Results Briefing

Full Year Ended 31 December 2008

AUSTRALAND

Agenda

- Results and Market Conditions
- Capital Management
- Divisional Update
  - Investment Property
  - Commercial & Industrial
  - Residential
- Group Outlook & Guidance
- Questions

Group Results

2008 FULL YEAR RESULTS

	H1 2008	H2 2008	2008	2007
Operating profit[1]	**$68m**	**$107m**	**$175m**	**$163m**
Unrealised gain / (loss) from property revaluations	$(7)m	$(90)m	$(97)m	$106m
Significant one-off items:				
Write-down of Residential inventories[2]	$(35)m	-	$(35)m	-
Restructure costs[2]	-	$(3)m	$(3)m	-
Statutory profit	**$26m**	**$14m**	**$40m**	**$269m**

1. Operating profit after tax and minority interest, excluding unrealised revaluations and significant one-off items
2. Net of tax

Group Results

2008 FULL YEAR OPERATING RESULTS

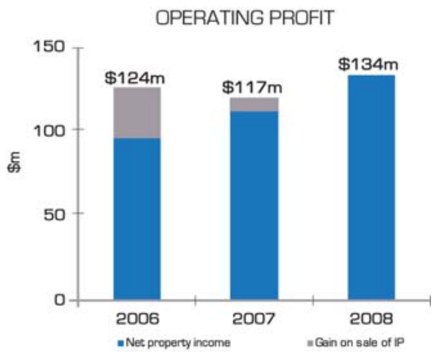
	2008	2007	Change
EBITDA	$330m	$311m	6%
Operating profit[1]	**$175m**	**$163m**	**7%**
Earnings per stapled security[2]	13.1c	14.5c	(1.4)c
Dividends/Distributions per stapled security	11.0c	17.0c	(6.0)c
NTA per stapled security	$1.08	$1.70	$(0.62)
Gearing[3]	36.2%	40.4%	(10)%

1. Operating profit after tax and minority interest, excluding unrealised revaluations and significant one-off items
2. Earnings per stapled security based on operating profit, restated for effect of Entitlement Offer in accordance with AASB133.
3. Interest Bearing Debt / Total Tangible Assets (cash adjusted)

Divisional Results

INVESTMENT PROPERTY DIVISION

Operating performance	2008	2007
Net property income	$134m	$106m
Gain on sale of assets	$0m	$11m
Operating profit	**$134m**	**$117m**
Comparable rental growth	3.3%	3.5%
Revaluation gain/(loss)	$(97)m	$106m
Portfolio	$2.3bn	$1.9bn
External FUM	$0.2bn	$0.2bn
Number of properties[1]	76	62



[1] Number of properties at 31 Dec 2008 includes 5 properties under construction (2007: 6 properties)

Divisional Results

COMMERCIAL & INDUSTRIAL DIVISION

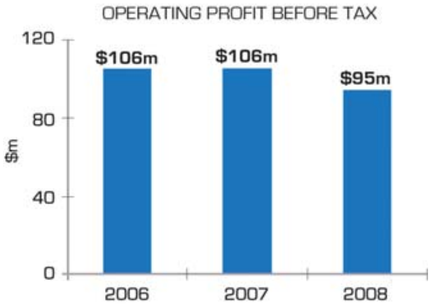
Operating performance	2008	2007
Revenue[1]	$610m	$584m
Operating profit	**$78m**	**$70m**
Projects delivered (m^2)	383,000	385,000
Capital employed	$488m	$475m

[1] Revenue includes Australand share of Joint Ventures

Divisional Results

RESIDENTIAL DIVISION

Operating performance	2008	2007
Revenue[1]	$668m	$890m
Operating profit	**$95m**	**$106m**
Lots sold	1,822	2,195
Capital employed	$1,113m	$1,334m



[1] Revenue includes Australand share of Joint Ventures

Market Conditions

Market conditions have presented significant challenges to the property sector…

- Liquidity – scarcity of capital across equity and debt markets
- Increasing funding costs as risk premiums rise
- Slowdown of economic conditions and fall in consumer confidence
- Property values under pressure and sentiment weak

Australand is responding to these conditions…

- Entitlement Offer raising $461 million and revised dividend/distribution policy
- Development activities being curtailed and overhead efficiency program implemented
- Extended and increased credit facilities, process underway to refinance CMBS and unsecured facilities

Capital Management

Tiernan O'Rourke - Chief Financial Officer

Silvan, VIC

Capital Management

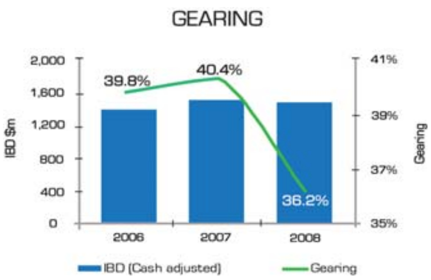
CAPITAL MANAGEMENT UPDATE

Extension of maturity date for MOF and increase in size	▪ Maturity extended to June 2010 ▪ Increased by \$350 million to \$950 million
Residential Development Fund	▪ Reduced Residential balance sheet by \$103 million
ASSETS hybrid equity	▪ Current quarter rate 8.7% (to 31 March 2009)
Liquidity	▪ Entitlement Offer raised \$461 million ▪ Changed dividend/distribution policy in H2 2008
Cashflow	▪ Net operating cash inflows \$432 million
CMBS renewal	▪ Bank syndication process underway and other alternatives being pursued

Capital Management

KEY METRICS

	2008	2007
Net interest bearing debt	$1,437m	$1,506m
Gearing[1]	36.2%	40.4%
Look-through gearing[2]	38.0%	40.8%
Undrawn debt facilities[3]	$600m	$226m
Weighted average debt maturity	1.2 years	1.7 years
% fixed or hedged	78%	79%
Fixed interest maturity	4.5 years	4.6 years



1. Interest bearing debt / Total tangible assets, cash adjusted

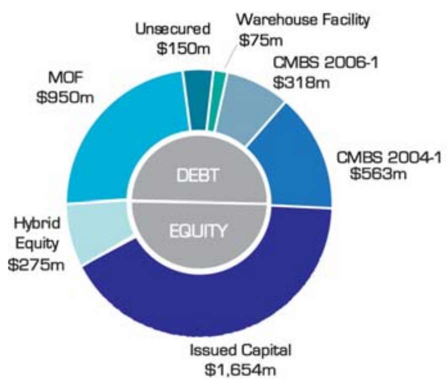
2. Interest bearing debt plus share of off-balance sheet debt / Total tangible assets plus share of off-balance sheet assets, cash adjusted

3. Including cash at bank, net of bank guarantees

Capital Management

CAPITAL STRUCTURE

- Diversified funding sources:
  - Issued Capital $1,654 million
  - Hybrid Equity $275 million
  - Debt Facilities $2,056 million
- Clear debt structures:
  - Transparent security structures
  - Look-through gearing includes off-balance sheet debt
- Interest rate risk volatility mitigated via comprehensive hedging program
- No foreign exchange exposure



Capital Management

ENTITLEMENT OFFER & LIQUIDITY

- Balance sheet strengthened through successful equity raising in H2 2008
- Primary objectives of the Entitlement Offer:
  - Reduce gearing
  - Provide liquidity for the business
  - Provide adequate funding for the pipeline

Liquidity position	$m	$m
Opening liquidity 1 July 2008		**257**
Operating activities	116	
Entitlement Offer proceeds	461	
Developer - commitments	(93)	
Investment Property - commitments	(175)	
Dividends/Distributions & ASSETS	(51)	
Other	85	343
Closing liquidity 31 December 2008		**600**

Capital Management

DEBT MATURITIES & REFINANCING

CMBS

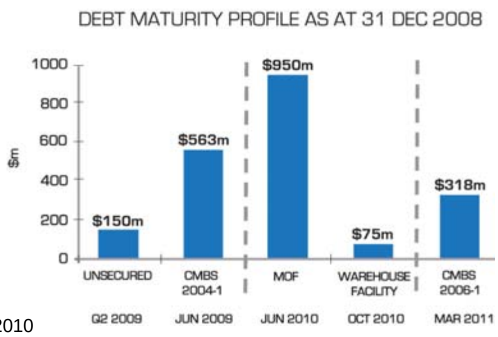
- CMBS market closed
- Bank syndication process underway for a $360 million facility
- Other alternatives also being pursued

Unsecured Facilities

- Two one year facilities maturing Q2 2009
- Renegotiations underway

MOF Renewal

- Two year revolving facility, maturing June 2010
- Renegotiated annually for a further two year term



Capital Management

COVENANTS

Measure	Covenant	2008
Security Holders Funds	>$1 billion	$2.1 billion
Interest Cover Ratio (cash basis)	2.5 times	2.7 times
Gearing (TL / TTA net of cash)	60%	47%
LVR	<1	0.40

Covenant	Driver	Comments
ICR	▪ EBIT ▪ Cash interest paid	▪ Hedge interest rate risk, reduce capital expenditure and achieve expected earnings
Gearing	▪ Level of debt ▪ Property valuations ▪ Working capital management	▪ Investment and development portfolio management ▪ Effective capital allocation
LVR	▪ Property valuations ▪ Level of debt	▪ Investment and development portfolio management ▪ Optimise cash flow, reduce capex, economic use of funds

Capital Management

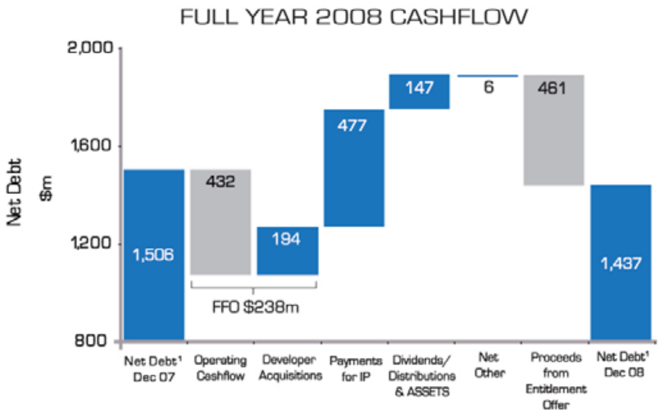
COST OF DEBT

	2008	2007
Average cost of debt[1]	7.0%	6.6%
Average 90 day BBSW	7.0%	6.7%
Average (favourable)/adverse margins	0.0%	(0.1)%
% of interest bearing debt fixed by hedges	78%	79%
Fixed interest maturity	4.5 years	4.6 years

1. Blended rate – net of hedging and interest income (excluding fees)

Capital Management

CASHFLOW



[1] Interest bearing debt, net of cash

Capital Management

SUMMARY

- Continued focus on capital management metrics
- Initiatives undertaken in 2008 have strengthened the balance sheet and liquidity
- CMBS and two unsecured facilities require refinancing in 2009 and the process is well underway
- Positive cashflow from operations and active working capital management support an enhanced liquidity position

Divisional Update

Bob Johnston – Managing Director

Investment Property Update

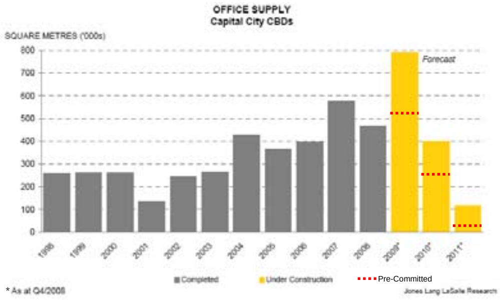
MARKET OVERVIEW – INDUSTRIAL

- Supply has been strong but vacancy remains low
- Supply expected to contract in 2009 to less than half of 2008:
  - new developments being suspended
- Rental growth and tenant demand has softened
  - decisions to relocate being reassessed, improving retention in existing facilities
- Yields have softened and transaction volumes remain low:
  - positive yield spread generating some activity (transactions < $30 million)

Investment Property

MARKET OVERVIEW – OFFICE

- Vacancy rates remain low but increasing
- Demand expected to contract for the medium term as unemployment increases
- Hidden vacancy emerging, particularly in Sydney
- Incentives are increasing and yields softening
- Limited transaction activity, positive yield spreads and weaker dollar beginning to generate some offshore buying interest



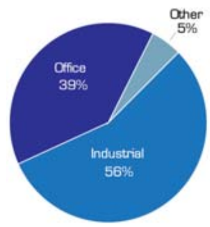
Investment Property

PORTFOLIO ATTRIBUTES

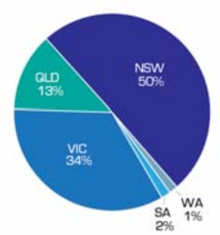
- 76 properties (5 under construction)
- Lettable area ~1.2 million m^2
- Quality tenants and low concentration risk:
  - Coles 15%
  - Commonwealth Gov't of Aust. 4%
  - Nestle 4%
  - PwC 3%
- Average property age 6.4 years
- Strong recurrent income, occupancy ~99%:

ASX listed companies	45%
Multinational companies	30%
Government	8%
Other	17%
Total	**100%**

SECTOR DIVERSIFICATION



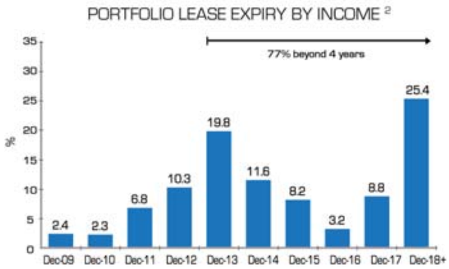
GEOGRAPHIC DIVERSIFICATION



Investment Property

PORTFOLIO VALUATIONS

- Majority of properties independently valued in H2 2008
- Revaluation loss $97 million (2007: gain $106 million):
  - H1 2008 $7 million
  - H2 2008 $90 million
- Fixed and market rental increases partially offsetting yield softening:
  - Fixed rental increases ~3.3% on ~86% of portfolio
- WALE 6.6 years and <5% expiry pre 2011
- Average market cap rate 7.54%, up ~69bps[1]



Portfolio Metrics - 2008	
Average Cap Rate	**7.54%**
Average cap rate - Industrial	7.75%
Average cap rate - Office	7.28%

1. On a full year like for like basis
2. Excludes vacancy of 1.2%

Commercial & Industrial Update

2008 HIGHLIGHTS

Industrial

- Delivery of 383,000m² of new space
- Coles WA 85,000m², Corporate Express NSW 43,000m²
- Strong land sales ~263,000m²

Commercial

- Completion of Twenty8 Freshwater, a 34,000m² A-grade office building and lease up success, 77% committed[1]
- Rhodes A fully leased. Major tenant Link Market Services 10,500m²

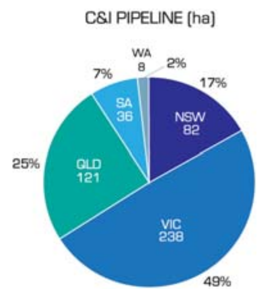

Corporate Express, NSW

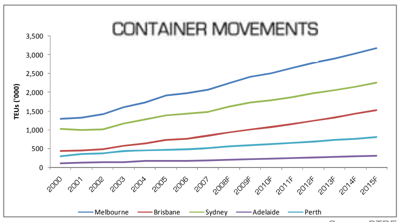
1. Includes 62% leased up and 15% under documentation

Commercial & Industrial

STRATEGIC POSITIONING

- Strategic land banks in key markets
- ~50% of land bank in VIC, the most stable and affordable market
- Product mix repositioned in response to market challenges
- Less pre-lease activity and increased focus on land sales, land & build and build only projects
- Reduce capital employed through Joint Ventures





Source: BTRE

Residential Update

2008 HIGHLIGHTS

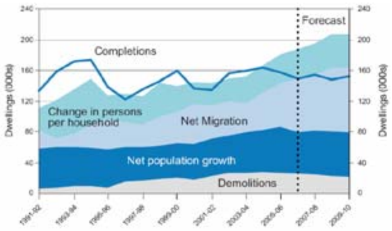
- Solid result in tough trading conditions
- Over 1,800 lots sold
- Slower sales volumes offset by super-lot sales
- Residential Development Fund established
- Capital employed reduced by $221 million in line with strategy
- Inventory write-down of $49.5 million (before tax)

Residential

MARKET OUTLOOK

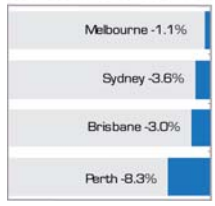
- Underlying fundamentals remain robust with demand continuing to outstrip supply
- Affordability now improving with interest rate cuts and easing inflationary pressure
- Increased First Home Owner Grants stimulating the entry level end of market
- Prices continue to remain relatively resilient, particularly at lower end
- Job security now the key driver affecting sentiment

HOUSING SUPPLY AND DEMAND



Source: Macquarie Research Economics

2008 MEDIAN HOUSE PRICE CHANGE



Source: RP data

Residential

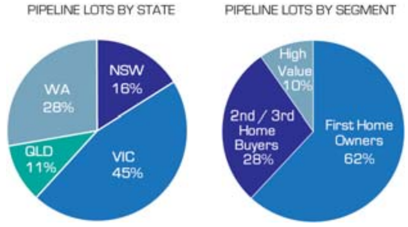
MARKET OUTLOOK BY STATE

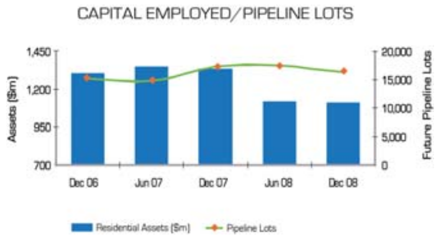
State	Outlook
NSW	▪ Stronger 1st home owner activity ▪ Continued under-supply ▪ Middle to upper end to remain weak
VIC	▪ Strong market fundamentals ▪ Land & housing remains affordable ▪ Increased 1st home owner activity ▪ Prices relatively resilient
WA	▪ Middle to upper end stalled with price softening, but from high base ▪ Employment the key driver ▪ Continued activity with 1st home owners
QLD	▪ Lower end of market stable ▪ Prices continuing to soften in middle to upper end ▪ Gold Coast continues to be weak and in over-supply

Residential

STRATEGIC POSITIONING: ~16,400 lots[1]

- Focusing on affordable products to meet the market
- Pipeline weighted to VIC market, where fundamentals remain positive
- Demand for single lot sales expected to remain subdued
- Sales expected to be biased to H2 2009
- Development activities reviewed and prioritised
- Continued focus on reducing capital employed, while maintaining pipeline





[1] Australand share, including Joint Venture and PDA projects

Group Outlook & Guidance

Bob Johnston – Managing Director

Group Outlook & Guidance

Plans for growth recalibrated to reflect market conditions and a prudent approach

- Asia expansion with CapitaLand shelved
- Development activities being constrained
- No new commitments for Investment Portfolio
- Efficiency measures implemented

Redefined strategies and priorities

- Development divisions focused on monetising inventory
- Execution of CMBS refinancing ($360 million) and renewal of maturing facilities
- Selective asset sales
- Expanding Capital Partner relationships
- Investment Portfolio tenant retention

Group Outlook & Guidance

EARNINGS GUIDANCE FY2009

- **Stable income from quality Investment Portfolio**
- **Decline in earnings in both Development divisions**
  - Commercial & Industrial decline in pre-lease commitments
  - Residential sale volumes expected to be lower
- **Group operating profit expected to be down 25% to 30% on FY2008**
  - subject to no further material deterioration in market conditions
- **Expected full year distributions of 6.0 cents**
  - Net property income from $2.3 billion Investment Portfolio underpins 2009 distributions

Questions

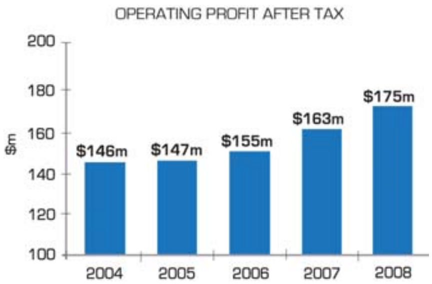
Coles Distribution Centre, WA

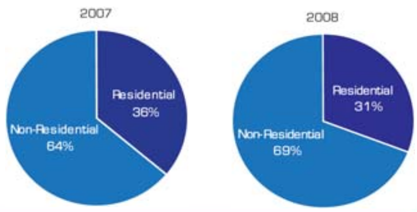
Annexures

Watervale, VIC

Group Summary

Profit before tax	2008	2007
Investment Property	**$134m**	**$117m**
Commercial & Industrial	$78m	$70m
Residential	$95m	$106m
Total Developer	**$173m**	**$176m**
Corporate/Eliminations	$(74)m	$(75)m
Profit before tax	**$233m**	**$218m**
Tax	$(30)m	$(31)m
Minority Interest	$(28)m	$(24)m
Operating profit	**$175m**	**$163m**





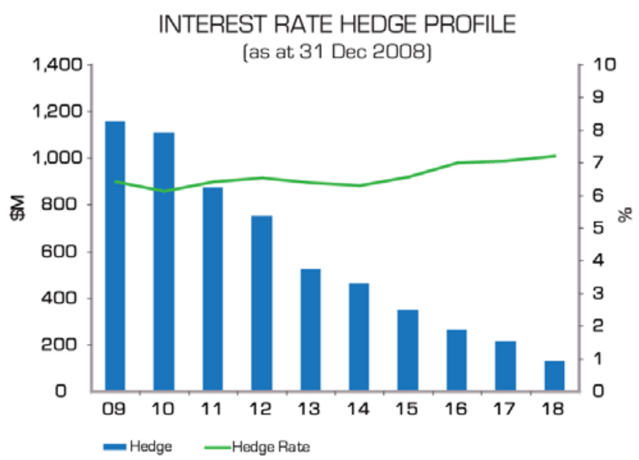
EBITDA Reconciliation

EBITDA ($m)	2008	2007
Investment Property	136.3	121.7
Commercial & Industrial	96.5	78.6
Residential	117.0	148.2
Corporate/Elimination	(19.8)	(37.1)
EBITDA	**330.0**	**311.4**
Depreciation	(3.6)	(2.5)
Net interest	(93.2)	(90.6)
Profit before tax	**233.2**	**218.3**
Tax	(29.8)	(30.8)
Minority interest	(28.6)	(24.3)
Operating profit after tax	**174.8**	**163.2**

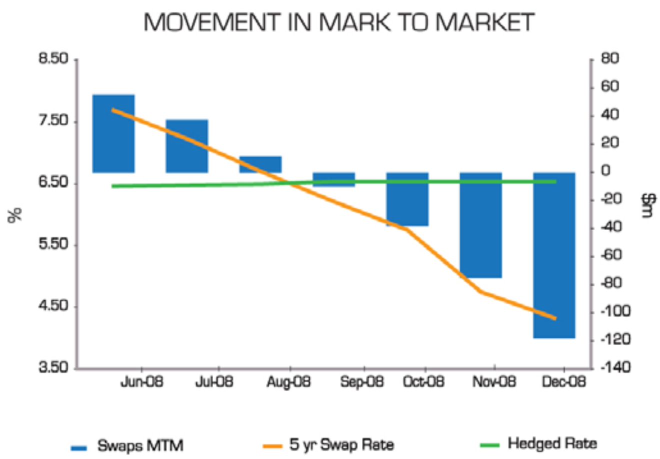
NTA Reconciliation

Net Tangible Assets - Per Stapled Security	Net Tangible Assets ($m)	Change in Securities (m)	NTA ($)
As at 31 December 2007	1,580	927	1.70
Entitlement Offer		769	(0.77)
Proceeds from Entitlement Offer	461		0.27
Unrealised gain/(loss) from property revaluations	(97)		(0.06)
Write down of Residential assets (net of tax)	(35)		(0.02)
Movement in derivatives (net of tax)	(116)		(0.07)
Movement in other balance sheet items	44		0.03
As at 31 December 2008	**1,837**	**1,696**	**1.08**

Hedging Strategy



Hedging – Portfolio Mark to Market



Liquidity

As at 31 December 2008 ($m)	Facility Limit	Drawn Amount	Maturity Dates	Security
Syndicated Bank Debt (MOF)	950	525	June 2010	Secured
Bilateral Bank Debt	150	100	Q2 2009	Unsecured
CMBS	563 318	563 318	June 2009 March 2011	Secured Secured
Warehouse Facility	75	62	October 2010	Secured
Total	**2,056**	**1,568**		
Available Facilities		488		
Less: Bank Guarantee utilisation		(18)		
Plus: Cash at bank		130		
Liquidity		**600**		

2009 Commitments[1]	$m
Investment Property (internal pipeline)[2]	~70
Development divisions	38
Total[3]	**~108**

1. Based on commitments prior to 1 July 2008
2. Net of Developer profit
3. Excludes other inflows and outflows and working capital movements in 2009

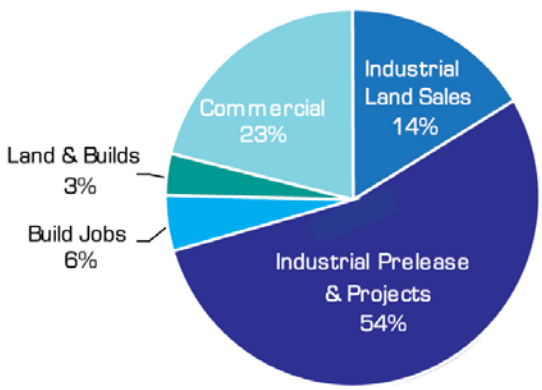
Debt Covenants

Measure	Covenant	Method of Calculation
Interest Cover Ratio (ICR)	2.5 times	EBIT / Cash Interest Paid
Gearing Ratio – First Tier	60%	Total Liabilities / Total Tangible Assets, (cash adjusted)
Gearing Ratio – Second Tier	70%	Total Liabilities + Contingent Liabilities / Total Tangible Assets, (cash adjusted)
Loan to Value Ratio (LVR)	<1	Loan Amount Outstanding / Aggregate Property Value (APV)[1]
Security Holders Funds	>$1bn	Total Tangible Assets less Total Liabilities
Reporting	Jun/Dec	Compliance Certificate Semi-Annually, Annually

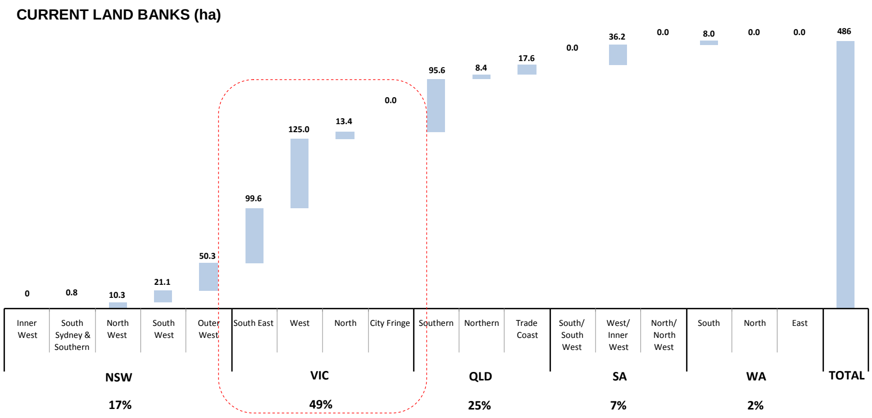
[1]APV – the Aggregate Property Value means the aggregate Attributed Values of the MOF Security provider's interest in all Completed Inventory, Investment Properties, Property Under Development, Special Projects, Vacant Land and Other Approved Project Expenditure. These assets are discounted using a range of 50% to 65% dependent on classification.

Commercial & Industrial – National Market Position

2008 NATIONAL PRODUCT MIX BY TRADING MARGIN



Commercial & Industrial – National Market Position



Residential – Project Pipeline

Wholly Owned Projects

7,349 lots with an estimated on-completion value of $3.7 billion

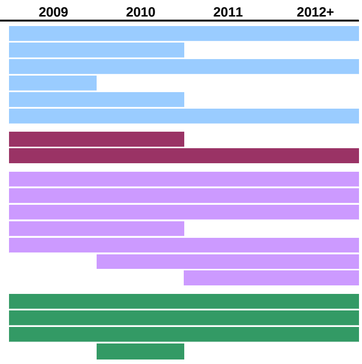
		No. of Lots	Completion Value $m	2009	2010	2011	2012+
NSW	Elderslie	115	33				
	Lidcombe	130	95				
QLD	Solito	91	52				
	Ivadale Lakes	280	66				
	Yungabah	167	141				
	Springfield	300	165				
	Coomera	116	60				
	Park Ridge	283	69				
	Runaway Bay	86	58				
VIC	Legends Hill - Epping Nor	72	24				
	Cranbourne West	650	126				
	Freshwater	107	119				
	Trennery Mews	69	46				
	Greenvale	573	136				
	Burwood	209	120				
	Endeavour Green	57	23				
WA	Port Coogee	1,228	1,410				
	Baldivis	610	136				
	Yanchep Beach	890	202				
	Cockburn Central	409	174				

Residential – Project Pipeline

Joint Venture and PDA Projects (ALZ Share)

9,063 lots with an estimated on-completion value of $3.2 billion

State	Project	No. of Lots	Completion Value $m
NSW	Lidcombe	180	111
	Kellyville	65	29
	Discovery Point	521	342
	118 Alfred St	38	55
	Duntroon Avenue	93	65
	Shell Cove	903	275
QLD	Burleigh Heads	14	33
	COVA - Hope Island	307	211
VIC	Vantage Point	211	36
	Croydon	312	143
	Sunshine Golf Course	326	136
	Parkville Gardens	304	134
	Wallan	833	128
	Clyde North	1,278	339
	Beveridge	1,900	470
WA	Port Coogee	197	240
	Yanchep Beach	637	137
	Byford	190	43
	East Perth	64	35



Residential Development Pipeline

2008 Summary by type

	Lots No.	Houses No.	Apartments No.	Total	Change on FY07
Wholly owned projects	574	319	136	1,029	Down 37%
Joint venture projects	641	85	67	793	Up 43%
Total	**1,215**	**404**	**203**	**1,822**	**Down 17%**

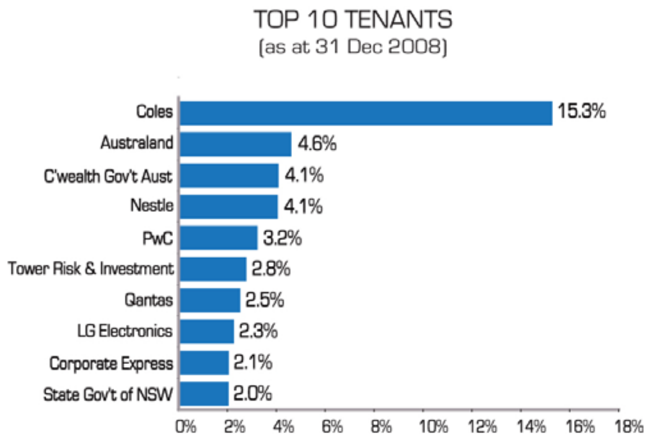
Lots under control

Residential Division: Estimated future yields and revenue (existing projects)

	No. of Projects	Estimated Future Yield			Estimated Future Revenue $m			Trading life
		Land	Housing	Apartments	Land	Housing	Apartments	
1. Split By State								
New South Wales	28	1,511	440	674	529	280	479	Up to 12 years
Victoria	28	5,985	1,010	484	1,372	472	299	Up to 30 years
Queensland	16	575	792	369	138	461	304	Up to 7 years
Western Australia	24	2,610	434	1,528	1,060	156	1,310	Up to 10 years
Total	**96**	**10,681**	**2,676**	**3,055**	**3,099**	**1,369**	**2,392**	
2. Split by WO / JV								
Wholly owned	52	3,833	1,716	1,800	1,354	846	1,489	
Australand Share of JV	44	6,848	960	1,255	1,745	523	903	
Total	**96**	**10,681**	**2,676**	**3,055**	**3,099**	**1,369**	**2,392**	

Note: The number of lots and revenue included for joint venture projects and Project Development Agreements (PDAs) are shown in proportion to Australand's interest

Investment Property - Major Tenants



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