



THE VAN DIEMEN'S LAND COMPANY

ARBN 009 475 601

Founded 1825 by Royal Charter of King George IV

HALF YEAR ANNOUNCEMENT FOR THE PERIOD ENDED 30 NOVEMBER 2009

Results for announcement to the market

	30 Nov 2009	30 Nov 2008	\$ Movement
Sales Revenue	9,776,739	17,931,347	(8,154,608)
Profit / (Loss) before financing costs and tax	286,832	2,382,052	(2,095,220)
Finance Costs	(883,644)	(1,238,296)	354,652
Income tax (expense) / benefit	45,465	(341,915)	387,380
Profit / (Loss)	(551,347)	801,841	(1,353,188)
Dividend	-	-	-
Net Tangible Assets per share (cents)	1.46	1.67	(0.21)
Basic Earnings per share	(0.73)	1.06	(1.79)

Directors hereby announce the half year result for The Van Diemen's Land Company (VDL) for the six month period ended 30 November 2009.

The Van Diemen's Land Company (VDL) which owns and operates a successful large-scale dairy and pastoral farming business in the North West of Tasmania.

VDL has reported tax adjusted figures for the half year ended 30 November 2009 which is consistent with the adoption of International Financial Reporting Standards (IFRS) in May 2008.

Group Result

VDL generated a net loss after income tax of AUD 0.55 million.

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VDL generated a net profit before finance costs and income tax of AUD 0.29 million, a reduction of AUD 2.09 million over the previous half year profit of AUD 2.38 million for the six month period ended 30 November 2008.

Dairy contributions were down AUD 2.40 million on the previous corresponding half year, this decrease can be attributed to the far lower payout made by Fonterra, the company's major dairy processor, AUD 3.83 per kilogram of milk solids vs. AUD 5.94 leading to a significant reduction in milk income. This was compounded by atrocious weather through July to October which has seen production impacted with cows unable to utilise available feed and production dropping 9%.

Non-dairy earnings improved AUD 1.26 million generating a surplus of AUD 0.16 million for the half year. This improvement is largely due to increased sales in the first half year and significantly less purchases as changes to the beef operations are implemented, coupled with an increase in value of stock on hand.

For the 2009/10 season, 14 of the Group's 23 dairy units are operating under Variable Order Sharefarming Agreements, four under 50:50 Sharefarming Agreements with five farms managed. The decisions was taken to allow some sharefarmers to alter their farming arrangements with the company as a combination of poor payout, production decline, additional costs through poor weather and desperate financial straits had led to a number of sharefarmers being unable to pay their bills and hence continue farming. The company's actions were well received by individual sharefarmers and acknowledged by the wider farming community as having been proactive in assisting through this time.

Net Tangible Assets

Following the adoption of IFRS the Group has been required to recognise a Deferred Tax Liability of approximately AUD 34.44 million as at 30 Nov 2009 down from AUD 39.40 million at 30 Nov 2008. This reflects an Australian capital gains tax liability that may arise if all assets are sold at book values.

After accounting for the performance of VDL for the half year ended 30 November 2009 and the adoption of IFRS, the net tangible asset value at 30 November 2009 was AUD 110.76 million or AUD 1.47 per share.

Farms were revalued for the May 2009 full year results; however they have not been revalued for the half year.

Outlook

The decline in milk payout has impacted significantly on the profitability of the business and whilst there have been positive signals for milk pricing in all international markets this has not at this time flowed through into signalled milk pricing for the balance of the season. New Zealand milk producers have received far clearer and more positive signals indicating a NZ price of \$6.10 per kg ms for NZ milk.

The wet conditions through much of the early season have impacted on production and will lead to a reduction over 2008/09 record production.

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A decision to move a number of the farms towards fully autumn calving will offset some of this impact.

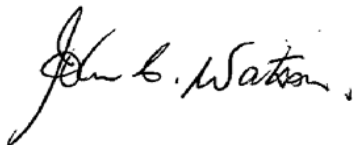
Beef operations within the Van Diemen's Land Company are being changed both in light of pricing signals which favour beef from steers and heifers over bulls and from a redefinition of the purpose of the non-dairy operations, which is now first and foremost focussed on supporting the dairying operations. A revised beef policy was considered and approved by Directors and the impact of this is already flowing through with far improved beef weights. The decline in beef schedule has however offset the real gains of this improvement.

Summary

The six months ended 30 November 2009 have been completed in what many in the industry consider to be some of the toughest farming conditions experienced in the North West of Tasmania for many decades. This coupled with low payout impacted on the morale and mental state of many within the business leading to innovative restructuring being required for many farms.

Directors have decided to not seek to cut costs to reduce the deficit where expenditure would have impacted on stock condition, future production or the value of the assets. Whilst this has led to a deficit for the period it will ensure that the company is well positioned to take advantage of better seasonal weather and payout. It will continue to be important to balance required expenditure controls against the expenditure necessary to drive future productivity improvements.

(This document is available on the website – www.vdlfarms.com.au)



John Watson AM

Governor

26th January 2010

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**PRODUCTION SUMMARY
FOR THE SIX MONTHS ENDED 30th November 2009**

	2007	2008	2009
Number of Farms			
Tasman Farmdale Pty Ltd	12	12	12
The Van Diemen's Land Company Dairies Pty Ltd	11	11	11
Total	23	23	23
Effective Hectares			
Tasman Farmdale Pty Ltd	1,796	1,796	1,796
The Van Diemen's Land Company Dairies Pty Ltd	4,296	4,296	4,160
Total	6,092	6,092	5,956
Milking Cows			
Tasman Farmdale Pty Ltd	5,316	3,765	2,558
The Van Diemen's Land Company Dairies Pty Ltd	11,157	10,847	9,592
Total	16,473	14,612	12,460
Production - Kilograms of Milk Solids			
Tasman Farmdale Pty Ltd	634,438	673,375	595,735
The Van Diemen's Land Company Dairies Pty Ltd	1,536,434	1,806,034	1,667,631
Total	2,170,872	2,479,410	2,263,366
Farmgate Milk Price at 30th November AUD per kilogram of Milk Solids	\$5.30	\$5.21	\$3.83
Non Dairy Operations			
Closing Cattle on Hand	15,233	12,330	7,140
Closing Sheep on Hand	7,290	2,168	1,416
Closing Dairy Heifers in Hand	nk	8,249	8,361
Non-Dairy Area – Hectares			
Beef	3,042	3,042	2,946
Dairy Grazing	1,964	1,964	1,964
Sheep	400	400	556
Total	5,406	5,406	5,466

The Company receives on average 73% of the milk income derived from the production of milk solids. This proportion is based on the average of all Sharefarming percentages across the company.

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VAN DIEMEN'S LAND COMPANY GROUP

BALANCE SHEET

AS AT 30 NOVEMBER 2009

	Audited as at May-09	Unaudited as at Nov-08	Unaudited as at Nov-09
	Consolidated		
	AUD	AUD	AUD
Current assets			
Cash assets	1,173,575	1,394,712	91,827
Trade and other receivables	2,648,155	4,821,031	2,262,309
Livestock and inventories	4,840,188	6,907,480	6,688,911
Other	46,537	30,372	282,040
Total current assets	8,708,455	13,153,595	9,325,087
Non-current assets			
Other financial assets	1,723,840	1,723,840	1,723,840
Property, plant and equipment	164,727,679	175,443,282	165,307,597
Livestock and inventories	13,899,329	20,105,951	14,104,738
Memorabilia	1,733,100	1,733,100	1,733,100
Total non-current assets	182,083,948	199,006,173	182,869,275
Total assets	190,792,403	212,159,768	192,194,362
Current liabilities			
Payables	2,391,024	4,545,681	2,036,757
Interest-bearing liabilities	3,834,923	-	166,091
Provisions	99,611	84,509	103,975
Total current liabilities	6,325,558	4,630,190	2,306,823
Non-current liabilities			
Interest-bearing liabilities	40,255,545	42,300,000	46,273,051
Deferred tax liability	33,446,608	39,408,546	33,401,143
Total non-current liabilities	73,702,153	81,708,546	79,674,194
Total liabilities	80,027,711	86,338,736	81,981,017
Net assets	110,764,692	125,821,032	110,213,345
Equity			
Contributed equity	32,187,925	32,187,925	32,187,925
Reserves	82,497,118	90,303,893	82,497,118
Retained profits / (losses)	(3,920,351)	3,329,214	(4,471,698)
Total Equity	110,764,692	125,821,032	110,213,345

VAN DIEMEN'S LAND COMPANY GROUP

INCOME STATEMENT

FOR THE 6 MONTH PERIOD TO 30 NOVEMBER 2009

	Audited For the Year to May-09	Unaudited For the 6 Months to Nov-08	Unaudited For the 6 Months to Nov-09
	Consolidated		
	AUD	AUD	AUD
Continuing Operations			
Sales Revenue	29,496,085	17,931,347	9,776,739
Net increase/(decrease) in value of livestock	(6,892,187)	(1,494,556)	1,126,368
Cost of sales	(1,286,983)	(16,448)	(146,895)
Gross Profit	21,316,915	16,420,343	10,756,212
Other revenues from continuing operations	185,168	188,939	75,928
Farm Working expenses	(22,287,177)	(12,407,365)	(8,373,032)
Administration expenses	(2,068,126)	(930,187)	(1,525,174)
Depreciation expense	(436,578)	(143,222)	(215,088)
Employee benefit expense	(1,472,366)	(746,456)	(432,014)
Finance Costs	(3,959,822)	(1,238,296)	(883,644)
Profit / (Loss) before income tax	(8,721,986)	1,143,756	(596,812)
Income tax (expense) / benefit	2,274,262	(341,915)	45,465
Net profit / (loss)	(6,447,724)	801,841	(551,347)
Net increase / decrease in asset revaluation reserve	(7,806,775)		-
Total changes in equity	(14,254,499)	801,841	(551,347)

VAN DIEMEN'S LAND COMPANY GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 6 MONTH PERIOD TO 30 NOVEMBER 2009

	Audited For the Year to May-09	Unaudited For the 6 Months to Nov-08	Unaudited For the 6 Months to Nov-09
	Consolidated		
	AUD	AUD	AUD
Cash Flows from Operating Activities			
Receipts from Customers	28,306,227	11,247,154	8,396,833
Dairy stock sales	1,757,757	1,142,822	604,891
Payment to suppliers and employees	(25,847,183)	(9,639,402)	(12,246,008)
Interest received	63,359	68,178	28,317
Dividends received	120,995	120,761	28
Dairy stock purchases	(687,673)	(78,087)	(35,855)
Finance costs	(3,959,822)	(1,684,836)	(883,644)
Net surplus / (deficit) from operating	(246,340)	1,176,590	(4,135,438)
Cash Flows from Investing Activities			
Proceeds from sales of property, plant and equipment	3,319	-	-
Purchase of property, plant and equipment	(1,140,342)	(405,778)	(794,530)
Repayment from/(advance to) non related parties	(391,438)	(552,963)	(23,371)
Net surplus / (deficit) from investing	(1,528,461)	(958,741)	(817,901)
Cash Flows from Financing Activities			
Advance from / (to) subsidiaries	-	-	-
Advance from / (to) Tasman Farms Limited	(78,898)	(59,943)	1,522,918
Equipment financing	533,829	-	-
Repayment of equipment financing	(108,453)	-	(81,964)
External financing	(1,000,000)	1,300,000	-
Net surplus / (deficit) from financing	(653,522)	1,240,057	1,440,954
Net increase / (decrease) in cash held	(2,428,323)	1,457,906	(3,512,385)
Cash at the beginning of the year	(63,194)	(63,194)	(2,491,517)
Cash at the end of the year	(2,491,517)	1,394,712	(6,003,902)
Cash Flow Information			
(a) Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related statement of financial position as follows:			
Term loan line of credit	(3,665,092)	-	(6,095,729)
Cash at bank and on hand	1,173,575	1,394,712	91,827
	(2,491,517)	1,394,712	(6,003,902)

VAN DIEMEN'S LAND COMPANY GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTH PERIOD TO 30 NOVEMBER 2009

	Issued Capital AUD	Asset Revaluation Reserve AUD	Other Reserves AUD	Retained Earnings AUD	Total AUD
Consolidated					
Balance as at 1 June 2008	32,187,925	88,990,561	1,313,332	2,527,373	125,019,191
Profit/(loss) for the year	-	-	-	(8,721,986)	(8,721,986)
Income tax benefit / (expense)	-	-	-	2,274,262	2,274,262
Revaluation increment	-	(11,152,536)	-	-	(11,152,536)
Deferred tax liability	-	3,345,761	-	-	3,345,761
Balance as at 31 May 2009	32,187,925	81,183,786	1,313,332	(3,920,351)	110,764,692
Profit/(loss) for the 6 month period	-	-	-	(596,812)	(596,812)
Income tax benefit / (expense)	-	-	-	45,465	45,465
Revaluation increment	-	-	-	-	-
Deferred tax liability	-	-	-	-	-
Balance as at 30 Nov 2009	32,187,925	81,183,786	1,313,332	(4,471,698)	110,213,345