

BLP FY08 Results Presentation

25 August 2008

AGENDA

1. Highlights for the year
2. Financial performance
3. Capital management
4. Operational update
5. Residential market update
6. Outlook
7. Appendices

Presenters:

Michael Balkin – Managing Director

Mark Salmon – National Development Manager

FY08 KEY HIGHLIGHTS

Solid financial results

- Underlying net profit after tax of \$9.3 million in line with guidance
- 8.25 cpu distribution for year ended June 2008

Active portfolio management

- Expanded portfolio into New Zealand and Western Australia markets
- Addition of two experienced private development partners, PRM Group and Darby Partners
- Sale of one-third of BLP's interest in Ascot Chase at a premium to book value
- Detailed review of portfolio resulting in a \$0.3 million provision against the carrying value of inventory

Capital management

- Comfortable interest cover at 3.3x
- Gearing remains within target range
- Repayment of \$25.9 million in senior debt
- Project financing facility is being negotiated to replace \$28.6 million in debt maturing in October 2008

FY08 KEY HIGHLIGHTS (CONT'D)

Strategic review

- With a view to resolving the significant trading discount to the underlying portfolio value, the Board is in the process of appointing independent advisors to conduct a strategic review of operations

Outlook

- FY09 net profit after tax expected to exceed prior year underlying net profit after tax
- More definitive guidance will be provided to the market on completion of the strategic review
- Future distributions will be determined by the Board based on the operating performance of the portfolio and the outcome of the strategic review
- Going forward distributions will no longer be paid out of capital

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FINANCIAL HIGHLIGHTS

	Year ended 30 June 2008	Period ended 30 June 2007	Variance
Underlying net profit before tax	\$11.7m	\$3.3m	\$8.4m 
Underlying net profit after tax	\$9.3m	\$3.1m	\$6.2m 
Reported net profit after tax	\$7.6m	\$3.1m	\$4.5m 
Distribution per stapled security	8.25¢	7.5¢	Fixed in accordance with PDS

- Underlying net profit after tax in line with guidance
- Distribution fixed in accordance with the distribution policy set out in the PDS dated 6 June 2006

RECONCILIATION OF REPORTED PROFIT AFTER TAX

	Year ended 30 June 2008
Underlying net profit after tax	\$9.3 m
Unrealised foreign exchange loss after tax	\$(1.4) m
Provision against inventory carrying values after tax	\$(0.3) m
Reported net profit after tax	\$7.6m

- Non-cash adjustments to Underlying Net Profit After Tax include:
 - Unrealised foreign exchange losses of \$1.4 million, associated with BLP's New Zealand investments
 - Following a review of BLP's portfolio, a \$0.3 million provision against inventory carrying values was taken
 - Projects are carried at the lower of cost or net realisable value in the balance sheet, meaning any uplift in values achieved through rising markets, successful re-zonings and infrastructure initiatives cannot be recognised

FINANCIAL HIGHLIGHTS (CONT'D)

	As at 30 June 2008	As at 30 June 2007
Total assets	\$466.0m	\$319.4m
Net tangible asset backing	\$0.81	\$0.88

- Total assets higher reflecting:
 - The acquisition of an interest in 'The Groves' at Mernda, Victoria (August 2007) and PRM Holdings and PRM Group, in Western Australia (December 2007), and;
 - The investment in 'Jacks Point' and 'Henley Downs' at Queenstown, New Zealand (December 2007)
- NTA of \$0.81 includes the provision for the second half distribution of 4.125¢ per stapled security
- Sale of one third of BLP's interest in Ascot Chase to existing JV partner, BMD Urbex, subsequent to 30 June 2008
 - Sale at a premium to book value. Net proceeds of \$8.2 million
 - Settlement has been completed. BLP now holds a 50% interest in the project
 - BLP has also granted an option to BMD Urbex to acquire BLP's remaining stake (50%) in Ascot Chase at an agreed price
 - Sale was opportunistic and demonstrates the underlying value imbedded in BLP's land investments.

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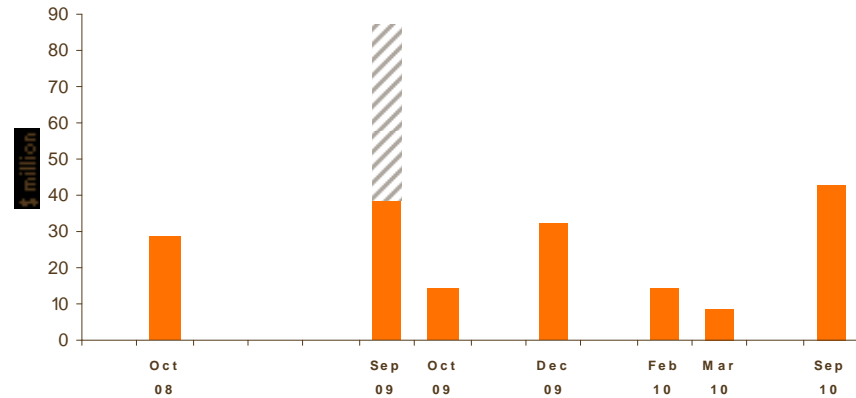
Michael Balkin – Managing Director

Mark Salmon – National Development Manager


CAPITAL MANAGEMENT

Facility	Limit	Utilised
Project (9)	\$228m	75.1%
Corporate (2)	\$113m	91.2%
TOTAL	\$341m	80.4%

Project debt facilities maturity profile



NOTE: Graph indicates Peak Project Limits

 Relates to Ascot Chase facility. Given partial sale of BLP's interest in Ascot Chase and option granted to BMD Urbex post balance date, the Ascot Chase facility may not be relevant by September 2009

- BLP's corporate debt includes an evergreen facility for \$100 million (with BOSI) that was put in place in June 2007 with an initial 3 year tenure
- Capacity exists within current project facilities to develop and deliver land lots to completion

Short-term refinancing:

- Debt expiring in October 2008 relates to the Officer project in Victoria. A project financing facility will replace the land bank facility and is currently being negotiated
- Debt expiring in September and October 2009 relates to the Ascot Chase, Haywards Bay and Merimbula projects. These facilities as of 30 June 2008 are only drawn to 74.8% of their combined limits

CAPITAL MANAGEMENT (CONT'D)

	As at 30 June 2008
Gearing (debt/total assets)	62.6%
Weighted average debt maturity	1.6 years
Hedging	17.9%
Weighted average cost of debt	9.8%
Interest cover ratio	3.3x

- BLP continues to generate sufficient cash to both cover interest and retire debt and remains in compliance with all covenants
- During the twelve months ended 30 June 2008, BLP repaid \$25.9 million in senior debt
- Gearing within target range of 50% - 65%

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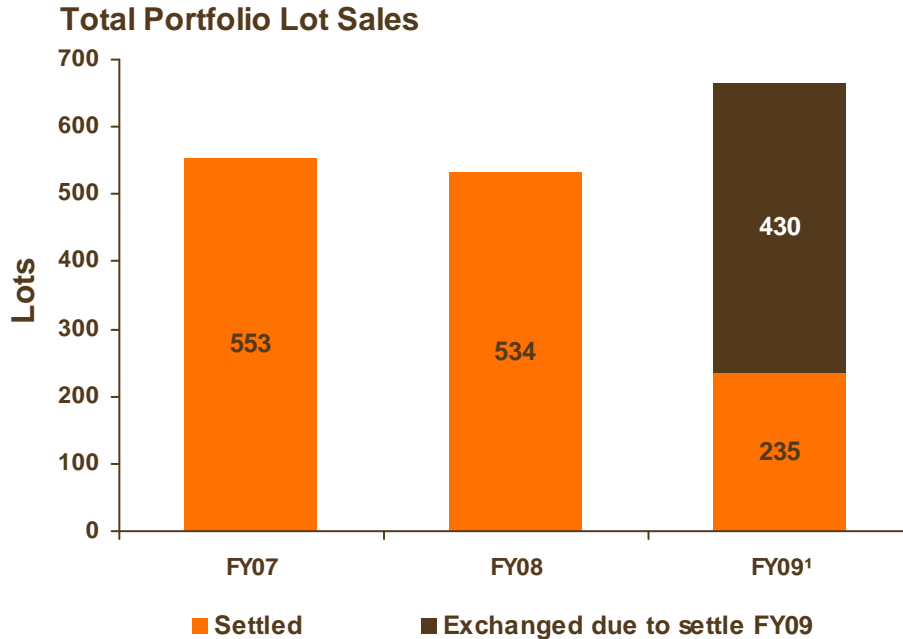
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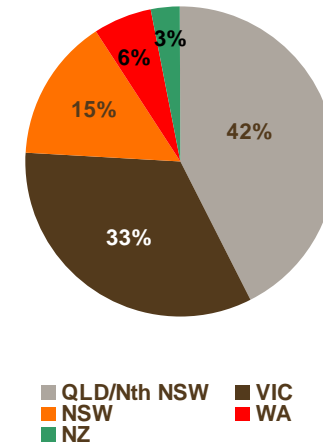
Mark Salmon – National Development Manager

PORTFOLIO PERFORMANCE



¹ As at 25 August 2008

FY08 Revenue From Settled Lots²



² Reflects BLP's economic interest in the underlying revenue from land sales

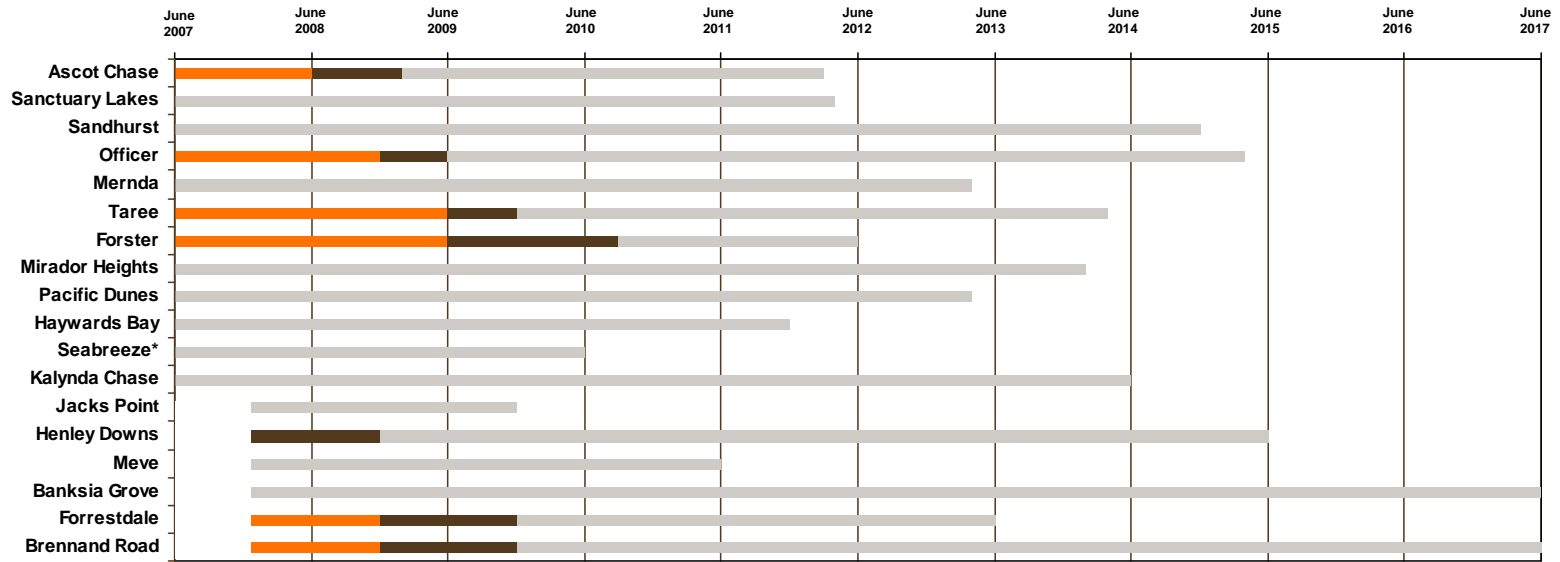
- BLP's share of revenue from the sale of land was \$62.7 million (compared to \$42.4 million in FY07)
- Since 30 June 2008
 - 235 lots have settled; and
 - 430 lots have exchanged and are expected to settle during FY09

PORTFOLIO SUMMARY

	Current As of 25 August 2008	IPO As of 30 June 2006	% Change
Number of projects	20	10	100% ↑
Number of development partners	7	4	75% ↑
Total portfolio lot yield	11,927	4,241	181% ↑
% of portfolio zoned for residential use (by value)	83%	56%	48% ↑
Projected end date of portfolio life	2017	2014	

- Investments in projects located in Western Australia and New Zealand have delivered further diversity to the portfolio
- Since BLP's listing, 1,322 lots have settled across BLP projects
- Current projected life of portfolio is 9 years

PROJECT TIMING UPDATE



■ Pre-delivery Stage Involves re-zoning the Development Land to residential use and obtaining development approval. Some projects have completed the Pre-Delivery Stage for initial project stages, however, they may still require re-zoning to residential use and development approval for further stages of development. In addition to the Pre-delivery stages referred to in the above timeline, projects marked with an * have some further re-zoning for later stages.

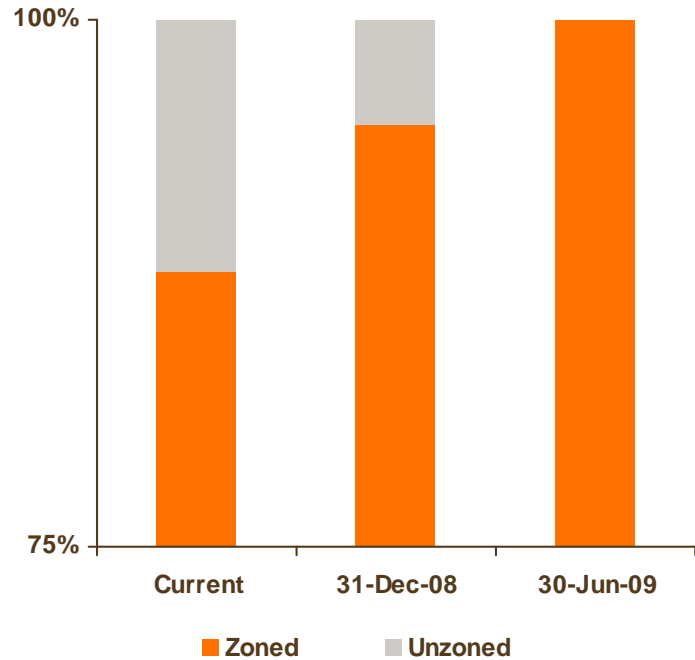
■ Delivery Stage The stage of the project where the building of infrastructure takes place. This may also include the building of display villages and sales offices.

■ Sales & Marketing Stage Based on the staging of the development process, the Delivery Stage will often continue throughout the Sales & Marketing Stage until all stages of the development have been constructed.

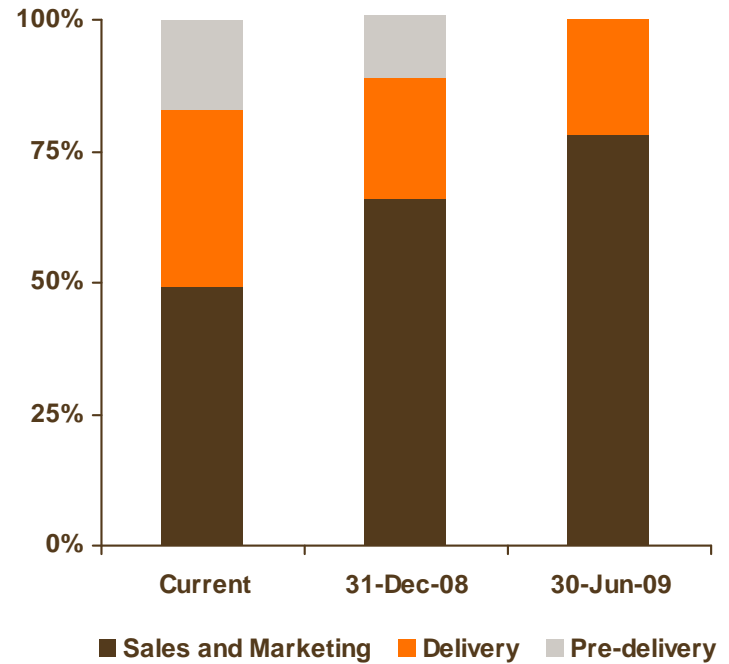
- The sales & marketing stage for Ascot Chase is on track to commence in April 2009
- The re-zoning of Officer is expected to be resolved by late 2008, with the first revenues anticipated in September 2009
- The re-zoning of Forster is expected to be resolved by early 2009
- The delivery of Taree has been postponed until the NSW market shows signs of improvement

DEVELOPMENT CYCLE UPDATE

Anticipated Portfolio Zoning by Value



Anticipated Project Delivery by Value



PROJECT PERFORMANCE

- Margins are under pressure in NSW, however margins continue to track in line with forecasts across other states
- Despite four interest rate rises in Australia during the twelve months ended 30 June 2008, we continue to see healthy demand for affordable product in Victoria, Queensland and Western Australia
- Strategic focus on affordability through lot sizing and level of amenity
- Focus on driving profit through design and construction efficiencies rather than volume and discounted sales
- Efficient management of stock and timely roll out of production
- Continued focus on roll out of existing projects consistent with approvals and appropriate market conditions

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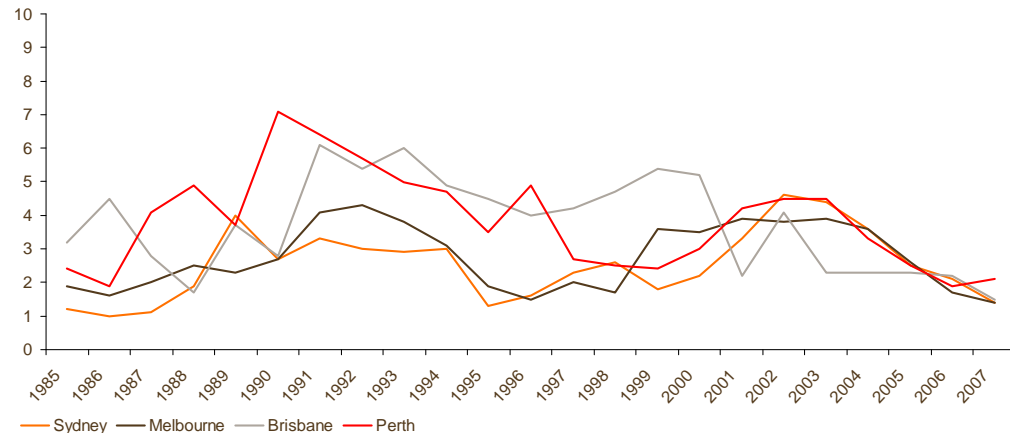
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RESIDENTIAL MARKET OVERVIEW

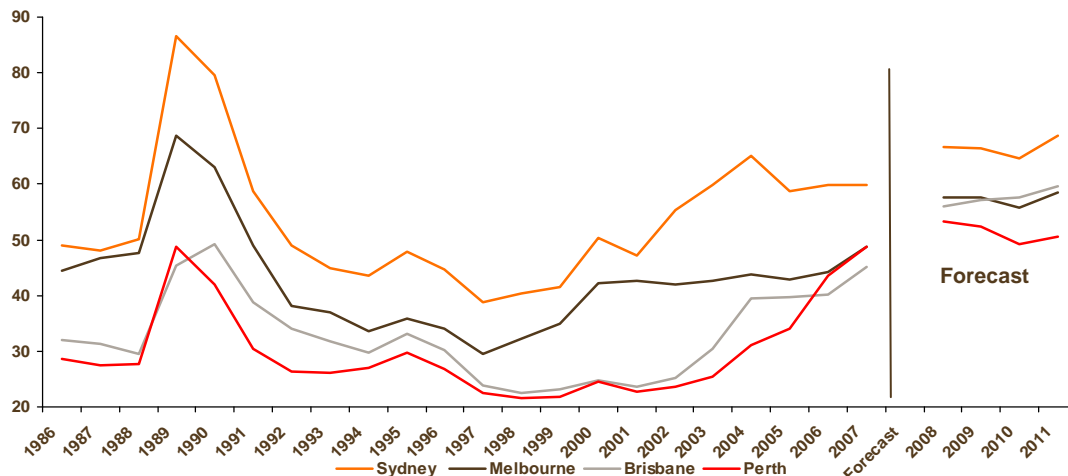
Residential Rental Vacancy Rates (%)



OPPORTUNITIES

- High employment
- Strong population and net migration
- Limited land supply
- Supply constrained rental market
- First home buyer incentives
- Volatile Stock Market
- Outlook for interest rates

Home Loan Affordability – Monthly Mortgage Repayments* (%)



THREATS

- Negative sentiment
- Affordability
- Global economic slowdown
- Inflation

* Mortgage payments of a 25 year loan equal to 75% of the median house price, at the applicable standard bank variable housing interest rate as at 30 June each year
 Source: A.B.S. REIA, RBA, BIS Shrapnel

RESIDENTIAL MARKET OUTLOOK

Outlook by BLP Market	FY09 Outlook
Regional NSW	Soft market conditions with slower sales rates. BLP has not resorted to deep discounting
Queensland/Northern NSW	Strong market conditions with BLP projects performing solidly
Victoria	Solid market conditions. Victorian projects continue to perform well
Western Australia	Market expected to be stable in FY09. Continues to benefit from demand driven by resources boom
Queenstown, New Zealand	Steady market conditions. The Queenstown projects however are unique offerings, appealing to the lifestyle buyer. The projects benefit from the limited residential land supply in the region. Jacks Point sales are made primarily to the wholesale market

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STRATEGIC REVIEW & OUTLOOK

- With a view to resolving the significant trading discount to the underlying portfolio value, the Board is in the process of appointing independent advisors to conduct a strategic review of operations
- FY09 net profit after tax expected to exceed prior year underlying net profit after tax
- More definitive guidance will be provided to the market on completion of the strategic review
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CONSOLIDATED INCOME STATEMENT

	Consolidated 12 months ended 30 June 2008 \$'000
Revenue from continuing operations	44,102
Other income	5,118
Cost of sales	(26,873)
Management charges	(4,905)
Marketing & other operating expenses	(1,778)
Operating profit	15,664
Finance costs	(5,003)
Share of profit of equity accounted investments	734
Net profit/(loss) before tax	11,395
Unrealised foreign exchange loss	(1,985)
Net profit/(loss) before tax and after foreign exchange adjustments	9,410
Tax expense	(1,748)
Net profit after tax	7,662
Minority interest	(18)
Net profit after tax attributable to members of the parent	7,644
Basic earnings per security (cents)	4.37c
Diluted earnings per security (cents)	4.37c

CONSOLIDATED BALANCE SHEET

	Consolidated as at 30 June 2008 \$'000
Current Assets	
Cash	1,211
Receivables	4,272
Inventories	72,981
Other financial assets at fair value	1,220
Other assets	3,704
Total Current Assets	83,388
Non-current Assets	
Loans receivable	99,474
Inventories	259,602
Equity accounted investments	13,309
Other financial assets at fair value	6,499
Property, plant and equipment	197
Intangible assets	3,539
Total Non-Current Assets	382,620
Total Assets	466,008
Current Liabilities	
Trade and other payables	9,358
Employee provisions	50
Interest bearing liabilities	36,193
Other financial liabilities	914
Distribution payable	7,219
Total Current Liabilities	53,734

CONSOLIDATED BALANCE SHEET (CONT'D)

	Consolidated as at 30 June 2008 \$'000
Non-current Liabilities	
Other payables	2,000
Employee provisions	32
Borrowings	19,234
Deferred tax liabilities	1,828
Interest bearing liabilities	242,840
Other financial liabilities	77
Total Non-Current Liabilities	266,011
Total Liabilities	319,745
Net Assets	146,263
Equity holders of the parent	
Contributed equity	1,653
Reserves	(611)
Retained earnings	(9,621)
	(8,579)
Equity holders of the Other Stapled Entity	
Contributed equity	162,163
Reserves	-
Retained earnings	(7,370)
	154,793
Minority Interest	49
Total Equity	146,263

CASH FLOW STATEMENT

	Consolidated 12 months ended 30 June 2008 \$'000
Cash flows from operating activities	
Cash receipts in the course of operations	34,150
Cash payments in the course of operations	(129,857)
Interest received	239
Interest paid	(10,489)
Distribution from joint venture and associates	932
Net cash outflow from operating activities	(105,025)
Cash flows from investing activities	
Notes Receivable – funding	(43,925)
Payment for investments in land assets	(16,013)
Net cash outflow from investing activities	(59,938)
Cash flows from financing activities	
Proceeds from borrowings	197,430
Repayment of borrowings	(25,873)
Dividends & Distributions paid	(13,781)
Vendor loans paid	(452)
Net cash inflow from financing activities	157,324
Net increase in cash assets held	(7,639)
Cash and cash equivalents at beginning of half year	8,850
Cash and cash equivalents at end of the half year	1,211

ACCOUNTING TREATMENT BY PROJECT

Project	Interest	Accounting method
Renaissance Rise and The Groves, Mernda	100%	Consolidated
Seabreeze, Pottsville	100%	Consolidated
Officer	100%	Consolidated
Haywards Bay, Wollongong	92%	Consolidated with minority interest
Mirador, Merimbula	92%	Consolidated with minority interest
Forster	92%	Consolidated with minority interest
Marie Avenue, Taree	92%	Consolidated with minority interest
Ascot Chase, Ascot Vale	75%	Consolidated with minority interest
Kalynda Chase, Townsville	30%	Fair value through the P&L
Pacific Dunes, Port Stephens	19.1%	Preferred equity return accounted for as interest income
Sandhurst, Melbourne	26.7%	Preferred equity return accounted for as interest income
Sanctuary Lakes, Melbourne	50%	Preferred equity return accounted for as interest income
Jacks Point, Queenstown	100%	Preferred equity return accounted for as interest income
Henley Downs, Queenstown	100% ¹	Preferred equity return accounted for as interest income
Forrestdale, Perth	25%	Equity accounted through PRM holding company
Meve, Perth	7.5%	Equity accounted through PRM holding company
Banksia Grove, Perth	15%	Equity accounted through PRM holding company
Brennand Road, Dongara	20%	Equity accounted through PRM holding company

Note: This table illustrates why consolidated revenue is not the most appropriate measure of portfolio performance. Differing accounting treatments for each project means that net profit and lot sales are more appropriate metrics.

BLP's 60% interest in development manager PRM Group is consolidated with minority interest

¹ Following a restructure of the JV arrangement for Henley Downs, BLP's economic interest will increase to 100% once base return hurdles are met

DISTRIBUTIONS

	First Half	Second Half	Full Year
Fixed distribution per stapled security FY07	3.75¢	3.75¢	7.50¢
Fixed distribution per stapled security FY08	4.125¢	4.125¢	8.25¢
Distribution FY09 and beyond	Determined by Directors based on the performance of portfolio at that point in time		

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