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Dear shareholder,

Your company continues to make solid progress; of recent times the VLE has released its half yearly results to the Bendigo Stock Exchange (BSX). These results showed at 31/12/2003 a profit of \$540,000. While this is an outstanding result, it is not sustainable; it was largely driven by "one off" land sales, the cattle operations showed a modest profit which is sustainable and reflective of the seasonal conditions prevailing at the time.

In a later release to the BSX, VLE announced that it had entered into Heads of Agreement for the sale of 4.8 hectares of land for \$2.28m, the sale is conditional on the issue of planning and like approvals.

Introduction of the National Livestock Identification Scheme (NLIS) at VLE has had minimal impact, with VLE continuing to be the Australian leader in cost effective and innovative implementation of the NLIS.

VLE is about to embark on a project to improve the handling of sludge from the truck wash. When completed, it will make sludge disposal more reliable and help contain truck washing costs.

In late April, Mr. Bruce Barron resigned as a director of the VLE. Bruce was a founding director and remains a significant shareholder of the VLE. The company thanks Bruce for his past efforts on its behalf and wishes him well for his future endeavours.

For most who receive this letter, there will be a cheque attached which is for rebates over the last quarter. We thank you for your continued support and have pleasure in forwarding this cheque.

In closing, it can be said the directors are confident of a satisfactory year-end result; we hope you receive a mild winter and we look forward to continuing to be favoured with your business.

Yours faithfully,

Graham Osborne
Managing Director