VILLA WORLD LIMITED

FY17 RESULTS PRESENTATION
16 AUGUST 2017

AGENDA

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STRATEGIC DIRECTION

RESULTS OVERVIEW

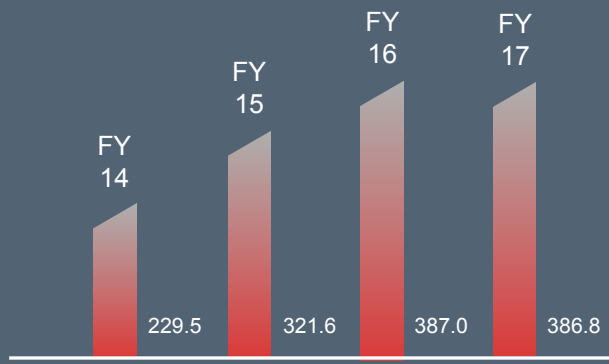
Villa World Limited (ASX: VLW) acquires, develops and markets residential land and house and land estates, across the greenfield growth corridors of east coast Australia.

The Company has a clear and deliberate strategy of seeking consistent, through-the-cycle growth.

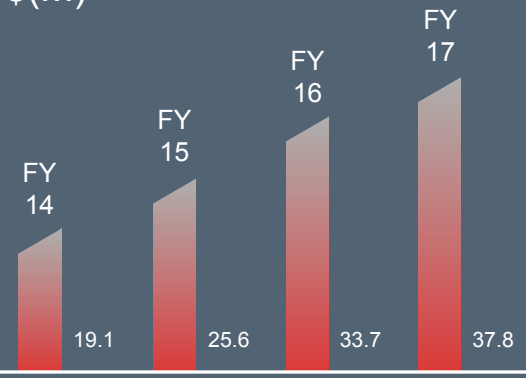
The Company has delivered cumulative EPS growth of 14.3% over the FY14-FY17 period.

The Company is targeting 10% cumulative EPS growth over the FY17-19 period.

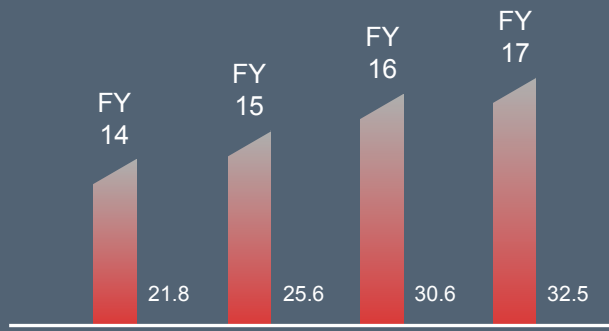
REVENUE
$(M)



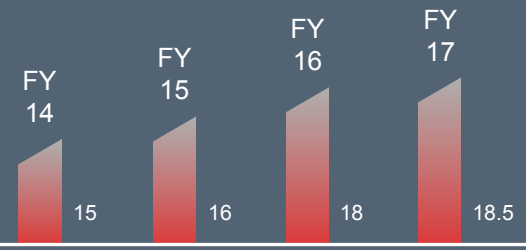
NPAT
$(M)



EPS
(CPS)



DIVIDEND
(CPS)



SALES AND DELIVERY STRENGTH

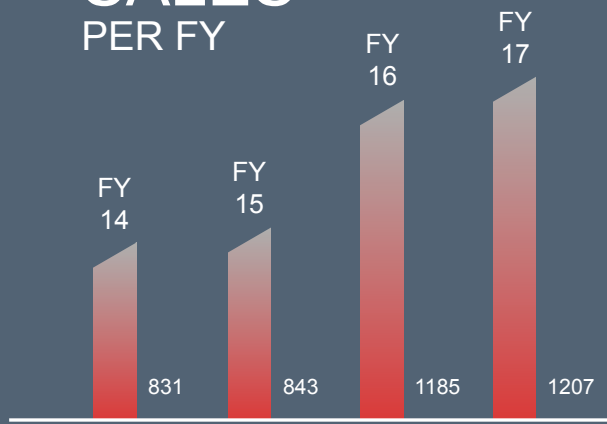
Expanding market share by offering land only product, as well as house and land in all States.

Product mix shifting towards land only.

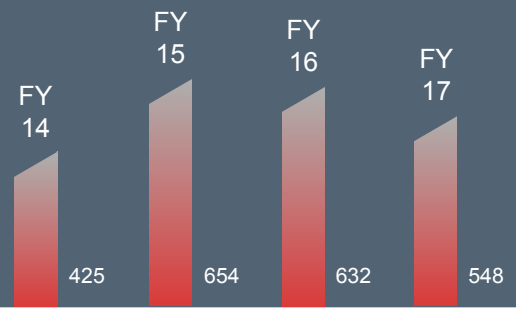
Projects at various points of the life cycle contributed to FY17 sales of 1207 lots:

- 18 projects largely sold out mid FY17, including strong performing projects in Bayside Brisbane and Melbourne
- 8 new projects commenced selling predominantly in 2H17, including four flagship projects in Logan, Gold Coast, Bayside Brisbane and Melbourne. These projects will make a full year contribution to sales in FY18
- 9 new projects to commence selling in mid FY18 across key growth corridors of N-Brisbane, Logan, N-NE Melbourne and SE Melbourne, including five flagship projects.

SALES PER FY

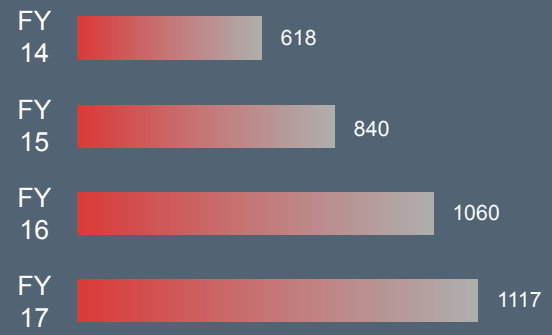


HOMES BUILT



PORTFOLIO

LAND DELIVERED



PORTFOLIO OVERVIEW

Villa World continues to achieve its growth strategy.

Significant portfolio growth through disciplined and targeted acquisitions

Pipeline of 7,832 lots, representing ~6.5 years of sales (at FY17 sales rate).

Portfolio diversified across and within the east coast states.

QLD land bank continues to provide significant exposure to an improving market.

Strengthened VIC land bank being activated through FY18 & FY19 benefitting from strong market.

NSW exposure predominantly through capital lite.

Targeting NSW 20% / QLD 40% / VIC 40% geographical mix as cycles, markets and opportunities allow.

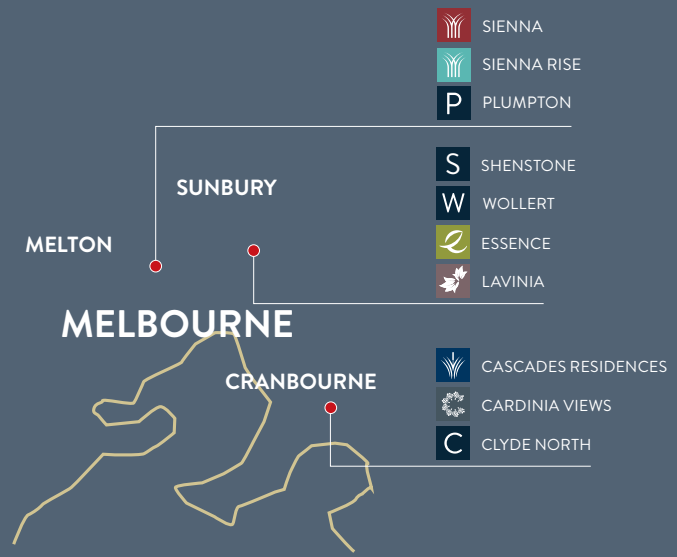
Capital efficient structures (including joint ventures and capital lite) account for 22% of the portfolio.

- QLD wholly owned 51%
- QLD JV CL 11%
- VIC wholly owned 25%
- VIC JV CL 9%
- NSW wholly owned 2%
- NSW JV CL 2%

GROWTH

CABOOLTURE
UPPER CABOOLTURE
EMERALD PARK
BELLMERE
NORTH LAKES
HAVEN ON GREENS
THE MEADOWS
SILVAN RISE
BRISBANE
ROCHEDALE GRAND
THE ORCHARD
FOREST LAKE
SEASCAPE
SPRINGWOOD
REDLAND BAY
CHAMBERS RIDGE
THE SANCTUARY
COVELLA
KILLARA
SPRINGFIELD
BEENLEIGH
SEABRIGHT
JACOBS WELL
COOMERA
ARUNDEL SPRINGS
HOPE ISLAND
GOLD COAST

HILLSBROOK
ALLURE
CASTLE HILL
SYDNEY
CONCOURSE
THE CHASE
HARMONY
CAMPBELLTOWN
WOLLONGONG
BELLA VISTA


SIENNA
SIENNA RISE
PLUMPTON
SUNBURY
SHENSTONE
WOLLERT
MELTON
ESSENCE
LAVINIA
MELBOURNE
CRANBOURNE
CASCADES RESIDENCES
CARDINIA VIEWS
CLYDE NORTH

FY17 RESULTS

PROFIT & LOSS

FY17 net profit after tax of $37.8m, up 12%.

EPS of 32.5cps[1], up 6%.

- 3 year cumulative average EPS growth of 14.3%

Business performance:

- Revenue[2] of $386.8m with 1,116 wholly owned lots[3] settled
- Underlying[4] gross margin of $105.7m or 27.3%, above guidance of 24-26%, due to sales price increases and cost savings
- Revenue from joint ventures of $5.4m, above guidance of $3.4m due to strong sales and settlements at the Rochedale JV. Ongoing revenue stream.
- Ongoing strong carried forward sales[5] of $175.7m (526 lots).

Fully franked final dividend[6] of 10.5cps, bringing total FY17 dividends to 18.5cps. Compelling yield[7] of 8.1%. Dividend policy of 50-75% of annual NPAT, paid semi annually.

[1] Basic earnings per share based on weighted average shares on issue of 116,360,190 (FY16: 110,344,277).
[2] Excludes contribution from JV's and associates
[3] Total lots settled in FY17 was 1154. 1116 wholly owned lots contributed to revenue
[4] Reported gross margin of $106.3m or 27.5%. All aspects of the Silverstone proceedings were concluded in 1H17, with $0.6 million released back into profit.
[5] Total sales value (including GST) for conditional and unconditional contracts not yet recognised a revenue, inclusive of proportional share of joint ventures.
[6] Ex-dividend date 4 September 2017; Record date 5 September 2017; Payment date 29 September 2017
[7] Based on share price of $2.27 at 11 August 2017.

	FY17 ($m)	FY16 ($m)	△%
Revenue	**386.8**	**387.0**	**0%**
Underlying Gross Margin	105.7	102.5	3%
Underlying Gross Margin (%)	*27.3%*	*26.5%*	
Significant Items	0.6	-1.9	
Gross Margin	**106.3**	**100.6**	**6%**
Gross Margin (%)	***27.5%***	***26.0%***	
Revenue from Joint Ventures and Associates	**5.4**	**4.6**	***18%***
- Development and project management fee	2.4	1.2	
- Share of profits	3.0	3.4	
EBITDA	**61.6**	**57.3**	***8%***
Statutory net profit before tax	**54.0**	**47.2**	**14%**
Tax Expense	(16.2)	(13.5)	
Statutory net profit after tax	**37.8**	**33.7**	**12%**

	FY17 cps	FY16 cps	△%
EPS	**32.5**	**30.6**	**6%**
Dividend (cps) fully franked	**18.5**	**18.0**	**3%**

OPERATING PERFORMANCE

Projects at various points of the life cycle contributed to FY17 sales of 1207 lots.

Solid position across all customer segments – the core being the retail market (comprising owner occupier including first home buyers), as well as builders and predominantly local investors. International investors continued to represent less than 5% of sales.

Strong sales, coupled with efficient delivery, resulted in a growing number of settlements.

Revenue mix remains weighted towards house and land – 65% (FY16: 73%).

QLD remains the main contributor to revenue – 80% (FY16: 83%).

Average revenue per lot is reflective of product mix.

Price growth of 3-6% (like for like) was achieved at select estates.

$175.7m sales carried forward into FY18 (526 lots) (FY16: $165.6m; 464 lots)[1].

[1] *Total sales value (including GST) for conditional and unconditional contracts not yet recognised a revenue, inclusive of proportional share of joint ventures. $127.6m (392 lots) due to settle in 1H18, $38.6m (96 lots) due to settle in 2H18, balance of $9.5m (38 lots) in FY19.*

Performance	FY17	FY16	Change	
Sales (lots)[1]	**1207**	**1185**	▲	2%
Mean rate of sale pcm - FY	**101**	**99**	▲	2%
Number of projects contributing to profit	**28**	**19**	▲	47%
Settlements (# lots)[2] - inc. Joint Ventures	**1154**	**1073**	▲	**8%**
Settlements (# lots) - ex. Joint Ventures	1116	1073	▲	4%
- House and Land (# lots)	579	662	▼	-13%
- Land Only (# lots)	537	410	▲	31%
- Englobo Sale (# lots)	1	1		
- House and Land (%)	**52%**	**62%**		
- Land Only (%)	**48%**	**38%**		
Revenue - property sales ($m)	**386.8**	**387.0**	▼	**0%**
- House and Land ($m)	250.0	280.9	▼	-11%
- Land Only ($m)	134.6	100.1	▲	34%
- Englobo ($m)	2.2	6.0		
- House and Land (%)	**65%**	**73%**		
- Land Only (incl englobo) (%)	**35%**	**27%**		
Revenue - property sales ($k/Lot)[3]	**344.9**	**355.5**	▼	**-3%**
- House and Land	432.1	424.6	▲	2%
- Land Only (ex englobo)	250.8	244.1	▲	3%

[1] Sales - executed contracts, not necessarily unconditional.

[2] Accounting Settlements require cash settlement in New South Wales. In Queensland and Victoria an unconditional sales contract and for land only, land registration; for house and land, land registration and a certificate of building completion is required.

[3] Excludes englobo sale.

BALANCE SHEET AND CAPITAL MANAGEMENT

Capital management initiatives completed to improve the flexibility, diversity and maturity profile of funding; as well as providing additional financial capacity to increase land stocks, setting the Company up for growth.

$190m senior debt facility (with ANZ and Westpac), with a long term, staggered maturity profile. ANZ ($140m facility) was extended – staggered through to March 2022.

Completed $50m simple corporate Bond issue. Mature in April 2022.

Completed $30m equity raising.

Balance Sheet remains strong:

- Net debt of $73.8m
- Undrawn facility of $142.1m and strong cash flows
- Gearing target of 15-30%. Gearing[1] of 12.9%, below the target due to timing of land acquisition payments and operational cash flows
- Debt and Bond covenants remain comfortably within limits

NTA of $2.27 prior to the declaration of the final dividend (10.5ps).

Balance Sheet	FY17 ($m)	FY16 ($m)
Assets		
Cash	7.7	8.4
Receivables	52.6	72.4
Inventories	478.0	373.7
Investments accounted for using the equity method	24.9	18.5
Other	14.5	5.1
Total Assets	**577.7**	**478.0**
Liabilities		
Trade and other payables	49.9	45.1
Land acquisitions payable	139.3	46.9
Interest bearing liabilities	81.5	128.6
Other	19.3	20.5
Total Liabilities	**289.9**	**241.1**
Net Assets	**287.7**	**236.9**
Net tangible assets	**287.7**	**236.9**
NTA ($ / Share)	***2.27***	***2.15***
Net Debt	73.8	120.2
Net Debt : Equity (%)	25.6%	50.8%
Gearing[1,2]	12.9%	25.6%
Secured Gearing Ratio[3]	4.20%	n/a
Look Through Gearing[4]	12.9%	27.2%
Interest Cover[5]	7.77 x	6.06 x
Capitalised borrowing costs (% of Inventory)	2.43%	2.63%

[1] (Interest bearing liabilities - cash)/(Total assets - cash)

[2] Limitation on debt incurrence covenant under the Bond issue. Limit of 50%.

[3] Negative pledge (secured gearing ratio) under the Bond issue. Limit of 40%.

[4] Gearing when joint ventures are proportionally consolidated.

[5] Interest Cover = EBITDA / net cash interest (per Club facility)

CASH FLOW

Business generating solid operating cash flows

- FY17 net operating cash flow (before land acquisitions) of $190.2m
- Cash land payments of $123.3m to restock the portfolio
- Strong interest cover of 7.77 x

Strong cash flow from operating activities enabled the Company to:

- Pursue growth through the development of existing portfolio
- Reinvest in the business through value accretive acquisitions
- Continue the payment of strong dividends
- Maintain a strong balance sheet.

	FY17 ($m)	FY16 ($m)
Cash flows from operating activities		
Receipts from customers (inc. GST)	443.6	361.1
Receipts from the transfer of development rights	-	26.4
Payments to suppliers and employees (inc. GST)	(253.4)	(240.6)
Cash generated from operating activities	**190.2**	**146.9**
Payments for land acquired	(123.3)	(162.9)
Net Interest paid	(5.4)	(6.0)
Borrowing costs	(0.2)	(0.3)
Corporate Tax Paid	(9.0)	(1.6)
GST (Paid) / Refund	(15.3)	(7.7)
Net cash inflow / (outflow) from operating activities	**37.0**	**(31.6)**
Net cash (outflow) / inflow from investing activities	**(3.3)**	**0.9**
Cash flows from financing activities		
Net borrowings (repaid) / drawn	(95.5)	36.4
Proceeds from issue of Villa World Bonds (gross proceeds net of cost)	48.4	0.0
Proceeds from share purchase plan	10.0	0.0
Proceeds from issue of share capital (net of costs)	19.4	0.0
Proceeds from exercise of options	4.3	-
Shares acquired for entitlements due to vest under the Villa World Limited Option Plan	(0.4)	-
Payments for shares acquired by Employee Share Scheme Trust	(0.0)	-
Dividends paid	(20.5)	(19.9)
Net cash (outflow) / inflow from financing activities	**(34.3)**	**16.5**
Net (decrease) in cash and cash equivalents	**(0.6)**	**(14.2)**
Cash & cash equivalents at the beginning of the financial year	8.4	22.6
Cash & cash equivalents at the end of half year	**7.8**	**8.4**

MARKET CONDITIONS

MARKET FUNDAMENTALS

NATIONAL

Cash Rate	Inflation	Economic Growth	Population Growth	Unemployment Rate
1.5%	1.9%	1.7%	1.6%	5.6%

	Cash Rate	Inflation	Economic Growth
QLD	6.5%	1.8%	$20,000
NSW	4.8%	1.7%	$10,000
VIC	5.9%	2.4%	$10,000

Key drivers remain in place:

- First home buyer grants
- Interest rates
- Consumer confidence, driven by employment.

Source:
1 National Statistics – RBA Snapshot (9 August 2017)
2 State unemployment rates – Queensland Treasury, Labour Force, June 2017 (based on ABS 6202.0, released on 20 July 2017)
3 State population growth – regional population growth, 2015-2016 (based on ABS 3218.0, released on 30 March 2017)
4 FHB Grants - Queensland Treasury, Office of State Revenue New South Wales, State Revenue Office Victoria

FY18 OUTLOOK

2018 OUTLOOK

FY18 NPAT guidance of $41.6m, representing NPAT growth of 10%. EPS of 32.8 cps. (FY17: $37.8m; 32.5cps)

Earnings to be significantly weighted to 2H18 due to the timing of delivery 1H18 NPAT of $10-12m.

Guidance based on:

- Strong carried forward sales of $175.7m (526 lots), with 75% of contracts (392 lots worth $127.6m) expected to settle in 1H18, 18% of contracts (96 lots worth $38.6m) expected to settle in 2H18 and the balance of $9.5m (38 lots) in FY19.
- Strong sales expectations, with full year contributions from flagship projects released in FY17 and nine new project releases throughout FY18, across key growth corridors. The Company expects to achieve in excess of 1,400 sales.
- Gross margin on wholly owned projects of 24 - 26%.
- Joint ventures to contribute $7m (comprising development fees and share of profit from Rochedale JV and Greenbank JV).

Restocking – Selective acquisitions of projects to build pipeline beyond FY19, predominantly on deferred terms and/or through joint ventures and partnering arrangements. Expected cash out flow for acquisitions of $110-130m, plus $45m in capital lite.

Continued shareholder returns – FY18 dividend expected to be at least 18.5 cps fully franked. 1H18 dividend of 8cps, 2H18 dividend of at least 10.5 cps. Dividend payout policy of 50-75% of annual NPAT, paid semi annually.

Focus on delivering shareholder returns in the medium/long term

- Growth in FY18 & FY19 earnings driven by focused strategy, geographic diversification, release of new flagship projects, and market conditions.
- Projects are in place to deliver a step change in profit and EPS in FY19.
- 3 year historic[1] EPS CAGR of 14.3%. Targeting a go forward[2] EPS CAGR of at least 10%.

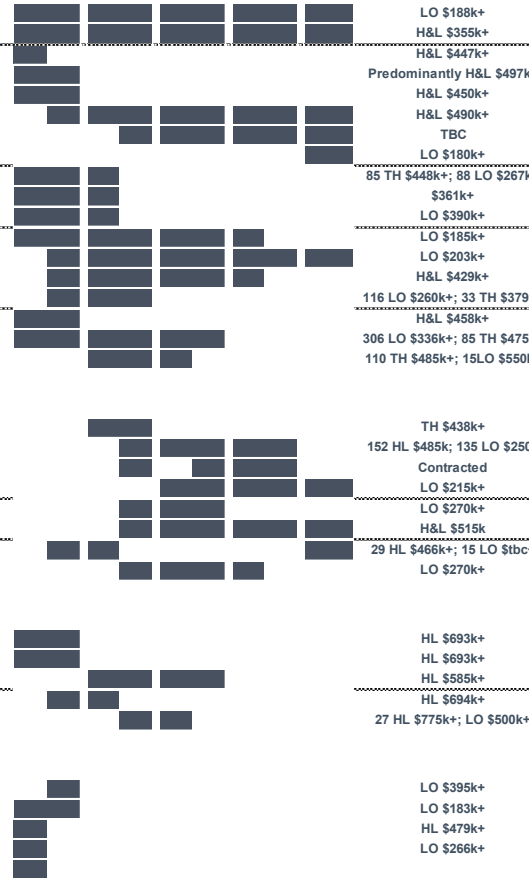
[1] FY14-FY17
[2] FY17 EPS of 32.5cps; FY18 eps guidance of 32.8cps; CAGR target requires ~20% increase in FY18/19 EPS.

QUESTIONS

ANNEXURES

PORTFOLIO TABLE

Project Name	Region	Suburb	State	Product	Status	Calendar Year Acquired	FY17 Yield	FY17 Unsettled Lots	FY17 Contracted Lots	FY17 Unsold Lots	FY18	FY19	Starting Price
Queensland													
Little Creek[1]	Regional QLD	Kirkwood	QLD	LO	Construction	2007	663	370		370	✓	✓	LO $188k+
Augustus[3]	Regional QLD	Hervey Bay	QLD	H&L	Construction	2005	763	403	9	394	✓	✓	H&L $355k+
Emerald Park[4]	N-Brisbane	Burpengary	QLD	H&L Cap Lite	Construction	2016	54	40	5	35	✓		H&L $447k+
Haven on Greens, Griffin[2,4]	N-Brisbane	Griffin	QLD	H&L Cap Lite	Construction	2016	66	47	11	36	✓		Predominantly H&L $497k+
Silvan Rise	N-Brisbane	Dakabin	QLD	H&L	Construction	2016	109	109		109	✓		H&L $450k+
Meadows	N-Brisbane	Strathpine	QLD	H&L	Construction	2015	402	402		402	✓	✓	H&L $490k+
[], Caboolture	N-Brisbane	Caboolture	QLD	LO	Planning[5]	2016	291	291		291		✓	TBC
[], Bellmere	N-Brisbane	Bellmere	QLD	LO	Planning[5]	2017	450	450		450			LO $180k+
Seascape[1]	Bayside Brisban	Redland Bay	QLD	LO TH	Construction	2015	187	173	28	145	✓	✓	85 TH $448k+; 88 LO $267k+
Rochedale Grand (contract build 100% VLW)	S-Brisbane	Rochedale	QLD	H&L Contract Build	Construction	2015	167	131	39	92	✓	✓	$361k+
Rochedale Grand (JV 50% share)	S-Brisbane	Rochedale	QLD	LO JV	Construction	2015	84	46	2	44	✓	✓	LO $390k+
Killara, Logan Reserve	Logan	Logan Reserve	QLD	LO	Construction	2016	714	662	48	614	✓	✓	LO $185k+
Covella (JV 50% share)	Logan	Greenbank	QLD	LO JV	Construction	2016	750	750		750	✓	✓	LO $203k+
Chambers Ridge	Logan	Park Ridge	QLD	H&L	Construction	2016	300	300		300	✓	✓	H&L $429k+
The Orchard[1]	SW-Brisbane	Doolandella	QLD	LO TH	Planning[5]	2017	149	149		149	✓	✓	116 LO $260k+; 33 TH $379k+
Seabright	Gold Coast	Jacobs Well	QLD	H&L	Construction	2014	107	47	16	31	✓		H&L $458k+
Arundel Springs[1]	Gold Coast	Arundel	QLD	LO TH	Construction	2015	391	391	23	368	✓	✓	306 LO $336k+; 85 TH $475k+
[], Hope Island[2]	Gold Coast	Hope Island	QLD	TH LO	Planning[5]	2017	125	125		125		✓	110 TH $485k+; 15LO $550k+
Subtotal - QLD (30 June 2017)							5,772	4,886	181	4,705			
Victoria													
Essence	NE-Melbourne	South Morang	VIC	H&L	DA	2016	59	59		59		✓	TH $438k+
[], Wollert[2]	N-Melbourne	Wollert	VIC	H&L LO	Planning[5]	2016	287	287		287		✓	152 HL $485k; 135 LO $250k
Englobo parcel, Donnybrook (51% share)[6]	N-Melbourne	Donnybrook	VIC	LO JV Englobo	Planning[5]	2015	2	2		2		✓	Contracted
Shenstone, Donnybrook (51% share)	N-Melbourne	Donnybrook	VIC	LO JV	Planning[5]	2015	650	650		650			LO $215k+
Sienna Rise + adjoining site	NW-Melbourne	Plumpton	VIC	LO	Planning[5]	2014	555	555	25	530		✓	LO $270k+
[], Plumpton	NW-Melbourne	Plumpton	VIC	H&L	Planning[5]	2017	382	382		382		✓	H&L $515k
Cascades[2]	SE-Melbourne	Clyde	VIC	H&L LO	Construction	2006	1,138	44		44	✓	✓	29 HL $466k+; 15 LO $tbc+
[], Clyde	SE-Melbourne	Clyde	VIC	LO	Planning[5]	2017	412	412		412		✓	LO $270k+
Subtotal - VIC (30 June 17)							3,485	2,391	25	2,366			
New South Wales													
Harmony[4]	SW-Sydney	Cobbitty	NSW	H&L Cap Lite	Construction	2016	10	10	4	6	✓		HL $693k+
Concourse[4]	SW-Sydney	Oran Park	NSW	H&L Cap Lite	Construction	2016 ongoing	48	48	5	43	✓		HL $693k+
The Chase (Development agreement @100%)	SW-Sydney	Oran Park	NSW	H&L	DA	2016	93	93		93		✓	HL $585k+
Allure	NW-Sydney	Box Hill	NSW	H&L	Construction	2015	42	42		42	✓	✓	HL $694k+
Hillsbrook[2]	NW-Sydney	Box Hill	NSW	H&L LO	Planning[5]	2017	32	32		32		✓	27 HL $775k+; LO $500k+
Subtotal - NSW(30 June 17)							225	225	9	216			
Near sold out in FY17; Settling in FY18													
Bella Vista Estate	Illawarra NSW	Albion Park	NSW	LO	DA	2016	87	87	86	1	✓		LO $395k+
Cardinia Views	SE-Melbourne	Pakenham	VIC	LO	Construction	2013	320	127	124	3	✓		LO $183k+
Lavinia[4]	N-Melbourne	Greenvale	VIC	H&L Cap Lite	Construction	2014	131	42	42	-	✓		HL $479k+
Sienna[1]	NW-Melbourne	Plumpton	VIC	LO	Construction	2014	166	27	27	-	✓		LO $266k+
Other * (Waterline, Affinity, Park Vista, Nest, Roxburgh, Exford)			QLD		Construction		925	47	32	15	✓		
Subtotal - Near sold out; settling in FY18							1,629	330	311	19			
Total (all categories) (30 June 2017)[7]							11,111	7,832	526	7,306			



Notes:

[1] Predominantely land only.

[2] Predominantly house and land.

[3] The long term strategy at this project is to continue developing the land, with the balance sold as an englobo parcel when the market demand for the site presents itself.

[4] Contracted under Put and Call option. Land predominantly paid out of settlement proceeds from third party sales.

[5] Planning - Residential use allowed. Progressing with any necessary approvals from relevant authorities. Low risk.

[6] Two parcels acquired in CY14 for $22.775m. Conditional contract to sell ~67.9ha or ~1000 lots for $34m. Cash settlement in 4 equal stages commencing 30 days after PSP and then 12, 24 and 36 months after first settlement. The JV intends to retain and develop the remaining parcel of land (~206.1 ha or ~1300 lots).

[7] Projects completed in FY17 - 395 settlements over 10 projects - Lacosi, Circa, Griffin (englobo), Mt Cotton, The Sanctuary,Emminence, Era, Ellabay, Riva, Parkside.

ACQUISITIONS

The Company has been actively restocking since FY14.

Funds raised through capital management initiatives have been deployed. The Company has contracted 3,454 lots in FY17.

The Company is continually assessing different acquisition opportunities, at different stages of the acquisition process[1].

The Company will consider the selective acquisitions of projects to build the pipeline beyond FY19, predominantly on deferred terms and/or through joint ventures and partnering arrangements.

The Company is targeting a 20/40/40 NSW/VIC/QLD geographic mix as cycles, markets and opportunities allow.

Project Name	Location	State	Region	Product	# Lots	Purchase Price ($m)
Total Acquisitions for FY14					**1332**	
Total Acquisitions FY15					**2769**	
Total Acquisitions FY16					**2139**	
Harmony (capital lite)	Cobbitty	NSW	SW Sydney	H&L	10	$4.0m
Concourse (capital lite)	Oran Park	NSW	SW Sydney	H&L	28	$8.8m
The Chase (development agreement)	Oran Park	NSW	SW Sydney	H&L	93	tba
Silvan Rise[(ii)]	Dakabin	QLD	N-Brisbane	H&L	108	$7.0m
Chambers Ridge (adjoining site)	Park Ridge	QLD	Logan	H&L	140	$7.3m
Covella, Greenbank (50% share)	Greenbank	QLD	Logan	H&L	750	$27.5m
Essence, South Morang[(ii)]	South Morang	VIC	NE-Melbourne	TH	60	$4.4m
Wollert	Wollert	VIC	N-Melbourne	LO	166	$7.7m
Bella Vista Estate	Albion Park	NSW	Illawarra	LO	87	$14.3m (inc GST)
Emerald Park	Burpengary	QLD	N-Brisbane	H&L	54	$8.4m
1H17 Acquisitions					**1,496**	
Hope Island[(ii)]	Hope Island	QLD	Gold Coast	H&L	85	$10.75m
Hillsbrook, Box Hill[(ii)]	Box Hill	NSW	NW Sydney	H&L	35	$7.5m
Clyde[(ii)]	Clyde	VIC	SE Melbourne	LO	414	$33m
Plumpton[(i)(ii)]	Plumpton	VIC	NW Melbourne	H&L	169	$13.5m
The Orchard, Doolandella	Doolandella	QLD	Logan	H&L	149	$10.25m
Wollert (adjoining site)[(ii)]	Wollert	VIC	N-Melbourne	LO	133	$7.4m
Bellmere	Bellmere	QLD	N-Brisbane	LO	450	$10m
Plumpton[(i)] (adjoining site Plumpton H&L site)	Plumpton	VIC	NW Melbourne	H&L	203	$44.0m
Sienna Rise(adjoining site)[(i)]	Plumpton	VIC	NW Melbourne	LO	300	
Concourse (capital lite)(adjoining site)	Oran Park	NSW	SW Sydney	H&L	20	$8.0m
2H17 Acquisitions					**1,958**	
Total Acquisitions FY17					**3,454**	

[(i)] Subject to Precinct Structure Plan.

[(ii)] Yield has changed since acquisition. Refer portfolio schedule.

[1]Villa World has entered into a conditional Development Agreement with the owner of approximately 73 hectares of land at Byron Bay. The land was rezoned to residential use by the New South Wales Government in November 2014. The Development Agreement remains subject to Villa World receiving satisfactory development approval and a construction certificate for the proposed development, the outcome of which remains uncertain. The landowner will retain a number of the approved lots, to be determined following the outcome of the approval process. Villa World has paid an initial $10million to the landowner, secured by a first mortgage over the land and fully refundable if the above conditions aren't satisfied. If those conditions are satisfied and the transaction proceeds, Villa World is required to construct dwellings on the lots to be retained by the landowner, over a period of up to 10 years. Refer Note B4 in FY17 Financial Statements.

CASH COMMITMENTS ON PROJECTS

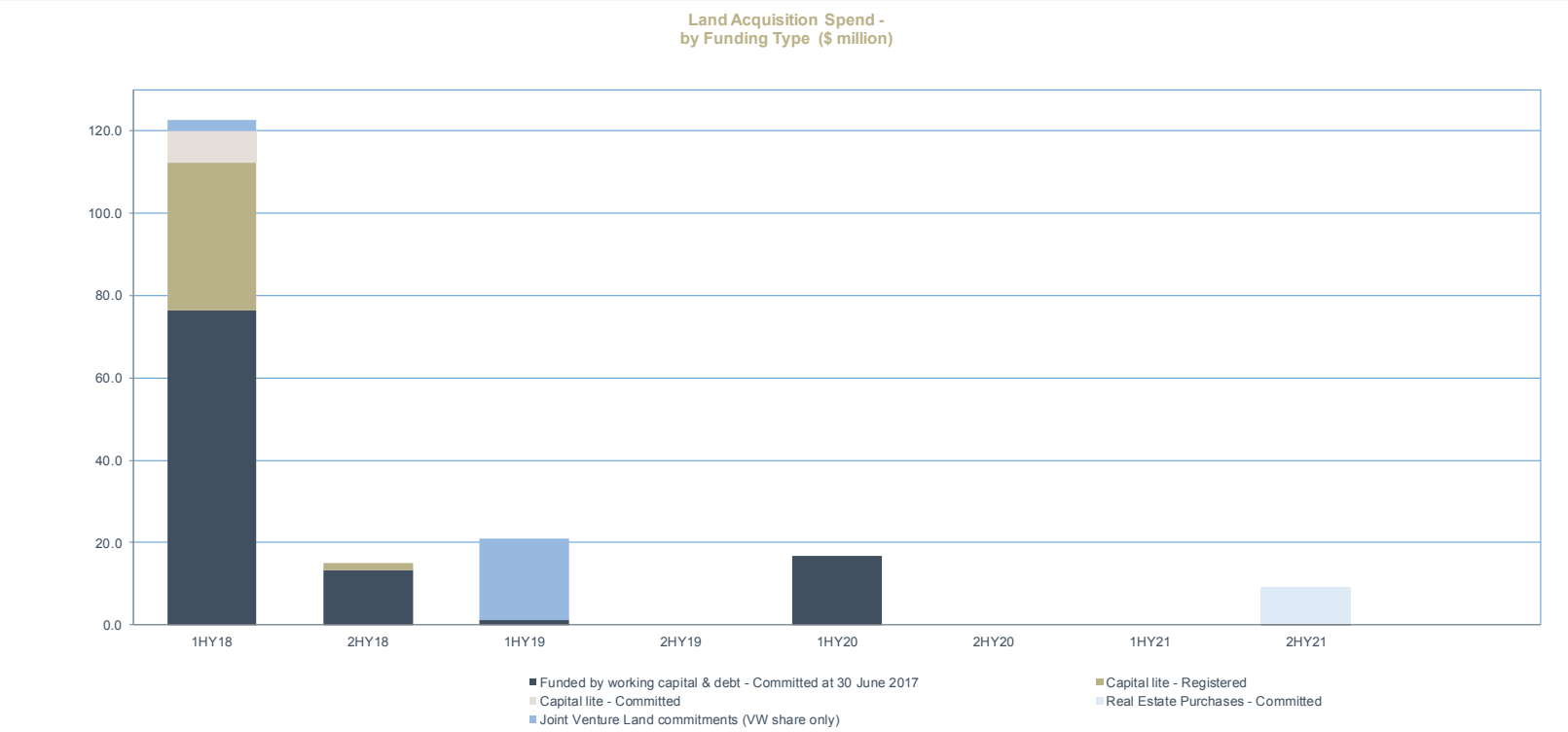
The adjacent chart shows $184.6m in anticipated total cash outlay for land through to 2H21 comprising:

- $145.6m[1] recorded as land acquisitions payable as at 30 June 2017
- $7.8m in 'capital lite' acquisitions to be settled primarily through third party settlement proceeds not yet shown on the balance sheet as a payable as the land is not yet registered
- $8.7m in real estate purchases committed
- $22.5m in joint venture land commitments.

In total, the $184.6m will be funded as follows:

- $139.1m from operating cash flow and existing debt facilities
- $45.4m funded from primarily third party settlement proceeds ("capital lite" model).

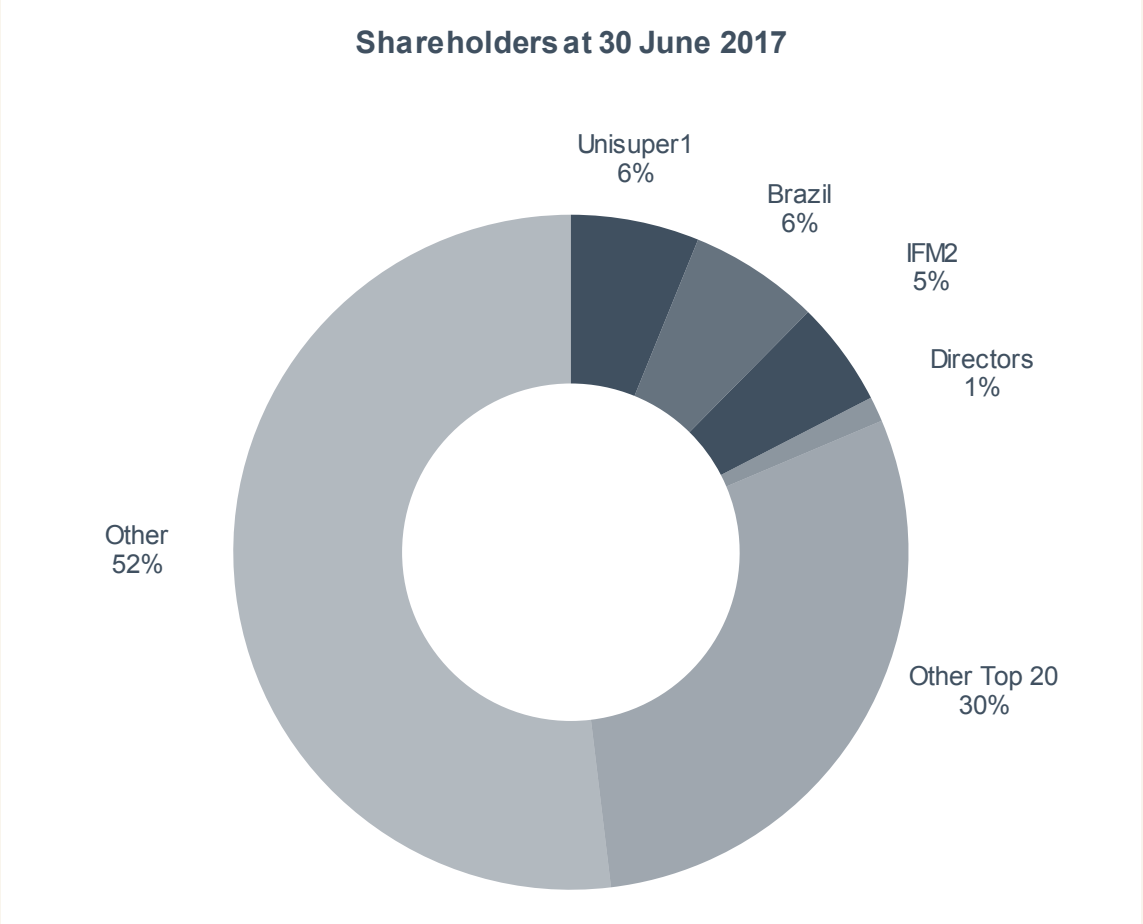
[1] Includes land acquisitions payable of $139.3 million as shown on the balance sheet, adjusted for NPV unwind of $2.8 million; $4.3 million of trade debtors which will be paid by third party cash settlements in FY18 and $0.9 million in relation to lots to be resumed by the Department of Main Roads.



SHARE REGISTER

Broad, supportive shareholder base

- 48.1% of share held by Top 20 investors
- 25+ institutions on the share register



1 Held through Quest and Discovery Asset Management. Quest ceased to be a substantial holder on 7 Feb 2017. Unisuper holding changed to 5.11% on 14 July 17.

2 IFM ceased to be a substantial holder on 17 July 17.