



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 304866
ASX Code: VLW

28 October 2011

ASX Announcement

LETTER TO SECURITYHOLDERS

Please see attached letter sent to Securityholders today in relation to the Replacement Notice of Meetings and Explanatory Memorandum released to the ASX on 26 October 2011.

Enquiries to:

Louse Edwards
Company Secretary
Villa World Limited

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28 October 2011

LETTER TO SECURITYHOLDERS NOTICE OF ANNUAL GENERAL MEETING/ PROXY FORM

We refer to the Notice of Annual General Meeting sent to you on 21 October 2011. Due to an administrative error, the Explanatory Memorandum accompanying the Notice of Annual General Meeting omitted certain changes intended to be incorporated in the final version to be sent to securityholders.

The replacement Explanatory Memorandum was released to ASX on 26 October 2011 and can also be accessed at www.asx.com.au and on our website at www.villaworldgroup.com.au.

Differences between the earlier Explanatory Memorandum and the replacement Explanatory Memorandum

Set out below are the key differences between the earlier Explanatory Memorandum and the replacement Explanatory Memorandum. Villa World apologises to securityholders for any inconvenience this has caused.

Voting exclusion

The Explanatory Memorandum omitted to include information regarding restrictions on the circumstances in which the responsible entity and its associates would be excluded from voting interests on Resolution 6. This information is set out on page 3 of the replacement Explanatory Memorandum under the heading "Voting Exclusions".

Corporatisation and Buy Back are independent resolutions

The Corporatisation (as described in section 5 of the Explanatory Memorandum) and the buy-back the subject of resolution 6 are unrelated. The buy-back may proceed whether or not the Corporatisation Resolutions are passed. Further details are provided in the replacement Explanatory Memorandum in this regard on page 7 under the heading "Corporatisation and the Buy-back".

Buy-back is being made under ASIC Class Order 07/422

The Explanatory Memorandum stated that Resolution 6 on the Buy-back was required by section 257C(1) of the Corporations Act. The replacement Explanatory Memorandum states that Resolution 6 is also required by section 601KH(8) of the Corporations Act as inserted by ASIC Class Order 07/422 (see page 7 of the replacement Explanatory Memorandum). The relevant requirements of section 601KH(8) are identical to the requirements of section 257C(1).

Market price available on the ASX website

The Explanatory Memorandum omitted to include a statement that information regarding the market price of Villa World Group securities, including the up to date market price, can be found on the website of the ASX.

Board's intention to vote in favour of the Buy-back resolution

The Explanatory Memorandum stated that each Board member intends to vote in favour of Resolution 6. The replacement Explanatory Memorandum states that this is subject to any voting exclusion set out on page 3 (see page 9).

Minor amendments to the advantages and disadvantages of the Buy-back

The replacement Explanatory Memorandum contains a small number of minor variations to the list of advantages and disadvantages of the Buy-back (see page 8).

ASIC relief

The earlier Explanatory Memorandum stated on pages 19 and 22 that the Australian Securities and Investments Commission ("ASIC") had granted certain relief and exemptions from the Corporations Act to Villa World. ASIC has however only agreed in principle to grant the relief.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Louise Edwards".

Louise Edwards
Company Secretary

INCORPORATING



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