



Australian Agricultural Company Limited
ABN 15 010 892 270

AACo Annual General Meeting

Managing Director/Chief Executive Officer's Presentation

ASX Announcement : 12/2013

15 March 2013

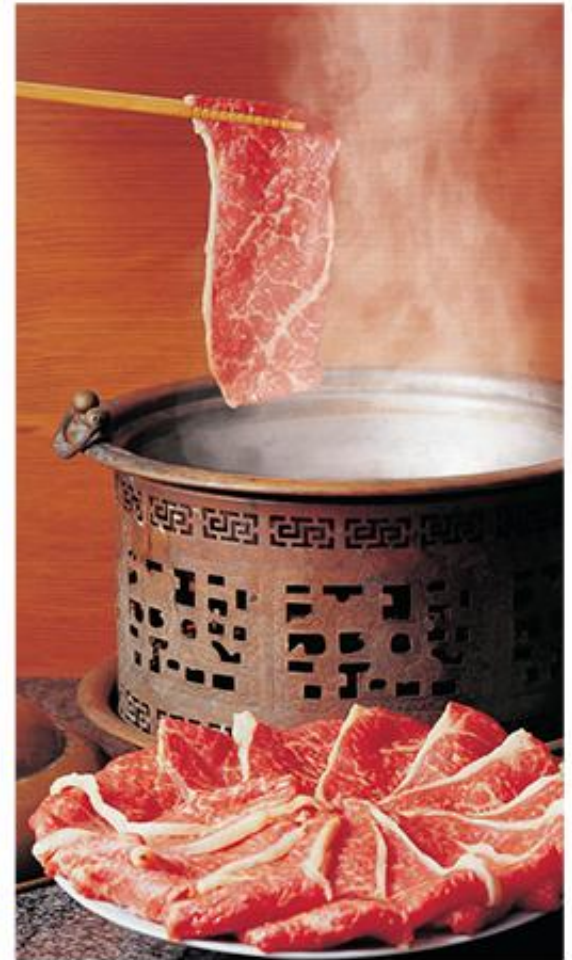
Attached is the Managing Director/Chief Executive Officer's presentation for the Annual General Meeting of the Australian Agricultural Company Limited ('AACo') to be held today.

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AUSTRALIAN AGRICULTURAL COMPANY LIMITED

ANNUAL GENERAL MEETING

15 March 2013

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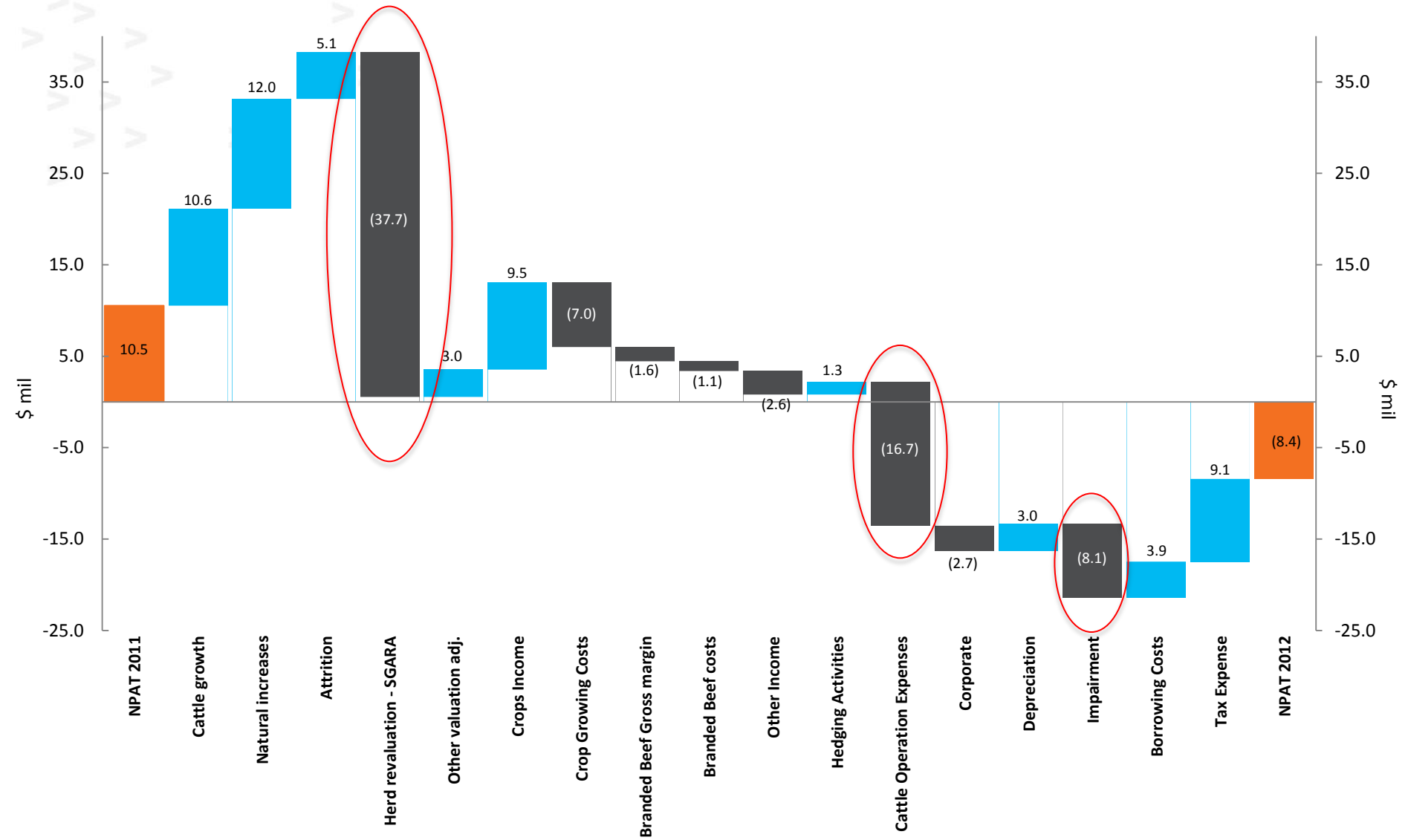
A STRONGER, MORE RESILIENT COMPANY

Three-year turnaround strategy complete

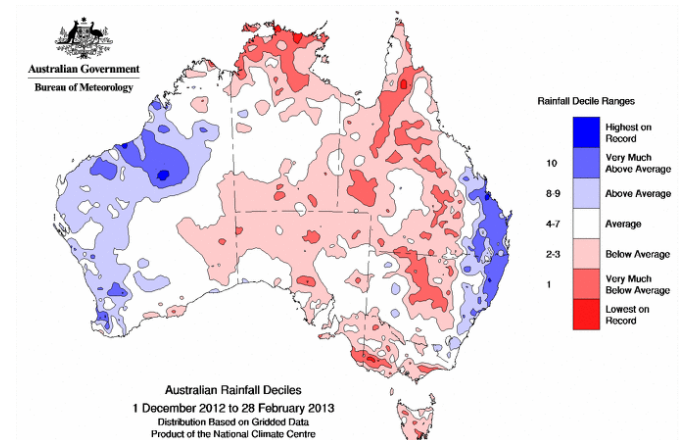
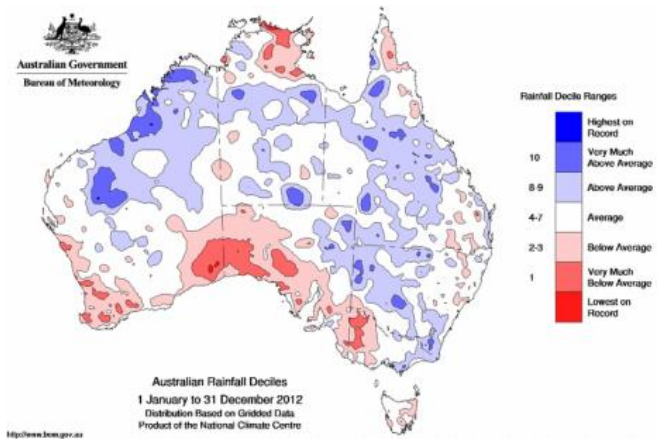
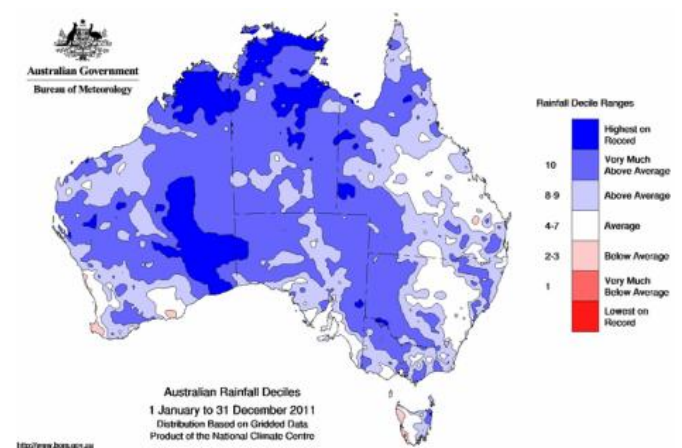
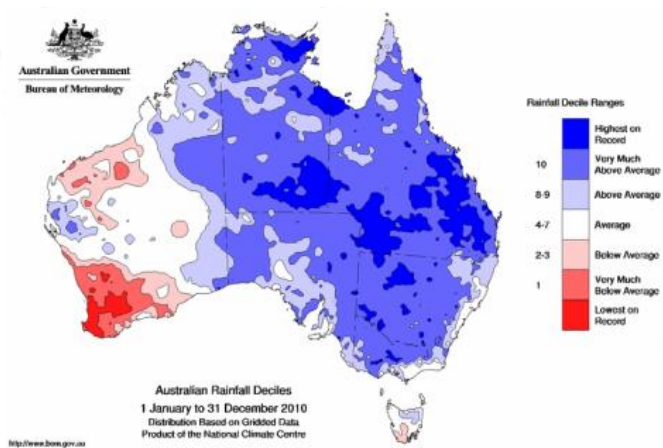
- Operationally successful
- Herd improvements
- Diversified export base
- Darwin abattoir to provide vertical integration
- Financial outcomes unsatisfactory

Moving towards being a part of the global market,
not a consequence of it

NPAT FY12 v NPAT FY11

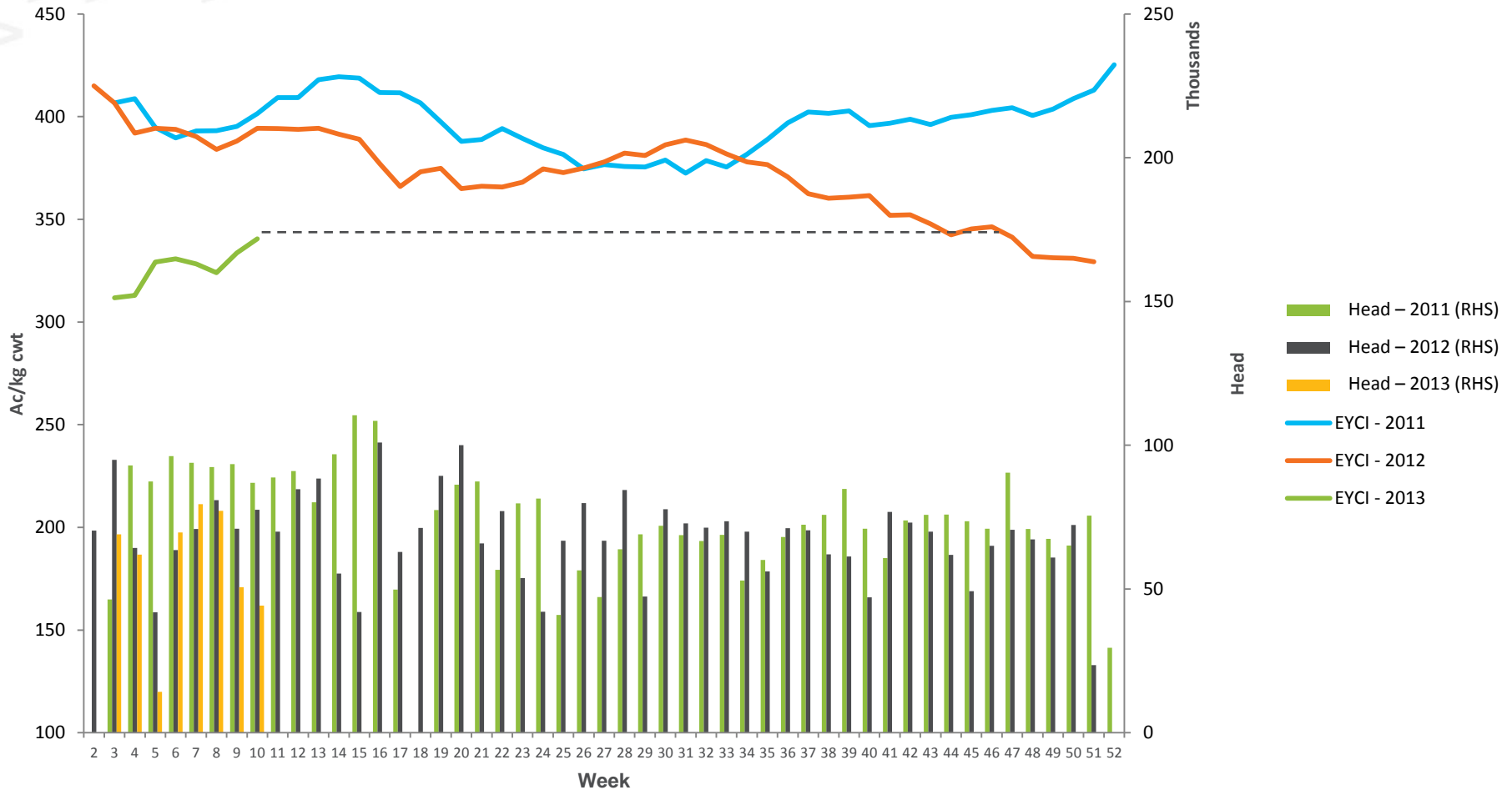


CLIMATE CONDITIONS



EASTERN YOUNG CATTLE INDICATOR

After a significant decline in 2012, the first weeks of 2013 have seen the EYCI recover to November 2012 levels



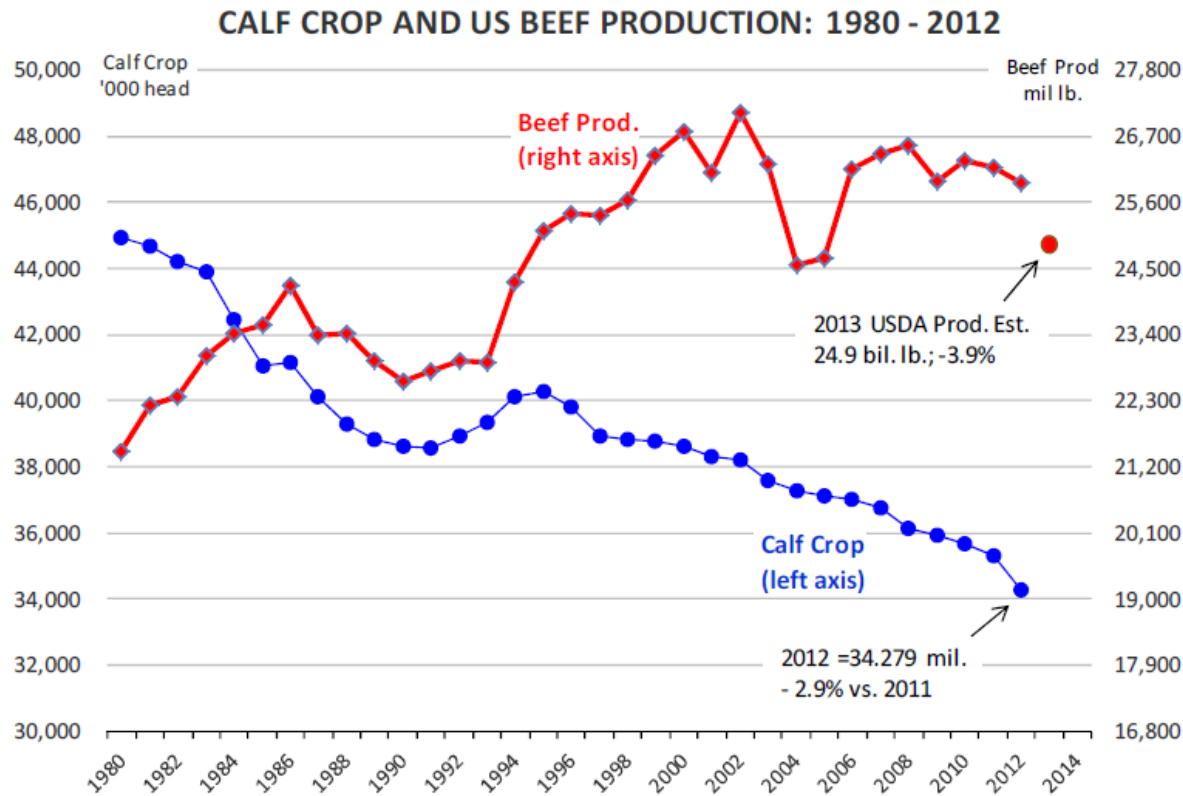
HERD VALUE SENSITIVITY

	Eastern Trading Herd	Northern Trading Herd	Feedlot	Breeding Herd
Head @ 31 December 2012 ('000)	120	68	41	356
Average Weight @ 31 December 2012	331 LW kg	284 LW kg	524 LW kg	
Average Book Value @ 31 December 2012	\$1.59 / LW Kg	\$1.83 / LW Kg	\$3.19 / LW Kg	\$866 / head
Hypothetical movement:	\$0.10 / LW Kg	\$0.10 / LW Kg	\$0.10 / LW Kg	\$100 / head
Per Head Effect (\$)	\$33.1 / head	\$28.4 / head	\$52.4 / head	\$100 / head
Entire Herd Effect (\$mil)	\$4.0	\$1.9	\$2.1	\$35.6

US BEEF CATTLE HERD

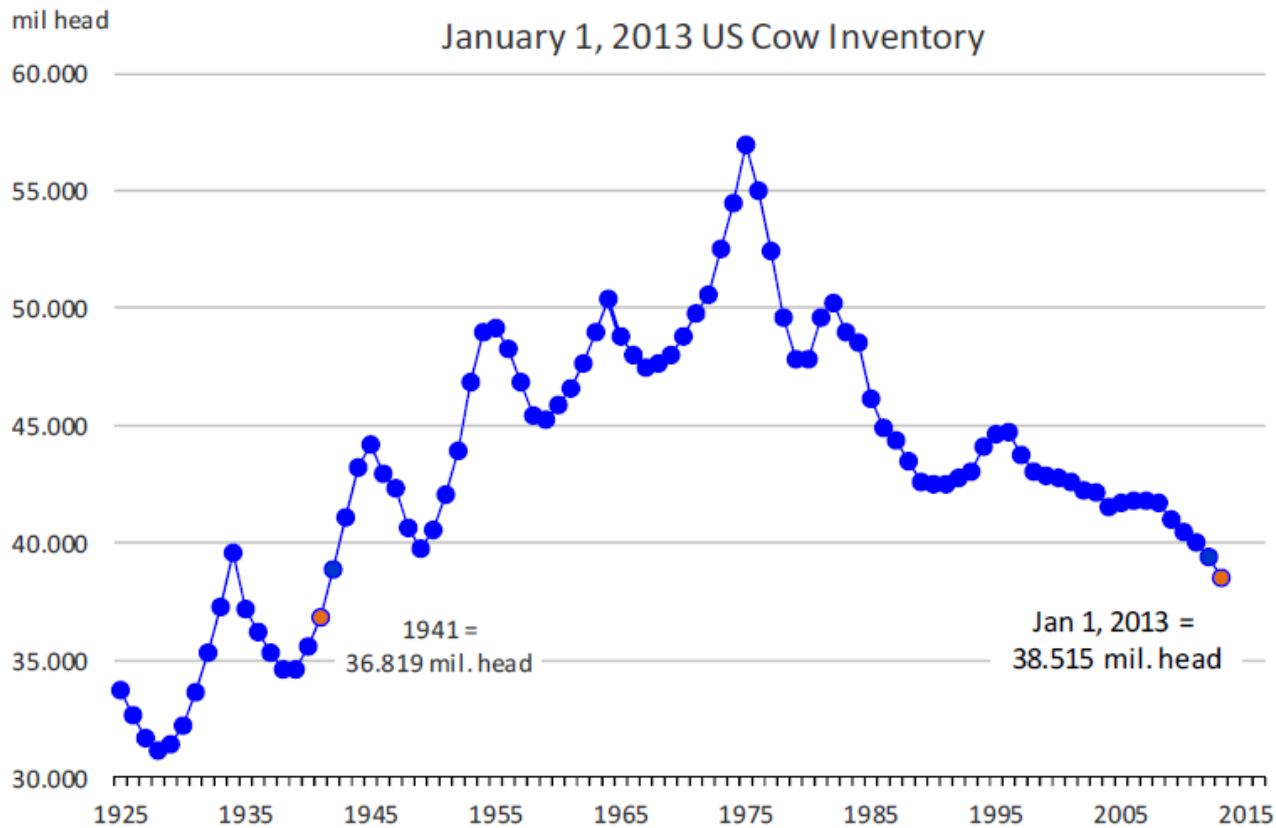
In 2012, the US continued its trend of reducing its breeding herd.

Production was maintained through increased productivity, but this trend is unsustainable



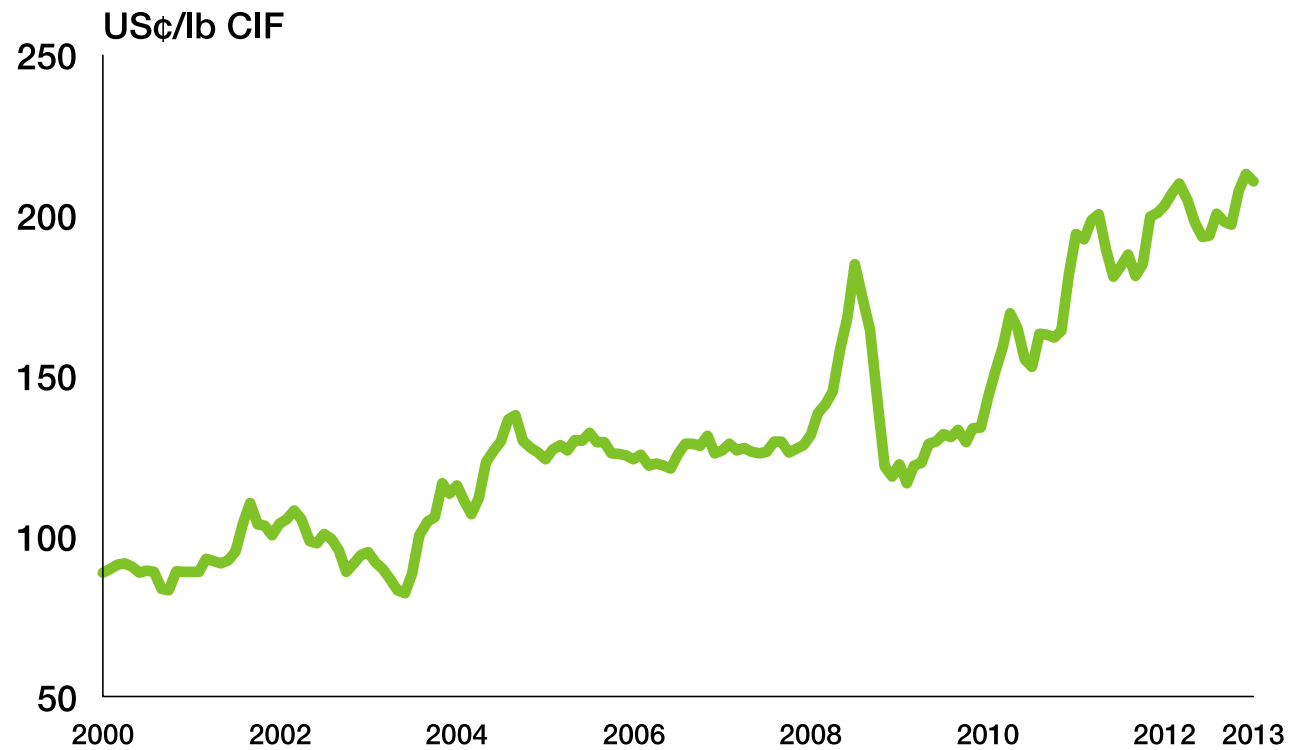
US BEEF CATTLE HERD

US Cow Inventory lowest since 1941



MARKETS

Indicative imported US 90CL beef prices



Source: Steiner Consulting Group

MARKETS

US feed cattle prices

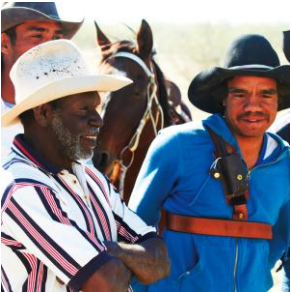


Source: CME

STAFF AND SAFETY



- Dedicated, smart staff
- Doubling graduate intake this year
- AACo has close to 50% female employees



- Growing partnerships with indigenous staff and native title holders



- Safety culture fostered in the past three years has led to a 6% reduction in lost-time injuries in 2012

FIVE YEAR GOAL

Building a global, South East Asian focused, red meat supply chain, in a sustainable and innovative enterprise



THE NEXT FIVE YEARS



A global red meat supply chain



South-East Asia focussed



Sustainable

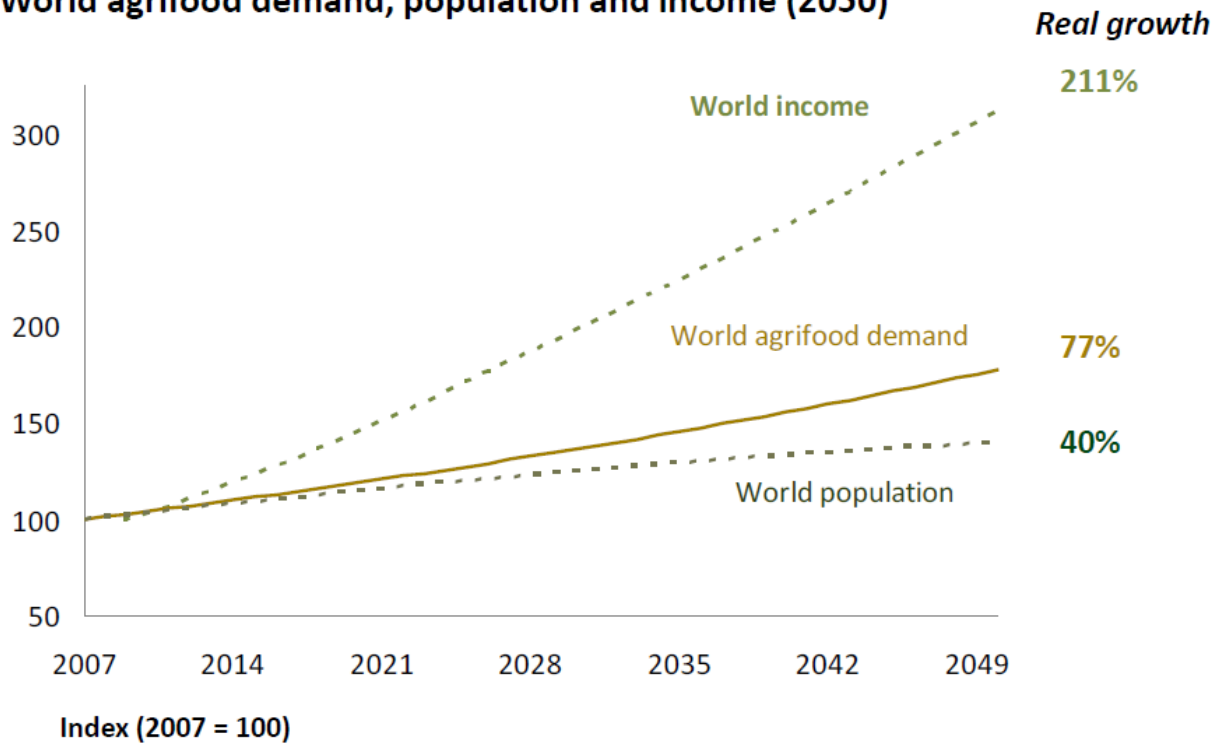


Innovative

GLOBAL CONTEXT

A growing world population – with growing demand for red meat protein

World agrifood demand, population and income (2050)



REGIONAL CONTEXT



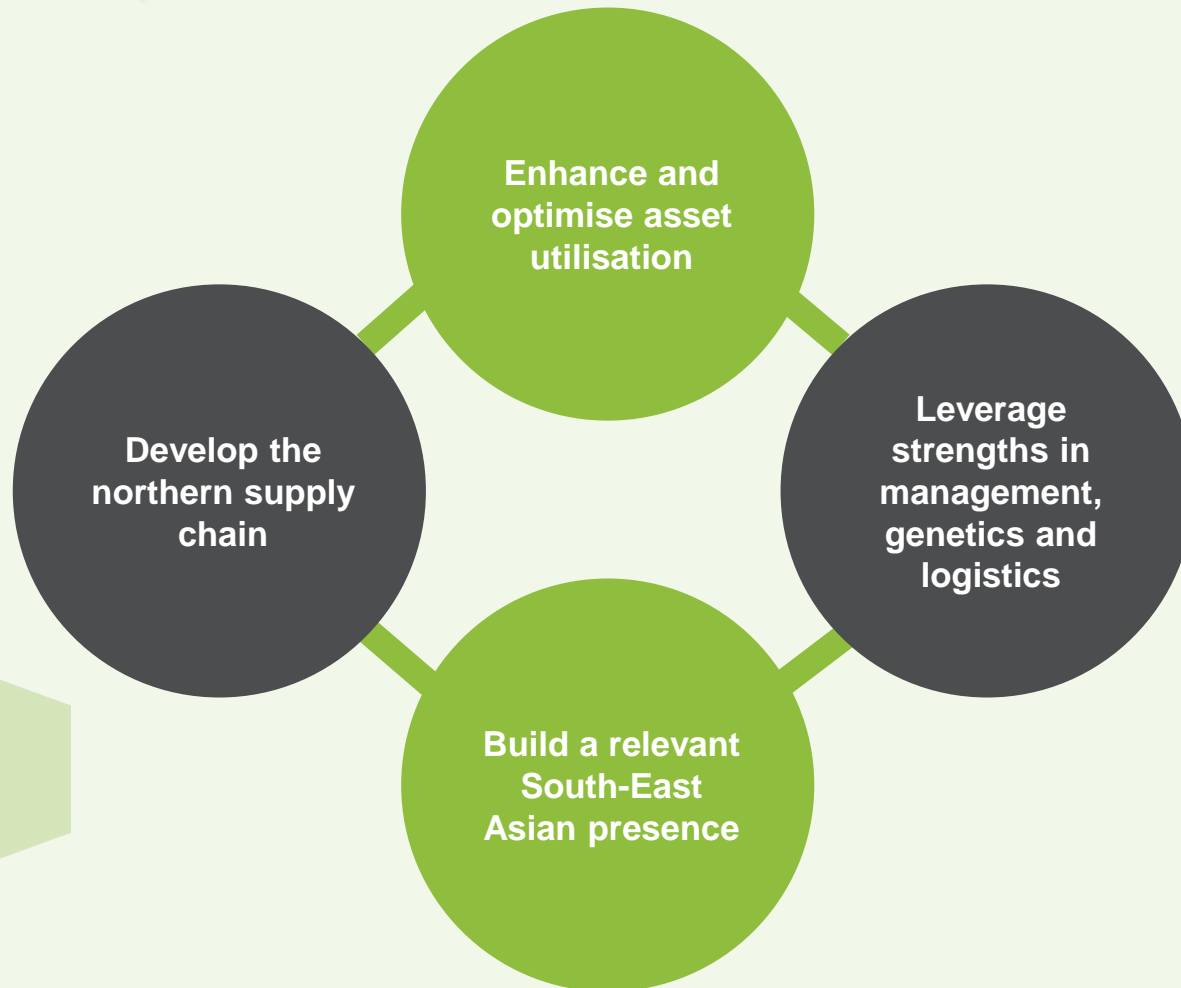
	Population (Mid-Scenario) (mil)		
	2010	2030	Change
Cambodia	14.1	17.4	19%
Indonesia	239.9	279.7	14%
Laos	6.2	7.8	20%
Malaysia	28.4	37.3	24%
Myanmar	48.0	54.3	12%
Philippines	93.3	126.3	26%
Thailand	69.1	73.3	6%
Vietnam	87.8	101.5	13%

Source: UN

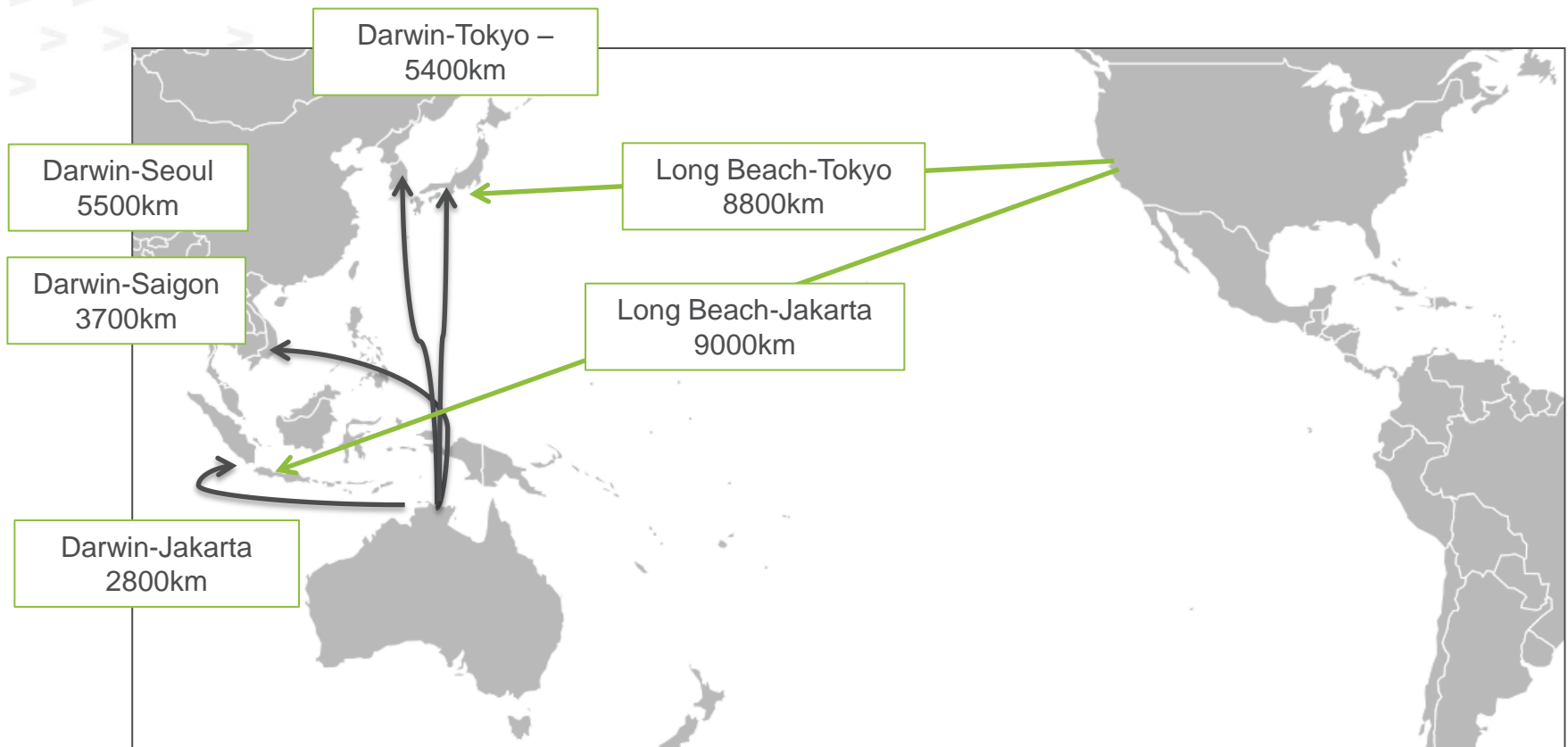
	Beef consumption ('000 T)		
	2000	2030	Change
Cambodia	65.6	161.6	146%
Indonesia	406.4	990.2	144%
Laos	37.2	106.7	187%
Malaysia	126.3	327.5	159%
Myanmar	122.9	240.6	96%
Philippines	357.0	896.0	151%
Thailand	231.2	377.1	63%
Vietnam	185.9	323.3	74%

Source: FAO

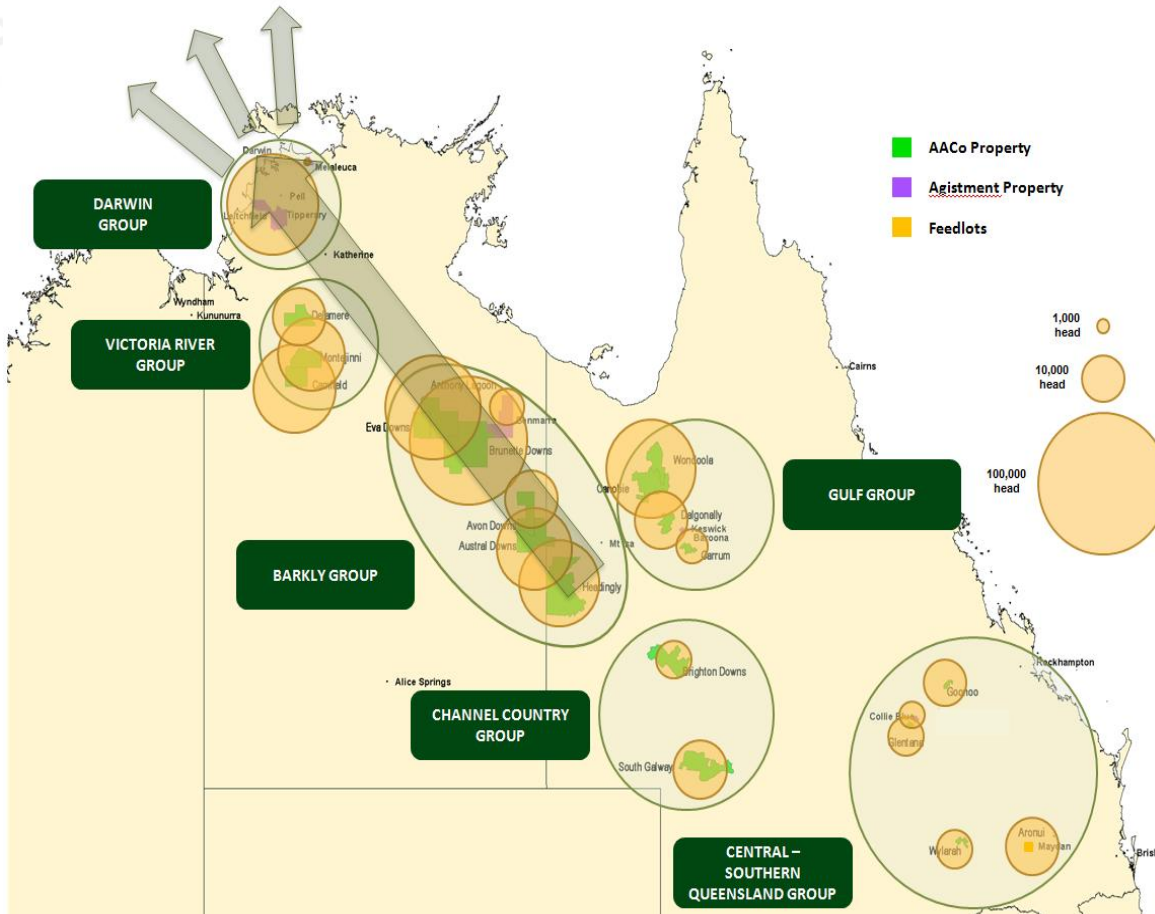
CLEAR STRATEGIC OBJECTIVES



A SUBSTANTIAL GEOGRAPHIC ADVANTAGE



DARWIN ABATTOIR



- Minimising risk through vertical integration
- Transport and production cost savings

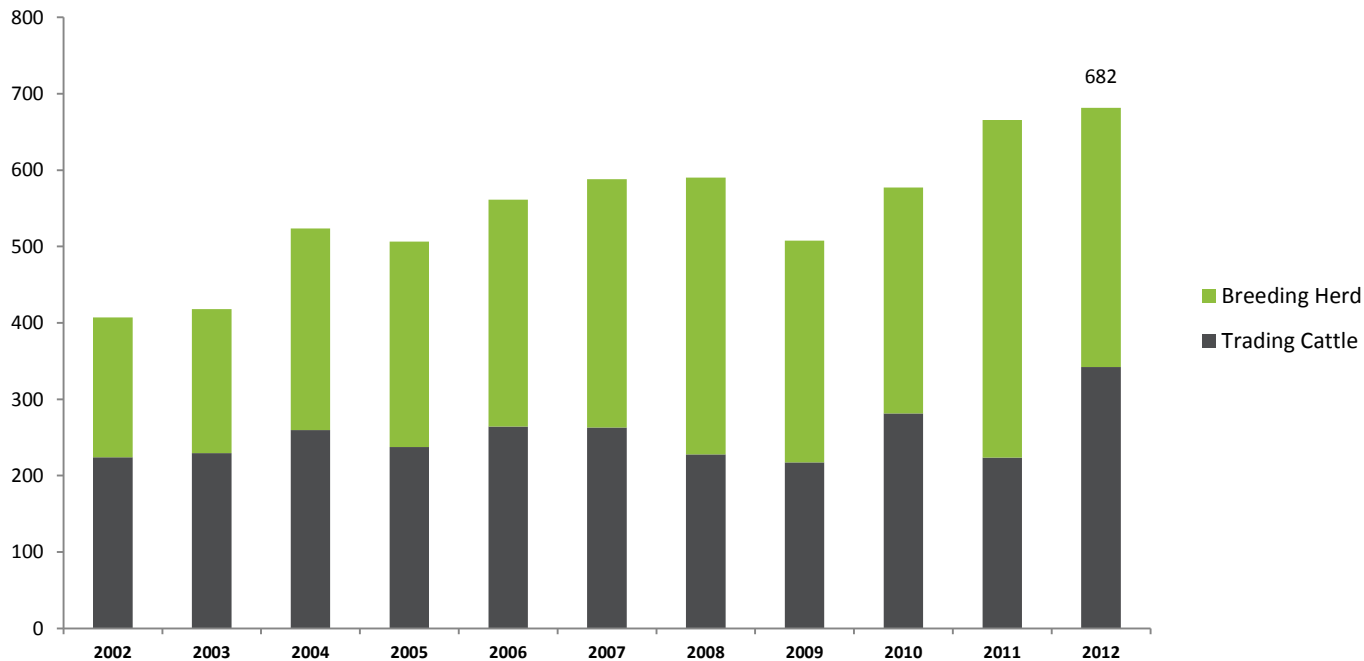
DARWIN ABATTOIR



LEVERAGE OUR STRENGTHS

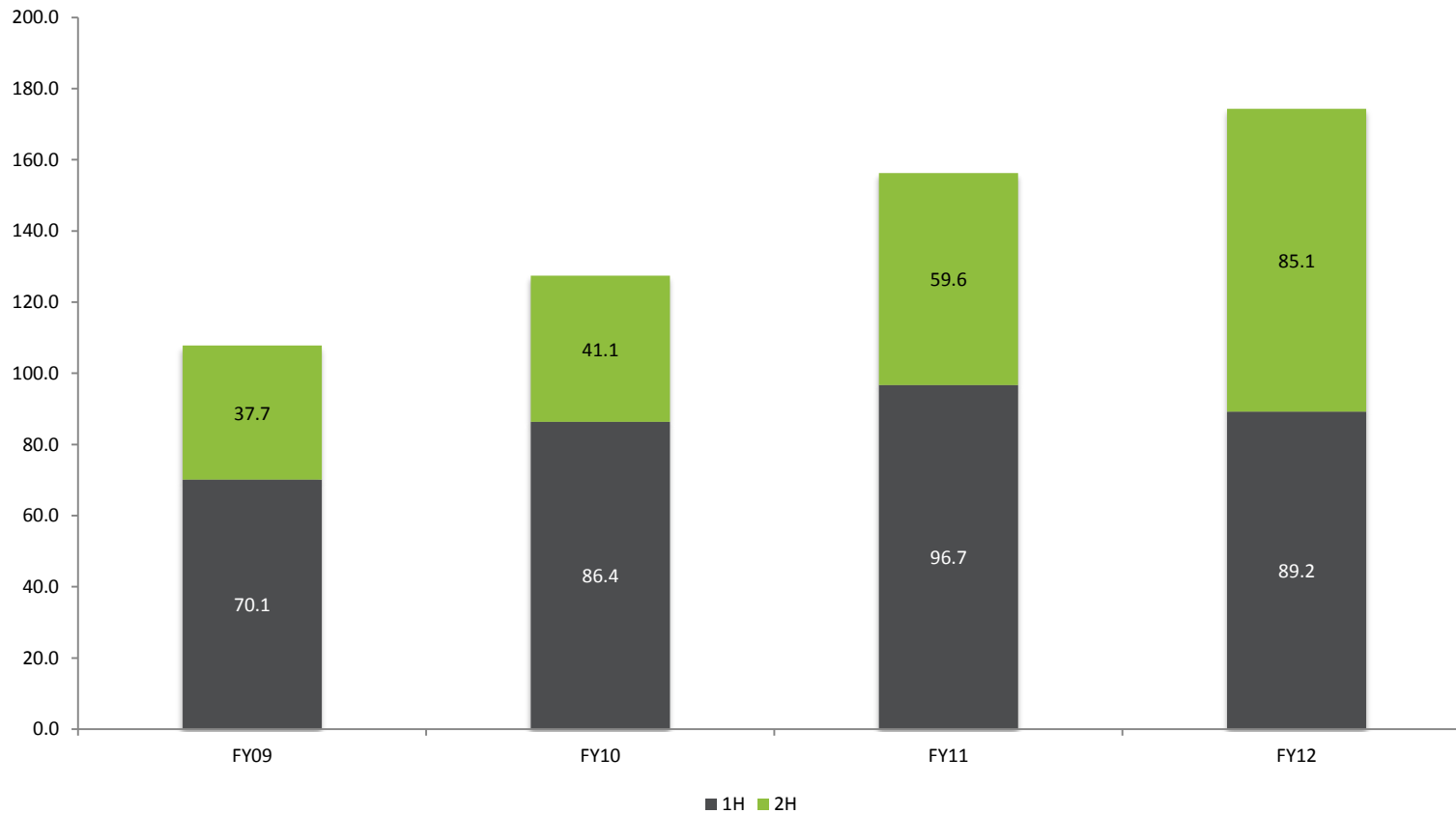
Tighter breeder herd management resulted in our biggest herd, and best calf brandings ever.

AACo Herd ('000 head)



LEVERAGE OUR STRENGTHS

Calf brandings ('000)



LEVERAGE OUR STRENGTHS

- Self-replacing herd cuts down on cash outflows for the purchase of new cattle
- Entire herd now RFID tagged – a powerful management tool allowing traceability through the supply chain for our customers



ENHANCE AND OPTIMISE ASSET UTILISATION



➤ **Survey of all water sources**



➤ **Solar energy opportunities**



➤ **Pasture database**



➤ **Farming business growth**

CONCLUSION

- AACo turnaround largely complete
- Solid operational and business foundations
- Proximity, expertise and leadership to take advantage of growing demand for red meat in South-East Asia
- Next five years focused on using the strengths developed in the turnaround

AACO ANNUAL GENERAL MEETING 2013



THANK YOU

