



## Devine Limited – Annual General Meeting

11.00am – 30 October, 2009  
Customs House, Brisbane

*Devine*<sup>®</sup>  
LIMITED

# Agenda



1. Welcome
2. Chairman's Address
3. Managing Director's Address
4. Formal Business



## 2009 AGM



**CHAIRMAN'S ADDRESS**  
**MR DOUG RIDLEY**



# 2009 AGM



## MANAGING DIRECTOR'S ADDRESS MR DAVID DEVINE



# FY09 Financial Highlights

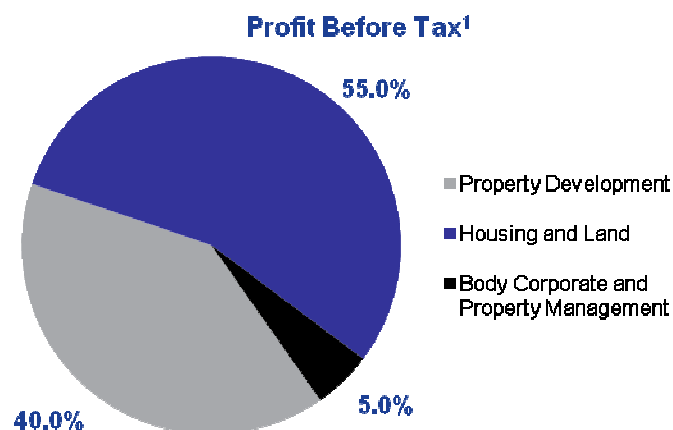
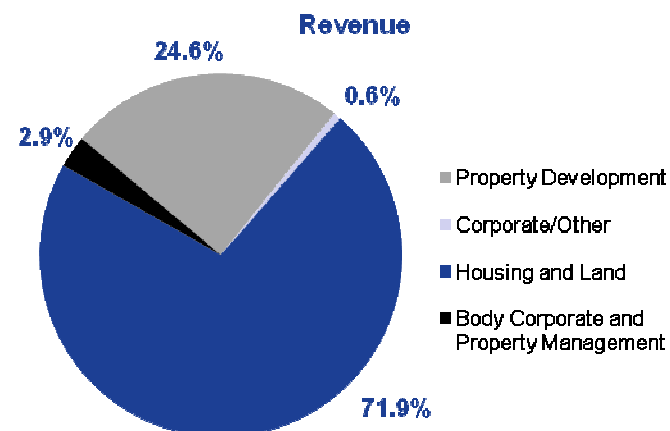


\$M	30 June 2009	30 June 2008	% Change
Revenue	440.50	577.52	(23.7)
EBIT	39.05	68.23	(42.8)
NPAT	16.70	31.85	(47.6)

EPS Basic	5.7 cents	12.1 cents	(52.9)
EPS Diluted	5.6 cents	11.9 cents	(52.9)
Interim Dividend	3.0 cents	4.0 cents	(25.0)
Final Dividend	Nil	4.0 cents	N/A

Total Assets	673.18	759.39	(11.4)
Net Assets	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.



1. Excludes \$4.7m loss before tax attributed to Corporate/Other division



# FY09 Highlights

## Financial

- 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)

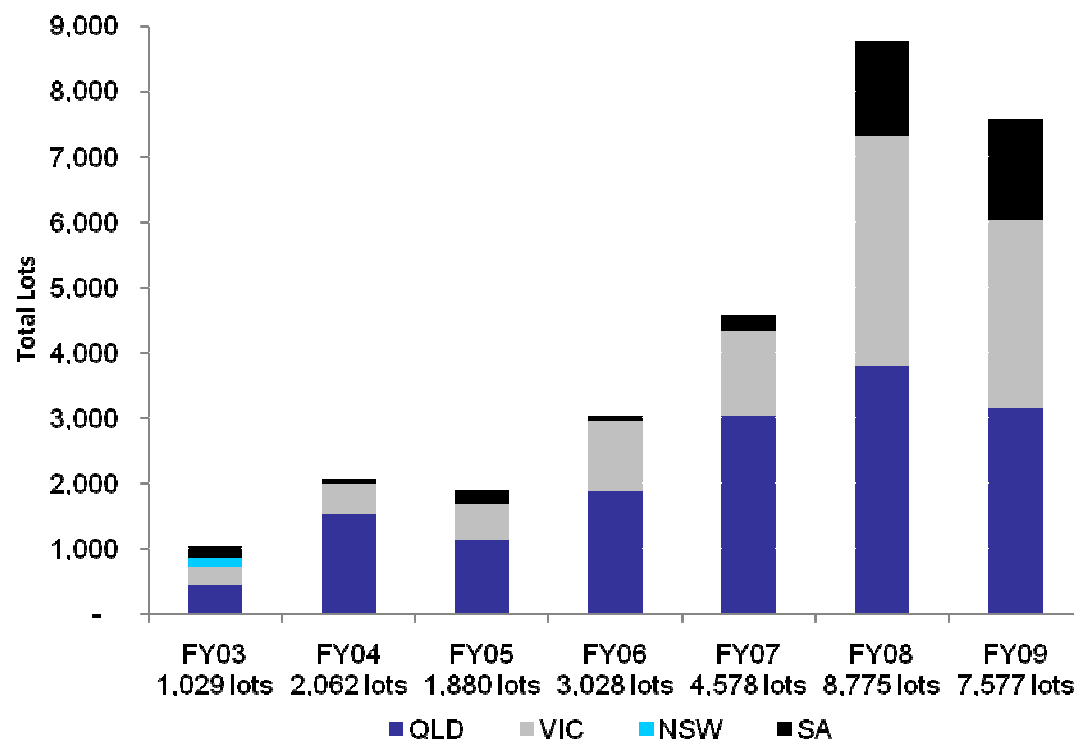


# Housing and Land



\$M	FY 2008/09	FY 2007/08	% Change
<b>Housing and Land</b>			
Revenue	322.54	277.73	16.1
Profit (Loss) Before Tax	14.67	4.52	224.6

**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.

# Property Development



\$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)

## 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 65%.
- Strong pre-sales of residential units in Hamilton Harbour stage 1 with 89% 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	Project sold. October 2009.		
French Quarter, Brisbane	Project placed on market via international campaign in September 2009.	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 65% pre-leased.	Commercial Offices	\$220m
Hamilton Harbour (Brisbane )	Development approval now received and marketing of first stage of residential commenced March 2009. First stage 89% 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

# 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 approx. \$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.
- A breakeven result achieved on sale.





## 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 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 underlying operating profit around 5 - 10% above the profits reported for the 2008/09 year.





## 2009 AGM



## FORMAL BUSINESS

# Resolution 1



*“That the Remuneration Report as contained in the director’s report section of the Company’s annual report, be adopted.”*

<b>For</b>	194,853,741
<b>Open</b>	5,132,159
<b>Against</b>	6,731,741
<b>Total</b>	206,717,641
<b>Abstain</b>	354,336

## Resolution 2



*“That Doug Ridley, who retires by rotation in accordance with rule 79 of the Company’s constitution, and being eligible, be re-elected as a director of the Company.”*

<b>For</b>	200,615,097
<b>Open</b>	5,145,535
<b>Against</b>	1,182,269
<b>Total</b>	206,942,901
<b>Abstain</b>	129,076

## Resolution 3



*“That Rick Parris, who retires by rotation in accordance with rule 79 of the Company’s constitution, and being eligible, be re-elected as a director of the Company.”*

<b>For</b>	200,473,141
<b>Open</b>	5,147,017
<b>Against</b>	1,317,019
<b>Total</b>	206,937,177
<b>Abstain</b>	134,800



## Resolution 4



*“That Vyril Vella, who retires by rotation in accordance with rule 79 of the Company’s constitution, and being eligible, be re-elected as a director of the Company.”*

<b>For</b>	200,532,422
<b>Open</b>	5,182,649
<b>Against</b>	1,263,462
<b>Total</b>	206,978,533
<b>Abstain</b>	93,444

# Company Profile



## ABOUT DEVINE:

Devine Limited is a leading Australian property developer with diversified operations in Queensland, Victoria and South Australia. The company was formed in 1981 by current Managing Director David Devine, and listed in 1993 on the Australian Securities Exchange (ASX) and has a market capitalisation of approximately \$155 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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