



Corporate Office | Ground Floor 9 Ouyan Street Bundall QLD 4217
PO Box 7720 G.C.M.C.Bundall QLD 9726
P. 07 5588 8888 | F. 07 5588 8800 | info@villaworld.com.au | villaworldgroup.com.au

ASX ANNOUNCEMENT/MEDIA RELEASE

VILLA WORLD REPORTS FULL YEAR RESULTS FOR YEAR TO 30 JUNE, 2011

- Statutory Net profit after tax of \$13.8 million (30 June 2010: \$18.2 million).
- Operating profit of \$9.6 million, compared to \$21.1 million in prior year.
- NTA of \$1.78 per security up 2% from \$1.74 per security
- Gearing as at 30 June 2011 of 23.5% (30 June 2010: 27.2%)
- Acquisition of 706 lots for development pipeline
- Increase in number of allotments at Eynesbury Township (Joint Venture) by 1,600 lots to 4,506
- 1 for 5 securities consolidation approved 30 June 2011
- On market securities buy back commenced on 14th July 2011

Leading residential developer Villa World Group (ASX: VLW) remains well placed to benefit from any improvement in the residential housing market after today reporting another year of positive earnings and lower debt.

The final result for the year to 30 June, 2011 was a Net Profit after Tax (NPAT) of \$13.8 million, compared to a profit of \$18.2 million for the previous year. Net tangible assets (NTA) of the Group at the end of the year were \$152.1 million, representing \$1.78 per security.

The Group reported total revenues and other income of \$110.8 million. The operating profit (before tax and fair value adjustments, impairments/release of impairments and non-recurring items from discontinued operation expenses) of \$9.6 million was down from \$21.1 million in the prior year.

A total of 12 projects contributed to FY2011 profit, with total sales of 497 lots compared with 923 in 2010. Sales lower in the current year largely as a result of a several projects being completed in the 2010 year, new projects now commencing until 2H12. An average gross margin of 26.8% per lot was achieved. The Group has total net lots under control of 5,142, including proportional joint-venture ownership.

Demand for Villa World's core product – affordable housing in outer suburban locations – performed well in the first half of the year. However, markets softened significantly in the second half as consumer confidence was undermined by a string of natural disasters in Queensland, increased cost of living pressures, interest rate uncertainty and poor global economic sentiment.

The Group's strategy remains unchanged with a focus on its core business of developing affordable residential communities, combined with prudent capital management and maintenance of strong leverage and gearing ratios.

The group commenced an on-market security buy-back of up to 10% of its issued capital on the 14th July 2011. To date 4,723,941 securities have been bought by Villa world at an average of \$0.85 per security including brokerage.

No final distribution/dividend to be paid for the 2011 year.

ENDS

Media enquiries: John Potter
Managing Director
(07) 5588 8888

INCORPORATING



Villa World Limited {Company} ABN 38 117 546 326
Villa World Trust {Trust} ARSN 104 482 206
Villa World Management Limited ABN 77 116 506 882 AFSL 304 866
ASX Code: VLW