

24 February 2011

Company Announcements Platform  
Australian Securities Exchange

**AGRICULTURAL LAND TRUST (AGJ)**  
**RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2010**  
**AND**  
**CONFIRMATION OF DISTRIBUTION AND DRP PRICE**

The Directors of Agricultural Land Management Ltd, the responsible entity of the Agricultural Land Trust are pleased to release the attached Appendix 4D together with the Half Yearly Report for the Trust for the period ended 31 December 2010.

Discussion and analysis of the Trust's results is contained in the Half Yearly Report.

The Appendix 4D and Half Yearly Report should be read in conjunction with the Annual Report of the Trust for the financial year ended 30 June 2010 together with all public announcements made by the Trust during the period ended 31 December 2010.

The Directors also confirm the distribution for the period ended 31 December 2010 is 0.96 cents per unit which agrees to the estimate provided to the market on 20 December 2010. The distribution will be paid on Monday 28 March 2011.

For those unit holders participating in the Distribution Reinvestment Plan (DRP) the Directors advise that the DRP price in relation to the above mentioned distribution is 18.53 cents per unit representing a 2.5% discount to the volume weighted average unit price for the 10 trading days from, and including the date on which the Trust's units traded ex-distribution.

***For further information contact:***

Peter Zachert  
Director 0434 046036

Ian Wigg  
Chief Operating Officer (08) 8425 5100

# Agricultural Land Trust

ARSN 096 588 046

## Half Yearly Report

### Results for Announcement to the Market

#### Appendix 4D

31 December 2010

	% change	6 months ended 31 December 2010 \$'000	6 months ended 31 December 2009 \$'000
<b>Results</b>			
Revenue from continuing operations	Up 44.0%	<b>4,501</b>	3,125
Profit from continuing operations	Up 3.6%	<b>1,166</b>	1,125
Net profit attributable to unitholders	Up 4.3%	<b>1,226</b>	1,175
<b>Commentary on Results</b>			
Discussion and analysis of the Trust's results is contained in the Half Yearly Report.			
<b>Interim distribution to unitholders</b>			
Interim distribution payable (\$'000)		<b>885</b>	961
Interim distribution payable (cents per unit)		<b>0.96</b>	1.10
Basic and diluted earnings (cents per unit)		<b>1.33</b>	1.35
Distribution Reinvestment Plan price (cents per unit)		<b>18.53</b>	17.06
Last date for receipt of Distribution Reinvestment Plan election notice			31 December 2010
Record date for determining entitlement to the interim distribution			31 December 2010
Payment date for interim distribution			28 March 2011

	31 December 2010	31 December 2009
<b>Net Tangible Assets</b>		
Total net tangible assets attributable to unitholders (\$)	<b>34,126,589</b>	33,261,085
Units on issue	<b>92,201,537</b>	87,363,529
Net tangible assets attributable to unitholders per unit	<b>\$0.37</b>	\$0.38

# **Agricultural Land Trust**

**ARSN 096 588 046**



**Half Year Report  
31 December 2010**

# **AGRICULTURAL LAND TRUST AND ITS CONTROLLED ENTITIES**

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## **Discussion and Analysis of 31 December 2010 Half Yearly Report**

### **Financial Results**

The reported net profit attributable to unitholders of the Trust for the half year ended 31 December 2010 was \$1,226,000 (2009: \$1,175,000).

The reported net profit from continuing operations for the half year ended 31 December 2010 was \$1,166,000 (2009: \$1,125,000).

Whilst the Trust's performance for the period was in line with its performance in the prior corresponding period, it should be noted that the Trust's performance was stronger in the second quarter.

The second quarter improvement was attributable to an increase in rental income which resulted predominately from an increase in the Trust's banking syndicate finance margin from 1.22% to 4% following the refinance of the facilities effective 30 September 2010. The Trust's unique rental mechanism (as described in previous ASX releases and on the Trust's website: [www.agriculturallandtrust.com.au](http://www.agriculturallandtrust.com.au)) enabled the Trust to adjust rent rates for all investment properties by the movement in its banking syndicate finance margin and BBSY. In the second quarter, the resultant increase in rental income exceeded the increased interest expense resulting from the refinance, thereby improving the Trust's profitability.

Other factors that have had some impact on the Trust's results compared to the prior corresponding period include continued increases in CPI (which increase the land values upon which rent is charged) and the cessation of the responsible entity fee holiday effective 30 June 2010.

### **Revenue and expenses**

Revenue from continuing operations totalled \$4,501,000 (2009: \$3,125,000) and comprised predominately rental income from rural properties of \$4,454,000 (2009: \$3,075,000).

Expenses from continuing operations totalled \$3,335,000 (2009: \$2,000,000) and comprised predominately interest and bank fees on the borrowings associated with rural properties of \$2,890,000 (2009: \$1,868,000).

Expenses from continuing operations also included responsible entity fees of \$294,000 (2009: \$nil) as a result of the expiration of the responsible entity fee holiday effective 30 June 2010.

### **Balance Sheet**

The net assets of the Trust attributable to unit holders totalled \$34,126,000 as at 31 December 2010 representing in net tangible assets per unit of \$0.37.

The book value of the Trust's investment properties as at 31 December 2010 remained substantially unchanged at \$105,443,000.

# **AGRICULTURAL LAND TRUST AND ITS CONTROLLED ENTITIES**

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## **Discussion and Analysis of 31 December 2010 Half Yearly Report**

### **Balance Sheet (Cont.)**

The Trust refinanced its interest bearing loans and borrowings during the period resulting in all interest bearing loans and borrowings, with the exception of \$500,000 which was repaid in January 2011, being classified as non current as at 31 December 2010.

### **Cash Flow**

The overall cash inflow for the Trust was \$119,000 for the half year ended 31 December 2010 (2009: cash inflow \$750,000).

Operating cash inflow for the period was \$548,000 (2009: \$1,534,000). This reduction was attributable predominately to timing differences resulting from the selection of shorter finance debt roll over periods during the six months to 31 December 2010 compared to the prior corresponding period. The operating cash flow also included the payment of a loan refinance fee of \$300,000 payable to the Trust's banking syndicate.

Financing activities produced a net cash outflow for the period of \$429,000 (2009: cash outflow \$784,000). Financing activities comprised the payment of distributions to unitholders net of amounts reinvested pursuant to the Trust's Distribution Reinvestment Plan.

### **Distributions to unitholders**

The Trust paid the second and final distribution in relation to the financial year ended 30 June 2010 totalling \$820,000 to unitholders on 27 September 2010 representing 0.92c per unit (2009: \$887,000 representing 1.027c per unit paid on 28 September 2009).

A total of \$391,000 (2009: \$103,000) was reinvested by unitholders pursuant to the Trust's Distribution Reinvestment Plan resulting in the issue of an additional 3,086,448 units at \$0.13c (2009: 764,454 units at \$0.14c).

The Responsible Entity has resolved to make an interim distribution from the Trust of \$885,000 representing 0.96c per unit (2009: \$961,000 representing 1.1c per unit) in relation to the period ended 31 December 2010 payable on 28 March 2011. The interim distribution represents the estimated taxable income of the Trust for the period ended 31 December 2010. The ratio of distribution payable to net profit has reduced to 72% (2009: 82%) due to various one off tax deductions associated with refinance of the Trust's syndicated debt facilities on 30 September 2010.

### **Second half outlook**

The Trust's second half performance in 2011 is likely to be influenced by numerous factors including variations in the components of the Trust's rental mechanism (ie BBSY, financier margin and CPI) together with any changes in the underlying value of its property assets.

# **AGRICULTURAL LAND TRUST AND ITS CONTROLLED ENTITIES**

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## **Directors Report**

The Directors of Agricultural Land Management Limited, the Responsible Entity of Agricultural Land Trust ("the Trust") report as follows:

### **Directors**

The Directors of the Responsible Entity in office during the half year and at the date of this report are:

Peter Zachert  
Maxwell Ormsby  
Mike Walter

### **Review and Results of Operations**

The reported net profit attributable to unitholders of the Trust for the half year ended 31 December 2010 was \$1,226,000 (2009: \$1,175,000).

The Trust has made a provision for distribution in relation to the half year of \$885,000 (2009: \$961,000).

Further details on the results and operations are included in the attached Discussion and Analysis report.

### **Rounding of amounts**

The entity is of the kind specified in the Australian Securities & Investments Commission class order 98/0100. In accordance with that class order, amounts in the consolidated financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated otherwise.

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6 and forms part of the Directors Report for the half year ended 31 December 2010.

This report has been made in accordance with a resolution of Directors.



Peter Zachert  
Chairman

Adelaide  
24 February 2011

## Auditor's Independence Declaration to the Directors of Agricultural Land Management Limited, as Responsible Entity for Agricultural Land Trust

In relation to our review of the financial report of Agricultural Land Trust for the half-year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Alan Herald  
Partner  
Adelaide  
24 February 2011

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

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**STATEMENT OF COMPREHENSIVE INCOME**

**HALF YEAR ENDED 31 DECEMBER 2010**

**CONSOLIDATED**

	Note	31 December 2010 \$'000	31 December 2009 \$'000
<b>Continuing operations</b>			
Rental income	6	4,454	3,075
Other income	6	3	20
Interest income	6	44	30
<b>Total revenue</b>		<b>4,501</b>	3,125
Trust expenses			
- Finance costs	6	(2,890)	(1,868)
- Responsible entity fees	6	(294)	-
- Auditor's remuneration		(24)	(37)
- Other expenses		(127)	(95)
<b>Total expenses</b>		<b>(3,335)</b>	(2,000)
<b>Net profit from continuing operations before non controlling interests</b>		<b>1,166</b>	1,125
<b>Discontinued operations</b>			
Net profit from discontinued operations before non controlling interests	6	60	119
<b>Net profit before non controlling interests</b>		<b>1,226</b>	1,244
Net profit attributable to non controlling interests		-	(69)
<b>Net profit attributable to unitholders of the Trust</b>		<b>1,226</b>	1,175
<b>BASIC AND DILUTED PROFIT / (LOSS) PER UNIT - CENTS</b>		<b>1.33</b>	1.35
<b>BASIC AND DILUTED PROFIT / (LOSS) PER UNIT FROM CONTINUING OPERATIONS - CENTS</b>		<b>1.26</b>	1.29
<b>BASIC AND DILUTED PROFIT / (LOSS) PER UNIT FROM DISCONTINUED OPERATIONS - CENTS</b>		<b>0.07</b>	0.06

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



**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2010**

		<b>CONSOLIDATED</b>	
		<b>31 December</b>	<b>30 June</b>
		<b>2010</b>	<b>2010</b>
<b>Note</b>		<b>\$'000</b>	<b>\$'000</b>
<b>Current Assets</b>			
	Cash and cash equivalents	5 <b>1,318</b>	1,199
	Trade and other receivables	<b>2,915</b>	1,886
	Prepayments	<b>19</b>	21
	<b>Total Current Assets</b>	<b>4,252</b>	3,106
<b>Non Current Assets</b>			
	Investment properties	<b>105,443</b>	105,592
	<b>Total Non Current Assets</b>	<b>105,443</b>	105,592
	<b>Total Assets</b>	<b>109,695</b>	108,698
<b>Current Liabilities</b>			
	Trade and other payables	<b>2,251</b>	1,765
	Interest bearing loans and borrowings	<b>500</b>	72,719
	Distributions payable	<b>885</b>	820
	<b>Total Current Liabilities</b>	<b>3,636</b>	75,304
<b>Non Current Liabilities</b>			
	Interest bearing loans and borrowings	<b>71,933</b>	-
	<b>Total Non Current Liabilities</b>	<b>71,933</b>	-
	<b>Total Liabilities</b>	<b>75,569</b>	75,304
	<b>Net Assets Attributable to Unitholders and Non Controlling Interests</b>	<b>34,126</b>	33,394
<b>Represented by:</b>			
	Units	<b>57,019</b>	56,628
	Retained losses	<b>(22,893)</b>	(23,234)
	Non Controlling Interests	<b>-</b>	-
	<b>Total Unitholders and Non Controlling Interests</b>	<b>34,126</b>	33,394

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

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

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**STATEMENT OF CHANGES IN NET ASSETS**

**HALF YEAR ENDED 31 DECEMBER 2010**

**CONSOLIDATED**

	<b>Profit / (loss)</b>	<b>Units</b>	<b>Non Controlling Interests</b>	<b>Net assets attributable to unitholders</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 1 July 2009</b>	(23,429)	56,226	78	32,875
Net Profit attributable to unitholders	1,175	-	69	1,244
Distribution reinvestment plan	-	103	-	103
Distributions	(961)	-	-	(961)
<b>At 31 December 2009</b>	<b>(23,215)</b>	<b>56,329</b>	<b>147</b>	<b>33,261</b>
<b>At 1 July 2010</b>	<b>(23,234)</b>	<b>56,628</b>	-	<b>33,394</b>
Net Profit attributable to unitholders	<b>1,226</b>	-	-	<b>1,226</b>
Distribution reinvestment plan	-	<b>391</b>	-	<b>391</b>
Distributions	<b>(885)</b>	-	-	<b>(885)</b>
<b>At 31 December 2010</b>	<b>(22,893)</b>	<b>57,019</b>	-	<b>34,126</b>

The statement of changes in net assets should be read in conjunction with the accompanying notes.

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

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**CASH FLOW STATEMENT**

**HALF YEAR ENDED 31 DECEMBER 2010**

	<b>CONSOLIDATED</b>	
<b>Note</b>	<b>31 December 2010 \$'000</b>	31 December 2009 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Rent received	<b>3,400</b>	2,983
Interest received	<b>45</b>	32
Other receipts	<b>27</b>	173
Interest and borrowing costs paid	<b>(2,365)</b>	(1,405)
Other expenses paid	<b>(559)</b>	(249)
<b>Net cash inflow from operating activities</b>	<b>548</b>	1,534
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for Rural Property investment	-	-
<b>Net cash inflow (outflow) from investing activities</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distributions paid to unit holders	<b>(820)</b>	(887)
Distributions reinvested by unit holders	<b>391</b>	103
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(429)</b>	(784)
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>119</b>	750
Add opening cash and cash equivalents at beginning of period	<b>1,199</b>	1,900
<b>CLOSING CASH AND CASH EQUIVALENTS AT END OF PERIOD</b> 5	<b>1,318</b>	2,650

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

# **AGRICULTURAL LAND TRUST AND ITS CONTROLLED ENTITIES**

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## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

### **HALF YEAR ENDED 31 DECEMBER 2010**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a) Basis of preparation**

The half year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Constitution of the Agricultural Land Trust, the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half year financial report has been prepared on a historical cost basis, except for investment properties, which have been measured at fair value based upon Directors' valuations. Independent valuations are conducted at intervals of not more than three years and are considered by the Directors of the Responsible Entity when determining fair values.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Trust as the full financial report.

The half year financial report should be read in conjunction with the annual Financial Report of the Trust as at 30 June 2010 together with any public announcements made by the Trust and its controlled entities during the half year ended 31 December 2010 in accordance with the continuous disclosure obligations arising under the Australian Stock Exchange Listing Rules and the Corporations Act 2001.

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2010. The adoption of amending standards mandatory for annual reporting periods beginning on or after 1 July 2010 has not resulted in any changes to these accounting policies.

For the purpose of preparing the financial report the half year has been treated as a discrete reporting period.

##### **(b) Changes in Accounting Policy**

Since 1 July 2010 the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2010. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]  
AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2]  
AASB 2009-9 Amendments to Australian Accounting Standards – Additional Exemptions for First-time Adopters  
AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]  
AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 AASB 1  
AASB 2010-1 Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**HALF YEAR ENDED 31 DECEMBER 2010**

**(b) Changes in Accounting Policy (cont)**

AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]

Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

**2. CONTINGENT ASSETS AND LIABILITIES**

Since the last annual reporting date, there has been no material change to any contingent liabilities or contingent assets.

**3. SEGMENT REPORTING**

The Trust operates wholly within Australia and derives rental income from rural property investments.

**4. NON-CASH FINANCING ACTIVITIES**

The Trust has a distribution reinvestment plan ("DRP") which allows unit holders to elect to reinvest their distribution into new units of the Trust. The issue price under the DRP is the average trading price (weighted by volume) of the Trust's units traded on the ASX during the 10 trading days from, and including the date on which the Trust's units trade ex-distribution, less a discount of up to 10% as determined by the Directors at their absolute discretion.

A distribution from the Trust of \$820,000 was paid during the period (2009: \$887,000).

The value of distributions reinvested in the half year to 31 December 2010 was \$391,000 (2009: \$103,000), which resulted in the issue of 3,086,448 units (2009: 764,454 units).

**5. RECONCILIATION OF CASH**

	<b>CONSOLIDATED</b>	
	<b>31 December</b>	30 June
	<b>2010</b>	2010
	<b>\$'000</b>	\$'000
Cash balance comprises:		
Cash at Bank	<b>814</b>	387
Term Deposit	<b>504</b>	812
	<b>1,318</b>	1,199

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**HALF YEAR ENDED 31 DECEMBER 2010**

**6. DISCONTINUED OPERATIONS**

Discontinued operations include the operations of the following syndicates, which form part of the consolidated Trust: The Dunsborough Hotel Property Syndicate, The Kalgoorlie Apartment Hotel Syndicate and the Murray Street Mall Property Trust.

The operations of these syndicates are considered discontinued as their property assets have been sold and the entities are in the process of being wound up.

This note shows the results of the continuing businesses and the discontinued businesses for comparative purposes only.

<b>For the half year ended 31 December</b>	Continuing <b>2010</b> \$'000	Discontinued <b>2010</b> \$'000	Consolidated <b>2010</b> \$'000	Continuing 2009 \$'000	Discontinued 2009 \$'000	Consolidated 2009 \$'000
Rental income	4,454	-	4,454	3,075	-	3,075
Interest income	44	1	45	30	2	32
Other income	3	75	78	20	153	173
Total revenue and other income	4,501	76	4,577	3,125	155	3,280
Finance costs	(2,890)	-	(2,890)	(1,868)	-	(1,868)
Responsible entity fees	(294)	-	(294)	-	-	-
Other expenses	(151)	(16)	(167)	(132)	(36)	(168)
<b>Net profit / (loss) before non controlling interests</b>	<b>1,166</b>	<b>60</b>	<b>1,226</b>	1,125	119	1,244
Net profit / (loss) attributable to non controlling interests	-	-	-	-	(69)	(69)
<b>Net profit / (loss) attributable to unitholders of the Trust</b>	<b>1,166</b>	<b>60</b>	<b>1,226</b>	1,125	50	1,175
Distribution to unitholders	(885)	-	(885)	(961)	-	(961)
Distributions reinvested	391	-	391	103	-	103
<b>Changes in net assets attributable to unitholders of the Trust</b>	<b>672</b>	<b>60</b>	<b>732</b>	267	50	317

**AGRICULTURAL LAND TRUST  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**HALF YEAR ENDED 31 DECEMBER 2010**

**7. SIGNIFICANT EVENTS AFTER BALANCE DATE**

On 3 February category 5 cyclone Yasi crossed the coastline of far north Queensland. The Trust owns three properties in far north Queensland. The properties are located 40km west of Tully, 25km south west of Tully and 15km south of Ingham. The properties have nominal capital improvements and are subject to long term leases to Elders Forestry which are guaranteed by Elders Ltd. On 21 February 2011 Elders Ltd announced that initial aerial assessments of its far north Queensland forestry estate in the Ingham to Babinda region indicated that its Red Mahogany estate had been extensively damaged by Cyclone Yasi and its viability was questionable. Determination of the extent of the damage and its economic implications for Elders Ltd is subject to more detailed in-field assessment.

It should be noted that the obligations of the parties to the Trust's leases are unaffected by the above.

No other matter or circumstance has arisen since the end of the financial period which is not otherwise dealt with in this report, that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent financial periods.

**8. UNITS ON ISSUE**

	<b>31 December 2010</b>	31 December 2009
Opening balance at 30 June 2010	<b>89,115,089</b>	86,599,075
Units issued during the period, under "DRP"	<b>3,086,448</b>	764,454
Closing balance at 31 December 2010	<b><u>92,201,537</u></b>	<u>87,363,529</u>

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

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**DIRECTORS' DECLARATION**

In accordance with a resolution of the Directors of the Responsible Entity, Agricultural Land Management Limited:

In the opinion of the Directors:

- (a) the financial statements and notes of the Trust are in accordance with the Corporations Act 2001, including:
  - i Giving a true and fair view of the financial position as at 31 December 2010 and the performance for the half year ended on that date of the Trust; and
  - ii complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001; and
- (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.

For, and on behalf of, the Board



Peter Zachert  
Chairman

Adelaide  
24 February 2011



To the Unitholders of Agricultural Land Trust

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Agricultural Land Trust, which comprises the balance sheet as at 31 December 2010, the statement of comprehensive income, statement of changes in net assets and cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the trust and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### 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 2010 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 Agricultural Land Trust and the entities it controlled during the half-year, 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*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Agricultural Land Trust 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 2010 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Alan Herald'.

Alan Herald  
Partner  
Adelaide  
24 February 2011