Appendix 4D
ASX Half-Year Report

Name of Entity:	**FIG TREE DEVELOPMENTS LTD**
A.B.N.:	47 081 797 033
Reporting period:	Half-year ended 31 December 2008
Previous corresponding period:	Half-year ended 31 December 2007

Results for announcement to the market

Results				$000
Revenues from ordinary activities	down	48.5%	to	2,614
Other Income				200
Profit/(Loss) from ordinary activities after tax attributable to members	down	176.1%	to	(1,495)
Net profit/(loss) for the period attributable to members	down	176.1%	to	(1,495)

Dividends	$000	Amount per security	Franked amount per security
Current period			
Ordinary dividend	0.00	0.00	0.00
Previous corresponding period			
Ordinary dividend (paid on 1 October 2004)	0.00	0.00	0.00

Brief explanation for figures reported above

Please refer to the attached Directors' Report for a review and explanation of the financial result.

Additional information

Net tangible assets per security	Amount per security	
	Current period	Previous period
Net tangible asset backing per ordinary security (cents)	(26.7)	(28.2)

Control gained over entities having a material effect	
Name of entity (or group of entities)	N/A
Date of gain of control	N/A
Contribution to profit from ordinary activities during the period	N/A

Loss of control over entities having a material effect	
Name of entity (or group of entities)	N/A

Dividend reinvestment plan	N/A

Details of associates and joint venture entities	N/A

Compliance Statement

This report is based on financial statements reviewed by the auditor, copies of which are attached.

Fig Tree Developments Ltd

ABN 47 081 797 033

Half-Year Report

31 December 2008

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Fig Tree Developments Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Your Directors present their report on the Consolidated Entity consisting of Fig Tree Developments Ltd (Fig Tree), and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

1. Directors

The following persons were Directors of Fig Tree during the whole of the half-year and up to the date of this report:

- G J Gardiner, Resigned 7 November 2008.
- D H Jeffries, Resigned 1 September 2008.
- S E Lonie.
- A R Roberts, Appointed 24 September 2008.
- J W Krimmer, Appointed 1 September 2008.

Mr SE Lonie retired as Managing Director on 31 August 2008, but continued as a non executive Director and took up the position as Chairman upon the resignation of Mr GJ Gardiner on 7 November 2008.

2. Review of operations and results

The result for the six months to 31 December 2008 was a loss of $1,495,239 (December 2007 profit of $1,963,875). This loss includes the expense of $632,912 incurred on litigation costs associated in prosecuting a major action in the Federal Court. This legal expense was significantly higher than originally estimated, due to the scale of document discovery requests, but was incurred to protect the value of the Company's management contracts.

The Consolidated Entity has continued to manage 18 senior's rental accommodation villages across four states of Australia, during the past six months.

During the period, the Consolidated Entity also lodged a number of proposals for new or revised management contracts which, if successful, will significantly improve Fig Tree's immediate financial outlook. Fig Tree is currently awaiting responses to these proposals.

The Consolidated Entity also continues to work with the owners of a number of villages under current management contract, to convert the villages to comply with the Retirement Village Acts, for which the Company will act as manager.

The Company also attempted to diversify into the management of higher care facilities in the last six months through a joint venture engagement with Bricknell Barrie Pty Ltd, which was terminated on 30 September 2008. This initiative produced two potentially feasible opportunities, but the deteriorating financial market and other external factors ultimately resulted in this initiative being terminated after these two opportunities did not materialise into profitable management contracts.

Fig Tree's taxation agent has also advised that the Consolidated Entity is entitled to a taxation refund of $502,275, and Fig Tree has now lodged all necessary documentation that it understands is required to enable this refund to be paid. This refund has not been recognised as an asset in the financial report but constitutes a significant component in the Consolidated Entity's short term cash flow projection.

3. Assignment of management agreements

On 30 May 2007, the Consolidated Entity and SCV Group Limited (SCV) entered into an assignment agreement, under which the Consolidated Entity agreed to assign all of its management agreements with the owners to SCV.

A number of these assignments were not approved by owners, resulting in those agreements remaining with Fig Tree. For those which were approved the assignments were concluded by 22 April 2008.

Subsequent to this assignment, on 24 October 2008, SCV also acquired 100% of the equity in Village Life Management Ltd, the holder of an Australian Financial Services Licence, and a wholly owned subsidiary of Fig Tree, for a consideration of $99,110.

4. Slater & Gordon action

Fig Tree is a co-defendant, with one former and two current Directors in regard to a shareholder class action initiated by certain shareholders through the legal firm, Slater & Gordon, and is bearing 25% of the legal costs of the action. In addition, Fig Tree has agreed to indemnify those same Directors under their Director's Deed of Indemnity.

In the past six months, the parties have progressed to agreeing to a mediation conference, which will be held on 27 March 2009.

If no satisfactory outcome is achieved from the mediation process, the matter will proceed in the Federal Court. Fig Tree considers, and has been advised, that the plaintiff's case is without merit.

5. APCH action

As noted previously, Fig Tree has challenged in the Federal Court an attempt by the Australian Property Custodian Holdings Ltd (APCH), as responsible entity for the Prime Retirement Aged Care Property Trust, which is the owner of 12 villages managed by the consolidated entity, to terminate its management agreements. Under these proceedings, there is no claim for damages against the Consolidated Entity.

The matter was heard in the Federal Court in July 2008, and final written closing submissions were made to the court in October 2008. The parties currently await the Federal Court's decision.

6. Shareholder loans

The loans, made by entities associated with current Directors, Mr Tony Roberts and Mr John Krimmer, are secured by a fixed and floating charge over the assets and undertakings of the Consolidated Entity.

On 29 October 2008, Fig Tree announced that the terms of the loans had been extended to 31 March 2009.

The terms of the loan agreements are such that, at the election of the Consolidated Entity, the loans can be repaid by issuing shares in Fig Tree, subject to obtaining shareholder and regulatory approvals.

On 29 October 2008, the Company announced that interest on these loan facilities will be credited to the lenders respective loan accounts and does not attract interest.

7. Ongoing operations

Shareholders need to note that the Consolidated Entity's ongoing operations are dependant on:

- The effective and efficient management of the current 18 villages under contract.
- Securing new, profitable management contracts from the proposals currently under consideration.
- Successfully defending the action by Slater & Gordon on behalf of certain shareholders.
- Achieving a favourable outcome from the APCH litigation.
- Current village owners converting the use of their village units to comply with the relevant Retirement Village Acts in each State, which will enable Fig Tree to secure ongoing development and recurrent income.
- The continuing support of Fig Tree's founding shareholders, who, through their respective entities, have provided the Consolidated Entity with loans of $3,096,802.
- The ability to collect the expected $502,275 taxation refund due from the Australian Taxation Office.

The Directors and senior management will continue to pursue achieving these outcomes and consider the Consolidated Entity is a going concern that is able to pay its debts as and when they become due and payable, at this date.

However, shareholders should note and appreciate that the outlook for Fig Tree has been and remains most challenging, as the Consolidated Entity does not generate sufficient profit from the management of its current 18 villages to meet its operational overheads, and has only been able to continue in operation through the sale of assets and the significant loan from entities associated with its founding shareholders, Mr John Krimmer and Mr Tony Roberts.

As noted, the Consolidated Entity is currently anticipating an income tax refund from the Australian Taxation Office for an amount of $502,275, which will be an important source of working capital for the Consolidated Entity for the next five months, until the following critical matters may be resolved or progressed, which will enable the Board to determine if the Company has a future:

a) The Federal Court's determination in regard to the case brought by APCH against Fig Tree, which the Consolidated Entity has to defend at a total direct legal cost to date of $1,289,100, including $632,912 during this period, as these contracts over 12 villages are commercially valuable to Fig Tree. The consequences of this judgment are critical to Fig Tree's future prospects in that, if it loses, it will face the consequences of losing the management rights to 12 villages, which it considers to be of considerable commercial value, as well as having to address the consequences of the Court's ruling on costs. If the judgement is in favour of Fig Tree, then Fig Tree will anticipate recovering a significant portion of its legal costs but also faces the prospect that APCH may appeal the court's decision.

b) The action by Slater & Gordon, funded by IMF Australia Ltd, on behalf of certain shareholders, also remains unresolved and, as the action continues, the Company continues to be responsible for 25% of the legal costs being incurred, as it is not insured for this action. The Company has no financial capacity to meet any significant adverse judgement in this case and it appears that it may be some time before the matter appears in court, unless the mediation scheduled for 27 March 2009 produces a positive outcome. Whilst this action remains on foot, it has not been possible to pursue any re-capitalisation alternatives for the Company.

c) The Consolidated Entity has made a proposal to an owner of 10 villages to assume the management of its villages and is currently awaiting a response to this proposal. The outcome of this proposal will be important to Fig Tree's future, as securing the management of these 10 villages would ensure that the Consolidated Entity is able to operate on a cash flow positive basis into the future. The owner is currently considering his options in regard to the villages.

d) The Consolidated Entity is also currently pursuing proposals with a number of village and village unit owners to increase Fig Tree's management fee structures in exchange for Fig Tree managing re-development of the villages to a retirement village regime, through which the owners will be more readily able to realise fair value for their investment and Fig Tree will be able to continue to provide full management services to these reconstituted villages at an increased rate. Despite much effort being expended to secure these opportunities, no arrangements have been agreed at the date of this report.

Accordingly, as much as the Consolidated Entity attempts to survive and return some value to shareholders, the next six months will really determine if this plan is feasible.

Shareholders should note that the financial statements have been prepared on a going concern basis, which assumes that the Consolidated Entity will realise its assets and extinguish its liabilities in the normal course of business, noting that its ongoing operations are dependant upon the matters described previously being satisfactorily resolved.

Shareholders should also note that if the shareholder loans of $3,096,802 were converted to equity and the anticipated refund from the Australian Taxation Office was recognised as a receivable as at 31 December 2008, the adjusted balance sheet would result in net assets of $391,891.

Shareholders should also note that, should the outcomes described in this report not be able to be achieved, there is material uncertainty that the Consolidated Entity will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report. No adjustments have been made relating to the recoverability and classification of recorded asset amounts or to the amounts and classifications of liabilities that might be necessary, should the Consolidated Entity not continue as a going concern.

8. Auditor's independence declaration

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001,* accompanies this report.

This report is made in accordance with a resolution of the Directors.

Stephen Lonie
Chairman
Dated this 27th day of February 2009

JOHNSTON RORKE
CHARTERED ACCOUNTANTS

Level 30, Central Plaza One
345 Queen Street Brisbane Q 4000
GPO Box 1144 Brisbane Q 4001
Ph 07 3222 8444 / Fax 07 3222 8300
Website www.jr.com.au
Email jr@jr.com.au

The Directors
Fig Tree Developments Ltd
Level 4, 88 Jephson Street
TOOWONG QLD 4066

Dear Sirs

Auditor's Independence Declaration

As lead engagement partner for the review of the financial report of Fig Tree Developments Ltd for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

JOHNSTON RORKE
Chartered Accountants

W. R. FACE
Partner

Brisbane, Queensland
27 February 2009

Liability limited by a scheme approved under Professional Standards Legislation

Fig Tree Developments Ltd and Controlled Entities

Condensed Consolidated Income Statement

For The Half-Year Ended 31 December 2008

	Notes	Half-year 31 Dec 2008 $	Half-year 31 Dec 2007 $ Re-presented*
Revenue from continuing operations			
Management fees – villages	3	2,388,030	4,241,012
Sale of properties	3	-	509,132
Rental income	3	134,783	-
Service fees – assigned villages		34,889	90,536
Interest		30,826	101,371
Other revenue		25,251	138,418
		2,613,779	5,080,469
Other income			
Assignment of management agreements	3	200,000	2,693,871
		2,813,779	7,774,340
Expenses from continuing operations			
Changes in inventories		-	485,000
Land and construction costs		-	28,891
Loss on disposal of subsidiary (VLML)		15,517	-
Employee benefits expense		562,140	712,532
Management fees – villages	3	145,985	4,095,432
Onsite manager costs	3	1,780,927	106,792
Advertising and marketing		5,332	41,172
Professional fees			
- Assignment of management agreements	3	39,143	826,955
- Litigation defence	3	632,912	25,580
- Other		289,848	312,818
Telephone and call centre		61,307	74,703
Travel		28,731	40,176
Insurance		102,649	97,603
Rent		136,824	80,746
Depreciation		5,126	46,693
Finance costs		153,953	122,198
Bad and doubtful debts		-	33,295
Other – expenses		348,624	424,449
		4,309,018	7,555,035
Profit/(loss) before income tax expense		(1,495,239)	219,305
Income tax expense	4	-	-
Profit/(loss) from continuing operations		(1,495,239)	219,305
Discontinued operations			
- Gains relating to discontinued operations	5	-	1,744,570
Profit/(loss) for the half-year		(1,495,239)	1,963,875
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per share (cents)			
- From continuing operations		(12.44¢)	1.82¢
- From discontinued operations		-	14.52¢
		(12.44¢)	16.34¢

*As per note 5, certain operations not treated as discontinued in the accounts for the half-year ended 31 December 2007 have been re-presented on the basis that they were discontinued.

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

Fig Tree Developments Ltd and Controlled Entities

Condensed Consolidated Balance Sheet

As at 31 December 2008

	Notes	31 Dec 2008 $	30 June 2008 $
Current Assets			
Cash and cash equivalents		445,743	269,209
Trade and other receivables	7	66,668	395,914
Other	8	168,913	138,317
Total current assets		681,324	803,440
Non-Current Assets			
Property, plant and equipment		39,700	39,421
Other – restricted deposits	9	122,000	2,017,000
Total non-current assets		161,700	2,056,421
Total assets		843,024	2,859,861
Current Liabilities			
Trade and other payables		792,985	1,405,249
Borrowings – shareholder loans	13	3,096,802	3,000,000
Provisions	10	103,634	103,665
Other		20,729	20,729
Total current liabilities		4,014,150	4,529,643
Non-Current Liabilities			
Provisions	10	34,309	30,072
Other		1,751	12,093
Total non-current liabilities		36,060	42,165
Total liabilities		4,050,210	4,571,808
Net deficiency	15	(3,207,186)	(1,711,947)
Equity			
Contributed equity		9,017,561	9,017,561
Reserves		808,443	808,443
Accumulated losses		(13,033,190)	(11,537,951)
Total deficiency		(3,207,186)	(1,711,947)

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For The Half-Year Ended 31 December 2008

	Half-year 31 Dec 2008 $	Half-year 31 Dec 2007 $
Total deficiency at the beginning of the half-year	(1,711,947)	(5,395,264)
Net income recognised directly in equity	-	-
Profit/(loss) for the period	(1,495,239)	1,963,875
Total recognised income and expense for the half-year	(1,495,239)	1,963,875
Transactions with equity holders in their capacity as equity holders:		
• Employee share options	-	37,516
Total deficiency at the end of the half-year	(3,207,186)	(3,393,873)

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Cash Flow Statement

For The Half-Year Ended 31 December 2008

	Notes	Half-year 31 Dec 2008 $	31 Dec 2007 $
Cash flows from operating activities			
Receipts in course of operations		2,785,693	5,793,683
Payments in course of operations		(4,538,568)	(8,908,726)
Payments to settle with third party		(225,000)	-
Interest received		30,826	101,371
Finance costs		(57,151)	(122,198)
Net cash outflow from operating activities		(2,004,200)	(3,135,870)
Cash flows from investing activities			
Proceeds on assignment of management agreements		190,000	1,661,079
Proceeds on disposal of subsidiary		99,110	-
Payments for plant and equipment		(3,376)	(33,865)
Receipt from restricted deposits	11	1,895,000	130,000
Payment for restricted deposits		-	(770,000)
Net cash inflow from investing activities		2,180,734	987,214
Net increase/(decrease) in cash and cash equivalents		176,534	(2,148,656)
Cash and cash equivalents at beginning of half-year		269,209	3,013,287
Cash and cash equivalents at end of half-year		445,743	864,631

The above condensed consolidated cash flow statement should be read in conjunction with the accompanying notes.

1. Significant accounting policies and other matters

Statement of compliance

This general purpose financial report for the half-year reporting period ended 31 December 2008 has been prepared in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting and* the *Corporations Act 2001.*

Basis of preparation

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2008 and any public announcements made by Fig Tree Developments Ltd ("Fig Tree") during the interim reporting period, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. The accounting policies adopted in this interim financial report are the same as those policies applied in the 2008 Annual Report.

Comparative information

In the half-year ended 31 December 2007, the Consolidated Entity was in the process of assigning its management agreements to SCV. During this period, the management of these villages was being managed under sub-contract by SCV. The Consolidated Entity was continuing to collect management fees from the owners of these villages and subsequently passed them onto SCV net of a retained service fee. In the accounts for the half-year ended 31 December 2007, the receipts from the village owners and the passing on of these receipts to SCV were not disclosed as revenue and expenses. In the comparatives in the current half-year accounts, these amounts have been grossed up.

Change of name

On 23 October 2007, at the Company's annual general meeting, Village Life Ltd changed its name to Fig Tree Developments Ltd.

Share capital

At the Company's annual general meeting held on 23 October 2007, it was resolved to consolidate 10 ordinary shares on issue to 1 ordinary share, resulting in the total number of ordinary shares on issue changing from 120,209,495 to 12,020,950. The weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share for the half-years ended 31 December 2007 and 2008 was 12,020,950.

Abbreviations

The following names have been abbreviated throughout the notes to the condensed financial statements – Fig Tree Developments Ltd ("Fig Tree"); SCV Group Limited ("SCV"); ING Management Ltd as responsible entity for the ING Real Estate Community Living Fund ("ILF"); Australian Property Custodian Holdings Ltd ("APCH") as responsible entity for the Prime Retirement and Aged Care Property Trust ("PRIME"); Commonwealth Bank Australia ("CBA").

2. Assignment of management agreements

In the prior year period to 31 December 2007, Fig Tree settled a number of transactions for the assignment of its village life management rights with SCV, totalling $2.2 million. All transactions relating to the assignment of the management rights were completed by 22 April 2008.

A number of village owners declined to have the management rights to their villages assigned to SCV and subsequently transitioned back to Fig Tree early in calendar year 2008.

During the half-year ended 31 December 2008, two village owners have acquired the management rights for their two villages from Fig Tree.

3. Income and expenses

(a) Specific items	Notes	Half-year 31 Dec 2008 $	31 Dec 2007 $ *Re-presented
Profit/(loss) before income tax expense includes the following income and expenses, relevant in explaining the performance of the entity:			
Revenue			
Management fees – villages	(i)	2,388,030	4,241,012
Sale of properties	(ii)	-	509,132
Rental income	(iii)	134,783	-
Other Income:			
Assignment of management agreements:			
• Attributed amount	(iv)	200,000	2,214,286
• Capital charge	(v)	-	479,585
Expenses:			
Management fees – villages	(vi)	145,985	4,095,432
Onsite manager costs	(vii)	1,780,927	106,792
Professional fees incurred in respect of:			
- Assignment of management agreements		39,143	826,955
- Litigation defence		632,912	25,580

*As per note 5, certain operations not treated as discontinued in the accounts for the half-year ended 31 December 2007 have been re-presented on the basis that they were discontinued.

(i) Fees received from the owners of the villages for managing the villages under a management service agreement. During the half-year ended 31 December 2007, the Consolidated Entity was continuing to collect management fees in relation to sites which were in the course of being assigned to SCV. These management fees were then on-paid across to SCV – see 3(vi)

(ii) During the 2008 financial year, the Consolidated Entity was in the process of selling down its land holdings in order to meet its working capital requirement. All land had been sold by 30 June 2008, so there is no equivalent revenue during the current half-year.

(iii) Rental income derived during the current half-year is in relation to the sub-let of the Consolidated Entity's previous office premises. This arrangement was not in place until the 2008 calendar year, so there is no equivalent revenue in the half-year ended 31 December 2007.

(iv) Attributable income of $200,000 in the current period relates to the disposal of certain management rights. Refer to note 2.

(v) The capital charge in the prior period relates to the Assignment Agreement, whereby SCV paid Fig Tree a fee based on the total consideration up until settlement.

(vi) Management fees – villages during the half-year ended 31 December 2007 largely related to fees collected on behalf of SCV (see 3(i)) which were subsequently paid across to them. During the current half-year, this amount is represented by amounts that continued to be collected from two retail sites which had not been assigned to SCV. This arrangement ceased in August 2008.

(vii) Onsite manager costs represent fees paid to independent contractors who reside on site and manage the villages. In the half-year ended 31 December 2007, the only equivalent expense was the lease fee on manager units as, during that period, all villages were being sub-contracted by SCV, which met the on-site manager costs at that time.

4. Income Tax expense

Income tax expense for the half-year differs from the amount calculated on the profit/(loss) and is reconciled as follows:

	31 Dec 08 $	31 Dec 07 $
Profit/(loss) before income tax expense	(1,495,239)	1,963,875
Income tax calculated at 30%	(448,572)	589,162
Deferred tax assets not recognised	448,572	-
Benefit of prior year tax losses and temporary differences not previously recognised	-	(589,162)
Income tax expense	-	-
Income tax expense is attributable to:		
Loss from continuing operations	-	-
Profit from discontinued operations	-	-
Aggregate income tax expense	-	-

Contingent asset

On 12 January 2009, Fig Tree submitted revised income tax returns to the Australian Tax Office (ATO) for the 2004, 2005 and 2006 financial years, as a consequence of the adjustment to Fig Tree's GST assessments, which were finalised with the ATO in a settlement deed on 27 June 2008.

The result of these revisions to the Company's income tax returns is that Fig Tree is advised that it is entitled to a refund of $502,275. This $502,275 has not yet been taken up as a receivable in the accounts as at 31 December 2008, as it was only lodged with the ATO on 13 January 2009.

Fig Tree is currently pursuing the payment of these refund claims by the ATO, with the assistance of its taxation agent, and expects this matter to be resolved on or about 10 March 2009.

5. Discontinued operations – lease operations

The financial statements for the half-year ended 31 December 2007 did not distinguish between continuing and discontinued operations. The rationale being that, the operations of the Consolidated Entity were focused on addressing the conditions precedent of the assignment process to SCV, as well as other historical issues. In light of this, the concept of continuing and discontinued operations was not considered material to disclosures in the financial statements for the half-year ended 31 December 2007. However, the financial statements for the year ended 30 June 2008 were prepared on the basis that lease operations were discontinued. Accordingly, the results for the half-year ended 31 December 2007 have been re-presented on this basis.

		31 Dec 08 $	31 Dec 07 $ Re-presented
Termination of leases			
Provisions no longer required:			
- GST – unused amount reversed	(i)	-	1,229,880
- Restoration		-	50,000
		-	1,279,880
Other			
- Reduction in payables	(ii)	-	445,037
- Other amount		-	19,653
		-	464,690
Total net gain before tax		-	1,744,570
Tax expense		-	-
Net gain from termination of leases		-	1,744,570

Notes on gains:
(i) See note 10 for details on GST.
(ii) The reduction in other payables and provisions primarily relates to the various accruals recognised following the termination of previous lease arrangements with ILF and another party in March 2006 and April 2006 respectively, which are no longer required.

6. Segment information

Business segments

Until the 2007 financial year, the Consolidated Entity operated in Australia in three identifiable business segments being property development, village management and village leasing and rental. Since that time, the Consolidated Entity's operations have been significantly reduced. Given this position, in the half-years ended 31 December 2007 and 2008, the Consolidated Entity has operated in Australia in only one identifiable business segment, namely, village management of independent living rental units for the aged.

Therefore, no segment table analysis is provided in this report.

7. Trade and other receivables

	31 Dec 08 $	30 Jun 08 $
Trade debtors	30,671	112,096
Other receivables	35,997	283,818
	66,668	395,914

8. Other current assets

	31 Dec 08	30 Jun 08
	$	$
Prepayments	136,793	106,717
Other	32,120	31,600
	168,913	138,317

Prepayments relate to property rental, computer services, insurance policies and other minor corporate expenses.

9. Other non-current assets

Restricted deposits	122,000	2,017,000

The restricted deposits comprise cash deposits provided as security for certain obligations/ contingencies, which include:

- $90,000 bank guarantee provided to APCH in respect of the legal challenge APCH is making against Fig Tree.
- $32,000 held as guarantee by CBA against business credit cards used by Fig Tree for business travel.

On 19 August 2008, the Company announced that it had secured the release of $445,000 held by CBA for the operation of Fig Tree's CBA diamond direct debit banking system. The $445,000 was able to be released as Egalliv Pty Ltd, an entity associated with Director Mr John Krimmer, provided a substitute security deposit with CBA, relieving Fig Tree of its obligation.

A number of other deposits at 30 June 2008 were released during the period (refer note 11).

10. Provisions

	31 Dec 08	30 Jun 08
	$	$
Current		
Employee benefits	103,634	103,665
GST (see below)	-	-
	103,634	103,665
Non-current		
Employee benefits	34,309	30,072

GST Provision

The provision for GST comprised amounts owed to the Australian Taxation Office (ATO) and amounts owed to a third party under an indemnity agreement which were all settled in June 2008.

Movements during the period were as follows:

	31 Dec 08 (6 mths)	31 Dec 07 (6 mths)
	$	$
Carrying amount at the beginning of the period/year	-	6,361,458
Payments during the period/year	-	(1,688,365)
Reversal of provision no longer required		(1,229,880)
	-	
Carrying amount at end of period		3,443,213

10. Provisions (continued)

Upon settling the GST obligations to the ATO and third party, the Consolidated Entity has undertaken a review of the impact of this settlement on taxation paid by the Company during prior periods.

As detailed in note 4, the Consolidated Entity has been advised, through its taxation advisors, that it may be now entitled to a refund of $502,275 as a consequence of the impact of restating its tax returns, to take into account the settlement of its GST obligations with both the ATO and a third party.

11. Cash flow statement

During the half-year, the Consolidated Entity has recognised receipts from restricted deposits totally $1,895,000 comprising.

	$
Department of Housing Tasmania – Welcome Inn	1,400,000[(a)]
Commonwealth Bank of Australia – direct debit banking facility	445,000[(b)]
Village Life Management Ltd - restricted cash balance	50,000[(c)]
	1,895,000

(a) See note 9 for details of this release.
(b) The Consolidated Entity sold its 100% interest in Village Life Management Ltd to SCV. In order to comply with Australian Financial Services Licence requirements, this amount was shown as a restricted deposit at 30 June 2008. On disposal of the subsidiary, this restricted amount was no longer applicable.

12. Subsequent events

There are no subsequent events of a material nature since 31 December 2008.

13. Shareholder loans

Loans totalling $3,096,802 (30 June 2008: $3,000,000) made by entities associated with current Directors, Mr Tony Roberts and Mr John Krimmer, are secured by a fixed and floating charge over the assets and undertakings of the consolidated entity.

On 29 October 2008, the Company announced that interest on these loan facilities will be credited to the lenders respective loan accounts and does not attract interest, and that the term of the loans had been extended to 31 March 2009.

The terms of the loan agreements are such that, at the election of the Company, the loans can be repaid by issuing shares in Fig Tree, subject to shareholder and regulatory approvals.

14. Contingent liabilities

Litigation – Slater & Gordon

On 30 November 2006, the Company received notification of a claim from the legal firm Slater & Gordon, representing the interests of two former shareholders, who, in turn, are said to represent groups of other shareholders, who have allegedly suffered loss and damages as a result of the conduct of Fig Tree.

Slater & Gordon, on behalf of their clients, has lodged an action against the Company, based on statements in the Company's 2003 prospectus and various announcements to the market that the Company made in the calendar years 2004 and 2005, which, they say, are misleading and deceptive.

The claim for damages has been revised downward from $30 million to $25 million.

The Company is not insured for this class of action and has agreed to share the costs of the action on a proportional basis, with the co-defendants and their insurer. The Directors have rejected the Slater & Gordon claims and continue to defend it.

In accordance with common practice, Fig Tree has a deed of indemnity with each of its present and former Directors, including the co-defendants. Under the terms of those deeds of indemnity, the co-defendants are indemnified against any liability incurred by them by virtue of their holding office as a Director, except where the liability has been incurred as a result of a wilful breach of duty to the Company or an improper use of position or information, or where the indemnity is otherwise prohibited by the Corporations Act.

Accordingly, Fig Tree will ultimately be liable for the legal costs and damages, less the proportionate share covered by the insurance policy held by the co-defendants, should the Company and co-defendants be unsuccessful in defending the legal action.

For commercial reasons, the Directors do not consider that it is in the best interest of the Company to disclose the insurance coverage held by the co-defendants, other than to disclose the amount to be substantially less than the claim for damages.

Should Slater & Gordon be successful in its legal action, and damages are awarded in the vicinity of the amount claimed, Fig Tree would be unable to meet its obligations and would be placed into administration.

Litigation – APCH

As noted previously, Fig Tree has defended the challenge in the Federal Court by APCH, which is the owner of 12 villages managed by the consolidated entity, to terminate its management agreements. Under these proceedings, there is no claim for damages against the Consolidated Entity nor can such an action now be taken by APCH.

The matter was heard in the Federal Court in July 2008, and final written closing submissions were made to the court in October 2008. Fig Tree is currently awaiting the Federal Court's decision.

Should Fig Tree be unsuccessful in this case and the Company choose not to appeal, the loss of revenue from these management agreements, in the absence of additional revenue sources is likely to render the Consolidated Entity's business model un-economic.

Bowen Syndicate

The June 2008 financial statements contained discussion on the fact the Consolidated Entity had proceeded to obtain an injunction against the owners of the Bowen village, terminating their management agreements. During the half-year ended 31 December 2008, the Consolidated Entity reached an agreement to sell these management rights to the owners as referred to in note 2. This matter is now resolved.

15. Ongoing operations

Shareholders need to note that the Consolidated Entity's ongoing operations are dependant on:

- The effective and efficient management of the current 18 villages under contract.
- Securing new, profitable management contracts from the proposals currently under consideration.
- Successfully defending the action by Slater & Gordon on behalf of certain shareholders.
- Achieving a favourable outcome from the APCH litigation.
- Current village owners converting the use of their village units to comply with the relevant Retirement Village Acts in each State, which will enable Fig Tree to secure ongoing development and recurrent income.
- The continuing support of Fig Tree's founding shareholders, who, through their respective entities, have provided the Consolidated Entity with loans of $3,096,802.
- The timely collection of a $502,275 taxation refund due from the Australian Taxation Office.

The Directors and senior management will continue to pursue achieving these outcomes and consider the Consolidated Entity is a going concern that is able to pay its debts as and when they become due and payable, at this date.

However, shareholders should note and appreciate that the outlook for Fig Tree has been and remains most challenging, as the Consolidated Entity does not generate sufficient profit from the management of its current 18 villages to meet its operational overheads, and has only been able to continue in operation through the sale of assets and the significant loan from entities associated with its founding shareholders, Mr John Krimmer and Mr Tony Roberts.

As noted, the Consolidated Entity is currently anticipating an income tax refund from the Australian Taxation Office for an amount of $502,275, which will be an important source of working capital for the Consolidated Entity for the next five months, until the following critical matters may be resolved or progressed, which will enable the Board to determine if the Company has a future:

a) The Federal Court's decision regarding the case against APCH, in which the Consolidated Entity has had a total direct legal cost to date of $1,289,100, including $614,826 this period, sought to maintain as assets, 12 management contracts which APCH claims it has properly terminated. The consequences of this judgment are critical to Fig Tree's future prospects in that, if it loses, it will face the consequences of losing the management rights to 12 villages, which it considers to be of considerable commercial value, as well as having to address the consequences of the Court's ruling on costs. If the judgement is in favour of Fig Tree, then Fig Tree will anticipate recovering a significant portion of its legal costs but also faces the prospect that APCH may appeal the court's decision.

b) The action by Slater & Gordon, funded by IMF Australia Ltd, on behalf of certain shareholders, also remains unresolved and, as the action continues, the Company continues to be responsible for 25% of the legal costs being incurred, as it is not insured for this action. The Company has no financial capacity to meet any significant adverse judgement in this case and it appears that it may be some time before the matter appears in court, unless the mediation scheduled for 27 March 2009 produces a positive outcome. Whilst this action remains on foot, it has not been possible to pursue any re-capitalisation alternatives for the Company.

c) The Consolidated Entity has made a proposal to an owner of 10 villages to assume the management of its villages and is currently awaiting a response to this proposal. The outcome of this proposal will be important to Fig Tree's future, as securing the management of these 10 villages would ensure that the Consolidated Entity is able to operate on a cash flow positive basis into the future. The owner is currently considering his options in regard to the villages.

d) The Consolidated Entity is also currently pursuing proposals with a number of village and village unit owners that are predicated upon paying Fig Tree a higher management fee and agreeing to the conversion of their villages and village units to a retirement village regime, through which the owners will be able to realise fair value for their investment and Fig Tree will be able to continue to provide full management services to these reconstituted villages. Despite much effort being expended to secure these opportunities, no arrangements have been agreed at the date of this report.

Accordingly, as much as the Consolidated Entity attempts to survive and return some value to shareholders, the next six months will really determine if this plan is feasible.

Shareholders should note that the financial statements have been prepared on a going concern basis, which assumes that the Consolidated Entity will realise its assets and extinguish its liabilities in the normal course of business, noting that its ongoing operations are dependant upon the matters described previously being satisfactorily resolved.

Shareholders should also note that if the shareholder loans of $3,096,802 were converted to equity and the anticipated refund from the Australian Taxation Office was recognised as a receivable as at 31 December 2008, the adjusted balance sheet would result in net assets of $391,891.

However, shareholders should also note that, should the outcomes described in this report not be able to be achieved, there is material uncertainty that the Consolidated Entity will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report. No adjustments have been made relating to the recoverability and classification of recorded asset amounts or to the amounts and classifications of liabilities that might be necessary, should the Consolidated Entity not continue as a going concern.

Directors' Declaration

In the opinion of the directors, the attached financial statements and notes:

(a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and

(b) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2008 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

(a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and

(b) on the basis of the matters disclosed in Note 15, there are reasonable grounds to believe that Fig Tree Developments Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Stephen Lonie
Chairman

Dated this 27 day of February 2009

JOHNSTON RORKE
CHARTERED ACCOUNTANTS

Level 30, Central Plaza One
345 Queen Street Brisbane Q 4000
GPO Box 1144 Brisbane Q 4001
Ph 07 3222 8444 / Fax 07 3222 8300
Website www.jr.com.au
Email jr@jr.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Fig Tree Developments Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Fig Tree Developments Ltd, which comprises the condensed consolidated balance sheet as at 31 December 2008, and the condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity comprising the Company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report
The directors of Fig Tree Developments Ltd are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Fig Tree Developments Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Basis for Disclaimer of Conclusion

As described in note 15 to the financial statements, the ongoing operations are dependent on a number of matters which include achieving a favourable outcome from the APCH litigation, successfully defending the Slater and Gordon action, securing profitable management contracts from the proposals currently under consideration, and recovering the estimated income tax amount from the Australian Taxation Office. We have been unable to obtain sufficient appropriate audit evidence to support these matters occurring. Should the matters set out in note 14 not occur, in the absence of any other arrangements being made, it is highly likely the consolidated entity will not continue as a going concern.

The financial statements have been prepared on a going concern basis, which means the Company is able to pay its debts as and when they fall due and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations. Given the multiple uncertainties in respect of the outcomes set out in note 15, we are unable to conclude whether it is appropriate that the financial statements be prepared on a going concern basis.

Disclaimer of Conclusion

Due to the multiple uncertainties referred to above and the effects of such adjustments, if any, as might have been determined to be necessary had the uncertainties not existed, we are unable to and do not express a conclusion as to whether we have become aware of any matter that makes us believe that the half-year financial report of Fig Tree Developments Ltd is not in accordance with the Corporations Act 2001 including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

JOHNSTON RORKE
Chartered Accountants

W. R. FACE
Partner

Brisbane, Queensland
27 February 2009