



Villa World Limited
ABN 38 117 546 326
ASX Code: VLW

14 January 2014

ASX Announcement

Revised First Half 2014 Guidance

On 5 December 2013, Villa World Limited (Company) announced profit guidance for 1H14 and FY14. The Company advises that it now expects the Net Profit before Tax (subject to audit) for the half year ending 31 December 2013 to be approximately \$9.3million, compared to approximately \$5million as previously announced.

The key drivers for the revised forecast include:

- A higher number of first home buyer and investor sales moved to unconditional status than expected in December 2013.
- The recognition of increased contract building revenue due to completion running ahead of schedule.
- Improved net realisation values and higher than anticipated unconditional sales at the Eynesbury project have resulted in a higher than forecast share of joint venture profit in 1H14.

The Company reaffirms its FY14 guidance of Net Profit before Tax of \$17.5 million - \$19.5 million (unaudited).

As previously advised, the Company intends to recommence payment of dividends with an interim dividend expected to be declared for 1H14 and paid in April 2014.

1H14 results are expected to be reported to ASX on 14 February 2014.

Sales Update and Acquisitions

The Company recorded 50 sales worth \$20 million in December, bringing the total sales for 1H14 to 474ⁱ worth \$177.6million.

Restocking remains a priority for the Company. In December 2013, the Company acquiredⁱⁱ three sitesⁱⁱⁱ in Melbourne, adding 348 residential lots.

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ⁱ This includes 50% of sales through the Eynesbury Joint Venture (50% share is 34 lots worth \$4.5 million). This does not form part of the Company's revenue, rather the Joint Venture is equity accounted.

ⁱⁱ Unconditional contracts.

ⁱⁱⁱ 291 lots at Pakenham due to settle in June 2014; 31 lots at Roxburgh Park (N-Melbourne) and 26 lots at Emerson Park (W-Melbourne) structured as put and call options with land paid out of settlements.