

Level 3, 1C Homebush Bay Drive
RHODES NSW 2138

Locked Bag 2106
NORTH RYDE NSW 1670
DX 8419 Ryde

T 02 9767 2000
F 02 9767 2900
www.australand.com.au



**ASX Announcement
Code: ALZ**

16 April 2009

2009 ANNUAL AND GENERAL MEETINGS MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER'S ADDRESS

(Note: A copy of the slides is provided separately).

Thank you Chairman and good morning ladies and gentlemen.

The format for my presentation this morning is that I will first provide an overview of the Group and divisional financial results for the 2008 full year. I will then provide an update on the important topic of capital management and in particular the progress we have made on refinancing our debt facilities.

This will be followed by an operational update as at the end of the 1st quarter of 2009 and the Group outlook for the year ahead.

Overview of 2008 Results

	2008	2007
Operating profit¹	\$175m	\$163m
Unrealised gain / (loss) from property revaluations	\$97m	\$106m
Significant one-off items		
Write-down of Residential inventories	\$35m	-
Restructure costs	\$33m	-
Statutory profit	\$40m	\$26m
Earnings per stapled security²	13.1c	14.5c
Dividends/Distributions per stapled security	11.0c	17.0c
NFA per stapled security	\$1.08	\$1.70

¹Operating profit after tax and minority interest, including non-cash adjustments and significant one-off items.
²Figures per stapled security based on operating profit, rounded to three decimal places to conform with ASX listing rules.

AUSTRALAND Annual and General Meetings

Page 5

Our full year 2008 operating profit was \$175 million, an increase of 7% on 2007 and in line with the operating profit guidance provided at our Annual and General Meetings last year. Operating profit is a clear measure of the performance of the business. Delivering growth in a year which saw the global financial crisis unfold, demonstrates the resilience of the business and the commitment of the management team and staff.

Our statutory profit was impacted by non-cash adjustments for unrealised revaluation losses from our Investment Portfolio of \$97 million and an adjustment of \$35 million after tax to the carrying value of a number of our residential projects. We also provided for restructure costs associated with staff redundancies and other efficiency measures. This resulted in a statutory profit for the full year of \$40 million after tax, down 85% on last year. As you can see on this slide, the 2007 result included unrealised gains on property revaluations of \$106 million, which were all but reversed in 2008 through the effect of softening property yields particularly in the second half.

Earnings per stapled security were 13.1 cents, down 1.4 cents, due to the increased number of securities on issue, following the Entitlement Offer completed in September last year.

In line with our revised Dividend and Distribution Policy, the distribution for the second half of 2008 was 3.0 cents per security, bringing the total dividends and distributions for the full year to 11.0 cents per security.

At 31 December 2008, Net Tangible Assets stood at \$1.08 per security. The change from 2007 resulted from the additional securities issued under the Entitlement Offer, asset revaluations, write-down of Residential inventory, and finally a mark to market of our interest rate hedge book following the sharp drop in interest rates in the last quarter of 2008.

2008 Divisional Performance – Investment Property

Strong performance from our quality Investment Property Portfolio

- Operating profit up 14% to \$134 million
- Comparable rental growth of 3.3%
- Portfolio increased from \$1.9 billion to \$2.3 billion in 2008



Turning now to the divisional results and starting with the Investment Property division. Our operating profit for the Investment Property division was up 14% to \$134 million with comparable rental income growth of 3.3%. This result was delivered primarily from growth in net operating income with minimal profits generated from gains on asset sales, in contrast to the prior two years. The portfolio grew by 22%, net of revaluations to a value of \$2.3 billion at year end with the addition of 21 new investment properties from our development division. This is a quality portfolio of assets, with low vacancies, strong lease covenants and provides reliable cash flows for the Group.

2008 Divisional Performance – C&I

Commercial & Industrial Division has delivered strong growth over the past 3 years

- Operating Profit up 11% to \$78 million
- Delivery of 383,000m² of new space, including Coles (Brisbane & Perth) & Corporate Express (NSW)
- Completion of Tweety@ Freshwater, a 34,000m² A-grade office building
- Land sales of approx 263,000m²



Our Commercial & Industrial division continues to be recognised as one of the market leaders in the Industrial sector and also had a strong year in the Office sector. The division delivered an operating profit of \$78 million, up 11% on the previous year.

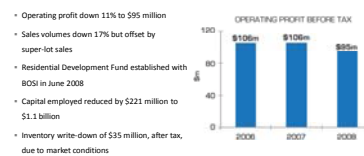
The division started the 2008 year with a very strong pipeline of committed forward workload and successfully delivered 383,000m² of quality space. This included the completion of new distribution facilities for Coles in Brisbane & Perth, the new

Corporate Express facility in Erskine Park NSW, and the completion of Twenty8 Freshwater Place, a new 34,000m² A-Grade commercial office building at Southbank in Melbourne.

During the year the division developed over 1.1 million square metres of its land-bank including land sales of approximately 263,000m².

2008 Divisional Performance - Residential

Solid results from our Residential Division



Our Residential division turned in a solid operating profit result of \$95 million for the full year despite challenging conditions. This was down 11% on the prior year but in line with the forecast provided at the interim results in July last year.

Affordability concerns weighed on the residential sector particularly in the first half of 2008. Interest rate cuts and government initiatives introduced in the second half of the year provided some stimulus to the sector. Sales volumes, however, were down in the order of 17% as consumer confidence remained weak particularly in the middle to upper end of the market.

As a result of this weaker demand, we executed a number of super-lot sales during the course of 2008, however we don't expect the same level of super lot sales in 2009.

Consistent with our strategy to reduce capital employed in the Residential division we successfully established a Residential Development Fund in June last year with Bank of Scotland International. This, combined with other sales activity during the course of 2008, reduced the balance sheet for the division by \$221 million to \$1.1 billion.

As I noted earlier, the difficult trading conditions during 2008 required us to take a write-down on our residential inventory of \$49.5 million before tax and \$35 million after tax.

In summary the Group delivered a solid operating result for the year which is testament to our ability to operate through difficult cycles.

Capital Management

A number of pre-emptive steps were taken in 2008 to strengthen our Balance Sheet

- Entitlement Offer raising \$461 million
- Revised dividend/distribution policy
- Elected to step up the distribution rate on the \$275 million of ASSETS hybrid securities
- Focus on cashflow management providing \$600 million liquidity at 31 December 2008



Let me now turn to the important topic of capital management.

At the 2008 Annual and General Meetings we emphasised the need for the Group to maintain a strong focus on capital and risk management. In fact this was one of the strategies I presented to the meeting. We certainly did not envisage at that time that the markets would deteriorate to the extent they did, but we were clearly of the view that this needed to be a focus for the Group.

In July 2008 your Board determined that it would be prudent for the Group to undertake a number of pre-emptive steps to strengthen the Group's balance sheet. These steps included an Entitlement Offer which raised \$461 million, including \$302 million from our majority security holder, CapitalLand, who took up their full entitlement.

Concurrent with the Entitlement Offer, we also revised the Dividend and Distribution Policy with the suspension of dividend payments from the Developer. The Board has undertaken to review our Dividend and Distribution Policy at the end of this calendar year.

We also announced in July last year that we would step up the distribution rate on the \$275 million of ASSETS hybrid securities on 1 October 2008. These securities were put in place in 2005 with the flexibility of repayment or retention at an increased margin. With the fall in interest rates, the coupon on ASSETS has declined significantly from approximately 11.8% in the last quarter of 2008 to 7.9% for the June 2009 quarter.

With these initiatives and an active focus on cashflow management our liquidity position was \$600 million at the end of 2008. Our gearing was also reduced to 36% at year end from a high in June 2008 of 44%.

Capital Management

Refinancing of the maturing facilities a key focus for the Group

DEBT MATURITY PROFILE AS AT 31 DEC 2008



Turning now to our debt maturities.

The Group's debt maturity profile as at 31 December 2008 included two unsecured facilities totaling \$150 million maturing this quarter and a further \$563 million of Commercial Mortgage-Backed Securities (CMBS) maturing in late June. These maturing facilities have undoubtedly weighed on investor sentiment and this has been a significant focus for management over the last several months.

Capital Management

Good progress being made with our refinancing requirements

2009 Maturities

Unsecured Facilities: \$150 million

- \$100 million extended for a further 1 year term
- Negotiations underway for renewal of \$50 million for 3 year term

CMBS Refinance: \$563 million

- \$350 million of replacement facilities targeted with balance from available liquidity
- New 3 year \$100 million facility executed
- Approvals in place for a further \$210 million, subject to documentation

2010 Maturities

Multi-Option Facility (MOF)

- Negotiations underway to extend from June 2010 to June 2011

Our lenders remain proactive & supportive, however margins & fees have risen sharply

We have made good progress with our refinancing activities, notwithstanding that the credit markets remain very challenging.

We have now successfully renewed \$100 million of the \$150 million of unsecured facilities for a further 1 year term. Negotiations are well underway for the remaining \$50 million.

We have also now secured approvals from domestic banks for the targeted \$350 million of new facilities for part repayment of the CMBS. This includes a \$100 million 3 year facility which has been executed with a major Australian bank. The further \$250 million, again from major Australian banks, has been credit approved and is only subject to finalisation of documentation. The balance of approximately \$200 million required for full repayment of the CMBS, will be drawn from our available liquidity which was in excess of \$560 million at 31 March 2009.

While we have no further corporate facilities maturing in 2009 we are taking proactive steps now to look at the 2010 maturities and, in particular, our Multi Option facility which matures in June 2010. We are in active discussions with our lenders to extend the maturity date for this facility to June 2011 and we expect these discussions to be finalised by July this year.

I emphasise that these are difficult times for any organisation with debt expiring in the near term. I am pleased to advise that our relationship banks continue to be proactive and supportive of our business, although margins and fees have risen sharply.

Capital Management

We continue to comply with all debt covenants

Debt Covenant Compliance

- All debt covenants comfortably met in 2008 and the business continues to operate well within covenants
- Given current market environment, key covenants have been successfully renegotiated to provide adequate headroom

Measure	Revised Covenant	Prior Covenant	Actual (Dec 2008)
Interest Cover Ratio ¹	2.0	2.5	2.7
Gearing ²	55%	60%	47%

¹ EBIT/Total Interest Paid

² Total Liabilities/Total Tangible Assets, net of cash

Turning now to our debt covenants.

With asset values declining, coupled with the slowing economy, debt covenants are being closely examined for all businesses in the sector.

I confirm that all our covenants were met throughout 2008 and continue to be met.

We have again taken proactive steps by successfully securing a reduction in our Interest Cover Ratio Covenant from 2.5 times to 2.0 times, bringing us into line with many of our peers. A condition of this reduction was that we reduced our gearing covenant from 60% to 55%, again bringing us into line with our peers. These changes will provide us with sufficient headroom to operate within our covenants in this challenging environment.

Operational Update – Industrial Sector

Contracting supply and demand

- Supply and demand have been strong over the last 4 years but have contracted sharply as economic conditions deteriorated
- No real oversupply in the major markets and supply is expected to remain constrained
- Rental growth and tenant demand has softened. However, demand still exists for the right product
- Investment capital remains selective and yields have softened. Private investor activity is increasing for quality assets



Corporate Offices, Brisbane Park, NSW

Turning now to the Operational Update and looking first at the Industrial sector.

The Industrial market has enjoyed a significant increase in demand, particularly over the last 4 years as major tenants pursued growth and efficiency gains. While supply has been above the long term average, vacancy remains low. Many pre-leases that were planned are being postponed or shelved and speculative development has essentially stopped. Consequently, there is no real oversupply in the major markets.

With the much weaker economic outlook that we are now facing, rental growth and tenant demand have softened. Many tenants are now reassessing their expansion needs and remaining in existing facilities.

Transactions remain subdued with limited institutional appetite but we are seeing increasing activity from private investors and syndicates for assets with good lease covenants and long term leases.

Operational Update – Office Sector

Major markets weakening in near-term

- Demand is expected to continue to contract as unemployment increases
- Most major markets not in oversupply however vacancy is increasing
- Limited transaction activity, positive yield spreads and weaker dollar beginning to generate some offshore buying interest



It is a similar story in terms of supply and demand for the office sector, with official vacancy rates remaining relatively low and limited uncommitted supply coming into the market. Brisbane and Perth have greater levels of supply, but Australand has no significant exposure to these markets. We do expect the Sydney and Melbourne office markets to soften in the near term given rising unemployment. Sydney is expected to fair less favourably due to the concentration of financial services.

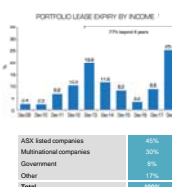
Incentives are also increasing and we expect to see yields and rents continuing to soften.

Again, there has been limited transaction activity in the office sector but the combination of positive yield spreads and the weaker Australian dollar is beginning to generate some interest from offshore buyers.

Operational Update – Investment Property

Portfolio attributes remain robust and well positioned for current environment

- Well diversified portfolio
- Quality assets with average property age of 6.4 years
- Occupancy ~99%, with less than 5% of leases expiring before 2012
- Strong tenant profile with fixed rental increases of ~3.3% across ~86% of the portfolio
- Capitalisation rates however continue to soften



Our investment portfolio continues to provide stable recurrent income for the group generated from the 76 properties held at the end of 2008.

The portfolio remains well diversified with occupancy of approximately 99%. Quality tenants such as Coles, the Commonwealth Government and Nestle provide excellent tenant covenant and low concentration risk for the portfolio income. Over the next two years we have less than 5% of the portfolio income expiring, which is obviously important in the current environment.

Furthermore, approximately 86% of the portfolio leases have an average of 3.3% fixed rental increases which will help to partially offset further softening of property yields. The average portfolio market capitalisation rate expanded by approximately 70 basis points on a like for like basis over the course of 2008 and we expect further expansion during the course of 2009.

Operational Update – Asset Sales

Asset sales of approximately \$76 million achieved to-date

- Asset sales of approx \$130 - \$150 million targeted for the full year
- We have now contracted approximately \$76 million in sales
- Average of ~8% discount to book values



Foot Copthall, Eastern Creek, NSW

As part of our capital management strategy we have targeted to sell approximately \$130 million to \$150 million of assets from the Investment Portfolio in 2009. This will offset the planned capital expenditure for assets that are currently under development for the portfolio.

To date we have contracted the sale of seven assets for approximately \$76 million. One has already settled, with the remaining assets scheduled to settle over the next 3 months. These sales were secured at an average discount to our book value of 8%. As mentioned earlier we have seen pressure on yields over the first quarter of this year and expect this trend to continue in the near term.

Operational Update – C&I Division

Our C&I pre-committed workload has contracted from 2008 levels

- Our land banks are located in key markets with approx 50% in Melbourne, the most stable and affordable market
- Committed pipeline for the Investment Portfolio has been curtailed and investor appetite remains selective
- Focus on land sales, land & build packages and build only projects in 2009



Quintessence Business Park, Melbourne, VIC

Our Commercial and Industrial division has strategic landbanks in the major metropolitan cities across Australia. Nearly half our landbank is located in Victoria, which has the most favourable market conditions, and where land prices and occupancy costs are approximately 50 – 60% of the other States.

Given capital constraints we have reduced our development pipeline for the investment portfolio, despite a continued level of demand for pre-leases from some of the larger space users. The focus for the division in 2009 will be to trade existing inventory via land sales, land and build packages and build only projects until economic conditions improve.

The division's national presence and integrated service approach will continue to be a competitive advantage when the markets stabilise.

Operational Update – Residential Sector

The residential sector fundamentals remain robust in contrast to offshore markets

- 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 at lower end of the market
- Job security now the key driver affecting sentiment as unemployment rises



Turning now to the residential sector.

The underlying fundamentals for the residential sector remain sound with housing continuing to be in undersupply nationally. The growth in population over the last 10 years resulting from increased immigration and net population growth has generated a demand for approximately 180,000 homes per annum. Housing completions have continued to fall since 2004, resulting in a continued deficiency of stock. This is currently estimated to be somewhere between 70,000 and 90,000 homes nationally. High interest rates this time last year was the biggest impediment to a recovery for the sector. This was further exacerbated in both Queensland and Western Australia by a steep rise in house prices over the last 3 to 4 years, stimulated by the resources sector. Median house prices in Perth nearly doubled over this period and Brisbane increased by 35%. Interest rates are now clearly on a different setting and inflationary pressures have eased.

House prices have remained relatively stable over the last 12 months when you consider the falls that we have seen in other parts of the world and in other asset classes.

The upper end of the market remains subdued and it is at this end of the market that we are seeing price weakness and low levels of activity.

Clearly, our Federal and State governments are targeting to boost activity in the residential sector to offset the slowing economy.

Employment remains a key driver for the sector and the data released last week shows a marked increase in unemployment.

So while we have been encouraged by the increased activity at the first home owner level in the first quarter we don't expect to see a recovery of the middle to higher end of the market for some time which will mean that margins will be impacted.

As I said at the outset though, the sector continues to be in undersupply and this will eventually lead to a recovery and improved margins.

Operational Update – Residential Division

Solid pipeline of over 16,000 lots for the future

- 62% of the pipeline targeted at the more affordable end of the market
- 45% of the pipeline weighted to VIC market, where fundamentals remain positive
- Q1 2009 sales biased toward affordable end of market. Middle and upper end of market remains subdued
- Settlements will be weighted toward second half of calendar year
- Our development activities have been reviewed and prioritised

PIPELINE LOTS BY SEGMENT



PIPELINE LOTS BY STATE



The residential pipeline that we have under management stands at over 16,000 lots. This figure includes land, housing and apartments.

Approximately 45% of our pipeline is in Victoria which has been the most resilient market for quite some time. Furthermore approximately 62% of the pipeline is targeted to the more affordable end of the market.

The boost to first home owner grants has had a positive effect at the entry level end of the market across all states, generating activity at price points below \$450,000 for house and land packages. We are seeing encouraging activity in NSW, Victoria and Western Australia, however we have limited product in Queensland that meets first home buyer requirements.

We are responding to these market conditions by ensuring that the development activities we undertake are projects where we are confident sales can be achieved. Some projects however will be delayed until these conditions improve.

Typically a high percentage of our sales that are committed in the first half as presales will not settle until well into the second half when the projects are delivered. Accordingly we expect the division's performance to be heavily biased to the second half.

The positive aspect is that the residential sector fundamentals remain robust for the medium to long term and demand will continue to be supported by population growth.

Group Outlook

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

- Asia expansion with CapitalLand shelved
- Development activities being constrained
- Efficiency measures implemented, saving ~20% on prior year

Redefined strategies and priorities

- Completion of CMBS refinancing
- Development divisions focusing on monetising inventory and leveraging existing development platforms
- Focused asset management and tenant retention
- Expand our funds management platform and capital partnering relationships for future growth and further deleveraging

Turning to Group outlook. There is no question that market conditions have changed dramatically since this time last year. The global economy has slowed significantly and is widely forecast to be in recession for at least the balance of this year. While there

are some signs of stabilisation emerging we need to be realistic about how quickly this will happen.

Accordingly, our plans for growth that we articulated for the business this time last year have been recalibrated to reflect the current conditions.

The planned Asian Joint Venture with CapitaLand which was announced in February 2008 has been shelved. No investments were made and the moderate start-up costs incurred were expensed last year.

As mentioned we have also reviewed, prioritised and curtailed our development activities and we have implemented measures to reduce our overheads and improve operational efficiencies by approximately 20%. Unfortunately this included staff reductions across the Group.

We have redefined our strategies and priorities to ensure that we are focused on the fundamentals of the business and to reflect the current market conditions.

Firstly, completion of the CMBS refinancing process remains our priority.

Secondly, our focus for the development divisions is to monetise our inventory and reduce capital employed as efficiently as possible. We will continue to leverage our development platforms and look for opportunities to extract value for our security holders.

Thirdly, we are working closely with our tenants to retain a high level of occupancy for the portfolio. To date, we have had very few arrears and will continue to monitor this closely.

And finally, I stated this time last year that we would look to expand our Funds Management platform. In 2008 we were successful in establishing the Residential Development Fund and we continue to explore capital partnering relationships for future growth opportunities and to further deleverage the business.

Group Outlook

- Stable income from quality Investment Portfolio
- Decline in earnings in both Development divisions
- Group operating profit expected to be down approx. 30% on FY2008
 - Subject to no further material deterioration in market conditions
- Asset values expected to decline in 2009, impacting statutory profit

Turning now to guidance for the full year. Clearly providing guidance in this environment is very challenging.

With this caveat, we still expect income from our Investment Portfolio to remain stable, however development earnings are expected to decline.

Overall we expect the 2009 Group operating profit, before revaluations and any significant one-off items to be down by approximately 30% on the 2008 operating profit result. This is at the lower end of the range previously advised and reflects further deterioration in market conditions and an increase in financing costs.

As noted earlier in the presentation we do expect asset values to continue to decline in the near term which will have an impact on our statutory profit result at the half and full year.

Group Outlook – Dividends & Distributions

- **Dividend and Distribution Policy**
 - Policy amended in 2008 such that no dividends will be paid from the corporate/development earnings with only the Trust earnings being distributed
 - Distributions paid six monthly in line with majority of listed property peers
 - Review of policy to be conducted at end of 2009
- **Expected 2009 full year distributions of 6.0 cents**
 - Net property income from Investment Portfolio underpins 2009 distributions

In line with our Dividend and Distribution Policy, we expect distributions for the full year of 6 cents per security, underpinned by the strong income from our investment portfolio.

Thank You



Pavilion on the Park, St Leonards, NSW

Australand has traded through many property cycles by focusing on real estate fundamentals. Our experienced teams in each of the divisions remain focused on these fundamentals to deliver results for our security holders.

In closing I would like to thank you, our securityholders, for your support and my management team and staff for their hard work and commitment in this difficult environment.

I will now hand back to our Chairman to continue with the proceedings.

For further information, please contact:

Bev Booker
Company Secretary
Tel: +61 2 9767 2182
Email: bbooker@australand.com.au

Rob Morton
Investor Relations Manager
Tel: +61 2 9767 2069
Email: rmorton@australand.com.au