Australand Property Group

Australand Property Group 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 4E

Preliminary Final Report

for the financial year ended 31 December 2010

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information		**2010 $'000**
Revenue and other income	**Up 9% to**	**749,274**
Net profit attributable to stapled securityholders		**165,835**
Operating profit after tax[1]	**Up 6% to**	**127,547**

Dividends/Distributions	**Total Dividends/ Distributions**	**Distribution per security**	**Dividend per security**	**Franked amount per security**
Interim distribution - June 2010 half year (paid on 5 August 2010)	**10.0 cents**	10.0 cents	-	-
Final distribution - December 2010 half year (paid on 8 February 2011)	**10.5 cents**	10.5 cents	-	-
Total	**20.5 cents**	20.5 cents	-	-

The Record Date for determining entitlements to the final distribution was 5.00pm, 31 December 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 and unrealised losses on derivative financial instruments.

This preliminary final report constitutes the Appendix 4E prepared in accordance with applicable Accounting Standards and Australian Securities Exchange Listing Rules. It does not include all the notes in an annual financial report. Accordingly, this report should be read in conjunction with public announcements made by Australand during the full year to 31 December 2010 and to the date of this report.

AUSTRALAND FULL YEAR 2010 RESULTS HEADLINES

- Statutory profit after tax of $165.8 million, which includes investment property revaluation gains of $38.9 million.
- Operating profit after tax[1] of $127.5 million, up 6%.
- Full year distributions of 20.5 cents per stapled security.
- Net tangible assets per stapled security increased by $0.10 to $3.52.

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

FINANCIAL RESULTS

The Group's statutory profit after tax for the year ended 31 December 2010 was $165.8 million. The following table summarises key reconciling items between the Group's statutory profit and operating profit after tax[1].

	2010 $'000	2009 $'000
Operating profit after tax[1]	**127,547**	120,204
Investment property revaluation gains/(losses)	**38,905**	(249,351)
Impairments of development and joint venture assets (net of tax)	**-**	(148,365)
Non-recurring finance costs (net of tax)	**-**	(20,728)
Unrealised (losses)/gains on derivative financial instruments	**(617)**	-
Net profit/(loss) attributable to stapled securityholders	**165,835**	(298,240)

The Group's operating profit after tax[1] for the year ended 31 December 2010 was $127.5 million, up 6% on the prior year (FY09: $120.2 million).

Key aspects of the operating performance included:

- Investment Property earnings before interest and tax ('EBIT') of $161.4 million (FY09: $153.9 million);
- Commercial & Industrial EBIT of $31.7 million (FY09: $39.5 million); and
- Residential EBIT of $67.6 million (FY09: $67.9 million).

Key financial metrics

- Earnings per stapled security[2] on operating profit after tax[1] of 22.1 cents;
- Distributions per stapled security[2] of 20.5 cents; and
- Net tangible assets per stapled security of $3.52 as at 31 December 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), impairments of development and joint venture assets, non-recurring finance costs and unrealised gains/(losses) on derivative financial instruments.

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 year ended 31 December 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

Key metrics

At 31 December 2010 Australand had interest bearing debt, net of cash, of $1,071 million (FY09: $852 million). Gearing (interest bearing debt to total tangible assets, cash adjusted) increased during the year to 29.5% at 31 December 2010 (31 December 2009: 25.4%). This increase resulted primarily from acquisitions of assets for the Investment Property portfolio and selective replenishment of the development pipeline. Gearing remains well within the Group's target range of 25% - 35%.

The average cost of debt for the year ended 31 December 2010 was 8.6%. At 31 December 2010, interest rates on 80% of the Group's interest bearing debt were fixed by hedge instruments with a maturity profile of 4.2 years. This level of hedging complies with the Group's policy that requires a minimum hedged level of 60%.

Australand has $268 million of facilities maturing, being the CMBS notes due in March 2011. The Group has sufficient available cash and undrawn facilities to repay the CMBS noteholders at maturity. Australand has no further facilities maturing until June 2012.

Australand continues to comply with all of its debt covenants.

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. This was 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;
- A reduction in the concentration of facilities expiring in any given year;
- Diversification of the Group's funding sources;
- Positive impact on average cost of debt from the second half of 2010; and
- Simplification of the Group's debt structure.

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

REVIEW OF OPERATIONS

INVESTMENT PROPERTY

Business Overview

As at 31 December 2010, the Investment Property division had a total portfolio value of $2.1 billion comprising 73 properties, including 5 properties under development. The portfolio had a total lettable area of 1.1 million sqm, is supported by a quality tenant base and is diversified primarily across the industrial (53%) and office (42%) sectors.

Operational Overview

The Investment Property division achieved an EBIT result of $161.4 million before property revaluation gains, a 5% increase on the prior year of $153.9 million. The increase in recurrent income was driven by comparable rental growth of approximately 3.2%.

In the year ended 31 December 2010, the key operational activities included:

- Completion of the sale of the Coles distribution facility in Goulburn, NSW for $64 million;
- The Crest Hotel was withdrawn from sale with alternative repositioning strategies now being pursued;
- Acquisition of 357 Collins Street, Melbourne, VIC for $45 million which is being redeveloped and is expected to be completed in the first half of 2012;
- Completion of a $19 million industrial facility leased to Kimberly Clark in Parkinson, QLD and a $20 million facility leased to Queensland Cotton in Derrimut, VIC;
- The committement to develop approximately 150,000 sqm of industrial facilities in 2011 including a 51,660 sqm distribution centre leased to Kmart for 15 years in Eastern Creek, NSW and a 24,397 sqm facility leased to Trimas in Keysborough, VIC; and
- Leasing activity of 50,000 sqm.

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 31 December 2010. The total portfolio valuation review, including Directors' assessments, resulted in a net gain from property revaluations of $38.9 million for the year. Positive revaluation gains from the office and industrial assets were partially offset by a reduction in value of the Crest Hotel.

Investment Property Portfolio Metrics

The average capitalisation rate for the Investment Property portfolio, as at 31 December 2010, was 8.38% (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 7% from federal and state governments. The portfolio has approximately 85% of its lease income expiring beyond 2012 and 96% of the portfolio's income has a minimum 3.4% average fixed 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)

	31 December 2010	31 December 2009
Portfolio Value	$2,116 million	$2,023 million
Weighted Average Lease Expiry (by Income)	5.0 years	5.8 years
Average Market Capitalisation Rate – Portfolio	8.38%	8.48%
Average Market Capitalisation Rate – Office	7.98%	8.12%
Average Market Capitalisation Rate – Industrial	8.70%	8.79%
Occupancy (by Income)[1]	97.7%	99.4%
- Industrial (by Income)	100.0%	99.4%
- Office (by Income)	99.9%	99.4%

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

Investment Property Outlook

The recent floods in South East Queensland have impacted two industrial facilities at Rocklea in Brisbane. The facility at 99 Shettleston Street was not significantly impacted. The facility at 44 Cambridge Street was affected by flooding in the ground floor office level. Both assets are insured for flood damage, and we do not expect a material impact on divisional EBIT.

The Investment Property division is well positioned to provide steady growth in earnings in 2011. The portfolio provides strong earnings visibility with only 4% of portfolio income expiring in 2011. Earnings growth will be delivered through fixed rental increases (96% of the portfolio's income has a minimum 3.4% average increase over 2011), supplemented by the addition of new assets from the Group's internal development pipeline.

1. The Crest Hotel was held for sale at 31 December 2009 and was excluded from the occupancy (by income) calculation.

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 due to its national presence, well-positioned landbank, broad customer base and integrated delivery platform. At 31 December 2010, the division controlled an industrial landbank of 389 hectares and an office development pipeline of approximately 200,000 sqm[1] of net lettable area.

Operational Overview

The 2010 year commenced with a limited forward workload due to the subdued operating conditions in the prior year. Conditions steadily improved during the year with increased enquiry levels for new industrial space in our major markets. During the year, the division has focussed on increasing its forward workload and the rationalisation of underperforming inventory to recycle capital into new projects.

In the year to 31 December 2010, the Commercial & Industrial division achieved an EBIT result of $31.7 million. Aggregate sales revenue for the year was $260.6 million (FY09: $198.6 million), which comprised revenue of $204.9 million from wholly owned projects and $55.7 million from joint venture projects.

In the year ended 31 December 2010, buildings with a total net lettable area of 185,000 sqm were delivered along with the development of 7 active land subdivision projects.

The division achieved land sales of 348,000 sqm in the period. This included the sale of several non-core industrial land holdings that were impaired in 2009.

Commercial & Industrial Division Outlook

At year end, the Commercial & Industrial division had a forward workload of 228,000 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 3%, providing sound fundamentals to deliver new supply as a consequence of increased demand.

We have seen increased enquiry levels for serviced industrial land due to the improved stability of market conditions and the lack of supply. The division is well positioned to benefit with further releases of land in several key estates including Keysborough, Altona, Rowville and Derrimut in Melbourne and Eastern Creek in Sydney. Industrial yields have stabilised with evidence of firming in the second half of 2010 for well leased, institutional grade product. We expect demand to continue to improve in line with expected economic conditions.

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 2011. The division has commenced the redevelopment of 357 Collins Street, Melbourne which is expected to benefit from these conditions and is expected to be completed in the first half of 2012.

With the improved outlook and economic conditions, it is anticipated that development activity for the Commercial & Industrial division will strengthen during 2011.

[1] Includes 357 Collins Street, Melbourne, VIC.

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 and medium/high density developments. As at 31 December 2010, the Residential division had approximately 21,000 lots under management in its development pipeline with an estimated end value of $7.5 billion.

Operational overview

In 2010, the Residential division achieved an EBIT result of $67.6 million, in line with the prior year result of $67.9 million. Revenue for the year was $538.3 million (FY09: $588.0 million), which comprised revenue of $403.5 million from wholly owned projects and $134.8 million from joint venture projects.

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

	Land No.	Housing & Medium Density No.	High Density No.	Total No.	Change on 2009
Wholly owned projects	599	393	46	1,038	Up 23%
Joint venture projects[1]	949	189	21	1,159	Down 26%
Total	**1,548**	**582**	**67**	**2,197**	**Down 9%**

The division's financial performance in 2010 was consistent with previous guidance. Gross sales volumes for 2010 were down 9% on 2009, however, Australand's share of lots sold in 2010 was in line with 2009, as expected. Margins improved overall resulting from a change in product mix, including a reduction in volumes from low margin and impaired projects.

At year end, the division held 1,055 sales contracts on hand (including 100% of JV's), worth $490 million, with approximately 90% of these expected to settle in 2011.

Residential Division Outlook

The fundamentals for the sector remain positive, underpinned by expected long term population growth and strong employment conditions. However, demand is expected to moderate in the short term as continued affordability pressures may be compounded by further mortgage rate rises during the year.

The recent floods in South East Queensland are expected to have some impact on local sentiment in the near term. Australand's residential pipeline is 9% weighted to Queensland with two projects, Kangaroo Point (Yungaba) and Hamilton, located on the Brisbane River. While neither project was flooded, progress at Kangaroo Point has been impacted by the adverse weather conditions with first settlements (50 lots contracted to date) now expected in the first half of 2012. Hamilton remains on track for a formal sales launch in the first half of 2011.

Australand's Residential portfolio is diversified between land development activity (63%[2]) and medium density infill developments (37%[2]) where Australand's built form plays a more integral part of the development process. A significant proportion of the portfolio is positioned at or below the median price point in the relevant catchment area. Australand will continue to deliver affordable products in an environment where affordability pressures are expected to continue.

[1] Figures show 100% of lots sold from projects under management.

[2] By end value, including 100% of joint ventures and PDA's.

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

RESIDENTIAL (CONTINUED)

Residential Division Outlook (continued)

Divisional earnings are expected to return to growth in 2011 driven primarily by an increase in volumes. The Residential division is targeting circa 25% increase in gross lot sales in 2011. This increase in volumes is underpinned by:

- The commencement of revenue from 7 new projects in 2011, including Burwood (VIC), Greenvale (VIC), Carlton (VIC), East Perth (WA), Clyde North (VIC) and Kurnell (NSW); and

- Contracts on hand securing approximately 40% of 2011 target lot sales.

This expected rise in volumes will underpin a return to growth in the Residential division's EBIT contribution in 2011. The division continues to progressively trade through impaired and low margin projects and remains on target to achieve at least 12% return on average capital employed by the end of 2012.

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

GROUP STRATEGY

The Group continues to make good progress towards achieving its strategic objectives to:

- 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; and
- Maintain gearing within a target range of 25% - 35%.

In 2010, recurrent earnings comprised 69% of Group EBIT, which is at the upper end of the target range. Consistent with our target earnings mix, Australand was included in the S&P/ASX 200 A-REIT and S&P/ASX 300 A-REIT Indices from the close of trading on 17 December 2010.

The development divisions remain on track to achieve a 12% return on average capital employed 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 zoned. Further progress has been made in trading through impaired and low margin stock, with capital being reinvested into selected opportunities.

The Group continues to manage its capital position prudently. Gearing, at 31 December 2010, stood at 29.5%, which is within the Group's target range of 25% - 35%.

OUTLOOK

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 and strengthened forward workload, we expect development activity in the Commercial & Industrial division to strengthen, leading to growth in 2011.

The Residential division is targeting a 25% increase in sales volumes in 2011 underpinned by a significant number of contracts on hand at year end as well as several new planned project commencements.

The Group expects to distribute the equivalent of 80% - 90% of realised operating trust income, and currently anticipates a distribution per security of 21.5 cents for 2011, representing approximately 5% growth on 2010. Group operating earnings are expected to grow at least in line with distribution growth.

The fundamentals for the residential, industrial and office sectors remain positive, and the Group is well positioned to continue to deliver growth in 2011.

DIRECTORS' REPORT

Directors

The following persons were directors of the Board of Australand Holdings Limited, Australand Property Limited and Australand Investments Limited during the year ended 31 December 2010 and up to the date of this report:

Lui Chong Chee (Chairman)
James Glen **Service**, AO (Deputy Chairman and Lead Independent Director, retired 31 December 2010)
Paul Dean **Isherwood**, AO (Deputy Chairman and Lead Independent Director, from 1 January 2011)
Robert William **Johnston** (Managing Director)
Ee Chee Hong (resigned 31 December 2010)
Ian Farley **Hutchinson**
Olivier **Lim**
Nancy Jane **Milne**, OAM (appointed 1 October 2010)
Stephen Eric **Newton**
Robert Edward **Prosser** (appointed 9 February 2011)

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 for 2009	2.0 cents	57,681	8 February 2010
Interim for 2010	10.0 cents[1]	57,684	5 August 2010
Final for 2010	10.5 cents[1]	60,568	8 February 2011

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 and December 2010 final 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 2-9 for further explanation of the results.

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
15 February 2011

Consolidated income statement

For the year ended 31 December 2010

	Notes	2010 $'000	2009 $'000
Revenue from continuing operations	2	**749,274**	686,764
Cost of properties sold		**(391,764)**	(358,163)
Provision for write-down of inventories		**-**	(112,022)
Development profit recognised through valuation of properties transferred to Australand Property Trusts		**7,250**	14,505
Share of net profits/(losses) of joint ventures and associates accounted for using the equity method		**26,149**	(6,172)
Impairment of other development and joint venture assets		**-**	(71,884)
Investment property expenses		**(37,415)**	(36,657)
Employee expenses		**(92,445)**	(73,241)
Depreciation		**(4,202)**	(3,321)
Other expenses		**(45,096)**	(41,376)
Finance costs		**(62,181)**	(104,292)
Net gains/(losses) from fair value adjustments on investment property		**38,373**	(242,511)
Profit/(loss) before income tax		**187,943**	(348,370)
Income tax benefit		**3,646**	72,624
Net profit/(loss)		**191,589**	(275,746)
Net profit attributable to ASSETS hybrid equity holders (non-controlling interest)		**(25,754)**	(22,494)
Net profit/(loss) attributable to stapled securityholders of Australand		**165,835**	(298,240)
Attributable to:			
Equity holders of AHL and APT		**116,896**	(299,973)
Equity holders of other stapled entities (non-controlling interest):			
- Australand Property Trust No.4 (APT4)		**37,344**	(99)
- Australand Property Trust No.5 (APT5)		**11,595**	1,832
Net profit/(loss) attributable to stapled securityholders of Australand		**165,835**	(298,240)

Earnings per stapled security for profit attributable to ordinary equity holders of AHL and APT:

	Notes	2010	2009
Basic and diluted earnings/(loss) per stapled security (parent entity)	3	**20.3 cents**	(67.6) cents

The above consolidated 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 securityholders:

	Notes	2010	2009 (restated)
Basic and diluted earnings/(loss) per stapled security	3	**28.7 cents**	(67.2) cents

Consolidated statement of comprehensive income
For the year ended 31 December 2010

	2010	2009
	$'000	$'000
Net profit/(loss)	**191,589**	(275,746)
Other comprehensive income:		
Changes in the fair value of cash flow hedges, net of tax	**6,703**	75,134
Share of associate and joint venture changes in the fair value of cash flow hedges, net of tax	**216**	1,693
Other comprehensive income for the financial year, net of tax	**6,919**	76,827
Total comprehensive income/(loss) for the financial year	**198,508**	(198,919)
Total comprehensive income/(loss) for the financial year is attributable to:		
Equity holders of AHL and APT	**123,815**	(223,146)
Equity holders of other stapled entities (non-controlling interest):		
- Australand Property Trust No. 4 (APT4)	**37,344**	(99)
- Australand Property Trust No. 5 (APT5)	**11,595**	1,832
Other non-controlling interests	**25,754**	22,494
	198,508	(198,919)

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

Consolidated balance sheet

As at 31 December 2010

	Notes	2010 $'000	2009 $'000
Current assets			
Cash and cash equivalents		**50,932**	123,567
Receivables		**175,111**	178,360
Inventories		**386,833**	213,149
Investment properties held for sale		**-**	136,835
Income tax receivable		**-**	2,314
Other		**20,597**	18,020
Total current assets		**633,473**	672,245
Non-current assets			
Receivables		**137,376**	116,404
Inventories		**577,404**	576,234
Investments accounted for using the equity method		**178,741**	195,984
Investment properties		**2,115,755**	1,885,992
Plant and equipment		**11,549**	7,761
Deferred tax assets		**29,361**	28,587
Total non-current assets		**3,050,186**	2,810,962
Total assets		**3,683,659**	3,483,207
Current liabilities			
Payables		**58,731**	58,430
Borrowings		**299,992**	-
Derivative financial instruments		**617**	1,250
Provisions		**90,066**	109,204
Land vendor liabilities		**84,346**	62,484
Total current liabilities		**533,752**	231,368
Non-current liabilities			
Borrowings		**822,000**	975,800
Derivative financial instruments		**-**	8,326
Provisions		**4,222**	12,598
Land vendor liabilities		**24,000**	12,200
Total non-current liabilities		**850,222**	1,008,924
Total liabilities		**1,383,974**	1,240,292
Net assets		**2,299,685**	2,242,915
Equity			
Equity holders of AHL and APT:			
Contributed equity		**1,741,922**	1,741,539
Reserves		**8,094**	(534)
Accumulated losses		**(123,342)**	(160,859)
		1,626,674	1,580,146
Equity holders of APT4 and APT5 (non-controlling interest)		**404,353**	394,111
Stapled securityholders interest in the Group	5	**2,031,027**	1,974,257
ASSETS hybrid equity		**268,658**	268,658
Total equity		**2,299,685**	2,242,915

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

Consolidated cash flow statement

For the year ended 31 December 2010

	2010 $'000	2009 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	**711,391**	733,904
Payments to suppliers and employees (inclusive of goods and services tax)	**(512,105)**	(328,232)
Interest received	**3,368**	5,232
Interest paid	**(69,839)**	(94,747)
Income tax received/(paid)	**2,314**	9,727
	135,129	325,884
Distributions received from joint venture entities	**6,571**	20,735
Distributions received from AWPF6	**2,923**	2,779
Payment for land acquisitions	**(105,829)**	(52,103)
Net cash inflow from operating activities	**38,794**	297,295
Cash flows from investing activities		
Net investment in joint venture entities	**2,679**	(30,899)
Proceeds from sale of investment properties	**68,680**	151,546
Payments for development and acquisition of investment properties	**(134,446)**	(122,828)
Payments for plant and equipment	**(7,990)**	(2,268)
Net cash outflow from investing activities	**(71,077)**	(4,449)
Cash flows from financing activities		
Proceeds from borrowings	**745,450**	913,500
Repayment of borrowings	**(646,300)**	(1,528,450)
Payment on termination of derivatives	**-**	(24,492)
Distributions paid	**(115,303)**	(101,639)
Distributions to non-controlling interests – ASSETS	**(24,695)**	(24,994)
Proceeds from issue of units/shares (net of transaction costs)	**496**	466,990
Net cash outflow from financing activities	**(40,352)**	(299,085)
Net decrease in cash held	**(72,635)**	(6,239)
Cash at the beginning of the financial year	**123,567**	129,806
Cash at the end of the financial year	**50,932**	123,567

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

Consolidated statement of changes in equity

For the year ended 31 December 2010

	Attributable to owners of Australand Holdings Limited					
	Contributed equity $000's	Reserves $000's	Accumulated losses $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 year attributable to:						
AHL and APT (parent)	**-**	**6,919**	**116,896**	**123,815**	**-**	**123,815**
APT4 and APT5 (non-controlling interest)	**-**	**-**	**-**	**-**	**48,939**	**48,939**
Other non-controlling interest	**-**	**-**	**-**	**-**	**25,754**	**25,754**
Total comprehensive income for the year	**-**	**6,919**	**116,896**	**123,815**	**74,693**	**198,508**
Transactions with equity holders:						
Contributions of equity, net of transaction costs	**383**	**-**	**-**	**383**	**113**	**496**
Security based payments	**-**	**1,709**	**-**	**1,709**	**-**	**1,709**
Dividends and distributions provided for or paid (Note 4)	**-**	**-**	**(79,379)**	**(79,379)**	**(38,810)**	**(118,189)**
Distributions provided for or paid to ASSETS hybrid equity holders (non-controlling interest)	**-**	**-**	**-**	**-**	**(25,754)**	**(25,754)**
	383	**1,709**	**(79,379)**	**(77,287)**	**(64,451)**	**(141,738)**
Balance at 31 December 2010	**1,741,922**	**8,094**	**(123,342)**	**1,626,674**	**673,011s**	**2,299,685**
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 year attributable to:						
AHL and APT (parent)	-	76,827	(299,973)	(223,146)	-	(223,146)
APT4 and APT5 (non-controlling interest)	-	-	-	-	1,733	1,733
Other non-controlling interest	-	-	-	-	22,494	22,494
Total comprehensive loss for the year	**-**	**76,827**	**(299,973)**	**(223,146)**	**24,227**	**(198,919)**
Transactions with equity holders:						
Contributions of equity, net of transaction costs	376,860	-	-	376,860	90,130	466,990
Security based payments	-	490	-	490	-	490
Dividends and distributions provided for or paid (Note 4)	-	-	(77,692)	(77,692)	(30,733)	(108,425)
Distributions provided for or paid to ASSETS hybrid equity holders (non-controlling interest)	-	-	-	-	(22,494)	(22,494)
	376,860	490	(77,692)	299,658	36,903	336,561
Balance at 31 December 2009	**1,741,539**	**(534)**	**(160,859)**	**1,580,146**	**662,769**	**2,242,915**

*Non-controlling interest includes 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Appendix 4E are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Appendix 4E includes financial statements for the consolidated entity consisting of Australand Holdings Limited ('AHL') and its subsidiaries and controlled entities as defined in Note 1(b).

(a) Basis of preparation

This report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001.*

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss and investment property.

Prior year and current year reclassifications

Reclassifications of a number of immaterial balances have been made to the income statement and balance sheet in the current period to better reflect the underlying nature of these balances. Prior year 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 and interim reporting period and corresponding financial year.

Critical accounting estimates

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Australand's accounting policies. The resulting estimates will, by definition, seldom equal the related actual results. The material estimates and assumptions in these financial statements include:

(i) Estimate of fair value of investment properties. All investment properties have an independent valuation performed each calendar year.

(ii) Profit recognised on property development projects is determined based on the forecasted outcomes of projects. Forecasts are updated at each reporting date to determine the appropriateness of profit recognised on projects. Net realisable values of projects are assessed to ensure that inventory is carried at the lower of cost and net realisable value.

(b) Principles of consolidation

(i) Subsidiaries and controlled entities

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries and controlled entities of AHL, including Australand Property Trust ('APT'), Australand Property Trust No.4 ('APT4'), and Australand Property Trust No.5 ('APT5') as at 31 December 2010 and the results of all subsidiaries and controlled entities for the year then ended. AHL and its subsidiaries and controlled entities are referred to in this financial report as the Group or the consolidated entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation (continued)

(ii) Subsidiaries and controlled entities (continued)

Subsidiaries and controlled entities are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries and controlled entities are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-entity transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. The accounting policies adopted by the subsidiaries, joint ventures and associates are consistent with those of the Group.

(iii) Associates and joint venture entities

Associates and joint ventures are all entities (including unincorporated or incorporated companies, partnerships and trusts) over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in these entities are accounted for using the equity method of accounting, after being initially recognised at cost.

Under this method, Australand's share of the entities profits or losses are recognised in the consolidated income statement, and its share of the entities movements in reserves is recognised in the consolidated reserves of the Group. The cumulative movements are adjusted against the carrying amount of the investment. Dividends/distributions receivable from associated entities and joint ventures reduce the carrying amount of the investment.

When the Group's share of losses equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the entity.

Unrealised gains on transactions establishing joint ventures and transactions between the Group and its associated entities or joint ventures are eliminated to the extent of the Group's interest until such time as they are realised by the entity through consumption or sale. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(iv) Application of UIG 1013 Pre-Date-of-Stapling Arrangements ('UIG 1013') and AASB Interpretation 1002 Post-Date-of-Transition Stapling Arrangements ('AASB 1002')

Under UIG 1013 and AASB 1002, AHL has been identified as the parent entity in relation to the pre-date of transition stapling with APT and the post-date of transition stapling with APT4 and APT5. In accordance with UIG 1013 the results and equity of AHL and APT have been combined in the financial statements. In accordance with AASB 1002 however, the results and equity, not directly owned by AHL or APT, of APT4 and APT5 have been treated and disclosed as non-controlling interest. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for the major business activities as follows:

Real estate asset sales

Revenue is recognised on real estate asset sales when the significant risks and rewards have passed to the buyer and it is probable the economic benefits will flow to the Group and can be reliably measured. Revenue on property development sales is recognised on settlement and land sales where there is a signed unconditional contract for sale.

Construction contracting

Contract revenue and expenses are recognised in accordance with the percentage of completion method unless the outcome of the contract cannot be reliably estimated. Where it is probable that a loss will arise from a construction contract, the excess of total costs over revenue is recognised as an expense immediately. Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Rental income

Rental income from operating leases is recognised in income on a straight line basis over the lease term. An asset is recognised to represent the portion of operating lease income in a reporting period relating to fixed increases in operating lease rentals in future periods. Such assets are recognised as a component of the carrying amount of investment properties in the balance sheet.

Interest income

Interest income is recognised under the effective interest rate method.

Dividends / Distributions

Dividends / distributions are recognised as revenue when the right to receive payment is established.

Development profit recognised through valuation of properties transferred to Australand Property Trusts

Revenue and profit from the development of Commercial and Industrial projects are based on arms length contractual agreements with customers, either external or the Australand Property Trusts. The agreed value included in these contracts is either based on a fixed price contract or an agreed on-completion value. The on-completion value is arrived at by obtaining an independent valuation of the expected market value of the property at practical completion. The profit on internal developments is disclosed separately in the consolidated income statement as development profit recognised through valuation of properties transferred to Australand Property Trusts.

(d) Investment properties

Investment properties comprise investment interests in land and buildings held for long term rental yields and not occupied by the Group. Investment properties are carried at fair value which is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections.

Each property is valued annually by external independent valuers. Any resultant changes in fair value are shown separately in the consolidated income statement as net gains/(losses) from fair value adjustments on investment property.

The carrying amount of investment properties recorded in the balance sheet includes components relating to lease incentives and assets relating to fixed increases in operating lease rentals in future periods.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Investment properties (continued)

Investment properties under construction

Investment properties under construction are carried at fair value after allowing for the remaining expected costs of completion plus an appropriate risk adjusted development margin.

(e) Plant and equipment

Plant and equipment is carried at cost less accumulated depreciation. Plant and equipment is depreciated over their estimated useful lives using the straight line method. Net gains and losses on disposal of plant and equipment are brought to account in determining the results for the year. The expected useful lives of plant and equipment are two to ten years (2009: two to ten years).

(f) Valuation of inventories

Inventories comprising land, land and housing, integrated land and housing, medium density, high-rise developments and commercial and industrial developments are carried at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and borrowing costs incurred during development. When development is completed, borrowing costs are expensed as incurred. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Estimates of net realisable value are based on the most recent reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise and the estimate of costs to complete.

(g) Cash and cash equivalents

For cash flow statement purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for any impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

(i) Business combinations

The acquisition method of accounting is used to account for all business combinations including business combinations involving entities or businesses under common control regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Business combinations (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in the profit or loss as a bargain purchase.

(j) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(k) Trade and other payables

Trade and other payables represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Land vendor liabilities

Where the consolidated entity enters into unconditional contracts with land vendors to purchase properties for future development that contain deferred payment terms, these liabilities are disclosed at their present value.

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

(n) Lease incentives

Prospective lessees may be offered incentives as an inducement to enter into non-cancellable operating leases. These incentives may take various forms including, up-front cash payments, rent free periods, or a contribution to certain lessee costs such as fit-out or relocation costs. As these incentives are repaid out of future lease payments, they are recognised as an asset in the consolidated balance sheet as a component of the carrying amount of investment properties and amortised over the lease period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Employee benefits

(i) Wages, salaries and annual leave

Liabilities for employee entitlements to wages and salaries, annual leave and other current employee entitlements are accrued at non-discounted amounts calculated on the basis of future wage and salary rates including on-costs.

(ii) Long service leave

Liabilities for other employee entitlements which are not expected to be paid or settled within twelve months of balance date are accrued in respect of all employees at present values of future amounts expected to be paid, based on a projected weighted average increase in wage and salary rates. Expected future payments are discounted using interest rates on national government securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(iii) Superannuation

Contributions to the Australand Superannuation Plan are charged as an expense as the contributions are paid or become payable.

(iv) Security-based payments

Security-based compensation benefits are provided to employees via the Australand Performance Rights Plan, Australand Tax Exempt Employee Security Plan and the Australand Employee Securities Ownership Plan. The fair value of options or rights granted is determined at grant date and recognised as an expense with a corresponding increase in equity over their vesting period. For share options granted before 7 November 2002 and/or vested before 1 January 2005, no expense is recognised in respect of these options. The shares are recognised when the options are exercised and the proceeds received allocated to share capital.

(p) Borrowing and borrowing costs

Borrowings are initially recognised at fair value including transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and redemption is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowing costs incurred for construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed. In extended periods where development of a qualifying asset is suspended borrowing costs are expensed as incurred.

The capitalisation rate used to determine the amount of borrowing costs to capitalise is the weighted average interest rate applicable to the entity's outstanding borrowings during the year, in this case 8.6% (2009: 7.6%).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement and disclosed as finance costs in the periods when the hedged item will affect profit or loss (for instance when the interest is payable on hedged variable rates borrowings). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the cost of the asset or liability. The deferred amounts are ultimately recognised in the profit or loss as costs of goods sold in the case of inventory.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(r) Foreign currency translation

(i) Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Australian dollars, which is the functional and presentational currency of AHL and its controlled entities.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that, at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Current and deferred tax balances attributable to amounts recognised directly in other comprehensive income or in equity are also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Tax consolidation legislation

Australand Holdings Limited and its wholly owned entities implemented the tax consolidation legislation from 1 January 2003. Australand Holdings Limited and the wholly owned entities in the tax consolidation group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidation group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Australand Holdings Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from the unused tax losses and unused tax credits assumed from controlled entities in the tax-consolidated group.

Assets or liabilities arising under tax funding agreements with the tax-consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement is recognised as a contribution to (or distribution from) wholly owned tax-consolidated entities.

Australand Property Trusts

Under current income tax legislation, Australand Property Trust, Australand Property Trust No. 4 and Australand Property Trust No. 5 are not liable for income tax, provided that the taxable income is fully distributed each year including any taxable capital gain derived from the sale of an asset.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Earnings per stapled security

(i) Basic earnings per stapled security - consolidated

Basic earnings per stapled security is determined by dividing the net profit after income tax attributable to Australand stapled securityholders, excluding any costs of servicing equity other than ordinary securities, by the weighted average number of stapled securities outstanding during the year, adjusted for bonus elements in stapled securities, if any, issued during the year.

(ii) Diluted earnings per stapled security - consolidated

Diluted earnings per stapled security adjusts the figures used in the determination of basic earnings per stapled security by taking into account the after income tax effect of interest and other financing costs associated with dilutive potential stapled securities and the weighted average number of securities assumed to have been issued for no consideration in relation to the dilutive potential ordinary securities.

(iii) Basic earnings per stapled security - parent entity

Basic earnings per stapled security is determined by dividing the net profit after income tax attributable to Australand Holdings Limited and APT (excluding minority interest of APT4 and APT5), excluding any costs of servicing equity other than ordinary securities, by the weighted average number of stapled securities outstanding during the year, adjusted for bonus elements in stapled securities, if any, issued during the year.

(iv) Diluted earnings per stapled security - parent entity

Diluted earnings per stapled security adjusts the figures used in the determination of basic earnings per stapled security by taking into account the after income tax effect of interest and other financing costs associated with dilutive potential stapled securities, and the weighted average number of securities assumed to have been issued for no consideration in relation to the dilutive potential ordinary securities.

(v) Restatement of comparatives

The comparative amounts have been restated in accordance with AASB 133 *Earnings per share* for the effect of the security consolidation (1 for 5) completed in May 2010. Refer to Note 3 for further details.

(u) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(v) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(w) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Dividends and trust distributions

Provision is made for the amount of any dividend or trust distributions declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

(y) Contributed equity

Australand is a stapled group in which the securityholders hold direct interests and an equal number of shares in Australand Holdings Limited ('AHL'), and units in each of Australand Property Trust ('APT'), Australand Property Trust No.4 ('APT4') and Australand Property Trust No.5 ('APT5').

Under UIG 1013 and AASB 1002, AHL has been identified as the parent entity in relation to the pre-date of transition stapling with APT and the post-date of transition stapling with APT4 and APT5. In accordance with UIG 1013 the results and equity of AHL and APT have been combined in the financial statements. In accordance with AASB 1002 however, the results and equity, not directly owned by AHL or APT, of APT4 and APT5 have been treated and disclosed as non controlling interest. 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.

Incremental costs directly attributable to the issue of new stapled securities are shown in equity as a deduction, net of tax, from the proceeds.

(z) Segment reporting

AASB 8 *Operating Segments* ('AASB 8') requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

The following operating segments have been determined as separately reportable in accordance with AASB 8:

- Residential – development of land, housing & apartments.
- Commercial & Industrial – development of commercial, industrial and retail properties.
- Investment Property – investment in income producing commercial & industrial properties, property trust management and property management.

(aa) 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 financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(ab) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2010 reporting periods. The Group's assessment of the impact of these new standards and interpretations is that there is not expected to be any material effect on the Group in future reporting periods.

2. REVENUE

	Consolidated 2010 $'000	Consolidated 2009 $'000
Sales revenue		
Property development sales	**496,007**	445,686
Rent from investment properties	**201,789**	194,847
	697,796	640,533
Other revenue		
Interest received or receivable	**3,368**	5,232
Management fees from joint venture entities	**14,592**	10,987
Other income from joint venture entities	**6,857**	6,971
Sundry income	**26,661**	23,041
	51,478	46,231
Revenue from continuing operations	**749,274**	686,764

3. EARNINGS PER STAPLED SECURITY

	Consolidated 2010	Consolidated 2009 (restated[1])
(i) Basic and diluted earnings/(loss) per stapled security	**28.7 cents**	(67.2) cents
(ii) Basic and diluted earnings/(loss) per stapled security (parent entity)	**20.3 cents**	(67.6) cents

[1] The comparative amounts have been restated in accordance with AASB 133 *Earnings per share* for the effect of 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**
Basic and diluted earnings per stapled security		
Net profit/(loss) after tax	**165,835**	(298,240)
Earnings/(loss) used in calculating basic and diluted earnings per stapled security	**165,835**	(298,240)

Parent Entity*		
(ii) Basic and diluted earnings per stapled security		
Net (loss)/profit after tax	**116,896**	299,973
Earnings used in calculating basic and diluted earnings per stapled security	**116,896**	299,973

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

3. EARNINGS PER STAPLED SECURITY (CONTINUED)

	Consolidated 2010	2009
(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	**576,831,003**	443,705,671

The weighted average number of securities for 2009 has been adjusted for the effect of the stapled security consolidation (1 for 5) completed in May 2010, 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)	2,218,528,356
Add: adjustment required by AASB 133 *Earnings per share*	(1,774,822,685)
Weighted average number of ordinary securities used as the denominator in calculating basic and diluted earnings per stapled security (restated)	443,705,671

4. DISTRIBUTIONS

Distributions recognised in the current year by AHL, APT, APT4 and APT5 are:

2010	Payment per stapled security	Total Amount $'000	Date of Payment	Tax Rate for Franking Credit or Tax Deferred %	Percentage Franked %
Units					
Interim distribution	**10.0**	**57,684**	5 August 2010	-	-
Final distribution	**10.5**	**60,568**	8 February 2011	-	-
Total distribution	**20.5**	**118,252**			

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 2010 distributions per unit incorporate the impact of the security consolidation.

No dividends were paid in relation to the ordinary shares in the year ended 31 December 2010.

Total dividends and distributions shown above of $118,252,000 differs from the amount shown in Note 5 of $118,189,000. The difference relates to the ESOP dividends and distributions, which are applied against the outstanding loan balances under the ESOP scheme.

The Australand Dividend/Distribution Reinvestment Plan (DRP) has been suspended since the final 2006 dividend/distribution.

4. DIVIDENDS/DISTRIBUTIONS (CONTINUED)

December 2009	Payment per stapled security	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	-	-
Final distribution	2.00 cents	57,681	8 February 2010	-	-
Total distribution	5.00 cents	108,576			

	Consolidated	
Franking credits	**2010 $'000**	**2009 $'000**
Franking credits available for subsequent financial years based on a tax rate of 30% (2009: 30%)	**60,257**	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 there being sufficient available profits 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 entity in which the securityholders hold direct interests and an equal number of securities in each of AHL, APT, APT4 and APT5 (collectively Australand Property Group).

As the securities of AHL and APT were stapled before the introduction of IFRS, UIG 1013 *Pre-Date-of-Stapling Arrangements* applied. The securities of AHL and APT are stapled. 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') applied. 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 2010 $'000	Consolidated 2009 $'000
Equity			
Capital and reserves attributable to stapled securityholders as:			
Equity holders of AHL and APT:			
Contributed equity	5(c)	**1,741,922**	1,741,539
Reserves	5(a)	**8,094**	(534)
Accumulated losses	5(b)	**(123,342)**	(160,859)
Parent interest		**1,626,674**	1,580,146
Equity holders of other stapled entities – APT4 and APT5 (non-controlling interest):			
Contributed equity	5(c)	**379,843**	379,730
Reserves	5(a)	**(10,601)**	(10,601)
Retained profits	5(b)	**35,111**	24,982
Equity holders of other stapled entities – APT4 and APT5 (non-controlling interest)		**404,353**	394,111
Stapled securityholders interest in the Group		**2,031,027**	1,974,257

(a) Reserves

	Notes	2010 $'000	2009 $'000
Hedging reserve			
Hedging reserve – cash flow hedges – AHL and APT	(i)	**(146)**	(7,065)
Share based payments reserve			
Share based payments reserve – AHL and APT	(ii)	**8,240**	6,531
		8,094	(534)
Capital redemption reserve			
Capital redemption reserve – APT4 and APT5	(iii)	**(10,601)**	(10,601)
Total reserves – stapled securityholders		**(2,507)**	(11,135)

Movements in above stapled securityholders reserves comprise:

	2010 $'000	2009 $'000
(i) Hedging reserve – cash flow hedges		
Opening balance	**(7,065)**	(83,892)
Share of changes in the fair value of cash flow hedges of joint ventures and associate	**216**	1,693
Changes in fair value of cash flow hedges	**9,576**	107,334
Deferred tax	**(2,873)**	(32,200)
Closing balance	**(146)**	(7,065)
(ii) Security-based payments reserve		
Opening balance	**6,531**	6,041
Payment to satisfy vested PRP entitlement	**(291)**	-
Expense relating to share based payments	**2,000**	490
Closing balance	**8,240**	6,531
(iii) Capital Redemption Reserve		
Opening and closing balance	**(10,601)**	(10,601)

5. EQUITY (CONTINUED)

(b) (Accumulated losses)/retained profits

		Consolidated 2010 $'000	Consolidated 2009 $'000
Equity holders of AHL and APT:			
Accumulated losses		**(123,342)**	(160,859)
Other stapled entities:			
- Australand Property Trust No.4		**31,401**	21,022
- Australand Property Trust No.5		**3,710**	3,960
		35,111	24,982
Stapled securityholders interest in retained profits		**(88,231)**	(135,877)
Movements in above total stapled securityholders interest in retained profits:			
Opening balance		**(135,877)**	270,788
Net profit/(loss) attributable to the stapled securityholders of Australand		**165,835**	(298,240)
Dividends/distributions	4	**(118,189)**	(108,425)
Closing balance		**(88,231)**	(135,877)

(c) Contributed Equity

	2010 Stapled securities	2009 Stapled securities	2010 $'000	2009 $'000
Opening balance	**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	**-**	-	**625**	962
Units/shares issued under the Entitlement Offer	**-**	1,187,541,171	**-**	475,016
Less: transaction costs	**-**	-	**-**	(8,988)
Stapled security consolidation (including costs)	**(2,307,338,673)**	-	**(161)**	-
Balance at end of financial year	**576,837,197**	2,884,031,620	**2,121,765**	2,121,269
Balance at end of financial year is attributable to:				
Equity holders of AHL and APT			**1,741,922**	1,741,539
Equity holders of other stapled entities (APT 4 and APT 5)			**379,843**	379,730
Total contributed equity			**2,121,765**	2,121,269

(d) Nature and purpose of reserves

(i) Hedging reserve – cash flow hedges
The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income. 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.

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.

	2010 $'000	2009 $'000
Performance bank guarantees outstanding	**40,270**	39,956
Financial bank guarantees outstanding	**2,575**	14,768
Insurance bonds outstanding	**35,081**	20,789
	77,926	75,513

The Group has also provided commercial guarantees and indemnities to some of its joint venture entities. At 31 December 2010 the Group's share of financial and performance guarantees were $27,714,000 (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 material to the Group.

7. SEGMENT INFORMATION

The consolidated entity operates wholly within Australia and is organised into a Residential, Commercial & Industrial and Investment Property divisions.

(a) SEGMENT RESULT

December 2010

Operating Segment Summary ($'000)	Residential	Commercial & Industrial	Total Developer	Investment Property	Unallocated	Elim	Consolidated
Revenue	**538,341**	**260,660**	**799,001**	**206,078**	**6,772**	**(92,414)**	**919,437**
Less: Property development sales revenue from joint venture entities	(134,828)	(55,723)	(190,551)	-	-	20,388	**(170,163)**
Segment Revenue	**403,513**	**204,937**	**608,450**	**206,078**	**6,772**	**(72,026)[1]**	**749,274**
Segment result before interest, equity accounted results and write downs	51,099	21,971	73,070	158,593	-	(4,510)	**227,153**
Development profit through valuation of properties transferred to Australand Property Trusts	-	-	-	-	-	7,594[2]	**7,594**
Share of net profits of associates and joint ventures accounted for using the equity method	16,504	9,696	26,200	2,845	-	(3,428)	**25,617**
Unallocated corporate costs	-	-	-	-	(25,843)	-	**(25,843)**
Earnings Before Interest and Tax	**67,603**	**31,667**	**99,270**	**161,438**	**(25,843)**	**(344)**	**234,521**
Capitalised interest in cost of goods sold & other interest	(17,578)	(9,240)	(26,818)	(18,489)	(43,271)	344	**(88,234)**
Interest income	95	53	148	320	2,900	-	**3,368**
Other fees charged between developer and Trust[3]	-	-	-	23,341	-	(23,341)	**-**
Operating profit before tax	**50,120**	**22,480**	**72,600**	**166,610**	**(66,214)**	**(23,341)**	**149,655**
Income tax credit on operating activities							**3,646**
Net profit attributable to ASSETS hybrid equity holders (non-controlling interest)							**(25,754)**
Net Operating Profit After Tax							**127,547**
Revaluation gains on investment properties held[4]							**32,405**
Revaluation gains on investment properties under construction							**6,500**
Unrealised (losses)/gains on derivative financial instruments							**(617)**
Net profit attributable to stapled securityholders of Australand							**165,835**

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 $532,000 relating to share of associate's revaluation gains.

7. SEGMENT INFORMATION (CONTINUED)

December 2009

Operating Segment Summary ($'000)	Residential	Commercial & Industrial	Total Developer	Investment Property	Unallocated	Elim	Consolidated
Revenue	**588,007**	**198,621**	**786,628**	**196,090**	**9,845**	**(105,456)**	**887,107**
Less: Property development sales revenue from joint venture entities	(176,230)	(38,932)	(215,162)	-	-	14,819	**(200,343)**
Segment Revenue	**411,777**	**159,689**	**571,466**	**196,090**	**9,845**	**(90,637)[1]**	**686,764**
Segment result before interest, equity accounted results and write-downs	48,182	29,676	77,858	151,053	-	(6,077)	**222,834**
Development profit through valuation of properties transferred to Australand Property Trusts	-	-	-	-	-	18,167[2]	**18,167**
Share of net profits of associates and joint ventures accounted for using the equity method	19,689	9,816	29,505	2,878	-	(3,671)	**28,712**
Unallocated corporate costs	-	-	-	-	(24,438)	-	**(24,438)**
Earnings before Interest and Tax	67,871	39,492	107,363	153,931	(24,438)	8,419	**245,275**
Capitalised interest in cost of goods sold & other interest	(26,012)	(11,482)	(37,494)	(39,499)	(30,441)	(531)	**(107,965)**
Interest income	221	-	221	417	4,594	-	**5,232**
Other fees charged between developer and Trust[3]	-	-	-	29,161	-	(29,161)	**-**
Operating profit before tax	42,080	28,010	70,090	144,010	(50,285)	(21,273)	**142,542**
Income tax credit on operating activities							**156**
Net profit attributable to ASSETS hybrid equity holders (non-controlling interest)							**(22,494)**
Net operating profit after tax							**120,204**
Revaluation losses on investment properties held[4]							**(249,351)**
Write-down of development and joint venture inventories[5]							**(140,066)**
Impairment of other development and joint venture assets							**(71,884)**
Non-recurring finance costs[6]							**(29,611)**
Income tax credit relating to write-downs, impairments and non-recurring finance costs							**72,468**
Net loss attributable to stapled securityholders of Australand							**(298,240)**

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 $28,044,000.
6 Includes costs associated with the termination of interest rate swap contracts and other debt restructuring costs.

7. SEGMENT INFORMATION (CONTINUED)

(b) SEGMENT BALANCE SHEET

December 2010

Operating Segment Summary ($'000)	Residential	Commercial & Industrial	Total Developer	Investment Property	Unallocated	Elim	Consolidated
Total segment assets	911,407	501,451	1,412,858	2,167,861	102,940	-	**3,683,659**
Total segment liabilities	91,375[1]	81,523	172,898	920,910[1]	290,166	-	**1,383,974**
Investments in associates and joint venture entities	110,654	28,663	139,317	43,693	-	(4,269)	**178,741**

[1] Includes interest bearing liabilities of $32.5 million and $822.0 million within the Residential and Investment Property segments respectively.

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	2,071,613	179,620	-	**3,483,207**
Total segment liabilities	69,367	67,995	137,362	91,114	1,011,816	-	**1,240,292**
Investments in associates and joint venture entities	134,724	24,790	159,514	40,739	-	(4,269)	**195,984**

(c) OTHER SEGMENT INFORMATION

$'000	2010	2009 $'000
(i) Depreciation expense (unallocated)	**(4,202)**	(3,321)
(ii) Income tax		
Income tax benefit relating to:		
Operating activities	**3,646**	156
Write-downs, impairments and non-recurring finance costs	**-**	72,468
Income tax benefit (income statement)	**3,646**	72,624
(iii) Share of net profits/(losses) of joint ventures and associate		
Share of operating profits (segment note)	**25,617**	28,712
Write-down of development and joint venture assets	**-**	(28,044)
Share of property revaluations gains/(losses)	**532**	(6,840)
Share of net profits/(losses) of associate and joint ventures accounted for using the equity method (income statement)	**26,149**	(6,172)

7. SEGMENT INFORMATION (CONTINUED)

(c) OTHER SEGMENT INFORMATION (CONTINUED)

(iv) Finance costs	2010	2009
	$'000	$'000
Capitalised interest in cost of goods sold & other interest (segment note)	**88,234**	107,965
Capitalised finance costs recovered in cost of properties sold	**(26,670)**	(33,284)
Non-recurring finance costs	**-**	29,611
Unrealised losses/(gains) on derivative financial instruments	**617**	-
Finance costs (income statement)	**62,181**	104,292

8. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no significant events or transactions that have arisen since the end of the financial year, 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) Share of revenues, expenses and results of joint venture entities and associates:	2010	2009
	$'000	$'000
Revenues	**177,705**	204,857
Expenses*	**(151,556)**	(211,029)
Profit/(loss)	**26,149**	(6,172)

* 2009 includes write-down of joint venture inventories of $28,044,000 and property revaluation losses $6,840,000.

9. OTHER INFORMATION (CONTINUED)

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 year or date of disposal		Contribution to profit/(loss) before income tax	
	Current period	Previous period	2010	2009
Name of entity	%	%	$'000	$'000
Australand Apartments No. 6 Pty Limited	**50**	50	**(942)**	(126)
Australand Holdings Limited and Morton Homestead Pty Ltd	**50**	50	**-**	5,031
Australand Land and Housing No.5 (Hope Island) Pty Limited	**50**	50	**-**	(17,014)
Australand Residential Trust	**50**	50	**(1,167)**	1,820
Australand Retail Trust	**50**	50	**43**	(2,098)
Australand Wholesale Property Fund No. 6	**28**	28	**3,334**	(1,864)
Bowral Co-Venture	**50**	50	**-**	(997)
CIP ALZ (BBP) Trust	**50**	50	**51**	89
CIP ALZ Gillman Industrial Unit Trust	**50**	50	**298**	-
CIP ALZ (MA) Trust	**50**	50	**-**	2,419
CIP ALZ (WA) Unit Trust	**50**	50	**-**	349
Commercial & Industrial Property (Pinkenba) Trust	**50**	50	**-**	3,194
Croydon Development Trust	**50**	50	**2,878**	1,417
Kellyville Construction Co-Venture	**50**	50	**-**	(1,861)
Lidcombe Co-Venture	**50**	50	**1,903**	685
Motorway Business Park Co-Venture	**50**	50	**900**	(40)
Parkinson Development Co-Venture	**50**	50	**885**	-
Stage 3 Eastern Creek Co-Venture	**50**	50	**4,133**	(5,000)
St. Andrews Field Co-Venture	**50**	50	**298**	3,288
Sunshine Co-Venture	**50**	50	**2,434**	2,453
Torquay Co-Venture	**50**	50	**6,450**	2,197
Village Park Consortium	**50**	50	**613**	417
Wallan Co-Venture	**50**	50	**2,203**	1,548
Yanchep Co-Venture	**50**	50	**1,811**	728
Yatala Co-Venture	**50**	50	**-**	(3,044)
Total			**26,125**	(6,409)
Other			**24**	237
Total			**26,149**	(6,172)

ANNUAL GENERAL MEETING

Details of the Annual General Meeting will be announced at a later date.

COMPLIANCE STATEMENT

1. This report has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board, *Corporations Act 2001* and other standards acceptable to the Australian Stock Exchange.

2. This report and the financial statements upon which the report is based, use the same accounting policies.

3. This report does give a true and fair view of the matters disclosed.

4. This report is based on financial statements that are in the process of being audited, and therefore, no audit report has been attached.

5. Australand has a formally constituted audit committee.

Dated at Sydney this 15th day of February 2011.

Bob Johnston
Managing Director