31 May 2017

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

ANNOUNCEMENT NUMBER 325
Via: ASX Online
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ASX Code: 1AG

Dear Sir

Appendix 4D & Half Year Report for the Period ended 31 March 2017

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 for the period ended 31 March 2017.

Yours faithfully

Andrew McBain
Executive Director

Alterra Ltd
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ALTERRA LIMITED

ABN 20 129 035 221

Half Year Report
Period Ending 31 March 2017

Appendix 4D

Lodged with the ASX under Listing Rule 4.2A.3

Details of Reporting Period

Reporting period is from 1 October 2016 through to 31 March 2017.

Results for Announcement to the Market

		March 2017 $'000	March 2016 $'000
Revenue from ordinary activities	Down 14.2%	1,392	1,622
Loss before income tax from continuing operations	Down 211.8%	(608)	(195)
(Loss)/profit before income tax from all operations	Down 189.9%	(479)	533
Profit after tax attributable to members	Up 52.7%	608	398
EBITDA	Down 39.7%	567	941
EBITDA from continuing operations	Up 18.7%	438	369

Operational Highlights

The March 2017 half-year saw the Company continue to develop its proposed System-5 dairy project in Western Australia whilst continuing to manage its agri-forestry operations. In addition, Alterra finalised some key compliance and administration objectives which have secured further value for shareholders. Activities included:

- Continuation of Carbon Farming Initiative ("CFI") projects in Australia;
- Continued development of the System-5 dairy business case;
- Due diligence and purchase of the "Dambadjie Springs" property in Dandaragan Western Australia for $4.2 million. The property has been purchased with the intent of developing a System-5 dairy on the site;
- Exercise of 6 million options into fully paid shares at $0.045 per share by Directors and Executives, investing a further $270,000 into the Company;
- Successfully finalising a private binding ruling with the Australian Taxation Office in relation to the tax treatment of agri-forestry land for carbon sequestration purposes; and
- Settlement of a recovery of costs action in New Zealand against a service provider which has recovered A$196,659.

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 2017(as at 31 March 2016 - $0.06).
Net assets per ordinary share is $0.09 as at 31 March 2017 (as at 31 March 2016 - $0.09).

The results should be read in conjunction with the Interim Financial reports for the period lodged with the ASX on 31 May 2017.

Andrew McBain
Executive Director
Date: 31 May 2017

Alterra Limited

ABN 20 129 035 221

Interim Financial Report
For the Half-Year Ended 31 March 2017

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

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NEDLANDS WA 6009
TELEPHONE: (08) 9389 8033

Company Secretary
Mr ANTHONY FITZGERALD

Solicitors
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Principal & Registered Office
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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 for the half-year ended 31 March 2017.

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 2017 half-year saw the Company continue to develop its proposed System-5 dairy project in Western Australia whilst continuing to manage its agri-forestry operations. In addition, Alterra finalised some key compliance and administration objectives which have secured further value for shareholders. Activities included:

- Continuation of Carbon Farming Initiative ("CFI") projects in Australia;
- Continued development of the System-5 dairy business case;
- Due diligence and purchase of the "Dambadjie Springs" property in Dandaragan Western Australia for $4.2 million. The property has been purchased with the intent of developing a System-5 dairy on the site;
- Exercise of 6 million options into fully paid shares at $0.045 per share by Directors and Executives, investing a further $270,000 into the Company;
- Successfully finalising a private binding ruling with the Australian Taxation Office in relation to the tax treatment of agri-forestry land for carbon sequestration purposes; and
- Settlement of a recovery of costs action in New Zealand against a service provider which has recovered A$196,659.

The Company believes the most suitable measure of its sustainable profitability is the EBITDA on its Australian operations. This is because the sale of the New Zealand assets and some subsequent associated one-off items in New Zealand, although positive, do not reflect the Company's underlying cash-flow. The Australian EBITDA also takes into account the high amortisation costs, which result from the write down of forestry rights, which are a non-cash item.

We are pleased to confirm that the Australian EBITDA profit for the March 2017 half year was $438,091, up 19% versus the same period in March 2016 being an EBITDA profit $369,373.

<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 2017 science and CFI project field work which include tree measurements and monitoring. ACCUs from the current work are expected to be generated by November 2017 for transfer to clients. Alterra has existing contracts in Australia with blue chip counter parties out until 2027 generating management fees of circa $2.5 million per annum.

Dairy

Dairy markets globally are still working their way through supply / demand issues, however, prices have started showing signs of a recovery. Locally, there are still some demand balancing issues to be managed and a significant number of farmers will be renegotiating their fixed price contracts with processors in the coming months.

Alterra's strategy is to develop a large scale System-5 dairy operation to initially 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 Western Australia as more farmers continue to exit the industry and growing demand from South East Asia and China 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.

Alterra continues to refine its business case and will release a more detailed market update on its progress by July. The Company has purchased the Dambadjie Springs property in Dandaragan for $4.2 million, for the purposes of developing the System-5 dairy and is currently undergoing various activities including water development and engineering designs, which will be outlined in the market update.

Compliance & Administration

The Company has successfully negotiated a private binding ruling with the Australian Taxation Office in relation to the tax treatment of its agri-forestry land for carbon sequestration purposes. The work involved has taken 4 years to complete and the outcome is that the Company will effectively be able to treat the underlying cost of the land utilised to generate ACCU's on revenue / expense account as opposed to capital account. This treatment will apply to the existing carbon contracts and will see an increase of carry forward tax losses by $2.6 million to $5 million, with additional expenses of approximately $2.6 million able to be claimed progressively out till 2027 - the end of the term of the existing client contracts.

In addition, the Company has recently finalised a settlement for the recovery of expenses from a previous service provider in New Zealand. Again, this is the outcome of work over many months and has resulted in a recovery of circa $196,659.

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 2017 is set out on page 6.

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 2017

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 for the half-year ended 31 March 2017, 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	**M R W Ohm**
31 May 2017	**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 2017

	Note	Half-Year to 31 March 2017 $	Half-Year to 31 March 2016 $
Revenue	2	1,392,400	1,622,508
Operating expenses		(331,619)	(813,040)
Administrative expenses		(104,457)	(119,786)
Business development expenses		(28,355)	(94,893)
Employee benefits expense		(334,671)	(346,437)
Occupancy expense		(34,207)	(35,041)
Financing expenses		(4,522)	(57,375)
Depreciation and amortisation expense	2	(1,050,699)	(350,593)
Share-based payments		(112,406)	-
Loss before income tax benefit		**(608,536)**	**(194,657)**
Income tax benefit	3	1,074,072	20,556
Profit/(loss) from continuing operations		**465,536**	**(174,101)**
Discontinued operations			
Profit after tax from discontinued operations	14	142,412	571,898
Profit attributable to members of the parent entity		**607,948**	**397,797**
Other comprehensive income			
Exchange difference on translating foreign controlled entities net of income tax		(9,863)	(30,947)
Other comprehensive (loss)/income for the period		**(9,863)**	**(30,947)**
Total comprehensive income attributable to members of the parent entity		**598,085**	**366,850**
Basic earnings per share (cents per share) from continuing operations	4	0.33	(0.12)
Diluted earnings per share (cents per share) from continuing operations	4	0.33	(0.12)
Basic earnings per share (cents per share) from discontinued operations	4	0.10	0.42
Diluted earnings per share (cents per share) from discontinued operations	4	0.10	0.42

The accompanying notes form part of these financial statements.

AS AT 31 MARCH 2017

	Note	31 March 2017 $	30 September 2016 $
Current Assets			
Cash and cash equivalents		588,345	1,886,519
Trade and other receivables	5	903,191	625,320
Income tax refundable		38,379	74,767
Inventories	6	-	108,000
Other assets		114,184	258,401
Other financial assets		28,821	28,824
Total Current Assets		1,672,920	2,981,831
Non-Current Assets			
Intangibles	7	4,313,066	3,923,174
Inventories	6	294,995	294,622
Investment property	8	4,428,406	-
Property, plant and equipment	9	4,074,832	5,782,873
Deferred tax asset	3	979,832	-
Trade and other receivables	5	166,309	-
Total Non-Current Assets		14,257,440	10,000,669
Total Assets		15,930,360	12,982,500
Current Liabilities			
Trade and other payables	10	199,348	160,605
Provision for income tax		1,339	-
Interest-bearing liabilities	11	30,190	42,888
Total Current Liabilities		230,877	203,493
Non-Current Liabilities			
Interest-bearing liabilities	11	2,165,769	81,083
Deferred tax liability	3	-	144,701
Total Non-Current Liabilities		2,165,769	225,784
Total Liabilities		2,396,646	429,277
Net Assets		**13,533,714**	**12,553,223**
Equity			
Issued capital	12	14,254,212	13,984,212
Reserves		1,423,976	1,321,433
Accumulated losses		(2,144,474)	(2,752,422)
Total Equity		**13,533,714**	**12,553,223**

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 MARCH 2017

	Issued capital	Accumulated losses	Share-based payment reserve	Foreign currency translation reserve	Total
	$	$	$	$	$
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
Balance at 31 March 2016	13,984,212	(2,656,831)	956,340	275,347	12,559,068
Balance at 1 October 2016	13,984,212	(2,752,422)	1,050,012	271,421	12,553,223
Profit attributable to members	-	607,948	-	-	607,948
Foreign currency translation differences	-		-	(9,863)	(9,863)
Total comprehensive income for the year	-	607,948	-	(9,863)	598,085
Share-based payments	-	-	112,406	-	112,406
Equity issued net of costs	270,000	-	-	-	270,000
Balance at 31 March 2017	14,254,212	(2,144,474)	1,162,418	261,558	13,533,714

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 MARCH 2017

	Half-Year to 31 March 2017 $	Half-Year to 31 March 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,333,523	927,457
Payments to suppliers and employees	(712,832)	(725,689)
Interest received	8,685	6,243
Interest paid	(8,256)	(151,944)
Tax refund	-	293,366
Net cash (used in) discontinued operations	(21,461)	(45,391)
Net cash provided by operating activities	599,659	304,042
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,463,048)	(112,046)
Proceeds from sale of land	410,000	150,000
Purchase of available-for-sale investments	-	(15,000)
Proceeds from the sale of plant and equipment	91	17,814
Net cash (used in)/provided by investing activities	(4,052,957)	40,768
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares	72,670	-
Repayment of convertible notes	-	(200,000)
Proceeds from/(repayment) of bank bill facilities	2,100,000	(415,000)
Repayment of finance leases	(17,547)	(23,059)
Net cash provided by/(used in) financing activities	2,155,123	(638,059)
Net (decrease) in cash and cash equivalents	(1,298,174)	(293,249)
Cash and cash equivalents at beginning of half-year	1,886,519	386,831
Cash and cash equivalents at end of half-year	588,345	93,582

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 2016 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 2016.

As a result of the recent acquisition of Dambadjie Springs, it has been determined that this meets the requirements of AASB 140 "Investment Property" and as a result the following accounting policy has been applied by the group:

Investment property

Investment property comprises of freehold property referred to as "Dambadjie Springs" and is currently held for capital appreciation.

Investment is initially measured at cost and subsequently measured at fair value.

Fair values are determined by the valuer using market information, including prices for similar properties in comparable locations.

Changes in fair value of investment properties are recognized in profit or loss in the period in which they occur.

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.

1. STATEMENT OF SIGNIFICANT ACCOUNT POLICIES (continued)

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 2016.

Adoption of new and revised Accounting Standards

In the half-year ended 31 March 2017, 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 2016.

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 2017. As a result of this review, the Directors have determined that the following Standards and Interpretations may have a material effect on the application of future periods:

- AASB 15 Revenue from contracts with Customers
- AASB 16 Leases

Other than the above, there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Group and therefore no material change is necessary to Group accounting policies.

2(a). REVENUE

	Half-Year to 31 March 2017 $	Half-Year to 31 March 2016 $
The following revenue items are relevant in explaining the financial performance for the half-year:		
Carbon sales	4,935	20,733
Cattle Sales	122,221	226,779
Milk Sales	-	162,035
Land licence / management fees	1,208,847	1,193,172
Interest received	8,685	6,243
Other income	47,712	13,546
	1,392,400	1,622,508

2(b). DEPRECIATION AND AMORTISATION EXPENSE

	Half-Year to 31 March 2017 $	Half-Year to 31 March 2016 $
Depreciation on Plant and Equipment	18,970	12,793
Amortisation of Forestry Rights	1,163,736	337,800
Impairment of Land	(132,007)	-
	1,050,699	350,593

3. INCOME TAX

	Half-Year to 31 March 2017 $	Half-Year to 31 March 2016 $
The prima facie tax on (loss)/profit before income tax from continuing operations is reconciled to the income tax benefit as follows:		
(Loss) before tax	(608,536)	(194,657)
Income tax using the domestic tax rate of 30% (2016: 30%)	(182,561)	(58,397)
Non-deductable expenses	401,979	60,341
Benefit of deferred tax assets not previously recognised	(1,293,490)	-
Refundable tax offsets – R&D	-	(22,500)
	(1,074,072)	(20,556)
Income tax benefit/(expense) from discontinued operations	(12,906)	156,104
Income tax (benefit)/expense	(1,086,978)	135,548

3. INCOME TAX (continued)

	Balance 30 September 2016	Previously unrecognised deferred balances	Recognised in Income	Balance 31 March 2017
Deferred tax liability/asset	$		$	$
Tax losses – New Zealand	-	-	9,235	9,235
Tax losses – Australia	706,523	654,601	(52,132)	1,308,993
Other timing differences	(851,224)	735,961	(223,132)	(338,395)
Net deferred tax asset/(liability)	(144,701)	1,390,562	(266,028)	979,832

	Balance 30 September 2016	Balance 31 March 2017
Deferred Tax Asset/(liability) – Australia	(144,701)	970,597
Deferred Tax Asset – New Zealand	-	9,235
	(144,701)	979,832

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

4. EARNINGS PER SHARE

	Half-Year to 31 March 2017 Cents per share	Half-Year to 31 March 2016 Cents per share
Basic and diluted earnings per share from continuing operations	0.33	(0.12)
Basic and diluted earnings per share from discontinued operations	0.10	0.42
The earnings and weighted average number of Ordinary Shares used in the calculation of basic earnings per share is as follows:	**$**	**$**
Profit/(loss) for the year after income tax from continuing operations	465,536	(174,101)
Profit for the year after income tax from discontinued operations	142,412	571,898
	No.	**No.**
Weighted average number of Ordinary Shares outstanding during the year used in calculating basic and diluted EPS	139,545,043	137,599,988

5. TRADE AND OTHER RECEIVABLES

	31 March 2017	30 September 2016
Current	$	$
Trade receivables	121,763	80,730
Accrued income	553,748	544,590
Employee loans	31,021	-
Other receivables (i)	196,659	-
	903,191	625,320
Non current		
Employee loans	166,309	-
	166,309	-

Employee loans refer to unsecured monies loaned on 25 January 2017 by Alterra to its key management personnel for the purpose of purchasing shares in the Company via the exercising of options. The loans are on commercial terms and conditions. Interest is payable at 6.75% per annum with monthly principal and interest repayments made over the 4-year term of the loans.

Loans advanced during the period	202,500	-
Repayments received	(5,170)	-
Interest charged	1,579	-
Interest received	(1,579)	-
	197,330	-

(i) Other receivables relate to legal action taken against a service provider in New Zealand. A settlement was reached on this matter subsequent to the end of the period. Refer to Note 17.

6. INVENTORIES

	31 March 2017 $	30 September 2016 $
Current		
Cattle - at valuation	-	108,000
Total Current	**-**	108,000
Non-current		
Plantations		
Plantations at cost	1,451,320	1,450,947
Less: Impairment	(1,173,955)	(1,173,955)
	277,365	276,992
Seed stock		
Seed stock at cost	352,608	352,608
Less: Impairment	(334,978)	(334,978)
	17,630	17,630
Total Non-Current	294,995	294,622
Total Inventories	**294,995**	**402,622**

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 2017 $	30 September 2016 $
Dairy Development Costs	321,852	289,169
Forestry Rights	10,586,882	9,065,935
Less: Amortisation	(6,595,668)	(5,431,930)
	4,313,066	3,923,174

8. INVESTMENT PROPERTY

	31 March 2017 $	30 September 2016 $
Investment property acquired during the period	4,428,406	-
	4,428,406	-

The investment property relates to the purchase of Dambadjie Springs in the period. Refer to note 17 relating to operating lease agreement entered into subsequent to period end. This property has been purchased as a site for the expansion into dairy. Whilst the due diligence on the site is occurring, the property has been leased out, providing rental income to the Group.

9. PROPERTY, PLANT & EQUIPMENT

	31 March 2017 $	30 September 2016 $
Property, plant & equipment	164,445	181,081
Land	3,910,387	5,601,792
	4,074,832	5,782,873

Property, plant & equipment and Land are recorded at cost, less any impairment losses.

10. TRADE & OTHER PAYABLES

	31 March 2017 $	30 September 2016 $
Trade payables	24,808	10,362
Employee benefits accrual	70,909	90,395
GST payable	56,542	37,849
Sundry payables and accruals	47,089	21,999
	199,348	160,605

11. INTEREST-BEARING LIABILITIES

	31 March 2017 $	30 September 2016 $
Current Liabilities		
Lease liabilities	30,190	29,329
Other	-	13,559
	30,190	42,888
Non-Current Liabilities		
Bank loan	2,100,000	-
Lease liabilities	65,769	81,083
	2,165,769	81,083

During the period, the Group secured debt financing of $2.1 million to assist with the purchase of its Dambadjie property (refer Note 8).

12. ISSUED CAPITAL

	31 March 2017 $	30 September 2016 $
143,599,988 (30 Sept 2016: 137,599,988) fully paid Ordinary Shares	14,254,212	13,984,212

	31 March 2017 No.	31 March 2017 $	30 September 2016 No.	30 September 2016 $
Movement in Ordinary Shares on issue				
At beginning of the financial year	137,599,988	13,984,212	137,599,988	13,984,212
Issued 31 January 2017	6,000,000	270,000	-	-
Share issue costs	-	-	-	-
At 31 March	143,599,988	14,254,212	137,599,988	13,984,212

13. OPTIONS

	Half-Year to 31 March 2017 No.	Half-Year to 30 September 2016 No.
Movements in options over ordinary shares on issue		
As at beginning of the half-year	22,250,000	11,250,000
Granted during the period	-	11,000,000
Exercised during the period	(6,000,000)	-
Granted/Expired during the period	(2,250,000)	-
As at end of half-year	14,000,000	22,250,000

14. DISCONTINUED OPERATIONS

On 1 April 2016, the Group had sold all of the land, forestry rights and plantations held in New Zealand.

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 2017 $	Half-year to 31 March 2016 $
Revenue	196,659	3,609,466
Expenses	(67,153)	(2,881,464)
Profit before tax from discontinued operations	129,506	728,002
Income tax benefit/(expense)	12,906	(156,104)
Profit after tax from discontinued operations	142,412	571,898
Cash flows from discontinued operations		
Net cash flows used in operating activities	(21,461)	(45,391)
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-
Net cash flows from discontinued operations	(21,461)	(45,391)

15. 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 development and management of agri-forestry projects in Western Australia to produce carbon credits or ACCUs on behalf of customers and the Company.
- Dairy – includes the development and running of dairy operations in Western Australia.

15. SEGMENT REPORTING (continued)

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 CEO and Board of Directors.

Half-Year ended 31 March 2017	Plantations	Dairy	Corporate/ other	Consolidated
	$	$	$	$
Revenue				
Sales to external customers	1,213,782	122,221	-	1,336,003
Other revenues from external customers	47,712	-		47,712
Interest revenue	-	-	8,685	8,685
Total segment revenue	1,261,494	122,221	8,685	1,392,400
Expenses				
Cost of sales	199,463	132,156	-	331,619
Interest expense	-	-	4,522	4,522
Depreciation and amortisation	1,041,382	9,317	-	1,050,699
Other costs	197	2,636	611,263	614,096
Total segment expenses	1,241,042	144,109	615,785	2,000,936
Net profit/(loss) before tax	20,452	(21,888)	(607,100)	(608,536)
Income tax benefit/(expense)	-	-	1,074,072	1,074,072
Net profit/(loss) after tax from continuing operations	**20,452**	**(21,888)**	**466,972**	**465,536**
Segment assets				
Current assets	955,523	55,001	662,396	1,672,920
Non-current assets	8,068,182	4,860,690	1,328,568	14,257,440
Total segment assets	9,023,705	4,915,691	1,990,964	15,930,360
Segment liabilities				
Current liabilities	10,916	22,985	196,976	230,877
Non-current liabilities	15,320	2,150,449	-	2,165,769
Total segment liabilities	26,236	2,173,434	196,976	2,396,646
Net segment assets	**8,997,469**	**2,742,257**	**1,793,988**	**13,533,714**
Cash flow information				
Net cash flow from operating activities	937,795	51,676	(381,812)	599,659
Net cash flow from investing activities	(937,795)	(51,676)	(3,063,485)	(4,052,956)
Net cash flow from financing activities	-	-	2,155,123	2,155,123
Net decrease in cash	-	-	(1,298,174)	(1,298,174)
Cash at beginning of half-year	-	-	1,886,519	1,886,519
Cash at end of half-year	**-**	**-**	**588,345**	**588,345**

15. SEGMENT REPORTING (continued)

Half-year ended 31 March 2016

	Plantations	Dairy	Corporate/ other	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**

16. CONTINGENT LIABILITIES

The Consolidated Entity currently has no contingent liabilities.

17. EVENTS SUBSEQUENT TO REPORTING DATE

On 1 April 2017, a lease agreement commenced leasing the land at Dambadjie Springs for an initial term of 3 years to Willyama (WA) Pty Ltd, trading as Stoney Agri, a related party. The terms of the lease are at arm's length.

On 17 May 2017, an agreement was finalised with a legal firm in New Zealand to reimburse costs in relation to previous advice. The amount agreed upon, $196,659, has been reflected as an "other receivable" in note 5. These funds were received on 25 May 2017.

DIRECTORS' DECLARATION

The Directors of Alterra 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 2017 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 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Alterra Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Alterra Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 March 2017, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated 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, for 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 gives a true and fair view and 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 2017 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*.

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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 Group's financial position as at 31 March 2017 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

M R W Ohm
Partner

Perth, Western Australia
31 May 2017