

30 March 2009

The Companies Announcement Office  
Australian Stock Exchange Limited  
Level 10 Exchange Centre  
20 Bond Street  
**SYDNEY NSW 2000**

Dear Sir / Madam

**COMPANY STRATEGY UPDATE WITH BOARD AND MANAGEMENT RESTRUCTURE**

Please find attached the following information from the Company:

- Media release
- Market presentation

Yours faithfully



**Peter Coppini**  
**Company Secretary**

Media Release  
30 March 2009

## **Port Bouvard Limited restructures Board and Management in line with Company Strategy**

### **Key points:**

- **New Chairman and Director appointed, with longstanding Chairman Michael Perrott and Director Rick Crabb retiring;**
- **Internal candidates appointed Joint CEO's following extensive review and consideration;**
- **Sustained period of Company growth expected to commence with the development of over 5,000 home sites from 2010 onwards, and**
- **Company strategy refined to focus on development and realisation of existing assets, through wholesale fund initiatives or non-core asset sales, with the ultimate objective to return surplus profits to shareholders after satisfying ongoing operational commitments and external debt obligations.**

Leading WA property developer ASX-listed Port Bouvard Limited (**ASX: PBD**) ("Port Bouvard" or "the Company") today announces a restructure to its Board and management, changes it believes will maximise opportunities associated with the development of its sizable land bank of Western Australian assets.

The restructure finalises the extensive succession planning review conducted and announced by the Company over the past year, highlighted at the 2008 Annual General Meeting with both the Chairman and Managing Director declaring their intentions to pave the way for new leadership in the business.

As part of the Board restructure current long-standing Directors Mr Michael Perrott and Mr Rick Crabb have chosen to retire to pursue a number of outside personal and business interests, with Mr Lee Verios and Mr Stephen Court joining the Port Bouvard Board as non-executive Directors.

The Board and executive of the Company wish to thank and acknowledge Mr Perrott and Mr Crabb for the significant dedication and contribution they have made since the Company's inception 11 years ago and wish them all the best for the future.

At the Board meeting to be held on 23 April 2009 Mr Lee Verios will go on to assume the position of Chairman of the Board as Mr Michael Perrott and Rick Crabb officially resign.

Both new Board appointees have considerable experience in the corporate finance and property sectors, with Mr Verios currently working for Deacons as a senior partner as well as being on a number of other Company Boards, and Mr Court as a corporate adviser and property consultant.

On 14 October 2008 the Company announced that founding Managing Director Mr Ross Neumann had confirmed his intention to retire from this position by 1 July 2009. At this time an extensive review of the company's executive structure to ensure Port Bouvard would be able to deliver on its strategy in light of the changing financial environment was undertaken.

The review, which was led by independent Directors Rick Crabb and Ian Macliver, found that internal candidates Mr John Wroth and Mr Matthew Perrott were best placed to lead the Company strategy moving forward and as such were offered and accepted the position of joint Chief Executive Officers, effective immediately.

Both men have led the Company's development and financial requirements for a number of years, and have extensive experience and knowledge of the Company's assets and affairs. They will report to the newly appointed Board and be instrumental in the Company achieving its stated objectives.

The Board believes the joint CEO structure is not only cost effective but provides an appropriate platform for the Company's funds management and development strategies moving forward, as utilised by other companies in the listed property sector.

As announced last year, Mr Neumann will stand aside as Managing Director but will remain a Non Executive Director of the Company effective from the 1<sup>st</sup> of July 2009.

In conjunction with the Board and management restructure the Company has refined its corporate strategy so as to focus on the development and realisation of existing assets, through wholesale funds or non-core asset sales, with surplus profits to be returned to shareholders after satisfying ongoing operational commitments and external debt obligations.

The Company believes there are a number of strategies and opportunities with regards to the Company's landholdings which provide some unique and exciting opportunities. Although the current markets have deteriorated, the land bank which the Company owns has considerable value.

The Board is committed to maximising short/medium returns to shareholders by releasing equity where possible from its core assets. This will be achieved by the Company not seeking to acquire any additional land but rather explore and maximise the opportunities for its existing land bank.

Port Bouvard expects to obtain its Australian Financial Services License (AFSL) shortly and this will allow it to pursue potential wholesale fund opportunities. This method will also assist in the previously announced intention of disposing of non-core assets. Consequently all assets will be reviewed with the intention of maximising their value in the most appropriate timeframe and allowing the business to maintain all options and flexibility.

All wholesale fund opportunities are anticipated to be structured where Port Bouvard maintains the project management and development roles through a structured fee process.

On the changes to the Board and management structure retiring Chairman Mr Michael Perrott stated "After the comprehensive Company review last year and acknowledging our global economic challenges, the personnel moves and strategic plan provide the best opportunity for the Company to regain value for its shareholders, remain flexible and move forward."

“The assets of the Company are well located and can be methodically developed and realised in the short to medium term, in what is anticipated to be better market conditions than present,” Mr Perrott said.

“The Board, including the newly appointed Directors, and key stakeholders of the business believe this is the best strategy to move forward, with our Half Year Accounts reflecting the inherent value of our assets with no impairment recorded in what is a very challenging market.”

The Company recently announced the sale of the Marina, Links and sales of prestige lots at Southport, totalling approximately A\$12 million.

Mr Perrott also added “The Company’s financial position is sound and is expected to be further enhanced by the asset realisation strategy and expected settlement of Eastport 5 lots on or before June 2009 and the Oceanique apartments of which 43 units have been sold and will settle on or before June 2010.”

“The organisational changes will also save the Company in excess of A\$400,000 per annum, and structures the business appropriately for its stated funds management and development initiatives moving forward.”

Port Bouvard, under the stewardship of its new Board and management team, is currently planning for a sustained period of Company growth through its asset realisation strategy - expected to see the Company project manage and develop over 5,000 home sites from 2010 onwards.

On his appointment to the Board and his belief in the Company strategy moving forward Mr Verios said, “I believe Port Bouvard has a great opportunity to return strong shareholder value. It has significant development asset holdings, it has a well focussed strategy to develop those assets, it has solid support from its bankers and it has the right people in place to drive that strategy.”

“I very much look forward to working with the newly appointed CEO’s and the newly constituted Board to ensure that shareholder value is realised at every opportunity.”

ENDS

**Further information:**

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# Port Bouvard Limited

Market Presentation

March 2009



## Executive Summary

- New Chairman and Director appointed, with longstanding Chairman Michael Perrott and Director Rick Crabb retiring
- Internal candidates appointed Joint CEO's following extensive review of management structure
- Sustained period of Company growth expected to commence with the development of over 5,000 home sites from 2010 onwards
- Company strategy refined to focus on development and realisation of existing assets, through wholesale funds and sale of non-core assets, with the ultimate objective of returning surplus profit to shareholders after satisfying all ongoing operational commitments and external debt obligations, and
- Continue to add value by achieving rezonings and development approvals on assets during the downturn in the economic cycle in readiness for better markets



# Company strategy

## Asset Realisation



# Company Strategy

## A timeline perspective:

Replenish project pipeline

FY2006/7

- Point Grey
- Gidgegannup
- Esperance
- Melros
- Dawesville
- Furnissdale
- Final stages of Port Bouvard

Asset value maximisation

FY2007/8/9

- Point Grey Urban zoning anticipated April 2009
- Lodgement of Gidgegannup masterplan and rezoning applications April 2009
- Subdivision approval obtained for 47 canal lots and 59 apartments at Eastport 5
- Subdivision approval obtained for 43 lot residential survey strata at Melros
- Development Approval obtained for 138 key hotel site at Port Bouvard
- Increase in density of Lot 370 (Villa Site) from 20 to 44 apartments

Asset realisation

FY2009+

- Core asset wholesale fund opportunities
- Non core asset disposal



## Company Strategy – Asset Realisation

### **Asset Realisation – Core asset wholesale funds**

- As previously announced, the company is in the process of securing an Australian Financial Services License (AFSL) to enable the pursuit of wholesale fund opportunities to targeted investors
- These opportunities are expected to release significant capital into Port Bouvard Limited
- Together with sales of non-core assets (following slide), wholesale fund opportunities should assist in realising the previously estimated \$1.50+ per share in the shortest possible timeframe
- Port Bouvard Limited to maintain a cornerstone equity stake in possible wholesale funds with ongoing project management services



## Company Strategy – Asset Realisation

### **Asset Realisation - Non-core asset disposal**

- In accordance with its intention to dispose of non-core assets and despite the challenging property market, since November 2008
  - Port Bouvard Marina has sold and settled for \$4.75 million
  - Remaining 12 Links Villa homes are sold (under contract) for proceeds in excess of \$7 million with 7 of the remaining 12 Links Villa homes already settled
  - Advanced discussions continue over other non-core assets

**Ultimate objective of returning surplus profit to shareholders after satisfying all ongoing operational commitments and external debt obligations**



# Board & Management restructure

The key to strategy success



## Board

- **Lee Verios , Non Executive Director (Non Executive Chairman effective from 23 April 2009)**
  - Highly experienced legal practitioner with a strong commercial and property track record
  - Senior Partner, Deacons, an International law firm
  - Experienced Company director. Other current directorships include:
    - Chairman, Wyllie Group Pty Ltd
    - Chairman, Vmoto Limited (ASX: VMT)
    - Director, Kailis Organic Olive Groves Limited (unlisted)
- **Stephen Court, Non Executive Director**
  - Highly experienced chartered accountant, specialising in property development and finance,
  - Former Director of Emeco Group of Companies (unlisted)
- **Longstanding Directors Michael Perrott and Rick Crabb resigning from the Board, effective 23 April 2009, after 11 years of service**
- **Ross Neumann to resign as Founding Managing Director effective 1 July 2009, to remain on Board as a Non Executive Director and consultant to the Company**
- **Ian Macliver remains a Non Executive Director**



## Executive Management

John Wroth and Matthew Perrott have become joint Chief Executive Officers (CEO) focusing on Development and Finance respectively, reporting to the Board.

- **Mr John Wroth**

- Leads the Company's development initiatives
- Instrumental in achieving all required zoning, design and planning approvals across Port Bouvards asset portfolio

- **Mr Matthew Perrott**

- Leads the Company's financial functions and corporate initiatives,
- Coordinates all financial and capital management activities for the business including instrumental in completing the Company's A\$112M capital raising and ongoing debt management

- **Mr Peter Coppini appointed Company Secretary effective immediately**

- **The new structure of the Board and Senior Management reflects new leadership in the business, whilst maintaining appropriate experience and preparing the Company for its asset realisation strategy moving forward**

- **The Company also effects overall annual savings of approximately \$400k through the restructure**



# Project update

Quality assets in prime locations



## Project Update

- Assets currently under construction

Asset	Details	Status
Eastport Stage 5	47 Lot canal subdivision and internal island (Development Guide Plan approval for 59 apartments) in Port Bouvard Residential Resort Estate. 32 of the 47 canals lots have been pre-sold (\$25.4m)	Practical completion due end of March 2009 with titles and settlements expected May/June 2009.
Oceanique	67 Luxury apartment complex in Port Bouvard's Resort Precinct on The Cut Golf Course with 43 apartments pre-sold (\$114m)	North Tower Level 8 (top level) slab due to be poured end of March 2009 with practical completion and settlements estimated May/June 2010.



## Project Update

- Assets in planning and approvals phase

Asset	Details	Status
Point Grey	Proposed iconic 2,000 lot + 500 medium density dwelling site at Point Grey, access serviced by the soon to be completed Freeway Extension.	Peel Region Planning Committee to consider lifting urban deferment zoning April 2009. Environmental assessment set with development anticipated to commence 2010.
Gidgegannup	Proposed 1,650 lot subdivision being the first masterplanned community in the North Eastern Hills of Perth.	Masterplan including Outline Development Plan and rezoning applications to be lodged April 2009. Development anticipated to commence 2010.
Esperance	Proposed 203 lot subdivision including majority canal homesites first of their type in the region.	Structure planning by State Government commenced, due for presentation to council June 2009. Development anticipated to commence 2011.



## Project Update

- Assets in planning and approvals phase cont'd

Asset	Details	Status
Dawesville	Proposed 47 lot special residential subdivision 4 kilometres south of Port Bouvard Residential Resort Estate bordering the Yalgorup National Park.	Anticipated rezoning under Local Town Planning Scheme in 2010.
Melros	Approved for 43 lot survey strata subdivision on unique, pristine coastal land 4 kilometres south of Port Bouvard Residential Resort Estate	Subdivision approval received March 2009.
Furnissdale	Development Agreement with landowner for proposed 600+ lot subdivision	Pending Peel Region Urban Growth Strategy expected to identify Furnissdale as a strategic urban area with direct freeway access.



## Project Update

- Assets in planning and approvals phase cont'd  
Port Bouvard Resort Precinct

Asset	Details	Status
Lot 370 (Villa Site)	44 apartment site bordering The Cut Golf Course.	Development Guide Plan approved with Development Application being submitted April 2009.
Lot 372 (Hotel Site)	Approved 138 key hotel site bordering The Cut Golf Course and Oceanique Apartment Development	Development Approval obtained for 138 key hotel tourism development



# Financial update

Stable financial position



## Financial Update

**Further to the recent release of half yearly accounts:**

Net Loss to 31 December 2008	(\$1.204m)
Total Assets as at 31 December 2008	\$248.9m
Net Assets as at 31 December 2008	\$146.2m
<b>Net Tangible Assets per share 31 December 2008</b>	<b>\$1.13</b>
<b>Share Price as at 30 March 2009</b>	<b>\$0.20</b>
External Debt Facilities as at 30 March 2009	\$98.2m*

\*The Board recognizes that debt is a critical indicator for investors and therefore seeks to make its debt structure as transparent as possible as displayed on the following slide



## Debt Summary

Facilities are detailed in annual reports however the Board believes the table below will further assist investors to understand the debt position. Total debt is spread across four facilities:

Facility	Facility Limit	Current Drawdown (30/3/09)	Facility Available	Unconditional Presales	Comments
Gidgegannup	\$50m	\$43.3m	\$6.7m	N/A	The Gidgegannup facility is secured over Point Grey and Gidgegannup properties. Interest is capitalised and fixed.
Oceanique	\$101m	\$37.8m	\$63.2m	\$114.0m (43 of 67 apartments)	The Oceanique facility is a stand alone facility which represents the estimated total construction cost (including financing). The term of the facility is beyond anticipated project completion. Interest is partly fixed/ partly capped and capitalises.
Eastport 5	\$17m	\$13.3m	\$3.7m	\$25.4m (32 of 47 canal lots)	The Eastport 5 facility is a stand alone facility which represents the estimated total construction cost (including financing). The term of the facility is beyond anticipated project completion. Interest is variable and capitalises.
Multi-Option Facility (Working Capital)	\$20m	\$3.8m	\$16.2m	N/A	The Multi-Option facility is effectively the working capital of Port Bouvard Limited. It is secured against all remaining landholdings of the business. To the extent sales are made outside of the projects above, the proceeds flow back into the Multi-Option facility. Interest is variable and capitalises.
<b>TOTAL</b>	<b>\$188m</b>	<b>\$98.2m*</b>			



## Presentation Summary

- Asset realisation strategy designed to focus on maximising asset value and reduce debt exposure
- Restructured Board and Management team in place to proactively drive Company strategy
- Development of extensive project portfolio progressing in-line with guidance and Company expectations
- Active financial management to reduce debt and maintain flexibility in a challenging market
- Ultimate objective of returning surplus profit to shareholders after satisfying all ongoing operational commitments and external debt obligations
- Executive Management planning regular institutional road shows and ongoing capital markets communication initiatives to demonstrate the value opportunity



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