

ASX Announcement

LMW Full year Results to 30 June 2015

**Group Gross Revenues up 10.6% to \$24.7 million**  
**LMW “Towards Excellence” business strategy underpins improved market share**

**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**

In making the announcement, Mr Chris Nicholl, CEO said: “The results for the year show we are continuing to build our 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. While there is little difference in half year revenues, 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 our 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,” Mr Nicholl noted.

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 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.

LMW 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**

Mr Nicholl said, “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.

For further information, please contact

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**Investor Teleconference**

Chris Nicholl, Chief Executive Officer, will present the results at a teleconference call today. The details of the teleconference are below.

Time: 2.15pm (AEST)  
Phone numbers: +61 2 8038 5221 or 1800 123 296 (toll-free)  
Conference ID: 4609 736

In order to ask a question during the live question and answer session, please press “\*1” (star,1) on your telephone keypad. The webcast for this event can be viewed on the following link:

<http://event.on24.com/r.htm?e=1032052&s=1&k=9A9FCD8D956A4AAC28F32E6AF39C897B>

**LandMark White Group**

Established in 1988 LandMark White Group is one of Australia’s leading property valuation and advisory groups with offices across Australia. We provide valuation and research services to developers, lenders, borrowers and owners for all classes of property. These include commercial, residential, industrial, tourism, retail and rural as well as new developments.

Our property valuers consult to governments (state and federal) property trusts (listed and unlisted), companies and individuals. Additionally we are on the panel of preferred valuers for most of Australia’s leading banks and mortgage providers. For more investor information about LMW go to [www.lmw.com.au](http://www.lmw.com.au) or if you want a valuation, please go to [www.landmarkwhite.com.au](http://www.landmarkwhite.com.au)