



31 August 2010

Company Announcements Office
ASX Limited
10th Floor
20 Bond Street
SYDNEY NSW 2000

Via ASX Online
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Dear Sir

ASX Preliminary Final Report for the Period ending 30 June 2010

Please find attached the ASX Preliminary Final Report (Appendix 4E) for the activities of AACL Holdings Limited for the period ended 30 June 2010 as required under Listing Rule 4.3A.

Also attached is the results announcement to accompany the ASX Preliminary Final Report.

Yours Sincerely

Stephen Dixon
Company Secretary
AACL Holdings Ltd

Contact

Peter McEwen
Chief Executive Officer
AACL Holdings Ltd

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ASX ANNOUNCEMENT
AAY FY10 Full Year Results

AACL TARGETS RETURN TO PROFIT IN FY11

Australian grain co-production provider AACL Holdings Limited (ASX: AAY, AACL) has recorded a loss of \$4.07 million for the year end 30 June 2010.

The poorer than expected operating performance was the result of a shortfall in anticipated funding leading to lower than expected contracted tonnes, very poor seasonal outcome and substantial fall in the price of grain.

Revenue for the period was \$90.1 million, an increase of 46% on FY09 due to higher wholesale grain sales during the period.

AACL Chairman and Chief Executive Officer Peter McEwen said the financial performance was impacted by several internal factors as well as grain quality issues caused by a sudden hot dry finish to the cropping season in WA.

“We recognise that we encountered a number of challenges throughout the period but want to be clear with all of our stakeholders that that we are putting in place measures to ensure the difficulties experienced this season are overcome quickly,” Mr McEwen said.

“We are in the final stages of an internal review that will deliver improvements to the AACL product mix, as well as a more streamlined management structure.”

Mr McEwen said AACL’s outlook for FY11 was positive, with the Company budgeting for a return to underlying profit.

“The fundamentals of our unique grain co-production product remain strong and we are continuing to see a growing appetite for a risk minimisation product from farmers across Australia,” he said.

“We have a capital base with satisfactory cash flow to ensure we take the business forward and significantly increase our contracted tonnages for FY11.

“Our priority is to have funding secured for our grower partners earlier in the year, creating a platform to allow us achieve a target 25% increase in contracted tonnages.”

Mr McEwen said negotiations on forward funding were well advanced and the Company would update the market in due course.

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AACL HOLDINGS LIMITED

ABN 41 139 977 772

ASX Preliminary Final Report
Appendix 4E

30 June 2010

Lodged with the ASX under Listing Rule 4.3A

Results for announcement to the market**Consolidated**

		2010 \$'000	2009 \$'000
Revenue from ordinary activities	Up 46.6%	90,348	61,643
Profit/(Loss) before income tax	Down 1.3%	(4,071)	(4,020)
Total comprehensive income for the year	Down 1.3%	(4,071)	(4,020)

Please refer to a separate ASX announcement provided by the Company to the market with an overview of the financial results for the year ended 30 June 2010.

Dividends

No dividends have been paid or declared since the start of the financial period and the directors do not recommend the payment of a dividend in respect of the financial period.

Review of operations**1. COMPANY OVERVIEW**

AACL Holdings Limited (AACL) is an agricultural investment and management company that operates one of the largest grain production enterprises in Australia. AACL's unique model (known as Grain Co-Production) partners investors and professional famers to grow large scale crops such as wheat, barley and canola.

AACL sources funding from two sources:

1. Retail investor funding which invests directly in Grain Co-Production Projects; and
2. Wholesale funding, where AACL invests the capital in the Grain Co-Production Projects in its own right.

AACL is a national business with its head office in Perth and regional offices across Western Australia, New South Wales, Victoria and South Australia.

AACL was admitted to the Official List of the ASX on Wednesday 7 April 2010 and Official Quotation of AACL's securities commenced on Friday 9 April 2010.

2. OPERATIONS

2.1 Funding arrangements

AACL announced on 6 July that it had successfully executed a funding and marketing agreement with Glencore Grain Pty Ltd (Glencore) for the 2010-11 season.

The Glencore facility of up to \$28.8 million supplements AACL's existing funding from retail investors of \$24 million to fund Grain Co-Production agreements with farmers across southern Australia. The final contracted tonnes are expected to be in the order of 405,000 tonnes with some 200 farmers.

To date AACL has drawn \$23.1 million from the Glencore facility and this has assisted AACL to meet all its contracted commitments with farmers.

Following AACL's ASX announcement dated 15 June 2010 concerning ongoing discussions with CBH Grain, AACL was approached by a number of international trading houses to provide alternative funding proposals.

AACL was unable to meet commercial terms with CBH Grain within a suitable timeframe and having assessed the funding options, AACL believed the Glencore proposal represented the best outcome for shareholders, contracted farmers and project investors.

Under the terms of the agreement, Glencore will partner AACL to market the 2010 season grain, utilising Glencore's worldwide marketing expertise in addition to providing the funding for AACL's Grain Co-Production contracts for 2010.

Retail funding for the 2010 season totals \$24 million from three retail projects managed by AACL. This includes the \$2.26 million raised to 31 May 2010 in the 2010 Grain Co-Production Project.

AACL are working to further develop the key strategic relationship with Glencore Grain in order secure funding arrangements for the 2011/2012 season and beyond.

2.2 AACL Board changes

On 21 June 2010, the Chairman of AACL Mr Peter McEwen announced that Mr Andrew McBain, the Managing Director of the company, had resigned effective Friday 18 June 2010.

Subsequent to 30 June 2010 the following changes to the board structure occurred;

1. Mr Trevor Stoney was appointed as a Non-Executive Director of the Company, effective 1 July 2010. Mr Stoney has been farming since 1962 in both Victoria and WA, and brings to AACL extensive experience from a wide range of farming locations and enterprises. Mr Stoney was initially involved with AACL at its inception, as a contracted farmer, and has agreed to sit on the Board given his belief in the opportunities that AACL has to offer agriculture in Australia.
2. Mr Mike Shields stepped down as a Director of the Board effective 6 July 2010 to concentrate on his farming and business interests. Mr Shields filled the role of Acting Chief Executive of AACL for a short period.
3. On 20 July 2010 the Board of AACL announced the appointment of Peter McEwen as the company's Executive Chairman and Chief Executive Officer effective from 26 July 2010. Mr McEwen had been chairman of AACL since November 2009 and has over 30 years of experience in the Western Australian agricultural industry. Most recently, Mr McEwen has been the Chief Executive Officer of Summit Fertilizers, a position he has held for the past 18 years.

2.3 Farmer production and grain pricing

All contracted farmers have planted their crops and post emergent agronomy inspections of contracted crops have been completed by AACL contracted agronomists and AACL's internal agronomy team. The post emergent inspections and a further inspection prior to harvest will enable AACL to monitor crop growth and estimate crop production.

Rainfall has been good in eastern states grain growing regions resulting in above average yield expectations across the east coast at this point of the season. Western Australia has experienced a number of frosts and cold conditions, which slows the establishment and growth of crops. North eastern, central and eastern parts of the Western Australian grain growing regions have also experienced below average rainfall for the season to date and as a result expected yields are likely to be below average. Other parts of the WA grainbelt are experiencing average conditions for the season to date with more positive expected yields.

Grain markets continue their recent upwards movement with rises in all grain commodities spurred on by moves in the international grain market. Wheat and barley are being driven higher with weather issues in eastern and western Europe expected to result in reduced yields. Canola is still benefitting from the wet weather in Canada which is reducing planted acreage, and the hot dry weather in Europe which is affecting yield on rapeseed crops

**Preliminary Statement of Comprehensive Income
For the Year Ended 30 June 2010**

	Note	2010 \$	2009 \$
Revenue	4	90,347,526	61,643,476
Agronomic Costs		(85,504,255)	(58,270,351)
Administrative expenses	5	(452,772)	(1,755,210)
Compliance and regulatory expenses		(394,835)	(387,479)
Consultancy expenses		(367,267)	(625,000)
Depreciation and amortisation expenses		(196,557)	(145,923)
Directors' benefit expense		(703,349)	(42,047)
Employee benefits expense		(3,636,110)	(2,779,015)
Finance expenses		(2,220,284)	(666,062)
Marketing expenses		(279,058)	(378,337)
Occupancy expenses		(460,189)	(341,966)
Travel expenses		(203,802)	(272,086)
Profit/(Loss) before income tax		(4,070,952)	(4,020,000)
Income tax benefit		-	-
Net Profit/(Loss) attributable to members		(4,070,952)	(4,020,000)
Total comprehensive income for the year		(4,070,952)	(4,020,000)
Basic profit/(loss) per share (cents per share)	6	(15.74)	(33.50)
Diluted profit/(loss) per share (cents per share)	6	(15.74)	(33.50)

The accompanying notes form part of these financial statements.

**Preliminary Consolidated Balance Sheet
As at 30 June 2010**

	Note	2010 \$	2009 \$
Current Assets			
Cash and cash equivalents	10	3,876,196	27,794,590
Trade and other receivables		7,929,515	1,468,777
Inventories		1,997,580	25,054,454
Other assets		88,218	55,621
Other financial assets		16,997,334	135,660
Total Current Assets		30,888,843	54,509,102
Non-Current Assets			
Plant and equipment		828,618	686,865
Total Non-Current Assets		828,618	686,865
TOTAL ASSETS		31,717,461	55,195,967
Current Liabilities			
Trade and other payables		27,573,867	24,616,408
Provisions		263,790	146,405
Interest-bearing liabilities		2,997,580	37,541,194
Total Current Liabilities		30,835,237	62,304,007
Non-Current Liabilities			
Interest-bearing liabilities		-	-
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		30,835,237	62,304,007
NET ASSETS		882,224	(7,108,040)
Equity			
Issued capital	9	15,410,515	3,349,199
Reserves			
Accumulated losses		(14,528,291)	(10,457,239)
TOTAL EQUITY		882,224	(7,108,040)

The accompanying notes form part of these financial statements.

**Preliminary Consolidated Statement of Changes in Equity
For the Year ended 30 June 2010**

	Issued Capital	Retained Earnings	Option Reserve	Total
	\$	\$	\$	\$
Balance at 30 June 2008	3,349,199	(6,437,339)	-	(3,088,140)
Loss attributable to members	-	(4,020,000)	-	(4,020,000)
Total comprehensive income for the year	-	(4,020,000)	-	(4,020,000)
Share based payments	-	-	-	-
Balance at 30 June 2009	3,349,199	(10,457,339)	-	(7,108,140)
Profit attributable to members	-	(4,070,952)	-	(4,070,952)
Total comprehensive income for the year	-	(4,070,952)	-	(4,070,952)
Share based payments	-	-	-	-
Shares issued during the year	13,000,000	-	-	13,000,000
Transaction costs on shares issued during the year	(938,684)	-	-	(938,684)
Balance at 30 June 2010	<u>15,410,515</u>	<u>(14,528,291)</u>	-	<u>882,224</u>

The accompanying notes form part of these financial statements.

**Preliminary Consolidated Cash Flow Statement
For the Year ended 30 June 2010**

	Note	2010 \$	2009 \$
Cash Flows from Operating Activities			
Receipts from customers		82,445,113	87,335,265
Payments to suppliers and employees		(64,819,775)	(98,002,024)
Interest received		131,316	230,656
Interest paid		(2,207,720)	(684,550)
Net cash flows used in operating activities	10	<u>15,548,934</u>	<u>(11,120,653)</u>
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(338,308)	(723,238)
Proceeds from the sale of plant and equipment		-	140,818
Purchase of units in grain projects		(16,646,822)	-
Purchase of other non-current assets		-	(2,200)
Net cash flows used in investing activities		<u>(16,985,130)</u>	<u>(584,620)</u>
Cash Flows from Financing Activities			
Proceeds from the issue of shares		13,000,000	-
Costs on the issue of shares		(938,584)	-
Proceeds from acquisition		-	406
Proceeds from borrowings		1,997,580	31,569,459
Repayment of borrowings		(37,541,194)	(1,477,564)
Proceeds from convertible note		1,000,000	-
Net cash flows provided by/(used in) financing activities		<u>(22,482,198)</u>	<u>30,092,301</u>
Net decrease in cash held		(23,918,394)	18,387,028
Cash at the beginning of the financial year		<u>27,794,590</u>	<u>9,407,562</u>
Cash at the end of the financial year	10	<u><u>3,876,196</u></u>	<u><u>27,794,590</u></u>

The accompanying notes form part of these financial statements.

**Notes to the Preliminary Consolidated Financial Statements
Year ended 30 June 2010**

1. BASIS OF THE PREPARATION OF THE PRELIMINARY FINAL REPORT

The preliminary final report has been prepared in accordance with the ASX Listing rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The accounting policies have been consistently applied with accounting policies as outlined in the Prospectus dated 22 January 2010, unless otherwise stated.

2. INCOME TAX

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2010, (2009: \$Nil).

3. DIVIDENDS

The directors recommend that no dividend be paid for the year ended 30 June 2010, nor have any amounts been paid or declared by way of dividend since the end of the previous financial year.

4. REVENUE

	2010 \$	2009 \$
Operating activities		
- GCP project fees	58,617,610	53,550,051
- wholesale grain sales	29,899,316	6,471,642
- grain marketing fee	1,344,223	1,058,872
- interest received	131,316	226,229
- discount on acquisition (note 12)	191,444	-
- other income	163,617	336,682
Total revenue	90,347,526	61,643,476

**Notes to the Preliminary Consolidated Financial Statements
Year ended 30 June 2010**

5. EXPENSES	2010 \$	2009 \$
Expenses		
Administrative expenses		
- Administration charge	-	330,000
- Legal expenses	137,628	647,414
- Insurance expenses	57,052	46,180
- Computer and system expenses	68,202	342,130
- Motor vehicle expenses	115,326	114,166
- Other	74,564	275,320
Total administrative expenses	452,772	1,755,210

Notes to the Preliminary Consolidated Financial Statements
Year ended 30 June 2010

6. EARNINGS PER SHARE (EPS)	2010	2009
	¢	¢
Basic earnings/(loss) per share (cents per share)	(15.74)	(33.50)
Dilutive earnings/(loss) per share (cents per share)	(15.74)	(33.50)
	\$	\$
Profit/(Loss)	(4,070,952)	(4,020,000)
	No.	No.
Weighted average number of ordinary shares used in the calculation of basic EPS	25,863,014	12,000,000
Weighted average number of dilutive options outstanding	Nil	Nil
	25,863,041	12,000,000

7. SEGMENT REPORTING

Identification of reportable segment

The group identifies its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group operates primarily in agricultural investments and management in Australia. The financial information presented in the statement of comprehensive income and balance sheet is the same as that presented to chief operating decision maker.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

8. NTA Backing	2010	2009
	¢	¢
Net tangible asset backing per ordinary share	1.38	(59.23)

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9. ISSUED & PAID UP CAPITAL

	2010	2010	2009	2009
	No.	\$	No.	\$
Ordinary shares fully paid				
At beginning of the financial period	12,000,000	3,349,199	12,000,000	3,349,199
Shares issued on 23 March 2010	16,000,000	4,000,000	-	-
Shares issued on 23 March 2010	36,000,000	9,000,000	-	-
Share issue costs	-	(938,684)	-	-
At 30 June	64,000,000	15,410,515	12,000,000	3,349,199

10. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of cash flow from operations with profit/(loss) after income tax:

	2010	2009
	\$	\$
Profit/(Loss) after income tax	(4,070,952)	(4,020,000)
Non cash-flows in loss		
Employee entitlement provision	117,385	-
Depreciation and amortisation expense	196,557	145,923
Net gain on disposal of property, plant and equipment	-	(8,201)
Changes in assets and liabilities		
(Increase)/decrease in inventories	23,056,874	(25,054,454)
(Increase)/decrease in trade and other receivables	(6,460,740)	14,698,329
Increase/(decrease) in trade payables and accruals	2,742,407	3,031,538
(Increase)/decrease in other assets	(32,597)	86,212
Net cash flow used in operating activities	15,548,934	(11,120,653)
Reconciliation of Cash		
Cash at bank and in hand	344,416	22,972,063
Cash held in Trust account by related party	3,531,780	4,822,527
	3,876,196	27,794,590

**Notes to the Preliminary Consolidated Financial Statements
Year ended 30 June 2010**

11. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

12. ACQUISITION OF CONTROLLED ENTITIES**i) Acquisition of AACL Pty Ltd, AACL Wholesale Pty Ltd and AACL Services Pty Ltd**

AACL Holdings Ltd completed the legal acquisition of AACL Pty Ltd, AACL Wholesale Pty Ltd and AACL Services Pty Ltd (collectively referred to as AACL) from AACL shareholders on 30 October 2009.

The consideration provided by AACL Holdings Ltd was the issue of 19,999,900 AACL Holdings Ltd shares to AACL shareholders in consideration for its 100% interest in the issued capital of AACL Pty Ltd, AACL Wholesale Pty Ltd and AACL Services Pty Ltd.

As a result of the consideration paid to AACL shareholders, the AACL shareholders obtained 99.99% of the voting rights in AACL Holdings Ltd. The acquisition is considered to be a reverse acquisition. No goodwill has been recognised under the reverse acquisition.

ii) Acquisition of AACL Fertilisers Pty Ltd

AACL Holdings Ltd acquired AACL Fertilisers Pty Ltd for \$1.00 on 30 October 2009. The net assets of AACL Fertilisers Pty Ltd acquired equaled to the consideration paid by AACL Holdings Ltd.

iii) Acquisition of Macro Funds Ltd

On 31 October 2009, AACL Holdings Ltd acquired 100% of the issued capital of Macro Funds Ltd for \$240,000.

The fair values of the identifiable assets and liabilities of Macro Funds Ltd acquired and the resultant discount on acquisition is detailed below:

	Note	Acquiree's carrying amount \$000	Fair value \$000
Purchase consideration:			
— Cash		240,000	240,000
Less:			
Cash and cash equivalents		270,562	270,562
Receivables		160,882	160,882
Identifiable assets acquired and liabilities assumed		431,444	431,444
Discount on acquisition (note 4)			191,444

13. CONTROLLED ENTITIES

	Country of Origin	Class of Share	Percentage Owned %	
			2010	2009
AACL Pty Ltd	Australia	ordinary	100	100
AACL Wholesale Pty Ltd	Australia	ordinary	100	100
AACL Services Pty Ltd	Australia	ordinary	100	100
Macro Funds Limited	Australia	ordinary	100	Nil
AACL Fertiliser Pty Ltd	Australia	ordinary	100	100

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**Notes to the Preliminary Consolidated Financial Statements
Year ended 30 June 2010**

14. COMPLIANCE STATEMENT

This report is based on financial statements to which the following applies:

- | | | | |
|-------------------------------------|--|--------------------------|---|
| <input type="checkbox"/> | The financial statements have been audited. | <input type="checkbox"/> | The financial statements have been supplied to review. |
| <input checked="" type="checkbox"/> | The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> | The financial statements have not yet been audited or reviewed. |



Peter McEwen
Chief Executive Officer

Date: 31 August 2010