

**B O U N D A R Y  
B E N D  
LIMITED**



**Boundary Bend Limited  
and controlled entities  
ABN 32 115 131 667**

Half-year report  
For the six months ended 31 December 2010

**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

**Table of Contents**

|  |    |
|--|----|
| Directors' Report.....   | 3  |
| Auditor's independence declaration.....                        | 4  |
| Condensed consolidated statement of comprehensive income ..... | 5  |
| Condensed consolidated statement of financial position.....    | 7  |
| Condensed consolidated statement of changes in equity .....    | 8  |
| Condensed consolidated statement of cash flows .....           | 9  |
| Notes to the condensed consolidated financial statements ..... | 10 |
| 1. Significant accounting policies.....                        | 10 |
| 2. Dividends paid and proposed .....                           | 10 |
| 3. Results for the period.....                                 | 10 |
| 4. Share capital .....   | 10 |
| 5. Contingent liabilities .....                                | 10 |
| 6. Events after balance sheet date.....                        | 10 |
| Directors' Declaration.....                                    | 11 |
| Independent review report.....                                 | 12 |

**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

**Directors' Report**

The directors of Boundary Bend Limited submit the financial report of Boundary Bend Limited and its subsidiaries (consolidated entity) for the half-year ended 31 December 2010.

**Directors**

The names of the Directors in office at any time during the half year or until the date of this report are:

Mr. Robert McGavin  
Mr. Paul Riordan  
Mr. Leandro Ravetti  
Mr. Tim Jonas  
Mr. Craig Ball  
Mr. Jonathan West  
Mr. Timothy Smith

**Review of operations**

The consolidated entity reported a before tax loss of \$539,000 (2009: \$1,491,000 loss). During the six month period ended 31 December 2009, the consolidated entity was managing the olive assets for Timbercorp, which were acquired on 11 January 2010.

On 4 January 2010, the consolidated entity became a disclosing entity. As such, the six month period to 31 December 2010 is the first period the consolidated entity is required to produce a half year report. The comparative figures for the statement of comprehensive income and the statement of cash flows have not been reviewed and the auditors have qualified their review report with respect to comparative figures.

**Auditor's independence declaration**

The auditor's independence declaration is included on page 4 of the half-year report.

**Rounding**

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.



Mr. Robert McGavin  
Director



Mr. Paul Riordan  
Director

Dated 3 March 2011

The Board of Directors  
Boundary Bend Limited  
151 Broderick Road  
LARA VIC 3212

3 March 2011

Dear Board Members

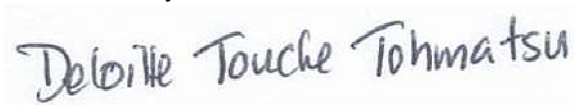
### **Boundary Bend Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Boundary Bend Limited.

As lead audit partner for the review of the financial statements of Boundary Bend Limited for the half-year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Craig Bryan  
Partner  
Chartered Accountant

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**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

**Condensed consolidated statement of comprehensive income**  
**for the half-year ended 31 December 2010**

|   | <b>Consolidated</b>    |                    |
|---|------------------------|--------------------|
|   | <b>Half-year ended</b> |                    |
|   | <b>31 Dec 2010</b>     | <b>31 Dec 2009</b> |
|   | <b>\$'000</b>          | <b>\$'000</b>      |
| <b>Revenue</b>                                    |                        |                    |
| Sales revenue                                     | 22,581                 | 20,308             |
| Other revenue                                     | 1,810                  | 2,868              |
| Net increase in fair value of biological assets   | 1,766                  | -                  |
|   | <b>26,157</b>          | <b>23,176</b>      |
| <br><b>Expenses</b>                               |                        |                    |
| Cost of sales                                     | (20,615)               | (17,800)           |
| Administration expenses                           | (1,446)                | (3,134)            |
| Distribution expenses                             | (1,200)                | (1,127)            |
| Marketing expenses                                | (769)                  | (575)              |
| Occupancy expenses                                | (464)                  | (418)              |
| Finance costs                                     | (2,105)                | (1,298)            |
| Other expenses                                    | (97)                   | (314)              |
|   | <b>(26,696)</b>        | <b>(24,667)</b>    |
| <br>Loss for the period before income tax expense | (539)                  | (1,491)            |
| Income tax benefit                                | 508                    | 638                |
|   | <b>(31)</b>            | <b>(853)</b>       |
| <b>Loss for the period</b>                        | <b>(31)</b>            | <b>(853)</b>       |

**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

**Condensed consolidated statement of comprehensive income**  
**for the half-year ended 31 December 2010 (continued)**

|   | Half-year ended |             |
|---|-----------------|-------------|
|   | 31 Dec 2010     | 31 Dec 2009 |
|   | \$'000          | \$'000      |
| <b>Loss for the period</b>                                | (31)            | (853)       |
| <b>Other comprehensive income</b>                         |                 |             |
| Foreign currency translation reserve                      | (333)           | (212)       |
| <b>Other comprehensive loss for the period</b>            | (333)           | (212)       |
| <b>Total comprehensive loss for the period</b>            | (364)           | (1,065)     |
| <b>Profit/(loss) attributable to:</b>                     |                 |             |
| Owners of the parent                                      | (31)            | (864)       |
| Non-controlling interests                                 | -               | 11          |
|   | (31)            | (853)       |
| <b>Total comprehensive income/(loss) attributable to:</b> |                 |             |
| Owners of the parent                                      | (364)           | (1,076)     |
| Non-controlling interests                                 | -               | 11          |
|   | (364)           | (1,065)     |

**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

**Condensed consolidated statement of financial position**  
**as at 31 December 2010**

|   | <b>Consolidated</b> |                    |
|---|---------------------|--------------------|
|   | <b>31 Dec 2010</b>  | <b>30 Jun 2010</b> |
|   | <b>\$'000</b>       | <b>\$'000</b>      |
| <b>Current assets</b>                       |                     |                    |
| Cash and cash equivalents                   | 2,079               | 1,821              |
| Trade and other receivables                 | 7,719               | 6,847              |
| Inventories                                 | 16,183              | 31,305             |
| Biological assets                           | 14,612              | -                  |
| Other financial assets                      | -                   | 2,646              |
| Current tax assets                          | 351                 | 50                 |
| Other assets                                | 2,873               | 2,914              |
|   | <u>43,817</u>       | <u>45,583</u>      |
| Assets held for sale                        | -                   | 3,268              |
| <b>Total current assets</b>                 | <u>43,817</u>       | <u>48,851</u>      |
| <b>Non-current assets</b>                   |                     |                    |
| Trade and other receivables                 | 188                 | 188                |
| Biological assets                           | 24,025              | 23,501             |
| Other financial assets                      | 497                 | 497                |
| Intangible assets                           | 3,766               | 3,766              |
| Deferred tax assets                         | -                   | 48                 |
| Property, plant and equipment               | 81,691              | 80,189             |
| <b>Total non-current assets</b>             | <u>110,167</u>      | <u>108,189</u>     |
| <b>Total assets</b>                         | <u>153,984</u>      | <u>157,040</u>     |
| <b>Current liabilities</b>                  |                     |                    |
| Trade and other payables                    | 4,893               | 4,196              |
| Borrowings                                  | 3,108               | 45,807             |
| Provisions                                  | 750                 | 713                |
| Other financial liabilities                 | -                   | 2,534              |
| Other liabilities                           | 4,824               | 9,326              |
| <b>Total current liabilities</b>            | <u>13,575</u>       | <u>62,576</u>      |
| <b>Non-current liabilities</b>              |                     |                    |
| Trade and other payables                    | 8                   | 15                 |
| Borrowings                                  | 49,549              | 5,439              |
| Provisions                                  | 51                  | 48                 |
| Deferred tax liabilities                    | 1,467               | -                  |
| <b>Total non-current liabilities</b>        | <u>51,075</u>       | <u>5,502</u>       |
| <b>Total liabilities</b>                    | <u>64,650</u>       | <u>68,078</u>      |
| <b>Net assets</b>                           | <u>89,334</u>       | <u>88,962</u>      |
| <b>Equity</b>                               |                     |                    |
| Share capital                               | 55,708              | 55,006             |
| Reserves                                    | (119)               | 180                |
| Retained earnings                           | 33,706              | 33,737             |
| Equity attributable to owners of the parent | <u>89,295</u>       | <u>88,923</u>      |
| Non-controlling interest                    | 39                  | 39                 |
| <b>Total equity</b>                         | <u>89,334</u>       | <u>88,962</u>      |

**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

**Condensed consolidated statement of changes in equity**  
**for the half-year ended 31 December 2010**

| <b>Consolidated</b>   | <b>Issued capital \$'000</b> | <b>Asset revaluation reserve \$'000</b> | <b>Share based payments reserve \$'000</b> | <b>Foreign currency translation reserve \$'000</b> | <b>Retained earnings/ (Accumulated losses) \$'000</b> | <b>Attributable to owners of the parent \$'000</b> | <b>Non-controlling interest \$'000</b> | <b>Total \$'000</b> |
|---|------------------------------|---|--|--|---|--|--|---------------------|
| Balance at 1 July 2009  | 34,669                       | 3,801                                   | 53   | (105)  | (8,206)   | 30,212   | 48                                     | 30,260              |
| Profit/(loss) for the period                                      | -                            | -                                       | -  | -  | (864)   | (864)  | 11                                     | (853)               |
| Exchange differences arising on translation of foreign operations | -                            | -                                       | -  | (212)  | -   | (212)  | -                                      | (212)               |
| Total comprehensive income/(loss) for the period                  | -                            | -                                       | -  | (212)  | (864)   | (1,076)  | 11                                     | (1,065)             |
| Share based payments expense                                      | -                            | -                                       | 102  | -  | -   | 102  | -                                      | 102                 |
| <b>Balance at 31 December 2009</b>                                | <b>34,669</b>                | <b>3,801</b>                            | <b>155</b>                                 | <b>(317)</b>                                       | <b>(9,070)</b>  | <b>29,238</b>                                      | <b>59</b>                              | <b>29,297</b>       |
| Balance at 1 July 2010  | 55,006                       | 286                                     | 185  | (291)  | 33,737  | 88,923   | 39                                     | 88,962              |
| Loss for the period   | -                            | -                                       | -  | -  | (31)  | (31)   | -                                      | (31)                |
| Exchange differences arising on translation of foreign operations | -                            | -                                       | -  | (333)  | -   | (333)  | -                                      | (333)               |
| Total comprehensive income/(loss) for the period                  | -                            | -                                       | -  | (333)  | (31)  | (364)  | -                                      | (364)               |
| Proceeds from share issue   | 702                          | -                                       | -  | -  | -   | 702  | -                                      | 702                 |
| Share based payments expense                                      | -                            | -                                       | 34   | -  | -   | 34   | -                                      | 34                  |
| <b>Balance at 31 December 2010</b>                                | <b>55,708</b>                | <b>286</b>                              | <b>219</b>                                 | <b>(624)</b>                                       | <b>33,706</b>   | <b>89,295</b>                                      | <b>39</b>                              | <b>89,334</b>       |



**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

**Condensed consolidated statement of cash flows**  
**for the half-year ended 31 December 2010**

|   | <b>Consolidated</b>    |                    |
|---|------------------------|--------------------|
|   | <b>Half-year ended</b> |                    |
|   | <b>31 Dec 2010</b>     | <b>31 Dec 2009</b> |
|   | <b>\$'000</b>          | <b>\$'000</b>      |
| <b>Cash flows from operating activities</b>               |                        |                    |
| Receipts from customers                                   | 23,641                 | 19,492             |
| Payments to suppliers and employees                       | (25,097)               | (20,359)           |
| Interest received   | 165                    | 43                 |
| Borrowing costs   | (1,958)                | (1,298)            |
| Income tax refunded/(paid)                                | 1,722                  | (163)              |
| Net cash used in operating activities                     | <u>(1,528)</u>         | <u>(2,285)</u>     |
| <b>Cash flows from investing activities</b>               |                        |                    |
| Proceeds from sale of intangible assets                   | 3,456                  | -                  |
| Payments for land, property, plant and equipment          | (3,390)                | (1,738)            |
| Payment of deposit for business acquisition               | -                      | (6,050)            |
| Payments for biological assets                            | (394)                  | -                  |
| Net cash used in investing activities                     | <u>(328)</u>           | <u>(7,788)</u>     |
| <b>Cash flows from financing activities</b>               |                        |                    |
| Proceeds from share issue                                 | 702                    | -                  |
| Net proceeds from borrowings                              | 1,411                  | 10,509             |
| Net cash provided by financing activities                 | <u>2,113</u>           | <u>10,509</u>      |
| <b>Reconciliation of cash and cash equivalents</b>        |                        |                    |
| Cash and cash equivalents at the beginning of the period  | 1,821                  | 1,441              |
| Net increase in cash and cash equivalents                 | 258                    | 437                |
| <b>Cash and cash equivalents at the end of the period</b> | <u>2,079</u>           | <u>1,878</u>       |

**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES**  
**ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

**Notes to the condensed consolidated financial statements**

**1. Significant accounting policies**

**Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

**Basis of preparation**

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2010 annual financial report for the year ended 30 June 2010, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current period.

**2. Dividends paid and proposed**

During the period, the consolidated entity did not make nor declare any dividend payments.

**3. Results for the period**

(i) Individually significant items charged to the statement of comprehensive income:

|   | <b>31 Dec 2010</b> | <b>31 Dec 2009</b> |
|---|--------------------|--------------------|
|   | <b>\$'000</b>      | <b>\$'000</b>      |
| Provision for impairment of olive oil inventory | 951                | -                  |

**4. Share capital**

During the half-year reporting period, the consolidated entity issued 540,000 ordinary shares for \$1.30 per share.

**5. Contingent liabilities**

At 30 June 2010, a contingent liability existed in relation to legal claims and counter claims with a bottling equipment agent and a manufacturing company. During the six months to 31 December 2010, this claim was settled with the consolidated entity paying \$9,475 to the bottling equipment agent and manufacturing agency.

There are no further contingent liabilities as at 31 December 2010.

**6. Events after balance sheet date**

In January 2011, approximately 50 hectares of olive trees at the Boort grove suffered permanent flood damage. The financial impact of the flood damage is estimated to be \$300,000.

**BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES  
ABN 32 115 131 667**

**HALF-YEAR FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

**Directors' Declaration**

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Mr. Robert McGavin  
Director



Mr. Paul Riordan  
Director

Dated 3 March 2011

## **Independent Auditor's Review Report to the Members of Boundary Bend Limited**

We have reviewed the accompanying half-year financial report of Boundary Bend Limited which comprises the condensed statement of financial position as at 31 December 2010, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 11.

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

The directors of the company 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 control as the directors determine is 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 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 half-year 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 Boundary Bend Limited, 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.

### *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Boundary Bend Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

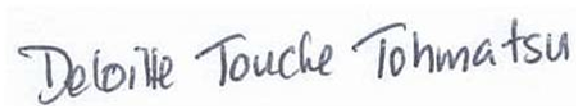
## *Basis for Qualified Conclusion*

As this is the first year that Boundary Bend Limited is required to prepare a half year financial report and have it reviewed, the statement of financial position, the statement of comprehensive income, statement of changes in equity and cash flow statement, and other selected explanatory notes for the preceding corresponding half year have not been reviewed or audited. Accordingly, we are not in a position to and do not express any assurance in respect of the comparative information for the half year ended 31 December 2009. We have, however, audited the financial report for the preceding financial year ended 30 June 2010 and therefore our review statement is not qualified in respect of the comparative information for the year ended 30 June 2010 included in the statement of financial position.

## *Qualified Conclusion*

Except for the effect, if any, on the comparatives for the preceding corresponding half year that may result from the qualification in the preceding paragraph, 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 Boundary Bend Limited 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*.



DELOITTE TOUCHE TOHMATSU



Craig Bryan  
Partner  
Chartered Accountants  
Melbourne, 3 March 2011