



30th August, 2012

The Manager
Company Announcements
Australian Securities Exchange – ASX Limited
Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000

Via E-Lodgement

Dear Sir / Madam,

PrimeAg Australia Limited (ASX: PAG)

Attached for the market's information is Appendix 4E for the period ending 30 June 2012.

Samantha Macansh
Company Secretary



ABN: 66 127 984 123

PRELIMINARY FINAL REPORT

30 June 2012

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under Listing Rule 4.3A.

PrimeAg Australia Limited
 ABN: 66 127 984 123
 Appendix 4E
 Year Ending 30 June 2012
 Results for Announcement to the Market

				\$'000
Revenue from ordinary activities	Up	50%	to	64,800
Profit from ordinary activities after tax attributable to members	Down	29%	to	4,991
Profit for the year attributable to members	Down	29%	to	4,991
Dividends				
No dividend has been declared for the period ending 30 June 2012.				
Asset backing				
Net tangible asset backing per ordinary share as at 30 June 2012				\$1.27 *
Net tangible asset backing per ordinary share as at 30 June 2011				\$1.36 *
* The value of the water rights which are classified as Intangible Assets equates to \$0.31 per share at 30 June 2012. (The value per share at 30th June 2011 \$0.59) (The value of water rights during the period reduced from \$88.9M to \$83.1M and the number of shares on issue increased by 115,824,468 during the period).				
Net asset backing per ordinary share as at 30 June 2012				\$1.58
The PrimeAg Australia Limited Annual General Meeting will be held on Monday 5th November 2012 in Sydney.				
Additional Appendix 4E disclosure requirements can be found in the notes to the 2012 Preliminary Final Report.				

Income Statement

For the year ended 30 June 2012

	Notes	Year Ended 30 June 2012 \$'000	Year Ended 30 June 2011 \$'000
Continuing Operations			
Sale of goods		58,348	42,638
Other revenue	3(a)	6,452	654
Revenue		64,800	43,292
Net operating income derived from biological assets	9	56,602	51,412
Cost of Sales		(55,967)	(41,229)
Other income	3(b)	542	5,058
Employee benefits expense	3(c)	(5,974)	(4,775)
Depreciation and amortisation expense	3(d)	(2,495)	(2,172)
Farming costs		(42,692)	(36,674)
Property related costs		(1,893)	(1,717)
Flood Damage		(138)	(2,368)
Administrative and other expenses	3(f)	(1,977)	(1,357)
Finance costs	3(g)	(424)	(1,025)
Profit from farming operations before income tax		10,384	8,445
Fair value movement on land, buildings and improvements and water rights	3(e)	(3,234)	1,622
Profit from continuing operations before income tax		7,150	10,067
Income tax expense	4	(2,159)	(3,034)
Net Profit for the year after tax		4,991	7,033
Attributable to:			
Equity holders of the parent entity		4,991	7,033
Net Profit for the year after tax		4,991	7,033
Earnings per share for profit attributable to ordinary equity holders of the parent:			
Basic earnings per share (cents)		1.87 ¢	4.67 ¢
Diluted earnings per share (cents)		1.87 ¢	4.67 ¢
Dividend per share (cents)		- ¢	1.00 ¢

Statement of Comprehensive Income

For the year ended 30 June 2012

	<i>Year Ended</i> <i>30 June 2012</i>	<i>Year Ended</i> <i>30 June 2011</i>
<i>Notes</i>	<i>\$'000</i>	<i>\$'000</i>
Profit for the period	4,991	7,033
Fair Value revaluation of land, buildings and improvements	3,146	2,951
Income Tax on items of other comprehensive income	(944)	(885)
Total Comprehensive Income for the Period	7,193	9,099
Attributable to:		
Equity holders of the parent entity	7,193	9,099
Total Comprehensive Income for the Period	7,193	9,099

Statement of Financial Position

For the year ended 30 June 2012

	<i>Notes</i>	<i>30 June 2012</i> \$'000	<i>30 June 2011</i> \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6	134,625	10,618
Trade and other receivables	7	7,564	7,812
Inventories	8	27,358	24,129
Biological assets	9	7,257	6,337
Derivatives	13	67	124
Other assets	10	1,759	1,738
Property, plant and equipment held for sale	11	49,478	-
Total Current Assets		228,108	50,758
Non-current Assets			
Available-for-sale financial assets		2	2
Property, plant and equipment	11	125,898	166,314
Intangible assets	12	83,095	88,885
Deferred tax assets	4(c)	6,147	7,293
Total Non-current Assets		215,142	262,494
TOTAL ASSETS		443,250	313,252
LIABILITIES			
Current Liabilities			
Trade and other payables	14	10,073	9,378
Provisions	15	107	204
Income Tax Payable		44	-
Derivatives	13	30	-
Interest-bearing loans and borrowings	16	1,954	920
Total Current Liabilities		12,208	10,502
Non-current Liabilities			
Provisions	15	24	5
Interest-bearing loans and borrowings	16	5,081	4,123
Deferred tax liabilities	4(c)	5,251	4,612
Total Non-current Liabilities		10,356	8,740
TOTAL LIABILITIES		22,564	19,242
NET ASSETS		420,686	294,010
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	17	413,178	291,058
Retained earnings		1,265	(1,062)
Reserves	20	6,243	4,014
TOTAL EQUITY		420,686	294,010

Statement of Cash Flows

For the year ended 30 June 2012

<i>Notes</i>	Year Ended 30 June 2012 \$'000	Year Ended 30 June 2011 \$'000
Cash flows from operating activities		
Receipts from customers	64,031	49,411
Receipts from Insurance Proceeds	3,696	1,638
Payments to suppliers and employees	(65,015)	(52,594)
Interest received	5,421	551
Interest paid	(424)	(333)
Net cash flows used in operating activities	7,709	(1,327)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,804)	(1,114)
Purchase of intangible assets	-	-
Proceeds from sale of property, plant and equipment	626	127
Net cash flows used in investing activities	(1,178)	(987)
Cash flows from financing activities		
Proceeds from issues of ordinary shares	121,433	17
Dividends Paid	(2,664)	-
Repayment of finance lease principal	(1,293)	(909)
Net cash flows used in financing activities	117,476	(892)
Net decrease in cash and cash equivalents	124,007	(3,206)
Cash and cash equivalents at beginning of year	10,618	13,824
Cash and cash equivalents at end of year	134,625	10,618

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Statement of Changes in Equity

For the year ended 30 June 2012

	<i>Attributable to equity holders</i>			
	Contributed equity \$'000	Retained earnings \$'000	Reserves \$'000	Total \$'000
As at 30 June 2012				
At 1 July 2011	291,058	(1,062)	4,014	294,010
Profit for the year	-	4,991	-	4,991
Asset revaluation of land, buildings and improvements	-	-	2,202	2,202
Total Comprehensive Income for the Period	-	4,991	2,202	7,193
Transactions with owners in their capacity as owners:				
Issue of Share Capital under Rights Issue	122,120	-	-	122,120
Payment of Dividend	-	(2,664)	-	(2,664)
Cost of share-based payments	-	-	27	27
At 30 June 2012	413,178	1,265	6,243	420,686
As at 30 June 2011				
At 1 July 2010	291,058	(8,095)	1,914	284,877
Profit for the year	-	7,033	-	7,033
Asset revaluation of land, buildings and improvements	-	-	2,066	2,066
Total Comprehensive Income for the Period	-	7,033	2,066	9,099
Transactions with owners in their capacity as owners:				
Cost of share-based payments	-	-	34	34
At 30 June 2011	291,058	(1,062)	4,014	294,010

Notes to the Preliminary Final Report

For the year ended 30 June 2012

1 Basis for Preparation

The preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of the ASX Appendix 4E.

The accounting policies applied are consistent with those that will be applied in the 2012 full financial report.

This report is based on accounts that are in the process of being audited.

Notes to the Preliminary Final Report

For the year ended 30 June 2012

2 SEGMENT REPORTING

PrimeAg Australia Limited has a single reportable segment, being agriculture. The Board (the chief operating decision maker) receives regular discrete financial information for the single segment to assess performance and determine the allocation of resources. The content and format of this information is consistent with the statement of financial position, income statement and statement of cash flows presented in the annual report.

	Year Ended 30 June 2012	Year Ended 30 June 2011
	\$'000	\$'000
3 REVENUE AND EXPENSES		
(a) Other revenue		
Interest received	6,352	551
Other	100	103
	<u>6,452</u>	<u>654</u>
(b) Other income		
Gain on forward contracts sold	48	-
Net Gain on disposal of property, plant and equipment	5	-
Insurance proceeds	488	5,057
Other	1	1
	<u>542</u>	<u>5,058</u>
(c) Employee expenses		
Wages and salaries	4,465	3,693
Workers' compensation costs	90	102
Defined contribution	364	275
Other employee expenses	1,028	671
Share-based payments	27	34
Total employee expenses	<u>5,974</u>	<u>4,775</u>
(d) Depreciation and amortisation expense		
Depreciation and amortisation of non-current assets		
Buildings and Improvements	897	882
Plant & equipment	799	762
Leased plant & equipment	799	528
Total depreciation and amortisation of non-current assets	<u>2,495</u>	<u>2,172</u>
(e) Fair value movement on land, buildings and improvements and water rights		
Fair value movement of land, buildings and improvements	2,556	1,622
Impairment of intangibles	(5,790)	-
	<u>(3,234)</u>	<u>1,622</u>
Land, buildings and improvements adjustment to statement of Financial Position		
Fair value adjustment to Income Statement	2,556	1,622
Fair value adjustment to Asset Revaluation Reserve (Equity)	3,146	2,952
	<u>5,702</u>	<u>4,574</u>

Notes to the Preliminary Final Report

For the year ended 30 June 2012

3 REVENUE AND EXPENSES (continued)

	Year Ended 30 June 2012 \$'000	Year Ended 30 June 2011 \$'000
(f) Administrative and other expenses		
Net loss on disposal property plant and equipment	-	7
Write off of assets	57	95
Administrative costs	1,574	866
Other expenses	346	389
Total Administrative and other expenses	<u>1,977</u>	<u>1,357</u>
(g) Finance costs		
Finance charges payable under finance leases	424	308
Borrowing Expense	-	25
Loss on forward contracts	-	692
Total finance costs	<u>424</u>	<u>1,025</u>
4 INCOME TAX		
(a) Income tax expense		
Major components of income tax expense		
<i>Current income tax</i>		
Current income tax charge	44	-
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	2,115	3,034
Income tax benefit reported in income statement	<u>2,159</u>	<u>3,034</u>
(b) Amounts charged or credited directly to equity		
<i>Deferred income tax related to items charged or credited directly to equity</i>		
Share issue costs	(1,274)	-
Asset revaluation reserve	944	734
Income tax expense / (benefit) reported in equity	<u>(330)</u>	<u>734</u>

Notes to the Preliminary Final Report

For the year ended 30 June 2012

4 INCOME TAX (continued)

	Year Ended 30 June 2012 \$'000	Year Ended 30 June 2011 \$'000
(c) Recognised deferred tax assets and liabilities		
<i>(i) Deferred tax assets</i>		
WDV Depreciating assets	1,659	2,053
WDV Intangible assets	2,109	372
Capital Raising Costs	1,018	759
Carry forward losses	-	1,577
Provisions	140	139
Accruals	1,212	2,393
Unrealised Hedge expense	9	-
Net deferred tax assets	<u>6,147</u>	<u>7,293</u>
<i>(ii) Deferred tax liabilities</i>		
Unrealised Hedge income	20	37
Revaluation of land	2,928	1,596
Fair value change on Biological assets	1,648	1,443
Prepaid expenses	-	26
Finance leases	153	82
Inventory	460	393
Other receivables	-	1,035
Investment in Fund	42	-
Deferred tax liabilities	<u>5,251</u>	<u>4,612</u>

Notes to the Preliminary Final Report

For the year ended 30 June 2012

	Year Ended 30 June 2012 \$'000	Year Ended 30 June 2011 \$'000
5 DIVIDENDS PAID AND PROPOSED		
(a) Recognised amounts		
<i>Declared and paid during the year:</i>		
Dividends on ordinary shares:		
Final unfranked dividend : 1.0 cent per ordinary share	2,664	-
	<u>2,664</u>	<u>-</u>
(b) Unrecognised amounts		
Dividends on ordinary shares:		
Final unfranked dividend declared:	-	2,664
	<u>-</u>	<u>2,664</u>
No dividend has been declared in respect of the year to 30 June 2012.		
6 CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	4,398	3,618
Short-term deposits	130,227	7,000
	<u>134,625</u>	<u>10,618</u>
7 TRADE AND OTHER RECEIVABLES		
Trade receivables	5,956	4,348
	<u>5,956</u>	<u>4,348</u>
Sundry debtors	320	-
Insurance Receivable	335	3,443
Interest Receivable	953	22
	<u>1,608</u>	<u>3,464</u>
Carrying amount of trade and other receivables	<u>7,564</u>	<u>7,812</u>
8 INVENTORIES		
<i>Consumables</i>		
At cost	1,323	1,082
Provision for diminution in value	-	-
	<u>1,323</u>	<u>1,082</u>
<i>Commodities held for sale</i>		
At net realisable value	25,825	22,821
Provision for diminution in value	-	-
	<u>25,825</u>	<u>22,821</u>
<i>Feedlot - Commodities & Bulk Stores</i>		
At cost	211	226
Provision for diminution in value	-	-
	<u>211</u>	<u>226</u>
Total inventory at the lower of cost & net realisable value	<u>27,358</u>	<u>24,129</u>

Notes to the Preliminary Final Report

For the year ended 30 June 2012

9 BIOLOGICAL ASSETS

	2011 Winter Crops \$'000	2012 Summer Crops \$'000	2012 Winter Crops \$'000	2013 Summer Crops \$'000	2013 Winter Crops \$'000	2014 Crops \$'000	Total Crops
As at 30 June 2012							
The biological assets consist of crops and cattle.							
Crops							
At 1 July 2011	1,748	2,860	138	20	-	-	4,766
Change in fair value of crops less estimated point-of-sale costs	1,887	49,340	2,094	3,111	53	72	56,557
Decrease due to harvesting of crops	(3,635)	(52,200)	-	-	-	-	(55,835)
At 30 June 2012	-	-	2,232	3,131	53	72	5,488
Current	-	-	2,232	3,131	53	-	5,416
Non current	-	-	-	-	-	72	72
	-	-	2,232	3,131	53	72	5,488

Cropped hectares at balance date 6,465 14,562 6,150

2012 Winter crops mainly comprise wheat & chickpeas, while the 2013 summer crops are expected to be cotton and sorghum.

During the year the primary crops harvested were 19,191t wheat, 6,704t of sorghum, 102,026 bales of cotton, and 612t mungbeans

Crops in ground at balance date are measured at their fair value less estimated point of sale costs. Immediately prior to harvest the fair value is determined on an estimated yield per hectare basis at the commodity's quoted spot price in the market place. At balance date if the crop is immature (i.e. it is too early to reliably predict yield), then fair value equates to the costs incurred on the crop to balance date. The value is only brought to account when it can be reliably measured and it's probable that the future economic benefits will be received by the Company.

Cattle	\$'000
At 1 July 2011	1,571
Increases due to new purchases	5,203
Change in fair value of livestock	45
Decrease due to Sales	(5,050)
At 30 June 2012	1,769

Livestock were mature so have been measured at their fair value less estimated point of sale costs.

The number of cattle at balance date was 2,565.

Biological Asset Summary

Crops	5,488
Cattle	1,769
Total Biological Assets	7,257
Net operating income derived from biological assets	
Crops	56,557
Cattle	45
Total Biological Assets	56,602

Notes to the Preliminary Final Report

For the year ended 30 June 2011

9 BIOLOGICAL ASSETS

	2010 Crops	2011 Summer Crops	2011 Winter Crops	2012 Summer Crops	2012 Winter Crops	2013 Crops	Total Crops
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
As at 30 June 2011							
The biological assets consist of crops and cattle.							
Crops							
At 1 July 2010	2,768	1,572	53	58	1	-	4,452
Change in fair value of crops less estimated point-of-sale costs	2,022	44,822	1,695	2,802	137	20	51,498
Decrease due to harvesting of crops	(4,790)	(46,394)	-	-	-	-	(51,184)
At 30 June 2011	-	-	1,748	2,860	138	20	4,766
Current	-	-	1,748	2,860	138	-	4,746
Non current	-	-	-	-	-	20	20
	-	-	1,748	2,860	138	20	4,766
	14,807	15,002	6,322				

2011 Winter crops mainly comprised wheat & chickpeas, while the 2012 summer crops were cotton & sorghum.

During the year the primary crops harvested were 18,043t wheat, 1,526t chickpea, 2,656t of sorghum, 77,907 bales of cotton, and 102t mungbeans.

Crops in ground at balance date are measured at their fair value less estimated point of sale costs. Immediately prior to harvest the fair value is determined on an estimated yield per hectare basis at the commodity's quoted spot price in the market place. At balance date if the crop is immature (i.e. it is too early to reliably predict yield), then fair value equates to the costs incurred on the crop to balance date. The value is only brought to account when it can be reliably measured and it's probable that the future economic benefits will be received by the Company.

	\$'000
Cattle	
At 1 July 2010	1,833
Increases due to new purchases	5,627
Change in fair value of livestock	(86)
Decrease due to Sales	(5,803)
At 30 June 2011	1,571

Livestock were mature so have been measured at their fair value less estimated point of sale costs.

The number of cattle at balance date was 2334.

Biological Asset Summary

Crops	4,766
Cattle	1,571
Total Biological Assets	6,337

Net operating income derived from biological assets

Crops	51,498
Cattle	(86)
Total Biological Assets	51,412

Notes to the Preliminary Final Report

For the year ended 30 June 2012

	30 June 2012	30 June 2011
	\$'000	\$'000
10 OTHER ASSETS		
Deposits and incidentals paid	160	134
Prepayments	228	1,604
Prepaid Transaction costs relating to PrimeAg Agricultural Fund (a)	1,371	-
	<u>1,759</u>	<u>1,738</u>
(a) These relate to prepaid costs associated with the PrimeAg Agricultural Fund which is yet to be initiated.		
11 PROPERTY, PLANT AND EQUIPMENT		
<i>Land, buildings and improvements</i>		
Net carrying amount at fair value	<u>164,197</u>	<u>156,408</u>
<i>Plant & equipment</i>		
At cost	5,971	6,692
Accumulated depreciation	(2,339)	(2,102)
Net carrying amount	<u>3,632</u>	<u>4,590</u>
<i>Leased plant and equipment</i>		
At cost	9,081	6,198
Accumulated depreciation	(1,534)	(882)
Net carrying amount	<u>7,547</u>	<u>5,316</u>
Total property, plant and equipment		
At cost or fair value	179,249	171,712
Accumulated depreciation and impairment	(3,873)	(5,398)
Net carrying amount	<u>175,376</u>	<u>166,314</u>
(a) Classification of property plant & equipment		
Property, plant and equipment held for sale	49,478	
Property, plant and equipment held for operations	<u>125,898</u>	
	<u>175,376</u>	

Notes to the Preliminary Final Report

For the year ended 30 June 2012

	30 June 2012 \$'000	30 June 2011 \$'000
11 PROPERTY, PLANT AND EQUIPMENT (continued)		
(b) Reconciliation of carrying amounts at the beginning and end of the year		
<i>Land, buildings and improvements</i>		
Balance at the beginning of the year net of accumulated depreciation	156,408	153,600
Additions	1,428	1,071
Disposals	(70)	(29)
Depreciation charge for the year	(897)	(882)
Net adjustment for flood damage	1,626	(1,926)
Adjustment for fair value movement	5,702	4,574
Balance at the end of the year - Net carrying amount	<u>164,197</u>	<u>156,408</u>
<i>Plant & equipment</i>		
Balance at the beginning of the year net of accumulated depreciation	4,590	5,028
Additions	566	525
Disposals	(725)	(187)
Depreciation charge for the year	(799)	(762)
Net adjustment for flood damage	-	(14)
Balance at the end of the year - Net carrying amount	<u>3,632</u>	<u>4,590</u>
<i>Leased plant and equipment</i>		
Balance at the beginning of the year net of accumulated amortisation	5,316	3,601
Additions	3,286	2,504
Disposals	(256)	(261)
Amortisation/Depreciation charge for the year	(799)	(528)
Balance at the end of the year - Net carrying amount	<u>7,547</u>	<u>5,316</u>
<i>Total Property, plant and equipment</i>		
Balance at the beginning of the year net of accumulated depreciation	166,314	162,229
Additions	5,280	4,100
Disposals	(1,051)	(477)
Depreciation charge for the year	(2,495)	(2,172)
Capital expenditure due to flood damage	1,626	(1,940)
Adjustment for fair value movement	5,702	4,574
Balance at the end of the year - Net carrying amount	<u>175,376</u>	<u>166,314</u>

Notes to the Preliminary Final Report

For the year ended 30 June 2012

	30 June 2012 \$'000	30 June 2011 \$'000
12 INTANGIBLE ASSETS		
<i>Trademarks</i>		
Cost (gross carrying amount)	2	2
Accumulated impairment	-	-
Net carrying amount	<u>2</u>	<u>2</u>
<i>Water Rights</i>		
Cost (gross carrying amount)	90,123	90,123
Accumulated impairment	(7,030)	(1,240)
Net carrying amount	<u>83,093</u>	<u>88,883</u>
<i>Total Intangibles</i>		
Cost (gross carrying amount)	90,125	90,125
Accumulated impairment	(7,030)	(1,240)
Net carrying amount	<u>83,095</u>	<u>88,885</u>

(a) Reconciliation of carrying amount at beginning and end of the period

<i>Total Intangibles</i>		
Balance at the beginning of the period	88,885	88,885
Additions	-	-
Impairment	(5,790)	-
Carrying amount - closing	<u>83,095</u>	<u>88,885</u>

Notes to the Preliminary Final Report

For the year ended 30 June 2012

	30 June 2012 \$'000	30 June 2011 \$'000
13 DERIVATIVES		
Current Assets		
CBOT Wheat Swap	-	124
Forward commodity contracts - Wheat and Cotton	67	-
	<u>67</u>	<u>124</u>
Current Liabilities		
Forward commodity contracts - Cotton	30	-
	<u>30</u>	<u>-</u>
14 TRADE AND OTHER PAYABLES (CURRENT)		
Trade payables	6,819	6,146
Other payables	2,065	1,715
Accrued expenses	1,187	1,509
	<u>10,071</u>	<u>9,370</u>
Related party payables:		
– director-related entities	2	8
	<u>2</u>	<u>8</u>
	<u>10,073</u>	<u>9,378</u>
15 PROVISIONS		
Current		
Long service leave	52	42
Other	55	162
	<u>107</u>	<u>204</u>
Non Current		
Long service leave	24	5
	<u>24</u>	<u>5</u>

Notes to the Preliminary Final Report

For the year ended 30 June 2012

	30 June 2012	30 June 2011
	\$'000	\$'000
16 INTEREST-BEARING LOANS AND BORROWINGS		
Current		
Obligations under finance lease contracts	1,954	920
	<u>1,954</u>	<u>920</u>
Non-current		
Obligations under finance lease contracts	5,081	4,123
	<u>5,081</u>	<u>4,123</u>
17 CONTRIBUTED EQUITY		
Ordinary shares, issued and fully paid		
Ordinary shares	426,164	301,074
Share issue costs	(18,054)	(13,811)
Tax effect of share issue costs	5,068	3,795
	<u>413,178</u>	<u>291,058</u>
18 CASH FLOW STATEMENT RECONCILIATION		
Reconciliation of net profit / (loss) after tax to net cash flows from operations		
Net Profit / (Loss)	4,991	7,033
<i>Adjustments for:</i>		
Depreciation	2,495	2,172
Fair value (gain) / loss on non-current assets	3,234	(1,622)
Net loss on sale / disposal of assets	63	101
Net fair value change in biological assets	(919)	(52)
Share based payments expense	27	34
Net fair value change on other financial assets	87	557
<i>Changes in assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	248	(4,788)
(Increase)/Decrease in inventories	(3,229)	(16,223)
(Increase)/Decrease in other reserves	(944)	(885)
(Increase)/Decrease in deferred tax assets	2,419	1,859
(Decrease)/Increase in trade and other payables	(1,369)	8,311
(Decrease)/Increase in other provisions	(34)	115
(Decrease)/Increase in deferred tax liabilities	640	2,061
Net cash flows used in operating activities	<u>7,709</u>	<u>(1,327)</u>

Notes to the Preliminary Final Report

For the year ended 30 June 2012

19 SUBSEQUENT EVENTS

PrimeAg Australia Limited announced on 27 July 2012 the completion and settlement of the sale of the Inner Downs properties St Ruth, Colonsay and Prentices and the North Star properties Burradoo, Wilga Warrina and Ivanhoe to Global Ag Properties Australia Trust (GAPAT).

The sale of the Darling Downs mixed dryland and irrigation properties located in Queensland - Colonsay, St. Ruth and Prentices; and the Goondiwindi hub dryland properties – Burradoo, Ivanhoe and Wilga Warrina located near North Star in northern NSW.

The purchaser of both aggregations is Global Ag Properties Australia Pty Ltd as trustee for Global Ag Properties Australia Trust (GAPAT) for the combined sale price of \$36.7 million.

The terms of the sale to GAPAT include PrimeAg leasing back the Darling Downs properties for a period of three years, and the Goondiwindi hub properties for a period of approximately six months.

Notes to the Preliminary Final Report

For the year ended 30 June 2012

20 RESERVES

	<i>30 June 2012</i>	<i>30 June 2011</i>
	<i>\$000</i>	<i>\$000</i>
Asset revaluation reserve		
At 1 July	3,725	1,659
Revaluation of land, buildings and improvements	2,202	2,066
At 30 June	<u>5,927</u>	<u>3,725</u>
Employee benefits reserve		
At 1 July	289	255
Share based payment - employee equity benefits	27	34
At 30 June	<u>316</u>	<u>389</u>
Total Reserves	<u>6,243</u>	<u>4,014</u>