's Portside Wharf and cruise-ship terminal project.





# JV Project Overview Southbank Townsville

## PROJECT PROFILE

Location	Townsville CBD
Site	17.3ha
JV Partner	Leighton Properties Pty Ltd
Style	Mixed-use precinct with residential, office and retail components.
Value	\$1.3 billion
Est. Commencement	Late 2010
Est. Completion	Staged project over 7-10 years



Southbank Townsville is a mixed-use village proposed for the site of the old State Government owned QR rail yards, a 17.3 hectare site on the south bank of Ross Creek less than 600 metres from Townsville City GPO.

Conceived as Australia's largest sustainable mixed-used urban renewal development, which is anticipated to feature:

- A social and environmental design
- Residential apartments and townhomes
- Commercial office space
- High Street retail shopping
- Restaurants, cafes and bars
- Parks, riverside boardwalks and green public space.

The \$1.3 billion mixed-use development will also feature ocean views and outstanding views of Castle Hill's iconic southern profile.

**The JV partners are progressing the relevant development approvals to allow works to commence on the first stage which is anticipated to occur in late 2010.**



# JV Project Overview Southbank Townsville





# JV Project Overview

## 145 Ann St

### PROJECT PROFILE

Location	145 Ann Street, Brisbane
Site Size	0.18 ha
JV Partner	Leighton Properties Pty Ltd
Style	Commercial office with NLA of ~27,000 sqm
Value	\$220 million
Est. Commencement	Dec. 2009 Qtr.
Est. Completion	Mid 2012

A conditional 120-year lease has been entered into with the Presbyterian Church on this site.

A 27-level office development to be known as “King George Central” is planned for the site by the Devine/Leighton Properties JV.

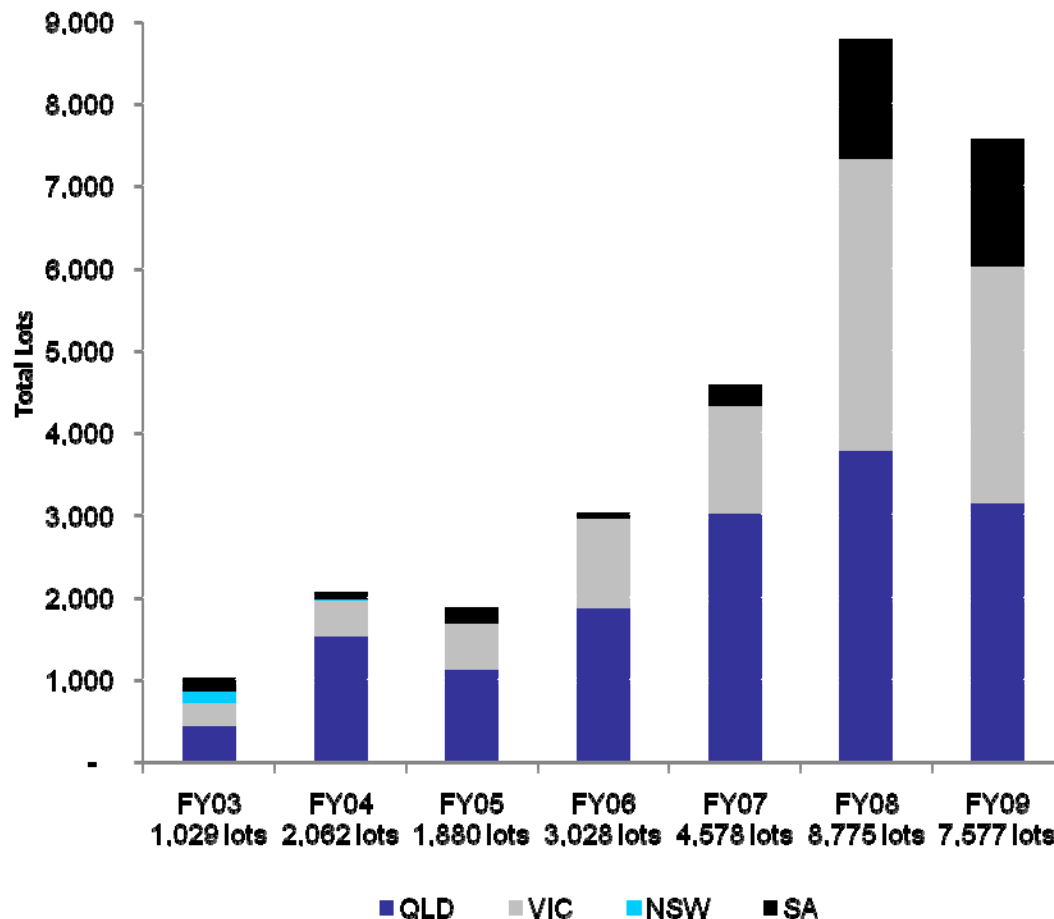
**Development approval for the tower was received in the first half and pre-leasing of the building is now at 75%.**



# Housing and Land



**Residential Land Lots Owned/Controlled as at 30 June**



- Housing and Land delivered increased profits despite overall flat market conditions
- Victorian and South Australian markets performed well, reflecting the relative levels of affordability compared to Queensland
- Continuing strategy of selling developed land to other builders introducing new housing designs on most residential estates and opening new display centres.
- Land bank as at 30 June, 2009, was 7,577 equivalent lots.
- Existing land inventory well suited to meet increased demand from first home buyers.
- The company continues to pursue joint venture opportunities having recently entered into its fourth land JV. This strategy optimises capital usage and the management of risk.

# House & Land



Another quality development by

*Devine*<sup>®</sup>  
**Communities**  
Places you'll love to call home

Devine Communities designs and develops lifestyle residential communities and, in some instances, offers house and land packages in conjunction with other land developers.

For many of its estates, the company marries specific designs with particular allotments, enabling buyers to enjoy homes that have maximum harmony with the land and produce a desirable streetscape.

Devine designers take into account the outlook, solar orientation and most advantageous position on the block when allocating home designs.

*Devine*<sup>®</sup>  
**Homes**

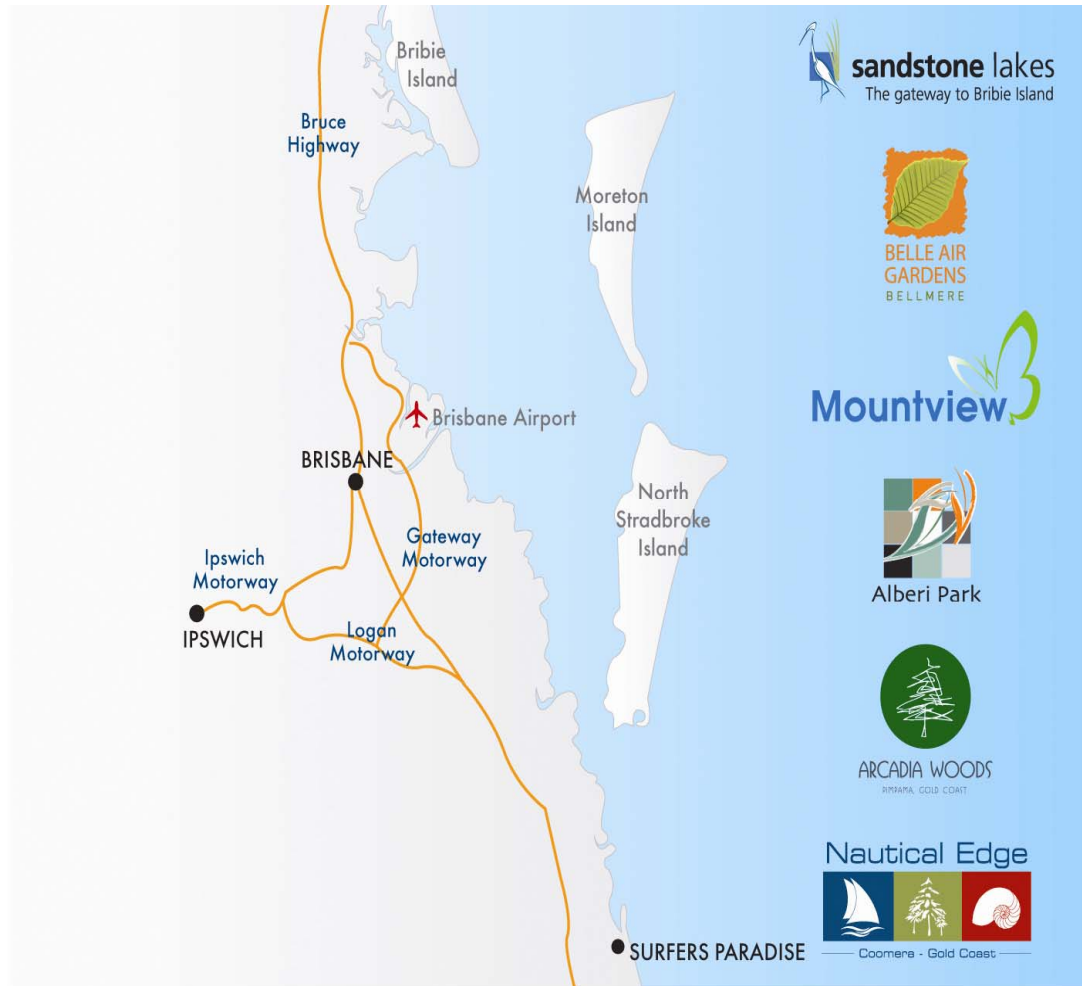
Devine Homes designs, markets and builds a range of single and double storey homes to suit a range of budgets. The division provides product to meet the investor market as well as owner occupier markets, specifically first home buyers in Queensland, Victoria and South Australia.

Devine Homes' competitive difference includes fixed priced packages and attractive finance options.

Devine Homes has won a range of awards including the industry's most prestigious award at the 2009 Master Builders Association Housing and Construction Awards.



# Queensland Communities



# Victoria Communities





# SA Communities



*"Lakeside" townhouses*

# Devine Constructions

- Delivered ICB Central ahead of schedule and within budgeted costs.
- Awarded \$14 million fit out contract for the building by tenant, Queensland Health. Completed May 2009.
- Awarded construction contract for Hamilton Harbour project, a Devine/Leighton joint venture.
- Also tendered for and secured \$10M of work from State government for the new schools program
- Construction capability provides Devine with a competitive advantage when considering new development opportunities.
- Currently no plans to tender for third party work other than selected government work.



## Body Corporate and Property Management

- Devine acquired the SSKB body corporate and property management business in September 2007.
- Following a strategic review of the Devine Group in April 2009, a decision was taken to sell the business. This has now occurred with completion of the sale being finalised on 26 August 2009.





## Outlook

- Entering 2009/10 financial year with strong level of work in hand.
- Tight lending conditions that are present in debt markets present some challenges to the property sector and could restrict supply of developed land to the market. This is also seen as putting Devine in a positive position to further increase land development activities over the coming year.
- Hamilton Harbour and King George Central forecast to commence later this calendar year subject to finance being secured.
- Market fundamentals in the Housing sector remain sound and Devine remains well placed to benefit from the economic stimulus being given by the Federal and State Governments to the new home sector through the increased FHOG.
- The overall economic environment remains uncertain.
- Forecasting in the current environment is very difficult however, in providing guidance for the 2009/10 year, Directors expect to report an operating profit around 15% up on the year just ended.



# Company Profile



## 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 Devine, is listed on the Australian Securities Exchange (ASX) and has a market capitalisation of approximately \$178 million. Devine has a current national pipeline of land developments and projects which, when completed and sold, will have an end value exceeding \$2.5 billion. Devine's operations include housing, community development, medium density and high-rise residential developments and an in-house construction division. Devine is 43.7% owned by Leighton and together the companies are progressing three joint venture projects with a combined end value of around \$2 billion.

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