Friday, 14 August 2009

MARKET ANNOUNCEMENT

Net Tangible Asset Backing – 31 July 2009

Month Ending:	% Change	**31 July 2009 Consolidated**	30 June 2009 Consolidated
Net tangible assets (**NTA**) (before tax)		$22.937m	$20.498m
Pre-Tax NTA Backing per share	**+11.90%**	**$1.2875**	$1.1506
Net tangible assets (after tax)		$22.100m	$20.433m
Post-Tax NTA Backing per share	**+8.16%**	**$1.2406**	$1.1470
Based on total issued share capital		17,814,389	17,814,389

The NTA position comprises the following items:

Net Assets	**Current Month $'millions**	Previous Month $'millions
Investment in listed Associated Entity:		
(a) Shares in Bentley Capital Limited (**BEL**)	6.615	6.718
Investments in other listed securities:		
(a) Shares in Strike Resources Limited (**SRK**)	7.651	5.540
(b) Shares in other listed securities	1.963	1.495
Investments in unlisted options	0.848	0.848
Investment in property (held for development/resale)	2.450	2.450
Agribusiness assets	3.377	3.368
Inventory - Olive Oils	0.804	0.705
Provision for dividend	(0.028)	(0.028)
Net cash/receivables/payables/other assets/provisions	(0.743)	(0.598)
Pre-Tax NTA	**22.937**	**20.498**
Tax Provisions:		
(a) Prior year tax	-	-
(b) Current year tax	-	(0.065)
(c) Net deferred tax asset / (liability)	(0.837)	-
Post-Tax NTA	**22.100**	**20.433**

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Notes for Current Month NTA Position:

(1) The Company's investments in Associated Entities (i.e. in which the Company has a greater than 20% interest) are accounted for under the equity method in the consolidated financial statements.

Under the equity method, the carrying amount of each such investment is cost plus a share of the Associate Entity's net profit or loss (after tax) for the financial year to month end as provided to the Company by each such Associated Entity (refer note 1.2 (Summary of Accounting Policies – Investments in Associates) at page 23 of the Company's 2008 Annual Report).

Accordingly, as at 31 July 2009, the Company's 20,513,783 shares (28.66% interest) (30 June: 20,513,783 shares and 28.66%) in BEL has a carrying value of $0.3225 per share ($6.615m); this compares with BEL's last bid price on ASX of $0.32 per share ($6.564m) and BEL's after tax NTA backing of $0.3926 per share ($8.054m) at month end.

(2) The fair value of investments in ASX listed Strike Resources Limited (**SRK**) comprise 13,190,802 shares (30 June: 13,190,802 shares) with a value of $0.58 (based on the closing bid price on 31 July 2009) (30 June: $0.42) each. The Company notes that SRK's closing bid price on 13 August 2009 was $0.82.

(3) The fair value of investments in other listed securities are based on each security's last bid price on market at month end.

(4) The fair value of investments in unlisted options, being the following unlisted options in SRK, is based on a Black-Scholes options pricing valuation model:

(a) 1,833,333 options, each to acquire one SRK share at an exercise price of 20 cents, on or before 9 February 2011; and

(b) 1,666,667 options, each to acquire one SRK share at an exercise price of 30 cents, on or before 9 February 2011.

This valuation has been calculated using the Black-Scholes option-pricing model applying the following assumptions:

(i) SRK's share price being $0.58 (based on the closing bid price on 31 July 2009) (30 June: $0.42). The Company notes that SRK's closing bid price on 13 August 2009 was $0.82;

(ii) A risk free rate of return of 4.90% per annum (based on the 3 year bond yield as at 31 July 2009) (30 June: 4.68% per annum).

(iii) An estimated future volatility of SRK's share price of 80% (30 June: 80%).

(5) Investment in property (held for development/resale) is carried at net realisable value (refer note 1.13 (Summary of Accounting Policies - Property held for Resale) at page 25 of the Company's 2008 Annual Report). The property was recently assessed by independent qualified licensed valuers and the revaluation has been recognised as an expense through profit and loss.

(6) Agribusiness assets comprises a 143 hectare property, approximately 64,500 (10 year old) olive trees, an approximately one gigalitre per annum water licence, depreciable plant and equipment and other grove related infrastructure. The olive grove land and trees are carried at net realisable value (refer note 1.14 (Summary of Accounting Policies – Property, Plant and Equipment) at page 25 of the Company's 2008 Annual Report).

(7) Tax Provision Item (c) includes a provision for income tax on net unrealised gains on the Company's investments in securities and its share of Associated Entities' after tax net profit for the month (deferred tax liability) and the recognition of future income tax benefits on net unrealised losses on the Company's investments in securities and its share of Associated Entities' after tax net loss for the month (deferred tax asset).

Further information:

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