

## Appendix 4D

### Half Year Report

Name of Entity

**Devine Limited**

ABN or equivalent company  
reference

**51 010 769 365**

Financial year ended  
(‘current period’)

**31 December 2011**

Previous Corresponding period

**31 December 2010**

#### Results for announcement to the market

**\$A'000**

Revenues from continuing operations	down	<b>-14.3%</b>	to	<b>196,897</b>
Profit/ (loss) after tax attributable to members	down	<b>-23.3%</b>	to	<b>7,298</b>

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

**An interim dividend of 2 cents per ordinary share has been declared post 31 December 2011.**

Refer attached Directors' Report and Financial Statement Extract which includes:

**Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and other notes.**

#### Dividends (in the case of a trust, distributions)

Date the dividend (distribution) is payable

**30 March 2012**

Record date to determine entitlements to the dividend (distribution) (i.e. on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved)

**16 March 2012**

If it is a final dividend, has it been declared?

**N/A**

Amount per security

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>Final dividend:</b>	Current year	n/a	n/a	0 ¢
	Previous year *	4 cents	4 cents	nil
<b>Interim dividend:</b>	Current year	2 cents	2 cents	0 ¢
	Previous year *	4 cents	4 cents	nil

\* Comparative year dividends per security have been restated to account for the effect of the 4-for-1 share consolidation in November 2011.

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A
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Statement of Retained Earnings

	Current period - \$A'000	Previous corresponding period - \$A'000
Retained profits at the beginning of the financial period	51,635	44,145
Net profit attributable to members	7,298	9,511
Dividends and other equity distributions paid or payable - FY11 final dividend	(6,349)	(6,349)
<b>Retained profits at the end of the financial period</b>	<b>52,584</b>	<b>47,307</b>

Net tangible Assets (NTA)

	Current period (\$)	Previous corresponding period (\$)
Basic NTA	2.15	2.12
Diluted NTA	2.15	2.12

Earnings per security (EPS)

	Current period (cents)	Previous corresponding period (cents)
Basic EPS *	4.6	6.0
Diluted EPS *	4.6	6.0

\* Comparative year EPS and diluted EPS have been affected by the 4-for-1 share consolidation in November 2011 and have been restated in accordance with AASB 133 Earnings per Share.

**Compliance statement**

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to the ASX.

Identify other standards used

N/A

2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies, other than as disclosed

3 This report ~~does not~~ (delete one) give a true and fair view of the matters disclosed

4 This report is based on accounts to which one of the following applies.  
(Tick one)

The accounts have been audited.


The accounts have been subject to review.

The accounts are in the process of being audited or subject to review.

The accounts have not yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available\* (delete one).

6 The entity has/~~does not have~~\* (delete one) a formally constituted audit committee.

Sign here:   
.....  
(Company Secretary)

Date: **8 February 2012**

Print name: **Vivian N Grayson**

## **Directors' report**

Your directors submit their report for the half-year ended 31 December 2011.

### **Directors**

The following persons were directors of Devine Limited during the half-year and up to the date of this report and were in office for this entire period unless otherwise stated:

D J Ridley (Chairman)  
D B Keir (Managing Director and CEO)  
P J Dransfield  
P J Ferris AM, KCSG (resigned 28 October 2011)  
Hon. T M Mackenroth  
G E McOrist  
R W Parris  
V A Vella  
T G Young

### **Chief Financial Officer**

P V Cochrane

### **Company Secretary**

V N Grayson

### **Review of operations**

The Directors' comments form an integral part of the Directors' Report. Refer attached Directors' comments for the review of operations.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 2.

### **Rounding of amounts**

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

Signed in accordance with a resolution of the directors of Devine Limited.



D J Ridley  
Chairman



D B Keir  
Managing Director

Brisbane  
8 February 2012

## Auditor's Independence Declaration to the Directors of Devine Limited

In relation to our review of the financial report of Devine Limited for the half-year ended 31 December 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Alison de Groot' in a cursive style.

Alison de Groot  
Partner  
8 February 2012

**Devine Limited**  
**Consolidated statement of comprehensive income**  
**For the half-year ended 31 December 2011**

		<b>Consolidated</b>	
		<b>31 December</b>	31 December
		<b>2011</b>	2010
	Notes	<b>\$'000</b>	\$'000
Revenue	2	<b>193,161</b>	226,789
Cost of properties sold	3	<u><b>(160,334)</b></u>	<u>(166,832)</u>
Gross profit		<u><b>32,827</b></u>	<u>59,957</u>
Other Revenue	2	<b>3,736</b>	2,964
Expenses, excluding finance costs	3	<b>(35,807)</b>	(43,521)
Finance costs		<b>(3,600)</b>	(7,394)
Share of net profit of joint venture entities accounted for using the equity method		<u><b>13,228</b></u>	<u>1,584</u>
<b>Profit before income tax</b>		<b>10,384</b>	13,590
Income tax expense		<u><b>(3,086)</b></u>	<u>(4,079)</u>
<b>Profit for the half-year</b>		<u><b>7,298</b></u>	<u>9,511</u>
<b>Other comprehensive income</b>			
Changes in the fair value of cash flow hedges		<u><b>(79)</b></u>	<u>59</u>
<b>Total comprehensive income for the year attributable to members of Devine Limited</b>		<u><b>7,219</b></u>	<u>9,570</u>
		<b>Cents</b>	Cents
<b>Earnings per share based on earnings attributable to the ordinary equity holders of the Company:</b>			
Basic and diluted earnings per share	8	<b>4.6</b>	6.0*

\* Comparative year basic and diluted EPS has been restated in accordance with *AASB 133 Earnings per Share* as a result of the 4-for-1 share consolidation in November 2011.

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Devine Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2011**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2011</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	20,377	21,556
Receivables	50,010	54,551
Inventories	144,483	130,463
Current tax receivables	307	-
Prepayments	1,974	633
Total current assets	<u>217,151</u>	<u>207,203</u>
<b>Non-current assets</b>		
Receivables	19,290	28,366
Inventories	277,747	280,637
Investments accounted for using the equity method	76,104	67,236
Property, plant and equipment	1,031	976
Intangible assets	3,316	3,316
Other non-current assets	265	278
Total non-current assets	<u>377,753</u>	<u>380,809</u>
<b>Total assets</b>	<u>594,904</u>	<u>588,012</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	44,695	59,820
Interest bearing liabilities	20,742	28,294
Current tax liabilities	-	1,705
Provisions	4,180	4,255
Non-interest bearing liabilities	24,659	17,708
Total current liabilities	<u>94,276</u>	<u>111,782</u>
<b>Non-current liabilities</b>		
Interest bearing liabilities	130,292	105,632
Deferred tax liabilities	10,625	7,476
Provisions	1,442	1,789
Non-interest bearing liabilities	12,985	16,984
Derivative financial instruments	339	352
Total non-current liabilities	<u>155,683</u>	<u>132,233</u>
<b>Total liabilities</b>	<u>249,959</u>	<u>244,015</u>
<b>Net assets</b>	<u>344,945</u>	<u>343,997</u>
<b>EQUITY</b>		
Contributed equity	292,367	292,367
Reserves	(6)	(5)
Retained earnings	52,584	51,635
<b>Total equity</b>	<u>344,945</u>	<u>343,997</u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**Devine Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2011**

<b>Consolidated</b>	Notes	<b>Contributed equity \$'000</b>	<b>Reserves \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 July 2011</b>		<b>292,367</b>	<b>(5)</b>	<b>51,635</b>	<b>343,997</b>
Profit for the half-year		-	-	7,298	7,298
Other comprehensive income		-	(79)	-	(79)
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>(79)</b>	<b>7,298</b>	<b>7,219</b>
<b>Transactions with owners in their capacity as owners:</b>					
Payment of dividends	4	-	-	(6,349)	(6,349)
Issue of share options pursuant to employee incentive scheme		-	78	-	78
<b>Balance at 31 December 2011</b>		<b>292,367</b>	<b>(6)</b>	<b>52,584</b>	<b>344,945</b>
<b>Balance at 1 July 2010</b>		<b>292,367</b>	<b>(105)</b>	<b>44,145</b>	<b>336,407</b>
Profit for the half-year		-	-	9,511	9,511
Other comprehensive income		-	59	-	59
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>59</b>	<b>9,511</b>	<b>9,570</b>
<b>Transactions with owners in their capacity as owners:</b>					
Payment of dividends	4	-	-	(6,349)	(6,349)
Issue of share options pursuant to employee incentive scheme		-	53	-	53
<b>Balance at 31 December 2010</b>		<b>292,367</b>	<b>7</b>	<b>47,307</b>	<b>339,681</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*



**Devine Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2011**

	<b>Consolidated</b>	
	<b>31 December</b>	31 December
	<b>2011</b>	2010
Notes	<b>\$'000</b>	\$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	<b>223,028</b>	260,602
Payments to suppliers and employees (inclusive of goods and services tax)	<b>(222,994)</b>	(213,344)
Joint venture profit distributions received	<b>9,498</b>	2,439
Interest received	<b>686</b>	843
Interest and borrowing costs paid	<b>(6,954)</b>	(6,527)
Income taxes paid	<b>(1,915)</b>	(2,536)
<b>Net cash outflow (inflow) from operating activities</b>	<b><u>1,349</u></b>	<u>41,477</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	<b>(250)</b>	(233)
Payments for investment in joint ventures	<b>(15,725)</b>	(22,807)
Joint venture equity distributions received	<b>11,652</b>	4,829
Payments for loans to related joint ventures	<b>(250)</b>	-
Payments for investment in land inventory	<b>(6,894)</b>	(37,417)
<b>Net cash (outflow) inflow from investing activities</b>	<b><u>(11,467)</u></b>	<u>(55,628)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	<b>67,810</b>	38,478
Repayment of borrowings	<b>(52,522)</b>	(15,166)
Dividends paid to company's shareholders	<b>(6,349)</b>	(6,349)
<b>Net cash inflow/ (outflow) from financing activities</b>	<b><u>8,939</u></b>	<u>16,963</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,179)</b>	2,812
Cash and cash equivalents at the beginning of the half-year	<b><u>21,556</u></b>	<u>20,045</u>
<b>Cash and cash equivalents at end of the half-year</b>	<b><u>20,377</u></b>	<u>22,857</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## **1 Summary of significant accounting policies**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Devine Limited during the interim reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report apart from the changes in accounting policies noted within Note 1(b).

### **(a) Basis of preparation of half-year financial report**

#### *Basis of Accounting*

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards including *AASB 134 Interim Financial Reporting*, and other mandatory professional reporting requirements.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

### **(b) New accounting standards and interpretations**

New standards and amendments to standards mandatory for the first time for the financial year beginning 1 July 2011 have been adopted. The adoption of these standards had no material financial impact on the current period or any prior period and is not likely to affect future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2011 reporting periods and have not yet been applied in the financial report. The Directors believe that these new or amended Standards and Interpretations do not have any material financial effect on the financial statements presented.

### **(c) Comparatives**

Where necessary, comparatives have been reclassified and repositioned for consistency with current period disclosures.

**2 Revenue**

	<b>Consolidated</b>	
	<b>31 December</b>	31 December
	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
Revenue from sale of properties	<b>100,186</b>	208,348
Revenue from related joint venture	<b>92,975</b>	18,441
	<b><u>193,161</u></b>	<u>226,789</u>
Interest received / receivable	<b>2,155</b>	2,325
Rent received	<b>181</b>	159
Sundry income	<b>1,400</b>	480
	<b><u>3,736</u></b>	<u>2,964</u>
	<b><u>196,897</u></b>	<u>229,753</u>

### 3 Expenses

	<b>Consolidated</b>	
	<b>31 December 2011 \$'000</b>	<b>31 December 2010 \$'000</b>
<b>Expenses, excluding finance costs, included in the statement of comprehensive income classified by function</b>		
Cost of properties sold	<b>160,334</b>	166,832
Other expenses	<b><u>35,807</u></b>	<u>43,521</u>
	<b><u>196,141</u></b>	<u>210,353</u>
 <b>Classification of these expenses by function</b>		
Cost of properties sold	<b>160,334</b>	166,832
Other expenses from ordinary activities		
Marketing and selling costs	<b>14,867</b>	22,408
Occupancy	<b>1,238</b>	1,168
Administration	<b>14,252</b>	14,213
Other	<b>2,732</b>	2,958
Land holding expenses	<b><u>2,718</u></b>	<u>2,774</u>
	<b><u>196,141</u></b>	<u>210,353</u>

**4 Dividends**

<b>Devine Limited</b>	
<b>31 December</b>	31 December
<b>2011</b>	2010
<b>\$'000</b>	\$'000

**(a) Ordinary shares**

Previous year final dividend paid in cash		
Fully franked based on tax paid @ 30% - 4 cents* (2010: 4 cents*) per share	<b>6,349</b>	6,349

**(b) Dividends not recognised at the end of the half-year**

In addition to the above dividends, since the end of the half-year the directors have recommended the payment of an interim dividend of 2 cents per fully paid ordinary share (2010/11: 4 cents*), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 30 March 2012 out of retained profits at 31 December 2011, but not recognised at the end of the half-year, is:		
	<b>3,175</b>	6,349

**(c) Franked dividends**

<b>Consolidated</b>	
<b>31 December</b>	31 December
<b>2011</b>	2010
<b>\$'000</b>	\$'000

Franking credits available for subsequent financial years based on a tax rate of 30% (2010: 30%)		
	<b>12,617</b>	17,538

The above amounts represent the balance of the franking account as at the end of the financial half-year.

\* Current and comparative dividend per share restated to account for the effect of the 4-for-1 share consolidation in November 2011.

## **5 Contingencies**

### **Contingent liabilities**

The Group had contingent liabilities at 31 December 2011 in respect of:

#### **Guarantees**

The Group has provided the following performance guarantees:

The Group has provided bank guarantees and surety bonds totalling \$39,427,357 at 31 December 2011 (June 2011: \$46,166,010) relating to individual land developments and other aspects of the company's operations. The guarantees and bonds are secured by charges over the assets of the respective entities or indemnities. No liabilities are expected to arise.

The Group has provided financiers with performance guarantees in relation to settlement of unconditional pre sales for a project. No liabilities are expected to arise.

The Group also provides performance and financial guarantees in relation to land acquisitions and developments in the normal course of its business operations. No liabilities are expected to arise.

#### **Litigation**

There are a number of matters that are the subject of litigation or potential litigation with several different parties. It is expected that these matters will be resolved with no material cost being incurred by the company.

## 6 Interests in joint ventures

### (a) Joint venture operations

<b>Name</b>	<b>Ownership interest (%)</b>	
	<b>31 December 2011</b>	<b>30 June 2011</b>
Deer Park Joint Venture	<b>50</b>	50
Hallets Road Joint Venture	<b>50</b>	50
Casey Fields Joint Venture	<b>55</b>	55
Henry Rd Pakenham Joint Venture	<b>50</b>	50
Bacchus Marsh Joint Venture	<b>50</b>	50

### (b) Joint venture entities

At balance date, the group had equity interest in a number of joint venture entities and these are listed below. Each joint venture is resident in Australia and their principal activity is property development.

<b>Name</b>	<b>Ownership interest (%)</b>	
	<b>31 December 2011</b>	<b>30 June 2011</b>
Hamilton Harbour Unit Trust	<b>50</b>	50
Townsville City Project Trust	<b>50</b>	50
Kurunjang Development Trust	<b>50</b>	50
Deep Blue Consortium Pty Ltd	<b>45</b>	45
Fallingwater Trust	<b>15</b>	15
Riverina Estate Developments Trust	<b>50</b>	50
VR Pakenham Trust	<b>50</b>	50

## 7 Segment information

### Operating segments

The following tables present revenue and profit information in respect of the Group's operating segments for the six months ended 31 December 2011 and 2010, respectively.

Half-year 2011	Housing and Land \$'000	Property Development \$'000	Corporate / Other \$'000	Consolidated \$'000
Total sales revenue	100,498	92,663	-	193,161
Other revenue	1,487	1,098	1,151	3,736
<b>Total segment revenue</b>	<b>101,985</b>	<b>93,761</b>	<b>1,151</b>	<b>196,897</b>
<b>Segment result</b>	<b>(3,764)</b>	<b>16,308</b>	<b>(2,160)</b>	<b>10,384</b>
Income tax expense				(3,086)
<b>Profit for the half-year</b>				<b>7,298</b>
<b>Segment assets</b>	<b>407,238</b>	<b>156,520</b>	<b>31,146</b>	<b>594,904</b>
Half-year 2010	Housing and Land \$'000	Property Development \$'000	Corporate/ Other \$'000	Consolidated \$'000
Total sales revenue	209,779	17,010	-	226,789
Other revenue	146	1,414	1,404	2,964
<b>Total segment revenue</b>	<b>209,925</b>	<b>18,424</b>	<b>1,404</b>	<b>229,753</b>
<b>Segment result</b>	<b>16,417</b>	<b>(1,003)</b>	<b>(1,824)</b>	<b>13,590</b>
Income tax expense				(4,079)
<b>Profit for the half-year</b>				<b>9,511</b>
<b>Segment assets</b>	<b>403,581</b>	<b>146,345</b>	<b>32,544</b>	<b>582,470</b>



## 8 Earnings per share

	<b>Consolidated</b>	
	<b>31 December</b>	31 December
	<b>2011</b>	2010
	<b>(cents)</b>	(cents)
<b>(a) Basic and diluted earnings per share *</b>		
Profit attributable to the ordinary equity holders of the company	<u>4.6</u>	<u>6.0</u>
Total basic and diluted earnings per share attributable to the ordinary equity holders of the company	<u>4.6</u>	<u>6.0</u>
	<b>31 December</b>	31 December
	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
<b>(b) Reconciliations of earnings used in calculating earnings per share *</b>		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	<u>7,298</u>	<u>9,511</u>
<b>(c) Weighted average number of shares used as the denominator *</b>		
	<b>Consolidated</b>	
	<b>31 December</b>	31 December
	<b>2011</b>	2010
	<b>(number)</b>	(number)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>158,730,556</u>	158,730,556
Options	<u>-</u>	<u>104,907</u>
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>158,730,556</u>	<u>158,835,463</u>

*(i) Conversions, calls, subscriptions or issues since the reporting date*

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

\* Comparative year basic and diluted EPS has been restated in accordance with AASB 133 *Earnings per Share* as a result of the 4-for-1 share consolidation in November 2011.

## 9 Events occurring after the reporting period

No significant events have occurred post 31 December 2011.

**Devine Limited**  
**Directors' declaration**  
**31 December 2011**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 3 to 14 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



D J Ridley  
Chairman



D B Keir  
Managing Director

Brisbane  
8 February 2012

# Independent review report to members of Devine Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Devine Limited, which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### ***Directors' Responsibility for the Half-year Financial Report***

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Interim and Other Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Devine Limited and the entities it controlled during the half-year period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

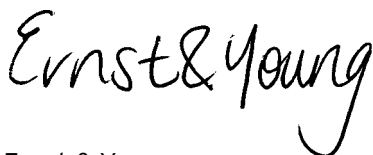
### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Devine Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive, stylized font.

Ernst & Young

A handwritten signature in black ink that reads 'Alison de Groot' in a cursive, stylized font.

Alison de Groot  
Partner  
Brisbane  
8 February 2012