

CHAIRMAN'S REVIEW

Dear Unitholders

On behalf of the board of directors of Reef Corporate Services Limited, responsible entity of the Reef Casino Trust (the Trust), I present my review of the Reef Casino Trust for the six months ended 30 June 2009.

Key points

- Trust distributable profit up by 18.6%
- Good underlying earnings growth at Reef Hotel Casino despite global financial crisis
- Trust costs well controlled
- Unit distribution of 11 cents per unit

A valuation of Trust property following the increase in electronic gaming machine revenue tax imposed by the Queensland government resulted in a decrease in the carrying value of \$23.7 million.

Trust distributable profit

Trust distributable profit was \$5.94 million for the first half year (January to June 2009) an increase of 18.6% compared to the same period last year.

Total revenue (comprising mainly of rental revenue from the Reef Hotel Casino) increased by 5.8% and reflects good underlying earnings growth at the Reef Hotel Casino. Trust operating expenses decreased by 8.4% and depreciation and amortisation expenses were flat.

	2009 \$'000	2008 \$'000	
REVENUE			
Rental revenue	11,592	11,027	+5.1%
Other revenue	244	165	
TOTAL REVENUE	11,836	11,192	+5.8%
EXPENSES			
Operating	2,923	3,191	-8.4%
Depreciation and amortisation	2,977	2,995	
TOTAL EXPENSES	5,900	6,186	
PROFIT BEFORE IMPAIRMENT AND FINANCE COSTS ¹			
ATTRIBUTABLE TO UNITHOLDERS	5,936	5,006	+18.6%
	cents per unit	cents per unit	
Earnings per unit ²	11.9	10.1	
Distribution per unit	11.0	10.5	

¹ "Finance costs" relate to 50% of distributable profit payable to unitholders

² Based on profit before impairment and finance costs attributable to unitholders.

Unit distribution

The Trust has declared a distribution of 11 cents per unit for the six months ended 30 June 2009 and this will be paid on a tax deferred basis. The record date was 30 June 2009 and the payment to all unitholders will be made on 25 September 2009.

Even though the final Trust distributable profit (\$5.94 million) was higher than had been forecast (\$5.5 million) on 19 June 2009, the Trust has decided to retain the previously announced distribution level of 11 cents per unit (\$5.48 million in total). The undistributed portion (\$458K) will be carried forward to future periods. As previously announced, there is no distribution from the undistributed income account. The Trust believes that the position it has taken is prudent given the continuing global financial and economic crisis.

For the second half year, it is the Trust's intention to distribute 100% of its distributable profits. Depending on the global financial crisis and other factors at the time, there is also the option to make additional distributions from the undistributed income account. The balance in this account following the current distribution is \$3.56 million (7.1 cents per unit).

Trust balance sheet

Apart from a change in the carrying value of Trust property, the balance sheet remains robust. The Trust has adequate working capital. The Trust's current interest only loan facility with the Bank of Queensland remains unchanged at \$16.5 million and the current term extends to September 2012. The Trust also has an overdraft facility of \$2.0 million with the same bank and this has not been used to date.

Gaming machine tax and independent valuation of Trust property

On 16 June 2009, the Queensland Government introduced a bill, which has now been legislated, to increase the tax rate applicable to electronic gaming

machine revenues in all 4 Queensland casinos effective 1 July 2009. The tax rate for the Reef Hotel Casino has increased from 10% to 20%.

The legislation also removes the casino community benefit levy which is 1% of all casino gaming revenues (that is table games and electronic gaming machines) which partly offsets the increase in electronic gaming machine revenue tax.

As the increased tax rate is applicable from 1 July 2009, the net impact for the Trust is approximately \$1.25 million in this financial year (based on the Trust's 2008 financial statements). From 2010, the full year net impact will be approximately \$2.5 million.

Our submissions to the Government to reverse their tax proposal were rejected even though the Trust has a signed agreement with the Government which had the effect of an Act of Parliament that fixed the tax rate on electronic gaming machines at no more than 10% for the life of the casino licence which expires in 2068. Many investors made their decision to invest based on this tax rate.

The new legislation has enabled the Government to act in a manner that is inconsistent with its contractual obligations under the Cairns Casino Agreement.

In addition, the Government has legislated away the rights of the Trust to seek compensation as a result of the Government acting in such a manner.

We are, therefore, very disappointed with the Government's stance on this matter and their total disregard for their obligation to honour the terms of a commercial contract between the Government and an investor in the State of Queensland. In the future, there is every reason for companies wishing to invest in Queensland to be wary of the sovereign risk of doing business in Queensland.

As a result of the Government's action in raising our electronic gaming machine revenue tax, the Trust sought an independent valuation of the Reef Hotel Casino complex for the purposes of its half year financial statements.

The independent valuation was carried out by Jones Lang LaSalle Hotels as at 30 June 2009 and valued the Reef Hotel Casino complex property at \$143 million resulting in a decrease in the carrying value of \$23.7 million. The decrease in asset carrying value comprised a decrease in the asset revaluation surplus of \$17.45 million and an impairment of the site lease of \$6.25 million.

The decrease in asset carrying value is due mainly to the increase in electronic gaming machine tax rate.

The main consequences on Trust cash flows and distributable profit are as follows.

	Current Period January to June 2009 \$'000	Future Periods approx per annum \$'000
Higher cash flows due to lower responsible entity fees	98	196
Higher distributable profit Due to lower responsible entity fees	98	196
Due to lower amortisation expenses	—	544

Review of trading performance and strategy at Reef Hotel Casino

The Reef Hotel Casino performed strongly in the first six months of 2009 in the face of the global financial crisis and a downturn in tourism in Cairns especially from Japan.

Both hotel and casino operations posted improvement to their "bottom lines" which produced higher rentals to the Trust of 5.1% because of better quality casino patronage and successful cost management.

Management has successfully executed a business strategy to best manage the difficult trading conditions. The key elements are as follows.

- Working as one team within an integrated hotel casino complex
- Giving full effect to the Reef Hotel Casino as the "Must See, Must Visit" venue in Cairns and maintaining the venue as "Queensland's Biggest and Premier Leisure and Entertainment Complex North of Brisbane". Throughout the first six months of the year, the venue continued to offer exciting promotions and live entertainment on top of a variety of dining options
- Maintaining its position as the employer of choice in Cairns to attract the best staff possible so as to provide superior customer service
- Offering the best gaming venue in Cairns catering to both locals and tourists alike
- Operating the best 5 star hotel in Cairns under the Pullman brand, an international 5 star brand of Accor
- Pursuing a successful cost management strategy

Casino operations

Overall casino revenues were up by 2.4% and rental contributions were up 4% compared to the same period last year. Promotions throughout the complex, special events, and a tightly run gaming floor, were the main reasons for the good overall performance of the casino.

- Table games business activity as measured by drop was up by 1%
- Hold percentage was lower but still within acceptable range
- Electronic gaming machine business activity as measured by handle was up by 16%
- Hold percentage was lower reflecting the new mix of machines

Chairman's Review

Hotel operations

Rental contributions were up by 21% compared to the same period last year due to a strong cost recovery effort across all hotel operations.

- Room revenues were lower by 11.4%
- Food and beverage offers were adjusted to counter the downturn in tourism. Otherwise, sales held up
- Management efforts have resulted in successful cost recovery across hotel, food and beverage operations

Improving the Reef Hotel Casino complex

Major complex enhancement works were finally completed in May 2009 and these represented an investment of around \$3 million in total.

- The 2 main casino complex entrances were completely renovated and have resulted in the complex presenting itself with a new, exciting and bold street presence
- The popular Flinders Bar and Grill located in the casino was rebuilt and now offers expanded seating and faster meal service in a contemporary setting
- We await council approval for a lighting project around the exterior of the complex

In addition,

- New electronic gaming machines were purchased
- Other capital purchases continued under an ongoing maintenance and refurbishment program.

Second half year

As I have outlined above, the Trust has reported a commendable result given the global financial crisis and the downturn in tourism in Cairns. The Reef Hotel Casino has performed well and I believe that management has made a positive difference by pursuing a successful business strategy to deal with difficult trading conditions.

The Queensland government's attitude and action in imposing an increase in electronic gaming machine tax on the Reef Hotel Casino has been most disappointing. Based on their representations, there is now an expectation that the government would be reasonable in working with the Reef Hotel Casino management to improve regulatory processes at the casino which would hopefully lead to more operational efficiencies for the casino.

Gaming machine revenue tax aside, it is still somewhat difficult to predict the financial and economic conditions facing the Reef Hotel Casino and the Trust in the second half year.

We expect that the global financial crisis may continue through the second half year and that tourism in Cairns will remain soft. We hope that the economic conditions do not deteriorate any further.

The Trust board has endorsed management's business strategy for the second half year. This strategy is similar to the one pursued in the first half year with a number of new key initiatives designed to keep the business running as profitably as possible for the rest of the year. In essence, the focus on marketing the Reef Hotel Casino as the premier entertainment complex in Cairns will continue while a prudent approach to costs and risk management will continue to feature.

Underpinned by continuing earnings growth expectation at the Reef Hotel Casino, it is possible for the Trust's distributable profit in 2009 to hold up well compared to 2008 which would be a good outcome given the global financial crisis.



Ben Macdonald
Chairman

Reef Corporate Services Limited
Responsible Entity of Reef Casino Trust

DIRECTORS' REPORT

The directors of Reef Corporate Services Limited, ABN 66 057 599 621, the Responsible Entity of Reef Casino Trust present their half year report together with the interim financial report of the Trust for the half year ended 30 June 2009 and the audit report thereon.

Responsible Entity

The directors of Reef Corporate Services Limited at any time during or since the end of the half year are:

NAME	PERIOD OF DIRECTORSHIP
Mr Benjamin W Macdonald (Chairman)	Director since 20 September 1995
Hon Keith De Lacy	Director since 1 December 1999
Mr Julian Hercus	Director since 31 October 2000
Mr Paul Herzfeld	Director since 23 February 2005
Mr David Baffsky	Director since 28 March 2006
Mr Michael Issenberg	Director since 21 January 2002
Mr Kim Mooney	Director since 21 January 2002
Mr Allan Tan	Director since 28 March 2006
	Alternate Director since 10 July 1997 (alternate for Mr Macdonald)
Mr Josef Leutgeb	Alternate Director since 23 February 2005 (alternate for Mr Herzfeld)
Ms Louise Daley	Alternate Director since 25 June 2009 (alternate for Mr Issenberg and Mr Mooney)

Mr Ronald John Hickey was an alternate director for Mr Baffsky, Mr Issenberg and Mr Mooney until his resignation on 7 May 2009.

Review of operations

The review of operations is contained in the Chairman's Review on pages 1 to 4.

Distribution

The distribution of \$6.72 million (13.5 cents per unit tax deferred) in respect of the six month period ended 31 December 2008 as reported in the 2008 annual report was paid on 27 March 2009.

The Directors have declared a distribution of \$5.48 million (11.0 cents per unit tax deferred) in respect of the six month period ended 30 June 2009 to be paid on 25 September 2009 (refer note 10). The distribution in respect of the six month period ended 30 June 2008 was 10.5 cents per unit tax deferred.

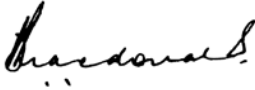
Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out below and forms part of the directors' report for the half year ended 30 June 2009.

Rounding off

The Trust is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the half year financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors of Reef Corporate Services Limited.



Ben Macdonald
Director



Keith De Lacy
Director

Brisbane
18 August 2009




LEAD AUDITOR'S INDEPENDENCE DECLARATION

Under Section 307C of the Corporations Act 2001 to the directors of Reef Corporate Services Limited

I declare that, to the best of my knowledge and belief, during the half year ended 30 June 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



KPMG



Graham Coonan
Partner

Cairns
18 August 2009

STATEMENT OF FINANCIAL POSITION

	Note	30 June 2009 \$'000	31 Dec 2008 \$'000
ASSETS			
Cash and cash equivalents		7,010	6,587
Receivables		1,580	2,047
Site lease – rental in advance	8	601	706
TOTAL CURRENT ASSETS		9,191	9,340
Receivables		750	750
Property, plant and equipment	6	107,128	125,853
Intangible assets	7	102	115
Site lease – rental in advance	8	35,170	41,666
TOTAL NON-CURRENT ASSETS		143,150	168,384
TOTAL ASSETS		152,341	177,724
LIABILITIES			
Payables	9	4,192	5,714
TOTAL CURRENT LIABILITIES		4,192	5,714
Loans and borrowings		16,500	16,500
Deferred income		49	51
Issued units – liability portion		85,051	85,051
TOTAL NON-CURRENT LIABILITIES		101,600	101,602
TOTAL LIABILITIES		105,792	107,316
EQUITY			
Issued units – equity portion		85,051	85,051
Distribution account	10	2,510	3,138
Undistributed income		3,558	3,100
Asset revaluation surplus		44,011	61,452
Accumulated losses		(88,581)	(82,333)
TOTAL EQUITY		46,549	70,408
TOTAL EQUITY AND LIABILITIES		152,341	177,724
MEMORANDUM NOTE – ISSUED UNITS			
Issued units – liability portion		85,051	85,051
Issued units – equity portion		85,051	85,051
		170,102	170,102

The statement of financial position is to be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

For the half year ended 30 June 2009

STATEMENT OF COMPREHENSIVE INCOME

	Note	30 June 2009 \$'000	30 June 2008 \$'000
REVENUE AND OTHER INCOME			
Revenue	4	11,770	11,190
Other income	4	66	2
TOTAL REVENUE AND OTHER INCOME		11,836	11,192
EXPENSES			
Depreciation and amortisation	5	2,977	2,995
Property outgoings		515	524
Rates and taxes		309	294
Responsible Entity fees		550	645
Repairs and maintenance		469	541
Impairment of site lease	6	6,248	—
Insurance		164	161
Other expenses from ordinary activities		393	348
TOTAL EXPENSES		11,625	5,508
RESULTS FROM OPERATING ACTIVITIES		211	5,684
Finance costs attributable to unitholders		2,968	2,503
Interest expense on financial liabilities measured at amortised cost		523	678
TOTAL FINANCE EXPENSES		3,491	3,181
(LOSS)/PROFIT FOR THE PERIOD		(3,280)	2,503
OTHER COMPREHENSIVE INCOME			
Loss on revaluation of property, plant and equipment	6	(17,441)	—
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		(17,441)	—
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(20,721)	2,503
Basic and diluted earnings per unit (cents)	14	(13.2)	10.1
Profit before impairment losses and finance costs attributable to unitholders		5,936	5,006

The statement of comprehensive income is to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	Issued units	Distribution account	Undistributed income	Asset revaluation surplus	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1 JANUARY 2008	85,051	3,657	2,876	61,452	(82,333)	70,703
Total comprehensive income for the period	—	—	—	—	2,503	2,503
Transfer to distribution account	—	2,503	—	—	(2,503)	—
Transfer from undistributed income	—	223	(223)	—	—	—
Distributions paid	—	(3,657)	—	—	—	(3,657)
30 JUNE 2008	85,051	2,726	2,653	61,452	(82,333)	69,549
1 JANUARY 2009	85,051	3,138	3,100	61,452	(82,333)	70,408
Total comprehensive income for the period	—	—	—	(17,441)	(3,280)	(20,721)
Transfer to distribution account (note 10)	—	2,510	458	—	(2,968)	—
Distributions paid	—	(3,138)	—	—	—	(3,138)
30 JUNE 2009	85,051	2,510	3,558	44,011	(88,581)	46,549

The statement of changes in equity is to be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the half year ended 30 June 2009

STATEMENT OF CASH FLOWS

	30 June 2009 \$'000	30 June 2008 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	13,437	11,749
Cash payments in the course of operations	(3,910)	(3,833)
Interest received	170	144
Interest and other finance expenses paid	(539)	(678)
NET CASH FROM OPERATING ACTIVITIES	9,158	7,382
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(2,081)	(1,740)
Proceeds from disposal of non-current assets	69	—
NET CASH FROM INVESTING ACTIVITIES	(2,012)	(1,740)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions paid	(6,723)	(6,723)
NET CASH FROM FINANCING ACTIVITIES	(6,723)	(6,723)
Net increase/(decrease) in cash held	423	(1,081)
Cash and cash equivalents at 1 January	6,587	4,199
CASH AND CASH EQUIVALENTS AT 30 JUNE	7,010	3,118

The statement of cash flows is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. THE TRUST

Reef Casino Trust (the Trust) was established by a Trust Constitution dated 2 July 1993 as amended by supplemental deeds dated 30 November 1993, 19 September 1999, 31 May 2000, 8 August 2001, 14 April 2004 and 29 June 2005. Reef Corporate Services Limited, a company domiciled in Australia, is the Responsible Entity of the Trust. The Trust is the owner and lessor of The Reef Hotel Casino complex in Cairns, North Queensland, Australia.

2. BASIS OF PREPARATION

(a) Statement of compliance

The half year financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001

The half year financial report was approved by the directors of the Responsible Entity on 18 August 2009.

(b) Basis of measurement

The financial report is prepared on the historical cost basis except for the building and integral plant which is stated at fair value.

(c) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Trust's functional currency.

The Trust is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the half year financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this half year report, the significant judgements made in applying the Trust's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2008, except that during the six months ended 30 June 2009, an independent valuation was carried out (refer note 6).

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied by the Trust in this half year financial report are the same as those applied by the Trust in its financial report as at and for the year ended 31 December 2008.

Change in accounting policy

From 1 January 2009 the Trust has adopted AASB 8 *Operating Segments*, mandatory for annual periods beginning on or after 1 January 2009. Adoption of AASB 8 did not have any effect on the financial position or performance of the Trust, however it has caused the Trust to revise its segment reporting. The Trust now presents operating segments based on the information that internally is provided to the board (refer note 11).

Notes to the Financial Statements

For the half year ended 30 June 2009

	30 June 2009 \$'000	30 June 2008 \$'000
4. REVENUE AND OTHER INCOME		
REVENUE		
<i>Rental</i>		
Base rent	467	447
Contingent rent	11,125	10,580
	11,592	11,027
<i>Interest received and receivable from</i>		
Other persons	119	106
Related parties	34	42
	153	148
<i>Other revenue</i>		
Sundry	25	15
	11,770	11,190
OTHER INCOME		
Net gain on disposal of plant and equipment	64	—
Government grant	2	2
	66	2

5. EXPENSES

Net loss includes the following specific expenses:

<i>Depreciation</i>		
Building	1,493	1,459
Plant and equipment	1,095	1,145
	2,588	2,604
<i>Amortisation</i>		
Computer software	36	38
Site lease – rental in advance	353	353
	389	391
	2,977	2,995

	30 June 2009 \$'000	31 Dec 2008 \$'000
6. PROPERTY, PLANT AND EQUIPMENT		
Building and integral plant – at valuation	99,851	120,644
Building and integral plant – at cost	—	2,137
Less: Accumulated depreciation	—	(4,378)
	99,851	118,403
Plant and equipment – at cost	52,795	52,080
Less: Accumulated depreciation	(45,518)	(44,630)
	7,277	7,450
Total property, plant and equipment – net carrying amount	107,128	125,853

CAPITAL EXPENDITURE COMMITMENTS

Contracted but not provided for and payable:

Not longer than one year	222	924
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ACQUISITIONS AND DISPOSALS

During the six months ended 30 June 2009, the Trust acquired assets with a cost of \$1,308,259 (six months ended 30 June 2008: \$1,229,097). Assets with a net book value of \$4,026 were disposed of during the six months ended 30 June 2009 (six months ended 30 June 2008: nil), resulting in a net gain on disposal of \$64,515 (six months ended 30 June 2008: nil).

REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

On 16 June 2009, the Queensland Government introduced a bill, which has now been legislated, to increase the tax rate applicable to electronic gaming machine revenues from 10% to 20% effective 1 July 2009.

An independent valuation of the Trust's interest in the Reef Hotel Casino Complex was carried out by Jones Lang LaSalle Hotels as at 30 June 2009, which has incorporated the increase in electronic gaming machine tax rates. The Trust's interest in the complex, which comprises the building, site lease and plant and equipment, was valued at \$143 million (with no residual value). The site lease is classified as a prepayment (note 8).

The valuation was determined using the discounted cash flow method with the capitalisation of income and earnings multiple approaches providing a check value. The discounted cash flow model applied a selected discount rate to the forecast five year net rental income stream with a terminal value based on the year six net rental income.

As the independent valuation did not assign separate values to the building, site lease and plant and equipment, the directors of the responsible entity of the Trust allocated the value in accordance with the Trust accounting policy. This resulted in a building decrement of \$17,441,000 being charged against the asset revaluation surplus account, and an impairment of the site lease of \$6,248,000 recognised as an expense.

Notes to the Financial Statements

For the half year ended 30 June 2009

	30 June 2009 \$'000	31 Dec 2008 \$'000
7. INTANGIBLE ASSETS		
Computer software – at cost	485	463
Less: Accumulated amortisation	(383)	(348)
Total intangible assets – net carrying amount	102	115

8. SITE LEASE – RENTAL IN ADVANCE

Original cost	53,000	53,000
Less: Accumulated amortisation	(10,981)	(10,628)
Less: Accumulated impairment	(6,248)	—
	35,771	42,372
Site lease as shown in the financial statements:		
<i>Current</i>	601	706
<i>Non-current</i>	35,170	41,666
Total site lease – rental in advance	35,771	42,372

The remaining term of the site lease is 59 years. The conditions of the lease are set out in the Cairns Casino Agreement which forms part of the Cairns Casino Agreement Act 1993. Negotiations for a further lease can take place during the last 10 years. The lease cannot be assigned or sublet without consent of the Minister. The site is required to be used for commercial purposes only.

9. PAYABLES

CURRENT		
Trade creditors and accruals – unsecured	1,224	2,129
Accrued distributions (note 10)	2,968	3,585
	4,192	5,714

10. DISTRIBUTIONS

DISTRIBUTABLE INCOME

The Trust Constitution requires calculation of distributable income for each half yearly period commencing either on the first day of January or July and the amount transferred to a distribution account on the last day of such period. As the Trust must distribute at least 50% of net income for the period, this 50% is classified as a liability, and transferred from the distribution account to accrued liabilities on the statement of financial position (note 9).

The proposed distribution was declared on 18 August 2009, and accounted for as follows:

	30 June 2009 \$'000	31 Dec 2008 \$'000
Distribution account (refer to statement of changes in equity)		
Balance relating to issued units – equity portion	2,510	3,138
Accrued distribution (payables – note 9)		
Balance relating to issued units – liability portion	2,968	3,585
TOTAL OF DISTRIBUTION ACCOUNTS	5,478	6,723

	2009		2008	
	Total \$'000	Cents per unit	Total \$'000	Cents per unit
DISTRIBUTIONS PAID AND PAYABLE				
Half year ended 31 December				
paid March	6,723	13.50	6,723	13.50
Half year ended 30 June				
paid/payable September	5,478	11.00	5,229	10.50
	12,201	24.50	11,952	24.0

All distributions are “tax deferred” in accordance with the Income Tax Assessment Act 1997.

Notes to the Financial Statements

For the half year ended 30 June 2009

11. SEGMENT INFORMATION

The Trust has a single operating segment. Revenue from external customers is derived from the rental of the Reef Hotel Casino complex, which is made up of the following components:

	30 June 2009 \$'000	30 June 2008 \$'000
RENTAL INCOME		
Casino operations	10,697	10,286
Hotel and other non casino operations	895	741
	11,592	11,027

Rental income is received from the lessee of the complex, Casinos Austria International (Cairns) Pty Ltd, which is the Trust's only customer. All revenue received and non-current assets held are located in one geographical area – Australia.

12. RELATED PARTY INFORMATION

There has been no change to the nature of related party transactions disclosed in the most recent annual financial report.

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets.

14. EARNINGS PER UNIT

	30 June 2009	30 June 2008
Basic and diluted earnings per unit (cents)	(13.2)⁽ⁱ⁾	10.1
<i>Weighted average number of units for the half year</i>	24,900,518	24,900,518
	\$'000	\$'000
<i>Profit for the half year</i>	(3,275)	2,503

⁽ⁱ⁾ Includes impairment loss (25.1 cents per unit), otherwise 11.9 cents per unit.

DIRECTORS' DECLARATION

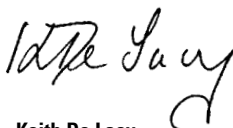
In the opinion of the directors of Reef Corporate Services Limited, the Responsible Entity of Reef Casino Trust (the Trust):

- (a) the financial statements and notes set out on pages 7 to 16 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Trust as at 30 June 2009 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001.
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.
- (c) the Trust has operated during the half year ended 30 June 2009 in accordance with the provisions of the Trust Constitution dated 2 July 1993 (as amended).

Signed in accordance with a resolution of the directors of Reef Corporate Services Limited:



Ben Macdonald
Director



Keith De Lacy
Director

Brisbane
18 August 2009



INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying interim financial report of Reef Casino Trust (the Trust), which comprises the statement of financial position as at 30 June 2009, and the interim statement of comprehensive income, statement of changes in equity and statement of cash flows for the interim period ended on that date, a statement of significant accounting policies and other explanatory notes, and the directors' declaration set out on pages 7 to 17.

Directors' responsibility for the financial report

The directors of the Responsible Entity, Reef Corporate Services Limited, are responsible for the preparation and fair presentation of the interim 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 control relevant to the preparation and fair presentation of the interim 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 an opinion on the interim financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the interim financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the half-year financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the interim financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the interim financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the interim financial report.

We performed the procedures to assess whether in all material respects the interim financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 Interim Financial Reporting a view which is consistent with our understanding of the Trust's financial position, and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion the interim financial report of Reef Casino Trust is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the scheme's financial position as at 30 June 2009 and of its performance for the interim period ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) the provisions of the Trust Constitution dated 2 July 1993 (as amended).



KPMG



Graham Coonan
Partner

Cairns
18 August 2009

TRUST DIRECTORY

Registered office of the Responsible Entity

Reef Corporate Services Limited
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85-87 North Quay
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Facsimile: (07) 3211 4777
www.reefcasino.com.au/trust/home.htm

Directors of the Responsible Entity

Mr Benjamin W Macdonald (Chairman)
Hon Keith De Lacy
Mr Julian Hercus
Mr Paul Herzfeld
Mr David Baffsky
Mr Michael Issenberg
Mr Kim Mooney
Mr Allan Tan

Alternate directors

Mr Allan Tan (alternate for Mr Macdonald)
Mr Josef Leutgeb (alternate for Mr Herzfeld)
Ms Louise Daley (alternate for Mr Issenberg
and Mr Mooney)

Secretary of the Responsible Entity

Ms Alison Galligan

Compliance, Audit & Risk Committee of the Responsible Entity

Hon Keith De Lacy (Chairman)
Mr Julian Hercus
Mr Kim Mooney
Mr Louise Daley (alternate for Mr Mooney)

Solicitors to the Responsible Entity

Freehills
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BRISBANE QLD 4000

Unit registry

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Telephone: 1300 552 270

Bankers

Bank of Queensland Limited
259 Queen Street
BRISBANE QLD 4000

Auditors of the Trust

KPMG
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15 Lake Street
CAIRNS QLD 4870

Securities exchange listing

Official list of the Australian
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Home Exchange: Brisbane

Sub-lessee of Reef Hotel Casino Complex

Casinos Austria International (Cairns) Pty Ltd
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