



VLE

VICTORIAN
LIVESTOCK
EXCHANGE
LIMITED

ACN 078 839 031
ABN 72 078 839 031

P.O. BOX 608, PAKENHAM 3810
30 LIVESTOCK WAY (KOOZEERUP ROAD)
PAKENHAM 3810 AUSTRALIA
EMAIL: ADMIN@VLE.COM.AU
TELEPHONE: (03) 5940 2121
FACSIMILE: (03) 5940 1857
WWW.VLE.COM.AU

Thursday, October 23, 2003

Dear Shareholder,

The financial year under review was one of substantial operational success for the Victorian Livestock Exchange Limited; not only was there a large increase in throughput of cattle but the extra revenues from that activity have had a very strong effect on the year end profit. It is the company's most profitable year to date for livestock activities – and that is the company's core business.

The continuing reliability and functionality of the facility have made the centre well worthy of the title "Victoria's Premier Cattle Market".

Directors established an audit committee during the year to further strengthen corporate governance, protect shareholders' interests and to demonstrate to investors that the board and management has every intention of setting itself well apart from some of the behaviour seen in the corporate world of late.

The company's debt at June 30th was \$3.5 million, with substantial cash reserves in hand, the company now has a debt to asset gearing ratio of approximately 50%; the directors will continue to employ cash surpluses to lower debt. The strength of the company continues to grow.

The National Livestock Identification Scheme (NLIS) is to be implemented to a greater level on January 1st 2004 whereby saleyards will be required to read NLIS devices attached to store cattle. VLE handled 57,000 such cattle last year. Implementation of the NLIS will have little impact on VLE or its operating agencies, management of the process is well in hand; VLE is the most advanced and experienced NLIS operator in Australia.

Your company has a very sound future. The board and management look forward to another year of solid growth and prosperity.

Yours faithfully,

Graham Osborne
Managing Director