

OWNERS AND OPERATORS OF IRRIGATED-COTTON, BEEF-CATTLE AND CEREAL FARMS,
COMPRISING 26,000 HECTARES, IN QUEENSLAND AND NEW SOUTH WALES, AUSTRALIA

Announcement of unaudited interim results
for the six months ended 31 December 2002

Highlights from the chairman's statement and unaudited interim results as follows

- Farm loss, as normal, recorded in first half since Group's main income, from cotton, received in second half
- Profit before tax of £1,000, compared with loss of £355,000 in 2001, owing to sale of investments realising profit of £648,000
- Transfer to Alternative Investment Market and Warendi acquisition successfully completed in August and September 2002 respectively
- Reduced area of 1,320 hectares of cotton planted in September owing to Australia's drought
- Harvesting due to commence shortly and 10,000-bale crop hoped for. 6,500 bales sold to date at A\$515 per bale
- Cattle selling programme delayed by drought shortly to be resumed
- Since period end, sale of balance of investments completed, realising further profit of £393,000
- Farm loss expected for the year but likely profit before tax as a result of investment disposals

CHAIRMAN'S STATEMENT

REVIEW OF THE PERIOD

The first half proved both fruitful and challenging. It encompassed the acquisition of Warendi, the successful transfer of the Company to the Alternative Investment Market ("AIM") and the start of one of the most severe droughts experienced in Australia in over a century. Fortunately, the Group's properties were less severely affected by this than many others.

Whilst it is naturally pleasing to record a small pre-tax profit, compared with a loss for the first half of last year of £355,000, this was attributable to the exceptional sale of investments, to which I refer in more detail below. A farm loss was, as usual, recorded since the majority of the farm's income, arising from cotton sales, is not received until the second half. Direct cotton costs are carried forward into the second half so that they are matched against the cotton income but most of the other overheads are charged as they are incurred, thereby giving rise to a loss. The farm loss was higher than last year because it included all the overheads of the newly-acquired Warendi.

In view of the difficult season, an operating loss is expected for the year. However, this is likely to be more than offset by the exceptional gain on the disposal of investments.

Cotton

In view of the drought and the low level of water in the farm reservoirs, only 1,320

hectares of cotton were planted on Gubbagunyah/Oonavale and Warendi, less than half of what would have been planted if the reservoirs had been full. The extreme heat and dry soil conditions meant that more water than usual had to be released for each irrigation, hence causing concern that there would be insufficient water to complete the full irrigation programme for the season. In the event, however, some welcome rains were received in December and, more recently, in late February/early March, denoting a probable end to the drought. As a result, about 90% of the crop will have received a full irrigation by the end of the season and, although it is difficult to predict the yield before harvesting has commenced, it is hoped that a crop of some 10,000 bales will be achieved. The world cotton market has been reasonably buoyant and to date 6,500 bales of the 2003 crop have been sold forward at an average price of A\$515 per bale, compared with the average price attained for the 2002 crop of A\$463.

Cereal and other crops

A relatively small income, amounting to A\$196,355, was derived from cereal and other crops, compared with A\$171,815 for the same period last year. This year some 480 hectares of sorghum were planted in the irrigation areas but did not receive any irrigations. Harvesting has recently commenced.

Cattle

A cattle trading profit of A\$546,539 was recorded, compared with A\$612,808 a year ago. As I referred to in the 2002 annual report, the new strategy with regard to the cattle is to sell the existing herd and grass-feed young cattle owned by other operators who will pay a fee based on weight gain. This has been decided partly in order to reduce the increased debt level assumed with the acquisition of Warendi and partly because, as the pastures at Woodlands/Flinton are upgraded, they are becoming of too high a quality on which to continue to run a breeding herd. The selling programme was delayed as a result of the widespread drought conditions, impacting downwards on cattle values. Fortunately, as a result of the December rains, we were not forced sellers of the herd. Now that a significant amount of rain has recently been received in Australia, cattle values have started to rise again and the selling programme should shortly be resumed.

Mount Hope

The small property, Mount Hope, has now been placed on the market. It is planned to retain part of its water entitlement and to achieve some A\$600,000 from the sale of the property and the remaining water.

Share sales

During the first half, a substantial part of the Group's shares in Rowe Evans Investments PLC and Bertam Holdings PLC was disposed of realising a total profit of £648,000. Since the period end, the balance of the shares in these two companies has been sold, realising a further profit of £393,000.

P E HADSLEY-CHAPLIN

Chairman

14 March 2003

The board announces the following unaudited results

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 31 DECEMBER 2002

	6 months ended 31 December 2002 £'000	6 months ended 31 December 2001 £'000	Year ended 30 June 2002 £'000
Turnover	322	324	4,105

Cost of sales	(664)	(500)	(2,859)
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Farm (loss)/profit	(342)	(176)	1,246
Administrative expenses	(181)	(123)	(194)
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Operating (loss)/profit	(523)	(299)	1,052
Exceptional item - sale of fixed-asset Investments	648	—	—
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Profit/(loss) on ordinary activities before interest	125	(299)	1,052
Income from fixed-asset investments	2	12	50
Interest receivable and similar income	2	22	—
Interest payable and similar charges	(128)	(90)	(187)
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Profit/(loss) on ordinary activities before taxation	1	(355)	915
Tax charge on profit/(loss) on ordinary activities	—	—	(145)
	-----	-----	-----
Profit/(loss) on ordinary activities after taxation	1	(355)	770
Equity minority interests	81	50	(104)
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Profit/(loss) on ordinary activities attributable to the members of Lendu Holdings PLC	82	(305)	666
Equity dividend proposed	—	—	(337)
	-----	-----	-----
Profit/(loss) retained for the financial period/year	82	(305)	329
	=====	=====	=====
Basic and diluted earnings/(loss) per 5p share - pence	0.61	(2.26)	4.94
	=====	=====	=====
All operations are classed as continuing.			
Exchange rates			
£1 = Australian Dollar - average	2.83	2.81	2.70
- period/year end	2.87	2.86	2.77
	=====	=====	=====

**CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2002**

	31 December	31 December	30 June
	2002	2001	2002
	£'000	£'000	£'000
Fixed assets			
Tangible assets	15,218	10,592	11,268
Investments	107	253	241
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	15,325	10,845	11,509

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Current assets			
Stocks	784	1,050	553
Debtors - due within one year	259	120	537
- due after more than one year	2	2	2
Cash at bank and in hand	412	32	123
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	1,457	1,204	1,215
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Creditors: Amounts falling due within one year			
Bank loans and overdraft	5,090	1,259	147
Trade creditors	194	290	214
Other creditors including taxation and social security	1,760	1,682	1,804
Obligations due under hire-purchase contracts	22	45	47
Equity dividend proposed	—	—	337
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	7,066	3,276	2,549
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Net current liabilities	(5,609)	(2,072)	(1,334)
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Total assets less current liabilities	9,716	8,773	10,175
Creditors: Amounts falling due after more than one year	(38)	(43)	(46)
Provisions for liabilities and charges	(139)	—	(147)
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	9,539	8,730	9,982
Equity minority interests	(678)	(612)	(800)
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	8,861	8,118	9,182
	=====	=====	=====
Capital and reserves			
Called-up share capital	682	673	674
Share premium account	946	876	876
Revaluation reserve	2,830	2,840	2,986
Profit and loss account	4,403	3,729	4,646
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Total equity shareholders' funds	8,861	8,118	9,182
	=====	=====	=====
Reconciliation of movements in shareholders' funds for the period/year			
Profit/(loss) attributable to the members of the Company	82	(305)	666
Equity dividend	—	—	(337)
	-----	-----	-----
	82	(305)	329
Equity shares issued	78	3	4
Other recognised gains and losses relating to the period/year	(481)	(260)	169
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Net (reduction in)/addition to equity shareholders' funds	(321)	(562)	502
Opening equity shareholders' funds	9,182	8,680	8,680
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Closing equity shareholders' funds	8,861	8,118	9,182
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**CONSOLIDATED CASH-FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2002**

	6 months ended 31 December 2002 £'000	6 months ended 31 December 2001 £'000	Year ended 30 June 2002 £'000
Reconciliation of operating (loss)/profit To net cash (outflow)/inflow from operating activities			
Operating (loss)/profit	(523)	(299)	1,052
Depreciation charges	129	124	248
Gain on sale of tangible fixed assets	—	—	(14)
Provision for impairment of investments	—	—	13
Increase in stocks	(231)	(586)	(89)
Decrease/(increase) in debtors	277	(70)	(487)
(Decrease)/increase in creditors	(17)	158	83
Exchange differences	(46)	(8)	29
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Net cash (outflow)/inflow from operating activities	(411)	(681)	835
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Returns on investments and servicing of finance			
Income from fixed-asset investments	2	12	50
Interest received	2	22	—
Interest paid	(77)	(50)	(113)
	-----	-----	-----
Net cash outflow on returns on investments and servicing of finance	(73)	(16)	(63)
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Capital expenditure and financial investment			
Purchase of tangible fixed assets	(4,653)	(151)	(420)
Sale of tangible fixed assets	2	8	29
Purchase of other fixed-asset investments	(4)	—	—
Sale of other fixed-asset investments	783	—	—
	-----	-----	-----
Net cash outflow from capital expenditure and financial investment	(3,872)	(143)	(391)
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Equity dividend paid	(259)	(31)	(31)
	-----	-----	-----
Net cash (outflow)/inflow before financing	(4,615)	(871)	350
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Financing			
New borrowings - commercial bills	5,157	822	1,673
Capital element of hire-purchase payments	(45)	(56)	(59)
Repayment of borrowings - commercial bills	(244)	—	(1,985)
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Net cash inflow/(outflow) from financing	4,868	766	(371)
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Increase/(decrease) in cash	253	(105)	(21)
	=====	=====	=====
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash	253	(105)	(21)
Cash (inflow)/outflow from financing	(4,868)	(766)	371
	-----	-----	-----
	(4,615)	(871)	350
Inception of new hire-purchase contracts	(14)	(53)	(55)
Translation differences	87	58	(34)
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Movement in net debt	(4,542)	(866)	261
Net debt at 1 July	(1,580)	(1,841)	(1,841)
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Net debt at 31 December/30 June	(6,122)	(2,707)	(1,580)
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NOTES

1) Statutory information

The financial information for the six-month periods ended 31 December 2001 and 2002 has been neither audited nor reviewed by the Group's auditors and does not constitute accounts within the meaning of section 240 of the Companies Act 1985. The financial information for the year ended 30 June 2002 is abridged from the statutory accounts which have been reported on by the Group's auditors, Deloitte & Touche, and which have been filed with the Registrar of Companies. The report of the auditors thereon was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

2) Accounting policies

These interim accounts have been prepared on the basis of accounting policies as set out in the annual financial statements at 30 June 2002.

3) Distribution

The company will be circulating its interim report to shareholders forthwith and copies may be obtained from M.P.Evans (UK) Limited, 3 Clanricarde Gardens, Tunbridge Wells, Kent TN1 1HQ.

By order of the board
M.P.Evans (UK) Limited
Secretaries
14 March 2003