

ASX ANNOUNCEMENT



17 May 2018

VILLA WORLD LIMITED ABN 38 117 546 326 ASX CODE: VLW

3Q18 Operational Update

Flagship project releases have contributed to a strong third quarter sales result, with the Company recording 1,281 sales to the end of April 2018. The average sales rate has increased to 141 sales per month in 2H18, and the Company expects to exceed its sales target of 1400 lots.

Following the recent events in the banking industry, the Company has observed that purchasers across all buyers segments are taking a longer time to gain unconditional finance.

The Company is targeting FY18 NPAT of \$41.6 million, and will closely monitor sales conversion, as well as product delivery and land title registration towards the end of 2H18 and will provide further update if necessary.

The Company continues to target a FY18 dividend of at least 18.5 cps fully franked (1H18 8 cps; 2H18 expected dividend of at least 10.5 cps).

Market Update

Victoria

Sales in the Victorian market continue to be strong, having come off the peak of late calendar year 2017. The Company is continuing its strong track record in Melbourne's greenfield corridors. The 412 lot *Lilium* project in Clyde North continues to sell very well, with the first seven stages nearly sold out, and construction due to commence mid-year. These pre-sales will be carried forward, with settlement expected in 2H19.

The 555 lot *Sienna Rise* project continues to deliver very strong sales. These pre-sales will be carried forward, with settlement expected late in FY19. The Company's projects in the north-west suburb of Plumpton have now received Precinct Structure Plan gazettal, with construction starts subject to state and local government planning approvals.

Queensland

The Queensland market remains strong with several flagship projects providing significant exposure in a market with expected growth potential.

In the Logan corridor, the 700+ lot *Killara* residential community is attracting strong buyer interest, with the first five stages nearly sold out. Significant delivery is due to complete in June 2018. Nearby *Covella* has launched in 2H18, and has recorded strong sales over the first three stages. The first four stages of land releases at *The Orchard*, Doolandella have sold strongly, with delivery due in June 2018.

On the north side, the 109-lot house and land *Silvan Rise* in Dakabin continues to sell well. Early sales have been recorded at the 402 lot development, *The Meadows*, at Strathpine, ahead of the official launch in late May. The Company's projects on Brisbane's south side, *Rochedale Grand* and *Seascape* are nearing sell-out.

On the Gold Coast, *Arundel Springs* has recorded strong sales across four stages. The first town homes overlooking the central park are to be released in the first half of FY19.

New South Wales

Planning regulations delayed the start of construction at *Allure*, in Sydney's north-west, and *The Concourse* in Sydney's south-west. The Villa World completed house and land packages have been well received by the market since display openings, but softening market conditions will temper the Company's growth in the New South Wales market.

VILLA WORLD LIMITED

Level 1 Oracle West,
19 Elizabeth Avenue, Broadbeach QLD 4218
Shareholder queries:
Email: securityholder@villaworld.com.au
ABN 38 117 546 326 ASX CODE: VLW

SHARE REGISTRY

Computershare Investor Services Online:
www.investorcentre.com
By mail: GPO Box 2975, Melbourne VIC 3001
Tel: (within Australia) 1300 651 684
(international) + 61 3 9415 4000

villaworld.com.au

ASX ANNOUNCEMENT



Construction of the sold-out 87 land only lots at the *Bella Vista* estate is near complete, with registration and title pending authority approvals. Settlement of this project is expected in early FY19.

Established in 1986, Villa World is an ASX300 listed residential property developer, specialising in contemporary Australian homes and land, in master planned communities in east coast States.

For enquiries:

Craig Treasure

CEO/Managing Director

Tel: (07) 5588 8888

securityholder@villaworld.com.au

VILLA WORLD LIMITED

Level 1 Oracle West,
19 Elizabeth Avenue, Broadbeach QLD 4218
Shareholder queries:
Email: securityholder@villaworld.com.au
ABN 38 117 546 326 ASX CODE: VLW

SHARE REGISTRY

Computershare Investor Services Online:
www.investorcentre.com
By mail: GPO Box 2975, Melbourne VIC 3001
Tel: (within Australia) 1300 651 684
(international) + 61 3 9415 4000

villaworld.com.au