

2 July 2019

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

Update on AVID proposal

Villa World Limited (ASX: VLW) (*Villa World* or the *Company*) refers to its announcement on 2 May 2019 that it had received a revised indicative, conditional, incomplete and non-binding proposal from AVID Property Group Australia Pty Ltd (*AVID*) to acquire all of the shares in Villa World by way of a scheme of arrangement for a cash offer price of \$2.345¹ per share (*Revised Proposal*).

The board of directors of Villa World decided to grant exclusive due diligence to AVID to enable AVID to progress its Revised Proposal and facilitate a binding proposal.

The parties are well advanced in negotiating transaction documentation, and are working diligently in good faith towards resolving the terms which remain subject to final agreement.

Villa World's engagement with AVID is now being conducted on a non-exclusive basis following expiry of the exclusivity period.

There is no certainty that the Revised Proposal will result in a scheme of arrangement being formally proposed. Shareholders do not need to take any action in relation to the Revised Proposal at this stage.

The Company will keep the market informed of any material developments in accordance with its continuous disclosure requirements.

For enquiries:

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¹ Under the terms of the Revised Proposal, the consideration will be reduced by the amount of any dividends or distributions paid by Villa World after the date of the Revised Proposal, but will not be reduced by the 1H19 dividend of \$0.08 per share paid on 2 April 2019.

VILLA WORLD LIMITED

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