

Appendix 4D

Half Year Report

Name of Entity

Devine Limited

ABN or equivalent company reference

51 010 769 365

Financial year ended ('current period')

31 December 2010

Previous Corresponding period

31 December 2009

Results for announcement to the market

\$A'000

Revenues from continuing operations	down	-24.5%	to	229,753
Profit/ (loss) after tax attributable to members	up	679.0%	to	9,511

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

An interim dividend of 1 cent per ordinary share has been declared post 31 December 2010 and, therefore, in accordance with the adoption of AASB 137 Provisions, Contingent Liabilities and Contingent Assets, no provision has been recognised in the Balance Sheet as at 31 December 2010.

The decrease in revenue is attributable to the apartment business where the prior year revenue included the revenue from exiting property development assets and the completion of a major apartment project in Melbourne. The decrease was partly offset by an increase of 4% in Housing and Land revenue in the half year.

Refer attached Directors' Report and Financial Statement Extract which includes: Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cashflow Statement, Investment in Joint Ventures and Other Notes.

Dividends (in the case of a trust, distributions)

Date the dividend (distribution) is payable

31 March 2011

Record date to determine entitlements to the dividend (distribution) (i.e. on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHESS approved)

21 March 2011

If it is a final dividend, has it been declared?

N/A

Amount per security

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend:	Current year	n/a	n/a	n/a
	Previous year	1 ¢	1 ¢	0 ¢
Interim dividend:	Current year	1 ¢	1 ¢	0 ¢
	Previous year	-	-	-

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

Statement of Retained Earnings

	Current period - \$A'000	Previous corresponding period - \$A'000
Retained profits at the beginning of the financial period	44,145	35,987
Net profit attributable to members	9,511	1,221
Dividends and other equity distributions paid or payable - FY10 final dividend	(6,349)	-
Retained profits at the end of the financial period	47,307	37,208

Net tangible Assets (NTA)

	Current period	Previous corresponding period
Basic NTA	53.0 ¢	83.4 ¢
Diluted NTA	52.8 ¢	83.4 ¢

Earnings per security (EPS)

	Current period	Previous corresponding period
Basic EPS	1.5 ¢	0.3 ¢
Diluted EPS	1.5 ¢	0.3 ¢

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to the ASX.

Identify other standards used

N/A

2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies, other than as disclosed

3 This report ~~does~~ ~~not~~* (delete one) give a true and fair view of the matters disclosed

4 This report is based on accounts to which one of the following applies.
(Tick one)

The accounts have been audited.

The accounts have been subject to review.

The accounts are in the process of being audited or subject to review.

The accounts have not yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* (delete one).

6 The entity has/~~does not have~~* (delete one) a formally constituted audit committee.



Sign here:
(Company Secretary)

Date: **24 February 2011**

Print name: **Vivian N Grayson**

Directors' report

Your directors submit their report for the half-year ended 31 December 2010.

Directors

The following persons were directors of Devine Limited during the whole of the half-year and up to the date of this report and were in office for this entire period unless otherwise stated:

D J Ridley (Chairman)
P J Dransfield
D B Keir (Managing Director and CEO)
P J Ferris AM, KCSG
Hon. T M Mackenroth
G E McOrist
R W Parris
V A Vella
T G Young (appointed 23 November 2010)

Chief Financial Officer

P V Cochrane

Company Secretary

V N Grayson

Devine Limited
Directors' report
31 December 2010
(continued)

Review of operations

Refer Directors' Comments attached.

Operating results for the half-year ended 31 December 2010 are set out below:

	Segment revenues *		Segment results	
	31 December 2010 \$'000	31 December 2009 \$'000	31 December 2010 \$'000	31 December 2009 \$'000
Continued operations				
Housing & Land	209,925	201,775	16,417	17,002
Property Development	18,424	101,261	(1,003)	(13,840)
Corporate/Other	1,404	1,365	(1,824)	(1,456)
Total continuing operations	229,753	304,401	13,590	1,706
Profit/(loss) before income tax expense			13,590	1,706
Income tax expense			(4,079)	(563)
Profit from continuing operations			9,511	1,143
Discontinued operations				
Body corporate management	-	2,207	-	125
Profit before income tax expense			-	125
Income tax expense			-	(47)
Profit for the year			-	78
Profit attributable of members of Devine Limited			9,511	1,221

* The decrease in revenue is attributable to the apartment business where the prior year revenue included the revenue from exiting property development assets and the completion of a major apartment project in Melbourne. The decrease was partly offset by an increase of 4% in Housing and Land revenue in the half year.

Devine Limited
Directors' report
31 December 2010
(continued)

Earnings per share

Refer Directors' Comments attached.

	31 December 2010 Cents	31 December 2009 Cents
(a) Basic and diluted earnings per share		
Profit from continuing operations	<u>1.5</u>	<u>0.3</u>

Matters subsequent to the end of the half-year

No significant events have occurred post 31 December 2010.

Devine Limited
Directors' report
31 December 2010
(continued)

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

Signed in accordance with a resolution of the directors of Devine Limited.



D B Keir
Director

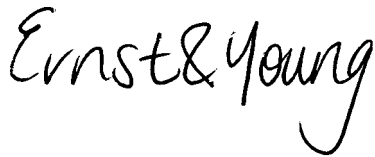


D J Ridley
Director

Brisbane
24 February 2011

Auditor's Independence Declaration to the Directors of Devine Limited

In relation to our review of the financial report of Devine Limited for the half-year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A stylized, handwritten signature of 'Ernst & Young' in black ink.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Alison de Groot'.

Alison de Groot
Partner
24 February 2011

Devine Limited
Consolidated income statement
For the half-year ended 31 December 2010

		Consolidated	
		31 December	31 December
		2010	2009
	Notes	\$'000	\$'000
Revenue	2	226,789	300,645
Cost of properties sold	3	<u>(166,832)</u>	<u>(234,416)</u>
Gross profit		<u>59,957</u>	<u>66,229</u>
Other revenue	2	2,964	3,756
Expenses, excluding finance costs	3	(43,521)	(58,088)
Finance costs		(7,394)	(9,255)
Share of net profits/(losses) of associates and joint venture entities accounted for using the equity method		<u>1,584</u>	<u>(936)</u>
Profit before income tax		<u>13,590</u>	<u>1,706</u>
Income tax expense		<u>(4,079)</u>	<u>(563)</u>
Profit/(loss) from continuing operations		9,511	1,143
Profit from discontinued operations		<u>-</u>	<u>78</u>
Profit attributable to the members of Devine Limited		<u>9,511</u>	<u>1,221</u>
Basic and diluted earnings per share	8	1.5	0.3

The above consolidated income statement should be read in conjunction with the accompanying notes.

Devine Limited
Consolidated statement of comprehensive income
For the half-year ended 31 December 2010

	Consolidated	
	31 December	31 December
	2010	2009
	\$'000	\$'000
Profit for the half-year	9,511	1,221
Other comprehensive income		
Changes in the fair value of cash flow hedges/ reserves	<u>59</u>	<u>-</u>
Net profit and comprehensive income for the year attributable to members of Devine Limited	<u>9,570</u>	<u>1,221</u>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Devine Limited
Consolidated statement of financial position
As at 31 December 2010

	Consolidated	
	31 December	30 June
	2010	2010
	\$'000	\$'000
ASSETS		
Current assets		
Cash and cash equivalents	22,857	20,045
Receivables	49,049	41,910
Inventories	168,701	181,494
Current tax receivables	-	507
Other assets	3,131	1,957
Investments accounted for using the equity method	671	-
Total current assets	<u>244,409</u>	<u>245,913</u>
Non-current assets		
Receivables	19,987	36,419
Inventories	248,030	222,811
Investments accounted for using the equity method	64,376	48,327
Property, plant and equipment	908	933
Intangible assets	3,316	3,316
Other non-current assets	1,444	1,963
Total non-current assets	<u>338,061</u>	<u>313,769</u>
Total assets	<u>582,470</u>	<u>559,682</u>
LIABILITIES		
Current liabilities		
Payables	61,816	68,964
Interest bearing liabilities	28,326	26,871
Current tax liabilities	374	-
Provisions	3,421	3,555
Non-interest bearing liabilities	38,000	32,300
Total current liabilities	<u>131,937</u>	<u>131,690</u>
Non-current liabilities		
Interest bearing liabilities	104,492	82,594
Deferred tax liabilities	4,454	3,766
Provisions	1,538	1,319
Non-interest bearing liabilities	-	3,483
Derivative financial instruments	368	423
Total non-current liabilities	<u>110,852</u>	<u>91,585</u>
Total liabilities	<u>242,789</u>	<u>223,275</u>
Net assets	<u>339,681</u>	<u>336,407</u>
EQUITY		
Contributed equity	292,367	292,367
Reserves	7	(105)
Retained earnings	47,307	44,145
Total equity	<u>339,681</u>	<u>336,407</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Devine Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2010

		Consolidated	
		31 December	31 December
		2010	2009
	Notes	\$'000	\$'000
Total equity at the beginning of the half-year		336,407	265,283
Profit for the half-year		9,511	1,221
Other comprehensive income		59	-
Transactions with owners in their capacity as owners:			
Dividends provided for or paid	4	(6,349)	-
Option expense transferred to reserve		53	-
Total equity at the end of the half-year		<u>339,681</u>	<u>266,504</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Devine Limited
Statement of cash flows
For the half-year ended 31 December 2010

	Consolidated	
	31 December	31 December
	2010	2009
Notes	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers & sale of development assets (inclusive of goods and services tax)	260,602	332,808
Payments to suppliers and employees (inclusive of goods and services tax)	<u>(213,344)</u>	<u>(243,421)</u>
	47,258	89,387
Profit distributions received from joint venture entities	2,439	-
Interest received	843	788
Interest and borrowing costs	(6,527)	(13,040)
Income taxes paid	<u>(2,536)</u>	<u>(3,043)</u>
Net cash inflow/ (outflow) from operating activities	<u>41,477</u>	<u>74,092</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(233)	(125)
Payments for investment in joint ventures	(22,807)	(6,137)
Proceeds from sale of interest in joint ventures	-	3,355
Joint venture equity distributions received	4,829	-
Payments for investment in land inventory	(37,417)	(6,871)
Proceeds from sale of discontinued operations	-	7,600
Net cash inflow/ (outflow) from investing activities	<u>(55,628)</u>	<u>(2,178)</u>
Cash flows from financing activities		
Proceeds from borrowings	38,478	5,725
Repayment of borrowings	(15,166)	(80,448)
Dividends paid to company's shareholders	<u>(6,349)</u>	<u>-</u>
Net cash inflow/ (outflow) from financing activities	<u>16,963</u>	<u>(74,723)</u>
Net increase (decrease) in cash and cash equivalents	2,812	(2,809)
Cash and cash equivalents at the beginning of the half-year	<u>20,045</u>	<u>3,975</u>
Cash and cash equivalents at end of the half-year	<u>22,857</u>	<u>1,166</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Devine Limited during the interim reporting period in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report apart from the changes in accounting policies noted within Note 1(b).

(a) Basis of preparation of half-year financial report

Basis of Accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards including *AASB 134 Interim Financial Reporting* and other mandatory professional reporting requirements.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2010 reporting periods and have not yet been applied in the financial report.

There have been a number of changes to new accounting standards and interpretations during the interim reporting period. These standards have been reviewed and an assessment has been made that there will be no significant impact to the Group or on previously reported results.

(c) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current period disclosures.

Devine Limited
Notes to the consolidated financial statement
31 December 2010
(continued)

2 Revenue

	Consolidated	
	31 December	31 December
	2010	2009
	\$'000	\$'000
From continuing operations		
Revenue from sale of properties	223,879	296,907
Revenue from related parties	<u>2,910</u>	<u>3,738</u>
	<u>226,789</u>	<u>300,645</u>
Interest rate swap income	-	1,334
Interest received - other persons/bodies corporate	2,325	1,610
Rent received - other persons/bodies corporate	159	812
Sundry income - other persons/bodies corporate	<u>480</u>	<u>-</u>
	<u>2,964</u>	<u>3,756</u>
	<u>229,753</u>	<u>304,401</u>
From discontinued operations		
Service revenue - body corporate management	-	2,197
Interest received	-	4
Rent received	<u>-</u>	<u>6</u>
	<u>-</u>	<u>2,207</u>

3 Expenses

	Consolidated	
	31 December 2010 \$'000	31 December 2009 \$'000
Expenses, excluding finance costs, included in the statement of comprehensive income classified by function		
Cost of properties sold	166,832	234,416
Other expenses	43,521	58,088
	<u>210,353</u>	<u>292,504</u>
Classification of these expenses by function		
Cost of properties sold	166,832	234,416
Other expenses from ordinary activities		
Marketing and selling costs	22,408	25,593
Occupancy	1,168	1,473
Administration	14,213	14,427
Other	2,958	13,366
Land holding expenses	2,774	3,229
	<u>210,353</u>	<u>292,504</u>

Included in prior period expenses above is net realised and unrealised impairments before tax of \$18.9 million.

