

ONSITE



Jacks Point, Queenstown

BLP reports solid interim profit

On 13 February 2008, Babcock & Brown Residential Land Partners ("BLP") announced a net profit after tax for the six months ended 31 December 2007 of \$2.9 million, up from \$0.8 million in the prior corresponding period. Revenue from the sale of land increased 470% during the period to \$17.1 million.

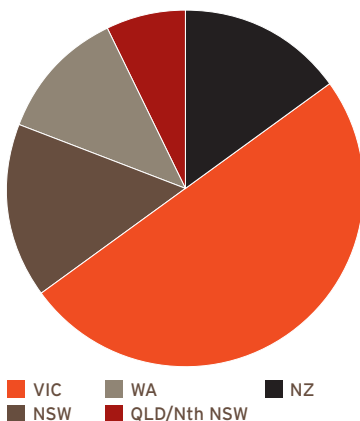
Mr Michael Balkin, Managing Director of BLP, said "This result reflects the solid platform set by the initial portfolio and the success of our acquisition strategy which has delivered further scale and diversity to BLP."

"The Seabreeze project at Pottsville, in northern NSW, was a strong contributor to revenue during the period. Haywards Bay in Wollongong NSW also performed well, despite the difficult NSW market and the Renaissance Rise project in Melbourne benefited from a rising Victorian market."

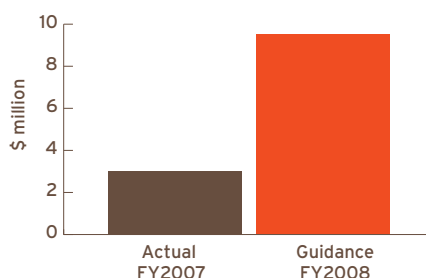
BLP also confirmed its net profit after tax guidance of \$9.5 million for the twelve months ending 30 June 2008. Mr Balkin said "We are encouraged by the substantial number of sales achieved in this period, due to settle in FY08 and FY09."

"The outlook for BLP remains strong."

Diversity by Geography



Net Profit After Tax



CORPORATE CALENDAR

Key BLP Securityholder Dates:

On or around 29 February 2008

HY08 Distribution Paid

Monday 25 August 2008

Full Year Results Announcement

Tuesday 28 October 2008

AGM

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Pat Rafter selects two BLP projects as "Bounce" Communities

"Bounce" by Pat Rafter is a lifestyle initiative aimed at promoting healthy and social living through a range of recreational programs.

Kalynda Chase in Townsville, developed by Urbex, and Pacific Dunes in Port Stephens, developed by Citta Property Group, are the first BLP projects to benefit from the "Bounce" endorsement due to their extensive parklands, significant open space for recreation, community initiatives and their energy-efficient range of homes.

Pat Rafter said "The BLP team and their development partners have been great to work with because we each bring to the equation different skills, while sharing similar outlooks. The relationship started by co-investing with Babcock & Brown in their projects and naturally evolved towards development of this brand. I believe it is important to have an economic interest in a project, where possible, as I feel that I need to truly believe in something if I am to associate my name with it."

"I've very much enjoyed having a role in the design of 'Bounce' communities and the nature of facilities to be included and I look forward to being involved in the roll out of the existing and future projects" Rafter said.

"Bounce" initiatives include walking trails, bike tracks, playgrounds, basketball and tennis courts, exercise circuits, well-being programs, after school programs and weekend activities, to name a few.

BLP's National Development Manager, Mark Salmon, said "BLP along with its development partners are privileged to be working with Pat Rafter. BLP plans to roll-out 'Bounce' initiatives across as many of its projects as possible. Social and environmental sustainability underpin the 'Bounce' philosophy and, in my opinion will ultimately increase the desirability and saleability of our projects."

"BLP, together with Urbex and Citta, are committed to excellence in planning, urban design and incorporating best practice initiatives in each of our residential communities. 'Bounce' brings a high standard of lifestyle initiatives to foster the well-being of residents. The end result is high quality, affordable communities where residents enjoy living."



BLP expands into Western Australia

On 20 December 2007, BLP announced the formation of a strategic partnership with Western Australian developer PRM. Under the terms of the arrangement BLP acquired a 50% interest in PRM Holdings Pty Ltd ("PRM Holdings") which has joint venture interests in four residential land sub-division projects located in Western Australia (the "Projects"). In addition, BLP announced it acquired a 60% interest in PRM Group Pty Ltd ("PRM Group"), the development manager on the Projects.

Mr Michael Balkin, Managing Director of BLP, said "We are extremely pleased to be in partnership with PRM founder Steve Robertson, a Western Australian local and highly regarded developer. Steve's relationship with key stakeholders in the WA market, and his significant deal pipeline, combined with Babcock & Brown's significant experience in the real estate sector provides PRM with an opportunity to build on its strong platform."

"The fundamentals of the Western Australian property market remain strong. The state is benefiting from high net migration levels and significant public and private infrastructure spending. The PRM Holdings acquisition delivers BLP considerable scale and further portfolio diversity with total lots on acquisition now over 13,300", Mr Balkin said.

"The Perth projects, located in two of the cities major growth corridors, are expected to provide a significant contribution to the regions residential land supply over the next 15 years. The Forrestdale and Dongara projects are in the final stages of the rezoning process and together with the more mature projects will provide BLP with a Western Australian Portfolio with a life of 10 years. The expected annualised pre-tax equity IRR on the Projects is significantly in excess of our target return of over 17%."

PRM Group is a specialist boutique development management company established by Steve Robertson in 1998. It is a fee for service business and comprises a small team of eight property professionals with broad skills across all disciplines within the master-planned residential community spectrum.

Mr Balkin said "The acquisition of a 60% interest in the development manager, PRM Group, is the first of its kind for BLP and is consistent with our strategy of partnering with highly experienced developers with a track record in their chosen market. PRM Group also provides BLP with an alternate income stream and a platform to expand our development management capabilities. PRM Group has exclusive development management rights over Meve, Dongara and Forrestdale and joint-development management rights with Walker Corporation on Banksia Grove."

Project	Location	Remaining Lot Yield	Project Status	PRM Equity Interest*
Forrestdale	Perth	392	Pre-delivery	50%
Meve	Perth	279	Selling	15%
Banksia Grove	Perth	3,402	Selling	30%
Brennand Road	Dongara	416	Pre-delivery	40%
Total		4,489		

* BLP has a 50% interest in PRM Holdings

"The fundamentals of the Western Australian property market remain strong."

A community where neighbours are "green with envy"

It's fair to say that Citta Property Group encountered some challenges when planning and developing Pacific Dunes at Port Stephens. The site is located on land that had previously been used to mine sand and therefore was highly disturbed. Surprisingly, the site bordered natural bushland and wetlands, which was home to many species of wildlife, including a core koala habitat.

The need for innovative, unique and sustainable initiatives became apparent. The project team's vision was to create a new standard of golf course living and a fresh tourist destination for the region.

Matt Chalmers, Pacific Dunes Project Manager, said "Although the sand provided the optimum base for the golf course, the site needed to be rehabilitated. Initiatives including the regeneration of native trees in fauna corridors have provided a number of environmental benefits to the area. The site has been rehabilitated and regenerated into usable community and recreational land."

Environmental protection and enhancement was a priority for the Citta Team since the inception of the project. Pacific Dunes today remains surrounded by natural bushlands and wetlands. At the initial planning stages a number of Koala habitats were located in several locations throughout the site and on the proposed golf course. Matt said "This discovery prompted the project team to implement the first of several key environmental initiatives."

INNOVATIVE CONCEPTS AT PACIFIC DUNES INCLUDE:

- Community Title Development, where residents share an interest in common land and facilities
- Regeneration of native trees, providing environmental benefits
- Koala Corridor, which has been enhanced and protected
- Landscaped street-scapes featuring stone walls
- Award winning public golf course
- Community Centre featuring pool, tennis courts and BBQ facilities



To link the habitat zones which spanned across the site, a tree corridor was retained and enhanced, providing a safe environment for the animals to inhabit. Following this a "Koala Habitat Plan" was developed and implemented. The Plan included a range of initiatives that would allow the koala habitat to continue to thrive.

Some initiatives included a 50 metre buffer to development with the preservation of habitat trees within those zones, slower speed limits of 40 kilometres on roads in Hillside Stage 2, pet control measures and the exclusion of colourbond fencing. Matt said "These initiatives ensure that the privilege of these special neighbours remains for generations of residents and visitors to come."

Pacific Dunes parkland and community facilities operate under a Community Title Development Structure. Residents own their house and land, while at the same time own an interest in, and responsibility for, common land and facilities. Matt said "The structure has been designed to cater to the growing number of landowners who want more for their money, more space and additional facilities and services."

The award winning Pacific Dunes is without doubt a unique and special residential community. The Citta Team have successfully re-positioned this site into a desirable, sustainable and environmentally sensitive community. It's little wonder the neighbours are "green with envy".

"The need for innovative, unique and sustainable initiatives became apparent."

BLP partners with Darby on Jacks Point

On 28 November 2007, BLP announced it invested in two residential land projects in Queenstown, New Zealand. Jacks Point and Henley Downs (the "Projects") are adjoining sites and share an 18-hole championship golf course. BLP's investment in the Projects was NZ\$43.3 million (approximately A\$37.4 million).

The developer on both Projects, Darby Partners Limited ("Darby"), is based in Queenstown, and is one of New Zealand's pre-eminent residential developers. Darby have successfully undertaken large-scale master planned residential communities and resorts throughout New Zealand, Asia and the Pacific with an end value in excess of NZ\$2 billion.

The Projects are located on Lake Wakatipu, at the foot of The Remarkables mountain range in Queenstown, within proximity to the city centre and international airport. These integrated master-planned communities when complete will feature over 1,400 residential lots, a championship golf course including a clubhouse, a village centre comprising both retail and commercial precincts, high density residential and a luxury hotel. Mr Michael Balkin, Managing Director of BLP, said "We believe this investment represents a measured entry into the New Zealand residential market. We are working with one of New Zealand's leading private developers and investing in two of the remaining residential zoned land banks in the Queenstown Lakes District. In addition we expect that a number of further acquisition opportunities may evolve as Darby continues to expand its portfolio."

Jacks Point is a master planned community with a high level of community infrastructure that will include walking and cycling tracks, tennis courts and large expanses of public open space. BLP's investment in the residential component of Jacks Point will comprise 411 residential lots of which 349 lots have been pre-sold and are to be delivered over the next 18 months.

Jacks Point includes a substantial village precinct which will comprise an offering of high density residential, retail and resort facilities together with an exclusive lodge. BLP is not taking an interest in the village, rather it is being marketed and sold by Darby in joint venture with Intrawest, a world leader in the development and operation of experiential destination resorts.

Mr John Darby, Principal of Darby Partners Limited, said "Great communities are created by great teams. We are delighted to partner with BLP in the delivery of the residential component of Jacks Point. BLP complements our other principal partners, Intrawest, pioneers in creating destination resort villages such as the famous Whistler Blackcomb ski Resort in Canada. All partners are aligned in their vision to create an exceptional living environment that fully respects the nature of this very special place."

The adjoining project, Henley Downs is a natural extension of Jacks Point and comprises 959 residential lots (both traditional and medium density). BLP has a 50% interest in Henley Downs which will be developed as part of the overall Jacks Point Master Plan continuing the theme of substantial community infrastructure with significant open space.

Mr Balkin said "We consider these investments to be very exciting additions to the portfolio, bringing further diversity by geography and development partner to BLP. The Queenstown region and local economy has and we believe, will continue to benefit from the high level of foreign investment, year-round tourism (peaking in the summer months), and direct international flights. Our development partner on these projects, Darby Partners, has a reputation for delivering superior lifestyle communities. This reputation, combined with their strong relationships with local suppliers and government authorities, fostered through their long-term commitment to the area, is expected to greatly benefit both projects."



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