

ASX ANNOUNCEMENT



SUCCESS
THROUGH
PROPERTY

7 December 2015

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

FY16 Guidance Upgrade, Eynesbury Sale Completion

- FY16 Guidance of 15% EPS growth to 29.6 cps (FY15 EPS: 25.6 cps).
- Guidance for FY16 profit before tax revised up to \$46.6 million¹ (FY15: \$29.4 million).
- Guidance for FY16 NPAT of \$32.6 million (FY15: \$25.6 million).
- Dividend of at least 16 cps reaffirmed for FY16.
- Settlement of the Eynesbury project completed on 7 December 2015.

FY16 Guidance

On 19 August 2015, the Company announced that its net profit before tax for FY15 was \$29.4 million, and that the Company was targeting net profit before tax for FY16 of \$40.5 million.

The Board is pleased to advise that as a result of continued strong market conditions and the completion of the Eynesbury sale, the Company now expects the net profit before tax (subject to audit), for the full year ending 30 June 2016 to be \$46.6 million². Profit is expected to be consistent between the halves.

With the Company returning to an effective tax rate of 30% (FY15: 13%) in FY16, the Company is targeting net profit after tax of \$32.6 million (FY15: \$25.6 million). The Company is targeting a second year of strong earnings per share growth, with 15% expected growth in FY16 to 29.6 cps (FY15: 25.6 cps), which follows 17% EPS growth in FY15 (FY14: 21.8 cps).

It is the intention of the Board to continue the payment of dividends in accordance with the stated payout policy of 50% to 75% of NPAT, paid semi-annually. The Company reaffirms dividends in FY16 are expected to be at least 16 cps fully franked (FY15: 16 cps).

1H16 results are expected to be released to the ASX on 17 February 2016.

Eynesbury Sale Completion

As previously announced, the Company entered into unconditional contracts for the sale of the Eynesbury project (in which the Company holds a 50% interest). Settlement of the first \$30 million (plus GST) tranche (comprising part of the land and the golf course business) was completed on 27 June 2014.

¹ Previous profit before tax guidance of \$40.5 million (19 August 2015).

² Including a share of profit from the Eynesbury joint venture of \$3.6 million primarily representing the increase in selling price and extension fees; previous guidance assumed \$1.3 million share of profit from the Eynesbury joint venture.

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The Company is pleased to announce that settlement of the second tranche (comprising the balance of the land) was completed on 7 December 2015 at a sale price of \$34.5 million (plus GST). The sale price was increased from \$30 million (plus GST) as part of the arrangements to extend settlement as previously announced by the Company.

The Company's share of profit from the Eynesbury joint venture now included in the FY16 guidance is \$3.6 million³ primarily representing the increase in selling price and extension fees.

\$9.5 million in cash proceeds will be returned to the Company from the Eynesbury joint venture in 1H16.

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³ Guidance released on 19 August 2015 included a Share of Joint Venture Profit related to the Eynesbury project of \$1.3 million.

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