

24 February 2012

Company Announcements Platform
Australian Securities Exchange

AGRICULTURAL LAND TRUST (AGJ)

**RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2011
APPOINTMENT OF JOINT COMPANY SECRETARY**

The Directors of Agricultural Land Management Ltd, the responsible entity of the Agricultural Land Trust hereby release the attached Appendix 4D together with the Half Yearly Report for the Trust for the period ended 31 December 2011.

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 2011 together with all public announcements made by the Trust during the period ended 31 December 2011.

The Directors are also pleased to announce the appointment of Mr Craig Porter as Joint Company Secretary. Mr Porter will be replacing Ms Sarah Graves who has resigned in order to take parental leave for an extended period. Mr Porter holds a Bachelor of Laws and Legal Practice and is a member of the Law Society of South Australia and the Australasian Compliance Institute.

For further information contact:

Peter Zachert
Chairman 0434 046036

Ian Wigg
General Manager (08) 8425 5100

Agricultural Land Trust

ARSN 096 588 046

Half Yearly Report

Results for Announcement to the Market

Appendix 4D

31 December 2011

	% change	6 months ended 31 December 2011 \$'000	6 months ended 31 December 2010 \$'000
Results			
Revenue from continuing operations	Up 15%	5,181	4,501
Profit from continuing operations before decrement in fair value of investment properties	Up 39%	1,621	1,166
Decrement in fair value of investment properties		(4,055)	-
Profit from continuing operations	Down 209%	(2,434)	1,166
Net profit attributable to unit holders	Down 193%	(2,363)	1,226
Commentary on Results			
Discussion and analysis of the Trust's results is contained in the Half Yearly Report.			
Interim distribution to unit holders			
Interim distribution payable (\$'000)		0	885
Interim distribution payable (cents per unit)		0	0.96
Basic and diluted earnings (cents per unit)		(2.36)	1.33
Distribution Reinvestment Plan price (cents per unit)		0	18.53

	31 December 2011	31 December 2010
Net Tangible Assets		
Total net tangible assets attributable to unit holders (\$)	32,754,881	34,126,589
Units on issue	100,004,457	92,201,537
Net tangible assets attributable to unit holders per unit	\$0.33	\$0.37

Agricultural Land Trust

ARSN 096 588 046



**Half Year Report
31 December 2011**

**AGRICULTURAL LAND TRUST
AND ITS CONTROLLED ENTITIES**

**Discussion and Analysis of 31 December 2011
Half Yearly Report**

Financial Results

The reported net profit from continuing operations, before decrements in the fair value of investment properties, for the half year ended 31 December 2011 was \$1,621,000 (2010: profit \$1,166,000).

This improvement was predominately attributable to increases in rental income effective 30 September 2010 (as described in the Trust's most recent Annual Report).

During the period investment properties were revalued down by \$4,055,000 resulting in a net loss from continuing operations for the half year ended 31 December 2011 of \$2,434,000 (2010: profit 1,166,000).

The reported net loss attributable to unit holders of the Trust from both continuing and discontinued operations for the half year ended 31 December 2011 was \$2,363,000 (2010: profit \$1,226,000).

Revenue and expenses

Revenue from continuing operations totalled \$5,181,000 (2010: \$4,501,000) and comprised predominately rental income from rural properties of \$5,089,000 (2010: \$4,454,000).

This improvement in rental income was achieved notwithstanding the sale of an investment property located in far north Queensland for its book value of \$11,000,000, effective 2 September 2011.

Expenses from continuing operations totalled \$3,560,000 (2010: \$3,335,000) and comprised predominately interest and bank fees on borrowings associated with rural properties of \$3,021,000 (2010: \$2,890,000).

Expenses from continuing operations also included responsible entity fees of \$316,000 (2010: \$294,000).

Balance Sheet

The net assets of the Trust attributable to unit holders totalled \$32,755,000 as at 31 December 2011 (30 June 2011: \$34,405,000).

The book value of the Trust's investment properties as at 31 December 2011 was \$90,275,000 (30 June 2011: \$105,330,000). During the period a property was realised for its book value of \$11,000,000 and the Trust's properties were revalued down by \$4,055,000.

The Trust's interest bearing loans and borrowings as at 31 December 2011 comprised secured syndicated debt of \$51,464,000 (30 June 2011: \$59,873,000) expiring on 31 July 2012 and unsecured subordinated debt from a wholly owned subsidiary of Elders Limited of \$9,315,000 (30 June 2011 \$11,815,000) expiring on 31 August 2012.

As at 31 December 2011 the Trust's gearing ratio (debt to total assets) was 64% (30 June 2011: 65%). Excluding unsecured subordinated debt the Trusts gearing ratio was 54% (30 June 2011: 54%).

AGRICULTURAL LAND TRUST AND ITS CONTROLLED ENTITIES

Discussion and Analysis of 31 December 2011 Half Yearly Report

Cash Flow

The overall cash inflow for the Trust was \$748,000 for the half year ended 31 December 2011 (2010: \$119,000).

Operating cash inflow for the period was \$1,445,000 (2010: \$548,000). This increase was attributable predominately to increased rental income compared to the prior corresponding period as well as timing differences.

Investing activity cash inflow for the period was \$11,000,000 (2010: \$nil) due to the property sale completed on 2 September 2011. Financing activities produced a net cash outflow for the period of \$11,697,000 (2010: cash outflow \$429,000). The cash outflows included a repayment of syndicated debt of \$8,500,000 and a reduction of subordinated debt of \$2,500,000 from the proceeds of the investment property sale on 2 September 2011. The cash outflows also included payment of distributions net of amounts reinvested pursuant to the Trust's Distribution Reinvestment Plan.

Distributions to unit holders

The Trust paid a second and final distribution in relation to the financial year ended 30 June 2011 totalling \$1,410,000 to unit holders on 27 September 2011 representing 1.49 cents per unit (2010: \$820,000 representing 0.92 cents per unit paid on 27 September 2010). This brought the total distribution for the financial year ended 30 June 2011 to 2.45 cents per unit (2010: 2.02 cents per unit).

As announced on 19 December 2011, the Responsible Entity has resolved to not declare an interim distribution from the Trust in relation to the period ended 31 December 2011 (2010: \$885,000 representing 0.96 cents per unit). The taxable income of the Trust (which is usually distributed) in relation the period ended 31 December 2011 has been estimated to be \$1.6 million representing an 83% increase on the prior corresponding period. The Responsible Entity will consider declaring a first and final distribution of the Trust's full year taxable income at its Board meeting in June 2012.

Second half outlook

The Trust focuses on the ownership of rural property for the purpose of generating rental income and capital appreciation. All properties are currently leased to the Elders Forestry group for forestry plantations with all leases being guaranteed by Elders Limited. Elders Ltd recently announced its intention to divest Elders Forestry on a staged basis. The impact of the proposed divestment on the Trust is not able to be determined at this stage.

Over the coming half year the Responsible Entity will continue debt facility extension negotiations. The amounts owing to financiers have been included within the financial statements as current liabilities. Current liabilities now exceed current assets and the Trust remains reliant on the continued support of its financiers. The Responsible Entity will also focus on progressing the previously announced sale campaign in relation to the Trust's remaining Queensland properties however the campaign is not anticipated to be progressed until after the North Queensland wet season in or around April 2012.

The Trust's second half performance in 2012 is also likely to be influenced by other factors including variations in the components of the Trust's rental mechanism (i.e. BBSY, financier margin and CPI) together with any changes in the underlying value of its property assets.

**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:

Peter Zachert
Maxwell George Ormsby
Robert Michael Ardagh Walter

Review and Results of Operations

The reported net loss attributable to unit holders of the Trust for the half year ended 31 December 2011 was \$2,363,000 (2010: profit \$1,226,000).

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 2011.

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



Peter Zachert
Chairman

Adelaide
24 February 2012

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

In relation to our review of the financial report of Agricultural Land Trust for the half-year ended 31 December 2011, 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.

A stylized signature of the Ernst & Young firm, written in blue ink.

Ernst & Young

A handwritten signature in blue ink, appearing to read 'Alan Herald'.

Alan Herald
Partner
Adelaide
24 February 2012

**AGRICULTURAL LAND TRUST
AND ITS CONTROLLED ENTITIES**

STATEMENT OF COMPREHENSIVE INCOME

HALF YEAR ENDED 31 DECEMBER 2011

CONSOLIDATED

	Note	31 December 2011 \$'000	31 December 2010 \$'000
Continuing operations			
Rental income	6	5,089	4,454
Other income	6	19	3
Interest income	6	73	44
Total revenue		5,181	4,501
Trust expenses			
- Finance costs	6	(3,021)	(2,890)
- Responsible entity fees	6	(316)	(294)
- Auditor's remuneration		(27)	(24)
- Other expenses		(196)	(127)
- Net decrement in fair value of investment properties	6	(4,055)	-
Total expenses		(7,615)	(3,335)
Net profit / (loss) from continuing operations		(2,434)	1,166
Discontinued operations			
Net profit / (loss) from discontinued operations	6	71	60
Net profit / (loss) attributable to unit holders of the Trust		(2,363)	1,226
 BASIC AND DILUTED PROFIT / (LOSS) PER UNIT - CENTS		(2.36)	1.33
 BASIC AND DILUTED PROFIT / (LOSS) PER UNIT FROM CONTINUING OPERATIONS - CENTS		(2.43)	1.26
 BASIC AND DILUTED PROFIT / (LOSS) PER UNIT FROM DISCONTINUED OPERATIONS - CENTS		0.07	0.07

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

**AGRICULTURAL LAND TRUST
AND ITS CONTROLLED ENTITIES**

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

CONSOLIDATED

	Note	31 December 2011 \$'000	30 June 2011 \$'000
Current Assets			
Cash and cash equivalents	5	2,360	1,612
Trade and other receivables		2,671	2,928
Prepayments		20	35
Total Current Assets		5,051	4,575
Non Current Assets			
Investment properties		90,275	105,330
Total Non Current Assets		90,275	105,330
Total Assets		95,326	109,905
Current Liabilities			
Trade and other payables		1,792	2,401
Interest bearing loans and borrowings	7	60,779	-
Distributions payable		-	1,411
Total Current Liabilities		62,571	3,812
Non Current Liabilities			
Interest bearing loans and borrowings	7	-	71,688
Total Non Current Liabilities		-	71,688
Total Liabilities		62,571	75,500
Net Assets Attributable to Unitholders		32,755	34,405
Represented by:			
Units		58,175	57,462
Retained losses		(25,420)	(23,057)
Total Unitholders Interests		32,755	34,405

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

**AGRICULTURAL LAND TRUST
AND ITS CONTROLLED ENTITIES**

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

HALF YEAR ENDED 31 DECEMBER 2011

CONSOLIDATED

	Profit / (loss) \$'000	Units \$'000	Net assets attributable to unit holders \$'000
At 1 July 2010	(23,234)	56,628	33,394
Net Profit attributable to unit holders	1,226	-	1,226
Distribution reinvestment plan	-	391	391
Distributions	(885)	-	(885)
At 31 December 2010	(22,893)	57,019	34,126
 At 1 July 2011	 (23,057)	 57,462	 34,405
Net Profit attributable to unit holders	(2,363)	-	(2,363)
Distribution reinvestment plan	-	713	713
Distributions	-	-	-
At 31 December 2011	(25,420)	58,175	32,755

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

**AGRICULTURAL LAND TRUST
AND ITS CONTROLLED ENTITIES**

STATEMENT OF CASH FLOWS

HALF YEAR ENDED 31 DECEMBER 2011

CONSOLIDATED

		31 December 2011 \$'000	31 December 2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rent received		5,865	3,842
Interest received		73	45
Other receipts		15	4
Interest and borrowing costs paid		(3,216)	(2,536)
Other expenses paid		(836)	(523)
GST (paid) / refund ATO		(456)	(284)
Net cash inflow from operating activities		1,445	548
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investment properties	7	11,000	-
Net cash inflow from investing activities		11,000	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions paid to unit holders		(1,410)	(820)
Distributions reinvested by unit holders		713	391
Repayment of subordinated loans	7	(2,500)	-
Repayment of syndicated loans	7	(8,500)	-
Net cash outflow from financing activities		(11,697)	(429)
NET INCREASE IN CASH AND CASH EQUIVALENTS		748	119
Add opening cash and cash equivalents at beginning of period		1,612	1,199
CLOSING CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	2,360	1,318

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 2011

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 2011 together with any public announcements made by the Trust and its controlled entities during the half year ended 31 December 2011 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 2011. The adoption of amending standards mandatory for annual reporting periods beginning on or after 1 July 2011 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.

The global economy continues to be volatile with uncertain implications for the forestry industry. In this regard Elders Ltd has recently announced its intention to divest its forestry division on a staged basis. It should be noted that the Trust leases all of its properties to the forestry division of Elders Ltd with all leases being guaranteed by Elders Ltd. The impact of the proposed divestment on the Trust is not able to be determined at this stage. In light of the ongoing uncertainty, and notwithstanding that the Trust remains fully compliant with all financial covenants, there is a risk that financiers will not extend debt facilities on an acceptable basis. The Directors have however concluded that there are reasonable grounds to believe that the Trust will pay its debts as and when they become due and payable and that the basis of preparation of financial statements on a going concern basis is appropriate. The Trust's funding arrangements are being negotiated with the banking syndicate and are required to be agreed prior to the expiry of the secured syndicated debt on 31 July 2012. The amounts owing to financiers have been included within the financial statements as current liabilities. Current liabilities now exceed current assets by \$57,520,000, therefore the Trust is reliant on the continued support of financiers to pay its debts as and when they fall due.

AGRICULTURAL LAND TRUST AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

b) Changes in Accounting Policy

Since 1 July 2011 the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2011. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group: AASB 124 – The revised AASB 124 Related Party Disclosures, AASB 2009-12 - Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052], AASB 2009-14 - Amendments to Australian Interpretation Prepayments of a Minimum Funding Requirement, AASB 2010-4 - Amendments to Australian Accounting Standards arising from the Annual Improvements Project, AASB 2010-5 - Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042], AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1, AASB 7], AASB 1054 - Australian Additional Disclosures

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 \$1,410,000 was paid during the period (2010: \$820,000).

The value of distributions reinvested in the half year to 31 December 2011 was \$713,000 (2010: \$391,000), which resulted in the issue of 5,412,109 units (2010: 3,086,448 units).

5. RECONCILIATION OF CASH

	CONSOLIDATED	
	31 December 2011 \$'000	30 June 2011 \$'000
Cash at Bank	464	1,093
Term Deposit	1,896	519
	2,360	1,612

**AGRICULTURAL LAND TRUST
AND ITS CONTROLLED ENTITIES**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2011

6. DISCONTINUED OPERATIONS

Discontinued operations include the operations of the following entities, 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.

For the half year ended 31 December	Continuing 2011 \$'000	Discontinued 2011 \$'000	Consolidated 2011 \$'000	Continuing 2010 \$'000	Discontinued 2010 \$'000	Consolidated 2010 \$'000
Rental income	5,089	-	5,089	4,454	-	4,454
Interest income	73	-	73	44	1	45
Other income	19	118	137	3	75	78
Total revenue and other income	5,181	118	5,299	4,501	76	4,577
Finance costs	(3,021)	-	(3,021)	(2,890)	-	(2,890)
Diminution in investment	(4,055)	-	(4,055)	-	-	-
Responsible entity fees	(316)	-	(316)	(294)	-	(294)
Other expenses	(223)	(47)	(270)	(151)	(16)	(167)
Net profit / (loss) before non controlling interests	(2,434)	71	(2,363)	1,166	60	1,226
Net profit / (loss) attributable to non controlling interests	-	-	-	-	-	-
Net profit / (loss) attributable to unit holders of the Trust	(2,434)	71	(2,363)	1,166	60	1,226
Distribution to unit holders	-	-	-	(885)	-	(885)
Distributions reinvested	713	-	713	391	-	391
Changes in net assets attributable to unit holders of the Trust	(1,721)	71	(1,650)	672	60	732

AGRICULTURAL LAND TRUST AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2011

7. BORROWINGS AND REPAYMENT OF DEBT

The Trust's interest bearing loans and borrowings as at 31 December 2011 comprised secured syndicated debt of \$51,464,000 (30 June 2011: \$59,873,000) expiring on 31 July 2012 and unsecured subordinated debt from a wholly owned subsidiary of Elders Limited of \$9,315,000 (30 June 2011 \$11,815,000) expiring on 31 August 2012.

During the period, following disposal of a property located in far North Queensland, a loan repayment of \$8,500,000 was made in relation to secured syndicated debt and a loan repayment of \$2,500,000 was made in relation to unsecured subordinated debt.

8. RELATED PARTY DISCLOSURES

The Trust focuses on the ownership of rural property for the purpose of generating rental income and capital appreciation. All properties are currently leased to Elders Forestry for forestry plantations with all leases being guaranteed by Elders Limited. Elders Limited is also the ultimate parent entity of Agricultural Land Management Limited which acts as the Responsible Entity of the Agricultural Land Trust. The Elders group is also a substantial shareholder (49.68%) and subordinated financier of Agricultural Land Trust and has provided eligible undertakings to Agricultural Land Management Limited. The Chairman of the Agricultural Land Management Limited is not independent due to his prior role as the Chief Financial Officer of Elders Ltd (ceasing June 2009) and his role as Chairman of various Responsible Entities within Elders Forestry including Elders Forestry Management Limited. The Board of Agricultural Land Management Limited is comprised of a majority of independent directors. Notwithstanding that the majority of the Board is independent and a Compliance Committee is not required, the Board has retained the Trust's Compliance Committee to further enhance corporate governance. The Compliance Committee comprises a majority of external and independent members.

Responsible Entity Fees

The Responsible Entity fees for the half year were \$315,969 (2010: \$293,678).

Rental Income

The rental income for the half year was \$5,089,000 (2010: \$4,454,000).

Disposal of Properties

On 2 September 2011 the Trust disposed of a property located in far north Queensland for its book value of \$11,000,000. The consideration payable pursuant to the disposal contracts was used to reduce debt. Pursuant to the contracts, \$2,500,000 of the consideration was payable by tenant, Elders Forestry Management Limited, which has been applied to reduction to the unsecured and subordinated loan from the Elders group. The balance of \$8,500,000 was applied to reduce secured syndicated debt.

Subordinated Loan

The Trust has a \$13,000,000 unsecured and subordinated loan agreement with Elders Finance Pty Limited an entity wholly owned by Elders Limited. The facility expires on 31 August 2012 and interest expense equals the weighted average rent rate payable under the property leases. As at 31 December 2011 the facility has been drawn to \$9,315,000 (30 June

**AGRICULTURAL LAND TRUST
AND ITS CONTROLLED ENTITIES**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2011

8. RELATED PARTY DISCLOSURES (CONT.)

2011 \$11,815,000).

Compensation of Key Management Personnel

No amounts are paid by the Trust directly to directors and key management personnel of the Trust. The independent Compliance Committee members are paid directly by the Trust. Directors of the Responsible Entity receive remuneration in their capacity as directors of the Responsible Entity. Certain directors are paid directly from the ultimate holding company of the Responsible Entity, Elders Limited. Amounts paid to other senior management are also paid directly from Elders Limited. Consequently, no compensation as defined in AASB 124: Related Party Disclosures is paid by the Trust to its key management personnel.

Eligible Undertakings

Elders Limited has provided the Responsible Entity of the Trust with an Eligible Undertakings to ensure compliance with the base level financial requirements of the Responsible Entity's Australian Financial Services Licence no 225064. As a result of the Eligible Undertakings, the Trust's assets are not required to be registered in the name of a Custodian. On 7 November 2011 the Australian Securities Investment Commission released new financial requirements for Responsible Entities that will apply from November 2012. The changes are being implemented through Class Order 11/1140 and are outlined in the updated version of Regulatory Guide 166 Licensing: Financial requirements. The impact of the changes on the Trust is currently being assessed.

9. SIGNIFICANT EVENTS AFTER BALANCE DATE

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.

10. UNITS ON ISSUE

	31 December 2011	31 December 2010
Opening balance at 30 June 2011	94,592,348	89,115,089
Units issued during the period, under "DRP"	5,412,109	3,086,448
Closing balance at 31 December 2011	<u>100,004,457</u>	<u>92,201,537</u>

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:

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 2011 and the performance for the half year ended on that date; and
 - ii complying with Accounting Standard AASB 134 Interim Financial Reporting and 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. As noted in Note 1 there remains a risk that financiers will not extend debt facilities on an acceptable basis for the Trust.

On behalf of the Board.



Peter Zachert
Chairman

Adelaide
24 February 2012

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Agricultural Land Trust ("the Trust"), which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The directors are also responsible for such internal controls that 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 a Financial Report Performed by the Independent Auditor of the Trust*, 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 2011 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 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 2011 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*.

Uncertainty Regarding Opinion

Without qualification to the opinion expressed above, attention is drawn to note 1 within the financial report which highlights the reliance on the ability of Agricultural Land Trust to refinance their syndicate debt expiring on 31 July 2012. There is significant uncertainty whether the trust will be able to meet its obligations as and when they fall due in the absence of refinancing on acceptable terms. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink, appearing to read 'Alan Herald'.

Alan Herald
Partner
Adelaide
24 February 2012