



ASX announcement

ASX code ALZ

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Implementation of Capital Reallocation

On 14 April 2011, securityholders of Australand Property Group ("Australand") approved a capital reallocation proposal ("Proposal") involving the reallocation of A\$250 million of the capital of Australand Holdings Limited ("**Company**") to Australand Property Trust ("**APT**") ("**Capital Reallocation**"). The Capital Reallocation is described in more detail in Australand's 2011 Notice of Meetings which was released to the ASX on 15 March 2011.

Conditions precedent satisfied

The implementation of the Capital Reallocation was conditional on:

- Australand receiving rulings from the Australian Taxation Office ("ATO") to the effect that:
 - from a securityholder perspective, the Capital Reallocation Amount will not be treated as a dividend in the hands of Shareholders and will be included in the cost base of securityholders' APT units; and
 - from an Australand perspective, the Proposal should not affect the ability of the Company to claim interest deductions for payments made under the APG Inter Entity Loan Agreement, between the Company, APT, APT4, APT5 and Australand Inter Entity Finance Pty Limited, as amended from time to time.
- Australand continuing to be satisfied at the time the Proposal is implemented that the capital reduction by the Company is fair and reasonable to Shareholders as a whole and does not materially prejudice the Company's ability to pay its creditors.

Australand has now received these rulings from the ATO and the Board has confirmed that it is satisfied that the capital reduction element of the Capital Reallocation is fair and reasonable to shareholders of the Company as whole and does not materially prejudice the Company's ability to pay its creditors.

Capital Reallocation Timetable

As the conditions precedent to implementation have been satisfied, Australand will now implement the Capital Reallocation in accordance with the following timetable.

Record Date 7.00pm (Sydney time), Thursday, 22 September 2011

Implementation Date Friday, 23 September 2011

The capital return from the Company and the compulsory application of the proceeds of that return to APT, as described in the Notice of Meeting, will occur on the Implementation Date.



Issued by

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