31 May 2016

Company Announcements Office
Australian Securities Exchange
10th Floor
20 Bond Street
SYDNEY NSW 2000

ANNOUNCEMENT NUMBER 315
Via: ASX Online
Number of Pages: 26 (including this page)

ASX Code: 1AG

Dear Sir

Appendix 4D & Half Year Report for the Period ended 31 March 2016

Please find enclosed Appendix 4D as required under ASX Listing Rule 4.2A.3 and a copy of the Half Year Report for the activities of Alterra Limited (formerly Carbon Conscious Limited) for the period ended 31 March 2016.

Yours faithfully

Andrew McBain
Executive Director

Alterra Ltd
ABN 20 129 035 221
AFSL 338 520

Office
Suite 1, 25 Walters Drive
Osborne Park WA 6017

Post
PO Box 1805
Osborne Park DC WA 6916

P 08 9204 8400
F 08 9204 8499

E info@alterra.com.au
W alterra.com.au

ALTERRA LIMITED
(formerly Carbon Conscious Limited)

ABN 20 129 035 221

Half Year Report
Period Ending 31 March 2016

Appendix 4D

Lodged with the ASX under Listing Rule 4.2A.3

Details of Reporting Period

Reporting period is from 1 October 2015 through to 31 March 2016.

Results for Announcement to the Market

		March 2016 $'000	March 2015 $'000
Revenue from ordinary activities	Up 10.8%	1,622	1,463
(Loss)/profit before income tax from continuing operations	Down 184.0%	(195)	232
Profit before income tax from all operations	Up 42.9%	533	373
Profit after tax attributable to members	Up 82.6%	398	218
EBITDA	Up 38.2%	941	681

Operational Highlights

The March 2016 half-year saw the Company embark on some significant changes within the business whilst continuing to manage its core agri-forestry business in Australia including:

- Continuation of Carbon Farming Initiative ("CFI") projects in Australia
- Change of name to Alterra Ltd
- Sale of NZ assets for NZ$3.6 million
- Closure of NZ business
- Repayment of all convertible note debt
- Post 31 March – repayment of all remaining debt
- Expansion into dairy in WA

Dividends

No dividends have been paid or declared since the start of the financial period and the directors do not recommend the payment of a dividend in respect of the financial period.

Net Tangible Assets per Security

Net tangible assets per ordinary share is $0.06 as at 31 March 2016 (as at 31 March 2015 - $0.09).
Net assets per ordinary share is $0.09 as at 31 March 2016 (as at 31 March 2015 - $0.11).

The results should be read in conjunction with the Interim Financial reports for the period lodged with the ASX on 31 May 2016.

Andrew McBain
Executive Director
Date: 31 May 2016

Alterra Limited
(formerly Carbon Conscious Limited)

ABN 20 129 035 221

Interim Financial Report
For the Half-Year Ended 31 March 2016

CONTENTS

COMPANY DIRECTORY

ABN 20 129 035 221

Directors

Mr ANDREW MCBAIN, Executive Director
Mr TREVOR STONEY, Chairman & Non-Executive Director
Mr NEIL MCBAIN, Non-Executive Director

Share Registry

ADVANCED SHARE REGISTRY SERVICES
110 STIRLING HIGHWAY
NEDLANDS WA 6009
TELEPHONE: (08) 9389 8033

Company Secretary

Mr ANTHONY FITZGERALD

Solicitors

BELLANHOUSE LEGAL
GROUND FLOOR, 11 VENTNOR AVENUE
WEST PERTH WA 6005

Principal & Registered Office

SUITE 1
25 WALTERS DRIVE
OSBORNE PARK WA 6017
TELEPHONE: (08) 9204 8400

Bankers

COMMONWEALTH BANK OF AUSTRALIA
150 ST GEORGES TERRACE
PERTH WA 6000

Auditors

HLB MANN JUDD
LEVEL 4, 130 STIRLING STREET
PERTH WA 6000

Securities Exchange Listing

AUSTRALIAN SECURITIES EXCHANGE
(HOME EXCHANGE: PERTH, WA)
ASX CODE: 1AG

DIRECTORS' REPORT

Your Directors submit the financial report of Alterra Limited (formerly Carbon Conscious Limited) for the half-year ended 31 March 2016.

DIRECTORS

The names of Directors who held office during or since the end of the period and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Mr Andrew McBain - Executive Director
Mr Trevor Stoney - Non-Executive Chairman
Mr Neil McBain - Non-Executive Director

COMPANY SECRETARY

Mr Anthony Fitzgerald

REVIEW OF OPERATIONS

The March 2016 half-year saw the Company embark on some significant changes within the business whilst continuing to manage its core agri-forestry business in Australia including:

- Continuation of Carbon Farming Initiative ("CFI") projects in Australia
- Change of name to Alterra Ltd
- Sale of NZ assets for NZ$3.6 million
- Closure of NZ business
- Repayment of all convertible note debt
- Post 31 March – repayment of all remaining debt
- Expansion into dairy in WA

The Company believes the most suitable measure of its profitability is EBITDA and is pleased to confirm that the EBITDA profit for the March 2016 half year was $941,271 versus $680,894 for March 2015 – up 38.2%.

<u>Ongoing CFI Project Management</u>

Alterra continues to manage approximately 18,000 hectares of agri-forestry projects in Western Australia on behalf of clients to generate carbon credits or ACCUs. The Company has commenced its 2016 science and CFI project field work which include tree measurements and monitoring. ACCUs from the current work are expected to be generated by November 2016 for transfer to clients. Alterra continues to collaborate with the Department of Environment and CSIRO by providing access to its extensive data set and looks forward to the release of a combined modelling-direct measurement methodology that will deliver operational and administrative efficiencies and is expected on stream in 2017. Alterra has existing contracts in Australia out until 2027 which generate circa $2.7 million per annum of management fees, against blue chip counter parties, where all production, pricing and scheme risk is taken by the client.

<u>Change of Name & Rebrand</u>

At the AGM of the Company held on 29 February 2016, shareholders overwhelmingly supported the change of name to Alterra Ltd, to better reflect the Company's long term ambitions in agribusiness. Alterra began trading under the new code 1AG from 29 March 2016. Since that time a revised logo has been developed and released and the Company is working through updating its website and other marketing material.

<u>Sale of NZ Assets</u>

As announced by the Company on 4 April 2016, Alterra's New Zealand assets consisting of land, plantations, forestry rights and NZU's were sold for NZ$3.6 million. Settlement occurred on 1 April 2016 and the majority of funds were repatriated back to Australia. The Company no longer has any active business in New Zealand.

Repayment of Debt

As announced by the Company on 14 April 2016, Alterra repaid its remaining bank debt on 13 April 2016 – 3 years ahead of schedule. The Company is now debt free, with at the date of this report circa $2.4 million in cash and receivables as well as continuing contracted revenue in Australia out till 2027.

Expansion into Dairy

After over 12 months of reviewing System-5 dairy as a potential business expansion opportunity, in 2015 the Company made the decision to start reviewing a number of potential sites and commenced negotiations with various parties. An opportunity became available at the Capel Farm near Capel (see ASX announcements on 9/12/15 and 8/01/16). Capel Farm is owned by Chinese interests seeking to develop Western Australian branded produce stores across China ("Capel Farm Stores") via a special purpose company - Green Lake Pty Ltd. The existing operations at the Capel Farm were a traditional dairy model, and while this is not the model the Company intends to operate, purchasing the Capel Farm dairy herd, leasing the property and managing the dairy enabled Alterra to:

- Develop a modest entry point into the WA dairy industry;
- Develop relationships with processors and other key stakeholders by participating in the industry;
- Continue to develop the relationship with Green Lake and negotiate towards a long term milk off-take for export agreement;
- Operate infrastructure at the Capel Farm to better understand its capacity for upgrade to System-5;
- Utilise an actual site to work through environmental management, infrastructure designs and various regulatory issues with numerous government agencies.

During January-April 2016 various works were undertaken at the Capel Farm site to assess its potential under System-5 dairy. International System-5 dairy management and engineering consultants were teamed with local construction and environmental engineering consultants to conduct extensive site assessments and develop high level designs. The Company is currently applying knowledge gained during this process to assess the implementation of a System-5 dairy at the Capel Farm site and on an additional three sites. Only one site will ultimately be selected by the Company and a preliminary assessment comparing the various sites is expected to be completed by July 2016. When completed, the Company will be in a better position to confirm if a suitable site has been identified and we would expect to be able to provide some high level guidance on the investment metrics and more defined timeframes for implementation of the project.

Dairy Operations

The Company commenced dairy operations in late December 2015 at the Capel Farm site in WA. The Capel Farm is limited under an existing traditional system of grazing and supplementary feed due to the farm size and soil types. These limitations were understood by Alterra when it entered into the agreement to lease the property and the plan has been to source additional land to complement the existing operations under a System-5 operation.

Alterra was attracted to the Capel Farm site due to the existence of some existing infrastructure required for a System-5 dairy including; a near-new 60 stand rotary dairy, 600 ML water license, and pivot irrigation. Further, by adopting the cut and carry model for feeding cows, additional land could be sourced from properties nearby enabling a scale-up of the enterprise.

The Capel Farm has been operated by Alterra under a traditional model while extensive due diligence of the site for System-5 has been conducted. Following a review of the existing herd performance, ongoing operations and on taking advice from various consultants in relation to the development of a System-5 dairy, the Company decided that continuing to operate the existing dairy while establishing a large scale System-5 operation is inefficient and potentially a distraction from our ultimate objective.

Accordingly, the Company sold down the existing milking herd and placed the rotary dairy at Capel Farm on care and maintenance pending a decision on the suitability of the site for System-5. The production of milk from the Capel Farm has no bearing on the negotiations with Green Lake in relation to an agreement for milk off-take into stores in China.

Alterra intends to focus on building a high performance herd suitable for System-5 operations and as such 160 heifers have been retained from the Capel Farm herd. The Company is finalising a heifer accumulation and breeding program that is targeted to deliver high-quality young milking cows in anticipation of successfully commissioning phase 1 of the planned System-5 dairy. There are many areas that must be lined up in order for the project to be successful and development of the herd is a significant component to which the Company is expected to dedicate some of its resources.

Milk Off-take & Distribution

Alterra's strategy is to develop large scale System-5 farming operations to supply milk to local processors and the WA market as a base case. The Company believes that over the medium to long term the supply side will come under pressure in WA as more farmers continue to exit the industry and growing demand from South East Asia competes for access to production. The Company is of the view that that there are productivity and market advantages to be gained from System-5 farming because it enables production of relatively high volume, high and consistent quality and to be produced in consistent monthly volumes throughout the year.

Given the structure of the WA market and the characteristics of System-5 production the initial key agreement to be reached, from Alterra's perspective, is the off-take agreement with the local processors. Commercial in confidence discussions with processors are positive and ongoing, however, an agreement is unlikely to be finalised until a site has been selected by the Company.

Discussions in relation to the transition of the Memorandum of Understanding with Green Lake into an actionable long term supply and market access contract are ongoing. In part, these discussions will also be guided by the confirmation of site selection and the local processing agreement. Alterra continues to meet with representatives of Green Lake and to engage with a number of other more established potential distribution partners in China. Regardless, the Company's current focus is on the successful implementation and management of System-5 operations in WA.

Alterra remains committed to exploring the development of a world class System-5 dairy operation in WA. The Company is in a strong position with no debt and long term contracted revenue from non-dairy activities. Given the infrastructure investment for a System-5 dairy will be designed with a 30 year plus time horizon, we are working diligently and methodically to arrive at the best outcome for the Company. Internationally and domestically dairy markets are currently at the bottom of the cycle, which from Alterra's perspective is the ideal time to develop a business. The medium to long-term drivers in relation to increased demand for Australian dairy into Asia continues to excite us and we intend to remain focussed on our long-term objective to be the "go to" company in WA for long term domestic and export supply.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001
The lead auditor's independence declaration for the period ended 31 March 2016 is set out on page 7.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s306(3) of the Corporations Act 2001.

Andrew McBain
Executive Director

Perth
Dated 31 May 2016

HLB Mann Judd
Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Alterra Limited (formerly Carbon Conscious Limited) for the half-year ended 31 March 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia	**L Di Giallonardo**
31 May 2016	**Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 MARCH 2016

	Note	Half-Year to 31 March 2016 $	Half-Year to 31 March 2015 $
Revenue	2	1,622,508	1,462,702
Operating expenses		(813,040)	(213,216)
Administrative expenses		(119,786)	(156,112)
Marketing expenses		(94,893)	(23,992)
Employee benefits expense		(346,437)	(348,642)
Occupancy expense		(35,041)	(126,097)
Financing expenses		(57,375)	(146,123)
Depreciation and amortisation expense	2	(350,593)	(159,581)
Share-based payments		-	(56,472)
(Loss)/profit before income tax expense/benefit		**(194,657)**	**232,467**
Income tax (expense)/benefit	3	20,556	(60,787)
(Loss)/profit from continuing operations		**(174,101)**	**171,680**
Discontinued operations			
Profit/(loss) after tax from discontinued operations	13	**571,898**	**45,942**
Profit attributable to members of the parent entity		**397,797**	**217,622**
Other comprehensive income			
Exchange difference on translating foreign controlled entities net of income tax		(30,947)	246,066
Other comprehensive (loss)/income for the period		**(30,947)**	**246,066**
Total comprehensive income attributable to members of the parent entity		**366,850**	**463,688**
Basic earnings per share (cents per share)	5	0.29	0.21
Diluted earnings per share (cents per share)	5	0.29	0.21
Basic earnings per share (cents per share) from discontinued operations	5	0.42	0.04
Diluted earnings per share (cents per share) from discontinued operations	5	0.42	0.04

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	31 March 2016 $	30 September 2015 $
Current Assets			
Cash and cash equivalents		93,582	386,831
Trade and other receivables	4	4,141,875	595,473
Income tax refundable		148,405	419,273
Inventories	6	82,700	-
Other assets		24,359	232,906
Other financial assets		35,241	13,824
Total Current Assets		4,526,162	1,648,307
Non-Current Assets			
Intangibles	7	3,868,238	4,301,852
Inventories	6	231,508	299,184
Property, plant and equipment	8	6,326,226	8,506,213
Total Non-Current Assets		10,425,972	13,107,249
Total Assets		**14,952,134**	**14,755,556**
Current Liabilities			
Trade and other payables	9	693,611	469,891
Provision for income tax		79,119	-
Interest-bearing liabilities	10	613,517	813,963
Total Current Liabilities		1,386,247	1,283,854
Non-Current Liabilities			
Interest-bearing liabilities	10	844,459	1,196,580
Deferred tax liability	3	162,360	82,904
Total Non-Current Liabilities		1,006,819	1,279,484
Total Liabilities		2,393,066	2,563,338
Net Assets		**12,559,068**	**12,192,218**
Equity			
Issued capital	11	13,984,212	13,984,212
Reserves		1,231,687	1,262,634
Accumulated losses		(2,656,831)	(3,054,628)
Total Equity		**12,559,068**	**12,192,218**

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 MARCH 2016

	Issued capital	Accumulated losses	Share-based payment reserve	Foreign currency translation reserve	Total
	$	**$**	**$**	**$**	**$**
Balance at 1 October 2014 (restated)	13,392,896	(3,145,838)	899,869	289,313	11,436,240
Profit attributable to members	-	217,622	-	-	217,622
Foreign currency translation differences	-		-	246,066	246,066
Total comprehensive income for the year	-	217,622	-	246,066	463,688
Share-based payments	-	-	56,472	-	56,472
Balance at 31 March 2015	13,392,896	(2,928,216)	956,341	535,379	11,956,400
Balance at 1 October 2015	13,984,212	(3,054,628)	956,340	306,294	12,192,218
Profit attributable to members	-	397,797	-	-	397,797
Foreign currency translation differences	-		-	(30,947)	(30,947)
Total comprehensive income for the year	-	397,797	-	(30,947)	366,850
Share-based payments	-	-	-	-	-
Balance at 31 March 2016	13,984,212	(2,656,831)	956,340	275,347	12,559,068

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 MARCH 2016

	Half-Year to 31 March 2016 $	Half-Year to 31 March 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	927,457	1,333,962
Payments to suppliers and employees	(725,689)	(605,098)
Interest received	6,243	4,019
Interest paid	(151,944)	35,318
Tax refund	293,366	-
Net cash (used in) discontinued operations	(45,391)	(6,464)
Net cash provided by operating activities	304,042	761,737
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(112,046)	(1,545)
Proceeds from sale of land	150,000	200,000
Purchase of available-for-sale investments	(15,000)	-
Proceeds from the sale of plant and equipment	17,814	10,500
Net cash provided by investing activities	40,768	208,955
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of convertible notes	(200,000)	(500,000)
Repayment of bank bill facilities	(415,000)	(530,000)
Repayment of finance leases	(23,059)	(28,074)
Net cash used in financing activities	(638,059)	(1,058,074)
Net (decrease) in cash and cash equivalents	(293,249)	(87,382)
Cash and cash equivalents at beginning of half-year	386,831	313,055
Cash and cash equivalents at end of half-year	93,582	225,673

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134 'Interim Financial Reporting', Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide a full understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 September 2015 and any public announcements made by Alterra Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 September 2015.

With respect to the Group's recent involvement in the dairy industry in the current period, the Directors have not as yet developed an accounting policy in accordance with AASB 114 *Agriculture* due to the Group's immaterial cattle holdings at balance date.

Reporting Basis and Conventions

The interim report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from the estimates.

In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 September 2015.

1. STATEMENT OF SIGNIFICANT ACCOUNT POLICIES (continued)

Adoption of new and revised Accounting Standards

In the half-year ended 31 March 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 October 2015.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Consolidated Entity accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 March 2016. As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change necessary to Group accounting policies.

2(a). REVENUE

	Half-Year to 31 March 2016 $	Half-Year to 31 March 2015 $
The following revenue items are relevant in explaining the financial performance for the half-year:		
Carbon sales	20,733	3,507
Cattle Sales	226,779	-
Milk Sales	162,035	-
Land licence / management fees	1,193,172	1,170,010
Interest received	6,243	4,019
Sale of Australian Carbon Credit Units	-	186,796
Other income	13,546	98,370
	1,622,508	1,462,702

Revenue relating to New Zealand Carbon Credit Units in the prior period is included under discontinued operations (Note 13).

2(b). DEPRECIATION AND AMORTISATION EXPENSE

	Half-Year to 31 March 2016 $	Half-Year to 31 March 2015 $
Depreciation on Plant and Equipment	12,793	13,291
Amortisation of Forestry Rights	337,800	146,290
	350,593	159,581

Amortisation relating to New Zealand Forestry Rights prior to the sale of the New Zealand operations is included under discontinued operations (Note 13).

3. INCOME TAX

	Half-Year to 31 March 2016 $	Half-Year to 31 March 2015 $
The prima facie tax on profit/(loss) before income tax is reconciled to the income tax (benefit)/ expense as follows:		
Profit before tax	533,345	372,739
Income tax using the domestic tax rate of 30% (2015: 30%)	160,004	111,822
Difference in tax rate of foreign subsidiaries	(11,662)	(304)
Non-deductable expenses	9,706	(39,544)
Effect of foreign exchange differences on foreign tax	-	89,701
Refundable tax offsets – R&D	(22,500)	(6,558)
Income tax expense from discontinued operations	(156,104)	(94,330)
Income tax (benefit)/expense	(20,556)	60,787

	Balance 30 September 2015	Recognised in Income	Balance 31 March 2016
Deferred tax liability/asset	$	$	$
Tax losses – New Zealand	101,216	(37,227)	63,989
Tax losses – Australia	810,690	(96,793)	713,897
Other timing differences	(994,810)	54,564	(940,246)
Net deferred tax liability	(82,904)	(79,456)	(162,360)
Deferred Tax Liability – Australia	(165,549)		(167,490)
Deferred Tax Asset – New Zealand	82,645		5,130
	(82,904)		(162,360)

4. Trade and other receivables

	31 March 2016 $	30 September 2015 $
Trade receivables	179,893	14,259
Accrued income	715,656	581,214
Proceeds due from sale of New Zealand assets	3,246,326	-
	4,141,875	595,473

5. EARNINGS PER SHARE

	Half-Year to 31 March 2016 Cents per share	Half-Year to 31 March 2015 Cents per share
Basic and diluted earnings per share	0.29	0.21
Basic and diluted earnings per share from discontinued operations	0.42	0.04
The earnings and weighted average number of Ordinary Shares used in the calculation of basic earnings per share is as follows:	**$**	**$**
Profit for the year after income tax	397,797	217,622
Profit for the year after income tax from discontinued operations	571,898	45,942
	No.	**No.**
Weighted average number of Ordinary Shares outstanding during the year used in calculating basic and diluted EPS	137,599,988	104,831,988

6. INVENTORIES

	31 March 2016 $	30 September 2015 $
Current		
Cattle - at valuation	82,700	-
Total Current	**82,700**	**-**
Non-current		
Plantations		
Plantations at cost	1,450,947	1,514,689
Less: Impairment	(1,237,069)	(1,237,069)
	213,878	277,620
Seed stock		
Seed stock at cost	352,608	352,608
Less: Impairment	(334,978)	(334,978)
	17,630	17,630
Carbon Credits at cost	-	3,934
Total Non-Current	**231,508**	**299,184**

Plantations and seed stock at reporting date are considered non-current due to the reduced planting program and short term carbon markets.

7. INTANGIBLES

	31 March 2016 $	30 September 2015 $
Dairy Development Costs	218,612	113,941
Forestry Rights	8,674,035	9,041,173
Less: Amortisation	(5,024,409)	(4,853,262)
	3,868,238	4,301,852

8. PROPERTY, PLANT & EQUIPMENT

	31 March 2016 $	30 September 2015 $
Property, plant & equipment	196,681	99,275
Land	6,129,545	8,406,938
	6,326,226	8,506,213

Property, plant & equipment and Land are recorded at cost, less any impairment losses. The reduction in the carrying value of land is due to the sale of the New Zealand land assets (Note 13).

9. TRADE & OTHER PAYABLES

	31 March 2016 $	30 September 2015 $
Trade payables	439,378	72,803
Employee benefits accrual	117,554	69,761
GST payable	5,779	40,100
Sundry payables and accruals	130,900	287,227
	693,611	469,891

10. INTEREST-BEARING LIABILITIES

	31 March 2016 $	30 September 2015 $
Current Liabilities		
Bank bill facility	580,000	580,000
Lease liabilities	29,530	10,453
Convertible note	-	200,000
Other	3,987	23,510
	613,517	813,963
Non-Current Liabilities		
Bank bill facility	748,500	1,163,500
Lease liabilities	95,959	33,080
	844,459	1,196,580

10. INTEREST-BEARING LIABILITIES (continued)

The Company has a senior debt facility with the Commonwealth Bank of Australia (balance at 31 March 2016 $1,328,500). The facility is a principal and interest facility which terminates in March 2019 and is secured by way of mortgages on freehold land and charges on the Company. The debt was fully paid on 13 April 2016, with an early redemption benefit of $80,000 being taken up.

The final $200,000 remaining on the convertible note was repaid on 29 October 2015. At 31 March 2016, the Company had no convertible notes.

11. ISSUED CAPITAL

	31 March 2016 $	30 September 2015 $
137,599,988 (30 Sept 2015: 137,599,988) fully paid Ordinary Shares	13,984,212	13,984,212

	31 March 2016 No.	31 March 2016 $	30 September 2015 No.	30 September 2015 $
Movement in Ordinary Shares on issue				
At beginning of the financial year	137,599,988	13,984,212	104,831,988	13,392,896
Issued 11 May 2015	-	-	7,341,232	146,825
Issued 27 May 2015	-	-	18,866,768	377,335
Issued 28 May 2015	-	-	6,060,000	121,200
Issued 16 September 2015	-	-	500,000	10,000
Share issue costs	-	-	-	(64,044)
At 31 March	137,599,988	13,984,212	137,599,988	13,984,212

12. OPTIONS

	Half-Year to 31 March 2016 No.	Half-Year to 30 September 2015 No.
Movements in options over ordinary shares on issue		
As at beginning of the half-year	11,250,000	11,250,000
As at end of half-year	11,250,000	11,250,000

13. DISCONTINUED OPERATIONS

At balance date, the Group had unconditionally sold all of the land, forestry rights and plantations held in New Zealand. The sale was completed on 1 April 2016 with funds being received by the Group on 4 April 2016.

Results for Carbon Conscious New Zealand Ltd and its subsidiaries have been classified as discontinued operations for the period.

Financial performance and cashflow information for the discontinued operation:

	Half-year to 31 March 2016 $	Half-year to 31 March 2015 $
Revenue	3,609,466	376,373
Expenses	(2,881,464)	(236,101)
Profit/(loss) before tax from discontinued operations	728,002	140,272
Income tax expense/(benefit)	(156,104)	(94,330)
Profit/(loss) after tax from discontinued operations	571,898	45,942
Cash flows from discontinued operations		
Net cash flows used in operating activities	(45,391)	(6,464)
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-
Net cash flows from discontinued operations	(45,391)	(6,464)

14. SEGMENT REPORTING

The Group has two reportable segments, as described below, which are the Group's strategic divisions. These divisions offer different products and services, and are managed separately as they require different expertise, and marketing strategies. For each of the strategic divisions, the CEO and Board of Directors review internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- Plantations – includes the planting of mallee tree in the marginal wheat-belt land of Western Australia to produce carbon credits or ACCUs on behalf of customers and the Company.
- Dairy – includes the running of dairy operations in Western Australia.

Information regarding the results of each reportable segment is included below. Performance is measured on net profit before taxation as detailed in the management reports presented to the Board of Directors.

14. SEGMENT REPORTING (continued)

Half-Year ended 31 March 2016	Plantations	Dairy	Corporate	Consolidated
	$	$	$	$
Revenue				
Sales to external customers	1,213,905	388,814	-	1,602,719
Other revenues from external customers	13,546	-	-	13,546
Interest revenue	-	-	6,243	6,243
Total segment revenue	1,227,451	388,814	6,243	1,622,508
Expenses				
Cost of sales	224,697	588,343	-	813,040
Interest expense	-	-	57,375	57,375
Depreciation and amortisation	350,593	-	-	350,593
Other costs	-	-	596,157	596,157
Total segment expenses	575,290	588,343	653,532	1,817,165
Net profit/(loss) before tax	652,161	(199,529)	(647,289)	(194,657)
Income tax benefit/(expense)	-	-	20,556	20,556
Net profit/(loss) after tax from continuing operations	**652,161**	**(199,529)**	**(626,733)**	**(174,101)**
Segment assets				
Current assets	675,187	362,580	3,488,395	4,526,162
Non-current assets	10,053,033	327,240	45,699	10,425,972
Total segment assets	10,728,220	689,820	3,534,094	14,952,134
Segment liabilities				
Current liabilities	11,544	384,177	990,526	1,386,247
Non-current liabilities	26,610	69,349	910,860	1,006,819
Total segment liabilities	38,154	453,526	1,901,386	2,393,066
Net segment assets	**10,690,066**	**236,294**	**1,632,708**	**12,559,068**
Cash flow information				
Net cash flow from operating activities	778,432	(116,123)	(358,267)	304,042
Net cash flow from investing activities	(778,432)	116,123	703,077	40,768
Net cash flow from financing activities	-	-	(638,059)	(638,059)
Net decrease in cash	-	-	(293,249)	(293,249)
Cash at beginning of half-year	-	-	386,831	386,831
Cash at end of half-year	**-**	**-**	**93,582**	**93,582**

Half-year ended 31 March 2015

During the current reporting period, the New Zealand operations were treated as a discontinued operation due to the unconditional sale at balance date. In the period to 31 March 2015, only one operating segment was identified and therefore, no further disclosure is required.

15. CONTINGENT LIABILITIES

The Consolidated Entity currently has no contingent liabilities.

16. EVENTS SUBSEQUENT TO REPORTING DATE

- On 4 April 2016, the Company announced that it has successfully settled the sale of its New Zealand forestry assets and has received the sales proceeds of NZ$3.6 million. The sale of the New Zealand forestry assets means that the Company's New Zealand operations are at an end.
- On 14 April 2016, the Company confirmed that the balance of its debt with Commonwealth Bank of Australia has been repaid in full - three years ahead of schedule. The Company is well positioned for growth having no debt and approximately $2.4 million in cash and equivalents at the date of signing this report. It will continue to generate circa $2.7 million per annum via its existing business, which has contracted revenue of $31 million out until 2027 in Australia.
- On 12 May 2016, the Company provided a corporate update in relation to its recent activities including the development of a System-5 dairy in Western Australia. It also provided an update on its existing plantation business, the new dairy business, and rebranding of the Company's name.
- On 17 May 2016, the Company announced that it has issued 11 million unquoted options to various parties under its Employee Share Option Scheme.

DIRECTORS' DECLARATION

The Directors of Alterra Limited (formerly Carbon Conscious Limited) declare that:

1. The financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

   (a) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) giving a true and fair view of the Group's financial position as at 31 March 2016 and its performance for the half-year ended on that date.

2. 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.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Andrew McBain
Executive Director

Perth
Dated 31 May 2016

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Alterra Limited (formerly Carbon Conscious Limited)

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Alterra Limited (formerly Carbon Conscious Limited) ("the company") which comprises the condensed statement of financial position as at 31 March 2016, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the group's financial position as at 31 March 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Accountants | Business and Financial Advisers

Conclusion

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

a) giving a true and fair view of the consolidated entity's financial position as at 31 March 2016 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Giallonardo

L Di Giallonardo
Partner

Perth, Western Australia
31 May 2016