



LINDSAY AUSTRALIA
LIMITED

ABN 81 061 642 733

HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2011

LINDSAY AUSTRALIA LIMITED And Controlled Entities

DIRECTORS

CHAIRMAN (NON-EXECUTIVE)
John Frederick Pressler OAM, MAICD

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
Michael Kim Lindsay

NON-EXECUTIVE DIRECTORS
Richard Andrew Anderson OAM, BCom, FCA, FCPA
Gregory Damien Farrell B Econ
Leslie Raymond Hancock MAICD

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Graham Andrew Johnston BCom, MBA, CPA

REGISTERED AND PRINCIPAL ADMINISTRATIVE OFFICE

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SHARE REGISTER

Computershare Investor Services Pty Limited
117 Victoria Street, West End, Brisbane QLD 4000
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AUDITOR

Johnston Rorke
30th Floor Central Plaza One
345 Queen Street
BRISBANE QLD 4000

BANKERS

Westpac Banking Corporation Limited
65 Molesworth Street
LISMORE NSW 2480

STOCK EXCHANGE LISTING

Australian Securities Exchange, code LAU

	PAGE
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	5
FINANCIAL STATEMENTS	
Consolidated statement of comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of cash flows	8
Consolidated statement of changes in equity	9
Notes to the financial statements	10
DIRECTORS' DECLARATION	14
INDEPENDENT AUDITOR'S REVIEW REPORT	15

LINDSAY AUSTRALIA LIMITED And Controlled Entities DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Lindsay Australia Limited and its controlled entities for the half-year ended 31 December 2011.

DIRECTORS

The following persons were directors of Lindsay Australia Limited ("Lindsay Australia") during the whole of the half-year and up to the date of this report: -

J F Pressler
M K Lindsay
R A Anderson
G D Farrell
L R Hancock

PROFIT

For the half-year ended 31 December 2011 Lindsay Australia earned a consolidated after tax profit of \$3.206 million. This is an increase of 29% on the result achieved in the previous corresponding period of \$2.477 million. Earnings per share were 1.5 cents per share (last year 1.2 cents per share).

DIVIDEND

A fully franked interim dividend of 0.7 cents per share was declared on 27 February 2012 and is payable on 30 March 2012. The company's dividend re-investment plan continues in force.

REVIEW OF OPERATIONS

Revenue for the group for the half year increased 10% to \$135.4 million. Earnings before net interest, tax, depreciation and amortisation (EBITDA) were \$12.728 million at 9.4% of total revenue. This compares with an EBITDA of \$11.327 million at 9.2% of total revenue achieved in the six months ended 31 December 2010.

The period under review was a period of consolidation of operations after the disruptions that occurred in the prior six months (January to June) where the Group was impacted by severe flooding in many areas in which the Group operates and in North Queensland which was impacted by Cyclone Yasi.

Growth in revenue and income was achieved over the corresponding six months last year by both Transport and Rural divisions. Operations in the comparative six months were impacted from heavy rainfall and flooding in November and December in some areas where the Group operates.

The result for the current six months was also impacted by the recognition of a doubtful debt of \$1.7 million (\$1.2 million after tax) with an entity that was associated with a previous long term major customer of the Group. Debts of this customer are classified as loan receivable and secured by first and second registered real property and other mortgages.

Segment revenue (see note 5) for the Transport and Rural divisions for the six months was: -

	DEC 2011 \$'000	DEC 2010 \$'000	% Increase / (Decrease)
Transport			
• External sales	87,904	79,214	11.0
• Intersegment sales	1,552	1,433	8.3
• Other	1,008	825	22.2
	90,464	81,472	11.0
Rural			
• External sales	45,103	41,560	8.5
• Intersegment sales	120	125	(4.0)
• Other	345	341	1.2
	45,568	42,026	8.4

LINDSAY AUSTRALIA LIMITED And Controlled Entities DIRECTORS' REPORT (CONTINUED)

TRANSPORT

For the half-year the Transport division contributed \$9,203,000 compared with \$6,377,000 in the prior corresponding half-year. Transport's segment revenue (including intersegment sales) increased 11% over the previous corresponding period. Revenue has increased as a result of increased volumes and an increase in fuel levies. Freight revenue was particularly strong in November and December. North Queensland revenue increased approximately 40% over the previous corresponding half year. This growth reflects the business acquired in Mareeba in February 2011 and growth in customers in Innisfail more than offsetting the impact of Cyclone Yasi on banana volumes in the early part of the prior half year. Good revenue growth was also achieved in Brisbane, Sydney and Melbourne.

Pricing pressure from competitors and customers continues and has made the trading environment challenging during the half year. This has resulted in a tightening in the refrigerated transport industry where some small to medium-sized companies exited the industry due to financial difficulty. Further tightening is expected.

The division increased the utilisation of subcontractors, both permanent and casual, during the half year which provided additional capacity to meet increased demand in November and December. This has allowed an increased efficiency in utilisation of the company's fleet where kilometres reduced by approximately 5.5% even through revenue increased. Overall employee costs of the Transport division decreased approximately 1% on the previous half year.

The division continues to be challenged by the growing demands of distribution centres in capital cities due to unloading delays and traffic congestion to travel to sites. The division introduced standardised delivery fee pricing for produce deliveries to distribution centres in August 2011. This fee structure has enabled better recovery of costs from customers for delivering to distribution centres.

Repair and maintenance costs reduced by approximately 13% realising some of the benefits of investing in new equipment. Registration fee increases continue with costs increasing 20% on the last half year.

RURAL

For the half-year the Rural division contributed of \$2,627,000 compared with \$2,364,000 in the prior corresponding half-year. Rural's revenue increased by 8.4%, and the gross profit on sales achieved was similar to last year. During the half year an outlet was established in Mareeba. Low cost start up outlets have contributed approximately \$3.2 million of sales in the current half year compared with approximately \$700,000 in the previous corresponding half year. This model allows outlets to grow revenue without incurring large start up costs.

The Rural division now has 19 outlets throughout Australia. The majority of these are situated in locations where the Group also has transport operations. The combination of these locations and Rural's central distribution facility in Brisbane has seen increased freight opportunities for the Transport division with Rural accounting for 1.7% of Transport's internal and external revenue. This provides valuable back loading into produce areas where most refrigerated vehicles run empty into the area during the harvest period.

The Mooroopna store was relocated to Shepparton on sale of the Mooroopna land and buildings.

ROUNDING

The amounts in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under the section 307C of the *Corporations Act 2001* accompanies this report.

This report is made in accordance with a resolution of the directors.

John F Pressler

Director



Brisbane, Queensland
27 February 2012

The Directors
Lindsay Australia Limited
44b Cambridge Street
Rocklea QLD 4106

Dear Directors

Auditor's Independence Declaration

As lead engagement partner for the review of the financial report of Lindsay Australia Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

JOHNSTON RORKE
Chartered Accountants



R. C. N. Walker
Partner

Brisbane, Queensland
27 February 2012

LINDSAY AUSTRALIA LIMITED And Controlled Entities
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Note	Half-year ended	
		31 Dec 2011 \$'000	31 Dec 2010 \$'000
Revenues	2	135,358	123,087
Other income	3	-	54
		<u>135,358</u>	<u>123,141</u>
Expenses			
Changes in inventories		2,242	1,516
Purchase of inventories		(38,726)	(35,482)
Employee benefits expense		(29,297)	(29,378)
Subcontractors		(16,868)	(11,800)
Fuel and oil costs		(17,882)	(16,358)
Depreciation and amortisation		(6,504)	(6,250)
Net loss on disposal of fixed assets		(55)	-
Repairs and maintenance		(5,049)	(5,811)
Registration costs		(1,674)	(1,396)
Finance costs		(2,384)	(2,510)
Insurance		(630)	(736)
Doubtful debt expense		(1,836)	-
Pallets		(625)	(729)
Operating lease rentals		(2,723)	(2,483)
Professional fees		(331)	(278)
Other expenses		(8,437)	(8,096)
		<u>(130,779)</u>	<u>(119,791)</u>
Profit before income tax		4,579	3,350
Income tax expense	4	(1,373)	(873)
Profit for the period (attributable to owners of the parent)		3,206	2,477
Other comprehensive income		-	-
Total comprehensive income for the period (attributable to owners of the parent)		3,206	2,477
Basic and diluted earnings per share		1.5¢	1.2¢

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

LINDSAY AUSTRALIA LIMITED And Controlled Entities
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	31 Dec 2011 \$'000	30 June 2011 \$'000
Current assets			
Cash and cash equivalents		1,917	6,206
Trade and other receivables		43,941	40,977
Inventories		15,262	12,766
Current tax assets		222	222
Other		1,761	2,722
Total current assets		63,103	62,893
Non-current assets			
Available-for-sale financial assets		25	25
Property, plant and equipment		75,881	77,279
Intangible assets		7,865	7,880
Total non-current assets		83,771	85,184
Total assets		146,874	148,077
Current liabilities			
Trade and other payables		23,903	22,358
Borrowings		18,063	22,793
Current tax liabilities		1,760	-
Provisions		4,402	4,245
Other		194	1,188
Total current liabilities		48,322	50,584
Non-current liabilities			
Borrowings		41,620	43,213
Deferred tax liabilities		1,675	2,061
Provisions		969	881
Other		534	533
Total non-current liabilities		44,798	46,688
Total liabilities		93,120	97,272
Net assets		53,754	50,805
Equity			
Contributed equity	7	44,479	44,303
Reserves		491	491
Retained profits		8,784	6,011
Total equity		53,754	50,805

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

LINDSAY AUSTRALIA LIMITED And Controlled Entities
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Note	Half-year ended	
		31 Dec 2011 \$'000	31 Dec 2010 \$'000
Cash flows from operating activities			
Receipts in course of operations		142,533	129,508
Payments to suppliers and employees		(133,412)	(122,577)
Interest received		739	779
Finance costs paid		(2,305)	(2,420)
Income taxes refund/(paid)		-	406
Net cash provided by operating activities		7,555	5,696
Cash flows from investing activities			
Payments for property, plant and equipment		(2,251)	(6,303)
Payments for intangible assets		(66)	(149)
Proceeds from disposal of available-for-sale financial assets		-	18
Proceeds from disposal of property, plant and equipment		1,022	727
Net cash (used in) by investing activities		(1,295)	(5,707)
Cash flows from financing activities			
Proceeds from issue of shares	7	-	5,985
Payments for share issue costs		-	(88)
Proceeds from borrowings		1,302	7,173
Repayment of borrowings		(5,058)	(5,678)
Repayment of lease liabilities		(4,489)	(4,655)
Dividends paid	6	(390)	(959)
Net cash provided by/(used) in financing activities		(8,635)	1,778
Net increase/(decrease) in cash and cash equivalents		(2,375)	1,767
Cash and cash equivalents at the beginning of the reporting period		2,746	2,799
Cash and cash equivalents at the end of the reporting period		371	4,566

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

LINDSAY AUSTRALIA LIMITED And Controlled Entities
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Note	Contributed equity Ordinary shares	Share-based payments reserve	Retained profits	Total equity
		\$'000	\$'000	\$'000	\$'000
At 1 July 2011		44,303	491	6,011	50,805
Profit for the period		-	-	3,206	3,206
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	3,206	3,206
Dividend paid during half-year	6	43	-	(433)	(390)
Issue of shares net of costs (net of tax)		133	-	-	133
At 31 December 2011		44,479	491	8,784	53,754
At 1 July 2010		37,888	491	6,951	45,330
Profit for the period		-	-	2,477	2,477
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	2,477	2,477
Dividend paid during half year	6	294	-	(1,253)	(959)
Issue of shares net of costs (net of tax)		6,014	-	-	6,014
At 31 December 2010		44,196	491	8,175	52,862

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

LINDSAY AUSTRALIA LIMITED And Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Lindsay Australia Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The Group have adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current reporting period. This adoption has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported in the current and prior periods.

The Company is of a kind referred to in ASIC Class Order 98/0100 and in accordance with the Class Order, amounts in the Financial Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

NOTE 2 REVENUES

	Half-year ended	
	31 Dec 2011	31 Dec 2010
	\$'000	\$'000
Sales revenue		
Freight cartage and hire	87,559	78,419
Sale of goods	45,448	42,356
	133,007	120,775
Other revenues		
Insurance recoveries	360	124
Interest	739	783
Rent received	288	163
Other	964	1,242
	135,358	123,087

NOTE 3 OTHER INCOME

Net gain on disposal of property, plant and equipment	-	54
	-	54

NOTE 4 INCOME TAX

The prima facie tax on the profit before income tax is reconciled to the income tax expense as follows:

Profit before income tax	4,579	3,350
Prima facie tax at 30% (2010: 30%)	1,374	1,005
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Sundry items	17	20
Investment allowance	-	(152)
Recognition of prior period tax losses	(18)	-
Income tax expense	1,373	873

LINDSAY AUSTRALIA LIMITED And Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 5 SEGMENTS

The Group has identified the following reporting segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources:

- Transport – Cartage of general and refrigerated products and ancillary sales, and
- Rural – Sale and distribution of a range of agricultural supply products.

All Group revenue is derived from customers within Australia

Half-Year 2011	Transport \$'000	Rural \$'000	Total \$'000
Revenue			
External sales	87,904	45,103	133,007
Inter-segment sales	1,552	120	1,672
Other revenue	1,008	345	1,353
Total segment revenue/income	<u>90,464</u>	<u>45,568</u>	136,032
Reconciliation of segment revenue/income to group revenue/income			
Inter-segment elimination			(1,672)
Other income			-
Interest revenue			739
Corporate/unallocated revenue			259
Total group revenues/income			<u>135,358</u>
Segment profit before tax	<u>9,203</u>	<u>2,627</u>	11,830
Reconciliation of segment result to group net profit/(loss) before tax			
Corporate/unallocated costs			(4,867)
Finance costs			(2,384)
Profit before income tax			<u>4,579</u>
 Half-Year 2010			
Revenue			
External sales	79,214	41,560	120,774
Inter-segment sales	1,433	125	1,558
Other revenue	825	341	1,166
Total segment revenue	<u>81,472</u>	<u>42,026</u>	123,498
Reconciliation of segment revenue/income to group revenue/income			
Inter-segment elimination			(1,558)
Other income			54
Interest revenue			783
Corporate/unallocated revenue			364
Total group revenues/income			<u>123,141</u>
Segment profit before tax	<u>6,377</u>	<u>2,364</u>	8,741
Reconciliation of segment result to group net profit/(loss) before tax			
Corporate/unallocated costs			(2,881)
Finance costs			(2,510)
Profit before income tax			<u>3,350</u>

LINDSAY AUSTRALIA LIMITED And Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Half-year ended	
	31 Dec 2011 \$'000	31 Dec 2010 \$'000
NOTE 6 DIVIDENDS		
Paid in cash	390	959
Satisfied by issue of shares	43	294
	433	1,253
Dividends paid during the half-year		
Dividends not recognised at the end of the half-year		
Since the end of the half-year the directors have recommended the payment of an interim dividend of 0.7 cents (2010: 0.5 cents) per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the proposed interim dividend expected to be paid on 30 March 2012 (2010: 31 March 2011), but not recognised as a liability at the end of the half-year, is	1,516	1,076

NOTE 7 CONTRIBUTED EQUITY

Fully paid ordinary shares	44,479	44,303
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	Number of Shares	Issue Price ¢	\$'000
Movement in fully paid ordinary share capital			
Opening balance at 1 July 2011	215,666,849		44,303
Issue of shares pursuant to the Dividend Reinvestment Plan	268,098	16.1	43
Issue of shares in payment of interest	696,850	19.1	133
Closing balance at 31 December 2011	216,631,797		44,479
Opening balance at 1 July 2010	182,248,372		37,888
Issue of shares pursuant to the Dividend Reinvestment Plan	1,547,761	19.0	294
Issue of shares in payment of interest	496,258	18.4	91
Placement of Shares	26,100,000	19.5	5,090
Share Purchase Plan	4,735,540	18.9	895
Share issue costs (net of tax)	-	-	(62)
Closing balance at 31 December 2010	215,127,931		44,196

Options

As at balance date there are no options to acquire ordinary shares in the parent entity nor were there any on issue at 30 June 2011.

NOTE 8 NON-CASH FINANCING AND INVESTING ACTIVITIES

	Half-year ended	
	31 Dec 2011 \$'000	31 Dec 2010 \$'000
Acquisition of plant and equipment by means of finance leases	3,826	760
Dividends satisfied by issue of shares	43	294
Interest expense satisfied by the issue of shares	133	91

LINDSAY AUSTRALIA LIMITED And Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 9 SEASONALITY OF RESULTS

The half-year ended 31 December is a stronger trading period than the half-year ended 30 June. The seasonality arises as the Lindsay Australia Group derives significant revenue from the horticultural industry. The Group's current geographic spread of operations results in more favourable trading conditions in the first half of the financial year. There is also a lack of demand for southbound freight in the January to March quarter of each year. For the last two financial years profit or losses before income tax for each half year earned are as follows:

	Financial year ended	
	30 June 2011	30 June 2010
	\$'000	\$'000
Profit before income tax	1,821	3,840
Profit before income tax for half-year ended 31 December	3,350	4,068
Profit before income tax for half-year ended 30 June	(1,529)	(228)
	1,821	3,840

NOTE 10 CONTINGENT LIABILITIES

There has been no material change to contingent liabilities disclosed in the 30 June 2011 Financial Report.

**LINDSAY AUSTRALIA LIMITED And Controlled Entities
DIRECTORS' DECLARATION**

In the opinion of the directors the attached financial statements and notes:

- (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and *Corporations Regulations 2001*; and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that Lindsay Australia Limited 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 directors.



John F Pressler
Director

Brisbane, Queensland
27 February 2012

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Lindsay Australia Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lindsay Australia Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2011, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Lindsay Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lindsay Australia Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of their performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

JOHNSTON RORKE
Chartered Accountants



R. C. N. Walker
Partner

Brisbane, Queensland
27 February 2012