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Thursday, 21 October 2004

Dear Shareholder,

The directors of your company again have much pleasure in forwarding you a copy of the annual report and giving notice of its intention to pay a five cent per share dividend. The directors are pleased with the company's performance this past year and note the firm business base that it has continued to build.

The dividend re-investment plan (DRP) will again be made available to those who wish to re-invest their dividends in the company via the issue of more shares. Details of the DRP and its components are shown on the attached announcement to the Bendigo Stock Exchange on 20/10/04.

The past year created a cash surplus for the company, a large proportion of which was used to lower the company debt from \$3.5m to \$2.15m ; as you will appreciate this is a substantial shift in balances. The company now has modest exposure only to interest rate movements which is further offset by lines of credit being at a rate fixed for a further three year term.

Directors are pleased to note the steady improvement in VLE share trading price, last reported as having attained \$1.30 per share. Directors will continue in their efforts to deliver satisfactory annual results which it is expected will continue to be reflected in the share price and the value delivered to shareholders.

We have every confidence in the company's future and look forward to another prosperous year.

Yours faithfully,

Christopher Sleigh
Chairman



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Dear Shareholder,

Your company has completed another year of profitable operation. Throughput of adult cattle at VLE suffered a decline, as with most Victorian marketing centres, as a result of the return to a more normal grass production season. In spite of the lowered throughput, VLE was able to return a modest profit from its livestock activities. Directors have chosen not to lift yard fees this year, acknowledging the profitability achieved last year, however this will be continually reviewed against cost movements.

With its continued operational success VLE holds high its claim as "Victoria's premier cattle market".

Completion of stage 10 of industrial land development has drawn a \$709,498 profit to VLE's year-end accounts. As with previous years, a large proportion of funds has been deployed to lower debt. At its meeting on Monday 18th October, Cardinia Shire Council approved the proposed development on VLE's rear 4.8 HA of land; this is a major step forward to finalising this \$2.28m land sale. There are still some further approvals and processes to be dealt with but this is the major part concluded. Directors are quietly confident of a successful closure to the transaction within the current financial year.

VLE's proficiency and efficiency in implementing the National Livestock Identification Scheme (NLIS) at Pakenham and at several centres across Victoria has culminated in VLE providing services and advice to Tasmanian agencies and government departments and, of recent times, to Meat and Livestock Australia. The latter resulted in a two week tour of NSW and Queensland delivering practical demonstrations and advice.

VLE is currently upgrading the sludge drying process at the truck wash; this should provide modest commercial benefit and assist with environmental matters.

Many shareholders again enjoyed the benefit of owning VLE shares when they received their quarterly rebate cheques; a total of \$43,225 was paid in the reporting period.

Your company continues to fulfil its future.

The board and management look forward to another year of solid growth and prosperity.

Yours faithfully,

Graham Osborne
Managing Director