

AUSTRALAND ANNOUNCES HALF YEAR NET PROFIT OF \$119.6 MILLION

Australand today announced a net profit after tax and minority interest of \$119.6 million for the half year ended 30 June 2007. This is a 34% increase on the corresponding 2006 result of \$89.3 million. The key highlights were:

- Increased profit before tax from all operating Divisions:
 - Commercial & Industrial profit of \$24.1 million, up 55% (2006: \$15.6 million);
 - Investment Property profit of \$118.5 million, up 36% (2006: \$86.9 million), including an unrealised revaluation gain of \$56.1 million (2006: \$39.1 million); and
 - Residential profit of \$34.3 million, up 5% (2006: \$32.7 million)
- The profit contribution from the combined Commercial & Industrial and Investment Property Divisions was \$142.6 million, an increase of 39% over the 2006 half year result of \$102.4 million;
- Successful launch of Australand Wholesale Property Fund No. 6, which has acquired a portfolio of 8 high quality commercial and industrial properties from Australand;
- Earnings per stapled security rose 25% to 12.9 cents (2006: 10.3 cents);
- Dividends/Distributions per stapled security were maintained at 8.0 cents for the half year; and
- Net tangible assets per stapled security increased 11% to \$1.62.

Australand's Acting CEO, Mr John Thomas, said the improved performance across all operating Divisions and a quality investment portfolio, supports the expectation that the full year 2007 reported profit after tax and minority interest (including unrealised revaluation gains) should show an improvement over the previous financial year.

The Commercial & Industrial Division is expected to continue to achieve strong underlying growth for the 2007 full year. The significant pipeline will continue to provide high quality commercial and industrial properties to the Investment Property Division and to Australand's managed wholesale property funds.

The Investment Property Division is expected to deliver recurrent income similar to last year, and an increase in unrealised revaluation gains. Continuing market rental growth and firming investment property yields during 2007 will underpin the value of the Division's portfolio.

The Residential Division's geographic diversification will enable it to deliver a result similar to 2006, with strong contributions expected from Western Australia and Victoria. Whilst there has been some minor improvement in Sydney's residential market during the first half of 2007, it is expected that this market will remain subdued during the remainder of the year.

Mr Bob Johnston, previously Global Chief Executive of Bovis Lend Lease, will assume the role of Managing Director and Chief Executive Officer with effect from 1 August 2007, replacing Mr Brendan Crotty who retired from the Group on 29 June 2007.

Overall, Australand expects to achieve a distributable profit (profit after tax and minority interest but before unrealised revaluation gains) for the 2007 financial year in line with the prior year. This should ensure that profits will support total Dividends/Distributions of 16.5 cents per stapled security for the full year ending 31 December 2007.

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