

PORT BOUVARD LIMITED

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PORT BOUVARD LIMITED FULL YEAR RESULTS AND OPERATIONS UPDATE

Western Australian property developer Port Bouvard Limited (ASX: **PBD**), and its group of companies (**Group**), reports a net profit after tax of \$0.8m for the year ended 30 June 2011. Key aspects of the Group's financial year results are:

- Operating profit before impairment and tax being \$4.6 million
- Statutory net profit after tax being \$0.8 million
- Net revenue from land sales and Oceanique apartments being \$68.6 million up by 230%
- Impairment recognised of \$3.6 million on the Group's assets
- Net tangible assets being \$130 million
- Net tangible assets per share being \$0.22
- Gearing (net debt to equity) being 28%

Further details of the Group's financial year results are available in the Appendix 4E which accompanies this announcement.

Chief Executive Officer, John Wroth said, *"Port Bouvard Limited has delivered an encouraging result as it continues to reduce debt whilst finalising key approvals for the much anticipated Point Grey development. For the last year we have remained focused on a strict capital management strategy to strengthen our platform in readiness for commencement of Point Grey and medium term growth opportunities. Our aim is to continue to be regarded as an industry leader in premium waterfront communities and continue to grow the Group's profits."*

Information with respect to the Group's key projects and bank facilities is below.

Oceanique

John Wroth said, *"The highly regarded Oceanique luxury apartments have now received various industry awards and continue to impress. The prices are now at a level suitable for capital growth and is drawing both investor and weekend interest. Despite the soft market for luxury and aspirational purchases the Group remains focused on a strategically targeted marketing campaign for Oceanique, both locally and internationally."*

"The key challenges this year have been completing the pre-sale settlements from Oceanique and generating new apartment sales in a volatile economic environment".

Settlements of pre-sale contracts commenced on 26 July 2010 and by 30 June 2011 a total of 25 contracts had settled providing gross sales proceeds of \$61.5 million. There are 13 contracts on foot awaiting settlement, all of which are from the 2007 pre-sales campaign. A number of these are under deeds of variation with extended settlement terms, or at various stages of the legal process.

Point Grey

Since receiving urban rezoning approval in April 2009, the local Town Planning Scheme rezoning received Ministerial consent in early June 2011. This final rezoning approval then paved the way for the Outline Development Plan approval received on 28 June 2011.

Subdivision approval for 341 lots was submitted to the Western Australian Planning Commission (**WAPC**) in March 2011. Approval from the WAPC is expected shortly.

Environmental approval for the residential development component of Point Grey was received from the State Environmental Protection Authority in March 2011. The Commonwealth Government's environmental approval for the residential component of Point Grey is expected to be finalised near the end of 2011.

The proposed marina environmental approval is well advanced, with the Public Environmental Review advertising period now complete. State Ministerial consent is expected near to the end of 2011 with Commonwealth Ministerial consent anticipated in the first quarter of 2012.

John Wroth added, *"Over the last year we have remained persistent and focused on obtaining these remaining approvals which represent considerable de-risking of the proposed development and adding significant value to our flagship asset. Though at times we are critical of the approval process and timeframes, we still are mindful that there is no landholding as unique and valuable as Point Grey and we are very privileged for this development opportunity to create another iconic community where people want to live."*

Banking

John Wroth said, *"During the year St George Bank has provided continued support by accommodating the Group's requests for appropriate amendments to bank facilities. Discussions are well progressed in relation to renewing bank facilities beyond their current expiry dates."*

Conclusion

John Wroth said, *"The Group is in a much improved position with gearing at 30 June 2011 being 28%. Direct development costs for initial infrastructure and stage one civil costs are fully funded for the Point Grey project. The infrastructure works are anticipated to commence once final approvals are obtained."*

Further details of the Group's projects and operations are available in the Appendix 4E which accompanies this announcement.

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