rcl group

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ASX RELEASE **26 February 2010**

The Manager

Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Electronic Lodgement

Dear Sir or Madam

Company Announcement

I attach the following announcements for release to the Market:

- ASX Announcement for RCL Group for half year ended 31 December 2009

Yours sincerely

AJames

Austin James
Company Secretary

RCL Group Limited
ABN 49 119 517 985

RCL Group Trust
ABN 40 118 364 499

Babcock & Brown Residential
Land Partners Services Limited
ARSN 119 613 848

AFSL No. 298788

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ASX Release

26 February 2010

HALF YEAR ENDED 31 DECEMBER 2009 FINANCIAL RESULTS

Key Points

- Continued improvement in sales activity across the portfolio with particular emphasis on Victorian and Western Australia.
- Key focus for second half of 2010 continues to be settlement of a substantial level of presold lots, building presales book for FY 2011 and renegotiating corporate and project debt facility expiry dates.
- Revenue from continuing operations decreased by $5.5 million primarily due to reduced interest revenue (down $5.0 million)
- Underlying net loss after tax and before minority interests of $2.2 million
- Non-recurring non-cash adjustments of $2.1 million (pre-tax), primarily reflects write-downs in loan receivables
- Statutory net loss after tax and before minority interests of $3.7 million
- The documentation to effect the internalisation was executed on 24 December 2009 with approval from RLG's corporate financier expected shortly
- Core management functions are now situated in the Melbourne office
- Debt facilities are covenant compliant and financiers continue to be supportive
- NTA of $0.65 per stapled security as at 31 December 2010

Financial Result
RCL Group (ASX: RLG) comprising RCL Group Limited and RCL Group Trust, today announced its results for the half year ending 31 December 2009.

Revenues

Land sales revenue was mixed, reflecting the positive impact of increased sales at Hayward Bay (up $4.9 million), offset by lower sales at Seabreeze (down $1.9 million) and Renaissance Rise (down $7.0 million), which is largely a function of the timing of sales receipts being deferred into the second half of the financial year.

Interest revenues decreased as a consequence of deferral of recognition of interest revenue on the Jacks Point and Henley Downs investments and recognising that the sale price on the remaining share of the Ascot Chase joint venture would be insufficient to recover outstanding loan amounts.

Other revenue also fell by $0.600 million due, primarily, to a smaller profit share from the Kalynda joint venture.

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Costs

Cost of sales reduced to $15.2 million (down $12 million) largely because the previous corresponding period included a provision for diminution of inventory of $8.3 million.

Direct employee costs were up, reflecting the increase in core management and ancillary staff in place of payment of management fees.

Underlying net loss

Underlying net loss after tax and before minority interests of $2.2 million for the six months ended 31 December 2009 (down from an underlying profit of $0.5 million in the previous corresponding period).

Statutory net loss

Statutory net loss after tax and before minority interests of $3.7 million (up from a loss of $19.4 million) compared to the previous corresponding period net profit after income and before minority interests of $0.2m, reflecting reduced revenues.

The non cash adjustment taken pre tax was an impairment of loans of $2.1 million.

Corporate and Project Facilities

RLG continues to work with its financiers to secure an extension to the term of its corporate facility and project debt facilities. All debt facilities are current, with a number of project facilities and the corporate facility due to mature on 28 June 2010.

Internalisation of Management

On 24 December 2009, RLG announced that it had executed documentation to complete the separation from Babcock & Brown International Group, through the internalisation of its responsible entity and management rights.

Completion of the internalisation is conditional on the consent of RLG's corporate financier. Discussions with RLG's corporate financial are well advanced and it is now anticipated that completion of the internalisation will occur during in March 2010.

The custodial function performed by Babcock & Brown in relation to RCL Group Trust has been transferred to Perpetual Trustee Company Limited.

Outlook

A major element of RLG's focus for the second half of the financial year will be to secure an extension or refinancing of the corporate and project debt facilities that are due for maturity on 28 June 2010.

The business is generally performing more consistently after the difficult economic conditions of the past 18 months. Based on early data from calendar 2010, RLG has achieved strong sales activity across Victoria and Western Australia with the NSW market showing a slight improvement and we anticipate that this trend will continue.

Mr Wightman said "RLG is focused on its strategy to compete and drive sales, and achieve cost efficiency across the business.

While the challenges ahead are great, we have the right team to build on the positive achievements of the first half of the financial year".

ENDS

Further Information:

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Chief Executive Officer
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