



### Responsible housing for the aged — Unilink Village Toowoomba Ltd

Unilink Village Toowoomba Ltd offers investors the opportunity to invest in an unlisted public company developing a unique retirement village in the city of Toowoomba. The developers have purchased a former RAAF base less than four kilometres from the city's central business district on which they plan to build 108 self-contained, independent living units and 70 assisted living units. The development is unique in that the site is a community in itself, where, adjacent to the site, the developers have already constructed the first phase of a convenience and medical centre, which is linked to the community through its own intranet.

The site already accommodates the Toowoomba campus of the University of the Third Age, the Darling Downs Family Historical Society and an RSL sub-branch. The investment offers direct property investment with strong potential of capital growth with the benefit of a highly experienced team, and approved tax advantages.

#### Brannelly fact box

**Forecast return on investment (ROI):** 38.15% p.a. (pre-CGT)

**Prospectus current and lodged with ASIC:** Yes

**Managed Investment Scheme ASIC registered:** Not applicable

**Special tax treatment:** Yes (capital gains)

**Financing available:** Yes

**Proven history in the industry:** Yes

#### Industry outlook

In 1996, there were over 2.4 million Australians aged 65 or more years. This number is expected to increase by around 1.4 million by the year 2011. Queensland, with its favourable climate and low cost structure, is seen as an ideal location for retirement. Based on projected demographics, in Toowoomba alone there is a demand for approximately 324 new detached houses on suburban sized allotments in Toowoomba per annum. The anticipated demand for attached houses is just over 200 properties per annum. Nearly 80% of the attached houses will need to suit the over 50's market.

#### Profile

Michael Harrison — Chairman



After moving to Queensland in 1968, Michael became Land Development Manager and Deputy State Manager for Hooker Rex Queensland. Under his guidance, the company was responsible for the scale projects such as Pacific Fair Shopping Centre, on the Gold Coast. More recently as Managing

development of large and other notable sites

Director of M E Harrison Investment Co Pty Ltd, he has developed numerous housing, unit and commercial developments in south-east Queensland, including Pelican Waters Estate on the Sunshine Coast. Michael recently retired as the National President of the Urban Development Institute. During the last three years, Michael has been devoted to developing this project and the aged care industry. To this end, he has surrounded himself with a team of highly experienced aged-care industry professionals.

#### Independent Comment

Sound, reputable management, a site ideally suited to the retiree lifestyle, the existence of lifestyle attractions, and the potential for attractive capital growth, are just four of the 10 strengths of the company listed in this report by the independent investment rating service InvestorWeb.



### Export quality olive production — Australian Olives Limited: Project No.3

Australian Olives owns and manages one of the largest commercial olive plantations in Australia. Project number three is the company's third release of olive plots at their Yallamundi property, 86 km south west of Toowoomba. With this offer, investors have the opportunity to invest in a parcel that includes a share in the landowning company, as well as a fully-managed olive grove which will begin producing by the fourth year. Project one is already producing a harvest, one year ahead of prospectus projections.

The key advantages of this investment include: a strong and growing domestic and export market; economies of scale; produce has been pre-sold to an established processor with a recognisable supermarket brand — Viva; investors get preference in the company's upcoming Initial Public Offering (IPO); significant tax advantages; managed by a public company with a proven track record.

#### Brannelly fact box

**Forecast return on investment (ROI):** 25.3% p.a.

**Prospectus lodged with ASIC:** Yes

**Managed Investment Scheme ASIC registered:** Yes

**ATO ruling:** 98% tax deduction

**Financing available:** Yes

**Land owned by investors:** Yes (in combination with the company)

**Proven history in the industry:** Yes

#### Industry outlook

In many ways, the comparison of the Australian olive industry with the wine industry is valid, and the industry seems to be developing in a similar pattern. Just like wine, there is a huge export market. These markets are dominated by a handful of traditional players, allowing Australian producers to take advantage of modern farming and production methods, and an abundant supply of suitable land. What's more, domestic consumption continues to grow at 12.5% per annum, and has done so since 1996 — over 95% of which is met by imports.

#### Profile



Robin Horn — Grove Administrator

Robin oversees and continues to manage the development of Australian Olive's Projects, comprising more than 130,000 olive trees at present. Robin and his wife Vicki

purchased "Yallamundi" in 1978 as a bare block. Recognising the tremendous potential of the property, Robin developed a unique irrigation system for which he received the prestigious Tropical Grasslands Society of Australia Award for Innovation in Pasture Development. As well as undertaking extensive research in the Olive Industry, he has 13 years experience with the Department of Primary Industries conducting research into a variety of agricultural projects.

#### Independent Comment

ABN AMRO Morgans had this to say in their report, *The Australian Olive Industry* (20 March 2001), 'There are a number of commercial players in the sector. ABN AMRO Morgans has identified Australian Olives Limited as a potential market leader ... economies of scale and modern production techniques based on world best practice are key drivers within Australian Olives Limited ... ABN AMRO Morgans Ltd recommends investors consider an investment in the new project as a ground floor opportunity to benefit from the future growth in the Australian Olive industry.'

It is expected that Australian Olives Limited: Project 4 will be available for investment by the time this guide is distributed.

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## THE BRANNELLY EMERGING INDUSTRIES SELECTION



Outstanding investment opportunities in Australia's emerging growth industries



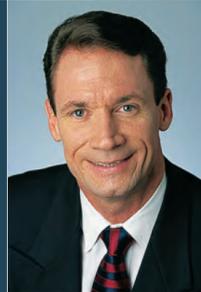
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# Brannelly

Advisors to the Professions



Welcome to the Brannelly Emerging Industries Selection, a regular Brannelly Group update on the best opportunities in industries that are yet to mature or reach their full potential.

Naturally, these investment opportunities represent higher risk than more conservative investments. On the other hand, your reward for higher risk is higher returns.

The Brannelly Emerging Industries Selection represents the companies that offer the greatest potential within the industries that our research indicates are on the rise.

Our company selections are based on a number of criteria, including realistic expectations of return on investment, quality of management, and risk exposure. The details of our findings will be listed under each of the entries.

In this edition we present our top recommendation in the industries of Australian premium wines, environmentally sound forestry, responsible housing for the aged, and export quality olive production.

A secondary advantage of investing in these industries is the tax advantages. Each of the four companies featured in this update has an official ATO ruling. I believe that it's important to note that the government offers these tax incentives for a reason. This is because they believe these industries, and these companies particularly, will provide the important benefits of import replacement and export revenue.

This is a brief guide to our top four recommendations. To find out more, I recommend you attend one of the Emerging Industries Mini-Expos we'll be presenting. Here, you'll have the opportunity to meet the principals in each of the companies and receive full details of the investment opportunities they offer.

If you are unable to attend, we'll be happy to mail you a complete information kit on one or all of these companies. To request one, phone Ben Flintoff on (07) 3832 6020.

I hope this is of value to you.

**All the best**

**Matthew Brannelly** *B.Econ. A.All*  
Group Managing Director

## The Brannelly Group

The Brannelly Group has been providing exclusive and specialised financial services to members of the medical, dental and pharmacy professions for more than four decades. Since its establishment in 1960, the firm has focused on increasing its depth of experience in its clients' professions, rather than broadening its base of client groups. This industry specific focus has enabled The Brannelly Group to provide a considered, yet innovative approach to meeting the financial needs of its professional clientele in a holistic way.

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## Australian Premium Wines — Margaret River Watershed Wines

Margaret River Watershed Wines is a premium wine production project in the world-renowned wine district of Margaret River in Western Australia. It is unique in that investors not only participate in grape production, but also the ownership of prime Margaret River land and a world-class winery. The mean increase in land values in the region range from 18.5% to 21.5% over the last 20 years. What's more, until the vineyard's own grapes are ready to be harvested, it will produce wine from grapes sourced in the local area. This offers the investor income from years two or three.

The key advantages of this investment include a world-renowned winemaker and viticulturist; a highly-experienced management team; the advantages of primary production without the risk of selling agricultural produce (investors own the value-added finished product); economies of scale and enhanced export opportunities; a flexible investment structure where vinelot, land and winery investments can be separately held; plus wine club membership with 25% discount on Watershed wines.

### Brannelly fact box

**Forecast return on investment (ROI):** 20% (from the vinelot)

**Prospectus current and lodged with ASIC:** Yes

**Land participation for investors:** Yes

**Managed Investment Scheme ASIC registered:** Yes

**ATO ruling:** 100% tax deductible (for vinelot investment) over life of the project

**Proven history in the industry:** Yes

**Income commencement:** Year 3

**Financing available:** Yes

### Industry outlook

Even with phenomenal export growth, Australian wines still only make up 4% of world supply, leaving incredible room for growth. In 2000, wine exports reached \$1.1 billion (from \$9 million in 1985). What's more, the dollar rate per litre was the highest on record, proving the growing reputation of Australian premium wines. Margaret River produces approximately 20-25% of Australia's premium wines from just over 2% of the national crush, mostly from small vineyards and wineries that lack economies of scale. Watershed will be in a prime position to capitalise on this market.

### Profile

John Wade — Winemaking Consultant



After beginning his career at Wynns, where he is renowned for creating the award-winning Wynns Coonawarra John Riddoch wine that was twice named Best Red Wine in Australia, John worked as consultant winemaker for Alkoomi and Goundrey wines in Western Australia, then as senior winemaker with Plantaganet Wines. In France, John worked at Chateau Senejac in Margaux and Chateau Pontet-Canet in Pauillac. In 1986, he founded the Howard Park Winery and in 1992 he

established the Madfish Bay label. In 2000, British wine critic, Jancis Robinson, writing in the Financial Times, described him as having "a particularly magic touch."

### Independent comment

In a report prepared by The Australian Agribusiness Group (May, 2000), Margaret River Watershed Wines was classified as a 'sound investment'. The report stated that 'the project is well structured, with a good level of involvement offered to growers [investors]. It also stated that 'the project is ideally located, it has a number of marketing advantages, and that 'the management team is experienced and sound.'

## ENVIRONINVEST

## Environmentally sound timber production — Environinvest Ltd.

Environinvest's Eucalypt Project 2000 gives investors the opportunity to profit from the increasing world demand for quality timber to be used for paper products. Through this investment, an investor leases a portion land owned by the company in the Ballarat region of Western Victoria, where Environinvest will establish and maintain plantations of *Eucalyptus Globulus* (Blue Gum). Mature plantations are then sold approximately ten years from establishment, at prevailing market prices. Investors have the option of requesting Environinvest to acquire a portion of their plantation through years three to eight. This is a unique feature, which reflects the management's confidence in the product and the investment structure.

### Industry outlook

World wide paper consumption is forecast to increase by 30% over the next decade, with the most rapid growth forecast to occur in the Asia-Pacific Region. Growth in population and improved living standards in Asia will increase consumption per person and will continue to drive demand. Timber supply in the Asia-Pacific region is expected to be increasingly inadequate to meet the growth in demand, and Australia is well placed to export plantation products to neighbouring economies.

### Profile



The Honourable Roger Prescott BA (Hons) — Executive Chairman

Roger is a founding Director of Environinvest, and his family is the major shareholder of the company. Prior to entering the Victorian State Parliament in 1985, Roger was Managing Director of several private companies in the timber industry. In parliament, he was a Minister in the first Kennett government, having been Deputy Leader

of the Parliamentary Liberal Party and Shadow Minister for several portfolios in the 1980s dealing with transport, tourism and industry.

### Independent comment

An independent report conducted by J.P. Morgan. recommends the Environinvest Eucalypt Project 2000 as their preferred blue gum manager. Differentiating drivers identified include the unique buy-back option, attractive finance facilities, the managers' financial health and long term industry involvement, competitive pricing, conservative forecasts and projections, as well as Environinvest's planned ASX listing.

### Brannelly Fact Box

**Forecast return on investment (ROI):** 25%\*

**Prospectus current and lodged with ASIC:** Yes

**Managed Investment Scheme ASIC registered:** Yes

**ATO ruling:** 100% tax deduction

**Financing available:** Yes

**Land owned by the company:** Yes

**Insurance costs funded by company:** Yes

**Buy-back option:** Yes (years 3 to 8)

\*Projected returns are based on the assumptions set out in the prospectus for the Environinvest Eucalypt Project 2000.