

15 March 2019

## Announcement by Villa World

AVID Property Group (**AVID**) notes the ASX Announcement made by Villa World Limited (**VLW**) regarding a possible offer by AVID for VLW.

AVID confirms that it approached VLW on 5 March 2019 and subsequently submitted an indicative and non-binding proposal (**Indicative Offer**) on 8 March 2019 to acquire 100% of the outstanding shares in VLW through a scheme of arrangement at a cash price of \$2.31<sup>1</sup> per share (**Proposed Transaction**).

The cash consideration offered by AVID under the Indicative Proposal is \$2.31 per share with the offer consideration to be reduced by the amount of any dividends or distributions that Villa World shareholders become entitled to receive on or after the date of the Indicative Proposal. For the avoidance of doubt, the Indicative Offer will be reduced by the 1H19 dividend of 8 cents per share (the ex-date of which was 12 March 2019).

AVID believes that the Indicative Offer would deliver an attractive value proposition for VLW shareholders as it provides a meaningful premium to VLW's recent trading price, value certainty of all cash consideration and is subject to limited conditionality. The Indicative Offer implied the following premia:

Consideration per VLW share	\$ 2.31 <sup>1</sup>	Premia
Last closing price <sup>2</sup>	\$ 2.00	15.5 %
1-month VWAP <sup>3</sup>	\$ 1.93	19.5 %
3-month VWAP <sup>3</sup>	\$ 1.81	27.7 %

At this stage, discussions are preliminary only and there is no assurance that any transaction will eventuate. Any agreed transaction would require satisfactory due diligence outcomes, Board approvals and the negotiation and execution of a scheme implementation agreement which would also be subject to various conditions including regulatory, court and shareholder approvals.

The Indicative Offer was intended as an expression of interest and is not intended to constitute, and does not constitute, a legally binding offer. It represents an indicative, conditional, incomplete and non-binding offer and is not capable of acceptance or otherwise capable of giving rise to a binding contract.

AVID has engaged Goldman Sachs Australia Pty Ltd as financial adviser and Clayton Utz as legal adviser to the Proposed Transaction.

**ENDS**

<sup>1</sup> Under the Indicative Offer, the consideration offered will be reduced by the amount of any dividends or distributions that VLW shareholders become entitled to receive after the date of the Indicative Offer. For the avoidance of doubt, the Indicative Offer will be reduced by the 1H19 dividend of 8 cents per share (the ex-date of which was 12 March 2019).

<sup>2</sup> On 4 March 2019 (last trading day prior to the initial approach).

<sup>3</sup> Volume Weighted Average Price. The 1 month and 3 month VWAP calculations are to 4 March 2019 (last trading day prior to the initial approach).

## **About AVID Property Group**

AVID is a diversified Australian property development business with a \$3bn portfolio of broad acre and medium density residential and industrial project. Its current portfolio comprises over 6,500 residential lots and 180ha of industrial land. AVID currently has 8 active residential projects in QLD, NSW and VIC. The business has successfully delivered over \$1.7bn worth of residential projects in Australia over the last 9 years. AVID is headquartered in Sydney, Australia.

