Australand

Australand is a stapled group 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 2010

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 2009 and any public announcements made by Australand in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Australand Holdings Limited

Australand is a stapled group that comprises the parent entity, 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

for the half year ended 30 June 2010

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information		June 2010 $'000
Revenue and other income	Down 10% to	281,507
Net profit/(loss) attributable to stapled securityholders	Up 127% to	72,222
Operating profit after tax[1]	Up 1% to	60,430

Dividends/Distributions	Total Dividends/ Distributions	Distribution per unit	Dividend per share	Franked amount per share
Interim distribution- June 2010 half year (payable on 5 August 2010)	**10.0 cents**	10.0 cents	-	-
Total	**10.0 cents**	10.0 cents	-	-

The Record Date for determining entitlements to the interim distribution was 5.00pm, 30 June 2010.

EXPLANATION OF RESULTS

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

1. Net profit attributable to stapled securityholders before investment property revaluation gains/(losses), impairments of development and joint venture assets and other significant items (net of tax).

AUSTRALAND HALF YEAR 2010 RESULTS HEADLINES

- Statutory profit after tax, which includes investment property revaluation gains, of $72.2 million.
- Operating profit after tax[1] of $60.4 million.
- Half year distributions of 10.0 cents per stapled security, underpinned by the recurrent income from the Group's quality investment portfolio.
- Revaluation of Investment Property assets resulting in a net increase of $11.8 million, 0.6% of the total portfolio value.
- The establishment of a $1.3 billion unsecured syndicated bank debt facility, in July 2010.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS ('MD&A')

FINANCIAL RESULTS

The Group's statutory profit after tax for the half year ended 30 June 2010 was $72.2 million. The following table summarises key reconciling items between the Group's statutory result and operating profit after tax[1].

	June 2010 $'000	June 2009 $'000
Operating profit after tax[1]	**60,430**	59,980
Investment property revaluation gains/(losses)	**11,792**	(235,331)
Impairments of development and joint venture assets (net of tax)	**-**	(93,450)
Net profit/(loss) attributable to stapled securityholders	**72,222**	(268,801)

The Group's operating profit after tax[1] for the half year ended 30 June 2010 was $60.4 million (HY09: $60.0 million).

Key aspects of the operating performance (excluding property revaluations and impairments) included:

- Investment Property earnings before interest and tax ('EBIT') of $82.6 million (HY09: $77.9 million);
- Commercial & Industrial EBIT of $10.9 million (HY09: $23.0 million); and
- Residential EBIT of $23.7 million (HY09: $14.3 million).

Key financial metrics

- Earnings per stapled security[2] on operating profit after tax[1] of 10.5 cents;
- Distributions per stapled security[2] of 10.0 cents; and
- Net tangible assets per stapled security of $3.44 as at 30 June 2010.

1. Operating profit after tax reflects the Group's statutory result as adjusted to reflect the Directors' assessment of the ongoing business activities of Australand, in accordance with AICD/Finsia principles for reporting underlying profit. Operating profit after tax excludes investment property revaluation gains/(losses) and asset impairments.

2. EPS and DPS include all interests of the stapled securityholders 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 non-controlling interests. The weighted average number of stapled securities included in the EPS calculation for the half year ended 30 June 2010 has been adjusted in accordance with AASB 133 *Earnings per share* for the effect of the security consolidation (1 for 5) completed in May 2010.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS (‘MD&A’) (CONTINUED)

CAPITAL MANAGEMENT

Capital Management metrics at 30 June 2010

At 30 June 2010 Australand had interest bearing debt, net of cash, of $936 million (31 December 2009: $852 million). Gearing (interest bearing debt to total tangible assets, cash adjusted) increased during the period from 25.4% at 31 December 2009 to 27.1% at 30 June 2010. This increase resulted primarily from the acquisition of two new development projects; the Northshore residential development in Brisbane and a commercial office development at 357 Collins Street in Melbourne. Gearing remains well within the Group’s target range of 25% - 35%.

The average cost of debt for the half year ended 30 June 2010 remained in line with the second half of 2009 at 9.0%. At 30 June 2010, interest rates on 89% of the Group’s interest bearing debt (31 December 2009: 89%) were fixed by hedge instruments with a maturity profile of 2.9 years. This level of hedging is at the upper end of the Group’s target range of 70% - 90%.

At 30 June 2010, Australand had $268 million of facilities maturing in the next twelve months, being the CMBS notes due in March 2011. The Group has sufficient available cash and undrawn facilities at 30 June 2010 to repay the CMBS noteholders at maturity.

Australand continued to comply with all of its debt covenants during the period.

Unsecured debt facility

In July 2010, Australand established a $1.3 billion unsecured syndicated bank debt facility, replacing the $750 million Multi Option Facility (‘MOF’) and three secured bank bilateral facilities totalling $396 million. The new facility represents a significant milestone in the Group’s move towards an unsecured debt platform. Key benefits from the new facility include:

- Unencumbering approximately $2.4 billion of the Group’s assets;
- An improvement in the weighted average debt maturity of the Group to 2.6 years;
- A reduction in the concentration of facilities expiring in any given year;
- Diversification of the Group’s funding sources;
- Improved liquidity headroom with greater facilities available;
- Positive impact on average cost of debt expected from the second half of 2010;
- Simplification of the Group’s debt structure; and
- A reduction in administration costs across the Group.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS ('MD&A') (CONTINUED)

REVIEW OF OPERATIONS

INVESTMENT PROPERTY

Business Overview

As at 30 June 2010, the Investment Property division had a total portfolio value of $2.0 billion comprising 69 properties, including 2 properties under development and 1 property held for sale. The portfolio had a total lettable area of 1.1 million sqm and included a total of 168 tenancies. The Investment Property portfolio is diversified geographically with the majority of assets located within the major population centres along Australia's eastern seaboard and is well balanced with 46% of the portfolio office and 54% industrial.

Operational Overview

The Investment Property division achieved EBIT of $82.6 million before property revaluation gains, a 6% increase on the prior corresponding period of $77.9 million. The increase in recurrent income was driven by comparable rental growth of approximately 3.4%, and additional income associated with the Crest Hotel sales process.

In the half year ended 30 June 2010, the key operational events included:

- Completion of the sale of the Coles distribution facility in Goulburn, NSW for $64 million.
- Acquisition of 357 Collins Street, Melbourne, VIC for $45 million which will be redeveloped over the next 18 months.
- Commitment to develop an industrial facility leased to Kimberly Clark at Sandstone Place, Parkinson, QLD for $19 million.
- New lease to Queensland Cotton over a 23,253 sqm industrial facility at Australis Drive, Derrimut, VIC.
- Successful renewal of the lease to CEVA Logistics of the 10,425 sqm warehouse facility at South Park Drive, Dandenong South, VIC.

Property Valuations and Portfolio Metrics

Property Valuations

Independent valuations were undertaken on approximately 50% of the income producing assets (by value) in the six months to 30 June 2010. All income producing assets have been independently valued in the last 12 months. The total portfolio valuation review, including Director's assessments, resulted in a net gain from property revaluations of $11.8 million for the year (including $0.5 million, representing the Group's share of property revaluation gains in its associate and joint ventures).

Investment Property Portfolio Metrics

The average capitalisation rate for the Investment Property portfolio, as at 30 June 2010, was 8.41% (December 2009: 8.48%). The quality of the portfolio's tenancy profile remained strong with 37% of income sourced from ASX listed companies, 43% from multi-national corporations and 8% from federal and state governments. The portfolio has approximately 84% of it's income expiring beyond 2012 and 91% of the portfolio's income has an average fixed 3.4% increase over the next twelve months.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS (‘MD&A’) (CONTINUED)

INVESTMENT PROPERTY (CONTINUED)

Investment Property Portfolio Metrics (continued)

	30 June 2010	31 December 2009
Portfolio Value - Investment properties	$1,943 million	$1,886 million
- Assets held for sale	$75 million	$137 million
Weighted Average Lease Expiry (by Income)	5.4 years	5.8 years
Average Market Capitalisation Rate – Portfolio	8.41%	8.48%
Average Market Capitalisation Rate – Office	8.02%	8.12%
Average Market Capitalisation Rate – Industrial	8.75%	8.79%
Occupancy (by Income)	99.4%	99.4%

Note: the above metrics (except Portfolio Value) exclude assets held for sale and assets under development.

Investment Property Outlook

Capitalisation rates for both the commercial and industrial property markets have remained stable over the six months to 30 June 2010 as evidenced by the limited movement in capitalisation rates for the Investment Property portfolio.

Office rents in Sydney and Melbourne have remained stable in the past six months. However, effective market rental growth is expected to commence in the second half of 2010 and into 2011, initially through the reduction of tenant incentives, followed by increases in face rents. Vacancy rates remain relatively low in Sydney and Melbourne with these rates continuing to be supported by limited supply and improving absorption, factors which will also support future rental and capital value growth.

In the industrial property market sector, pre-lease warehouse transactions are increasing, as inventories start to rebuild and forward orders increase. There is evidence of growing investor demand for modern, prime quality assets with long leases to quality tenants. Industrial rental levels have been stable in all major markets and we anticipate that this will continue over the next 12 months.

We expect the full year contribution to show steady growth on 2009 underpinned by embedded rental growth and the delivery of new assets from the Group’s internal development pipeline. Valuations for quality assets have stabilised and property values in the Investment Property portfolio are expected to remain relatively stable throughout the second half of the year.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS ('MD&A') (CONTINUED)

COMMERCIAL & INDUSTRIAL

Business Overview

The Commercial & Industrial division has strong competitive advantages in the commercial and industrial sectors due to its national presence, well-positioned landbank, broad customer base and integrated delivery platform. The 2010 year commenced with a limited forward workload due to the subdued operating conditions in the prior year. Conditions have steadily improved during the half year with increased enquiry levels for new industrial space in our major markets. During the first half, the division has focussed on increasing its forward workload and the rationalisation of underperforming inventory to recycle capital into new projects.

Operational Overview

In the half year to 30 June 2010 the Commercial & Industrial division achieved an EBIT result of $10.9 million, a 52% decrease on the prior corresponding period. Aggregate sales revenue for the half year was $70.8 million (HY09: $108.0 million), which comprised revenue of $47.5 million from wholly owned projects and $23.3 million from joint venture projects.

In the six months ended 30 June 2010, buildings with a total net lettable area of 59,000 sqm were delivered along with the development of 6 active land subdivision projects.

The division made land sales of 129,000 sqm in the period. This included trading through several non-core industrial land holdings that were impaired in 2009. These land holdings were realised at, or slightly above, their impaired values, generating capital to recycle into new acquisitions as part of the division's selective restocking process. At 30 June 2010 the division had an industrial landbank of 416 hectares and an office development pipeline of approximately 200,000 sqm of net lettable area.

Commercial & Industrial Division Outlook

At 30 June 2010, the Commercial & Industrial division had a forward workload of 227,000 sqm. This has increased substantially since 31 December 2009, with the majority of enquiry coming from retail and logistics based occupiers.

There has been limited supply in the industrial sector with development activities having been substantially curtailed during 2009. Vacancy rates for prime space in all major metropolitan markets are estimated to be less than 5%, providing sound fundamentals to deliver new supply as a consequence of increased demand.

Although the demand for serviced industrial land remains subdued, we have seen increased enquiry levels due to both improving availability of finance for purchasers and the lack of supply of serviced land. It is anticipated that land sales will further improve in the second half of 2010 with the release of land in several key estates including Keysborough and Derrimut in Melbourne and Eastern Creek in Sydney.

Market conditions in the office sector are generally improving. Vacancy levels are relatively low in most major markets, with Sydney and Melbourne having the most favourable outlook. Accordingly, the office sector is expected to improve throughout 2010 and 2011. The division has commenced the redevelopment of 357 Collins Street, Melbourne which is expected to benefit from these conditions and is forecast to be completed by the end of 2011.

With the improved outlook and economic conditions, it is anticipated that development activity for the Commercial & Industrial division will strengthen during the latter part of 2010, leading to growth in 2011.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS ('MD&A') (CONTINUED)

RESIDENTIAL

Business Overview

The Residential division's development activities span Australia's major population centres of Melbourne, Sydney, Perth and South East Queensland and comprise land subdivisions, medium and high density developments. The division undertakes a number of its developments in joint ventures with a select number of partners. As at 30 June 2010, the Residential division had approximately 22,000 lots under management in its development pipeline with an estimated end value of $8.1 billion.

Operational Overview

In the first six months of 2010 the Residential division achieved an EBIT result of $23.7 million, up 66% on the prior corresponding period of $14.3 million. Revenue for the half year was $183.9 million (HY09: $242.6 million), which comprised revenue of $139.7 million from wholly owned projects and $44.2 million from joint venture projects.

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

	Land	Medium Density	High Density	Total	Change on 2009
Wholly owned projects	184	96	33	313	Down 2%
Joint venture projects*	413	53	22	488	Down 19%
Total	**597**	**149**	**55**	**801**	**Down 13%**

* Figures show 100% of lots sold from projects under management.

Sales volumes for the first half of 2010 were down 13% on the prior corresponding period. In the first half of 2009 several apartment developments reached practical completion allowing settlement to occur thereby contributing to the higher volume. There have been no apartment developments reach practical completion in the first half of 2010.

Although sales volumes were lower than the prior corresponding period, the divisional EBIT result increased as the impact of low margin and impaired inventory progressively reduces.

Overall sales activity has improved in the first half of 2010 and this is evidenced by the division holding 829 sales contracts (ALZ's share), worth $361 million, which will settle over the balance of 2010 and in 2011. This improved momentum will be further assisted by finalising planning approvals and the commencement of 8 new projects (6 in VIC, 1 in QLD and 1 in NSW).

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS ('MD&A') (CONTINUED)

RESIDENTIAL (CONTINUED)

Residential Division Outlook

The fundamentals for the sector remain strong with population growth driving demand. However, this will be moderated in the short term by the expected pressure on affordability in a rising interest rate environment.

Australand's Residential portfolio primarily targets the median price points within each project catchment. With a significant proportion of the pipeline priced at or below the median price in each local government area, Australand is well positioned to provide affordable product in an environment where affordability pressures are increasing.

As expected, demand from homeowners upgrading and investors returning to the market has offset the decrease in first home owner volumes which were pulled forward in the first six months of 2009 by the various federal and state government stimulus measures.

The division's contribution for the full year is expected to be in line with 2009. Growth is expected from 2011, underpinned by a reduction in impaired inventory and the commencement of several large new projects.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS (‘MD&A’) (CONTINUED)

GROUP STRATEGY

The Group continues to make strong progress towards achieving the strategic objectives outlined in early 2010:

- Target 60% - 70% of Group EBIT from recurrent earnings;
- Improve development divisions’ return on average capital employed to at least 12% by the end of 2012;
- Recycle underperforming capital in the development divisions to drive earnings growth; and
- Maintain gearing within a target range of 25% - 35%.

In the first half of 2010, recurrent earnings comprised 79% of Group EBIT. The full year result is expected to be in line with our target range, as development earnings recover.

The development divisions continue to position themselves to reach their ROACE target of at least 12% by the end of 2012. The development pipeline is well positioned for delivery with approximately 80% of the Residential pipeline and 100% of the C&I pipeline already zoned. Further progress has also been made in relation to the trading through of impaired and low margin stock to accelerate capital recycling opportunities.

Additionally, the Group has replenished its development pipeline through several selective acquisitions, including 357 Collins Street and Altona Gardens industrial estate in Melbourne and Northshore in Brisbane. These acquisitions were the primary reason for the increase in gearing to 27.1% at 30 June 2010, which is still well within the Group’s target range of 25% - 35%.

In summary, the Group remains committed and on track to deliver on its stated strategic objectives.

OUTLOOK

In line with previous guidance, it is expected that Group operating profit will be similar in 2010 to that achieved in 2009.

Valuations for quality assets have stabilised and we expect Investment Property earnings to grow steadily, underpinned by embedded rental growth and the delivery of new assets from the Group’s internal development pipeline.

With the improved level of enquiry, we remain optimistic that development activity in the Commercial & Industrial division will strengthen during the second half of 2010, leading to growth in 2011.

The Residential division’s full year EBIT contribution is expected to be in line with 2009. The progressive reduction in impaired and low margin inventory and the commencement of several large new projects will underpin earnings growth and momentum in 2011.

The Group will continue to distribute 80% - 90% of realised operating trust income. No dividend will be paid in 2010 from corporate earnings. A half year distribution of 10.0 cents per stapled security will be paid on 5 August 2010. The Group expects to pay a further distribution of 10.5 cents per stapled security for the second half, resulting in full year distributions of 20.5 cents per stapled security.

The fundamentals for the residential, commercial and industrial sectors remain positive, and the Group is well positioned to achieve its 2010 earnings guidance and deliver growth in 2011.

DIRECTORS' REPORT

Directors

The following persons were directors of the Boards of Australand Holdings Limited, Australand Property Limited and Australand Investments Limited during the half year ended 30 June 2010 and up to the date of this report:

Lui Chong Chee (Chairman)
James Glen **Service**, AO (Deputy Chairman)
Robert William **Johnston** (Managing Director)
Ee Chee Hong
Ian Farley **Hutchinson**
Paul Dean **Isherwood**, AO
Olivier **Lim**
Stephen Eric **Newton**

Dividends/Distributions

Distributions paid or declared by Australand Property Trust, Australand Property Trust No.4 and Australand Property Trust No.5 to securityholders since the end of the previous financial year were:

Type	Payment per stapled security	Total amount $'000	Date of payment
Final - 2009	2.0 cents	57,681	8 February 2010
Interim - 2010	10.0 cents[1]	57,684	5 August 2010

[1] In May 2010, the total number of stapled securities on issue were consolidated on a 1 for 5 basis. For every 5 stapled securities on issue prior to the consolidation, securityholders received 1 new stapled security. The June 2010 interim distribution per unit incorporates the impact of the security consolidation.

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
27 July 2010

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
www.pwc.com/au

Auditor's Independence Declaration

As lead auditor for the review of Australand Holdings Limited for the half year ended 30 June 2010, 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 review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

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

N R McConnell
Partner
PricewaterhouseCoopers

Sydney
27 July 2010

Consolidated income statement

For the half year ended 30 June 2010

	Notes	Consolidated June 2010 $'000	Consolidated June 2009 $'000
Revenue	2	**281,507**	311,276
Cost of properties sold		**(111,321)**	(153,569)
Provision for write-down of inventories		**-**	(88,072)
Development profit recognised through valuation of properties transferred to Australand Property Trusts		**2,873**	12,950
Share of net profits/(losses) of joint ventures and associate accounted for using the equity method		**10,639**	(17,886)
Impairment of other development and joint venture assets		**-**	(19,384)
Investment property expenses		**(18,456)**	(19,081)
Employee expenses		**(44,040)**	(36,554)
Depreciation		**(1,930)**	(1,605)
Finance costs		**(30,638)**	(38,174)
Other expenses		**(18,322)**	(20,094)
Net gains/(losses) from fair value adjustments on investment property		**11,318**	(228,491)
Profit/(loss) before income tax		**81,630**	(298,684)
Income tax credit		**2,954**	41,208
Net profit/(loss)		**84,584**	(257,476)
Net profit attributable to ASSETS hybrid equity holders (non-controlling interest)		**(12,362)**	(11,325)
Net profit/(loss) attributable to stapled securityholders of Australand		**72,222**	(268,801)
Attributable to:			
Equity holders of AHL and APT		**47,708**	(252,110)
Equity holders of other stapled entities (non-controlling interest):			
- Australand Property Trust No. 4 (APT4)		**19,181**	(13,169)
- Australand Property Trust No. 5 (APT5)		**5,333**	(3,522)
Net profit/(loss) attributable to stapled securityholders of Australand		**72,222**	(268,801)
Earnings per stapled security for profit attributable to ordinary equity holders of AHL and APT (parent entity):			(restated)
Basic and diluted earnings/(loss) per stapled security	3	**8.3 cents**	(68.2) 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:			(restated)
Basic and diluted earnings/(loss) per stapled security	3	**12.5 cents**	(72.7) cents

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

Consolidated statement of comprehensive income

For the half year ended 30 June 2010

	Consolidated	
	June 2010 $'000	June 2009 $'000
Net profit/(loss)	**84,584**	(257,476)
Other comprehensive income:		
Changes in the fair value of cash flow hedges, net of tax	**(7,907)**	46,315
Share of associate and joint venture changes in the fair value of cash flow hedges, net of tax	**(204)**	589
Other comprehensive income for the half year, net of tax	**(8,111)**	46,904
Total comprehensive income/(loss) for the half year	**76,473**	(210,572)
Total comprehensive income/(loss) for the half year is attributable to:		
Equity holders of AHL and APT	**39,597**	(205,206)
Equity holders of other stapled entities (non-controlling interest):		
- Australand Property Trust No. 4	**19,181**	(13,169)
- Australand Property Trust No. 5	**5,333**	(3,522)
Other non-controlling interests (ASSETS)	**12,362**	11,325
	76,473	(210,572)

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

Consolidated balance sheet
As at 30 June 2010

	Notes	Consolidated June 2010 $'000	Consolidated December 2009 $'000
Current assets			
Cash and cash equivalents		**39,462**	123,567
Receivables		**114,108**	178,360
Inventories		**316,775**	213,149
Investment properties held for sale		**74,874**	136,835
Income tax receivable		**2,314**	2,314
Other assets		**20,292**	18,020
Total current assets		**567,825**	672,245
Non-current assets			
Receivables		**141,154**	116,404
Inventories		**595,650**	576,234
Investments accounted for using the equity method		**206,593**	195,984
Investment properties		**1,942,629**	1,885,992
Property, plant and equipment		**7,170**	7,761
Deferred tax assets		**34,929**	28,587
Total non-current assets		**2,928,125**	2,810,962
Total assets		**3,495,950**	3,483,207
Current liabilities			
Payables		**59,955**	58,430
Interest bearing liabilities		**267,500**	-
Derivative financial instruments		**4,753**	1,250
Provisions		**90,462**	109,204
Land vendor liabilities		**75,211**	62,484
Total current liabilities		**497,881**	231,368
Non-current liabilities			
Interest bearing liabilities		**708,300**	975,800
Derivative financial instruments		**16,118**	8,326
Provisions		**15,288**	12,598
Land vendor liabilities		**8,050**	12,200
Total non-current liabilities		**747,756**	1,008,924
Total liabilities		**1,245,637**	1,240,292
Net assets		**2,250,313**	2,242,915
Equity			
Equity holders of AHL and APT: Contributed equity		**1,741,517**	1,741,539
Reserves		**(7,686)**	(534)
Accumulated (losses)/retained profits		**(153,383)**	(160,859)
		1,580,448	1,580,146
Equity holders of APT4 and APT5 (non-controlling interest)		**401,207**	394,111
Stapled security holders interest in the Group	5	**1,981,655**	1,974,257
ASSETS hybrid equity		**268,658**	268,658
Total equity		**2,250,313**	2,242,915

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

Consolidated statement of cash flows
For the half year ended 30 June 2010

	Consolidated	
	June 2010 $'000	June 2009 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	**312,899**	326,301
Payments to suppliers and employees (inclusive of goods and services tax)	**(239,658)**	(197,799)
Interest received	**2,211**	2,050
Interest paid	**(33,401)**	(50,558)
Income tax paid	**-**	(2,511)
	42,051	77,483
Distributions received from joint venture entities	**384**	11,996
Distributions received from AWPF6	**1,479**	1,304
Payment for land acquisitions	**(41,404)**	(27,519)
Net cash inflow from operating activities	**2,510**	63,264
Cash flows from investing activities		
Net investment in joint venture entities	**(14,924)**	(13,032)
Proceeds from sale of investment properties	**67,580**	92,086
Payments for development and acquisition of investment properties	**(65,071)**	(42,295)
Payments for plant and equipment	**(1,338)**	(1,317)
Net cash (outflow)/inflow from investing activities	**(13,753)**	35,442
Cash flows from financing activities		
Proceeds from borrowings	**16,500**	657,275
Repayment of borrowings	**(20,000)**	(724,750)
Dividends and trust distributions paid	**(57,642)**	(50,805)
Distributions to non-controlling interests - ASSETS	**(11,693)**	(14,051)
Proceeds from issue of stapled securities (net of transaction costs)	**(27)**	742
Net cash outflow from financing activities	**(72,862)**	(131,589)
Net decrease in cash	**(84,105)**	(32,883)
Cash at the beginning of the half year	**123,567**	129,806
Cash at the end of the half year	**39,462**	96,923

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

Consolidated statement of changes in equity
For the half year ended 30 June 2010

	Attributable to owners of Australand Holdings Limited					
Consolidated	**Contributed equity $000's**	**Reserves $000's**	**Retained profits $000's**	**Total $000's**	**Non-controlling interest* $000's**	**Total equity $000's**
Balance at 1 January 2010	**1,741,539**	**(534)**	**(160,859)**	**1,580,146**	**662,769**	**2,242,915**
Total comprehensive income for the half year attributable to:						
AHL and APT (parent)	-	**(8,111)**	**47,708**	**39,597**	**-**	**39,597**
APT4 and APT5 (non-controlling interest)	-	-	-	-	**24,514**	**24,514**
Other non-controlling interest	-	-	-	-	**12,362**	**12,362**
Total comprehensive income for the half year	**-**	**(8,111)**	**47,708**	**39,597**	**36,876**	**76,473**
Transactions with equity holders:						
Contributions of equity, net of transaction costs	**(22)**	**-**	**-**	**(22)**	**(5)**	**(27)**
Security based payments	**-**	**959**	**-**	**959**	**-**	**959**
Dividends and distributions provided for or paid (Note 4)	**-**	**-**	**(40,232)**	**(40,232)**	**(17,413)**	**(57,645)**
Distributions provided for or paid to ASSETS hybrid equity holders (non-controlling interest)	**-**	**-**	**-**	**-**	**(12,362)**	**(12,362)**
	(22)	**959**	**(40,232)**	**(39,295)**	**(29,780)**	**(69,075)**
Balance at 30 June 2010	**1,741,517**	**(7,686)**	**(153,383)**	**1,580,448**	**669,865**	**2,250,313**
Balance at 1 January 2009	**1,364,679**	**(77,851)**	**216,806**	**1,503,634**	**601,639**	**2,105,273**
Total comprehensive loss for the half year attributable to:						
AHL and APT (parent)	-	46,904	(252,110)	(205,206)	-	(205,206)
APT4 and APT5 (non-controlling interest)	-	-	-	-	(16,691)	(16,691)
ASSETS (other non-controlling interest)	-	-	-	-	11,325	11,325
Total comprehensive loss for the half year	**-**	**46,904**	**(252,110)**	**(205,206)**	**(5,366)**	**(210,572)**
Transactions with equity holders:						
Contributions of equity, net of transaction costs	618	-	-	618	124	742
Security based payments	-	1,000	-	1,000	-	1,000
Dividends and distributions provided for or paid (Note 4)	-	-	(36,631)	(36,631)	(14,174)	(50,805)
Distributions provided for or paid to ASSETS hybrid equity holders (non-controlling interest)	-	-	-	-	(11,325)	(11,325)
	618	1,000	(36,631)	(35,013)	(25,375)	(60,388)
Balance at 30 June 2009	**1,365,297**	**(29,947)**	**(71,935)**	**1,263,415**	**570,898**	**1,834,313**

* Non-controlling interest include Australand Property Trust No.4, Australand Property Trust No.5 and ASSETS.

The above consolidated statement of changes in equity 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 2010 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* and AASB Interpretation 1002 *Post-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 2009 and any public announcements made by Australand during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Prior period reclassifications

Prior period reclassifications have been made where it improves comparability of amounts from period to period.

The accounting policies adopted are consistent with those of the previous financial year.

2. Revenue

	Consolidated	
	June 2010 $'000	**June 2009 $'000**
Sales revenue		
Property development sales	**153,780**	193,247
Rent from investment properties	**102,165**	99,315
	255,945	292,562
Other revenue		
Interest received or receivable	**2,211**	2,050
Management fees from joint venture entities	**6,844**	5,814
Other income from joint venture entities	**3,332**	3,372
Sundry income	**13,175**	7,478
	25,562	18,714
Total revenue	**281,507**	311,276

3. Earnings per stapled security

	Consolidated	
	June 2010	**June 2009 (restated[1])**
i. Basic and diluted earnings/(loss) per stapled security	**12.5 cents**	(72.7) cents
ii. Basic and diluted earnings/(loss) per stapled security (parent entity)	**8.3 cents**	(68.2) cents

[1] The comparative amounts have been restated in accordance with AASB 133 *Earnings per share* for the effect of the Entitlement Offer completed in September 2009 and the stapled security consolidation (1 for 5) completed in May 2010.

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

Consolidated	**$'000**	**$'000**
(i) Basic and diluted earnings per stapled security		
Net profit/(loss) after tax	**72,222**	(268,801)
Earnings/(loss) used in calculating basic earnings per stapled security	**72,222**	(268,801)

3. Earnings per stapled security (continued)

Parent Entity*	Consolidated June 2010 $'000	Consolidated June 2009 $'000
(ii) Basic and diluted earnings per stapled security		
Net profit/(loss) after tax	**47,708**	(252,110)
Earnings/(loss) used in calculating basic earnings per stapled security	**47,708**	(252,110)

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

	June 2010	June 2009 (restated)
(b) Weighted average number of stapled securities used	**No. of stapled securities**	**No. of stapled securities**
Weighted average number of ordinary securities used as the denominator in calculating basic and diluted earnings per stapled security	**576,824,517**	369,750,254

The weighted average number of securities has been adjusted for the effect of the stapled security consolidation (1 for 5) completed in May 2010 and the Entitlement Offer completed in September 2009, in accordance with AASB 133 *Earnings per share.*

	No. of stapled securities
Weighted average number of ordinary securities used as the denominator in calculating basic and diluted earnings per stapled security (before restatement)	1,123,496,913
Adjustments required by AASB133 *Earnings per share:*	
- Entitlement Offer completed in September 2009	30,452,164
- Security consolidation (1 for 5) completed in May 2010	(784,198,823)
Weighted average number of ordinary securities used as the denominator in calculating basic and diluted earnings per stapled security (restated)	369,750,254

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 2010	Payment per Share/Unit	Total Amount $'000	Date of Payment	Tax Rate for Franking Credit or Tax Deferred %	Percentage Franked %
Units					
Interim distribution[1]	**10.00 cents**	**57,684**	5 August 2010	-	-
Total distribution	**10.00 cents**	**57,684**			

[1] In May 2010, the total number of stapled securities on issue were consolidated on a 1 for 5 basis. For every 5 stapled securities on issue prior to the consolidation, securityholders received 1 new stapled security. The June 2010 interim distribution per unit incorporates the impact of the security consolidation.

Total dividends and distributions shown above total $57,684,000. The total amount of dividends and distributions for the half year as shown in Note 5 is $57,645,000. The difference between these amounts relates to the ESOP dividends and distributions, which are applied against ESOP loans.

4. Dividends/distributions (continued)

June 2009	Payment per Share/Unit	Total Amount $'000	Date of Payment	Tax Rate for Franking Credit or Tax Deferred %	Percentage Franked %
Units					
Interim distribution	3.00 cents	50,895	4 August 2009	-	-
Total distribution	3.00 cents	50,895			

Total dividends and distributions shown above for the half year ended 30 June 2009 of $50,895,000 differs from the movement in retained profits for the same period of $50,805,000. The difference between these amounts relates to the ESOP dividends and distributions, which are applied against ESOP loans.

Franking credits	Consolidated June 2010 $'000	Consolidated June 2009 $'000
Franking credits available for subsequent financial years based on a tax rate of 30% (HY09: 30%)	**62,573**	62,573

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 and receipt of dividends receivable. The ability to utilise the franking credits is dependent upon the ability to declare dividends. The above amounts represent the balances of the franking accounts as at the end of the financial period, adjusted for:

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

5. Equity

Australand is a stapled group in which the securityholders 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 IFRS, 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 IFRS, AASB Interpretation 1002 *Post date of transition stapling arrangements* ('AASB 1002') 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 non-controlling interest in the consolidated financial statements on the basis that neither APT nor 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 securityholders. Accordingly, whilst the results and equity of APT4 and APT5 are disclosed as non-controlling interest, the stapled securityholders of AHL and APT are the same as the stapled securityholders of APT4 and APT5.

5. Equity (continued)

	Notes	Consolidated June 2010 $'000	Consolidated December 2009 $'000
Capital and reserves attributable to stapled securityholders as:			
Equity holders of AHL and APT			
Contributed equity		**1,741,517**	1,741,539
Reserves	5(a)	**(7,686)**	(534)
Retained profits	5(b)	**(153,383)**	(160,859)
Parent interest		**1,580,448**	1,580,146
Equity holders of other stapled entities – APT4 and APT5 (non-controlling interest)			
Contributed equity		**379,725**	379,730
Reserves	5(a)	**(10,601)**	(10,601)
Retained profits	5(b)	**32,083**	24,982
Equity holders of other stapled entities – APT4 and APT5 (non-controlling interest)		**401,207**	394,111
Stapled securityholders interest in the Group		**1,981,655**	1,974,257

a) Reserves

	Notes	June 2010 $'000	December 2009 $'000
Hedging reserve			
Hedging reserve (cash flow hedges) – AHL and APT	(i)	**(15,176)**	(7,065)
Security-based payments reserve			
Security-based payments reserve – AHL	(ii)	**7,490**	6,531
		(7,686)	(29,947)
Capital redemption reserve			
Capital redemption reserve – APT4 and APT5	(iii)	**(10,601)**	(10,601)
Total reserves – stapled securityholders		**(18,287)**	(11,135)

5. Equity (continued)

	Consolidated June 2010 $'000	Consolidated December 2009 $'000
Movements in above stapled securityholders reserves comprise:		
(i) Hedging reserve – cash flow hedges		
Opening balance	**(7,065)**	(83,892)
Share of changes in the fair value of cash flow hedges of associate	**(204)**	1,693
Changes in fair value of cash flow hedges	**(11,295)**	107,334
Deferred tax	**3,388**	(32,200)
Closing balance	**(15,176)**	(7,065)
(ii) Security-based payments reserve		
Opening balance	**6,531**	6,041
Expense relating to security-based payments	**1,250**	490
Payment to satisfy vested PRP entitlements	**(291)**	-
Closing balance	**7,490**	6,531
(iii) Capital redemption reserve		
Opening and closing balance	**(10,601)**	(10,601)
b) Retained profits		
Equity holders of AHL and APT	**(153,383)**	(160,859)
Other stapled entities:		
- Australand Property Trust No. 4	**27,712**	21,021
- Australand Property Trust No. 5	**4,371**	3,961
	32,083	24,982
Stapled securityholders interest in retained profits	**(121,300)**	(135,877)
Movements in above total stapled securityholders interests in retained profits:		
Opening balance	**(135,877)**	270,788
Net profit/(loss) attributable to the stapled securityholders of Australand	**72,222**	(298,240)
Dividends/distributions	**(57,645)**	(108,425)
Closing balance	**(121,300)**	(135,877)

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 recognised directly in equity on a hedging instrument that qualifies as an effective cash flow hedge. The gain or loss relating to the ineffective portion is recognised in the income statement.

(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	
	2010 No. of stapled securities	**2009 No. of stapled securities**	**2010 $'000**	**2009 $'000**
At 1 January	**2,884,031,620**	1,696,490,449	**2,121,269**	1,654,279
Exercise of options	**144,250**	**-**	**32**	-
Australand Employee Securities Ownership Plan	**-**	**-**	**33**	742
Stapled security consolidation (including costs)	**(2,307,338,673)**	**-**	**(92)**	-
At 30 June	**576,837,197**	1,696,490,449	**2,121,242**	1,655,021

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 2010 $'000	**December 2009 $'000**
Performance bank guarantees outstanding	**37,717**	39,956
Financial bank guarantees	**2,531**	14,768
Insurance bonds outstanding	**28,245**	20,789
	68,493	75,513

The Group has also provided commercial guarantees and indemnities in relation to its joint venture entities. At 30 June 2010 the Group's share of financial and performance guarantees were $44,424,000 (December 2009: $50,910,000) and $5,000,000 (December 2009: $11,950,000), respectively.

(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 Residential, Commercial & Industrial and Investment Property divisions.

(a) SEGMENT RESULT

June 2010

Operating Segment Summary ($'000)	Residential	Commercial & Industrial	Total Developer	Investment Property	Unallocated	Elim	Consolidated
Revenue	**183,936**	**70,769**	**254,705**	**104,408**	**3,972**	**(18,165)**	**344,920**
Less: Property development sales revenue from joint venture entities	(44,256)	(23,299)	(67,555)	-	-	4,142	**(63,413)**
Segment Revenue	**139,680**	**47,470**	**187,150**	**104,408**	**3,972**	**(14,023)[1]**	**281,507**
Segment result before interest, equity accounted results and write downs	19,429	5,588	25,017	81,058	-	(1,956)	**104,119**
Development profit through valuation of properties transferred to Australand Property Trusts	-	-	-	-	-	2,910[2]	**2,910**
Share of net profits of associates and joint ventures accounted for using the equity method	4,237	5,359	9,596	1,560	-	(991)	**10,165**
Unallocated corporate costs	-	-	-	-	(11,979)	-	**(11,979)**
Earnings Before Interest and Tax	**23,666**	**10,947**	**34,613**	**82,618**	**(11,979)**	**(37)**	**105,215**
Capitalised interest in cost of goods sold & other interest	(5,562)	(1,858)	(7,420)	(12,523)	(17,682)	37	**(37,588)**
Interest income	117	-	117	158	1,936	-	**2,211**
Other fees charged between developer and Trust[3]	-	-	-	15,705	-	(15,705)	**-**
Operating profit before tax	**18,221**	**9,089**	**27,310**	**85,958**	**(27,725)**	**(15,705)**	**69,838**
Income tax credit on operating activities							**2,954**
Non-controlling interest (ASSETS)							**(12,362)**
Net Operating Profit After Tax							**60,430**
Investment property revaluation gains[4]							**11,792**
Net profit attributable to stapled securityholders of Australand							**72,222**

1. All revenue eliminated relates to the Commercial & Industrial division.

2. Interest relating to Development profit has been disclosed in “Capitalised interest in cost of goods sold and other interest”.

3. Inter-segment interest and fees have not been allocated to divisions within the developer.

4. Includes $474,000 relating to share of associate’s revaluation gains.

7. Segment reporting (continued)

June 2009

Operating Segment Summary ($'000)	Residential	Commercial & Industrial	Total Developer	Investment Property	Unallocated	Elim	Consolidated
Revenue	**242,596**	**107,992**	**350,588**	**100,635**	**2,946**	**(40,112)**	**414,057**
Less: Property development sales revenue from joint venture entities	(81,477)	(34,640)	(116,117)	-	-	13,336	**(102,781)**
Segment Revenue	**161,119**	**73,352**	**234,471**	**100,635**	**2,946**	**(26,776)[1]**	**311,276**
Segment result before interest, equity accounted results and write downs	6,432	14,123	20,555	76,524	-	(1,956)	**95,123**
Development profit through valuation of properties transferred to Australand Property Trusts	-	-	-	-	-	13,430[2]	**13,430**
Share of net profits of associates and joint ventures accounted for using the equity method	7,859	8,860	16,719	1,334	-	(3,055)	**14,998**
Unallocated corporate costs	-	-	-	-	(11,950)	-	**(11,950)**
Earnings Before Interest and Tax	**14,291**	**22,983**	**37,274**	**77,858**	**(11,950)**	**8,419**	**111,601**
Capitalised interest in cost of goods sold & other interest	(7,189)	(3,609)	(10,798)	(21,118)	(11,056)	(532)	**(43,504)**
Interest income	148	-	148	169	1,732	-	**2,050**
Other fees charged between developer and Trust[3]	-	-	-	13,001	-	(13,001)	**-**
Operating profit before tax	**7,250**	**19,374**	**26,624**	**69,910**	**(21,274)**	**(5,113)**	**70,147**
Income tax credit on operating activities							**1,158**
Non-controlling interest (ASSETS)							**(11,325)**
Net Operating Profit After Tax							**59,980**
Investment property revaluation losses[4]							**(235,331)**
Write-down of development and joint venture inventories[5]							**(114,116)**
Impairment of other development and joint venture assets							**(19,384)**
Income tax credit relating to write-downs and impairments							**40,050**
Net loss attributable to stapled securityholders of Australand							**(268,801)**

1. All revenue eliminated relates to the Commercial & Industrial division.
2. Interest relating to Development profit has been disclosed in "Capitalised interest in cost of goods sold and other interest".
3. Inter-segment interest and fees have not been allocated to divisions within the developer.
4. Includes $6,840,000 relating to share of associate's revaluation losses.
5. Includes write-down of joint venture inventories of $26,044,000.

7. Segment reporting (continued)

(b) SEGMENT BALANCE SHEET

June 2010

Operating Segment Summary ($'000)	Residential	Commercial & Industrial	Total Developer	Investment Property	Unallocated	Elim	Consolidated
Total segment assets	868,060	466,427	1,334,487	2,024,926	136,537	-	**3,495,950**
Total segment liabilities	55,844	75,296	131,140	92,458	1,022,039	-	**1,245,637**
Investments in associate and joint venture entities	130,829	38,786	169,615	41,247	-	(4,269)	**206,593**

December 2009

Operating Segment Summary ($'000)	Residential	Commercial & Industrial	Total Developer	Investment Property	Unallocated	Elim	Consolidated
Total segment assets	840,909	391,065	1,231,974	2,031,138	220,095	-	**3,483,207**
Total segment liabilities	69,367	67,995	137,362	91,114	1,011,816	-	**1,240,292**
Investments in associate and joint venture entities	134,724	24,790	159,514	40,739	-	(4,269)	**195,984**

(c) OTHER SEGMENT INFORMATION

	June 2010 $'000	June 2009 $'000
(i) Depreciation expense (unallocated)	**(1,930)**	(1,605)
(ii) Income tax		
Income tax credit relating to:		
Operating activities	**2,954**	1,158
Write-downs and impairments	**-**	40,050
Income tax credit (income statement)	**2,954**	41,208
(iii) Share of net profits/(losses) of joint ventures and associate		
Share of operating profits (segment note)	**10,165**	14,998
Write-down of development and joint venture assets	**-**	(26,044)
Share of property revaluations gains/(losses)	**474**	(6,840)
Share of net profits of associate and joint ventures accounted for using the equity method (income statement)	**10,639**	(17,886)
(iv) Finance costs		
Capitalised interest in cost of goods sold & other interest (segment note)	**37,588**	43,504
Less: Capitalised finance costs recovered in cost of properties sold	**(6,950)**	(5,330)
Finance costs (income statement)	**30,638**	38,174

8. Events occurring after the balance sheet date

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

- The establishment of a $1.3 billion unsecured syndicated bank debt facility replacing the $750 million Multi-Option Facility and three secured bank bilateral facilities totalling $396 million.

There have been no other significant events or transactions that have arisen since 30 June 2010 which, in the opinion of the directors, would affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

9. Other information

a) Changes in control over entities having a material effect

There were no changes in the control of any entities which would have a material effect on the current period.

b) Details of aggregate share of profits of associate and joint venture entities:

	June 2010 $'000	June 2009 $'000
Profit/(loss) before income tax	**10,639**	(17,886)
Income tax (expense)/credit	**(2,582)**	3,714
Net profit/(loss)	**8,057**	(14,172)
Share of net profit/(loss) of associate and joint venture entities	**8,057**	(14,172)

c) Material interests in entities which are not controlled entities:

Equity accounted joint venture and associated entities	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit/(loss) before income tax	
	Current period	Previous period	June 2010	June 2009
Name of entity	**%**	**%**	**$'000**	**$'000**
Australand Apartments No. 6 Pty Limited	50	50	**(375)**	56
Australand Holdings Limited and Morton Homestead Pty Ltd	50	50	**-**	3,269
Australand Land and Housing No.5 (Hope Island) Pty Limited	50	50	**(14)**	(17,014)
Australand Residential Trust	50	50	**(537)**	1,084
Australand Retail Trust	50	50	**70**	(2,134)
Australand Wholesale Property Fund No. 6	28	28	**1,963**	(3,372)
Baldi Unit Trust	50	50	**-**	(102)
Bowral Co-Venture	50	50	**-**	(998)
CIP ALZ (MA) Trust	50	50	**-**	2,205
CIP ALZ (WA) Unit Trust	50	50	**-**	362
Commercial & Industrial Property (Pinkenba) Trust	50	50	**-**	3,176
Croydon Development Trust	50	50	**558**	-
Kellyville Construction Co-Venture	50	50	**-**	139
Lidcombe Co-Venture	50	50	**(24)**	153
Parkinson Development Co-Venture	50	50	**432**	-
Port Coogee Co Venture	50	50	**673**	(89)
Stage 3 Eastern Creek Co-Venture	50	50	**3,911**	(5,000)
St. Andrews Field Co Venture	50	50	**7**	1,607
Sunshine Co-Venture	50	50	**670**	-
Torquay Co-Venture	50	50	**1,710**	1,138
Village Park Consortium	50	50	**438**	-
Yanchep Co-Venture	50	50	**244**	-
Yatala Co-Venture	50	50	**-**	(3,044)
Wallan Co-Venture	50	50	**933**	569
Total			**10,659**	(17,995)
Other			**(20)**	109
Total			**10,639**	(17,886)

Directors' declaration

For the half year ended 30 June 2010

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 2010 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
27 July 2010

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
www.pwc.com/au

Independent auditor's review report to the members of Australand Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial statements of Australand Holdings Limited, which comprise the consolidated balance sheet as at 30 June 2010, and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Australand Holdings Limited Group (the consolidated entity). The consolidated entity comprises both Australand Holdings Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Australand Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PRICEWATERHOUSECOOPERS

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

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Australand Holdings Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

PricewaterhouseCoopers

N R McConnell
Partner

Sydney
27 July 2010