

# ONSITE

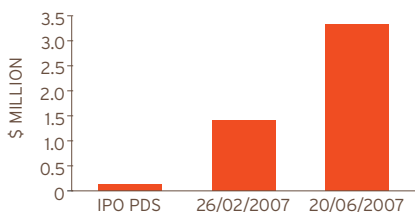


Sanctuary Lakes, Melbourne

## BLP announces further profit upgrade

On 20 June 2007, Babcock & Brown Residential Land Partners ('BLP') was very pleased to announce a further significant increase in profit guidance for the period ending 30 June 2007. Forecast net profit before tax increased by 130% to \$3.25 million from guidance of \$1.4 million provided on 26 February 2007 (original IPO PDS guidance of \$0.1 million). Consequently, forecast net profit after tax increased to \$2.8 million from guidance of \$1.9 million provided on 26 February 2007 (original IPO PDS guidance of \$1.0 million).

### Upgrades to forecast profit before tax



Mr Michael Balkin, Managing Director of BLP, said "This strong increase in guidance demonstrates the benefits of our unique

model and quality portfolio of over 6,500 lots which is diversified by location, product offering and development partner. It also confirms our ability to deliver solid operational performance through all market cycles. Our development management team, led by Mark Salmon, continues to add value, working well with each of our five development partners."

"We have significant remaining financial capacity to make accretive acquisitions in Australia and New Zealand, further diversifying the portfolio and strengthening the earnings profile in 2008 and beyond. BLP currently has a strong pipeline of projects under review and we are optimistic that we will soon be in a position to announce the successful resolution of a number of these."

"Given the solid performance of the existing portfolio and the strength of our deal pipeline, we are confident about the future outlook for BLP."

### CORPORATE CALENDAR

Key BLP Securityholder Dates:

**Wednesday, 29 August 2007**  
Full Year Results Announcement

**On or around 31 August 2007**  
FY07 Full Year Distribution paid

**Thursday, 1 November 2007**  
Annual General Meeting

### INVESTOR RELATIONS

BLP Investor Relations

Level 23, The Chifley Tower

2 Chifley Square

Sydney NSW 2000

T: +61 2 9229 1800

[www.bbresidentiallandpartners.com](http://www.bbresidentiallandpartners.com)

### REGISTRY

Link Market Services Limited

Level 12, 680 George Street

Sydney NSW 2000

T: 1800 645 238 (within Australia)

T: +61 2 8280 7586 (outside Australia)

E: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

# BLP's latest acquisition, 707 Princes Highway, Officer is expected to more than double project yield when merged with the existing Officer site under a revised master plan.

## Officer, Victoria

### SITE FACTS:

Address: 625 & 707 Princes Hwy, Officer  
Land size: 95.4 hectares  
Development Partner: Metricon  
Expected lot yield: approx. 950  
Estimated Completion: Early 2014



On 3 July 2007, BLP announced it completed the settlement of its bolt-on acquisition 707 Princes Highway, Officer, Victoria. The land sits adjacent to BLP's existing project at Officer, 625 Princes Highway.

Mr Michael Balkin said "This acquisition is expected to deliver strong returns over the project life and be accretive to securityholder value. We were particularly attracted to this investment because it delivers BLP a project of scale within this rapidly expanding growth corridor and there are obvious management and development synergies with our existing site at

625 Princes Highway. This acquisition also allows greater opportunity to diversify our product offering and appeal to a wider cross-section of buyers."

The land is located within the Casey-Cardinia Growth Area, identified by the Victorian Government as a key Melbourne 2030 Urban Growth Boundary. Located just 50 kilometres south east of the Melbourne CBD, the site is expected to benefit significantly from the completion of the Pakenham Bypass (expected late 2007) and East Link Arterial Road project (expected in 2008) greatly improving connectivity to the City.

Over the next 15 years, the Casey-Cardinia Growth Area is expected to supply around 54,000 dwellings or almost 15% of Melbourne's total growth requirements.

The area is already experiencing significant growth, with the supply of zoned land constrained. The BLP Officer project is expected to become a significant contributor to the region's housing demand requirements once construction commences in 2008.

BLP, together with its development partner Metricon Group, has submitted a revised master plan to council requesting that the combined site be re-zoned for residential use. Under this plan, the site is expected to yield approximately 950 lots, significantly higher than an estimated 365 lots on the original site on a stand alone basis.

Metricon has a major presence in the area including prior experience in dealing with the local council and suppliers. The selling phase of the project is expected to commence as detached homesites in current competing projects nearby are close to sold out. Mark Salmon, BLP's National Development Manager, said "This will make BLP a substantial participant in the catchment with the largest land holding on the northern side of the Princes Highway. The revised master plan for the combined site has enabled us to introduce more parklands and recreational facilities and to better segment our product through the delivery of different sized lots and precincts with different themes and price points."

## BLP named preferred supplier of residential property to Babcock & Brown's SPI Plan

Babcock & Brown's Superannuation Property Instalments Plan ('SPI Plan') is an innovative way for superannuation funds to acquire a direct interest in property. The SPI Plan allows a super fund to acquire a property within the Plan's portfolio and make payments in instalments over a period of up to ten years. The superannuation fund is therefore able to access the benefits associated with property ownership, including any rental income and capital growth, without having to fund the full purchase price up-front.

The SPI product, proving to be popular with self-managed super funds, has been

rolled-out progressively from April 2007 with a marketing campaign directed at selected financial planners and accountants. SPI's portfolio of products is now available for purchase, consisting of house and land products supplied from BLP developments currently in the selling phase. As a preferred supplier, BLP will be able to continually offer residential land products to the SPI Plan as they are completed, for immediate sale to super funds.

The SPI Plan is expected to be an ongoing source of sales for BLP developments, allowing revenue from developments to be realised sooner. Mr Warren Davis, Director

of SPI Plan said "We are very pleased to have BLP as a preferred supplier. The high quality residential land products that BLP will provide are exactly the type of product that will appeal to the superannuation fund market. The superior locations of the BLP products offered for sale will maximise capital growth to investors, while the price range will appeal to a wide range of investors, including those superannuation funds wanting to gain a modest exposure to property within their portfolio."

For more information on the SPI Plan visit: [www.spiplan.com.au](http://www.spiplan.com.au)

# BLP's Golf Courses - a "Hole in One"

Over 500 years ago the game of Golf was invented, apparently by a Scot who enjoyed the challenge of hitting a tiny white ball as far as possible with the aim of finding a strategically positioned hole in the ground, a hole which, from a distance, is barely visible to the naked eye. While the concept sounds tedious, the game over time has propelled itself into one of the world's most popular sports. BLP has three exclusive courses within its residential land development portfolio, that's around 72 holes and 230 bunkers translating to thousands of members, residents and guests teeing off every year.

So the obvious question is, how does this sport fit into residential communities and the answer is the same way that golf fits into business trips, vacations and for the fanatics every spare moment.

BLP courses are individually designed by some of the games best architects, including Thomson Perrett (Sandhurst), Greg Norman (Sanctuary Lakes) and James Wilcher (Pacific Dunes).



## **Pacific Dunes Golf Course, Port Stephens NSW**

Ranked 12th in Golf Australia Magazine's, Top 25 Public Access Courses 2006

The designs ensure the courses are challenging, offer variety in play and complement their surroundings. These golf courses not only provide obvious lifestyle benefits to the residents living in the communities around them, but also enhance the attraction of residential living through their serenity, visual presentation and layout. Landscaping on the perimeter of the courses incorporates native flora and ensures a seamless transition between built and natural environments.

Brian Harvey, a resident of the Pacific Dunes Community said "I'm not a serious golfer, mainly because I'm not very good at it, but I enjoy nothing more than walking the course, having a casual hit and taking in the surroundings. What's even better is that when I look out of my window from my home, I see nothing but manicured greens, lakes and some of the most amazing trees and native plants this part of Australia has to offer - I feel very privileged indeed."

Golf courses transform the landscape of residential neighbourhoods, improving the profile of the sites and attracting increased desirability, interest and sales. The Pacific Dunes, Sandhurst and Sanctuary Lakes projects are proving to be great success stories. The courses are of an exceptional standard and compliment the high quality residential communities that surround them, each attracting buyers seeking a superior residential lifestyle.

## Interview with Mark Salmon

Mark Salmon is BLP's National Development Manager, responsible for overseeing a team of state-based development managers and managing the relationship between BLP and its development partners.



### **What's your favourite BLP community and why?**

Having resided on the Sunshine and Gold Coasts for most of my life, I would have to say the Seabreeze Estate at Pottsville managed by Metricon Group. With the most spectacular beaches the coast line has to offer on your doorstep coupled with perfect sub-tropical weather, relaxed lifestyle and its proximity to Coolangatta and Byron Bay, it doesn't get much better than this.

### **What's the difference between a residential development and a community?**

As soon as the first residents move into their new homes a community is born. It's amazing to witness the transformation of a development into a community. Residents of these master-planned communities are often extremely satisfied people, and why wouldn't they be. More often than not they've built the home of their dreams with the added bonus of all the benefits associated with residing in a master-planned community including proximity to open space, recreational facilities, close to retail outlets, places of work, schools and transport.

### **If you were given \$150,000 to invest, what would you do with it and why?**

Well it would definitely be in property, it's what I know best after all. I think there is compelling value in Victoria right now. I would probably buy at Renaissance Rise in Mernda because I think the value for money proposition there is extremely good. Mernda is an upcoming growth corridor in Melbourne, 35kms from the CBD and I think now is a great time to get in on the ground floor of what is going to be a great success story.

### **And finally, on a lighter note, who do you believe is going to win the AFL premiership this year?**

West Coast, without a doubt!

# Sandhurst Community - More than a drop of water to spare



## AWARD WINNING INITIATIVES AT SANDHURST INCLUDE:

- Recycled water for use on the golf course, public gardens, residential gardens and toilet flushing
- Establishment of wetlands to treat water runoff
- Creation of recreation paths to discourage use of vehicles
- Protection of existing red gum trees
- Extensive planting of new trees and shrubs that are appropriate to the local environment
- Installation of solar-powered public lighting

With water restrictions in full force across Queensland, New South Wales and Victoria, there have been calls for significant changes in the way in which we treat this precious resource. The developer of the Sandhurst Club, Links Living, has been a pioneer and innovator in the creation of a truly "green" community, in every sense of the word. Sandhurst has been described as one of Victoria's first "drought proof" suburbs through its use of recycled water. It is the first development in Australia of its type and size to use recycled water on such a large scale. In recognition of this innovative achievement it was awarded the 2005 UDIA Award for Excellence in Water Sensitive Urban Design.

Mr Stephen Head, Managing Director of Links Living said "The experts are telling us that if all new estates were self-sufficient in water, we would achieve dramatic reductions in water consumption and reduce the need for desalination plants and building new dams."

"Sandhurst has built its own infrastructure for recycled water to irrigate the golf courses, public open space, for toilet flushing and watering of private gardens. This was a forward thinking investment in the future. Other suburbs across Australia might be just talking about doing something about the problem, but Sandhurst is living in the future already," Mr Head said.

Mr Head believes that there is a close link between sustainability and a sense of community. He said "Most of the recreational facilities we build in our development are within walking distance for our residents. That creates a healthier, more socially interactive community."

"We are building energy efficient homes, encouraging new forms of recycling and making social interaction and recreation possible close to home. Everything can also be reached using electric carts. We are taking conservation into our own hands."

Refer to the Sandhurst Club website to find out more information about these green initiatives: [www.sandhurst.com](http://www.sandhurst.com)

# Congratulations to BLP's development partner Citta Property Group for their Urban Development Institute of Australia Awards



## PACIFIC DUNES, PORT STEPHENS NSW

**Winner**, Masterplanned Development

- Residential Lifestyle Development, less than 1,000 lots, and

**Winner**, Masterplanned Development

- Residential Lifestyle Development, greater than 1,000 lots

## JUDGES COMMENTS

"Citta Property Group have created an outstanding master-planned development on the site of a former sand quarry at Medowie. The Pacific Dunes masterplan is well conceived and successfully addresses all challenges of a development of this nature. The treatment of the streets, setbacks and landscaping enhances the project and provides a quality outcome. The mix of housing proposed appeals to a wide market, whilst the constructed housing is well planned, affordable and provides a well-integrated community. The completed Golf Course sits well within the housing and is enhanced by an extensive lake system."

## THE DEVELOPMENT

Pacific Dunes is an international-standard golf course resort and residential community, which features an 18-hole championship golf course, 150 fairway dwellings, 55 tourist villas, 200 hillside lots, as well as an associated clubhouse and community facilities. Allowing for

golf-course setbacks, and ecological prerogatives, such as preserving pockets of land as koala habitat, Citta Property Group (Citta) has created a smart, practical and ecologically sound vision for the development, and has reclaimed previously unusable land for public use. By maximising the potential for golf course and bushland views for all residential lots, Citta has been able to increase residential property value, creating an integrated leisure and residential destination in line with Port Stephens Council's Urban Settlement Strategy.

The unique, architecturally designed dwellings and design guidelines integrate a built-form, characterised by strong simple roof forms, optimising solar access and private courtyards, with the natural beauty of the surrounding forest and water bodies.

A strategy is in place for the staged development of the site over six to eight years, with construction of the project having commenced during 2003.