australand 3Q 2013 update.

People driven people.

australand

Overview.

During the third quarter ending 30 September 2013 we continued to make solid progress across each of our divisions in delivering on our 2013 full year targets.

The Group remains on track to deliver on its previous guidance for growth in operating earnings per security of 3-4% for 2013.

Business conditions, however, remain mixed. Residential sales have benefitted from the low interest rate environment and the increase in activity from investors. This has been most evident in Sydney and Melbourne with the Group securing a strong level of contracts on hand at the end of the September quarter through the pre-sale of apartment projects that will deliver earnings from late 2014 to 2016. Price growth remains project and market specific with Sydney projects seeing the strongest improvement.

In the industrial and office sectors, demand remains relatively subdued despite recent indicators supporting an improvement in business sentiment. We are yet to see if the improved sentiment will be sustained and translate into an upswing in tenant demand. Leasing up of vacant and speculative space has continued to be challenging given the competitive environment but solid progress is being made. With the subdued demand and reduction in office development we expect that the Commercial and Industrial division's forward workload for 2014 will be below historical levels.

The Group's investment portfolio continues to have low vacancy levels and will underpin the expected second half distribution of 11 cents per security bringing full year distributions to 21.5 cents per security in line with previous guidance.

Group gearing at year end is expected to be well within the Group's stated gearing range of 25-35%.

australland 3Q 2013 update. People driven people.

Investment Property.

The Investment Property portfolio has maintained its solid metrics with occupancy of 96% and a weighted average lease expiry of 5.5 years as at 30 September 2013.

Good progress has been achieved securing lease renewals and new leases during the quarter, representing approximately 5% of portfolio income. The Group has no further expiries in 2013 and has reduced 2014 expiries from 11% of portfolio income at 30 June 2013 to 8% at 30 September 2013.

The division continues to focus on progressively de-risking near term expiries and leasing of vacant space with the following leasing activity being executed during the quarter:

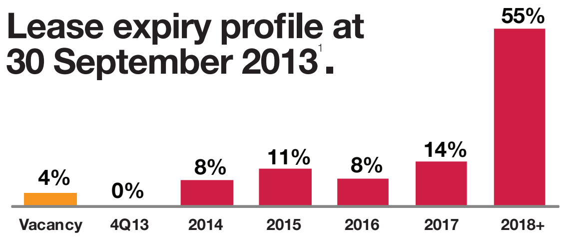
- 10 year lease renewal with Eagle Lighting over 6,000 square metres of industrial space at Tullamarine in Victoria.
- 5 year lease renewal with Agility over 5,500 square metres of industrial space at Adelaide Airport.
- New leases over 2,350 square metres of office space at 357 Collins Street, bringing total occupancy to 84%. While this is positive, conditions in the Melbourne office market continue to remain challenging and incentives are elevated.
- 6.5 year term lease renewal with NAB over 7,490 square metres of office space at Rhodes in Sydney.
- A further 2,500 square metres of office floor space leased to Coles at its existing tenancy at Mulgrave in Victoria.
- Heads of agreement secured over 24,700 square metres of industrial and office space comprising;
  - 10 year lease renewal over 21,500 square metres of industrial space in Queensland.
  - 5 year lease renewal over 3,200 square metres of office space at Freshwater Place in Melbourne.

Leasing enquiry for Rhodes F in Sydney was subdued during the third quarter and while we continue to work on a number of enquiries for the balance of the space no new leases were entered into during the quarter. Vacancy however reduced from 37% at 30 June 2013 to 33% at 30 September 2013 with a further 715 square metres of office space leased to existing tenant Hewlett-Packard.

During the quarter, the Responsible Entity of Australand Wholesale Property Fund No 6, in which the Group holds a 28% interest, entered into a Merger Implementation Deed with APN Property Group for the securities in the Fund to be stapled to securities in three other APN managed entities to create a new listed REIT, to be managed by the APN Group. Whilst the transaction is conditional, it is currently expected that the process will be completed before the end of the fourth quarter of 2013.

Overall, the division remains well positioned with solid portfolio metrics, high occupancy, long leases and embedded rental growth providing good visibility of earnings.

Lease expiry profile at 30 September 2013[1].



1. By portfolio income, excludes properties under development.

Commercial & Industrial.

Development activity in the industrial sector continues to remain relatively subdued with limited demand for new space.

Customers continue to remain cautious in their evaluation of new space requirements and the prelease market remains very competitive. While business sentiment has improved, this is yet to translate into new deal activity.

Key activities for the division during the quarter included:

- Sale of three industrial facilities, currently under development in Victoria, with a total end value of approximately $59 million.
- Secured a pre-committment with Goodyear Tyres to lease a 26,400 square metre warehouse and office facility, in two components, for a 5 and 10 year term. The logistics facility, located at Westpark in Melbourne, is proposed for the Australand Logistics Joint Venture with GIC.
- Secured lease commitments at speculative facilities including:
  - A 10 year lease with a third party logistics provider over 15,750 square metres at Eastern Creek in Sydney. The facility will be held within the Group's investment portfolio with completion expected in the fourth quarter of 2013.
  - Lease agreement with a consumable goods supplier over 10,600 square metres at Westpark in Victoria. The industrial building, with a total area of 46,850 square metres, has been pre-sold and is now 70% leased.
  - A lease to a steel supplier for 6,000 square metres at the industrial facility in Altona, Victoria.
  - Terms have been agreed with a distribution company to lease 10,500 square metres of the 17,850 square metre facility at Keysborough in Victoria.
- Secured 46,000 square metres of land sales in Victoria.
- Achieved the first registered Green Star Rating of 5 stars under the new Greenstar rating tool for an industrial facility of 27,500 square metres in Keysborough, Victoria.

Subsequent to the quarter the Group exchanged contracts for the sale of the residual commercial site at Freshwater Place in Melbourne for $30 million, subject to FIRB approval. It was considered the site's highest and best use was for a high density mixed use development, which is not core to the Group's activities.

Australia Post
Rowville, VIC.


Richlands
QLD.

Residential.

Sales momentum evident in the first half of the year has continued during the third quarter with 2013 sales targets at major projects 90% secured at 30 September 2013.

In Sydney, demand continues to be strong with increased investor and offshore interest. Volumes remained strong driven by pre-sales activity on built form projects.

In Melbourne, market conditions have improved during the quarter and demand remained steady for both built form and land product.

Trading conditions in Queensland improved during the quarter, however sales volumes remain well below historical averages. Our Hamilton Reach project continues to perform well however trading conditions for our projects on the Sunshine Coast and Gold Coast remain challenging.

Activity in Perth remains resilient. Demand for affordable land remains strong with first home buyers most active.

Key achievements for the division during the quarter included:

- At 30 September approximately 90% of targeted EBIT for the 2013 full year had been secured.
- Targeted lot sales for the division's top twelve projects are expected to contribute approximately 80% of residential earnings for 2013 with sales targets for these projects 90% secured as shown in the adjacent table.
- Gross contracts on hand at the end of the third quarter were 2,264[1] with 45% of these expected to contribute to earnings in 2013, 35% in 2014 and 20% in 2015 and 2016. The average value of these contracts is approximately $500,000 per lot.
- Sales momentum at Clemton Park Village in Sydney continued with Stages 3, 4 & 5, comprising 224 apartments, over 90% pre-sold. These stages are expected to contribute to earnings in 2014 and 2015. Stage 2, which sold out earlier this year, is currently under construction and settlements are on track for the fourth quarter of 2013.
- Pre-sales at our Discovery Point project in Sydney also remained strong with the Summit building, comprising 200 apartments, 95% pre-sold. This was followed by the launch of Metro in August with its 74 apartments over 90% pre-sold. Summit and Metro are expected to contribute to earnings in 2015 and 2016 respectively. In addition to these stages, construction of a further three fully pre-sold buildings, totalling 288 apartments, is currently underway with completion expected late 2014.
- Rezoning approval has been received for the Ashlar site in Sydney. Gazettal is expected to be finalised in the fourth quarter of this year and we continue to expect first sales in 2015.
- Stage 3 of the Carlton project in Melbourne reached completion with settlements underway. Construction of Stage 4 (~80% pre-sold) has commenced with completion expected in 2014.
- The improvement in activity for land sales in Melbourne during the first half of the year has continued into the third quarter with projects Clyde North, Greenvale and Cranbourne West achieving solid sales over the quarter.
- At the Hamilton Reach project in Brisbane construction of the first stage of apartments, Watermarque, is complete and settlement of all 78 apartments has commenced. Construction of the next stage, Watermarque on the Park, is currently underway and due for completion in 2014. This will be followed by Stage 3, Atria, comprising 69 apartments. Launched in August, Atria has achieved over 50% pre-sales.
- In Perth, construction of Kingston (Stage 2) of the Cockburn Central development is nearing completion, with settlements expected before year end.
- Also in Perth, our Byford land project continues to attract strong interest with over 60 sales achieved during the third quarter.
- Improved amenity at the Port Coogee project in Perth has positively impacted sales momentum and the first retail component on the site is nearing completion. The development was also awarded an Urban Water Excellence Award by the Urban Development Institute of Australia reflecting Australand's commitment to environmental management.

1. Represents wholly owned and 100% of joint arrangement projects and PDAs. Wholly owned and ALZ share of joint arrangements and PDAs was 1,448 contracts on hand.

2013 Top 12 projects.

	Type[1]	State	FY13 target lot sales[2]	Lot sales secured at 30 Sep 13
Burwood	H/MD	VIC	41	100%
Carlton	H/MD	VIC	123	100%
Clemton Park (JA)	H/MD	NSW	154	100%
Clyde North (JA & PDA)	Land	VIC	190	74%
Cockburn Central	H/MD	WA	78	115%
Cranbourne West	Land	VIC	130	71%
Greenhills Beach	Land	NSW	72	100%
Greenvale	Land	VIC	120	70%
Hamilton	H/MD	QLD	72	118%
Kangaroo Point	HD	QLD	21	52%
Lidcombe (JA)	H/MD	NSW	90	83%
Port Coogee	Land	WA	29	117%

1. H/MD - Housing / medium density, HD - High density.
2. Includes 100% of joint arrangements (JA) and PDAs.

Carlton VIC.

Building F, Rhodes NSW.

Securityholder Calendar *

18 December 2013	2013 Final dividend / distribution announcement.
23 December 2013	Stapled securities trade ex-dividend / distribution for 2013 final distribution.
31 December 2013	2013 Final dividend / distribution record date.
7 February 2014	2013 Final dividend / distribution payment date.
17 February 2014	2013 Full Year Results announcement.

* These dates are indicative only and may be subject to change without notice

For further information.

Investor Relations.

Narelle Checchin
Australand Property Group
P +61 2 9767 2108
E nchecchin@australand.com.au

Media Relations.

Trudy Wise
Wise McBaron Communication
P +61 2 9279 4770
E trudy@wisemcbaron.com.au

www.australand.com.au