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DEVINE LIMITED 2012 FULL YEAR RESULTS

Leading residential developer Devine Limited (ASX: DVN) today announced its full year results for the 12 months ended 30 June 2012 (FY12), with the company's focused strategy delivering a number of operational achievements despite a range of market-based challenges.

An underlying profit after tax of \$11.1 million was delivered by the Group. The full year statutory result of an after tax loss of \$12.9 million included an impairment charge of \$24.0 million after tax against a number of assets.

The result was within the prior guidance issued by the company in June 2012.

Reflecting the company's underlying earnings, positive operating cashflows, strong balance sheet and improving outlook, the Directors have declared a final, fully-franked dividend of 2.0 cents per share, taking full year dividends to 4.0 cents per share.

Devine's Managing Director and Chief Executive Officer David Keir said the full year results reflected the difficult trading conditions across the property sector over the past 12 months.

"Property and housing markets continue to be impacted by low consumer confidence, with demand hampered by global and domestic economic uncertainty. Sales levels over the past 12 months were also impacted by the lending practices of banks and the conservative approach taken by valuers and the winding back of government stimulus in our key markets."

"Importantly, we were able to respond quickly to the decline in demand, with strategic and operational reviews delivering reduced overheads and more streamlined operational processes."

"Despite the external challenges the business was able to execute a number of opportunities during the year that will underpin our medium and long term success. We are particularly pleased with the progress at Hamilton Harbour and encouraged by demand at our resource and energy exposed developments in Gladstone and Townsville."

Highlights for the year include:

- A total of 425 settlements in the first two towers at the Hamilton Harbour mixed-use joint venture development in Brisbane. Tower three settlements are expected to commence prior to December 2012 and contribute to current year earnings;
- Devine's in-house construction business completed work on the first two residential towers at Hamilton Harbour and was awarded the \$70 million contract to build the third residential tower and the \$25.6 million contract for the first commercial building in the precinct;
- Early success of the strategic expansion into the wholesale building market with more than 490 houses and retirement units being contracted during the year with these to be delivered over the next two years;
- Commencement of marketing on the company's \$58 million DoubleOne 3 development at Teneriffe in Brisbane. To date approximately 40% of apartments have been sold with construction due to commence in early 2013;



Development approval for a \$1.4 billion master-planned residential community in Gladstone. Marketing of the community commenced in February 2012 with the first two stages sold out within two months;

Mr Keir said the company remained committed to pursuing the Company's strategic plan. This strategy has seen Devine expand and diversify its product offering, price points and geographic locations, while maintaining a strict focus on capital efficiency and high-value growth opportunities.

"Whilst market conditions continue to remain challenging, we have clearly identified and articulated priorities for growth and remain committed to the potential for these priorities to deliver long term value for shareholders," Mr Keir said.

Growth priorities include continuing to capitalise on wholesale building opportunities, replenishing land stocks in a capital efficient and opportunistic manner, re-entering the New South Wales market, and expanding the Devine Constructions business.

Devine's directors expect core markets in Queensland, Victoria and South Australia to start showing improvement throughout the 2013 calendar year as the combined impact of lower interest rates, improved housing affordability and historically low unemployment help to improve sentiment towards residential property. With a development pipeline of 14,500 equivalent lots, the company is well positioned to capitalise on any improvement in markets over the medium to long term.

Until the timing and strength of the expected recovery is confirmed, the Directors are unable to provide profit guidance for FY13 with any degree of certainty.

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