

1 December 2015

## **EARNINGS GUIDANCE UPDATE**

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Residential developer Devine Limited (ASX: DVN) provides a further update on its full year earnings to 31 December 2015.

Due to a combination of items including further delays in relation to the delivery and registration of land titles in the Communities business and additional losses with respect to Devine Constructions, Devine has reduced its guidance to a loss before tax of greater than \$11 million for the year ended 31 December 2015. The revised guidance excludes any costs associated with the current CIMIC take-over offer.

Since the previous earnings guidance, the business units at both an operational and transactional level have identified items including the following.

- Additional trade letting losses to those previously identified within Devine Constructions will have an impact of approximately \$3 million. These losses are expected on projects where Devine Constructions has contracted to external parties and are not expected to be recoverable.
- A further reduction in land settlements (155 settlements) as a result of additional delays in civil construction and land title registration. A number of lots in stages that have pre-sales in both Victoria and Queensland will not settle this year as a result of the delays. These settlements will occur in calendar year 2016.
- The announcement of the intended take-over by CIMIC has caused an external party to withdraw from a proposed joint venture transaction in relation to a project in the Apartment and Development business.

### **Devine receives notice of intention to resume Southbank Townsville**

A joint venture owned by Devine and Leighton Properties has received a Notice of Intention to Resume from Townsville City Council in relation to the joint venture's Southbank Townsville site. The resumption notice is to provide for the proposed new Townsville Convention Centre and Stadium development. Devine will consult with its joint venture partner in determining its response to this notice. Devine is not currently in a position to assess how the resumption might impact future performance; however, notes that a resumption may impact the carrying value of the Southbank asset.

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For further information contact:  
Craig Bellamy  
Acting Chief Executive Officer  
Devine Limited  
Ph: (07) 3608 6302