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2008 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS

I would like to present a brief overview of our results and comment on a number of governance matters which are important to you, our security holders.

2007 was another year of significant achievement for Australand.

For the year ended 31 December 2007, the Group's operating profit after tax (excluding unrealised gains in property revaluations) was \$163.2 million, an increase of 5% on the prior year.

The Group's ability to manage economic and competitive challenges, while at the same time achieving an 11% increase in statutory profit, is testament to the ongoing successful execution of our strategy.

This result reflected an improved full year operating profit before tax from all businesses. The Commercial & Industrial business delivered an outstanding result with an operating profit before tax of \$70.1 million, up 75% on the 2006 result. The Investment Property business also performed strongly, achieving a profit before tax of \$106.7 million, representing an 11% increase on the prior year. Operating profit before tax for the Residential business was \$103.6 million, up 1% on 2006.

These results are particularly pleasing given the difficult economic challenges faced by the Property Industry in 2007, together with the prevailing conditions in some domestic markets, especially the New South Wales residential market. Once again, our diversified business, in terms of both sectors in which we operate and our geographical presence, has been the cornerstone of our strong business performance in 2007. Bob Johnston will provide further details on our 2007 results in his address.

Earnings per stapled security on operating profit increased 2%, from 17.3 cents to 17.6 cents. The Board declared a fourth quarter dividend / distribution of 5 cents per stapled security, bringing the total dividend / distribution per stapled security to 17.0 cents per stapled security, up 3% from 16.5 cents in the prior year.

With regard to the timing of dividend / distribution payments, the Board agreed at its meeting yesterday to move to the payment of half-yearly dividend / distribution payments in place of the quarterly dividend / distribution payments currently made. The issues giving rise to this decision included the increasing complexity of calculating and notifying the market of the estimated taxable components of the distribution (a requirement recently introduced by the Australian Taxation Office), the uneven nature of the Group's earnings profile quarter on quarter and administrative costs.

In order to give security holders time to adjust their cash flow expectations, the Board has determined to pay the quarterly distributions for the March and June quarters (paid in early May and August respectively) and then to pay a half-yearly distribution for the December half (payable in February 2009). Accordingly, there will be no quarterly distribution paid for the September 2008 quarter.

Recent market volatility has considerably changed the operating environment over the past three months. The tightened credit market, combined with the concerns around the weakening economies in the US and Europe, has created a great deal of uncertainty in the market place. Whilst this volatility in the debt and equity markets has impacted the entire property industry, Australand's underlying operating businesses remain in good shape, with strong underlying fundamentals supporting the sectors we operate in.

As a business, Australand has, and remains, very focussed on capital management. Our balance sheet and the facilities we have in place are well supported by quality assets and strong operating cash flows from the businesses.

One of the consequences of this market volatility, is the need for companies to focus on debt and in particular 'look through' gearing. There is also a need to provide transparency around debt facilities and debt renewal programmes. To this end, Bob Johnston will provide you with a more detailed overview of this issue in his presentation. Suffice to say that Australand is adopting a prudent capital management approach in dealing with the current global economic conditions.

The Australand Board takes its governance responsibilities very seriously and we are continuously planning for the future needs of the Group. This includes managing the Board renewal process; during 2007, there were a number of changes to the Board which I will now outline.

In the first half of last year, the Board carried out an extensive executive search for a new Chief Executive Officer and Managing Director to replace Brendan Crotty who retired in June 2007 after 30 years with the Group. This search culminated with the announcement in April 2007 of the appointment of Bob Johnston. Bob joined Australand in August of last year and brings to the Group in excess of 20 years property industry experience gained in senior executive roles both in Australia and overseas. Bob has now been with Australand for almost nine months and the Board is delighted with the leadership, skills and renewed energy that he has brought to and instilled in the Group.

It would be remiss of me not to recognise the substantial contribution made by my predecessor, Tham Kui Seng, during his seven years on the Board, including six years as Chairman. Kui Seng stepped down as Chairman in May last year but remained on the Board through to December to ensure an orderly hand over between Brendan Crotty and Bob Johnston. The Board would like to acknowledge Kui Seng's leadership and wise counsel during his time as Chairman and as a director of Australand.

Bill Beerworth also retired last July after ten years on the Board. During his tenure, Bill brought to the Group many years of experience, particularly in corporate law and governance. The Board would like to place on record its appreciation to Bill for the invaluable contribution he made during his time on the Board.

We were delighted to welcome both Stephen Newton and Olivier Lim to the Board in December 2007. The biographies for these directors are included in the Annual Report and in the Notice of Meetings. The combined skills and expertise of Stephen and Olivier complement the existing Board's experience and performance. Both of these new directors will be seeking election by security holders at this meeting today.

In conclusion, the Group has delivered another strong result for 2007. Australand is performing well and our underlying operating businesses are in good shape. The Group has a well-defined strategy, a strong balance sheet, an outstanding pipeline of growth opportunities and a very experienced and highly motivated executive management team, all of which augers well for ongoing growth in total security holder returns.

I would like take this opportunity to recognise and thank all of our employees for their contribution to the ongoing success of the Australand Group. I would also like to thank my fellow Directors for their dedication and commitment in delivering what has been another very good result for security holders. Finally, I would like to thank you, our owners, for your ongoing support and confidence in the Board and management of Australand.

I would now like to invite Bob Johnston, our Managing Director, to deliver his review of the 2007 year and outline our strategies for the year ahead.

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