

LandMark White Limited

A.C.N. 102 320 329

Results for announcement to the market

ASX Preliminary Final Report

Appendix 4E

30 June 2015

Lodged with the ASX under Listing Rule 4.3A

ASX Announcement – LandMark White Limited – Full year Results

Review of Operations

Financial Results

Highlights

- Gross Revenues increased 10.6% to \$24.7 million
- Revenues excluding franchised offices increased 7.9% to \$19.7 million
- Net Profit After Tax down 33% to \$0.78 million due to the settlement of two long running legal issues (\$0.406m) and one-off restructuring costs
- Continuing growth in organisational capacity: a result of investment in new staff, IT infrastructure and office upgrades
- Fully franked Final Dividend of 2.5 cents maintained

The Board of LandMark White (LMW) announced the continued improvement in revenues across the Group. Gross revenues rose 10.6% to \$24.7 from \$22.4 in FY2014. Revenues excluding franchised offices also rose \$1.4 million to \$19.7 million, a 7.9% increase over the previous financial year. Notwithstanding the strong property markets in Sydney and Melbourne, the improvement in revenue also reflects management's effective implementation of the Group's "Towards Excellence" business strategy.

As noted in the LMW market update (20 May 2015), Net Profit after Tax was affected by the settlement of two long running actions and other one-off costs associated with restructuring of LMW. A 20% increase in professional staff employed in the period also contributed to the reduction in NPAT. The hiring of staff which occurred predominantly in the latter half of FY2015 means growth of revenues did not fully materialise in this year's results.

When the two settlement costs and the one-off restructuring costs (office upgrades, changes to leases, changes to salary structures) are taken into consideration the underlying Profit Before Tax for LMW was \$1.8million. The increase in professional staff across all areas of LMW's business will lay the foundation for LMW to continue to improve its market share in the short to medium term.

Business Overview

The results for the year show LMW is continuing to build its market share. While it is still early days, the second half results confirm the "Towards Excellence" strategy is starting to produce the improvement in revenues that the Board had been expecting. Second half revenues started to reflect the changes in client engagement strategies and the increased staff productivity from our investment in IT hardware.

The strategic acquisition of 12.5% of Forrest Street Pty Ltd (our joint venture partner in LMW Hegney in WA and SA) will further strengthen LMW's ability to deliver an enhanced range of services to major clients nationally. The two companies share a common valuation platform and having worked together for five years. There are readily achievable synergies available that will further contribute to top and bottom line growth in the near term.

While residential valuations now exceed 50% of LMW's revenues, the commercial valuation division has continued to perform well. In particular there was a greater than 40% rise in revenues from our specialist residential development valuations business. This increase is indicative of the value to be driven through recognised specialist expertise and is derived from a combination of a larger volume of valuations and fee increases.

The 2015 financial year has been a year of investment for future growth and sustainability of operations. We have invested in building our professional capacity, risk management, policies and procedures and our IT infrastructure to meet both the demand for property valuations and to create a platform for future quality and productivity gains from new software that will increase staff mobility and workplace flexibility.

Cash at Bank

Throughout the year LMW continued to operate with strong cash balances. However, the investment in its joint venture partner (Forrest Street Pty Ltd – LMW Hegney) and the settlement of the two long standing legal matters reduced cash to \$218,000 at 30 June 2015.

Dividends

The Board has declared a final fully franked dividend of 2.5 cents per share payable on 2 October 2015. The total dividend FY2015 is 3.75 cents per share, which matches the dividends paid in FY2014. The dividend reflects the Board's confidence in LMW's underlying revenue results in FY2015 and the forecast growth for FY 2016.

LandMark White has maintained a consistent level of fully franked dividends since listing in 2003. With significant surplus franking credits dividends should continue to be fully franked for the foreseeable future.

Outlook

The Board expects the fundamentals underpinning the continuing heightened levels of activity in the property sector to remain constant in the medium term. Low interest rates will ensure there is continued strong activity in the Residential markets. We fully expect future growth in the Commercial division as the strategies that under pin the "Towards Excellence" continue to be implemented.

Queensland and NSW continue to show strong improvement in their revenues and business margins. The newly implemented changes in the Melbourne office provide the Board confidence in the expectation that Victoria will make a positive contribution this financial year.

LMW is well placed for growth due to its independence and the expertise of its valuation teams. The business strategies that underscore the "Towards Excellence strategy, such as service diversification and enhanced client engagement ensure LMW is well place to continue to grow its market share across the board in FY2016.

The business through management restructures has built a base for further expansion. Year end staff numbers and revenue capability is such that significant growth is already built in for 2015-16.

LandMark White Limited and Controlled Entities
ACN 102 320 329

Summary Results for the year to 30 June 2015

The following is a summary of the financial results for the year ended 30 June 2015 (previous corresponding period 30 June 2014).

Results for announcement to the market

	Year ended 30 June 2015 \$000s	Year ended 30 June 2014 \$000s	Increase/ (Decrease) \$000s	% Change
Revenue from Continuing Operations	19,731	18,279	1,452	7.94%
Profit before tax from continuing operations	1,155	1,677	(522)	(31.13%)
Income tax expense	376	510	(134)	(26.27%)
Net Profit after tax from continuing operations	779	1,167	(388)	(33.25%)
Net (loss) from discontinued operations	-	-	-	-
Net Profit attributable to members	779	1,167	(388)	(33.25%)

Comparison of Half-Year Profits	Current Period \$000s	Previous Period \$000s
Consolidated Profit after tax attributable to members reported for the 1 st Half yearly report	456	613
Consolidated Profit after tax attributable to members reported for the 2 nd Half year	323	554

Dividends	Amount per security	Franked amount per security
Interim dividend	1.25 cents	1.25 cents
Final dividend	2.5 cents	2.5 cents
	3.75 cents	3.75 cents

Dividend payment date 2 October 2015

Record date for determining entitlement to final dividend 18 September 2015

Ex dividend date 16 September 2015

Annual Report and Annual General Meeting

LandMark White expects to send its Annual Report and Notice of Annual General Meeting to shareholders during the week commencing 12 October 2015.

1. LandMark White expects to hold its 2015 Annual General Meeting in Brisbane on 19 November 2015.

LANDMARK WHITE LIMITED AND CONTROLLED ENTITIES
ACN 102 320 329

PRELIMINARY CONSOLIDATED STATEMENT OF PROFIT & LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	30 June 2015 \$000s	30 June 2014 \$000s
Revenue from continuing operations		19,731	18,279
Expenses from continuing operations			
Employment expenses		13,912	12,472
Report presentation expenses		713	844
Marketing expenses		121	130
Communication expenses		225	270
Administration expenses		2,033	1,605
Occupancy expenses		971	843
Depreciation and amortisation expenses		168	157
Other expenses from ordinary activities		448	308
Results from operating activities		1,140	1,650
Finance income		21	28
Finance expense		6	1
Profit before tax		1,155	1,677
Income tax expense	4	376	510
Profit from continuing operations after Income Tax Expense		779	1,167
Total comprehensive income for the year		779	1,167
Profit attributable to:			
Owners of the parent		779	1,167
Non-controlling interest		-	-
		779	1,167
Total comprehensive income attributable to:			
Owners of the parent		779	1,167
Non-controlling interest		-	-
		779	1,167
Basic earnings per share (cents per share) from continuing operations	2	2.8	4.2
Basic earnings per share (cents per share)	2	2.8	4.2
Diluted earnings per share (cents per share) from continuing operations	2	2.8	4.2
Diluted earnings per share (cents per share)	2	2.8	4.2

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

LANDMARK WHITE LIMITED AND CONTROLLED ENTITIES
ACN 102 320 329

PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	30 June 2015	30 June 2014
	\$000s	\$000s
Current Assets		
Cash and cash equivalents	218	1,716
Term deposits	103	-
Trade and other receivables	2,628	2,080
Inventories	99	83
Other assets	479	409
Total Current Assets	3,527	4,288
Deferred tax assets	463	436
Term deposits	247	288
Plant & equipment	306	220
Intangible assets	5,035	5,076
Investments	575	-
Total Non Current Assets	6,626	6,020
Total Assets	10,153	10,308
Current Liabilities		
Trade and other payables	966	815
Current tax liabilities	159	269
Employee benefits	2,004	2,010
Total Current Liabilities	3,129	3,094
Non Current Liabilities		
Deferred tax liabilities	30	25
Employee benefits	130	106
Provisions	189	206
Total Non Current Liabilities	349	337
Total Liabilities	3,478	3,431
Net Assets	6,675	6,877
Equity		
Contributed equity	6,008	6,008
Retained Earnings	605	860
Reserves	62	9
Total Equity	6,675	6,877

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

LANDMARK WHITE LIMITED AND CONTROLLED ENTITIES
ACN 102 320 329

PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015 \$000s	30 June 2014 \$000s
Cash Flows from Operating Activities		
Receipts from customers	21,103	19,955
Payments to suppliers and employees	(20,246)	(18,558)
Interest received	21	28
Interest paid	(6)	(1)
Increase in security deposits	(62)	-
Income tax (paid)	(486)	(254)
Net cash flows provided by Operating Activities	324	1,170
Cash Flows from Investing Activities		
Purchase of plant & equipment	(198)	(43)
Purchase of intangible assets	(15)	(29)
Purchase of investments	(575)	-
Net cashflows used in Investing Activities	(788)	(72)
Cash Flows from Financing Activities		
Dividends paid	(1,034)	(966)
Net cashflows used in Financing activities	(1,034)	(966)
Net increase / (decrease) in cash held	(1,498)	132
Cash at beginning of financial period	1,716	1,584
Cash at end of financial period	218	1,716

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

LANDMARK WHITE LIMITED AND CONTROLLED ENTITIES
ACN 102 320 329

PRELIMINARY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015
STATEMENT OF CHANGES IN EQUITY

	Share Capital \$000's	Share Option Reserve \$000's	Retained Earnings \$000's	Total \$000's	Non- controlling Interest \$000's	Total Equity \$000's
Consolidated						
Balance at 1 July 2013	6,008	-	657	6,665	-	6,665
Total comprehensive income attributable to members of the parent entity	-	-	1,169	1,169	-	1,169
Net share based compensation benefit	-	9	-	9	-	9
Dividends to shareholders	-	-	(966)	(966)	-	(966)
Balance at 30 June 2014	6,008	9	860	6,877	-	6,877
Total comprehensive income attributable to members of the parent entity	-	-	779	779	-	779
Net share based compensation benefit	-	53	-	53	-	53
Dividends to shareholders	-	-	(1,034)	(1,034)	-	(1,034)
Balance at 30 June 2015	6,008	62	605	6,675	-	6,675

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

LANDMARK WHITE LIMITED AND CONTROLLED ENTITIES
ACN 102 320 329

NOTES TO THE PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

1. DIVIDENDS

Final dividend resolved to be paid	2.5 cents per share fully franked
Date the dividend is payable	2 October 2015
Record date	18 September 2015
Ex dividend date	16 September 2015

	<u>Current Year</u>	<u>Prior Year</u>
Interim dividend	1.25 cents	1.25 cents
Final dividend	2.5 cents	2.5 cents
	-----	-----
	3.75 cents	3.75 cents

2. EARNINGS PER SHARE

	30 June 2015	30 June 2014
	¢	¢
Basic earnings per share	2.8	4.2
Diluted earnings per share	2.8	4.2
Weighted average number of shares used in the		
- calculation of basic EPS	27,588,781	27,588,781
- calculation of diluted EPS	27,668,781	27,588,781

The amount used in the numerator in calculating basic and diluted EPS is the total comprehensive income attributable to owners of the parent reported in the Consolidated Statement of Comprehensive Income.

3. NET TANGIBLE ASSET BACKING

	30 June 2015	30 June 2014
Net Tangible Asset Backing Per Share	\$0.059	\$0.065

4. INCOME TAX

Income tax expense for the year consists of the following;

	30 June 2015	30 June 2014
	\$000s	\$000s
Profit from continuing operations before tax	1,155	1,677
Prima facie income tax calculated at 30% on profit	346	503
Effect of non deductible expenses	32	20
Franking credit from dividends	(2)	-
Prior Year adjustments	-	(13)
Net income tax expense	376	510

LANDMARK WHITE LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

	30 June 2015	30 June 2014
	\$000s	\$000s
5. CONTRIBUTED EQUITY		
Issued and paid-up capital		
27,588,781 (June 2014 : 27,588,781) ordinary shares, fully paid	6,008	6,008
Movements during the period:	Nil	Nil

6. SUBSEQUENT EVENTS

On 1 July 2015 the consolidated entity acquired an additional 2.5% equity in Forrest Street Pty Ltd. This equity is part of the additional equity disclosed in the ASX announcement of 13 April 2015. There have been no other events subsequent to reporting date which affect the results contained in this financial report or the continuing operations of the Group.

7. COMPLIANCE STATEMENT

This report is based on financial statements to which the following applies:

- | | |
|--|--|
| <input type="checkbox"/> The financial statements have been audited. | <input type="checkbox"/> The financial statements have been subject to review. |
| <input checked="" type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have not yet been audited or reviewed. |

The Company has a formally constituted Audit Committee.