

## Appendix 4E

### Preliminary final report

Name of Entity

**Devine Limited**

ABN or equivalent company reference

**51 010 769 365**

Financial year ended ('current period')

**30 June 2011**

Previous Corresponding period

**30 June 2010**

**Results for announcement to the market**

**\$A'000**

Revenues from continuing operations and activities	down	<b>-25.5%</b>	to	<b>425,173</b>
Net profit (loss) for the period attributable to members	up	<b>147.5%</b>	to	<b>20,188</b>

**Dividends**

	Amount per security	Franked amount per security
Final dividend	<b>1¢</b>	<b>1¢</b>
Interim dividend	<b>1¢</b>	<b>1¢</b>

Record date for determining entitlements to the dividend.

**16 September 2011**

**Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:**

**The final dividend of 1 cent per ordinary share has been declared post 30 June 2011 and, therefore, no provision has been recognised in the Statement of Financial Position as at 30 June 2011.**

**Refer attached Directors' Report and Financial Statements Extract**

**Dividends (in the case of a trust, distributions)**

Date the dividend (distribution) is payable

**30 September 2011**

Record date to determine entitlements to the dividend (distribution) (ie, 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)

**16 September 2011**

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

**Yes**

**Amount per security**

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>Final dividend:</b>	Current year	1 ¢	1 ¢	0 ¢
	Previous year	1 ¢	1 ¢	0 ¢
<b>Interim dividend:</b>	Current year	1 ¢	1 ¢	0 ¢
	Previous year	Nil	Nil	Nil

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

N/A
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The Company's Dividend Reinvestment Plan remains suspended.

**Statement of Retained Earnings**

	Current period - \$A'000	Previous corresponding period - \$A'000
Retained profits (accumulated losses) at the beginning of the financial period	44,145	35,987
Net profit (loss) attributable to members	20,188	8,158
Dividends and other equity distributions paid or payable	(12,698)	-
<b>Retained profits (accumulated losses) at end of financial period</b>	<b>51,635</b>	<b>44,145</b>

**Net Tangible Assets (NTA)**

	Current period	Previous corresponding period
Basic NTA	53.7 ¢	52.5 ¢
Diluted NTA	53.4 ¢	52.5 ¢

**Earnings Per Security (EPS)**

	Current period	Previous corresponding period
Basic and Diluted EPS	3.2 ¢	1.8 ¢

**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/~~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).

**There are no audit qualifications anticipated or expected**

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

Sign here:

.....  
(Company Secretary)

Date: 25 August 2011

Print name: **Vivian N Grayson**

**Devine Limited  
Directors' report  
30 June 2011**

**Directors**

The names and details of the directors of the company in office during the year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

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

**Chief Financial Officer**

P V Cochrane

**Company Secretary**

V N Grayson

**Review of Results of Operations**

Refer Directors' Comments attached

**Events Occurring after Balance Sheet Date**

A fully franked final dividend in respect of the 2011 financial year of 1 cent (2010: 1 cent) per share was declared by Directors on 24 August 2011. No provision has been recognised in the Statement of Financial Position as at 30 June 2011.

There have been no other significant events which have occurred post 30 June 2011.

**Rounding**

The amounts contained in this report and in the financial statements have been rounded to the nearest \$1,000.

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



D J Ridley  
Chairman



D B Keir  
Managing Director

Brisbane  
24 August 2011

**Devine Limited**  
**Consolidated income statement**  
**For the year ended 30 June 2011**

		<b>Consolidated</b>	
	Notes	<b>2011</b>	2010
		<b>\$'000</b>	<b>\$'000</b>
Revenue from continuing operations	2	<b>425,173</b>	570,865
Cost of properties sold	3	<u><b>(311,364)</b></u>	<u>(438,513)</u>
Gross profit		<u><b>113,809</b></u>	<u>132,352</u>
Other revenue	2	<b>6,272</b>	6,445
Expenses, excluding finance costs	3	<b>(80,779)</b>	(107,143)
Finance costs	3	<b>(13,448)</b>	(18,462)
Share of net profits/(losses) of joint venture entities accounted for using the equity method		<u><b>3,198</b></u>	<u>(1,685)</u>
<b>Profit before income tax</b>		<u><b>29,052</b></u>	<u>11,507</u>
Income tax expense		<u><b>(8,864)</b></u>	<u>(3,399)</u>
Profit attributable to members of Devine Limited from continuing operations		<u><b>20,188</b></u>	<u>8,108</u>
Profit from discontinued operations		<u>-</u>	<u>50</u>
<b>Profit attributable to members of Devine Limited</b>		<u><b>20,188</b></u>	<u>8,158</u>
<b>Earnings per share for profit attributable to the equity holders of the company:</b>			
Basic and diluted earnings per share	9	<b>3.2</b>	1.8

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

**Devine Limited**  
**Consolidated statement of comprehensive income**  
**For the year ended 30 June 2011**

	<b>Consolidated</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit for the year</b>	<b>20,188</b>	<b>8,158</b>
<b>Other comprehensive income</b>		
Changes in the fair value of cash flow hedges/reserves	<u>48</u>	<u>(263)</u>
<b>Total comprehensive income for the year</b>	<b><u>20,236</u></b>	<b><u>7,895</u></b>

*The above consolidated statement of comprehensive income which shows movement in other reserves should be read in conjunction with the accompanying notes.*

**Devine Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2011**

	<b>Consolidated</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	21,556	20,045
Receivables	54,551	41,910
Inventories	130,463	181,494
Current tax receivables	-	507
Prepayments	633	1,957
Total current assets	<u>207,203</u>	<u>245,913</u>
<b>Non-current assets</b>		
Receivables	28,366	36,419
Investments accounted for using the equity method	67,236	48,327
Property, plant and equipment	976	933
Intangible assets	3,316	3,316
Inventories	280,637	222,811
Other non-current assets	278	1,963
Total non-current assets	<u>380,809</u>	<u>313,769</u>
<b>Total assets</b>	<u>588,012</u>	<u>559,682</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	59,820	68,964
Interest bearing liabilities	28,294	26,871
Current tax liabilities	1,705	-
Provisions	4,255	3,555
Non-interest bearing liabilities	17,708	32,300
Total current liabilities	<u>111,782</u>	<u>131,690</u>
<b>Non-current liabilities</b>		
Interest bearing liabilities	105,632	82,594
Deferred tax liabilities	7,476	3,766
Provisions	1,789	1,319
Non-interest bearing liabilities	16,984	3,483
Derivative financial instruments	352	423
Total non-current liabilities	<u>132,233</u>	<u>91,585</u>
<b>Total liabilities</b>	<u>244,015</u>	<u>223,275</u>
<b>Net assets</b>	<u>343,997</u>	<u>336,407</u>
<b>EQUITY</b>		
Contributed equity	292,367	292,367
Reserves	(5)	(105)
Retained earnings	51,635	44,145
<b>Total equity</b>	<u>343,997</u>	<u>336,407</u>

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

**Devine Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2011**

	Notes	Consolidated	
		2011 \$'000	2010 \$'000
<b>Total equity at the beginning of the financial year</b>		<b>336,407</b>	265,283
Option expense transferred to reserve		<b>52</b>	(141)
Profit for the year		<b>20,188</b>	8,158
Comprehensive income for the year		<b>48</b>	(263)
Dividends provided for or paid	4	<b>(12,698)</b>	-
Share issue		-	66,252
Transaction costs of share issue		-	(4,117)
Deferred tax credit recognised directly in equity		-	1,235
<b>Total equity at the end of the financial year</b>		<b><u>343,997</u></b>	<u>336,407</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 year ended 30 June 2011**

	<b>Consolidated</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	<b>471,935</b>	613,615
Payments to suppliers and employees (inclusive of goods and services tax)	<b>(385,649)</b>	(446,098)
Interest received	<b>1,798</b>	558
Interest paid	<b>(14,531)</b>	(24,885)
Income taxes paid	<b>(2,964)</b>	(4,062)
Joint venture profit distributions received	<b>4,845</b>	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>75,434</u></b>	<b><u>139,128</u></b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	<b>(569)</b>	(390)
Payments for investment in land inventory	<b>(50,106)</b>	(10,312)
Payments for investment in joint ventures	<b>(30,213)</b>	(24,148)
Proceeds from the sale of interests in joint ventures	-	3,355
Joint venture equity distributions received	<b>4,873</b>	-
Loans to related joint ventures	<b>(10,685)</b>	-
Proceeds from sale of discontinued operations	-	7,600
<b>Net cash inflow/(outflow) from investing activities</b>	<b><u>(86,700)</u></b>	<b><u>(23,895)</u></b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares and other equity securities	-	66,252
Proceeds from borrowings	<b>135,058</b>	12,720
Share issue transaction costs	-	(4,117)
Repayment of borrowings	<b>(109,583)</b>	(170,779)
Dividends paid to company's shareholders	<b>(12,698)</b>	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b><u>12,777</u></b>	<b><u>(95,924)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,511</b>	19,309
Cash and cash equivalents at the beginning of the financial year	<b><u>20,045</u></b>	<u>736</u>
<b>Cash and cash equivalents at end of year</b>	<b><u>21,556</u></b>	<b><u>20,045</u></b>

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

## **1 Summary of significant accounting policies**

This general purpose condensed financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full 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 year ended 30 June 2011 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**

This is an extract from the general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

### **(b) New accounting standards and interpretations**

New standards and amendments to standards mandatory for the first time for the financial year beginning 1 July 2010 have been adopted. The adoption of these Standards had no material financial impact on the current period or any prior period and is not likely to affect future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods and have not yet been applied in the financial report. The Directors believe that these new or amended Standards and Interpretations do not have any material financial effect on the financial statements presented.

### **(c) Comparatives**

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

Devine Limited  
Notes to the consolidated financial statements  
30 June 2011  
(continued)

**2 Revenue**

	<b>Consolidated</b>	
	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
<b>From continuing operations</b>		
Revenue from sale of properties	<b>363,091</b>	558,174
Revenue from related joint ventures	<b><u>62,082</u></b>	<u>12,691</u>
	<b><u>425,173</u></b>	<u>570,865</u>
Interest rate swap income	-	1,116
Interest received/receivable - other persons/bodies corporate	<b>4,869</b>	4,000
Rent received - other persons/bodies corporate	<b>343</b>	975
Sundry income - other persons/bodies corporate	<b><u>1,060</u></b>	<u>354</u>
	<b><u>6,272</u></b>	<u>6,445</u>
	<b><u>431,445</u></b>	<u>577,310</u>

### 3 Expenses

	Consolidated	
	2011 \$'000	2010 \$'000
<b>Expenses, excluding finance costs, included in the consolidated income statement classified by function</b>		
Cost of properties sold	311,364	438,513
Other expenses	<u>80,779</u>	<u>107,143</u>
	<u><b>392,143</b></u>	<u><b>545,656</b></u>
<b>Classification of these expenses by function</b>		
Cost of properties sold	311,364	438,513
Other expenses from ordinary activities		
Marketing and selling costs	39,911	51,430
Occupancy	2,312	2,757
Administration	28,036	30,839
Other	5,332	16,436
Land holding expenses	<u>5,188</u>	<u>5,681</u>
	<u><b>392,143</b></u>	<u><b>545,656</b></u>
<b>Profit before income tax includes the following specific expenses</b>		
<i>Depreciation</i>		
Plant and equipment	377	466
Display homes	<u>148</u>	<u>163</u>
Total depreciation	<u><b>525</b></u>	<u><b>629</b></u>
Interest and borrowing costs	13,448	18,462
Impairment of inventory on projects	(3,991)	20,475
Impairment of investment in joint venture entity	3,000	-
Provision for bad debts	81	144
Operating lease rental	731	730

### 4 Dividends

	Consolidated	
	2011 \$'000	2010 \$'000
<b>(a) Ordinary shares</b>		
Previous year final dividend paid		
Fully franked based on tax paid @ 30% - 1 cent (2010: nil) per share	6,349	-
Interim dividend paid		
Fully franked based on tax paid @ 30% - 1 cent (2010: nil) per share	<u>6,349</u>	<u>-</u>
Total dividends provided for or paid	<u><b>12,698</b></u>	<u><b>-</b></u>
Paid in cash	<u><b>12,698</b></u>	<u><b>-</b></u>
	<u><b>12,698</b></u>	<u><b>-</b></u>

**4 Dividends (continued)**

<b>Consolidated</b>	
<b>2011</b>	<b>2010</b>
<b>\$'000</b>	<b>\$'000</b>

**(b) Dividends not recognised at the end of the reporting period**

Since year end the Directors have declared the payment of a final dividend of 1 cent per fully paid ordinary share, (2010: 1 cent) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 30 September 2011 out of retained profits at 30 June 2011, but not recognised as a liability at year end is:

	<b>6,349</b>	6,349
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**(c) Franked dividends**

The franked portion of the final dividend recommended after 30 June 2011 will be franked out of existing franking credits.

<b>2011</b>	<b>2010</b>
<b>\$'000</b>	<b>\$'000</b>

Franking credits available for subsequent financial years based on a tax rate of 30% (2010: 30%)

	<b>13,280</b>	18,207
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The impact on the franking account of the dividend declared by the directors since the end of the reporting period, but not recognised as a liability at the reporting date, will be a reduction in the franking account of \$2,721,078 (2010: \$2,721,078).

**5 Events occurring after the reporting period**

A fully franked final dividend in respect of the 2011 financial year of 1 cent per share was declared by Directors on 24 August 2011 (2010: 1 cent). No provision has been recognised in the Statement of Financial Position as at 30 June 2011.

There have been no other significant events which have occurred post 30 June 2011.

## 6 Interests in joint ventures

### (a) Joint venture operations

	<b>% Interest Held 30 June 2011</b>	<b>% Interest Held 30 June 2010</b>
Deer Park Joint Venture	<b>50</b>	50
Halletts Road Joint Venture	<b>50</b>	50
Casey Fields Joint Venture	<b>55</b>	55
Henry Road Pakenham Joint Venture	<b>50</b>	50
Bacchus Marsh Joint Venture	<b>50</b>	-

### (b) Joint venture entities

At balance date, the group had equity interest in a number of joint venture entities and these are listed below. Each joint venture is a resident in Australia and their principal activity is property development.

	<b>% Ownership interest</b>	
	<b>2011</b>	<b>2010</b>
Hamilton Harbour Unit Trust	<b>50</b>	50
Townsville City Project Trust	<b>50</b>	50
Deep Blue Consortium Pty Ltd	<b>45</b>	45
Fallingwater Trust	<b>15</b>	15
Riverina Estate Developments Trust	<b>50</b>	50
VR Pakenham Trust	<b>50</b>	-
Kurunjang Development Trust	<b>50</b>	-

## **7 Contingencies**

### **Contingent liabilities**

The Group had contingent liabilities at 30 June 2011 in respect of:

#### **Guarantees**

Devine Limited has provided the following guarantees:

Devine Limited and controlled entities have provided bank guarantees and surety bonds totalling \$46,166,010 at 30 June 2011 (2010: \$38,486,402) relating to individual land developments and other aspects of the company's operations. The guarantees and bonds are secured by charges over the assets of the respective entities or indemnities. No liabilities are expected to arise.

Devine Limited has provided financiers with performance guarantees in relation to settlement of unconditional pre sales for a project. No liabilities are expected to arise.

The Group also provides performance and financial guarantees in relation to land acquisitions and developments in the normal course of its business operations. No liabilities are expected to arise.

#### **Litigation**

There are a number of matters that are the subject of litigation or potential litigation with several different parties. It is expected that these matters will be resolved with no material cost being incurred by the Company.

## 8 Segment information

### (a) Operating segments

2011	Housing and Land \$'000	Property Develop- ment \$'000	Corporate / Other \$'000	Consolidated Total Continuing Operations \$'000
Total sales revenue	367,525	57,648	-	425,173
Other revenue	472	2,889	2,911	6,272
<b>Total segment revenue</b>	<b>367,997</b>	<b>60,537</b>	<b>2,911</b>	<b>431,445</b>
<b>Segment result</b>	<b>31,255</b>	<b>1,225</b>	<b>(3,428)</b>	<b>29,052</b>
Profit before income tax				29,052
Income tax expense				(8,864)
<b>Profit for the year</b>				<b>20,188</b>
<b>Segment assets</b>	<b>395,051</b>	<b>164,333</b>	<b>28,628</b>	<b>588,012</b>
<b>Segment liabilities</b>	<b>49,322</b>	<b>79,793</b> *	<b>114,900</b>	<b>244,015</b>
<b>Other segment information (included in the above)</b>				
Investments in associates and joint ventures	3,250	63,986	-	67,236
Share of net profits/(losses) of associates and joint ventures	4,724	(1,526)	-	3,198
Depreciation and amortisation expense	335	45	145	525
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	183	105	281	569

\* reflects borrowing by the Group and made available to operating divisions as required to fund operations (excluding specific project funding).



## 8 Segment information (continued)

2010	Housing and Land \$'000	Property Development \$'000	Corporate / Other \$'000	Total Continuing Operations \$'000	Discontinued Operation - Body Corporate Management \$'000	Consolidated \$'000
Total sales revenue	448,566	122,299	-	570,865	2,197	573,062
Other revenue	261	4,043	2,141	6,445	10	6,455
<b>Total segment revenue</b>	<b>448,827</b>	<b>126,342</b>	<b>2,141</b>	<b>577,310</b>	<b>2,207</b>	<b>579,517</b>
<b>Segment result</b>	<b>33,616</b>	<b>(17,969)</b>	<b>(4,140)</b>	<b>11,507</b>	<b>125</b>	<b>11,632</b>
Profit before income tax				11,507	125	11,632
Income tax expense				(3,399)	(75)	(3,474)
<b>Profit for the year</b>				<b>8,108</b>	<b>50</b>	<b>8,158</b>
<b>Segment assets</b>	<b>402,172</b>	<b>131,888</b>	<b>25,622</b>	<b>559,682</b>	-	<b>559,682</b>
<b>Segment liabilities</b>	<b>97,546</b>	<b>53,861</b>	<b>71,868</b>	<b>223,275</b>	-	<b>223,275</b>
<b>Other segment information (included in the above)</b>						
Investments in associates and joint ventures	5,749	42,578	-	48,327	-	48,327
Share of net profits/(losses) of associates and joint ventures	1,030	(2,715)	-	(1,685)	-	(1,685)
Depreciation and amortisation expense	431	34	164	629	-	629
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	217	45	128	390	-	390

\* reflects borrowing by the Group and made available to operating divisions as required to fund operations (excluding specific project funding).

### (b) Segment information provided to the senior executive management team.

The Company operates in only one geographic segment; Australia.

### (c) Other segment information

Revenue of \$53,782,950 (2010: \$5,317,200) has been included in revenue as derived from the construction of the Hamilton Harbour project. These revenues are attributable to the Property Development segment.

## 9 Earnings per share

	Consolidated	
	2011 Cents	2010 Cents
<b>(a) Basic and diluted earnings per share</b>		
Profit from continuing operations attributable to the ordinary equity holders of the company	<u>3.2</u>	<u>1.8</u>

### (b) Reconciliations of earnings used in calculating earnings per share

	Consolidated	
	2011 \$'000	2010 \$'000
<i>Basic earnings per share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share		
from continuing operations	20,188	8,108
from discontinued operation	-	50
	<u>20,188</u>	<u>8,158</u>

### (c) Weighted average number of shares used as the denominator

	Consolidated	
	2011 Number	2010 Number
<i>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</i>	634,918,223	460,175,391
Options	<u>3,320,000</u>	-
<i>Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share</i>	<u>638,238,223</u>	<u>460,175,391</u>

Options granted to employees are only included in the determination of diluted earnings per share to the extent they are considered potentially dilutive.