Agricultural Land Trust

29 August 2008

Company Announcements Platform
Australian Securities Exchange

Profit Increase and
Successful Transformation to Agricultural Land Trust

Overview

Headline financial results and achievements for the 2008 financial year include the following:

- Net profit attributable to unitholders of $1.0 million up from $0.2 million in 2007
- Successful transformation into an agricultural land trust
- Acquisition of 17 leased rural properties for $90.25 million on 30 June 2008 with revenues to commence on 1 July 2008
- Divestment of hospitality assets
- Net tangible assets of $37.4 million up from $33.0 million in 2007
- Net tangible assets per unit of $0.44
- 2008 distribution of 2.05 cents per unit (annual distribution yield 7.6%)
- 77.6% of 2007 distribution of 9.7 cents (annual distribution yield 21.5%) reinvested by unitholders pursuant to Distribution Reinvestment Plan
- $100 million debt facility obtained from syndicate of leading Australian banks with $44.4 million remaining available to assist with future acquisitions.
- Net debt as at 30 June 2008 of $55.7 million representing gearing of 60%

Change in Direction

In October 2007 the board announced a change in direction of the Trust to an agricultural land trust.

The change in direction was implemented during the year through the divestment of all material hospitality assets and the acquisition of rural property assets.

Acquisition of Rural Property

On 9 June 2008 unitholders approved the acquisition of 17 timber plantation properties comprising 22,000 hectares in WA, QLD and VIC for $90.25 million from related entity ITC Timberlands Pty Ltd (ITC). The transaction was completed on 30 June 2008. The Trust has entered into long term lease agreements with entities related to ITC which are guaranteed by Futuris Corporation Ltd.

The properties are concentrated in areas recognised for reliable rainfall and productive soil profiles. The properties were independently valued by Colliers International prior to acquisition and the transaction was reviewed by independent expert, Deloitte with the conclusion that it was fair and reasonable to unitholders.

Divestment of Hospitality Assets

Kalgoorlie Apartment Hotel Syndicate (KAHS) (100% owned by the Trust)

On 21 June 2007, Agricultural Land Management Ltd (formerly Westralia Property Management Ltd) (ALM), as Responsible Entity for the KAHS entered into an agreement for the sale of the Broadwater Resort Hotel, Kalgoorlie to Primewest No 171 Pty Ltd for $10.15 million. The sale of the property was settled on 5 September 2007. Net sale proceeds received were in line with book values.

Dunsborough Hotel Property Syndicate (DHPS) (51.15% owned by the Trust)

TEYS Property Funds Limited (TEYS), acts as Responsible Entity for DHPS and entered into an agreement for the sale of the Broadwater Resort and Spa, Dunsborough to Wyndham Vacation Resorts for $12.7 million. The sale of the property settled on or about 26 November 2007 and resulted in net proceeds after realisation costs of $11.3 million. The Trust recorded a fair value decrement in the value of the Broadwater Resort and Spa, Dunsborough of $1.0 million as a result of the sale of the resort. 48.85% of this decrement is attributable to outside equity interests.

Pagoda Hotel Property Syndicate (PHPS) (85.67% owned by the Trust)
Pagoda Fixed Term Property Syndicate (PFTPS) (65.75% owned by PHPS)

PHPS owned 36 suites in the Broadwater Pagoda Hotel and Apartments. PFTPS owned the facilities lot in the Broadwater Pagoda Hotel and Apartments. On 13 March 2008, ALM as Responsible Entity for PHPS and PFTPS entered into contracts for the sale of the 36 suites and facilities lot for $8.7 million and $2.0 million respectively. The sale of these assets settled on 27 May 2008. The Trust recorded a fair value decrement of $0.2 million as a result of the sale of these assets which was attributable to realisation costs.

Broadwater Busselton Property Syndicate (BBPS) (14.4% owned by the Trust)

The book value of the Trust's investment in this syndicate has been maintained at $187,000 due to the uncertainty over its recovery.

Revenue and Expenses

Rental income reduced from $6.2 million to $1.1 million due to property divestments during the 2007 and 2008 financial years.

Interest income increased from $0.9 million to $2.4 million due to increased cash reserves resulting from property divestments.

Net profit attributable to unitholders increased from $0.2 million to $1 million principally due to the replacement of non performing hospitality assets with interest bearing cash deposits as a result of property divestments.

The rural land acquisition had an immaterial impact on the net profit attributable to unitholders as the acquisition only occurred on 30 June 2008.

Net Tangible Assets

As at 30 June 2008 the Trust had Net Tangible Assets (NTA) of $37.4 million representing NTA per unit of $0.44c.

Distributions

On 19 June 2008 the Trust announced an estimated distribution of 1.92 cents per unit. The board has since resolved that the actual distribution for the Trust for the financial year ended 30 June 2008 will be 2.05 cents per unit. This distribution represents an annual distribution yield of 7.6%.

The payment date for the distribution is Friday 26 September 2008.

The Trust's Distribution Reinvestment Plan (DRP) will apply in relation to this distribution.

This distribution follows a distribution of 9.7 cents per unit (yield of 21.5%) paid in relation to the 2007 financial year. Approximately 89% of this distribution was attributable to a one off capital gain made on the sale of the City Central property at 166 Murray Street Mall, Perth in February 2007.

Agricultural Land Trust

Funding

The Trust entered into a $100 million loan facility agreement with a syndicate of leading Australian banks in May 2008. The facility is a 3 year facility with average funding costs of 1.22% above the Bank Bill Swap Bid Rate. Loan to Value ratios of 60% - 65% currently apply to the rural properties acquired by the Trust on 30 June 2008. The Trust has drawn down $55.5 million of this facility with the balance available for further acquisitions of rural property.

The Trust entered into a subordinated and unsecured $10 million loan facility agreement with Futuris Administration Pty Ltd in June 2008. The facility is a 2 year facility with a funding cost of 1.5% above the Bank Bill Swap Bid Rate. The Trust has drawn down $6.5 million of this facility.

Net Debt (ie net of cash) as at 30 June 2008 was $55.7 million.

Outlook

The Responsible Entity is dedicated to advancing its strategy of transforming the Trust into a significant agricultural land trust through the acquisition of additional rural properties should suitable opportunities arise.

Revenue flows resulting from the acquisition of rural properties on 30 June 2008 will commence during the 2009 financial year.

Peter Zachert
Director
Agricultural Land Management Ltd

Date: 29 August 2008

Agricultural Land Trust • ARSN 092 960 060
Responsible Entity Agricultural Land Management Ltd ABN 16 072 899 060 AFSL 225064
Level 9, 121 King William Street, Adelaide SA 5000
GPO Box 2716 Adelaide SA 5001
Telephone (08) 8425 5100 • Facsimile (08) 8425 6088

AGRICULTURAL LAND TRUST
(FORMERLY WESTRALIA PROPERTY TRUST)
ARSN 096 588 046
PRELIMINARY FINAL REPORT
APPENDIX 4E
30 JUNE 2008

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	% change	30 June 2008 $'000	30 June 2007 $'000
Revenue from ordinary activities	Down 57%	**3,467**	8,077
Net profit/(loss) after tax attributable to unitholders	Up 342%	**1,008**	228
Basic and diluted earnings/(loss) per unit (cents)	Up 264%	**1.20**	0.33
Distribution to unitholders paid or payable			
Total amount		**1,729**	6,589
Cents per unit		**2.05**	9.7
Annual distribution yield		**7.6%**	21.5%
Record date		**30 June 08**	11 Oct 07
Net Tangible Assets			
Total net tangible assets attributable to unitholders		**37,427**	33,036
Units on Issue ('000)		**84,116**	68,141
Net tangible assets attributable to unitholders per unit		**$0.44**	$0.48

INCOME STATEMENT

	Consolidated 2008 $'000	2007 $'000
Rental and other property income	**1,077**	6,233
Net fair value increment of investment properties	**-**	930
Interest income	**2,390**	914
Total revenue and other income	**3,467**	8,077
Trust expenses:		
- Finance costs	**(743)**	(3,172)
- Responsible Entity fees	**(531)**	(1,160)
- Other expenses	**(580)**	(4,123)
Net fair value decrement of investment properties	**(1,217)**	-
Total expenses	**(3,071)**	(8,455)
Net profit (loss) before minority interests and finance costs attributable to unitholders	**396**	(378)
Net loss attributable to minority interests	**612**	606
Net profit attributable to unitholders of the Trust	**1,008**	228
Finance costs attributable to unitholders of the Trust	**(1,729)**	(6,589)
Changes in net assets attributable to unitholders of the Trust	**(721)**	(6,361)
BASIC AND DILUTED EARNINGS PER UNIT - CENTS	**1.20**	0.33

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

BALANCE SHEET

	Note	Consolidated 2008 $'000	2007 $'000
Current Assets			
Cash and cash equivalents	3	**6,602**	28,473
Trade and other receivables		**284**	464
		6,886	28,937
Investment properties held for sale	4	-	33,179
Total Current Assets		**6,886**	62,116
Non Current Assets			
Investment properties	5	**95,861**	-
Other financial assets		**187**	187
Total Non Current Assets		**96,048**	187
Total Assets		**102,934**	62,303
Current Liabilities			
Trade and other payables		**2,891**	9,114
Interest bearing loans and borrowings	6	**247**	16,587
Total Current Liabilities		**3,138**	25,701
Non Current Liabilities			
Interest bearing loans and borrowings	7	**62,004**	-
Total Non Current Liabilities		**62,004**	-
Total Liabilities Excluding Net Assets Attributable to Unitholders and Minority Interests		**65,142**	25,701
Net Assets Attributable to Unitholders and Minority Interests		**37,792**	36,602
Represented By:			
Unitholder interest liabilities		**37,427**	33,036
Minority interest liabilities		**365**	3,566
Total Unitholders and Minority Interest Liabilities		**37,792**	36,602
Net tangible asset backing per unit		**$0.44**	**$0.48**
Units on issue ('000)	8	**84,116**	**68,141**

Due to the finite life clause contained within the constitution of the Trust and its subsidiaries, upon adoption of AASB 132 on 1 July 2004, the amount previously representing unitholder and minority interest funds are now classified as liabilities. As a result, there was no equity at the start or end of the period.

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

STATEMENT OF CHANGES IN NET ASSETS

	Profit/ (loss)	Units	Minority interests	Net assets attributable to unitholders
	$'000	$'000	$'000	$'000
At 1 July 2006	(11,129)	50,526	4,172	43,569
Net loss attributable to unitholders before finance costs attributable to unitholders	228	-	(606)	(378)
Distributions	(6,589)	-	-	(6,589)
At 30 June 2007	(17,490)	50,526	3,566	36,602
At 1 July 2007	**(17,490)**	**50,526**	**3,566**	**36,602**
Net profit attributable to unitholders before finance costs attributable to unitholders	**1,008**	**-**	**(612)**	**396**
Units issued in Trust during period	**-**	**5,112**	**-**	**5,112**
Minority interest Portion of distribution from subsidiary	-	**-**	**(2,589)**	**(2,589)**
Distributions	**(1,729)**	**-**	**-**	**(1,729)**
At 30 June 2008	**(18,211)**	**55,638**	**365**	**37,792**

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

CASH FLOW STATEMENT

	Note	Consolidated 2008 $'000	2007 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rent received		**1,257**	6,219
Interest received		**2,390**	914
Fees and other expenses paid		**(2,475)**	(3,822)
Borrowing costs paid		**(743)**	(2,596)
NET CASH INFLOW FROM OPERATING ACTIVITIES	9	**429**	715
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for investment properties		**(95,861)**	-
Proceeds from sale of investment properties		**31,962**	70,821
Repayment of advances from related parties		**-**	610
Advances to related parties		**-**	(450)
NET CASH FLOW FROM INVESTING ACTIVITIES		**(63,899)**	70,981
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions paid to unitholders		**(1,477)**	-
Distributions to minority interests		**(2,589)**	
Proceeds from interest bearing loans and borrowings		**55,504**	-
Proceeds from related party interest bearing loans and borrowings		**6,500**	-
Repayment of interest bearing loans and borrowings		**(16,212)**	(44,088)
NET CASH FLOW FROM FINANCING ACTIVITIES		**41,726**	(44,088)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(21,744)**	27,608
Cash and cash equivalents at beginning of period		**28,346**	738
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3	**6,602**	28,346

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

This report has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and other mandatory professional reporting requirements. This report is based on financial statements that are in the process of being audited.

2. CHANGES IN ACCOUNTING POLICIES

Since 1 July 2007 the Trust has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2007. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

- AASB Int 13 Customer Loyalty Programs
- AASB Int 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interactions (AASB 119)

3. CASH

	2008	2007
	$'000	$'000
Cash at bank and on hand	**4,114**	739
Deposits at call	**2,488**	27,574
Bank overdraft	**-**	160
	6,602	28,473

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates. Deposits at call are at fixed interest rates between 7.35% and have an average maturity of 30 days.

4. INVESTMENT PROPERTIES HELD FOR SALE

	2008	2007
	$'000	$'000
Investment properties held for sale at fair value:		
Broadwater Resort Hotel Kalgoorlie (i)	**-**	10,150
Broadwater Pagoda Resort Hotel	**-**	10,679
Broadwater Resort & Spa Dunsborough	**-**	12,350
	-	33,179

On 21 June 2007, Agricultural Land Management Ltd (formerly Westralia Property Management Ltd) (ALM), as Responsible Entity for the Kalgoorlie Property Syndicate (KAHS), (wholly owned by the Trust) entered into an unconditional agreement for the sale of the Broadwater Resort Hotel, Kalgoorlie to Primewest No 171 Pty Ltd for $10,150,000. The sale of the property was settled on 5 September 2007.

The Trust owns 51.15% of the Dunsborough Hotel Property Syndicate (DHPS). TEYS Property Funds Limited (TEYS), acts as Responsible Entity for DHPS and entered into an unconditional agreement for the sale of the Broadwater Resort and Spa, Dunsborough to Wyndham Vacation Resorts for $12,700,000. The sale of the property settled on or about 26 November 2007. Realisation costs exceeded $1 million and included contract termination fees payable to the former operator of the resort to provide vacant possession to the purchaser. The Trust has not yet received audited financial statements from TEYS and accordingly has estimated and recorded a fair value decrement in the value of the Broadwater Resort and Spa, Dunsborough of $1,055,000. 48.85% of this expense is attributable to outside equity interests.

The Trust owns 85.67% of the Pagoda Hotel Property Syndicate (PHPS) which, in turn, owns 65.75% of the Pagoda Fixed Term Property Syndicate (PFTPS). PHPS owned 36 suites in the Broadwater Pagoda Hotel and Apartments. PFTPS owned the facilities lot in the Broadwater Pagoda Hotel and Apartments. On 13 March 2008, ALM as Responsible Entity for the PHPS and PFTPS entered into contracts for the sale of the 36 suites and facilities lot for $8,700,000 and $2,000,000 respectively. The sale of these assets settled on 27 May 2008. The Trust recorded a fair value decrement of $162,135 as a result of the sale of these assets which was attributable to agents selling costs.

5. INVESTMENT PROPERTIES

	2008 $'000	2007 $'000
Agricultural Land	**95,861**	-
	95,861	-

At an extraordinary general meeting of the Trust held on 9 June 2008, the unitholders of the Trust approved the acquisition of 17 rural properties from related entity ITC Timberlands Pty Ltd for $90,250,000. The acquisition of the properties was completed on 30 June 2008. Acquisition costs comprising predominately stamp duty ($4,663,075) have been capitalised in the cost base of the asset.

6. INTEREST BEARING LOANS AND BORROWINGS - CURRENT

	2008 $'000	2007 $'000
Secured:		
- bills of exchange (note a)	-	16,133
- bank overdraft	-	127
Unsecured:		
- other loans (note b)	**247**	247
- notes	-	49
- loan from Responsible Entity	-	31
	247	16,587

a) Bills of exchange and overdraft accounts in relation to KAHS, DHPS, PHPS and PFTPS were paid out in full during the year from the settlement proceeds received from the sale of the assets owed by those syndicates.

b) Unsecured loans have no fixed repayment date and incur 7% interest payable monthly in arrears.

7. INTEREST BEARING LOANS AND BORROWINGS – NON CURRENT

	2008 $'000	2007 $'000
Secured:		
- Term Loans (note a)	**55,504**	-
Unsecured:		
- Related Party Loan (note b)	**6,500**	-
	62,004	-

a) The Trust entered into a $100 million loan facility agreement with a syndicate of leading Australian banks in May 2008. The facility is a 3 year facility with average funding costs of 1.22% above the Bank Bill Swap Bid Rate. Loan to Value ratios of 60% - 65% currently apply to rural properties acquired by the Trust on 30 June 2008.

b) The Trust entered into a subordinated and unsecured $10 million loan facility agreement with related entity Futuris Admistration Pty Ltd in June 2008. The facility is a 2 year facility with a funding cost of 1.5% above the Bank Bill Swap Bid Rate.

8. UNITS ON ISSUE

	2008 units	2007 units
Units on issue at the beginning of the year	**68,140,619**	68,140,619
Units issued during the year pursuant to Distribution Reinvestment Plan	**15,975,645**	-
Units on issue as at the reporting date	**84,116,264**	68,140,619

Rights and restrictions over ordinary units

Each unit ranks equally with all other ordinary units for the purpose of distributions and on termination of the Trust.

The distribution reinvestment plan ("DRP") allows unit holders to elect to reinvest their distribution into new units of the Trust. The issue price of units under the DRP is the average trading price (weighted by volume) of the Trust's units traded on the Australian Stock Exchange 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.

The value of distributions reinvested in the year to 30 June 2008 was $5,112,205 (2007: $nil), which resulted in the issue of 15,975,645 units (2007: nil units).

9. RECONCILIATION OF NET LOSS BEFORE MINORITY INTEREST AND FINANCE COSTS ATTRIBUTABLE TO UNITHOLDERS TO NET CASH FLOW FROM OPERATIONS

	2008 $'000	2007 $'000
Net profit (loss) before minority interests and finance costs	**396**	(378)
Property selling costs classified as investing activities	-	479
Non Cash finance costs	-	210
Net (increment)/decrement in value of investment properties	**1,217**	(930)
(Increase)/decrease in receivables	**180**	3
(Increase)/decrease in other assets	-	274
Increase/(decrease) in payables	**(1,364)**	1,057
Net operating cash inflow from operating activities	**429**	715

10. SEGMENT REPORTING

Segment products and locations

The Trust's operations involve investment in real property for the purpose of deriving income from rentals and capital appreciation.

The Trust previously operated in two business segments, being commercial/retail investment property and tourism investment property activities.

The Trust has divested all of its commercial/retail and tourism investment properties and now operates solely in the rural investment property segment.

Geographically, the Trust operates in one segment, being Australia.

For the purposes of the segment reporting analysis below, continuing operations include the following:

- Rural property investment
- Interest income derived from net sale proceeds of discontinued operations
- Ongoing trust / corporate costs including listing fees, audit & taxation fees, responsible entity fees & Compliance fees.

For the purposes of the segment reporting analysis below, discontinued operations include the following:

- Commercial / retail property investment
- Tourism property investment

SEGMENT REPORTING (CONTINUED)
Business Segments

	Continuing (Interest, Rural, Corporate)	Discontinued (commercial/ retail, hospitality)	Consolidated
2008	**$'000**	**$'000**	**$'000**
Revenue	2,390	1,077	3,467
EBIT before fair value adjustments	1,968	388	2,356
Fair value increment / (decrement) of investment property	-	(1,217)	(1,217)
Segment EBIT	1,968	(828)	1,139
Interest expense			(743)
Segment result			396
Net loss attributable to minority interests			612
Net profit attributable to unitholders of the Trust			1,008
Segment assets	99,706	3,228	102,934
Segment liabilities	(64,433)	(709)	(65,142)
Other segment information			
Acquisition of investment properties	95,861	-	95,861
2007	**$'000**	**$'000**	**$'000**
Revenue	914	6,223	7,137
EBIT before fair value adjustments	(314)	2,178	1,864
Fair value increment / (decrement) of investment property	-	930	930
Segment EBIT	(314)	3,108	2,794
Interest expense			(3,172)
Segment result			(378)
Net loss attributable to minority interests			606
Net profit attributable to unitholders of the Trust			228
Segment assets	28,915	33,388	62,303
Segment liabilities	(9,423)	(16,278)	(25,701)
Other segment information			
Acquisition of investment properties	-	-	-

11. SIGNIFICANT EVENTS AFTER BALANCE DATE

Subsequent to balance date:

Final Distribution

On 19 June 2008 the Trust announced an estimated distribution of 1.918 cents per unit. At a meeting of the board of directors of Agricultural Land Management Ltd conducted on 20 August 2008, the board resolved that the actual distribution for the Trust for the financial year ended 30 June 2008 would be 2.05 cents per unit.

The payment date for the distribution is Friday 26 September 2008.

The Trust's Distribution Reinvestment Plan (DRP) will apply in relation to this distribution. The issue price of units under the DRP is the average trading price (weighted by volume) of the Trust's units traded on the Australian Stock Exchange during the 10 trading days from, and including the date on which the Trust's units trade ex-distribution (24 June 2008). The directors have resolved that a discount of 2.5% to the average trading price will apply in relation to this distribution.

No other matter or circumstance has arisen since the end of the financial period which is not otherwise dealt with in this report or in the consolidated financial statements, 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.

Issued by order of the directors of Agricultural Management Limited.

Peter Zachert
Director

Date: 29 August 2008