

Friday 30 January 2008

Companies Announcement Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

By e-lodgement

Dear Sir/Madam

**ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2008
APPENDIX 4C**

Operating Profit

During the half year that ended on 31 December 2008, the ARK Fund Limited (**ARK or Company**) generated an operating profit before tax (but after interest expense) of \$1.5 million which is up 143% on the same corresponding period from last year. This result is preliminary and unaudited with the audited half yearly financials due to be released at the end of February.

Estimated 31 Dec 2008 result:

	31 Dec 2008 (\$'000)	31 Dec 2007 (\$'000)
Revenues	\$3,629	\$1,752
Operational costs	(\$1,014)	(\$528)
Interest expense	(\$1,113)	(\$605)
Net Profit before tax	\$1,502	\$619

Based on the above table, ARK's Revenues are up 107% on the same corresponding period from last year. Similarly, Operational Costs are up 92% and Interest Expense is up 84%.

Debt Facility

During this second quarter ending on 31 December 2008, the state of equity and debt markets continued to adversely affect many businesses. Listed real estate investment trusts (**REITs**) that had previously fixed their cost of debt capital at high interest rates or that are now faced with trying to roll over or refinance short dated debt positions in a tight, illiquid market are finding their business circumstances to be very difficult.

The ARK Fund Limited
ABN 93 009 204 175

Ground Floor, 50 Colin Street
West Perth WA 6005, Australia
PO Box 803, West Perth WA 6872, Australia

T: +61 8 9324 1155 F: +61 8 9324 2155

E: ark@thearkfund.com.au

W: www.thearkfund.com.au

ARK's debt facility with the NAB is **a long term facility** (10 years) and whilst it currently remains 100% variable, ARK is now well positioned to 'lock in' the cost of a substantial portion of its debt position at a historically low cost.

This opportunity is being closely monitored by the Board which anticipates hedging a substantial proportion of its interest rate risk at these historically low interest rates in the near future thereby resulting in a lower cost base for ARK for the financial year ending on 30 June 2009.

Investment Portfolio

Whilst the recent state of equity and debt capital markets has led to the price of many asset classes to fall, ARK is pleased with the recent sworn valuations received for its Teak and Sandalwood investment properties.

These sworn independent valuations, conducted by ascertaining the value of the land on an unencumbered basis, have increased on a weighted average basis the value of the Teak and Sandalwood properties by 1.9% and 9.7%, respectively.

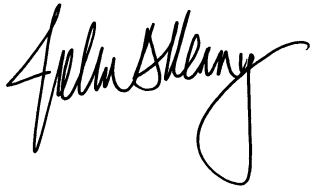
These valuations do not assign any value to the leases in place on the properties (by assessing the value of the rental income stream attributable to these leases). ARK's accounting policy is to carry its investment properties at cost with a disclosure of fair value in the notes to the accounts.

Appendix 4C

Please find following ARK's Appendix 4C for the quarter ending on 31 December 2008.

Yours faithfully

THE ARK FUND LIMITED



John D. Kenny
Chairman and Managing Director

Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

THE ARK FUND LIMITED

ABN

93 009 204 175

Quarter ended ("current quarter")

31 DECEMBER 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 Months) \$A'000
1.1 Receipts from customers	1,067	2,668
1.2 Payments for		
(a) staff costs		
(b) advertising and marketing		
(c) research and development		
(d) leased assets		
(e) other working capital	(428)	(1,197)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	32	41
1.5 Interest and other costs of finance paid	(719)	(1,311)
1.6 Income taxes paid		
1.7 Other		
- Ord Orchards Land Unit Trust distribution;	-	328
- Rewards: income guarantee receipt; and	338	703
- Other	74	93
Net operating cash flows	364	1,325

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 Months) \$A'000
1.8 Net operating cash flows (carried forward)	364	1,325
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets	(75)	(96)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities	-	1,609
1.13 Other (provide details if material)		
	(75)	1,513
Net investing cash flows		
1.14 Total operating and investing cash flows	289	2,838
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid	(718)	(718)
1.20 Other (share issue & div'd costs)	(4)	(4)
Net financing cash flows	(722)	(722)
Net increase (decrease) in cash held	(433)	2,116
1.21 Cash at beginning of quarter/year to date	2,779	230
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	2,346	2,346

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	31
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

- 1.24: Directors fees (2 non-executive directors) – S Price and M Loftus - \$31k for the quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	33,260	33,260
3.2	Credit standby arrangements		

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	956	2,779
4.2	Deposits at call	1,390	-
4.3	Bank overdraft		
4.4	Other (provide details)		
Total: cash at end of quarter (item 1.23)		2,346	2,779

+ See chapter 19 for defined terms.

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Friday 30 January 2009

Sign here: .(Chairman and Managing Director).... Date:

Print name: John D Kenny.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.