

ASX RELEASE

20 November 2012

ASX Market Announcements
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Rue de Chapel reaches settlement

In accordance with listing rule 3.1, Watpac Limited today announced that the first tranche of residential apartment sales at its Melbourne property – Rue de Chapel – had reached settlement in the past 24 hours.

The sales returned an initial net capital to the Group of \$25 million, which reduced Group property debt to below \$50 million.

A press release is attached.

Yours sincerely,
WATPAC LIMITED



Mark Baker
COMPANY SECRETARY

WATPAC LIMITED
ABN 98 010 562 562

Level 1, 12 Commercial Road
Newstead QLD 4006

PO Box 2053
Fortitude Valley QLD 4006

Phone 07 3251 6300
Fax 07 3251 6393
Web www.watpac.com.au



PRESS RELEASE

20 November 2012

Watpac's landmark Melbourne property reaches settlement

Watpac Limited ('Watpac' or 'Group') today announced that the first tranche of residential apartment sales at its landmark residential property in Melbourne – Rue de Chapel – had reached settlement.

Watpac Chief Executive Officer Martin Monro said that, as scheduled, 59 of the 84 residential apartments in the building located in Chapel Street, Prahran, had settled in the past 24 hours, proving an initial net capital return to the Group from the project of \$25 million.

He said the sales at Rue de Chapel meant the Group had now disposed of \$57 million in property assets since 30 June 2012, which was in line with its current strategy.

"The recent sales at Rue de Chapel have reduced Group property debt to below \$50 million, and with 21 more sales scheduled to settle over the next few weeks, this level will fall below \$40 million by half year end," Mr Monro said.

"This is a very pleasing result for our shareholders. These sales not only generate development profit for the Group but result in further reduction to property asset gearing levels, which now sit below 30 per cent on current book value," he said.

"We have made it clear that repatriated capital from property asset sales will be used to repay debt and invest in existing market segments that demonstrate an ability to meet our return-on-capital metrics.

"Our first priority though is to reduce property asset debt levels, and we will continue to do so through further planned asset sales over the remainder of this financial year."

Mr Monro said Rue de Chapel was an outstanding example of residential construction and congratulated the new owners and investors on reaching settlement.

"Rue de Chapel is our first Watpac Property development in Melbourne and we are incredibly pleased with the results – it is an extremely impressive building in a very vibrant and desirable location," he said.

"The building was constructed by Watpac's Victorian Construction business unit, so the completed project is also testament to our building delivery capabilities."

For further information: Media – Anita Kharbanda, Corporate Affairs Manager on 07 3251 6333 or 0420 696 937
Investor Relations – Mark Baker, Chief Financial Officer on 07 3251 6442

Note to editors: Watpac is a leading, national construction, civil and mining contracting and property development group. We have been listed on the Australian Stock Exchange since 1985 and have offices in Brisbane, Townsville, Sydney, Melbourne, Adelaide and Perth. More information is available at www.watpac.com.au.

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ABN 98 010 562 562

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The Watpac Board has made clear that it will continue to explore development opportunities for assets in the existing portfolio as a means of extracting value.

Watpac Property is currently marketing two residential developments – the Luxton in Prahran, Melbourne and Addison Quays in Bulimba, Brisbane.

“Pre-sales targets on both properties are progressing in accordance with forecast,” Mr Monroe said.

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