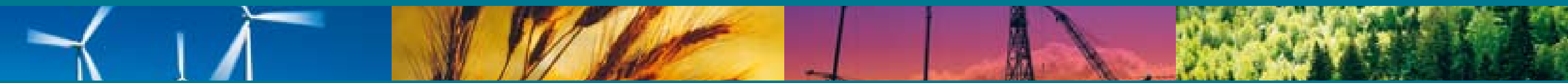
MITSUI & CO. (AUSTRALIA) LTD.

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009



CORPORATE MISSION, VISION AND VALUES

Over a period of many years, Mitsui has developed a set of values including challenge and innovation, freedom and open-mindedness, and nurturing human resources – all of which have helped shape the Mitsui of today.
In August of 2004, these concepts were redefined as Mitsui's Mission, Vision and Values (MVV). We strive to retain a strong awareness of our MVV at all levels of the Company and ensure these values are reflected in the activities of every person in the organization.

MISSION

Strive to contribute to the creation of a future where the aspirations of the people can be fulfilled.

VISION

Aim to become a global business enabler that can meet the needs of our customers throughout the world.

VALUES

Build trust with fairness and humility.

Aspire to set high standards and to contribute to society.

Embrace the challenge of continuous innovation.

Foster a culture of open-mindedness.

Strive to develop others and oneself to achieve full potential.

CONTENTS

ANNUAL FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

The following report has been printed on recycled paper

MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR

The financial year ending March 31, 2009 saw profound changes in our business environment. In this period we saw the fallout from the subprime mortgage worsen, leading to the global financial crisis, which has now resulted in a deep downturn in the real economy across the globe.

Mitsui Australia is not immune from the sharp decline in the global economy. In the second half of the period, our financial results declined unavoidably, due to limited potential for growth in our trading business. Despite these prevailing economic conditions, Mitsui Australia was able to achieve a consolidated after tax profit of $375.29 million, representing a 145% increase on last year's result. This was attributed to the strong results of our associated companies reflecting higher prices of iron ore, coal, and energy in the first half of the year.

In March of this year our parent company Mitsui & Co. (of Japan) released its Long Term Management Vision. Looking ahead we see long term structural changes as the drivers of sustained global economic growth. World population growth and the continued expansion of emerging economies will drive the proliferation of urban living, in turn increasing demand for basic lifestyle needs such as water, energy, and food. At the same time we will see increased demands placed on the natural environment requiring new industrial solutions. Meanwhile, the global economy will see fundamental structural changes, with predictions for Asia's share of world GDP rising from its current level of around 25% to 35% in 2030 and 50% in 2050.

In this time of unprecedented challenges, we intend to use our sense of crisis as a leverage to accelerate efforts in building strong foundations for the next phase of long term growth. We believe Mitsui Australia is well positioned to meet the demands of these drivers indentified in Mitsui's Long Term Management Vision.

Going forward we will advance our strategy of positioning Mitsui Australia as a multifaceted supply base for raw materials. We will continue to grow and expand in our traditional fields of business in Australia including, iron ore, coal, oil & gas, salt and woodchips. At the same time we will seek out opportunities for new investment with the aim of diversifying our portfolio. In the area of resources we will place emphasis on exploring opportunities in corporate farming ventures, new forestry and woodchip projects, and coal seam gas projects. In the field of the environment we will continue our work on the development of the Bald Hills Wind Farm project in Victoria, while exploring new opportunities in the area of biomass fuels and solar power generation.

In these times of uncertainty we consider corporate social responsibility central to the way we conduct our business. We will continue to uphold the company's values of challenge and innovation, freedom and open-mindedness, and nurturing human resources, which have been in place throughout the company's history. In doing so we will aim to undertake *Yoi-Shigoto* (good quality work) that benefits society, adds value to our business partners, and enhances our professional aspirations and self-esteem as individuals.

Atsushi Oi

ATSUSHI OI
CHAIRMAN AND MANAGING DIRECTOR
21 July 2009

CORPORATE SOCIAL RESPONSIBILITY AT MITSUI

MITSUI'S APPROACH TO CORPORATE SOCIAL RESPONSIBILITY (CSR)

At Mitsui we consider corporate social responsibility (CSR) as the starting point for all work that we undertake. Our guiding principles for CSR are formed by our management philosophy (Mission, Vision, Values) and the active pursuit of *Yoi-Shigoto* (good quality work).

We consider it our responsibility to continuously engage in positive corporate activities. This means contributing to society through our main business as an international investment and trading firm, ensuring high levels of compliance and internal controls, working to help resolve environmental issues, and undertaking social contributions.

MITSUI'S GLOBAL CSR POLICY

1. We will fulfill our role in the economy and continually strive to improve our corporate value by engaging in conscientious activities giving full consideration to the social significance of Mitsui & Co.'s presence and a strong awareness of our ties with the environment.
2. We will raise the awareness of each employee with regard to CSR and solidify our management base for practising CSR through strengthening corporate governance and fully reinforcing internal control.
3. We will also make efforts towards actively contributing to society. We will place importance on interactive communication with our stakeholders. We will fulfill our accountability with respect to CSR and continually work to improve our CSR activities based on the responses of our stakeholders.

Mitsui's Global CSR Report can be viewed at:
http://www.mitsui.co.jp/en/csr/report/index.html

CORPORATE SOCIAL RESPONSIBILITY AT MITSUI

CSR THROUGH OUR BUSINESS

By developing new business, creating new value and building new relationships with communities, Mitsui aims to contribute directly and indirectly to global economic growth, for the prosperous development of business, industry and regions, and in doing so, higher standards of living for all.

In Australia we operate across a wide variety of industries including iron ore, coal, oil, forestry plantations, machinery, chemicals, steel, electricity generation and food. Although our business covers a broad range of domains and we provide a vast array of functions, our underlying basic role remains the same – providing necessary goods and services to the people who need them.

In the field of mineral resources and energy, where we are most active, we secure and ensure stable supplies of vital resources for our customers. Over the years our investments and work in this area has aided the development of Japanese industry and Australia's resources sector, in turn making a valuable contribution to both countries' economies.

Moving forward we will support economic growth and development in Asia by providing a secure supply of raw materials, not only in the fields of mineral resources and energy, but also is the area of food ingredients, woodchips for paper manufacturing, and salt for industrial and food processing applications.

In recent years we have placed increasing focus on the environment, working to provide industrial solutions to environmental issues. At present we are active in the import of solar panels, and we are currently developing a wind farm with a 104MW capacity in South Gippsland, Victoria. In the period ahead we will explore new opportunities in the areas of biomass fuels and solar power generation.

Digitally created image of the future Bald Hills Wind Farm

Mitsui employees take part in a tree planting day in Kew, Victoria

Participants of the 2008 MEF Study Tour of Japan

PROMOTING AWARENESS AND UNDERSTANDING OF CSR IN OUR EMPLOYEES

Mitsui strives to foster an awareness and understanding of CSR in each and every one of our employees. In addition to reinforcing the values contained in our Mission, Vision, Values (MVV) in the workplace we also encourage our employees to perform *Yoi-Shigoto* (good quality work).

There is not a single definition of *Yoi-Shigoto*, rather the responsibility lies with each employee to consider for him or herself, whether the work they perform is living up to the standards of our MVV. Employees are continuously encouraged to ask themselves whether their work is living up to the expectations of stakeholders, is creating new value, is meaningful to society, and follows rules and appropriate procedures. In recent years we have held numerous workshops and group discussions where employees of all levels of seniority meet to discuss and consider what constitutes *Yoi-Shigoto*.

EMPLOYEE RELATIONS AT MITSUI

Throughout our company's history we have continued to hold the belief that human resources are our greatest asset. Accordingly we consider it our duty to maintain a work environment that encourages high performance, provides equal opportunities, as well as opportunities for self development and fulfilling careers.

CSR BEYOND OUR BUSINESS

As we consider CSR central to the way we conduct our business, we are strongly aware of our role and place in the broader community. While we seek to contribute to society through our normal sphere of business, we also believe it is our duty to go further, by making meaningful contributions to society which transcend our business functions.

OUR SOCIAL CONTRIBUTION ACTIVITIES FOR THE FINANCIAL YEAR ENDING MARCH 31, 2009 INCLUDE:

- Mitsui Educational Foundation - Every year the Foundation sponsors students from universities around Australia to participate in a three week study tour of Japan. The tour provides opportunities to visit educational institutions, offices, manufacturing plants, and places of historical and cultural significance throughout Japan. Participants also help promote mutual understanding and friendship between Australia and Japan by taking part in a number of people-to-people exchanges. Since the Foundation's inception in 1972, 289 Australian university students have taken part in this unique program.
- Victorian Bushfire Appeal Fund – We donated $100,000 to the Red Cross Victorian Bushfire Appeal Fund set up to assist individuals and communities affected by the devastating bushfires which swept through large parts of Victoria in February of this year.
- Western Australia Symphony Orchestra – We are proud supporters of the Western Australia Symphony Orchestra, and together with Mitsui E&P Australia, we have sponsored WASO's "World Artist Program" since 2008.
- Employee Lead Initiatives – Over the course of the financial year our employees gave their time and provided donations (financial and in kind) for a number of causes. Examples included: donations of blood to the Red Cross; collection of donations and goods for Red Cross relief efforts for the Victorian bushfires; participation in the Juvenile Diabetes Research Foundation's Walk to Cure Diabetes event; environmental conservation activities; and collections of donations for a variety of charities at different times throughout the year.

DIRECTORS' REPORT

The directors of Mitsui & Co. (Australia) Ltd., submit herewith the financial report of the consolidated entity for the financial year ended 31 March 2009. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names and particulars of the directors of the company during or since the end of the financial year are:

Mr A Oi

Director since 1 April 2008. Joined Mitsui Group in 2007. Currently Managing Director, Mitsui & Co. (Australia) Ltd. Previously Counsellor, Mitsui & Co., Ltd, Head Office, Japan. Graduated from Hitotsubashi University, Japan, majoring in Economics.

Mr Y Fukatsu

Director since 10 May 2004 until his resignation on 1 April 2008. Joined Mitsui Group in 1972. Most recently Managing Director, Mitsui & Co. (Australia) Ltd. Previously Deputy Managing Director, Mitsui & Co. (Australia) Ltd and General Manager, Corporate Planning Division, Mitsui & Co. (Australia) Ltd. Graduated from Osaka University, Japan, majoring in Economics.

Mr K Irie

Director since 3 April 2006. Joined Mitsui Group in 1975. Currently General Manager, Corporate Planning Division, Mitsui & Co. (Australia) Ltd. Previously, President, Mitsui Aluminium Co. Ltd. Graduated from Keio University, Japan, majoring in Law.

Mr A Yamamoto

Director since 26 April 2007 until his resignation on 1 April 2009. Joined Mitsui Group in 1974. Currently Managing Officer, Mitsui & Co., Ltd, Head Office, Japan and President, Mitsui & Co. (Thailand) Ltd. Previously Operating Officer of Plastics and Inorganic Chemicals Business Unit, Mitsui & Co., Ltd, Head Office, Japan. Graduated from Kyoto University, Japan, majoring in Economics.

Mr T Maeda

Director since 26 April 2007 until his resignation on 1 April 2008. Joined Mitsui Group in 1977. Currently Chief Administrative Officer, Mitsui & Co. (Asia Pacific) Pte. Ltd. Previously General Manager, Planning and Administrative Division, Asia Business Unit, Mitsui & Co., Ltd, Head Office, Japan. Graduated from Tokyo University, Japan, majoring in Law.

Mr M Nagata

Director since 26 April 2007 until his resignation on 1 April 2009. Joined Mitsui Group in 1979. Currently Chief Compliance Officer of Mitsui Asian Pacific Business Unit and General Manager of Legal Division, Mitsui & Co. (Asia Pacific) Pte. Ltd. Previously General Manager, First Legal Department, Legal Division, Mitsui & Co., Ltd, Head Office, Japan. Graduated from Tokyo University, Japan, majoring in Law.

Mr T Nakada

Director since 15 June 2007. Joined Mitsui Group in 1977. Currently Deputy Managing Director, Mitsui & Co. (Australia) Ltd and General Manager of Melbourne Office, Mitsui & Co. (Australia) Ltd. Previously General Manager, Stainless Raw Materials & New Metals Division, Mineral & Metal Resources Business Unit, Mitsui & Co., Ltd, Head Office, Japan. Graduated from Hitotsubashi University, Japan, majoring in Law.

Mr H Mukaeda

Director since 6 June 2008. Joined Mitsui Group in 1982. Currently General Manager, Financial Management Division, Mitsui & Co. (Australia) Ltd. Previously, General Manager, Chemical Business Process Control Department/ Planning and Administration Department, Mitsui & Co., Ltd, Head Office, Japan. Graduated from Yokohama National University, Japan, majoring in Faculty of Business Administration.

DIRECTORS' REPORT (CONTINUED)

PRINCIPAL ACTIVITIES OF THE CONSOLIDATED ENTITY

The consolidated entity's principal activities in the course of the financial year were exporting, importing, investing in resource entities, and the provision of finance to related bodies corporate. There was no significant change in the nature of these activities during the financial year.

DIVIDENDS

The amounts paid or declared by way of dividend by the company since the start of the financial year were:

In respect of the financial year ended 31 March 2008, as detailed in the directors' report for that financial year, an interim dividend amounting to $24,000,000 fully franked at 30% with $12,000,000 paid on 31 March 2008 and $12,000,000 paid on 30 June 2008.

RESULTS

A summary of consolidated results is set out below:

	2009 $'000	2008 $'000
Trading Transactions	5,250,963	4,972,129
Total Revenue	1,389,413	1,467,214
Profit from ordinary activities before income tax expense	385,116	163,387
Income tax expense relating to ordinary activities	(9,831)	(10,279)
Net profit attributable to members of the parent entity	375,285	153,108

REVIEW OF OPERATIONS

Despite a 7.0% reduction in sales revenue, the consolidated entity achieved a pleasing 38.1% increase in gross profit compared to the previous year, particularly due to increased commission income related to coal and iron ore trade. The consolidated entity's share of profits of associated entities also increased by a massive 147.1% from $145.5million last year to $359.5million this year particularly due to increased sales prices and profits of associated entities in the coal and iron ore industries.

CHANGES IN STATE OF AFFAIRS

During the financial year, there was no significant change in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

SUBSEQUENT EVENTS

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been included in this report.

DIRECTORS' REPORT (CONTINUED)

ENVIRONMENTAL REGULATIONS

The consolidated entity is not subject to any particular or significant environmental regulations under a law of the Commonwealth or of a State or Territory.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During or since the financial year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 9 of the financial report.

ROUNDING OFF OF AMOUNTS

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order, amounts in this directors' report and in the financial report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors

Atsushi Oi

ATSUSHI OI
DIRECTOR
Sydney, 21 July 2009

INDEPENDENCE DECLARATION TO THE DIRECTORS OF MITSUI & CO. (AUSTRALIA) LTD

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX: 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0)
www.deloitte.com.au

The Board of Directors
Mitsui & Co. (Australia) Ltd
Level 46, Gateway
1 Macquarie Place
Sydney NSW 2000

21 July 2009

Dear Board Members

Mitsui & Co. (Australia) Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Mitsui & Co. (Australia) Ltd.

As lead audit partner for the audit of the financial statements of Mitsui & Co. (Australia) Ltd for the financial year ended 31 March 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Dreyer

Margaret Dreyer
Partner
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MITSUI & CO. (AUSTRALIA) LTD

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX: 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0)
www.deloitte.com.au

We have audited the accompanying financial report, being a special purpose financial report, of Mitsui & Co. (Australia) Ltd, which comprises the balance sheet as at 31 March 2009, and the income statement, cash flow statement and statement of recognised income and expense for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 12 to 44.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the directors' financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members or for any purpose other than that for which it was prepared.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MITSUI & CO. (AUSTRALIA) LTD (CONTINUED)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion, the financial report of Mitsui & Co. (Australia) Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's and consolidated entity's financial position as at 31 March 2009 and of their performance for the year ended on that date in accordance with the accounting policies described in Note 1; and

(b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Dreyer

Margaret Dreyer
Partner

Chartered Accountants
Sydney, 21 July 2009

DIRECTORS' DECLARATION

As detailed in Note 1 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this "special purpose financial report" has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

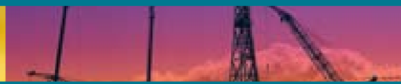
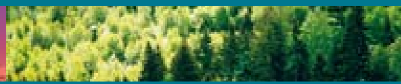
Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors

Atsushi Oi

Atsushi Oi
Director
Sydney, 21 July 2009



ANNUAL FINANCIAL STATEMENTS AND NOTES THERETO FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

		Consolidated		Company	
	Note	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Trading transactions	2	5,250,963	4,972,129	5,250,963	4,969,673
Sales revenue	3(a)	1,261,961	1,357,016	1,261,961	1,354,560
Cost of goods and services sold		(1,214,271)	(1,322,472)	(1,214,271)	(1,320,713)
Gross profit		47,690	34,544	47,690	33,847
Dividend income	3(a)	101	134	31,842	38,510
Other revenue	3(a)	127,351	110,064	47,688	56,832
Share of profits of associates accounted for using the equity method	10	359,522	145,468	–	–
Selling, general and administrative expenses		(30,440)	(28,865)	(29,400)	(27,800)
Borrowing costs	3(b)	(108,816)	(88,224)	(41,376)	(41,872)
Other net expenses		(10,292)	(9,734)	(10,193)	(8,020)
Profit before income tax expense		385,116	163,387	46,251	51,497
Income tax expense	4	(9,831)	(10,279)	(6,846)	(8,547)
Profit attributable to members of the parent entity		375,285	153,108	39,405	42,950

Notes to the financial statements are included on pages 18 to 44.

BALANCE SHEET

AS AT 31 MARCH 2009

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
Current assets					
Cash and cash equivalents		643,045	42,169	405,361	7,115
Trade and other receivables	6	357,098	481,651	357,487	470,077
Investments accounted for using the equity method	10	118	4,567	–	–
Other financial assets	7	1,363,007	686,543	560,092	484,107
Inventories	8	79,712	38,880	79,712	38,880
Other	9	126	244	124	244
Total current assets		2,443,106	1,254,054	1,402,776	1,000,423
Non-current assets					
Investments accounted for using the equity method	10	965,486	641,467	–	–
Other financial assets	11	548,411	957,092	654,701	730,838
Property, plant and equipment	12	8,181	8,869	8,016	8,869
Goodwill	13	5,676	–	–	–
Other intangible assets	14	4,017	–	–	–
Deferred tax assets	15	38,069	36,997	31,237	36,997
Total non-current assets		1,569,840	1,644,425	693,954	776,704
Total assets		4,012,946	2,898,479	2,096,730	1,777,127
Current liabilities					
Trade and other payables	16	319,252	323,980	311,031	320,191
Borrowings	17	2,014,971	1,236,147	805,727	396,899
Other financial liabilities	18	33,465	14,765	20,664	14,765
Current tax payable	19	136,724	143,046	136,724	143,046
Provisions	20	924	12,949	924	12,949
Other	21	229	166	229	166
Total current liabilities		2,505,565	1,731,053	1,275,299	888,016
Non-current liabilities					
Borrowings	22	334,680	335,181	404,790	460,215
Other financial liabilities	23	105,428	103,412	65,696	103,412
Deferred tax liabilities	24	29,778	47,116	27,685	41,063
Provisions	25	5,040	753	738	753
Other	26	1,388	1,079	1,388	1,079
Total non-current liabilities		476,314	487,541	500,297	606,522
Total liabilities		2,981,879	2,218,594	1,775,596	1,494,538
Net assets		1,031,067	679,885	321,134	282,589
Equity					
Issued capital	27	20,000	20,000	20,000	20,000
Reserves	28	111	24,436	97,151	98,011
Retained earnings	29	1,010,956	635,449	203,983	164,578
Total equity		1,031,067	679,885	321,134	282,589

Notes to the financial statements are included on pages 18 to 44.

STATEMENT OF RECOGNISED INCOME AND EXPENSE

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

		Consolidated		Company	
	Note	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Available-for-sale investments:	28				
Valuation ((loss) gain taken to equity		(1,416)	143	(1,416)	143
Deferred tax arising on revaluation loss (gain)		409	(70)	409	(70)
Share of associates valuation (loss) taken to equity		(1,192)	–	–	–
Transfer to retained earnings for investment sold		(226)	–	–	–
Share of associates valuation gain transferred to profit and loss		–	–	(795)	(39)
Cash flow hedges:	28				
Profit/(loss) taken to equity					
– Interest rate swaps		–	9,970	–	–
– Forward exchange contracts		87	(1,259)	87	(1,259)
Transferred to profit and loss:					
– Interest rate swaps		(7,748)	(336)	–	–
– Forward exchange contracts		881	1,174	881	1,174
Deferred tax on hedges		(26)	(2,943)	(26)	378
Transfer to retained earnings for investments sold		4	–	–	–
Share of (decrements)/increments in hedging reserves attributable to associates		(15,097)	6,953	–	–
Net (expense)/income recognised directly in equity		(24,324)	13,632	(860)	327
Profit for the period		375,285	153,108	39,405	42,950
Total recognised income and expense for the period		350,961	166,740	38,545	43,277

Notes to the financial statements are included on pages 18 to 44.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

		Consolidated		Company	
	Note	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Cash flows from operating activities					
Receipts from customers		1,377,211	1,284,906	1,358,010	1,275,968
Payments to suppliers and employees		(1,289,385)	(1,308,314)	(1,287,821)	(1,305,215)
Dividends received		31,842	38,446	31,842	38,510
Interest received		191,123	84,375	60,155	43,536
Interest paid		(117,116)	(76,975)	(46,884)	(34,849)
Net income tax (paid)/received		(29,645)	28,320	(26,261)	26,283
Net cash provided by operating activities	35(a)	164,030	50,758	89,041	44,233
Cash flows from investing activities					
Current loans receivable (advanced)/repaid		(670,342)	(53,900)	(70,689)	25,396
Non-current loans receivable repaid/(advanced)		347,510	(581,764)	45,528	(267,980)
Payment for investments		(5,646)	(71,458)	(9,395)	(71,458)
Proceeds from sale of investments		2,643	3,364	2,643	3,666
Proceeds from sale of agriculture assets		–	1,339	–	–
Payment for intangible assets		(3,183)	–	–	–
Payment for property, plant and equipment		(492)	(2,059)	(318)	(2,059)
Proceeds from sale of property, plant and equipment		33	1,975	33	–
Net cash (used in) investing activities		(329,477)	(702,503)	(32,198)	(312,435)
Cash flows from financing activities					
Proceeds from short term borrowings		778,849	472,418	408,853	32,199
(Repayment of)/proceeds from long term borrowings		(501)	224,820	(55,425)	268,554
Dividends paid		(12,000)	(27,000)	(12,000)	(27,000)
Net cash provided by financing activities		766,348	670,238	341,428	273,753
Net increase in cash and cash equivalents		600,901	18,493	398,271	5,551
Cash and cash equivalents at the beginning of the financial year		42,080	23,587	7,026	1,475
Cash and cash equivalents at the end of the financial year	35(b)	642,981	42,080	405,297	7,026

Notes to the financial statements are included on pages 18 to 44.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1. SUMMARY OF ACCOUNTING POLICIES

Financial reporting framework

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this is a 'special purpose financial report' and has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

Statement of compliance

The financial report has been prepared in accordance with the Corporations Act 2001, the basis of accounting specified by all Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Cash Flow Statements' and AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'. Accounting Standards include Australian equivalents of International Financial Reporting Standards ('A-IFRS').

The financial statements were authorised for issue by the directors on 21 July 2009.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for revaluation of certain non-current assets and financial instruments. Cost is based on fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Critical accounting judgements and key sources of estimation uncertainty

In the application of A-IFRS, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Adoption of new and revised accounting standards

In the current year, the group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on 1 April 2008.

The directors consider there has been no material impact on the group on adoption of these revised Standards and Interpretations.

At the date of authorisation of the financial report, a number of Standards and Interpretations were issued but not effective.

Initial application of the following Standards is not expected to have a material impact on the group's financial report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1. SUMMARY OF ACCOUNTING POLICIES (continued)

Adoption of new and revised accounting standards (continued)

Standard	Effective for annual reporting periods beginning on or after:	Expected to be initially applied in the financial year ending:
AASB 101 "Presentation of Financial Statements" – revised standard	1 January 2009	31 March 2010
AASB 3 "Business Combinations" and AASB 127 "Separate and Consolidated Financial Statements" – revised standards	1 July 2009	31 March 2011
AASB 123 "Borrowing Costs" – revised standard	1 January 2009	31 March 2010
AASB 8 "Operating Segments" – revised standard	1 January 2009	31 March 2010

AASB 101 "Presentation of Financial Statements" (revised standard) will result in a number of changes in presentation of the financial statements, including:

- presenting all non-owner changes in equity ("comprehensive income") either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income may not be presented in the statement of changes in equity;
- presenting an additional statement of financial position (balance sheet) as at the beginning of the earliest comparative period when the entity applies an accounting policy retrospectively, makes a retrospective restatement, or reclassifies items in its financial statements (this would generally mean that three balance sheets are presented in these circumstances);
- disclosing income tax relating to each component of other comprehensive income; and
- disclose reclassification adjustments relating to components of other comprehensive income.

AASB 3 "Business Combinations" and AASB 127 "Separate and Consolidated Financial Statements" (revised standards) introduce greater emphasis on the use of fair value through increasing the judgement and subjectivity around business combination accounting and requiring greater involvement of valuation experts. Further volatility in the income statement will be introduced through the separate accounting for transaction costs, changes in the fair value of contingent consideration, settlement of pre-existing contracts and share-based payments. The Standards also focus on changes in control as a significant economic event, with requirements to remeasure interests to fair value on gaining or losing control, and to recognise all transactions between controlling and non-controlling shareholders whilst control is retained in retained earnings.

AASB 123 "Borrowing Costs" (revised standard) eliminates the current option of expensing certain borrowing costs relating to qualifying assets. The adoption of this revised standard will result in no changes the group's accounting policies.

AASB 8 "Segment Reporting" (revised standard) – Because the company does not have any debt or equity securities that are traded in a public market, the company is not required to present segment reporting information under AASB 8 and accordingly none has been provided in this financial report.

The impact of all other Standards or Interpretations issued but not yet effective is not expected to be material.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1. SUMMARY OF ACCOUNTING POLICIES (continued)

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Principles of consolidation

The consolidated financial statements have been prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its controlled entities as defined in Accounting Standard AASB 127 "Consolidated and Separate Financial Statements". A list of controlled entities appears in Note 37 to the financial statements. Consistent accounting policies have been employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the company obtains control and until such time as the company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(b) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(d) Derivative financial instruments

The company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including interest rate swaps and forward foreign exchange contracts.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in the profit or loss depends on the nature of the hedge relationship. The company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), or hedges of highly probable forecast transactions (cash flow hedges).

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts deferred in equity are recycled in profit or loss in the periods in which the hedged item is recognised in profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(d) Derivative financial instruments (continued)

Cash flow hedge (continued)
Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

Derivatives that do not qualify for hedge accounting
Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in profit or loss.

Embedded derivatives
Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

(e) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave, long service leave, and other employee entitlements expected to be settled within 12 months, are measured at their nominal values.

Provisions made in respect of annual leave and long service leave entitlements which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to the reporting date.

(f) Foreign Currency

All foreign currency transactions during the financial period have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at balance date are translated at the exchange rate existing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are brought to account in the profit or loss in the financial period in which they arise except that exchange differences on transactions entered into in order to hedge certain foreign currency risks are treated in accordance with note 1(d).

(g) Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost. Subsequent to initial recognition, investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements.

Other financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’, ‘available-for-sale’ financial assets, and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of the initial recognition.

Financial assets at fair value through profit or loss
The consolidated entity has classified certain shares as financial assets at fair value through profit or loss. Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(g) Financial assets (continued)

Available-for-sale financial assets
Certain shares held by the consolidated entity are classified as being available-for-sale and are stated at their fair value less impairment. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in the profit or loss for the period.

Loans and receivables
Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(i) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(j) Income tax

Current tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantially enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(j) Income tax (continued)

Deferred tax
Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as the result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period
Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation
The company, its controlled wholly owned Australian resident entities, and certain wholly owned Australian resident entities of the ultimate Japanese parent entity are part of a tax consolidated group under Australian taxation law. Mitsui & Co. (Australia) Ltd is the head entity of the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within a group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

The members of the tax-consolidated group have entered into a tax funding arrangement which sets out the funding obligations of the members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements generally require payments to/from the head entity equal to the current tax liability/asset assumed by the head entity and any tax loss or tax credit deferred tax asset assumed by the head entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(j) Income tax (continued)

Tax consolidation (continued)

The members of the tax-consolidated group have also entered into a valid tax sharing agreement under the tax consolidation legislation which sets out the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations and the treatment of entities leaving the tax-consolidated group.

(k) Inventories

Finished goods on hand and in transit are valued at the lower of cost and net realisable value. Costs are assigned to inventory by the method most appropriate to each particular class of inventory with the majority being valued on a specific identification basis (first in first out basis).

(l) Investments in associates

An associate is an entity over which the company has a significant influence and is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, investments in associates are carried in the balance sheet at cost as adjusted for post-acquisition changes in the company's share of net assets of the associate, less any impairment in the value of individual investments.

Losses of an associate in excess of the company's interest in that associate (which includes any long-term interests that, in substance, form part of the company's net investment in the associate) are recognised only to the extent that the company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the acquisition, after reassessment, is recognised immediately in profit or loss.

(m) Leased Assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance lease are initially brought to account at an amount equal to the present value of the minimum lease payments, and are amortised on a straight line basis over the estimated useful life of the asset. Finance lease payments are allocated between interest expense and a reduction of lease liability over the term of the lease.

Operating lease payments are recognised as an expense on a basis which reflects the pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction in rental expense on a straight line basis.

(n) Payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(o) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant, motor vehicles and furniture including freehold buildings, but excluding land, over their estimated useful economic lives using either the reducing balance method or prime cost method. The following estimated useful lives are used in the calculation of depreciation:

- Buildings 25 years
- Plant, motor vehicles and furniture 3–8 years

(p) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the company in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities, and contingent liabilities that meet the conditions for recognition under AASB 3 "Business Combinations" are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 "Non-current Assets Held for Sale and Discontinued Operations", which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset initially measured at cost, being the excess of the cost of the business combination over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is immediately recognised in profit or loss

The interest in minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(q) Goodwill

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of the acquisition. Goodwill is subsequently measured at cost less any accumulated impairment losses. An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

(r) Intangible assets

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably.

Intangible assets acquired separately are initially recorded at cost.

Subsequent to initial recognition, intangible assets acquired in a business combination and intangible assets acquired separately are recorded at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally-generated intangible assets arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(r) Intangible assets (continued)

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. If the recognition criteria are not met then the development expenditure is expensed. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

(s) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be reliably measured.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(t) Revenue Recognition

Sale of Goods
Revenue from the sale of goods is recognised when the consolidated entity has transferred to the buyer the significant risks and rewards of ownership of the goods or other assets.

Rendering of Services
Revenue from a contract to provide services is recognised by reference to the stage of completion of the contact.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

2. TRADING TRANSACTIONS

Trading transactions represent the total value of merchandise transactions handled by the company and thus includes the value of transactions in which the company acts as a principal as well as the value of those transactions in which the company acts as an agent.

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
3. PROFIT FROM OPERATIONS				
Profit before income tax includes the following items of revenue and expense:				
(a) Revenue				
Sales revenue:				
Sale of goods	1,146,691	1,292,842	1,146,691	1,290,386
Rendering of services	115,270	64,174	115,270	64,174
	1,261,961	1,357,016	1,261,961	1,354,560
Dividends:				
Controlled entities	–	–	–	64
Associated entities	–	–	31,741	38,312
Other related parties	–	86	–	86
Other parties	101	48	101	48
	101	134	31,842	38,510
Other revenue:				
Profit/(loss) on the disposal of:				
Investments	379	(284)	61	616
Precious metals business release fee	–	594	–	594
Property, plant and equipment	4	786	4	(4)
Foreign exchange gain	492	–	–	–
Interest revenue:				
Ultimate parent entity	1,812	1,521	1,812	1,521
Controlled entity	–	–	36,172	38,062
Related bodies corporate:				
Wholly-owned group	97,079	91,066	1,048	7,414
Other parties	24,245	12,108	5,054	4,698
Management fees:				
Ultimate parent entity	855	944	855	944
Controlled entities	–	–	200	33
Related bodies corporate:				
Wholly-owned group	2,061	2,468	2,061	2,457
Other parties	155	264	155	260
Net increment in net market value of agriculture assets	–	106	–	–
Other income	269	491	266	237
	127,351	110,064	47,688	56,832
	1,389,413	1,467,214	1,341,491	1,449,902

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
3. PROFIT FROM OPERATIONS (Continued)				
(b) Expenses				
Interest:				
Ultimate parent entity	426	1,161	426	1,161
Controlled entities	–	–	18,823	21,836
Related bodies corporate:				
Wholly-owned group	64,262	56,475	1	765
Other parties	44,128	30,588	22,126	18,110
Management fees:				
Other related parties	9,265	212	9,265	212
Other	75	934	75	872
Operating lease rental expense	3,255	2,956	3,223	2,948
Net transfers (from)/to provisions:				
Employee entitlements	40	41	40	41
Doubtful debts	–	–	–	(1,056)
Depreciation of property, plant and equipment	1,151	1,032	1,142	1,026
Change in fair value of investment classified as fair value through profit and loss	–	304	–	304
Diminution in value of investments:				
Associated entities	–	194	–	194
Controlled entities	–	–	–	(251)
Other entities	45	430	45	430
Foreign exchange loss	789	7,106	789	6,914

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
4. INCOME TAX				
(a) The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:				
Profit from operations	385,116	163,387	46,251	51,497
Income tax expense calculated at 30%	115,535	49,016	13,875	15,450
Non-assessable dividends	(31)	(40)	(8,182)	(7,731)
Assessable dividends of associates	1,371	3,822	–	–
Provision for doubtful debts (written-back)	–	–	–	(317)
Share of profits of associates accounted for using the equity method	(107,857)	(43,640)	–	–
Non deductible entertainment and other items	138	255	138	255
Fair value decrease of investments through profit or loss	14	278	14	203
Other	(307)	(400)	33	(303)
Under provision of income tax in prior year	968	988	968	990
Income tax expense attributable to profit from ordinary activities	9,831	10,279	6,846	8,547
	$	$	$	$
5. REMUNERATION OF AUDITORS				
Auditor of the parent entity				
Audit of the financial report	343,286	331,108	294,786	304,816
Other audit services	233,556	59,680	160,629	11,413
Taxation services	25,351	73,480	25,351	73,480
	602,193	464,268	480,766	389,709
	$'000	$'000	$'000	$'000
6. TRADE AND OTHER RECEIVABLES				
At amortised cost				
Trade receivables	156,493	225,943	156,693	225,943
Other receivables	200,605	255,708	200,794	244,134
	357,098	481,651	357,487	470,077

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
7. CURRENT OTHER FINANCIAL ASSETS				
At amortised cost				
Investment in associated entity (refer note 10)	–	–	85	2,635
Loans to:				
Ultimate parent company	384,897	–	384,897	–
Controlled entities	–	–	142,484	335,810
Related bodies corporate:				
Wholly owned group	951,338	665,586	5,854	126,429
Other parties	6,038	6,325	6,038	6,325
Directors	5	25	5	25
	1,342,278	671,936	539,363	471,224
At fair value				
Foreign currency forward contracts	20,729	663	20,729	636
Interest rate swaps	–	13,944	–	12,247
	1,363,007	686,543	560,092	484,107
8. CURRENT INVENTORIES				
Finished goods on hand and in transit:				
At cost	79,712	38,880	79,712	38,880
9. OTHER CURRENT ASSETS				
Prepayments	126	244	124	244

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
Investments in associates:				
Current	118	4,567	–	–
Non-current	965,486	641,467	–	–
	965,604	646,034	–	–

Current investments in associates represents the company's investment in an associated company that will be subject to voluntary liquidation within the next 12 months.

		Ownership interest	
Name of entity	Principal Activity	2009 %	2008 %
Mitsui Coal Holdings Pty Limited	Coal	30.0	30.0
Green Triangle Woodchip Export Pty Ltd	Woodchip export	–	30.0
Synlait Limited	Dairy	9.0	–
Mitsui Iron Ore Development Pty Ltd	Iron ore	20.0	20.0
Mitsui Itochu Iron Pty Ltd	Iron ore	14.0	14.0
Shark Bay Salt Pty Ltd	Salt	10.0	10.0
Mitsui Power Investment Pty Ltd	Power generation	10.0	10.0
Salt Asia Holdings Pty Ltd	Salt	10.0	9.4
BHP Mitsui Coal Pty Ltd	Coal	6.7	6.7
Wandoo Petroleum Pty Ltd	Oil	5.0	5.0
Mittwell Energy Resources Pty Ltd	Oil	5.0	5.0
Komatsu Australia Corporate Finance Pty Ltd	Finance	5.0	5.0
Komatsu Australia Pty Ltd	Industrial machinery	4.0	4.0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Summarised financial information of associates:

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Current assets	3,867,782	2,877,320	–	–
Non-current assets	5,231,386	4,006,947	–	–
	9,099,168	6,884,267	–	–
Current liabilities	(2,300,365)	(1,696,105)	–	–
Non-current liabilities	(1,461,594)	(1,399,255)	–	–
	(3,761,959)	(3,095,360)	–	–
Net assets	5,337,209	3,788,907	–	–
Revenue	6,741,534	4,967,760	–	–
Net profit	1,929,118	1,182,528	–	–
Share of associates' profit or loss				
Current year:				
Share of profit/(loss) before income tax	484,784	191,379	–	–
Income tax expense	(125,262)	(45,911)	–	–
Total share of associates' profit/(loss)	359,522	145,468	–	–

Dividends from associates

During the current year the consolidated entity received dividends from associates amounting to $31,741,000 (2008: $38,312,000)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
11. NON-CURRENT OTHER FINANCIAL ASSETS				
Shares in controlled entities:				
At cost	–	–	4,349	650
Provision for diminution in value	–	–	–	(49)
	–	–	4,349	601
At fair value:				
Available-for-sale shares				
Investments in associates (at cost)	–	–	274,254	264,738
Other	4,717	10,874	4,717	10,874
	4,717	10,874	283,320	276,213
Other shares (i)	400	400	400	400
Currency and interest rate swaps	65,696	112,784	65,696	103,412
At amortised cost:				
Long term loans to:				
Controlled entities	–	–	300,000	330,000
Related bodies corporate:				
Wholly owned group	476,993	817,401	4,680	5,180
Other parties	605	15,628	605	15,628
Directors	–	5	–	5
	548,411	957,092	654,701	730,838

(i) Designated as a financial asset at fair value through profit and loss from 1 April 2005.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land at cost $'000	Buildings at cost $'000	Furniture & fittings at cost $'000	Plant & equipment at cost $'000	Leasehold improve-ments at cost $'000	Total $'000
Consolidated						
Gross carrying amount						
Balance at 31 March 2008	1,420	10,145	1,813	1,328	1,900	16,606
Additions	–	–	443	322	–	765
Disposals	–	(2,087)	(57)	(34)	–	(2,178)
Balance at 31 March 2009	1,420	8,058	2,199	1,616	1,900	15,193
Accumulated depreciation						
Balance at 31 March 2008	–	4,544	1,313	1,159	721	7,737
Depreciation expense	–	612	126	185	228	1,151
Disposals	–	(1,807)	(49)	(20)	–	(1,876)
Balance at 31 March 2009	–	3,349	1,390	1,324	949	7,012
Net book value						
As at 31 March 2008	1,420	5,601	500	169	1,179	8,869
As at 31 March 2009	1,420	4,709	809	292	951	8,181
Company						
Gross carrying amount						
Balance at 31 March 2008	1,420	10,145	1,813	1,328	1,900	16,606
Additions	–	–	411	180	–	591
Disposals	–	(2,087)	(57)	(34)	–	(2,178)
Balance at 31 March 2009	1,420	8,058	2,167	1,474	1,900	15,019
Accumulated depreciation						
Balance at 31 March 2008	–	4,544	1,313	1,159	721	7,737
Depreciation expense	–	612	124	178	228	1,142
Disposals	–	(1,807)	(49)	(20)	–	(1,876)
Balance at 31 March 2009	–	3,349	1,388	1,317	949	7,003
Net book value						
As at 31 March 2008	1,420	5,601	500	169	1,179	8,869
As at 31 March 2009	1,420	4,709	779	157	951	8,016

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
13. GOODWILL				
Gross carrying amount on acquisition of Bald Hills Wind Farm Pty Ltd during the year	5,676	–	–	–
Less:				
Accumulated impairment losses	–	–	–	–
Net book value	5,676	–	–	–
14. OTHER INTANGIBLE ASSETS				
Gross carrying amount	4,017	–	–	–
Accumulated depreciation	–	–	–	–
Accumulated impairment	–	–	–	–
	4,017	–	–	–

Other intangible assets represent development expenditure of Bald Hills Wind Farm Pty Ltd, which is currently in the later stages of the development phase. If management decides to move to the construction phase, construction is likely to begin in early 2010. Depreciation of these assets will begin after construction is completed and once the company is operational. The useful life used in the calculation of amortisation of capitalised development expenditure is 25 years.

	Consolidated 2009 $'000	Consolidated 2008 $'000	Company 2009 $'000	Company 2008 $'000
15. DEFERRED TAX ASSETS				
Deferred tax asset attributable to:				
Temporary differences	38,069	36,997	31,237	36,997
16. CURRENT TRADE AND OTHER PAYABLES				
Trade creditors – unsecured	216,253	203,950	216,031	203,950
Other creditors	102,999	120,030	95,000	116,241
	319,252	323,980	311,031	320,191

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Consolidated		Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
17. CURRENT BORROWINGS				
At amortised cost				
Unsecured:				
Bank overdraft	64	89	64	89
Short term borrowings:				
Controlled entities	–	–	711,849	231,284
Related bodies corporate:				
Ultimate parent entity	–	165,474	–	165,474
Wholly-owned group	1,568,514	838,992	–	52
Other related parties	–	114,703	–	–
Other parties	446,393	116,889	93,814	–
	2,014,971	1,236,147	805,727	396,899
18. OTHER CURRENT FINANCIAL LIABILITIES				
At fair value				
Foreign currency forward contracts	25,034	2,518	20,664	2,518
Interest rate swaps	8,431	12,247	–	12,247
	33,465	14,765	20,664	14,765
19. CURRENT TAX PAYABLE				
Income tax payable	136,724	143,046	136,724	143,046
20. CURRENT PROVISIONS				
Dividends	–	12,000	–	12,000
Employee entitlements	924	949	924	949
	924	12,949	924	12,949
21. OTHER CURRENT LIABILITIES				
Lease incentives (refer note 33(a))	229	166	229	166
22. NON-CURRENT BORROWINGS				
At amortised cost				
Unsecured:				
Long term borrowings from:				
Ultimate parent entity	4,680	5,181	4,680	5,181
Controlled entities	–	–	70,110	125,034
Other parties	330,000	330,000	330,000	330,000
	334,680	335,181	404,790	460,215

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
23. OTHER NON-CURRENT FINANCIAL LIABILITIES				
At fair value				
Foreign currency forward contracts	10,294	–	10,294	–
Interest rate swaps	95,134	103,412	55,402	103,412
	105,428	103,412	65,696	103,412
24. DEFERRED TAX LIABILITIES				
Deferred income tax attributable to temporary differences	29,778	47,116	27,685	41,063
25. NON-CURRENT PROVISIONS				
Employee entitlements	738	753	738	753
Performance fee	4,302	–	–	–
	5,040	753	738	753
26. OTHER NON-CURRENT LIABILITIES				
Lease incentives (refer note 33(a))	1,388	1,079	1,388	1,079
27. ISSUED CAPITAL				
10,000,000 ordinary shares fully paid (2008: 10,000,000)	20,000	20,000	20,000	20,000

Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

Changes in the Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore the company does not have a limited amount of authorised capital and issued shares do not have a par value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
28. RESERVES				
Asset revaluation	(1,192)	–	95,718	96,513
Available-for-sale	1,372	2,605	1,372	2,379
Hedging	(69)	21,831	61	(881)
	111	24,436	97,151	98,011
Asset revaluation reserve				
Balance at beginning of financial year	–	–	96,513	96,552
Transfer to profit and loss for investment sold	–	–	(795)	(39)
Share of associates (decrease) in available-for-sale revaluation reserve net of tax	(1,192)	–	–	–
Balance at end of financial year	(1,192)	–	95,718	96,513
Available-for-sale reserve				
Balance at beginning of financial year	2,605	2,532	2,379	2,306
Valuation gain (loss) recognised	(1,416)	143	(1,416)	143
Deferred tax arising on revaluation	409	(70)	409	(70)
Transfer to retained earnings for investment sold	(226)	–	–	–
Balance at end of financial year	1,372	2,605	1,372	2,379

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
28. RESERVES (Continued)				
Hedging reserve				
Balance at beginning of financial year	21,831	8,272	(881)	(1,174)
Profit/(loss) recognised on:				
– Interest rate swaps	–	9,970	–	–
– Forward exchange contracts	87	(1,259)	87	(1,259)
Transferred to profit or loss				
– Interest rate swaps	(7,749)	(336)	–	–
– Forward exchange contracts	881	1,174	881	1,174
Deferred tax on hedges	(26)	(2,943)	(26)	378
Transfer to retained earnings for investment sold	4	–	–	–
Share of associates increase in hedging reserve net of tax	(15,097)	6,953	–	–
Balance at end of financial year	(69)	21,831	61	(881)
29. RETAINED EARNINGS				
Balance at beginning of financial year	635,449	506,341	164,578	145,628
Net profit attributable to members of the parent entity	375,285	153,108	39,405	42,950
Transfer from available for sale reserve for investment sold	226	–	–	–
Transfer from hedging reserve for investment sold	(4)	–	–	–
Dividends paid or provided for	–	(24,000)	–	(24,000)
Balance at end of financial year	1,010,956	635,449	203,983	164,578
30. DIVIDENDS				
Interim dividends paid, fully franked at 30%	–	24,000	–	30,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
31. ACQUISITION OF BUSINESS				
During the year, Mitsui & Co. (Australia) Ltd acquired 100% of the shares of Bald Hills Wind Farm Pty Ltd, a company in the development phase of a wind farm. Details of the acquisition are as follows:				
Consideration				
Cash and cash equivalents	3,499	–	–	–
Fair value of net (liabilities) acquired				
Lease agreements	214	–	–	–
Planning permits	998	–	–	–
Environmental approval	731	–	–	–
Other reports and studies	392	–	–	–
Deferred tax asset	1,291	–	–	–
Borrowing	(1,501)	–	–	–
Contingent liability	(4,302)	–	–	–
Net (liabilities) acquired	(2,177)	–	–	–
Goodwill on acquisition	5,676	–	–	–
	3,499	–	–	–

32. ECONOMIC DEPENDENCY

The group was dependent during the financial year upon its ultimate parent company, Mitsui & Co., Ltd, Japan, for a significant volume of its trading transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
33. EXPENDITURE COMMITMENTS				
(a) Lease commitments				
Non-cancellable operating leases relating to office premises, office equipment, land and motor vehicles:				
Not longer than one year	2,708	2,423	2,708	2,423
Longer than one year but not longer than five years	10,724	12,281	10,724	12,281
Longer than five years	1,117	5,464	1,117	5,464
	14,549	20,168	14,549	20,168
In respect of non-cancellable operating leases, the following liabilities have been recognised:				
Current:				
Lease incentives (refer note 21)	229	166	229	166
Non-current:				
Lease incentives (refer note 26)	1,388	1,079	1,388	1,079
	1,617	1,245	1,617	1,245
(b) Commodity purchase commitments				
Aggregate purchase commitments contracted for at balance date but not provided for in the financial statements:				
Not longer than one year	121,737	101,941	121,737	101,941
34. CONTINGENT LIABILITIES				
Contingent liabilities at the end of the financial year are:				
(a) Guarantees given in respect of borrowings by controlled entities	–	–	257,760	304,152
(b) The company has given performance guarantees in respect of various contracts to other corporations	15,881	2,987	15,881	2,987

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Consolidated		Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
35. NOTES TO CASH FLOW STATEMENT				
(a) Reconciliation of profit for the year to net cash flows from operating activities:				
Profit for the year	375,285	153,108	39,405	42,950
Add/(less):				
(Profit)/loss on disposal of property, plant & equipment	(4)	(786)	(4)	4
(Profit)/loss on disposal of investment	(379)	284	(61)	(616)
Depreciation	1,151	1,032	1,142	1,026
Loss on fair value revaluation of financial assets through the profit or loss	45	304	45	304
Provision for diminution in value of investment	–	624	–	373
Investment expensed to profit or loss	–	25	–	25
Share of associates profits (less dividends)	(327,781)	(107,155)	–	–
Net (increment) in market value of agriculture assets	–	(106)	–	–
(Increase)/decrease in deferred tax asset	(1,072)	(8,007)	5,760	(8,009)
(Decrease) in current tax payable	(6,322)	(160,264)	(6,322)	(160,264)
(Decrease)/increase in deferred tax liability	(16,929)	12,611	(12,969)	11,793
Increase in hedge reserve	1,119	6,607	942	293
Changes in assets and liabilities				
(Increase)/decrease in assets:				
Trade and other receivables	124,553	(15,779)	112,590	(11,966)
Other financial assets	40,966	(36,893)	29,870	(27,868)
Inventories	(40,832)	(29,865)	(40,832)	(29,865)
Goodwill	(5,676)	–	–	–
Other intangible assets	(834)	–	–	–
Other	118	40	120	(36)
Increase/(decrease) in liabilities:				
Trade and other payables	(4,728)	207,084	(9,160)	199,196
Other financial liabilities	20,716	28,114	(31,817)	28,114
Other provisions	4,262	41	(40)	(1,015)
Other	372	(261)	372	(206)
Net cash provided by operating activities	164,030	50,758	89,041	44,233

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Consolidated		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
35. NOTES TO THE CASH FLOW STATEMENT (continued)				
(b) Reconciliation of cash and cash equivalents				
For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:				
Cash and cash equivalents	643,045	42,169	405,361	7,115
Bank overdraft	(64)	(89)	(64)	(89)
	642,981	42,080	405,297	7,026

36. PARENT ENTITY

The ultimate parent entity is Mitsui & Co., Ltd, incorporated in Japan.

37. DETAILS OF CONTROLLED ENTITIES

	Country of Incorporation	Ownership interest 2009 %	Ownership interest 2008 %
Parent entity			
Mitsui & Co. (Australia) Ltd.	Australia		
Controlled entity			
Mitsui & Co. Financial Services (Australia) Ltd	Australia	100	100
MCA Afforestation Pty Ltd (in liquidation)	Australia	–	100
Bald Hills Wind Farm Pty Ltd	Australia	100	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

38. ADDITIONAL COMPANY INFORMATION

Mitsui & Co. (Australia) Ltd is a company incorporated and operating in Australia.

Principal Registered Office

Level 46, Gateway
1 Macquarie Place
Sydney, NSW, 2000.

Principal Place of Business

Level 46, Gateway
1 Macquarie Place
Sydney, NSW, 2000.

CONTACT DETAILS

Head Office

Level 46, Gateway
1 Macquarie Place
Sydney NSW 2000

Telephone: (02) 9256-9500
Fax: (02) 9251-1788

Melbourne Office

Level 40, 120 Collins Street
Melbourne VIC 3000

Telephone: (03) 9605-8800
Fax: (03) 9605-8888

Perth Office

Level 16, Exchange Plaza
2 The Esplanade
Perth WA 6000

Telephone: (08) 9476-2333
Fax: (08) 9476 2351

Brisbane Office

Level 12
240 Queen Street
Brisbane QLD 4000

Telephone: (07) 3032-8800
Fax: (07) 3032-8888

Web Site

www.mitsui.com.au

Printed on 9Lives 80 Silk which contains 80% post-consumer fibre and 20% totally chlorine-free pulp, sourced from sustainable forests.

MITSUI & CO. (AUSTRALIA) LTD.