

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

INTERIM FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2005

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2005.

Directors

The names of directors who held office during or since the end of the half-year:

Mr Christopher Sleigh
Mr Graham Osborne
Mr Michael Quinert
Mr Michael Everitt
Dr Gregory Walsh

Review of Operations

The company has performed satisfactorily for the first six months of the financial year.

The reporting period is devoid of land sales and thus causes a distortion when compared with other periods. There are expected to be land sales in the next six months.

VLE completed the transactions to purchase the Traralgon and Koonwarra (Leongatha) saleyards from Landmark. Koonwarra is undergoing a significant refurbishment which will bring it up to the same standard as Pakenham. Leongatha has been temporarily closed and the business amalgamated with that of the Korumburra saleyards.

The balance sheet item of "Property, plant and equipment" can be expected to alter in the next six months when a statutory revaluation will occur and the Leongatha refurbishment is complete.

The previously announced conditional agreements to purchase the operating businesses of Sale Livestock Exchange and Korumburra saleyards are not yet complete but Korumburra is expected to be concluded very soon.

Funding of the Landmark purchases and refurbishment of Leongatha have resulted in an increase in the quantum of interest charges met by the company; this is an expected result of expanding the business base and is not an item of concern to the board. The cash flows that result from the expansion are expected to justify the worth of that expansion in due course.

The truck wash upgrade is progressing. The new plant should be operating soon.

The new security system, gates and cameras are now operational and are proving quite satisfactory.

As in previous reports, the functionality of the Pakenham facility continues to be top class and well exploited by VLE management and staff and by the agency staff who operate there.

The company continues to enjoy strong support from its employees, agencies, vendors and members of the beef buying and processing sector.

Adoption of Australian Equivalents to IFRS

This interim financial report has been prepared under Australian equivalents to IFRS. A reconciliation of differences between previous GAAP and Australian equivalents to IFRS has been included in Note 2 of this report.

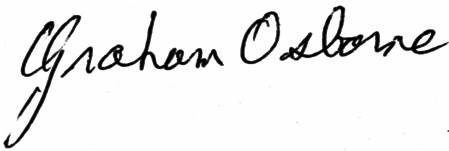
VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

DIRECTORS' REPORT

Auditor's Declaration

The auditor's independence declaration for the half-year ended 31 December 2005 under section 307C of the Corporations Act 2001 is set out at the end of this financial report.

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink that reads "Graham Osborne". The signature is written in a cursive, flowing style.

Graham Osborne
Managing Director

Dated this 15th day of March 2006

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Economic Entity	
	31 December 2005	31 December 2004
	\$	\$
Revenue	993,765	807,350
Other income	1,022	-
Employee benefits expense	(335,123)	(273,794)
Depreciation and amortisation expense	(187,102)	(153,631)
Finance costs	(153,579)	(75,669)
Other expenses	(387,296)	(285,722)
PROFIT BEFORE INCOME TAX	(68,313)	18,534
INCOME TAX BENEFIT/(EXPENSE)	20,199	(6,109)
PROFIT/(LOSS) FOR THE PERIOD	(48,114)	12,425
Overall Operations:		
Basic earnings/(loss) per share (cents per share)	(1.4)	0.4

The accompanying notes form part of these financial statements.

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2005

	Note	Economic Entity	
		31 December 2005	30 June 2005
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		3,466	30,371
Trade and other receivables	7	3,604,980	2,277,778
Inventories		83,487	62,433
Other current assets		42,065	30,465
TOTAL CURRENT ASSETS		3,733,998	2,401,047
NON-CURRENT ASSETS			
Property, plant and equipment		13,997,556	12,988,240
Deferred tax assets		36,702	14,674
Intangible assets		190,000	190,000
TOTAL NON-CURRENT ASSETS		14,224,258	13,192,914
TOTAL ASSETS		17,958,256	15,593,961
CURRENT LIABILITIES			
Trade and other payables		1,106,794	2,786,492
Short-term borrowings		1,396,610	90,808
Current tax liabilities		457,959	527,055
Short-term provisions		25,474	22,983
Other current liabilities		4,658	-
TOTAL CURRENT LIABILITIES		2,991,495	3,427,338
NON-CURRENT LIABILITIES			
Long-term borrowings		5,028,270	2,183,466
Deferred tax liabilities		1,694,648	1,695,224
Long-term provisions		13,258	9,234
TOTAL NON-CURRENT LIABILITIES		6,736,176	3,887,924
TOTAL LIABILITIES		9,727,671	7,315,262
NET ASSETS		8,230,585	8,278,699
EQUITY			
Issued capital		3,247,343	3,247,343
Reserves		3,294,707	3,294,707
Retained earnings		1,688,535	1,736,649
TOTAL EQUITY		8,230,585	8,278,699

The accompanying notes form part of these financial statements.

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
HALF-YEAR ENDED 31 DECEMBER 2005

	Share capital Ordinary	Retained Profits	Asset Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2004	3,148,123	667,184	-	3,815,307
Profit for the period	-	12,425	-	12,425
Retrospective adjustment to retained profits upon application of Accounting Standard AASB1024: Consolidated Accounts	-	332	-	332
Balance at 31 December 2004	3,148,123	679,941	-	3,828,064
 Balance at 1 July 2005	 3,247,343	 1,736,649	 3,294,707	 8,278,699
Profit for the period	-	(48,114)	-	(48,114)
Balance at 31 December 2005	3,247,343	1,688,535	3,294,707	8,230,585

The accompanying notes form part of these financial statements.

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Economic Entity	
	31 December 2005	31 December 2004
	\$	\$
<hr/>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	987,923	827,373
Payments to suppliers and employees	(1,977,431)	(529,292)
Interest received	781	1,798
Finance costs	(166,822)	(75,690)
Income tax paid	(71,501)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(1,227,050)	224,189
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of non-current assets	1,022	1,500
Purchase of non-current assets	(2,951,484)	(116,342)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(2,950,462)	(114,842)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(4,836)	(150,000)
Proceeds from borrowings	3,755,000	-
NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES	3,750,164	(150,000)
	<hr/>	<hr/>
NET DECREASE IN CASH HELD	(427,348)	(40,653)
Cash at beginning of period	(50,588)	108,227
Increment in cash caused by inclusion of VLE Advisory Services Pty Ltd in the economic entity at 1 July 2004	-	472
Cash at end of period	(477,936)	68,046
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1: BASIS OF PREPARATION

The half-year consolidated financial statements are a general-purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2005 and any public announcements made by Victorian Livestock Exchange Limited and its controlled entity during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

As this is the first interim financial report prepared under Australian equivalents to IFRS, the accounting policies applied are inconsistent with those applied in the 30 June 2005 annual report as this report was presented under previous Australian GAAP. Accordingly, a summary of the significant accounting policies under Australian equivalents to IFRS has been included below. A reconciliation of equity and profit and loss between previous GAAP and Australian equivalents to IFRS has been prepared per Note 2.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

(a) Principals of Consolidation

A controlled entity is any entity Victorian Livestock Exchange Limited has the power to control the financial and operating policies of, so as to obtain benefits from its activities.

The only entity controlled by Victorian Livestock Exchange Limited at any time during the half-year ended 31 December was VLE Advisory Services Pty Ltd, which has a June financial year end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date the control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1: BASIS OF PREPARATION (CONT'D)

(b) Income Tax (cont'd)

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Inventories

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and holding costs until completion of the development. Profits are brought to account on the signing of an unconditional contract of sale.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Land

Freehold land is shown at its fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers with annual appraisals being made by the directors.

Buildings

Buildings are measured on the cost basis less depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying value of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate portion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1: BASIS OF PREPARATION (CONT'D)

(d) Property, plant and equipment (cont'd)

Depreciation

The depreciable amounts of all fixed assets including buildings, but excluding freehold land, are depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are

Class of Fixed Asset	Depreciation rate
Freehold buildings:	2.5% to 40.0%
Plant and equipment:	2.0% to 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial Assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and within the requirement of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held to maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1: BASIS OF PREPARATION (CONT'D)

(e) Financial Instruments (cont'd)

Available-for-sale financial assets

Available for sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(f) Impairment of assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Intangibles

Intellectual property

Intellectual property includes the trademarks, logos, names, research material, financial data, records, feasibility studies, copyrights and other material necessary to the establishment and conduct of the business of the company. The balance of Intellectual property is carried at cost less accumulated impairment losses and is tested annually for impairment.

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1: BASIS OF PREPARATION (CONT'D)

(h) Employee Benefits

Provision is made for the economic entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(i) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks or financial institutions, net of outstanding bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(j) Revenue

Revenue from the sale of industrial land is recognised on the signing of an unconditional contract of sale to customers. Revenue from the sale of goods is recognised upon delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Government Grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(m) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2005

		Economic Entity		
	Note	Previous GAAP at 1 July 2004	Adjustments on introduction of Australian equivalents to IFRS	Australian equivalents to IFRS at 1 July 2004
		\$	\$	\$
NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS				
Reconciliation of Equity at 1 July 2004				
CURRENT ASSETS				
Cash and cash equivalents		108,227	-	108,227
Trade and other receivables		138,771	-	138,771
Inventories		97,448	-	97,448
Other current assets		26,843	-	26,843
TOTAL CURRENT ASSETS		371,289	-	371,289
NON-CURRENT ASSETS				
Property, plant and equipment		5,925,698	-	5,925,698
Deferred tax assets		11,435	-	11,435
Intangible assets	2a	139,500	40,500	180,000
TOTAL NON-CURRENT ASSETS		6,076,633	40,500	6,117,133
TOTAL ASSETS		6,447,922	40,500	6,488,422
CURRENT LIABILITIES				
Trade and other payables		86,037	-	86,037
Current tax liabilities		140,788	-	140,788
Short-term provisions		15,825	-	15,825
TOTAL CURRENT LIABILITIES		242,650	-	242,650
NON-CURRENT LIABILITIES				
Long-term borrowings		2,150,000	-	2,150,000
Deferred tax liabilities		276,392	-	276,392
Long-term provisions		4,073	-	4,073
TOTAL NON-CURRENT LIABILITIES		2,430,465	-	2,430,465
TOTAL LIABILITIES		2,673,115	-	2,673,115
NET ASSETS		3,774,807	40,500	3,815,307
EQUITY				
Issued capital		3,148,123	-	3,148,123
Retained earnings	2d	626,684	40,500	667,184
TOTAL EQUITY		3,774,807	40,500	3,815,307

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2005

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2005

	Note	Previous GAAP at 31 December 2004 \$	Economic Entity Adjustments on introduction of Australian equivalents to IFRS \$	Australian equivalents to IFRS at 31 December 2004 \$
NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)				
Reconciliation of Equity at 31 December 2004				
CURRENT ASSETS				
Cash and cash equivalents		68,046	-	68,046
Trade and other receivables		121,698	-	121,698
Inventories		114,071	-	114,071
Other current assets		21,130	-	21,130
TOTAL CURRENT ASSETS		324,945	-	324,945
NON-CURRENT ASSETS				
Property, plant and equipment		5,886,045	-	5,886,045
Deferred tax assets		12,006	-	12,006
Intangible assets	2a	135,000	45,000	180,000
TOTAL NON-CURRENT ASSETS		6,033,051	45,000	6,078,051
TOTAL ASSETS		6,357,996	45,000	6,402,996
CURRENT LIABILITIES				
Trade and other payables		128,449	-	128,449
Current tax liabilities		144,406	-	144,406
Short-term provisions		15,691	-	15,691
Other current liabilities		2,382	-	2,382
TOTAL CURRENT LIABILITIES		290,928	-	290,928
NON-CURRENT LIABILITIES				
Long-term borrowings		2,000,000	-	2,000,000
Deferred tax liabilities		279,597	-	279,597
Long-term provisions		4,407	-	4,407
TOTAL NON-CURRENT LIABILITIES		2,284,004	-	2,284,004
TOTAL LIABILITIES		2,574,932	-	2,574,932
NET ASSETS		3,783,064	45,000	3,828,064
EQUITY				
Issued capital		3,148,123	-	3,148,123
Retained earnings	2d	634,941	45,000	679,941
TOTAL EQUITY		3,783,064	45,000	3,828,064

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2005

	Note	Previous GAAP at 30 June 2005	Economic Entity Adjustments on introduction of Australian equivalents to IFRS	Australian equivalents to IFRS at 30 June 2005
		\$	\$	\$
NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)				
Reconciliation of Equity at 30 June 2005				
CURRENT ASSETS				
Cash and cash equivalents		30,371	-	30,371
Trade and other receivables		2,277,778	-	2,277,778
Inventories		62,433	-	62,433
Other current assets		30,465	-	30,465
TOTAL CURRENT ASSETS		2,401,047	-	2,401,047
NON-CURRENT ASSETS				
Property, plant and equipment		12,988,240	-	12,988,240
Deferred tax assets		14,674	-	14,674
Intangible assets	2a	140,500	49,500	190,000
TOTAL NON-CURRENT ASSETS		13,143,414	49,500	13,192,914
TOTAL ASSETS		15,544,461	49,500	15,593,961
CURRENT LIABILITIES				
Trade and other payables		2,786,492	-	2,786,492
Short-term borrowings		90,808	-	90,808
Current tax liabilities		527,055	-	527,055
Short-term provisions		22,983	-	22,983
TOTAL CURRENT LIABILITIES		3,427,338	-	3,427,338
NON-CURRENT LIABILITIES				
Long-term borrowings		2,183,466	-	2,183,466
Deferred tax liabilities	2b	283,207	1,412,017	1,695,224
Long-term provisions		9,234	-	9,234
TOTAL NON-CURRENT LIABILITIES		2,475,907	1,412,017	3,887,924
TOTAL LIABILITIES		5,903,245	1,412,017	7,315,262
NET ASSETS		9,641,216	(1,362,517)	8,278,699
EQUITY				
Issued capital		3,247,343	-	3,247,343
Reserves	2c	4,706,724	(1,412,017)	3,294,707
Retained earnings	2d	1,687,149	49,500	1,736,649
TOTAL EQUITY		9,641,216	(1,362,517)	8,278,699

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2005

		Economic Entity		
	Note	Previous GAAP	Effect of transition to Australian equivalents to IFRS	Australian equivalents to IFRS
		\$	\$	\$
NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT'D)				
Reconciliation of Profit or Loss for the half year ended 31 December 2004				
Revenue	2e	808,850	(1,500)	807,350
Employee benefits expense		(273,794)	-	(273,794)
Depreciation and amortisation expense	2a	(158,131)	4,500	(153,631)
Finance costs		(75,669)	-	(75,669)
Other expenses	2e	(287,222)	1,500	(285,722)
Profit before income tax		14,034	4,500	18,534
Income tax expense		(6,109)	-	(6,109)
Profit for the period		7,925	4,500	12,425

**Reconciliation of Profit or Loss for the full year
ended 30 June 2005**

Revenue	2e	4,098,457	(1,500)	4,096,957
Employee benefits expense		(587,875)	-	(587,875)
Depreciation and amortisation expense	2a	(330,523)	9,000	(321,523)
Finance costs		(152,559)	-	(152,559)
Other expenses	2e	(1,273,145)	1,500	(1,271,645)
Profit before income tax		1,754,355	9,000	1,763,355
Income tax expense		(530,631)	-	(530,631)
Profit for the period		1,223,724	9,000	1,232,724

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2005

	30 June 2005	31 December 2004	1 July 2004
	\$	\$	\$

**NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN
EQUIVALENTS TO INTERNATIONAL FINANCIAL
REPORTING STANDARDS (CONT'D)**

**Notes to the reconciliations of equity and profit and loss at
1 July 2004, 31 December 2004 and 30 June 2005**

(a) Under AASB138 Intangible assets with an indefinite useful life are not amortised but subject to annual impairment testing. All Intellectual Property amortised under previous GAAP has been reversed. Amortisation charges amounting to \$40,500 have been reversed to retained earnings at 1 July 2004. Intellectual Property amounting to \$9,000 previously amortised in the 2005 full financial year has been reversed to the income statement for the year ended 30 June 2005. Intellectual Property amounting to \$4,500 previously amortised for the 2004 half year has been reversed in the income statement for the half year ended 31 December 2004.,			
(b) Deferred tax liabilities comprise:			
Deferred tax on revaluation of non-current assets	1,412,017	-	-
(c) Reserves comprise:			
Deferred tax adjustment to reserves on revaluation of non-current assets	1,412,017	-	-
(d) Retained earnings comprise:			
Reversal of intellectual property previously amortised (refer 2(a))	49,500	45,000	40,500
(e) Reclassifications have been made to the income statement for the year ended 30 June 2005 and the half-year ended 31 December 2004 as follows. Under Australian equivalents to IFRS, gains or losses on disposal of non-current assets are recognised on a net basis by recognising the proceeds net of the carrying value of the asset. This reclassification has no effect on net profit for the 2005 full financial year and half year to 31 December 2004.			

VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
HALF-YEAR ENDED 31 DECEMBER 2005

	31 December 2005	31 December 2004
	\$	\$

NOTE 3: DIVIDENDS

2005 Proposed final fully franked ordinary dividend of 5.0 cents per share payable on 28 February 2006	167,561	-
2004 Proposed final fully franked ordinary dividend of 5.0 cents per share paid on 24 February 2005	-	163,591

NOTE 4: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 5: EVENTS SUBSEQUENT TO REPORTING DATE

On 16 January 2006, the company signed contracts to purchase the rights to operate livestock saleyards at Sale and Korumburra for a total of \$1,300,000.

NOTE 6: SEGMENT INFORMATION

Primary reporting – Business segments

	Livestock Operations		Land Subdivision		Consolidated	
	2005	2004	2005	2004	2005	2004
	\$	\$	\$	\$	\$	\$
Revenue	960,596	807,350	33,169	-	993,765	807,350
Segment result before income Tax	(94,247)	27,867	25,934	(9,333)	(68,313)	18,534
Income tax benefit/(expense)					20,199	(6,109)
Profit after income tax					(48,114)	12,425

NOTE 7: TRADE AND OTHER RECEIVABLES

Included in trade and other receivables at 31 December 2005 is an amount of \$1,229,098 due from Melbourne Water for reimbursement of construction costs at the Pakenham site. In accordance with the contract with Melbourne Water, 90% will be received at practical completion and 10% at completion of the project. It is anticipated that the full amount will be received within 12 months.

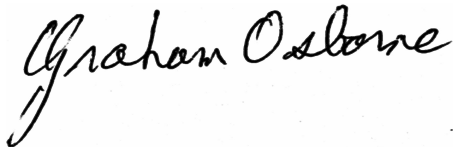
**VICTORIAN LIVESTOCK EXCHANGE LIMITED
ABN 72 078 839 031
AND CONTROLLED ENTITY**

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 17:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2005 and of its performance for the half-year ended on that date.
2. 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.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink that reads "Graham Osborne". The signature is written in a cursive, flowing style.

**Graham Osborne
Managing Director**

Dated this 15th day of March 2006