



Australand

Australand is a stapled entity that comprises Australand Holdings Limited (ABN 12 008 443 696), Australand Property Trust (ARSN 106 680 424), Australand Property Trust No. 4 (ARSN 108 254 413) and Australand Property Trust No. 5 (ARSN 108 254 771) and their respective controlled entities.

Appendix 4D and Financial Report for the half year ended 30 June 2008

This half year financial report constitutes the Appendix 4D prepared in accordance with the Australian Securities Exchange Listing Rules and the half year financial report in accordance with the *Corporations Act 2001*. This report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the financial report for the year ended 31 December 2007 and any public announcements made by Australand during the half year to 30 June 2008 in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

APPENDIX 4D

For the half year ended 30 June 2008

AUSTRALAND COMPRISES AUSTRALAND HOLDINGS LIMITED, AUSTRALAND PROPERTY TRUST, AUSTRALAND PROPERTY TRUST NO. 4 AND AUSTRALAND PROPERTY TRUST NO. 5.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

		Consolidated June 2008	Consolidated June 2007
		\$'000	\$'000
Revenue from continuing operations	Up 6% to	<u>435,973</u>	<u>410,115</u>
Operating profit after tax (excluding write down of Residential assets and unrealised gains/(losses) in property revaluations)	Up 6% to	67,542	63,515
Unrealised gains/(losses) in property revaluations		(7,338)	56,081
Write down of Residential development and joint venture inventories (net of tax)		<u>(34,650)</u>	<u>-</u>
Net profit attributable to stapled security-holders	Down 79% to	<u>25,554</u>	<u>119,596</u>

Dividends/Distributions	Total Dividends/ Distributions	Distribution per unit	Dividend per share	Franked amount per share
Interim dividend/distribution – June 2008 half year:				
March 2008 quarter – paid on 2 May 2008	4.00 cents	2.32 cents	1.68 cents	30%
June 2008 quarter – payable on 1 August 2008	4.00 cents	2.82 cents	1.18 cents	30%
Total	8.00 cents	5.14 cents	2.86 cents	

Record date for determining entitlements to the interim June 2008 quarter dividend/distribution: 5.00pm, 30 June 2008.

Explanation of results

Please refer to the attached commentary for further explanation of the results.

KEY HEADLINES

- Operating Profit after tax up 6% to \$67.5 million (before unrealised property revaluation losses and significant one-off non-cash items) with strong contributions from each business.
- Investment property assets have been re-valued at 30 June 2008 resulting in a net reduction in asset values of \$7.3 million.
- Carrying values of Residential assets have been reviewed in light of the current market conditions resulting in a write down of \$34.7 million (\$49.5 million before tax).
- Statutory profit after tax, which includes unrealised losses from property revaluations and the significant one-off non-cash items noted above, was \$25.6 million, down 79% on the prior year.
- A 1 for 1 Renounceable Entitlement Offer at \$ 0.60 per stapled security to raise up to \$557 million with Australand's majority security-holder CapitaLand committed to taking up its full entitlement of approximately \$302 million. The offer price represents a 38.5% discount to the closing price on Friday 25 July 2008. This recapitalisation will significantly strengthen Australand's balance sheet and provide funding for its development pipeline and selective growth opportunities.
- A change in distribution policy such that 100% of the Property Trust earnings (excluding revaluations) will be distributed but no dividend will be paid out of earnings from the development businesses. The distribution policy will be reviewed at the end of 2009.
- Second half 2008 distributions are forecast to be between 2.8 cents and 3.6 cents per security on the expanded capital base depending on the outcome of the Entitlement Offer.
- The distribution rate on the ASSETS (Australand Subordinated Step-up Exchangeable Trust Securities) hybrid securities will be stepped up from 1 October 2008 to retain capital management flexibility.
- Extension of the maturity date of our syndicated debt Multi Option Facility until June 2010 and increase in facility limit by \$350 million to a total of \$950 million.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS ('MD&A')**RESULTS IN BRIEF****Operating Profit After Tax**

The Group's audited half year operating profit after tax, excluding unrealised losses in property revaluations and before significant one-off non-cash items, was \$67.5 million, up 6% on the prior year (HY07: \$63.5 million).

Reported Statutory Profit

The Group's audited half year statutory profit after tax of \$25.6 million, down 79% on the prior year (HY07: \$119.6 million), includes:

- Unrealised losses in property revaluations totalling \$7.3 million; and
- Significant one-off non-cash items (write down of Residential development and joint venture inventories) totalling, net of tax, \$34.7 million.

FINANCIAL RESULTS

Key highlights of the operating profit after tax included:

- Revenue from continuing operations increased by 6% to \$436.0 million (HY07: \$410.1 million)
- Strong operating profit before tax ('PBT') from all operating businesses despite difficult market conditions:
 - o Commercial & Industrial PBT of \$46.4 million, up 93% (HY07: \$24.1 million);
 - o Investment Property PBT of \$64.0 million, up 20% (HY07: \$53.5 million) excluding asset sales and unrealised gains/(losses) in property revaluations; and
 - o Residential PBT of \$34.2 million (HY07: \$34.3 million), excluding write down of Residential development and joint venture inventories.
- Earnings per stapled security¹, on operating profit after tax², of 7.3 cents (HY07: 6.9 cents);
- Dividends/Distributions per stapled security¹ were maintained at 8.0 cents for the half year; and
- Net tangible assets per stapled security decreased 2% to \$1.66 (FY07: \$1.70).

The table below provides a reconciliation of the financial information noted above:

Half year ended:	June 2008 \$'000	June 2007 \$'000	Change
Total revenue	506,276	556,936	(9%)
Less: Property development sales revenue from joint venture entities	70,303	146,821	(52%)
Gross revenue, wholly owned	435,973	410,115	6%
Operating profit after tax (excluding write down of Residential assets and unrealised gains/(losses) in property revaluations)	67,542	63,515	6%
Unrealised gains/(losses) in property revaluations	(7,338)	56,081	(113%)
Write down of Residential development and joint venture inventories (net of tax)	(34,650)	-	-
Reported Statutory Profit (net profit attributable to stapled security-holders)	25,554	119,596	(79%)

CAPITAL MANAGEMENT

The current global liquidity crisis has constrained capital flows into the Property Sector in Australia and this has presented all participants in the sector with significant capital management challenges. Despite these challenges, Australand successfully delivered a number of key components of its 2008 capital plan during this half year period. Specific items delivered included:

- The extension of the maturity of the Multi Option Facility until June 2010 and an increase in the facility of \$350 million to a total of \$950 million. In addition, two Australian banks were added to the syndicate;
- The establishment of a Residential Development Fund with assets under management of \$440 million which reduced the Residential balance sheet by \$103 million; and
- The renewal of a number of smaller drawn secured and unsecured facilities totalling \$162 million.

1. EPS and DPS calculation includes all interests of the stapled security-holders in Australand. This includes interests in Australand Property Trust No. 4 (APT4) and Australand Property Trust No. 5 (APT5) which under Accounting Standards are required to be treated as minority interests.

2. Excluding unrealised gains/ (losses) in property revaluations and write down in Residential development and joint venture inventories.

At 30 June 2008 Australand had net interest bearing debt of \$1.7 billion. Gearing (interest bearing debt to total tangible assets, cash adjusted) increased during the period from 40.4% at 31 December 2007 to 43.8% at 30 June 2008. This increase was a consequence of the reduced liquidity in the market and the absence of capital recycling opportunities such as asset sales and wholesale fund creation which have been a traditional feature of Australand's capital management strategy. Look-through gearing also rose from 40.8% at 31 December 2007 to 44.9% at 30 June 2008. This increase resulted from changes in the underlying gearing noted above as well as increases in various joint venture debt balances.

The weighted average debt maturity was 1.7 years at 30 June 2008, in line with 31 December 2007. While the maturity profile improved with the extension of the Multi Option Facility, the approaching maturity of the first tranche of our Commercial Mortgage Backed Securities ('CMBS') facility (\$563 million) in June 2009 offset this improvement. Undrawn debt facilities were \$257 million at 30 June 2008. Now that the Multi Option Facility renewal is complete the Group is focusing its attention on the renewal of the CMBS facility which matures in June 2009. The traditional CMBS markets are closed to new lending but the Group has made good progress on sourcing potential alternative facilities.

Australand complied with all of its debt covenants during the period.

Our average cost of debt (including hedging) for the half year was 7.1%. This compares with 6.6% for the full year ended 31 December 2007. Interest rates and facility margins have increased sharply this year following the contraction in liquidity in capital markets. The containment of the increase in the average cost of debt demonstrates the effectiveness of our hedge portfolio. At 30 June 2008, 73% (31 December 2007: 79%) of interest bearing debt was fixed by hedge instruments and the fixed interest maturity profile was 4.7 years (31 December 2007: 4.6 years).

The challenging and unpredictable environment we are now operating in has resulted in a number of significant capital management decisions being made by Australand. The outcome of these decisions will significantly strengthen our balance sheet through debt reduction and allow us to fund our development pipeline and take advantage of selective growth opportunities. These decisions include:

- The announcement of a non-underwritten 1 for 1 Renounceable Entitlement Offer at \$0.60 per security to eligible security-holders. Australand's majority security-holder, CapitaLand, has committed to take up its full entitlement under the offer demonstrating its confidence in the business. Depending on the remaining level of participation, the Entitlement Offer will provide between \$302 million and \$557 million of additional capital that will be used to reduce gearing and fund projects in our development pipeline.
- Australand's Board and management have reviewed the current dividend/distribution policy in light of the prevailing market conditions. The policy has been amended to ensure a strong capital management position, including maintaining financing capacity and acceptable gearing levels. The revised dividend/distribution policy will be:
 - 100% distribution of Property Trust earnings (excluding revaluations); and
 - The reduction in payout ratio of the development businesses to zero.

This revised distribution policy will be reviewed at the end of 2009.

- Australand will step-up the distribution rate on the ASSETS hybrid securities from 1 October 2008. From that date the rate will be the 90 day BBSW plus 4.8%. The terms of the securities provide Australand with the opportunity of fully or partially redeeming ASSETS every quarter after the step-up date. It is Australand's intention to review our options on a regular basis.

These initiatives will provide Australand with a strengthened balance sheet for these uncertain times and flexibility to fund its development activities.

REVIEW OF OPERATIONS

COMMERCIAL & INDUSTRIAL

Business Overview

Australand's Commercial & Industrial business is one of the largest national industrial developers and builders in Australia, which produced a profit result of \$46.4 million for the six months to 30 June 2008.

Several major projects have contributed to the result including TWENTY8 at Freshwater Place, Southbank in Melbourne and the Coles regional distribution centres in Perth and Brisbane.

The business has seven different core product offerings, which provides a diversified platform. These core product offerings are industrial pre-leases, commercial pre-leases, multi-tenanted industrial projects, land subdivisions, land and build packages, office and industrial speculative projects and asset repositioning projects.

Financial Results

The Commercial & Industrial business achieved an operating profit before tax of \$46.4 million, a 93% increase on the previous half year result of \$24.1 million. Aggregate sales revenue for the half year was \$370.6 million (HY07: \$243.2 million), which comprised revenue of \$282.3 million (HY07: \$177.4 million) from wholly owned projects and \$88.3 million (HY07: \$65.8 million) from joint venture projects.

Operational highlights for the 2008 half year included:

- Buildings with a total net lettable area of 252,000 sqm were delivered, comprising 22 industrial (224,000 sqm) and 3 commercial office projects (28,000 sqm). There was also 6 active land subdivision projects; and
- Selective restocking of the underlying commercial and industrial land bank, bringing total land banks to 556 hectares at 30 June 2008.

Commercial & Industrial Outlook

In the major Commercial and Industrial markets the underlying economic and property fundamentals continue to underpin demand. Low vacancy rates in most markets and the commodities and infrastructure booms, particularly in Queensland and Western Australia, continue to support demand. Capital conditions have changed markedly at the same time and the consequent softening of yields and uncertainty with respect to asset values has created some downward pressure on development margins and land values.

Forecast strong rental growth in the short to medium term will provide an offset for the negative impact of declining asset values. Supply is forecast to moderate given the higher capital hurdles, which will have the impact of keeping vacancy rates low and upward pressure on rental rates.

As at 30 June 2008 the Commercial & Industrial business had a pre-committed forward workload of 374,000 sqm (31 December 2007: 424,000 sqm). The decline in forward workload is attributable to the high level of construction delivered during the first half (HY08: 252,000 sqm; HY07: 158,000 sqm).

INVESTMENT PROPERTY

Business Overview

The Investment Property business comprises a portfolio valued at \$2,177 million of 63 income producing investment properties and a further 10 investment properties under development.

The Investment Property business produced an operating income of \$64.0 million for the half year and is well positioned for further growth due to the exceptional profile of the property portfolio. The assets are located primarily on the eastern seaboard and are split 42% Office, 53% Industrial, 4% Hotel and 1% Car Park as at 30 June 2008.

The growth in the Investment Property portfolio was sourced from the Commercial & Industrial development pipeline and external acquisitions, net of fair value adjustments made in accordance with Accounting Standards. There were no property disposals during the period.

The following table outlines the details of new income producing properties in the period:

Property	Suburb	State	Major Tenant	Property Type	Lettable Area (m ²)	Value (\$m)
18-20 Butler Boulevard [†]	Adelaide Airport	SA	Thermo Gamma	Industrial	6,991	3.1
8 Distribution Place	Seven Hills	NSW	Cabac	Industrial	12,319	20.5
11 Gibbon Road	Baulkham Hills	NSW	Schering Plough	Industrial	8,898	26.7
111 Darlinghurst Road [†]	Kings Cross	NSW	The Crest Hotel	Hotel	14,624	29.0
Lockwood Road	Erskine Park	NSW	Corporate Express	Industrial	42,980	56.2
1 Kellet Close	Erskine Park	NSW	Strandbags	Industrial	8,436	13.5
Rhodes Corporate Park	Rhodes	NSW	ABC Learning Child Care / Cafe	Other	715	5.6
Beaudesert Road*	Parkinson	QLD	Coles	Industrial	41,731	46.6
Stage 2, Butler Boulevard*	Adelaide Airport	SA	Herbalife / Spec	Industrial	8,237	6.8
Jets Court East*	Tullamarine	VIC	Smith Lewis / Eagle Lighting	Industrial	9,816	1.0
Cnr Link and South Centre Road*	Tullamarine	VIC	DHL	Industrial	18,526	3.5
Sky Road East*	Tullamarine	VIC	Agility	Industrial	12,000	5.7
115-121 South Centre Rd	Tullamarine	VIC	Toll & Café	Industrial	3,087	8.2
25 - 29 Jets Court [†]	Tullamarine	VIC	Boeing / Spec	Industrial	15,544	3.0
244 - 264 Greens Road & South Park Drive	Dandenong	VIC	Silvan	Industrial	10,196	10.7
94 South Centre Road*	Tullamarine	VIC	ADR	Industrial	46,107	18.7
Twenty8 FWP (50%)*	Southbank	VIC	Spec	Office	16,977	21.8
610 Heatherton Road [†]	Clayton South	VIC	Alinta	Industrial	8,387	14.1
Hudswell Place*	Perth Airport	WA	Electrolux / Spec	Industrial	19,962	1.0
Other capitalised items						6.3
Total					305,533	302.0

* Assets under construction in Commercial & Industrial business at 30 June 2008

[†] Asset was under construction/refurbishment at 31 December 2007 and therefore amounts represent final costs to bring asset to completion during the six months ended 30 June 2008.

The portfolio remains at or above industry benchmarks as shown in the table below:

	Australand
	June 2008
Income growth (yoy)	3.8%
Portfolio occupancy	99.9%
Average lease expiry	7.0 yrs
Average cap rate	7.15%

Financial Results

The Investment Property business result comprised the following:

- Operating income of \$64.0 million, a 20% increase on the comparative prior half year result of \$53.5 million. This increase was driven by the asset growth in the portfolio and year-on-year rental growth;
- Profit of \$0.3 million from the sale of units in AWP6;
- Unrealised losses in property revaluations of \$7.3 million which equates to 0.3% of the Investment Property portfolio.

Investment Property Outlook

Our portfolio is underpinned by a secure income stream from a diverse portfolio of quality commercial and industrial assets in prime locations occupied by quality tenants. The fixed rental increases within the portfolio average 3.3% for the next twelve months and the portfolio has an impressive weighted average lease expiry profile of 7.0 years (by income).

The Investment Property business is well positioned to report a strong full year operating result for 2008.

RESIDENTIAL

Business Overview

Australand has over 85 years experience in Residential development. With projects located in four major capital cities and numerous regional areas, Australand is one of the largest developers in Australia, both in terms of revenue and controlled future lots.

Financial Results

Despite the toughest market conditions encountered for many years, the Residential business achieved an operating profit before tax of \$34.2 million before the write down of Residential development and joint venture inventories, in line with the prior year result of \$34.3 million. The result was a reflection of a solid Melbourne market and continued contributions from the Brisbane and Perth businesses. The Sydney market remained challenging.

Sales volumes were lower than the equivalent period in 2007 for both wholly owned and joint venture projects. However, with our continued focus on costs, our operating margins have remained consistent.

Sales by product type for both wholly owned and joint venture projects were as follows:

	Lots No.	Houses No.	Apartments No.	Total	Change on HY07
Wholly owned projects	412	133	47	592	Down 10%
Joint venture projects*	174	29	8	211	Down 18%
Total	586	162	55	803	Down 12%

*Joint venture figures show Australand's share.

During the half year a Residential Development Fund was established in partnership with Bank of Scotland International and now comprises 13 development projects with assets under management of approximately \$440 million. The establishment of the fund is consistent with Australand's objective to reduce capital in the Residential business whilst leveraging our development expertise through joint venture and Project Development Agreement structures. The Fund was established in June and resulted in a net balance sheet reduction of \$103 million.

In light of the current challenging trading conditions, all Residential projects have been reviewed, including a re-assessment of forecast sales volumes and revenue growth assumptions on these projects. This resulted in write-downs in Residential development and joint venture inventories of \$34.7 million (net of tax). The assets were located predominantly in Sydney which has continued to suffer more difficult market conditions with no improvement forecast in the short to medium term.

Residential Outlook

Rising interest rates, escalating fuel prices and general inflation continue to put pressure on affordability for the sector and as a result consumer sentiment is being negatively impacted.

With no relief on interest rates forecast in the short term, we expect trading conditions to remain challenging for the balance of the year.

Continued population and employment growth coupled with a forecast shortage of supply of circa 200,000 homes by 2010 and pressure on rental vacancy rates will underpin demand for the sector. Australand's diverse and adaptable pipeline with 90% zoned and more than 80% having development approvals in hand, is well positioned to respond to this forecast demand once inflationary pressures ease. Control of major land holdings in growth areas has seen the Residential pipeline grow by 4% in the past 6 months, despite the reduction in capital employed from \$1.3 billion at 31 December 2007 to \$1.2 billion at 30 June 2008.

The following table provides the estimated yield and sales revenue from projects which are controlled by Australand and its related entities:

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

	No. of projects	Estimate Future Yield			Estimated Future Revenue \$'m			Trading life
		Land	Housing	Apartments	Land	Housing	Apartments	
1. Split By State								
New South Wales	28	1,552	386	831	528	266	576	Up to 12 years
Victoria	32	6,727	1,040	504	1,502	471	318	Up to 30 years
Queensland	18	357	857	410	83	463	291	Up to 7 years
Western Australia	23	2,698	475	1,596	1,060	164	1,333	Up to 10 years
Total	101	11,334	2,758	3,341	3,173	1,364	2,518	
2. Split by WO / JV								
Wholly owned	56	3,742	1,826	2,058	1,357	862	1,625	
Australand share of joint ventures	45	7,592	932	1,283	1,816	502	893	
Total	101	11,334	2,758	3,341	3,173	1,364	2,518	

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.

Australand has also maintained its focus on providing affordable land and housing products through innovative design, construction techniques and sustainability. This will ensure that our developments remain competitive even in tougher markets.

GROUP OUTLOOK

In February 2008, we outlined our strategy to deliver sustainable growth to security-holders over the medium term, based on 5 key drivers:

1. Leverage the existing business platforms and development pipelines to deliver organic growth
2. Grow funds under management and extend our capital partnering relationships
3. Expand our footprint into Asia
4. Maintain prudent capital and risk management
5. Focus on people and culture

Despite the deterioration of conditions in the global financial, credit and property markets during the first half of 2008, the strategies outlined above remain sound for Australand albeit with a particular emphasis over the last six months on capital management.

Capital recycling, through the sale of assets and the establishment of external funds, is proving challenging in the current environment given the limited investment capital in the market and uncertainty with respect to asset values. Whilst we will continue to pursue the establishment of further funds and capital partnering relationships, we believe certainty in this environment is paramount.

Accordingly, consistent with our strategy to maintain prudent capital management, we have determined that we will raise capital through a Renounceable Entitlement Offer. Australand's majority security holder, CapitalLand, has committed to take up its full entitlement under the offer demonstrating its confidence in the business. Depending on the remaining level of participation, the Entitlement Offer will provide between \$302 million and \$557 million of additional capital. This recapitalisation will significantly strengthen our balance sheet through debt reduction and provide funding for our development pipeline and selective growth opportunities.

In addition, we will maintain our focus on capital efficient structures that optimise the use of capital across the entire business. Recent successful examples of this strategy include the creation of the Residential Development Fund in June 2008, establishment of several joint ventures and Project Development Agreements with our partners during the first half of 2008 and the launch of the AWPf6 in June 2007.

Our underlying businesses have performed well for the first half of 2008. The Commercial & Industrial workbook for the balance of 2008 is largely secure and our Investment Property business is delivering strong and predictable earnings. We see solid growth being delivered in both these businesses for the balance of 2008. The Residential business continues to face challenges, driven by broader macro-economic conditions across all markets. Accordingly, we are forecasting a decline in the Residential business operating profit for the 2008 year compared to 2007.

Overall, we expect that growth in the Commercial & Industrial business and Investment Portfolio will largely offset the projected reduction in Residential earnings. As a result, we are forecasting to deliver a full year 2008 operating profit in line with the lower end of our previous guidance of 2-3% growth in operating profit, before the impact of the Renounceable Entitlement Offer, property revaluations and significant one-off non-cash items (write down of Residential development and joint venture inventories).

Depending on the take up of the Entitlement Offer, the Group has forecast a 2008 full year operating profit after tax of between \$171.6 million and \$176.6 million excluding property revaluations and significant one-off non-cash items.

DIRECTORS' REPORT**Directors**

The following persons were directors of the Board of Australand Holdings Limited, Australand Property Limited and Australand Investments Limited during the half year ended 30 June 2008 and up to the date of this report:

Lui Chong Chee (Chairman)
James Glen Service, AO (Deputy Chairman)
Robert William Johnston (Managing Director)
Lt Gen (Ret'd) Winston Choo
Ee Chee Hong (appointed 26 May 2008)
Ian Farley Hutchinson
Paul Dean Isherwood, AO
Olivier Lim
Stephen Eric Newton
Wen Khai Meng (resigned 26 May 2008)

Dividends/Distributions

Dividends paid or declared by Australand Holdings Limited and distributions paid or declared by Australand Property Trust, Australand Property Trust No.4 and Australand Property Trust No.5 to security-holders since the end of the previous financial year were:

Type	Payment per stapled security	Total amount \$'000	Date of payment
Final for 2007	5.0 cents	46,381	8 February 2008
Interim for March quarter 2008	4.0 cents	37,110	2 May 2008
Interim for June quarter 2008	4.0 cents	37,110	1 August 2008

Dividends on ordinary shares were fully franked at the prevailing tax rate of 30% (HY07: 30%).

Review of operations and results

Refer to the 'management discussion and analysis of financial performance and review of operations' ('MD&A') section on pages 3-10 for further explanation of the results.

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 12.

Rounding of amounts

Australand is an entity of the 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 consolidated financial report. Amounts in the directors' report and consolidated 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.



Bob Johnston
Managing Director

Sydney
28 July 2008

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Auditor's Independence Declaration

As lead auditor for the audit of Australand Holdings Limited for the half-year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australand Holdings Limited and the entities it controlled during the period.



Matthew Lunn
Partner
PricewaterhouseCoopers

Sydney
28 July 2008

Consolidated income statement

For the half year ended 30 June 2008

	Notes	Consolidated June 2008 \$'000	June 2007 \$'000
Revenue from continuing operations	2	435,973	410,115
Cost of properties sold		(284,179)	(232,379)
Development profit recognised through valuation of properties transferred to Australand Property Trusts		7,851	2,797
Share of net profits of associates and joint ventures accounted for using the equity method		5,873	24,323
Investment property expenses		(12,732)	(13,687)
Employee expenses		(56,627)	(49,741)
Depreciation		(1,285)	(1,612)
Finance costs		(36,576)	(29,943)
Other expenses		(16,819)	(23,232)
Net (losses)/gains from fair value adjustments on investment property		(7,338)	56,081
Profit before income tax		34,141	142,722
Income tax credit/(expense)		4,844	(11,169)
Net profit from continuing operations		38,985	131,553
Net profit attributable to ASSETS hybrid equity holders (minority interest)		(13,431)	(11,957)
Net profit attributable to stapled security-holders of Australand		25,554	119,596
Attributable to:			
Equity holders of AHL and APT		12,160	99,645
Equity holders of other stapled entities (minority interest):			
- Australand Property Trust No. 4 (APT4)		10,009	14,260
- Australand Property Trust No. 5 (APT5)		3,385	5,691
Net profit attributable to stapled security-holders of Australand		25,554	119,596
Earnings per stapled security for profit attributable to ordinary equity holders of AHL and APT (parent entity):			
Basic earnings per stapled security	3	1.3 cents	10.8 cents
Diluted earnings per stapled security	3	1.3 cents	10.8 cents
The above income statement should also be read in conjunction with the accompanying notes, including Note 3 which presents the following earnings per stapled security for profit attributable to the stapled equity holders:			
Basic earnings per stapled security	3	2.8 cents	12.9 cents
Diluted earnings per stapled security	3	2.8 cents	12.9 cents

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

Consolidated balance sheet

As at 30 June 2008

	Notes	Consolidated June 2008 \$'000	Dec 2007 \$'000
Current assets			
Cash and cash equivalents		67,197	55,842
Receivables		348,924	426,722
Inventories		405,406	376,656
Derivative financial instruments		5,855	1,311
Other		3,988	2,929
Total current assets		831,370	863,460
Non-current assets			
Inventories		655,617	735,096
Investments accounted for using the equity method		304,750	255,169
Investment properties		2,176,533	1,881,965
Property, plant and equipment		8,765	5,861
Derivative financial instruments		49,730	47,581
Total non-current assets		3,195,395	2,925,672
Total assets		4,026,765	3,789,132
Current liabilities			
Payables		151,553	105,013
Interest bearing liabilities		774,750	151,750
Current tax liabilities		27,344	31,820
Provisions		105,063	107,976
Land vendor liabilities		51,437	43,215
Total current liabilities		1,110,147	439,774
Non-current liabilities			
Interest bearing liabilities		1,027,500	1,410,500
Provisions		33,472	34,563
Land vendor liabilities		38,250	22,145
Deferred tax liabilities		10,237	33,480
Total non-current liabilities		1,109,459	1,500,688
Total liabilities		2,219,606	1,940,462
Net assets		1,807,159	1,848,670
Equity			
Equity holders of AHL and APT			
Contributed equity		984,980	983,994
Reserves		44,294	38,424
Retained profits		244,245	292,663
		1,273,519	1,315,081
Equity holders of APT4 and APT5 (minority interest)		264,982	264,931
Stapled security-holders interest in the Group	5	1,538,501	1,580,012
ASSETS hybrid equity		268,658	268,658
Total equity		1,807,159	1,848,670

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half year ended 30 June 2008

	Consolidated June 2008 \$'000	June 2007 \$'000
Total equity at the beginning of the half year	1,848,670	1,712,141
Net profit for the half year	38,985	131,553
Changes in the fair value of cash flow hedges net of tax	5,296	7,304
Net income recorded directly in equity	5,296	7,304
Total recognised income and expense for the half year	44,281	138,857
Transactions with equity holders		
Contributions of equity, net of transaction costs	1,184	1,592
Security-based payments	574	1,500
Dividends and distributions provided for or paid (Note 4)	(74,119)	(73,695)
Distributions provided for or paid to ASSETS hybrid equity holders (minority interest)	(13,431)	(11,957)
	(85,792)	(82,560)
Total equity at the end of the half year	1,807,159	1,768,438
Total recognised income and expense for the half year is attributable to:		
Equity holders of AHL and APT	17,456	106,949
Equity holders of other stapled entities (minority interest):		
- Australand Property Trust No. 4 (APT4)	10,009	14,260
- Australand Property Trust No. 5 (APT5)	3,385	5,691
Other minority interests	13,431	11,957
	44,281	138,857

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

Consolidated cash flow statement

For the half year ended 30 June 2008

	Consolidated	
	June 2008	June 2007
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	504,273	515,091
Payments to suppliers and employees (inclusive of goods and services tax)	(108,696)	(247,561)
Interest received	9,292	2,753
Interest paid	(63,862)	(49,868)
Income tax paid	(24,883)	(7,680)
Net cash inflow from operating activities	316,124	212,735
Cash flows from investing activities		
Payment for land acquisitions	(101,321)	(167,810)
Joint venture equity investments – net of distributions	(47,692)	(9,611)
Proceeds from divestment/payments for investment in AWPf6	5,113	(65,115)
Proceeds from sale of investment property	-	145,898
Payments for acquisition and improvement to investment properties	(301,907)	(124,510)
Proceeds from sale of property, plant and equipment	-	47,000
Payments for plant and equipment	(4,188)	(1,067)
Net cash outflow from investing activities	(449,995)	(175,215)
Cash flows from financing activities		
Proceeds from borrowings	370,000	466,750
Repayment of borrowings	(130,000)	(410,000)
Dividends and trust distributions paid	(83,109)	(78,325)
Distributions to minority interests - ASSETS	(12,849)	(11,792)
Proceeds from issue of units/shares (net of equity raising costs)	1,184	1,592
Net cash flows inflow/(outflow) from financing activities	145,226	(31,775)
Net increase in cash	11,355	5,745
Cash at the beginning of the half year	55,842	9,594
Cash at the end of the half year	67,197	15,339

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

1. Basis of preparation of half year report

This general purpose financial report for the interim half year reporting period ended 30 June 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Australand's financial report represents the consolidated financial report of Australand Holdings Limited and its controlled entities in accordance with Urgent Issues Group (UIG) Consensus View 1013, *Consolidated Financial reports in relation to Pre-Date-of-Transition Stapling Arrangements*.

The 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 31 December 2007 and any public announcements made by Australand during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

At 30 June 2008 the Group had current assets of \$831 million and current liabilities of \$1,110 million. Included in current liabilities is \$775 million of interest bearing debt. The Directors believe that the Group will continue to be able to pay its debts as and when they become due and payable. In arriving at this conclusion the Directors have taken into account the following:

- The Group had net assets of \$1.8 billion at 30 June 2008;
- The underlying operating performance of the Group's businesses remain strong;
- The Group's debt portfolio is secured over its investment property portfolio;
- The Group has \$257 million of undrawn debt facilities at 30 June 2008;
- The Group has already renewed debt facilities totaling \$762 million since 1 January 2008 and in addition increased the size of its facilities by a further \$350 million with the ongoing support of a syndicate of major banks;
- The Group complied comfortably at all times during the half year with its debt covenant obligations;
- Work has commenced on the refinancing of the first tranche of Australand's CMBS program (which makes up \$563 million of the current interest bearing debt and is due for repayment in June 2009). Although the maturity of this facility is almost a year away, in light of prevailing capital market conditions a review of the potential options has already begun with a view to optimising the outcome for Australand. Initial discussions with a number of capital sources indicate that several options for refinancing this debt are available to the Group and the Group is progressing well on discussing these options; and
- The Group has announced a 1 for 1 Renounceable Entitlement Offer of \$0.60 per security to eligible security-holders. Australand's majority security-holder, CapitaLand, has committed to take up its full entitlement under the offer demonstrating its confidence in the business. Depending on the remaining level of participation, the Renounceable Entitlement Offer will provide between \$302 million and \$557 million of additional capital that will be used to reduce gearing and fund projects in our development pipeline.

2. Revenue

	Consolidated	
	June 2008	June 2007
	\$'000	\$'000
Sales revenue		
Property development sales	342,307	306,733
Rent from investment properties	80,320	72,647
	422,627	379,380
Other revenue		
Interest received or receivable	1,464	2,753
Management fees from joint venture entities	2,286	4,066
Gain from sale of property, plant and equipment	344	8,874
Sundry income	9,252	15,042
	13,346	30,735
Total revenue	435,973	410,115

3. Earnings per stapled security

	Consolidated	
	June 2008	June 2007
i. Basic earnings per stapled security	2.8 cents	12.9 cents
ii. Diluted earnings per stapled security	2.8 cents	12.9 cents
iii. Basic earnings per stapled security (Parent Entity)	1.3 cents	10.8 cents
iv. Diluted earnings per stapled security (Parent Entity)	1.3 cents	10.8 cents

(a) Reconciliation of earnings used in calculating earnings per stapled security

Consolidated	\$'000	\$'000
(i) Basic earnings per stapled security		
Net profit after tax	25,554	119,596
Earnings used in calculating basic earnings per stapled security	25,554	119,596
(ii) Diluted earnings per stapled security		
Net profit after tax	25,554	119,596
Earnings used in calculating diluted earnings per stapled security	25,554	119,596
Parent Entity*		
(iii) Basic earnings per stapled security		
Net profit after tax	12,160	99,645
Earnings used in calculating basic earnings per stapled security	12,160	99,645

3. Earnings per stapled security (continued)

	Consolidated	
	June 2008	June 2007
(iv) Diluted earnings per stapled security		
Net profit after tax	12,160	99,645
Earnings used in calculating diluted earnings per stapled security	12,160	99,645

*For the purpose of earnings per stapled security, the parent entity is defined as AHL and APT

(b) Weighted average number of stapled securities used

Weighted average number of ordinary securities used as the denominator in calculating basic and diluted earnings per stapled security	927,676,824	927,196,249
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4. Dividends/distributions

Dividends/distributions recognised in the current period by Australand Holdings Limited, Australand Property Trust, Australand Property Trust No. 4 and Australand Property Trust No. 5 are:

June 2008	Payment per Share/Unit	Total Amount \$'000	Date of Payment	Tax Rate for Franking Credit or Tax Deferred %	Percentage Franked %
Ordinary shares					
Interim dividend	1.68 cents	15,586	2 May 2008	30	100
Interim dividend	1.18 cents	10,983	1 August 2008	30	100
Total dividend	2.86 cents	26,569			
Units					
Interim distribution	2.32 cents	21,524	2 May 2008		
Interim distribution	2.82 cents	26,127	1 August 2008		
Total distribution	5.14 cents	47,651			

Total dividends and distributions shown above total \$74,220,000. The total amount of dividends and distributions for the year as shown in Note 5 is \$74,119,000. The difference between these amounts relates to the ESOP dividends and distributions, which are applied against ESOP loans.

June 2007	Payment per Share/Unit	Total Amount \$'000	Date of Payment	Tax Rate for Franking Credit or Tax Deferred %	Percentage Franked %
Ordinary shares					
Interim dividend	0.25 cents	2,318	4 May 2007	30	100
Interim dividend	1.05 cents	9,744	3 August 2007	30	100
Total dividend	1.30 cents	12,062			
Units					
Interim distribution	3.75 cents	34,771	4 May 2007		
Interim distribution	2.95 cents	27,346	3 August 2007		
Total distribution	6.70 cents	62,117			

4. Dividends/distributions (continued)

Franking credits

	Consolidated	
	June 2008	June 2007
	\$'000	\$'000
Franking credits available for subsequent financial year based on a tax rate of 30% (HY07: 30%)	73,821	71,388

Franking credits are available at the 30% corporate tax rate after allowing for tax payable in respect of the current period's profit, payment of proposed dividends/distributions and receipt of dividends receivable. The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends/distributions. The above amounts represent the balances of the franking accounts as at the end of the financial period, adjusted for:

- franking credits that will arise from the payment of the current tax liability;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that may be prevented from being distributed in subsequent financial years.

5. Equity

Australand is a stapled group in which the security-holders hold direct interests and an equal number of securities in each of Australand Holdings Limited (AHL), Australand Property Trust (APT), Australand Property Trust No. 4 (APT4) and Australand Property Trust No. 5 (APT5).

As the securities of AHL and APT were stapled before the introduction of AIFRS, *UIG 1013 Pre-date-of-transition stapling arrangements* applies. This deems that AHL is identified as the acquirer and the parent and the results and net assets of AHL and APT are combined when presenting the consolidated financial statements.

However, as the stapling of APT4 and APT5 occurred after the introduction of AIFRS, *AASB Interpretation 1002 Post date of transition stapling arrangements* applies. For the purposes of AASB 1002, APT has been identified as the acquirer and the results and equity of APT4 and APT5 are presented as minority interest in the consolidated financial statements on the basis that neither APT or AHL has obtained an ownership interest as a result of the stapling.

All benefits and risks of ownership and operations of APT, APT4 and APT5 flow through to the consolidated result of Australand Holdings Limited and its controlled entities and form part of the profit attributable to stapled security-holders. Accordingly, whilst the results and equity of APT4 and APT5 are disclosed as minority interest, the stapled security-holders of AHL and APT are the same as the stapled security-holders of APT4 and APT5.

5. Equity (continued)
Capital, reserves and retained profits

		Consolidated	
		June	Dec
		2008	2007
		\$'000	\$'000
Equity			
Capital and reserves attributable to stapled security-holders as:			
Stapled security-holders interest in the Group		1,538,501	1,580,012
<i>Equity holders of AHL and APT</i>			
Contributed equity		984,980	983,994
Reserves		44,294	38,424
Retained profits		244,245	292,663
Parent interest		1,273,519	1,315,081
<i>Equity holders of other stapled entities – APT4 and APT5 (minority interest)</i>			
Contributed equity		213,197	212,999
Reserves		(10,601)	(10,601)
Retained profits		62,386	62,533
Equity holders of other stapled entities – APT4 and APT5 (minority interest)		264,982	264,931
a) Reserves			
<i>Hedging reserve</i>			
Hedging reserve – cash flow hedges – AHL and APT	(i)	39,533	34,237
<i>Security-based payments reserve</i>			
Security-based payments reserve – AHL	(ii)	4,761	4,187
<i>Capital redemption reserve</i>			
Capital redemption reserve – APT4 and APT5	(iii)	(10,601)	(10,601)
Total reserves – stapled security-holders		33,693	27,823

5. Equity (continued)

	Consolidated	
	June	Dec
	2008	2007
	\$'000	\$'000
Movements in above stapled security-holders reserves comprise:		
<i>(i) Hedging reserve – cash flow hedges</i>		
Opening balance	34,237	16,056
Share of changes in the fair value of cash flow hedges of associate	610	-
Changes in fair value of cash flow hedges	6,694	25,974
Deferred tax	(2,008)	(7,793)
Closing balance	39,533	34,237
<i>(ii) Security-based payments reserve</i>		
Opening balance	4,187	2,687
Expense relating to security-based payments	574	1,500
Closing balance	4,761	4,187
<i>(iii) Capital redemption reserve</i>		
Opening and closing balance	(10,601)	(10,601)
b) Retained profits		
<i>Equity holders of AHL and APT</i>	244,245	292,663
<i>Other stapled entities</i>		
- Australand Property Trust No. 4	43,662	43,829
- Australand Property Trust No. 5	18,724	18,704
	62,386	62,533
Stapled security-holders interest in retained profits	306,631	355,196
<i>Movements in above total stapled security-holders interests in retained profits:</i>		
Opening balance	355,196	242,737
Net profit attributable to the stapled security-holders of Australand	25,554	269,226
Dividends / distributions	(74,119)	(156,767)
Closing balance	306,631	355,196

5. Equity (continued)

c) Nature and purpose of reserves

(i) Hedging reserve – cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity. The gain or loss relating to the ineffective portion is recognised in the income statement within other income or other expenses.

(ii) Security-based payments reserve

The security-based payments reserve is used to recognise the fair value of options or performance rights granted.

(iii) Capital redemption reserve

The capital redemption reserve arises in APT4 and APT5 as a result of the redemption of units upon stapling with AHL and APT.

Movements in contributed equity

	Half year		Half year	
	2008	2007	2008	2007
	Stapled securities	Stapled securities	\$'000	\$'000
Issues of Stapled Securities during the half year				
Exercise of options	139,250	124,500	219	195
Australand Employee Securities Ownership Plan	-	-	965	1,397
	139,250	124,500	1,184	1,592

6. Contingencies

Details and estimated maximum amounts of contingent liabilities (for which no amounts are recognised in the financial statements) are as follows:

- (a) The Group has given indemnities for land development contract performance in the form of bank guarantees and insurance bonds.

	June 2008	Dec 2007
	\$'000	\$'000
Performance bank guarantees outstanding	62,633	69,370
Financial bank guarantees	24,408	33,586
Insurance bonds outstanding	12,268	23,694
	99,309	126,650

- (b) In the ordinary course of business, the Group provides rental guarantees to tenants and owners of various commercial, industrial and residential buildings, which the Group is developing or has completed. These arrangements require the Group to guarantee the rental income of these properties for certain periods of time. Based on the current lease commitments, as at the date of this report, adequate allowance has been made in the financial statements for these potential obligations.

- (c) In the ordinary course of business, the Group becomes involved in litigation, some of which falls within the Group's insurance arrangements. Whilst the outcomes are uncertain, these contingent liabilities are not considered to be material to the Group.

7. Segment reporting

The consolidated entity operates wholly within Australia and is organised into the following businesses:

- Residential
- Commercial & Industrial; and
- Investment Property

June 2008

Business Segment Summary (\$'000)	Residential	Commercial & Industrial	Total Developer	Investment Property	Unallocated	Elim	Consolidated
Revenue	330,811	370,647	701,458	80,189	1,427	(276,798)	506,276
Less: Property development sales revenue from joint venture entities	(55,237)	(88,270)	(143,507)	-	-	73,204	(70,303)
Segment Revenue	275,574	282,377	557,951	80,189	1,427	(203,594)	435,973
Segment result before interest expense, interest in cost of goods sold and write downs	37,997	44,782	82,779	63,239	-	(19,448)	126,570
Development profit through valuation of properties transferred to Australand Property Trusts	-	-	-	-	-	7,851	7,851
Capitalised interest in cost of goods sold & other interest	(12,954)	(11,758)	(24,712)	(13,229)	(13,326)	4,331	(46,936)
Unrealised gains/(losses) in property revaluations	-	-	-	(7,338)	-	-	(7,338)
Other fees charged between developer and Trust	-	-	-	12,925	-	(12,925)	-
Net segment result after interest expense	25,043	33,024	58,067	55,597	(13,326)	(20,191)	80,147
Share of net profits of associates and joint ventures accounted for using the equity method	9,201	13,375	22,576	1,391	-	(9,744)	14,223
Unallocated corporate costs	-	-	-	-	(10,729)	-	(10,729)
	34,244	46,399	80,643	56,988	(24,055)	(29,935)	83,641
Write down of Residential development and joint venture inventories	(49,500)	-	(49,500)	-	-	-	(49,500)
Profit before income tax	(15,256)	46,399	31,143	56,988	(24,055)	(29,935)	34,141
Income tax credit							4,844
Net Profit							38,985

Business Segment Summary (\$'000)	Residential	Commercial & Industrial	Total Developer	Investment Property	Unallocated	Elim	Consolidated
Total segment assets	1,174,840	526,788	1,701,628	2,234,346	168,053	(77,262)	4,026,765
Depreciation and amortisation expense	198	94	292	39	954	-	1,285

7. Segment reporting (continued)

June 2007

Business Segment Summary (\$'000)	Residential	Commercial & Industrial	Total Developer	Investment Property	Unallocated	Elim	Consolidated
Revenue	323,077	243,249	566,326	84,459	1,266	(95,115)	556,936
Less: Property development sales revenue from joint venture entities	(83,469)	(65,841)	(149,310)	-	-	2,489	(146,821)
Segment Revenue	239,608	177,408	417,016	84,459	1,266	(92,626)	410,115
Segment result before interest expense and interest in cost of goods sold	43,601	14,658	58,259	67,424	-	(9,070)	116,613
Development profit through valuation of properties transferred to Australand Property Trusts	-	-	-	-	-	2,797	2,797
Capitalised interest in cost of goods sold & other interest	(19,695)	(5,655)	(25,350)	(11,189)	(7,594)	-	(44,133)
Unrealised gains/(losses) in property revaluations	-	-	-	56,081	-	-	56,081
Other fees charged between developer and Trust	-	-	-	6,172	-	(6,172)	-
Net segment result after interest expense	23,906	9,003	32,909	118,488	(7,594)	(12,445)	131,358
Share of net profits of associates and joint ventures accounted for using the equity method	10,439	15,105	25,544	-	-	(1,221)	24,323
Unallocated corporate costs	-	-	-	-	(12,959)	-	(12,959)
Profit before income tax	34,345	24,108	58,453	118,488	(20,553)	(13,666)	142,722
Income tax expense							(11,169)
Net Profit							131,553

Business Segment Summary (\$'000)	Residential	Commercial & Industrial	Total Developer	Investment Property	Unallocated	Elim	Consolidated
Total segment assets	1,347,086	462,268	1,809,354	1,648,262	153,745	(53,676)	3,557,685
Depreciation and amortisation expense	622	267	889	-	723	-	1,612

8. Events occurring after the balance sheet date

Subsequent to the balance sheet date the following significant announcements were made by Australand:

- a 1 for 1 Renounceable Entitlement Offer at \$0.60 per security;
- a decision to step-up the distribution rate of the ASSETS hybrid securities from 1 Oct 2008; and
- a revised dividend/distribution policy effective from 1 July 2008.

Further details of these announcements are included in the relevant public documents including this preliminary financial report (refer capital management section of the MD&A) and other public documents lodged with ASX on 28 July 2008.

9. Other information

a) Details of aggregate share of profits of associates and joint venture entities:

	June 2008 \$'000	June 2007 \$'000
Profit before income tax	5,873	24,323
Income tax expense	(1,762)	(7,297)
Net profit	4,111	17,026
Share of net profit of associates and joint venture entities	4,111	17,026

b) Material interests in entities which are not controlled entities

Name of entity	Note	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit/(loss)	
		Current period	Previous corresponding period	Current period	Previous corresponding period
Equity accounted associates and joint venture entities		%	%	\$'000	\$'000
118 Alfred Street Finance Pty Ltd		50	50	-	-
Australand Apartments No. 6 Pty Limited		50	50	(262)	-
Australand Holdings Limited & BMD Constructions Pty Ltd		50	50	-	-
Australand Holdings Limited and Morton Homestead Pty Ltd		50	50	3,320	1,190
Australand Residential Trust formerly Australand Investment Trust	(a)	50	-	61	-
Australand Industrial No.139 Pty Limited & Urbex No. 101 P/L	(a)	50	-	-	-
Australand Industrial No. 126 Pty Limited & Nordic Pty Limited		50	50	-	-
Australand Land and Housing No. 5 (Hope Island) Pty Limited		50	50	(8,467)	(20)
Australand Land and Housing No. 7 (Hope Island) Pty Limited		50	50	-	-
Australand Land and Housing No. 8 (Hope Island) Pty Limited		50	50	-	-
Australand Wholesale Property Fund No 6		28	42	1,406	-
Australand Retail Trust		50	-	(15)	-
Avon Road Pymble Pty Ltd		50	50	(45)	-
Baldi Unit Trust		50	50	(1)	(80)
Balmain Shores Pty Ltd		50	50	-	-
Brisun Pty Ltd		50	50	-	-
Chymont Unit Trust		50	50	-	341
CIP ALZ (BBP) Trust		50	50	(136)	835
CIP ALZ Gillman Trust	(a)	50	-	-	-
CIP ALZ (MA) Trust		50	50	251	851

9. Other information (continued)
b) Material interests in entities which are not controlled entities (continued)

Name of entity	Note	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit/(loss)	
		Current period	Previous corresponding period	Current period	Previous corresponding period
Equity accounted associates and joint venture entities		%	%	\$'000	\$'000
CIP ALZ (WA) Unit Trust		50	50	-	385
CIP ALZ Goulburn Industrial Unit Trust		50	50	-	(618)
CIP ALZ Horrie Miller Drive Industrial Unit Trust		50	50	3,847	6,000
CIP ALZ Treasury Trust	(b)	50	-	-	-
CIP ALZ (Wellington Road) Unit Trust	(b)	50	-	-	-
Commercial & Industrial Property (Mt Waverley) Trust		50	50	-	-
Commercial & Industrial Property (Pinkenba) Trust		50	50	-	-
Commercial & Industrial Property (Port Melbourne) Trust		50	50	(309)	-
Croydon Development Trust		50	50	-	-
Discovery Point Pty Limited and Landcom		50	50	387	1,262
Freshwater Residential Unit Trust		50	50	-	-
Giffnock North Ryde Co-Venture		50	50	-	-
Glebe Harbour Unit Trust		50	50	-	-
Kellyville Construction Partnership		50	50	(181)	(180)
Lidcombe Co-Venture		50	50	(49)	(10)
LMMBI Unit Trust		50	50	-	-
Minto Industrial Developments Trust		50	50	-	-
Motorway Business Park Pty Ltd		50	50	-	6,090
Parkinson Development Co-Venture		50	50	-	-
Point Cook Construction Partnership		50	50	-	-
Port Coogee Co-Venture		50	50	1,030	4,522
Port Coogee Omeo Co-Venture		50	50	-	-
Port Coogee Finance Pty Limited		50	50	-	-
Port Melbourne Unit Trust		50	50	-	-
Soncal Pty Limited		50	50	-	-
Stage 3 Eastern Creek Co-Venture		50	50	-	-
St Andrews Field Co-Venture		50	50	849	155
Sunshine Co-Venture		50	50	-	-
Sur-Mer (Cronulla) Pty Ltd		50	50	-	-
Torquay Co-Venture		50	50	1,717	476
Trust Project No.9 Unit Trust		50	50	7	1,194
Village Park Consortium		50	50	2,485	1,845
Woolloomooloo Unit Trust		50	50	-	-
Yanchep Co-Venture	(b)	50	-	-	-
Total				5,895	24,238
Other interests				(22)	85
Total				5,873	24,323

a) Joint venture entities created during the six month period ending 30 June 2008

b) Joint venture entities created during the six month period ending 31 December 2007

Directors' declaration

For the half year ended 30 June 2008

In the directors' opinion:

- (a) the financial statements and notes set out on pages 13 to 27 are in accordance with the *Corporations Act 2001*, including:
 - i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2008 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that the consolidated entity 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.



Bob Johnston
Managing Director

Sydney
28 July 2008

Independent audit report to the members of Australand Holdings Limited

Audit opinion

In our opinion, the financial report of Australand Holdings Limited:

- gives a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of the Australand Holdings Limited Group (defined below) as at 30 June 2008 and of its performance for the half-year ended on that date, and
- is presented in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134: *Interim Financial Reporting* and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for the Australand Holdings Limited Group (the consolidated entity), for the half-year ended 30 June 2008. The consolidated entity comprises both Australand Holdings Limited (the company) and the entities it controlled during that half-year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order for the company to lodge the financial report with the Australian Securities and Investments Commission. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134: *Interim Financial Reporting* and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the consolidated entity's financial position, and its performance as represented by the results of its operations, changes in equity and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

Our procedures include reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.



PricewaterhouseCoopers



Matthew Lunn
Partner

Sydney
28 July 2008