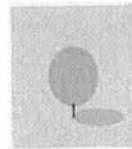


**BOUNDARY
BEND
LIMITED**



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

Half-year report
For the six months ended 31 December 2011

BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES
ABN 32 115 131 667

HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

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	
1 Significant accounting policies	10
2 Dividends paid and proposed	10
3 Results for the period	10
4 Borrowings	11
5 Share capital	11
6 Key management personnel	11
7 Events after balance sheet date	11
Directors' Declaration	12
Independent review report	13

BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES
ABN 32 115 131 667

HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

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 2011.

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 post tax loss of \$649,000 (2010: \$31,000 loss). The consolidated entity also reported positive cash flows from operations of \$1,314,000 compared to a net operating cash outflow of \$1,528,000 for the same period last year.

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. Tim Jonas
Director

Dated 7 March 2012

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

7 March 2012

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.

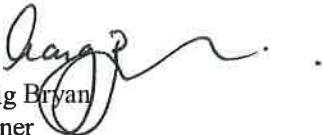
As lead audit partner for the review of the financial statements of Boundary Bend Limited Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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

DELOITTE TOUCHE TOHMATSU


Craig Bryan
Partner
Chartered Accountants

BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES
ABN 32 115 131 667

HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

Condensed consolidated statement of comprehensive income
for the half-year ended 31 December 2011

	Note	Consolidated Half-year ended	
		31 Dec 2011 \$'000	31 Dec 2010 \$'000
Revenue			
Sales revenue		26,319	22,581
Other revenue		1,023	1,810
Net increase in fair value of biological assets	3	9,133	1,766
		<u>36,475</u>	<u>26,157</u>
Expenses			
Cost of sales		(23,732)	(20,615)
Administration expenses		(1,934)	(1,446)
Distribution expenses		(1,460)	(1,200)
Marketing expenses		(1,601)	(769)
Occupancy expenses		(283)	(464)
Finance costs		(2,461)	(2,105)
Other expenses		(117)	(97)
Impairment expense	3	(1,224)	-
Loss on revaluation of property	3	(839)	-
Provision for onerous contract	3	(3,473)	-
		<u>(37,124)</u>	<u>(26,696)</u>
Loss for the period before income tax benefit		(649)	(539)
Income tax benefit		-	508
		<u>(649)</u>	<u>(31)</u>

The accompanying notes form part of these financial statements.

BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES
ABN 32 115 131 667

HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

Condensed consolidated statement of comprehensive income
for the half-year ended 31 December 2011 (continued)

	Consolidated	
	Half-year ended	
	31 Dec 2011	31 Dec 2010
	\$'000	\$'000
Loss for the period	(649)	(31)
Other comprehensive income		
Foreign currency translation reserve	9	(333)
Loss on revaluation of property through asset revaluation reserve	(286)	-
Other comprehensive loss for the period	(277)	(333)
Total comprehensive loss for the period	(926)	(364)
Profit/(loss) attributable to:		
Owners of the parent	(649)	(31)
Non-controlling interests	-	-
	(649)	(31)
Total comprehensive income/(loss) attributable to:		
Owners of the parent	(926)	(364)
Non-controlling interests	-	-
	(926)	(364)

The accompanying notes form part of these financial statements.

BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES
ABN 32 115 131 667

HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

Condensed consolidated statement of financial position
as at 31 December 2011

	Note	Consolidated	
		31 Dec 2011 \$'000	30 Jun 2011 \$'000
Current assets			
Cash and cash equivalents		394	187
Trade and other receivables		9,375	8,623
Inventories		13,282	30,082
Biological assets		9,519	733
Other assets		2,720	2,150
Total current assets		35,290	41,775
Non-current assets			
Trade and other receivables		145	145
Biological assets		33,768	24,161
Other financial assets		471	497
Intangible assets		2,567	3,766
Property, plant and equipment		81,407	83,573
Total non-current assets		118,358	112,142
Total assets		153,648	153,917
Current liabilities			
Trade and other payables		4,714	6,672
Borrowings	4	1,870	59,386
Provisions		604	614
Other liabilities		4,342	3,817
Total current liabilities		11,530	70,489
Non-current liabilities			
Borrowings	4	61,882	4,989
Provisions		37	31
Other liabilities		3,639	1,005
Total non-current liabilities		65,558	6,025
Total liabilities		77,088	76,514
Net assets		76,560	77,403
Equity			
Share capital	5	55,707	55,707
Reserves		(396)	(202)
Retained earnings		21,249	21,898
Equity attributable to owners of the parent		76,560	77,403
Non-controlling interest		-	-
Total equity		76,560	77,403

The accompanying notes form part of these financial statements.

BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES

ABN 32 115 131 667

HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

Condensed consolidated statement of changes in equity
for the half-year ended 31 December 2011

Consolidated	Issued capital \$'000	Asset revaluation reserve \$'000	Share based payments reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Attributable to owners of the parent \$'000	Non- controlling interest \$'000	Total \$'000
Balance at 1 July 2010	55,005	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 loss for the period	-	-	-	(333)	(31)	(364)	-	(364)
Proceeds from share issue	702	-	-	-	-	702	-	702
Share based payments expense	-	-	34	-	-	34	-	34
Balance at 31 December 2010	55,707	286	219	(624)	33,706	89,294	39	89,333
Balance at 1 July 2011	55,707	286	252	(740)	21,898	77,403	-	77,403
Loss for the period	-	-	-	-	(649)	(649)	-	(649)
Exchange differences arising on translation of foreign operations	-	-	-	9	-	9	-	9
Fair value adjustments to non-current assets	-	(286)	-	-	-	(286)	-	(286)
Total comprehensive income/(loss) for the period	-	(286)	-	9	(649)	(926)	-	(926)
Share based payments expense	-	-	83	-	-	83	-	83
Balance at 31 December 2011	55,707	-	335	(731)	21,249	76,560	-	76,560

The accompanying notes form part of these financial statements.

BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES
ABN 32 115 131 667

HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

Condensed consolidated statement of cash flows
for the half-year ended 31 December 2011

	Consolidated	
	Half-year ended	
	31 Dec 2011	31 Dec 2010
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	26,668	23,641
Payments to suppliers and employees	(22,070)	(25,097)
Interest received	7	165
Borrowing costs	(3,291)	(1,958)
Income tax refunded	-	1,722
	<hr/>	<hr/>
Net cash generated by/(used in) operating activities	1,314	(1,528)
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	170	-
Proceeds from sale of intangible assets	-	3,456
Payments for land, property, plant and equipment	(218)	(3,390)
Payments for biological assets	(241)	(394)
	<hr/>	<hr/>
Net cash used in investing activities	(289)	(328)
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from share issue	-	702
Net (repayment)/proceeds of borrowings	(818)	1,411
	<hr/>	<hr/>
Net cash (used in)/provided by financing activities	(818)	2,113
	<hr/>	<hr/>
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	187	1,821
Net increase in cash and cash equivalents	207	258
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	394	2,079
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES
ABN 32 115 131 667

HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

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 2011 annual financial report for the year ended 30 June 2011, 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.

The adoption of all new and revised Standards and Interpretations has not resulted in any changes to the group's accounting policies and has no effect on the amounts reported for the current or prior period. The new and revised Standards and Interpretations have not had a material impact and not resulted in changes to the group's presentation or disclosure in its half-year financial statements.

2. Dividends paid and proposed

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

3. Results for the period

Individually significant items charged to the statement of comprehensive income:

	31 Dec 2011	31 Dec 2010
	\$'000	\$'000
<i>(i) Income</i>		
Fair value adjustment to non-current biological assets	9,133	1,766

BOUNDARY BEND LIMITED AND CONTROLLED ENTITIES
ABN 32 115 131 667

HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

3. Results for the period (continued)

	31 Dec 2011	31 Dec 2010
	\$'000	\$'000
<i>(ii) Expenses</i>		
Provision for impairment of olive oil inventory	-	951
Impairment of goodwill	1,198	-
Impairment of shares in other corporations	26	-
Unrealised loss on revaluation of property	839	-
Provision for onerous contract	3,473	-
	<u>5,536</u>	<u>951</u>

4. Borrowings

On 23 December 2011 the consolidated entity signed a revised facility agreement with the Commonwealth Bank of Australia to increase its debt facilities from \$57 million to \$62 million. The revised facilities include core debt of \$45 million and a harvest facility of \$17 million. The term of the facilities were also extended to 30 November 2013. At 31 December 2011 the consolidated entity had fully drawn the core debt facility of \$45 million and had drawn the harvest facility to \$12 million, leaving available facilities of \$5 million.

	31 Dec 2011	30 Jun 2011
	\$'000	\$'000
CURRENT		
<i>Secured liabilities</i>		
Bank loans	-	56,980
Finance lease & hire purchase liability	1,870	2,406
	<u>1,870</u>	<u>59,386</u>
NON CURRENT		
<i>Secured liabilities</i>		
Bank loans	56,980	-
Finance lease & hire purchase liability	4,902	4,989
	<u>61,882</u>	<u>4,989</u>

5. Share capital

Issued capital as at 31 December 2011 amounted to \$55,707,474 (44,766,986 ordinary shares). There were no movements in the issued capital of the company in the current reporting period (prior period \$702,000).

6. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

7. Events after balance sheet date

On 15 February 2012, the company issued 3,872,334 ordinary shares at an issue price of \$1.50 per share raising \$5,808,501.

No other matter or circumstance has arisen since 31 December 2011 that has significantly affected or may significantly affect the consolidated entity's operations, the results of these operations, or the consolidated entity's state of affairs in future financial years.

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

**HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011**

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. Tim Jonas
Director

Dated 7 March 2012

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 2011, 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 12.

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 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 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.

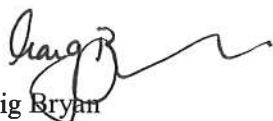
Conclusion

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 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 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*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Craig Bryan

Partner

Chartered Accountants

Melbourne, 7 March 2012