



Australian Agribusiness Group

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AGRI MIS CAPITAL RAISING DOWN FOR FY2008

Australian Agribusiness Group's (AAG) seventh annual Report on Capital Raised in the agribusiness Managed Investment Scheme (MIS) industry will be released Thursday Morning, 17 July at 10am (tomorrow).

The MIS Report on Capital Raised reports that \$1,079 million was raised by MIS project managers, down 5% on last year from \$1,139 million.

Timber projects raised +5% more than last year. Horticultural funds were up by +4% but funds raised in the wine grape category were down by -46%.

AAG's Research Director Tim Lee commented on the results saying "We think the Agri MIS industry has stood up pretty well considering the global turmoil affecting investments and the lack of certainty surrounding tax rulings. A decrease in funds of only 5% is a very good result and MIS is proving to be pretty robust when compared to general equities markets which have taken a real hammering."

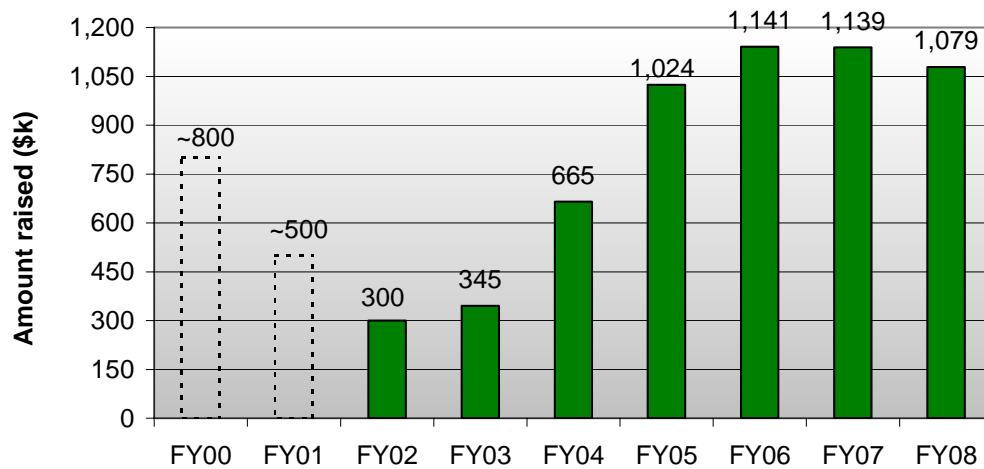
Highlights from the AAG report include:

- There were 57 agribusiness offerings open for investment in 2007/08. This compares to 67 in 2006/07.
- Similar to last year timber received 65% of total MIS funds (\$705 million).
- Horticulture increased by 4% to \$246 million but wine grapes decreased by 46% to \$42 million.
- There were 24,500 individual investors who participated in MIS projects in 2007/08, 5% less than last year.
- 73% of investments were geared in 2007/08 down from 77% in the previous year.
- Victoria will receive the largest quantum of funds raised while Western Australia will see the largest area of new project development.
- When allocated per head of population, investment will be the highest in Tasmania at \$383 per person, followed by the Northern Territory at \$230. Victoria and New South Wales were the lowest at \$46 and \$27 per person respectively. (refer Figure 2)
- The companies involved in the MIS industry employ more than 2,300 persons directly and a further 3,100 on a contract basis
- ASX listed project managers raised the vast majority of the capital at \$916 m (85%)
- Only 25% of projects achieved funds raised equal to or in excess of their stated target figure for the year

AAG's Managing Director Marcus Elgin noted "this is the first decrease in funds raised since we started the survey in 2002. Factors like interest rates which impact on gearing levels, a lack of water and the way the test case for non-timber MIS has dragged on certainly wouldn't make the job of raising capital any easier, so I reckon it's an outstanding result."

Figure 1 is a chart of funds raised in the agribusiness investment industry over the past 9 years (Note: 1999/00 and 2000/01 figures are estimates only while all other years are determined from AAG's end of year surveys).

Figure 1: Funds raised in the MIS Sector for Agribusiness Investment



An analysis of the spending of funds by the MIS sector for FY2008 reveals Tasmania and the Northern Territory receive a large proportion of the spend compared to population.

Figure 2: MIS spending by State Population

	State Population	Approximate Funds Directed	\$ per Head
New South Wales	6,927,000	\$ 190,000,000	\$ 27
Victoria	5,246,100	\$ 240,000,000	\$ 46
Queensland	4,228,300	\$ 120,000,000	\$ 28
South Australia	1,591,900	\$ 80,000,000	\$ 50
Western Australia	2,130,800	\$ 200,000,000	\$ 94
Tasmania	495,800	\$ 190,000,000	\$ 383
Northern Territory	217,600	\$ 50,000,000	\$ 230
Australian Capital Territory	340,800	NA	NA

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About the Report on MIS Capital Raised

This report also provides important data on the extent of tax deductions, future value of income from 2008 investments, future tax revenues to the ATO and the amount invested per individual. The Report on Capital Raised is the most comprehensive and authoritative review of the source and application of funds in the Australian tax effective agri investment sector.

About Australian Agribusiness Group

Australian Agribusiness Group (AAG) was formed in 1997. It provides agribusiness, research, investment and management skills to smart agribusinesses.

AAG is the market leader in research into the agri MIS sector. In alliance with Grant Thornton, it provides detailed research and rates product offerings and supports the sector with a range of decision making tools. Its research reaches over 140 financial planning groups, covering some 9,000 financial planners. AAG's ratings are also distributed by Standard & Poor's.

AAG provides research to other high growth agribusinesses, provides investment and management services and operates a national consulting practice.

AAG also produces the Agri Index, a measure of the relative performance of ASX to listed agribusiness.

For more information about AAG please visit www.ausagrigrp.com.au,