

14 March 2019

VILLA WORLD LIMITED ABN 38 117 546 326 ASX CODE: VLW

Villa World receives unsolicited and conditional acquisition proposal

Villa World Limited (ASX: VLW) (*Villa World* or the *Company*) today announced that on Friday 8 March 2019, it received an unsolicited proposal from AVID Property Group Australia Pty Ltd (*AVID*) to acquire all of the shares in Villa World by way of scheme of arrangement (the *Indicative Proposal*). The Indicative Proposal is stated to be an indicative, conditional, incomplete and non-binding expression of interest.

Since its receipt, the Board has convened to discuss the Indicative Proposal and has decided that, despite the incomplete, conditional and non-binding nature of the approach, it wants its security holders to be appropriately informed.

The indicative consideration offered by AVID is effectively \$2.23¹ per share.

AVID has requested access to Company information to conduct due diligence.

Terms of Indicative Proposal

The Indicative Proposal is subject to a number of conditions, including:

- satisfactory completion of due diligence;
- negotiation and execution of a scheme implementation agreement; and
- receipt of approval from the AVID board of directors prior to execution of a scheme implementation agreement.

The Indicative Proposal is also subject to assumptions which include:

- Villa World's capital is and remains as follows: 125.5 million shares (adjusted for any shares bought back under Villa World's existing on-market buyback program) and 2.0 million performance rights; and
- Villa World does not divest any material assets after the date of the Indicative Proposal.

AVID has stated that it expects to be able to fund the acquisition of 100% of Villa World from internal resources, equity contributions from AVID's shareholders and debt facilities.

The Indicative Proposal states that any resulting transaction would also be subject to a number of terms and conditions in the scheme implementation agreement, including:

- the unanimous recommendation of the Villa World board of directors (*Board*);
- receipt of FIRB approval and all other necessary regulatory approvals;
- receipt of approval by Villa World shareholders by the requisite majorities, and by the Court;
- no prescribed occurrences;
- no material adverse change;

¹ The Indicative Offer contained a headline price of \$2.31 per ordinary share which was expressed to be adjusted for the 1H19 dividend of \$0.08 per ordinary share (the ex date of which was 12 March 2019).

VILLA WORLD LIMITED

Level 1 Oracle West,
19 Elizabeth Avenue, Broadbeach QLD 4218
Shareholder queries:
Email: securityholder@villaworld.com.au
ABN 38 117 546 326 ASX CODE: VLW

SHARE REGISTRY

Computershare Investor Services Online:
www.investorcentre.com
By mail: GPO Box 2975, Melbourne VIC 3001
Tel: (within Australia) 1300 651 684
(international) +61 3 9415 4000

villaworld.com.au



- no material events, i.e. Villa World not being involved in any material transactions, litigation or contractual or regulatory breaches; and
- customary deal protection mechanisms (including a break fee, no shop, no talk, notification rights and a matching right).

The Indicative Proposal states that it is not a public announcement of an intention, or a public proposal, to make a takeover bid.

Next Steps

The Villa World Board is committed to maximising value for all its security holders, and has commenced an assessment of the Indicative Proposal. The market will be kept informed of any material developments in accordance with the Company's continuous disclosure requirements.

Villa World is currently in the process of appointing advisors.

Villa World shareholders do not need to take any action in relation to the Indicative Proposal at this stage. There is no guarantee that following the Board's consideration of the Indicative Proposal that AVID will be granted diligence or that the Indicative Proposal will result in a transaction or that the Board will recommend any proposal.

About AVID

AVID is a diversified Australian property development business with a reported \$3bn portfolio of broad acre and medium density residential and industrial projects. AVID has stated that it is owned by a number of significant international institutional investors, whose investment in AVID is managed and advised by Proprium Capital Partners, a fund manager headquartered in the United States.

In its Indicative Proposal, AVID states that Villa World's exposure to greenfield growth corridors on Australia's east coast fits well with AVID's strategic ambitions to expand its existing platform and that it views the two platforms as being highly complementary.

For enquiries:

Craig Treasure

Managing Director/CEO

Tel: (07) 5588 8888

securityholder@villaworld.com.au