

# Agricultural Land Trust

18 February 2009

Company Announcements Platform  
Australian Securities Exchange

**AGRICULTURAL LAND TRUST (AGJ)  
FORMERLY WESTRALIA PROPERTY TRUST (WST)**

**RESULTS FOR THE PERIOD ENDING 31 DECEMBER 2008  
AND  
CONFIRMATION OF DISTRIBUTION AND DRP PRICE**

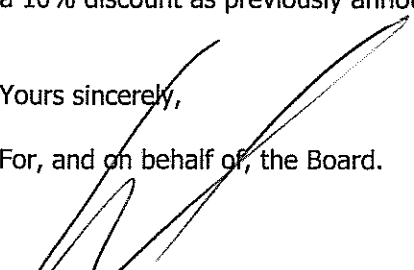
The Directors of Agricultural Land Management Ltd, the responsible entity of the Agricultural Land Trust provide the Appendix 4D for the period ending 31 December 2008, including discussion and analysis of the Trust's results.

Also, the Directors confirm the distribution for the period ending 31 December 2008 is 1.4 cents per unit as previously estimated on 17 December 2008. The distribution will be paid on Friday 27 March 2009.

For those unit holders participating in the Distribution Reinvestment Plan (DRP) the Directors advise that the DRP price is 25 cents per unit, calculated in accordance with the DRP rules at a 10% discount as previously announced on 17 December 2008.

Yours sincerely,

For, and on behalf of, the Board.

  
Peter Zachert  
Director

**Agricultural Land Trust**

**ARSN 096 588 046**

**Half Yearly Report**

**Results for Announcement to the Market**

**Appendix 4D**

**31 December 2008**

	<b>% change</b>	<b>6 months ended 31 December 2008 \$'000</b>	<b>6 months ended 31 December 2007 \$'000</b>
Revenue from continuing operations	Up 346.6%	<b>4,689</b>	1,050
Profit / (loss) from continuing operations after tax attributable to unitholders	Up 278.8%	<b>1,447</b>	382
Profit / (loss) from discontinued operations after tax attributable to unitholders	Up 136.5%	<b>414</b>	(1,133)
Net profit / (loss) attributable to unitholders	Up 1,611.0%	<b>1,783</b>	(118)
<b>Distribution to unitholders paid or payable</b>			
Total amount		<b>1,206</b>	Nil
Cents per unit		<b>1.40</b>	Nil
Basic and diluted (loss) / earnings per unit (cents)		<b>2.06</b>	(0.14)

<b>Net Tangible Assets</b>	<b>31 December 2008</b>	<b>31 December 2007</b>
Total net tangible assets attributable to unitholders	<b>38,539,524</b>	38,029,633
Units on issue	<b>86,315,246</b>	84,116,264
Net tangible assets attributable to unitholders per unit	<b>\$0.45</b>	\$0.45

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

---

**Discussion and Analysis of 31 December 2008  
Half Yearly Report**

**Financial Results**

The reported net profit attributable to unitholders of the Agricultural Land Trust for the half year ended 31 December 2008 was \$1,783,000 (2007: net loss \$118,000).

**Revenue and expenses**

Revenue and other income from continuing operations totalled \$4,689,000 (2007: \$1,050,000) and comprised predominately rental income from rural properties of \$4,553,000 (2007: \$Nil) and interest income.

Expenses from continuing operations totalled \$3,242,000 (2007: \$668,000) and comprised predominately interest and bank fees on the borrowings associated with rural properties of \$3,106,000 (2007: \$Nil).

**Balance Sheet**

The net assets of the Trust, excluding minority interests, totalled \$38,539,000 (2007: \$37,427,000) representing Net Tangible Assets per unit of \$0.45 (2007 \$0.45).

**Cash Flow**

Overall cash outflow was \$4,429,000 (2007: cash inflow \$7,462,000) for the half year.

Operating cash inflow for the six months to 31 December 2008 was \$878,000 (2007: \$1,077,000).

Investing activities produced a cash outflow of \$10,626,000 (2007: cash inflow \$19,894,000) as a result of the acquisition of property during the period.

Financing activities produced a net cash inflow of \$5,319,000 (2007: cash outflow \$13,509,000). Financing activities comprised the payment of distributions to unitholders and the receipt of loans to acquire rural property.

**Distributions to unitholders**

The Trust effected a distribution totalling \$1,724,000 to unitholders on 28 September 2008 representing 2.05c per unit (15 November 2007 distribution \$6,589,000 representing 9.7c per unit).

The distribution represented a distribution of the Taxable Income of the Trust for the year ended 30 June 2008.

A total of \$535,011 (2007: \$5,112,000) was reinvested by unitholders pursuant to the Trust's Distribution Reinvestment Plan resulting in the issue of an additional 2,198,982 units at \$0.24c (2007: 15,975,645 units at \$0.32).

The Responsible Entity has resolved to make a distribution from the Trust of \$1,206,000 (2007: Nil) in relation to the period ended 31 December 2008 payable on 27 March 2009.

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

---

### **Second half outlook**

The Responsible Entity will continue to focus on the acquisition of additional high quality rural properties should suitable opportunities arise.

The Trust continues to operate within the finance covenants of its \$100m syndicated loan facility with Westpac, ANZ and NAB. As at 31 December 2008 the facility was drawn to \$61.9m leaving \$38.1m in additional committed facilities to assist with the acquisition of further rural land on a Loan to Value Ratio of up to 64% should suitable opportunities arise.

As detailed in the Notice of Meeting and Explanatory Statement sent to unitholders on 12 May 2008, rental income from existing properties is a function of the Bank Bill Swap Bid Rate (BBSY, but subject to a floor of 4%), the syndicated facility finance margin (currently 1.22%) and a landlord margin of 0.25%. In light of recent reductions in BBSY rental income in the Second Half from existing properties will decrease. However borrowing costs in the Second Half will also decrease as a result of the variable nature of all of the Trust's borrowings. As BBSY falls below the 4% floor, rental reductions will cease but borrowing costs will also continue to fall improving profitability.

The Trust will continue to enjoy the benefit of a Responsible Entity fee holiday in relation to its continuing operations during the Second Half. The Responsible Entity fee holiday will cease effective 30 June 2010.

In January 2009 Mr Max Ormsby was appointed to the Board of the Responsible Entity. Mr Ormsby is an experienced executive with a background in the corporate sector and major trading banks. Max is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Directors and a member of the Australian Institute of Exports.

18 February 2009

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

---

## **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:

Anthony Davies  
Peter Zachert  
Matthew Ellis  
Max Ormsby (appointed 22 January 2009)

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

The reported net profit attributable to unitholders of the Trust for the half year ended 31 December 2008 was \$1,783,000 (2007: net loss \$118,000).

The Trust has made a provision for distribution in relation to the half year of \$1,206,000.

The Trust continues to operate within the finance covenants of its \$100m syndicated facility with Westpac, ANZ and NAB.

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

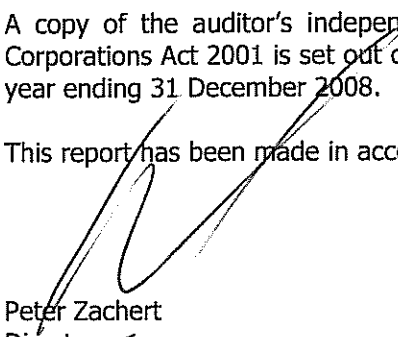
### **Rounding of amounts**

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 to be 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 5 and forms part of the Directors Report for the half year ending 31 December 2008.

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

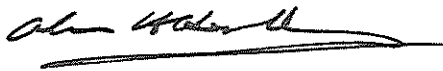


Peter Zachert  
Director

Adelaide  
18 February 2009

## Auditor's Independence Declaration to the Directors of Agricultural Land Management Limited

In relation to our review of the financial report of Agricultural Land Management Limited for the half year ended 31 December 2008, 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.



Alan Herald

*Partner*  
Adelaide  
Ernst & Young

18 February 2009

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

**INCOME STATEMENT**

**HALF YEAR ENDED 31 DECEMBER 2008**

**CONSOLIDATED**

	Note	31 December 2008 \$'000	31 December 2007 \$'000
<b>Continuing operations</b>			
Rental and other property income	7	4,553	-
Other income	7	39	-
Interest income	7	97	1,050
<b>Total revenue and other income</b>		<b>4,689</b>	1,050
Trust expenses			
- Finance costs	7	(3,106)	(412)
- Responsible Entity fees	7	-	(30)
- Auditor's remuneration		(44)	(111)
- Other expenses		(92)	(115)
<b>Total expenses</b>		<b>(3,242)</b>	(668)
<b>Net profit / (loss) from continuing operations before minority interests</b>		<b>1,447</b>	382
<b>Discontinued operations</b>			
Profit / (loss) from discontinued operations before minority interests	7	414	(1,133)
<b>Net profit / (loss) before minority interests</b>		<b>1,861</b>	(751)
Net (profit) / loss attributable to minority interests		(78)	633
<b>Net profit / (loss) attributable to unitholders of the Trust</b>		<b>1,783</b>	(118)
Distribution to Unitholders of the Trust		(1,206)	0
<b>Changes in net assets attributable to unitholders of the Trust</b>		<b>577</b>	(118)
<b>BASIC AND DILUTED PROFIT / (LOSS) PER UNIT - CENTS</b>		<b>2.06</b>	(0.14)
<b>BASIC AND DILUTED PROFIT / (LOSS) PER UNIT FROM CONTINUING OPERATIONS - CENTS</b>		<b>1.68</b>	0.45
<b>BASIC AND DILUTED PROFIT / (LOSS) PER UNIT FROM DISCONTINUED OPERATIONS - CENTS</b>		<b>0.39</b>	(0.59)

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

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

---

**BALANCE SHEET**

**AS AT 31 DECEMBER 2008**

	Note	<b>CONSOLIDATED</b>	
		<b>31 December 2008 \$'000</b>	<b>30 June 2008 \$'000</b>
<b>Current Assets</b>			
Cash and cash equivalents	5	2,173	6,602
Trade and other receivables		2,664	284
<b>Total Current Assets</b>		<b>4,837</b>	<b>6,886</b>
<b>Non Current Assets</b>			
Investment properties	6	106,487	95,861
Other financial assets		187	187
<b>Total Non Current Assets</b>		<b>106,674</b>	<b>96,048</b>
<b>Total Assets</b>		<b>111,511</b>	<b>102,934</b>
<b>Current Liabilities</b>			
Trade and other payables		3,770	2,891
Interest bearing loans and borrowings		0	247
<b>Total Current Liabilities</b>		<b>3,770</b>	<b>3,138</b>
<b>Non Current Liabilities</b>			
Interest bearing loans and borrowings		69,105	62,004
<b>Total Non Current Liabilities</b>		<b>69,105</b>	<b>62,004</b>
<b>Total Liabilities Excluding Net Assets Attributable to Unitholders and Minority Interests</b>		<b>72,875</b>	<b>65,142</b>
<b>Net Assets Attributable to Unitholders and Minority Interests</b>		<b>38,636</b>	<b>37,792</b>
<b>Represented by:</b>			
Units		56,173	55,638
Retained losses		(17,634)	(18,211)
Minority Interest		97	365
<b>Total Unitholders and Minority Interest Liabilities</b>		<b>38,636</b>	<b>37,792</b>

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



**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

---

**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

**HALF YEAR ENDED 31 DECEMBER 2008**

	Profit / (loss)	Units	Minority interests	Net assets attributable to unitholders
	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2007</b>	(17,490)	50,526	3,566	36,602
Net loss attributable to unitholders after finance costs	(118)	-	(633)	(751)
Dividend reinvestment plan	-	5,112	-	5,112
OEI portion of distribution from subsidiary	-	-	(2,598)	(2,598)
<b>At 31 December 2007</b>	<b>(17,608)</b>	<b>55,638</b>	<b>335</b>	<b>38,365</b>
<b>At 1 July 2008</b>	<b>(18,211)</b>	<b>55,638</b>	<b>365</b>	<b>37,792</b>
Net Profit attributable to unitholders after finance costs	<b>1,783</b>	-	<b>78</b>	<b>1,861</b>
Minority interest portion of distribution from subsidiary	-	-	(346)	(346)
Dividend reinvestment plan	-	<b>535</b>	-	<b>535</b>
Distributions	<b>(1,206)</b>	-	-	<b>(1,206)</b>
<b>At 31 December 2008</b>	<b>(17,634)</b>	<b>56,173</b>	<b>97</b>	<b>38,636</b>

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

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

**CASH FLOW STATEMENT**

**HALF YEAR ENDED 31 DECEMBER 2008**

	<b>CONSOLIDATED</b>	
	<b>31 December 2008</b>	31 December 2007
<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Rent received	2,094	1,045
Interest received	225	858
Other receipts	358	-
GST received / (paid) (net)	44	(39)
Interest and borrowing costs paid	(1,723)	(412)
Other expenses paid	(120)	(375)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>878</b>	<b>1,077</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	-	22,850
Costs incurred from sale of investments	-	(2,741)
Repayment of advances from related parties	-	(215)
Payment for Rural Property investment	(10,626)	-
<b>NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES</b>	<b>(10,626)</b>	<b>19,894</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance costs paid - distributions to unitholders and minority interests	(1,535)	(4,076)
Loans and borrowings received / (repaid)	6,854	(9,433)
<b>NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>5,319</b>	<b>(13,509)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,429)</b>	<b>7,462</b>
Add opening cash and cash equivalents at beginning of period	6,602	28,346
<b>CLOSING CASH AND CASH EQUIVALENTS AT END OF PERIOD</b> 5	<b>2,173</b>	<b>35,808</b>

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

# AGRICULTURAL LAND TRUST AND ITS CONTROLLED ENTITIES

---

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### HALF YEAR ENDED 31 DECEMBER 2008

#### 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 and other financial assets, 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 2008 together with any public announcements made by the Trust and its controlled entities during the half year ended 31 December 2008 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 2008. The adoption of amending standards mandatory for annual reporting periods beginning on or after 1 July 2008 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 2008 there have been no new Standards and Interpretations issued, mandatory for annual periods beginning on or after 1 July 2008, that have any effect on the financial position or performance of the Group.

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

---

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

**HALF YEAR ENDED 31 DECEMBER 2008**

**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 property and related investments.

**4. NON-CASH FINANCING ACTIVITIES**

A distribution from the Trust of \$1,724,000 was effected in the period (2007: \$6,589,000). The cash portion of this distribution was \$1,189,000 (2007: \$1,477,000).

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 (that is 23 December 2008), less a discount of up to 10% as determined by the Directors at their absolute discretion.

The value of distributions reinvested in the half year to 31 December 2008 was \$535,000 (2007: \$5,112,000), which resulted in the issue of 2,198,982 units (2007: 15,975,645 units).

**5. RECONCILIATION OF CASH**

	<b>CONSOLIDATED</b>	
	<b>31 December 2008 \$'000</b>	<b>30 June 2008 \$'000</b>
Cash balance comprises:		
Cash assets	<b>2,173</b>	6,602
	<b>2,173</b>	6,602

**6. INVESTMENT PROPERTIES**

	<b>31 December 2008 \$'000</b>	<b>30 June 2008 \$'000</b>
Investment properties held by controlled entities at cost:		
Rural properties	<b>106,487</b>	95,861

The Rural properties were purchased by ALT No 1 Trust, a wholly owned entity of Agricultural Land Trust. During the six months period to 31 December 2008, a further rural property was acquired at a cost of \$9,860,000 plus stamp duty and transfer fees of \$528,000.

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

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

**HALF YEAR ENDED 31 DECEMBER 2008**

**7. 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, The Pagoda Hotel Property Syndicate, The Pagoda Fixed Term Property Syndicate, Murray Street Mall Property Trust.

The operations of these syndicates are considered discontinued because 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 2008 \$000	Discontinued 2008 \$000	Consolidated 2008 \$000	Continuing 2007 \$000	Discontinued 2007 \$000	Consolidated 2007 \$000
Rental and other property income	4,553	-	4,553	-	704	704
Interest income	97	128	225	1,050	-	1,050
Net fair value increment on investment properties	-	-	-	-	-	-
Other income	39	406	445	-	-	-
<b>Total revenue and other income</b>	<b>4,689</b>	<b>534</b>	<b>5,223</b>	<b>1,050</b>	<b>704</b>	<b>1,754</b>
Finance costs	(3,106)	(12)	(3,118)	(412)	-	(412)
Responsible entity fees	-	(42)	(42)	(30)	(84)	(114)
Loss on sale of assets	-	-	-	-	(1,220)	(1,220)
Other expenses	(136)	(66)	(202)	(226)	(533)	(759)
<b>Net profit / (loss) before minority interests</b>	<b>1,447</b>	<b>414</b>	<b>1,861</b>	<b>382</b>	<b>(1,133)</b>	<b>(751)</b>
Net (profit) / loss attributable to minority interests	-	(78)	(78)	-	633	633
<b>Net profit / (loss) attributable to unitholders of the Trust</b>	<b>1,447</b>	<b>336</b>	<b>1,783</b>	<b>382</b>	<b>(500)</b>	<b>(118)</b>
Distribution to unitholders	(1,206)	-	(1,206)	-	-	-
<b>Changes in net assets attributable to unitholders of the Trust</b>	<b>241</b>	<b>336</b>	<b>577</b>	<b>382</b>	<b>(500)</b>	<b>(118)</b>

# AGRICULTURAL LAND TRUST AND ITS CONTROLLED ENTITIES

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### HALF YEAR ENDED 31 DECEMBER 2008

#### 8. SIGNIFICANT EVENTS AFTER BALANCE DATE

##### Subsequent to balance date:

The Trust is continuing to focus on its strategy of acquiring quality, revenue generating rural properties.

As detailed in the Notice of Meeting and Explanatory Statement sent to unitholders on 12 May 2008, rental income from existing properties is a function of the Bank Bill Swap Bid Rate (BBSY, but subject to a floor of 4%), the syndicated facility finance margin (currently 1.22%) and a landlord margin of 0.25%. In light of recent reductions in BBSY rental income in the Second Half from existing properties will decrease. However borrowing costs in the Second Half will also decrease as a result of the variable nature of all of the Trust's borrowings. As BBSY falls below the 4% floor rental reductions will cease but borrowing costs will continue to fall.

The Trust will continue to enjoy the benefit of a Responsible Entity fee holiday in relation to its continuing operations during the second half. The Responsible Entity fee holiday will cease effective 30 June 2010.

In January 2009 Mr Max Ormsby was appointed to the Board of the Responsible Entity. Mr Ormsby is an experienced executive with a background in the corporate sector and major trading banks. Max is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Directors and a member of the Australian Institute of Exports.

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.

#### 9. UNITS ON ISSUE

	<b>31 December 2008</b>	31 December 2007
Opening balance at 30 June 2008	<b>84,116,264</b>	68,140,619
Units issued during the period, under "DRP"	<b>2,198,982</b>	15,975,645
Closing balance at 31 December 2008	<b>86,315,246</b>	84,116,264

**AGRICULTURAL LAND TRUST  
AND ITS CONTROLLED ENTITIES**

---

**DIRECTORS' DECLARATION**

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

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 2008 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  
Director

Adelaide  
18 February 2009

## To the Unitholders of Agricultural Land Trust

### Report on the Condensed Half Year Financial Report

We have reviewed the accompanying half year financial report of Agricultural Land Trust (the "Trust"), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in net assets and cash flow statement for the half year ended on that date, other selected explanatory notes 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 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 the 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

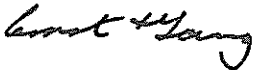
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.



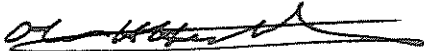
## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of the Agricultural Land Trust is not in accordance with the *Corporations Act 2001*, including:

- i) 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
- ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



Ernst & Young



Alan Herald  
Partner  
Adelaide  
18 February 2009