



Financial Results

for the 12 months to 31 March 2015

13 May 2015

Disclaimer

Important information

Summary information only

This presentation contains general information about the Australian Agricultural Company Limited and its consolidated entities ("AACo") and its activities current as at the date of this presentation. It is provided in summary and does not purport to be complete. ***This presentation should be read in conjunction with the Appendix 4E and Financial Report for the Year ended 31 March 2015.***

You acknowledge and agree that you will rely on your own independent assessment of any information, statements or representations contained in this presentation and such reliance will be entirely at your own risk.

Disclaimer

AACo and its related bodies corporate and associated entities and each of their respective officers, employees, associates, agents, auditors, independent contractors and advisers, do not make any representation, guarantee or warranty, express or implied, as to the accuracy, completeness, currency or reliability (including as to auditing or independent verification) of any information contained in this presentation and do not accept, to the maximum extent permitted by law:

- a) any responsibility arising in any way for any errors in or omissions from any information or for any lack of accuracy, completeness, currency or reliability of any such information made available;
- b) any responsibility to provide any other information or notification of matters arising or coming to their notice which may affect any information provided; and
- c) any liability for any loss or damage (whether under statute, in contract or tort for negligence or otherwise) suffered or incurred by any person as a result of or in connection with a person or persons using, disclosing, acting on or placing reliance on any information contained in this presentation, whether the loss or damage arises in connection with any negligence, default or lack of care or from any misrepresentation or any other cause.

Forward-looking statements

This presentation may contain forward-looking statements. All statements other than statements of historical facts included in this presentation are forward-looking statements. Forward-looking statements may include, without limitation, statements relating to AACo's financial position and performance, business strategy, plans and objectives of management for future operations. Forward-looking statements involve known and unknown risks, uncertainties and other factors (many of which are beyond AACo's control) and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. Some of the important factors that could cause AACo's actual results, performance or achievement to differ materially from those in any forward-looking statements include (among other things): levels of demand and market prices, climatic conditions, the impact of foreign exchange currency rates on market prices and operating costs, political uncertainty and general economic conditions in Australia and overseas, the ability to produce, process and transport goods and livestock profitably, the actions of competitors and activities by governmental authorities. No representation, guarantee, or warranty (express or implied) is given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, projections or forward-looking statements contained in this presentation.

Except as required by applicable regulations or by law, AACo does not undertake any obligation to publicly update or review any forward looking statements, whether as a result of new information or future events.

This presentation should not be relied upon as a recommendation or forecast by AACo.

No offer of securities

Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell AACo securities in any jurisdiction.



FY15 Overview

- ❖ AACo has transformed from a pastoral company to a beef company
- ❖ Boxed beef sales of \$267.6 million now comprise 77% of revenue
- ❖ AACo's new Livingstone Beef processing facility is commercially operational
- ❖ AACo has established customer-focused supply chains which drive production and improve margins
- ❖ Safety performance continues to improve
- ❖ Building our brands is the next stage of transforming and growing our business



FY15 Results Overview

	FY15	FY14
Sales	\$346.8m	\$316.8m
Statutory EBITDA ¹	\$44.9m	\$(19.9)m
Operating EBITDA ²	\$(3.6)m	\$0.2m
Net profit after tax	\$9.6m	\$(39.9)m
Cash Flows from Operations	\$(75.9)m	\$18.5m
Gearing ³	32.7%	23.3%
Net tangible assets	\$1.43/share	\$1.40/share

Notes:

1. EBITDA represents Net Profit After Tax (NPAT) + tax expense + finance costs + depreciation, amortisation and impairment. EBITDA is non-IFRS financial information and has not been audited or reviewed by the company's auditors
2. A metric used internally to measure performance. This measure is based on a standard cost accounting methodology and seeks to avoid the cattle market-price driven volatility apparent in the statutory financial numbers by not recognising any unrealised profit or loss before the point of sale. Operating EBITDA is non-IFRS financial information and has not been audited or reviewed by the company's auditors.
3. Gearing based on net debt / (net debt + book equity). Assumes gross value of convertible note



Operating Cash Flow in Detail

The change in net operating cash flow was driven by the increase in working capital required to build out cattle supply and align supply chains

\$ mil	FY14 to FY15 Variance
Boxed beef sales	79
Cattle sales	(50)
Crop sales & sundry income	(2)
Movement in debtors	(19)
Change in receipts from customers	8
COGS	(31)
Cattle purchases	(51)
Cash operating costs	(18)
Movement in creditors	(26)
Change in payments to suppliers, employees	(126)
Net GST received	13
Interest and finance costs	10
Change net operating cash flow	(94)



Cash Flow

In FY15 we invested in the completion of the Livingstone Beef facility. We also purchased and initialised the development of the Pell and Tortilla aggregation to support year-round cattle supply for processing and live export

(\$mil)	12 months to 31 Mar 2015	12 months to 31 Mar 2014	Change
Net operating cash flow	(75.9)	18.5	(94.4)
Payments for property, plant and equipment	(11.7)	(16.9)	5.2
Purchase of Property (FY15:Pell, FY14:LaBelle)	(10.4)	(28.6)	18.2
Construction of Livingstone Beef facility	(44.9)	(25.8)	(19.1)
Proceeds from sale of property, plant and equipment	0.6	0.5	0.1
Proceeds from sale of stations	-	32.1	(32.1)
Net investing cash flow	(66.3)	(38.6)	(27.7)
Proceeds from share issues	0.5	211.9	(211.4)
Net proceeds from borrowings	84.8	(133.8)	218.6
Net financing cash flows	85.3	78.1	7.2
Net change in cash	(56.9)	57.9	(114.8)



Balance Sheet

Net assets have increased in line with stronger property market conditions reflecting an improved market outlook for the beef industry

(\$mil)	At 31 Mar 2015	At 31 Mar 2014
Cash and cash equivalents	12.3	69.2
Livestock	465.2	383.0
Property, plant and equipment	668.4	605.7
Inventories	36.8	26.4
Other assets	31.4	15.7
Total assets	1,214.1	1,100.0
Interest bearing liabilities ¹	369.4	282.4
Other liabilities	82.4	69.9
Total liabilities	451.8	352.3
Net assets	762.3	747.8

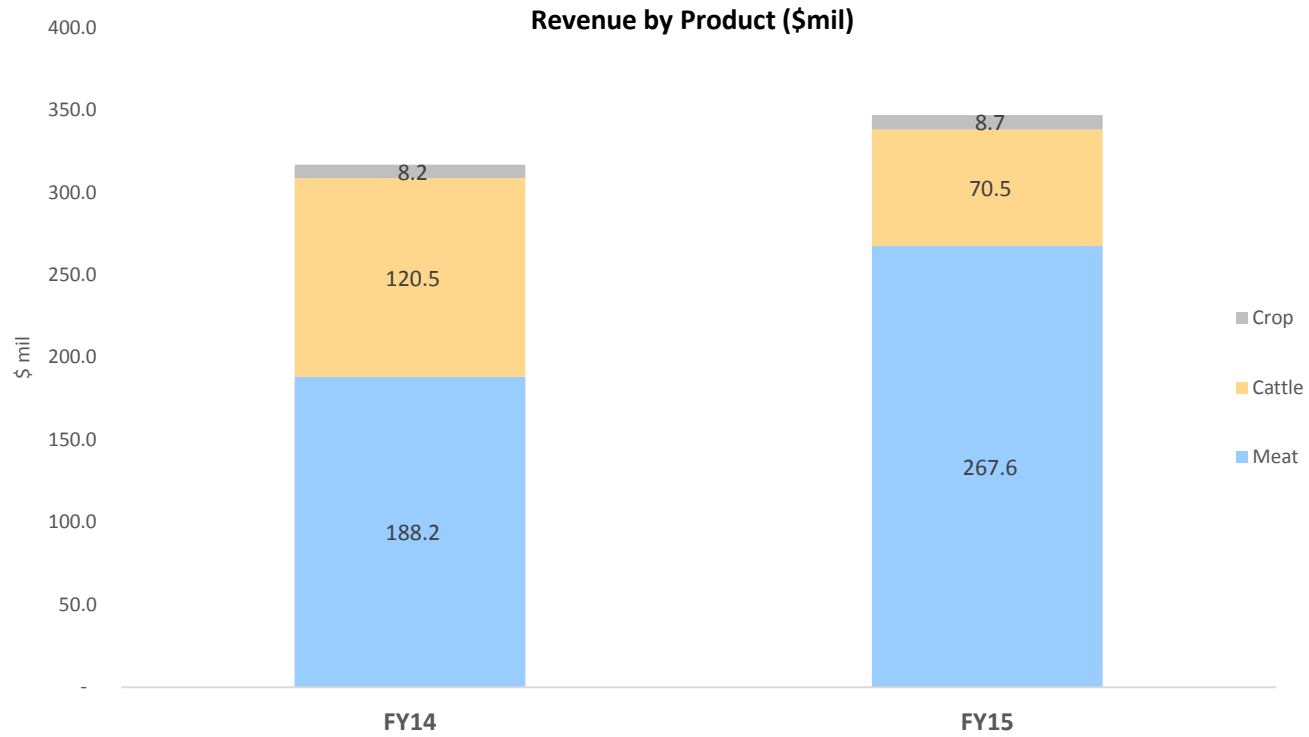
Key balance sheet metrics	At 31 Mar 2015	At 31 Mar 2014
Gearing ²	32.7%	23.3%
Net tangible assets/share	\$1.43	\$1.40
Undiluted shares on issue (million)	532.8	532.3

Notes:

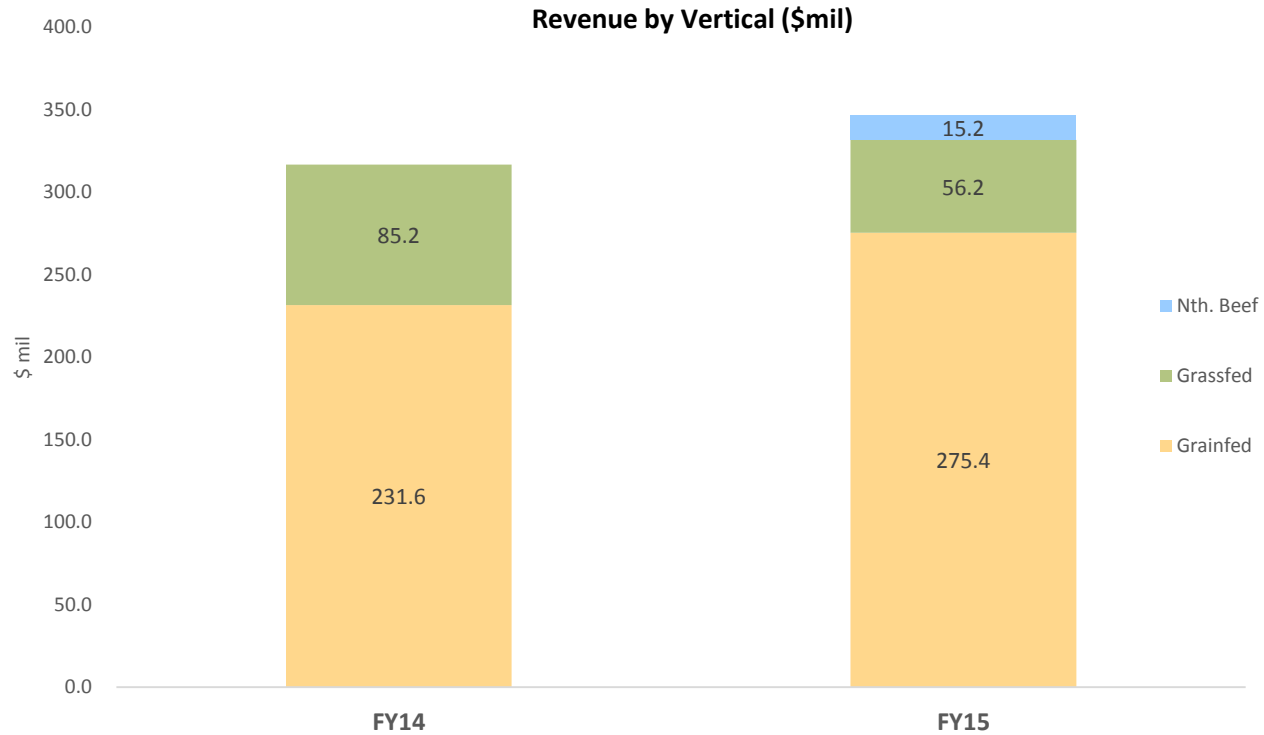
1. Interest bearing liabilities includes bank debt, convertible notes and finance leases
2. Gearing based on net debt / (net debt + book equity). Assumes gross value of convertible note



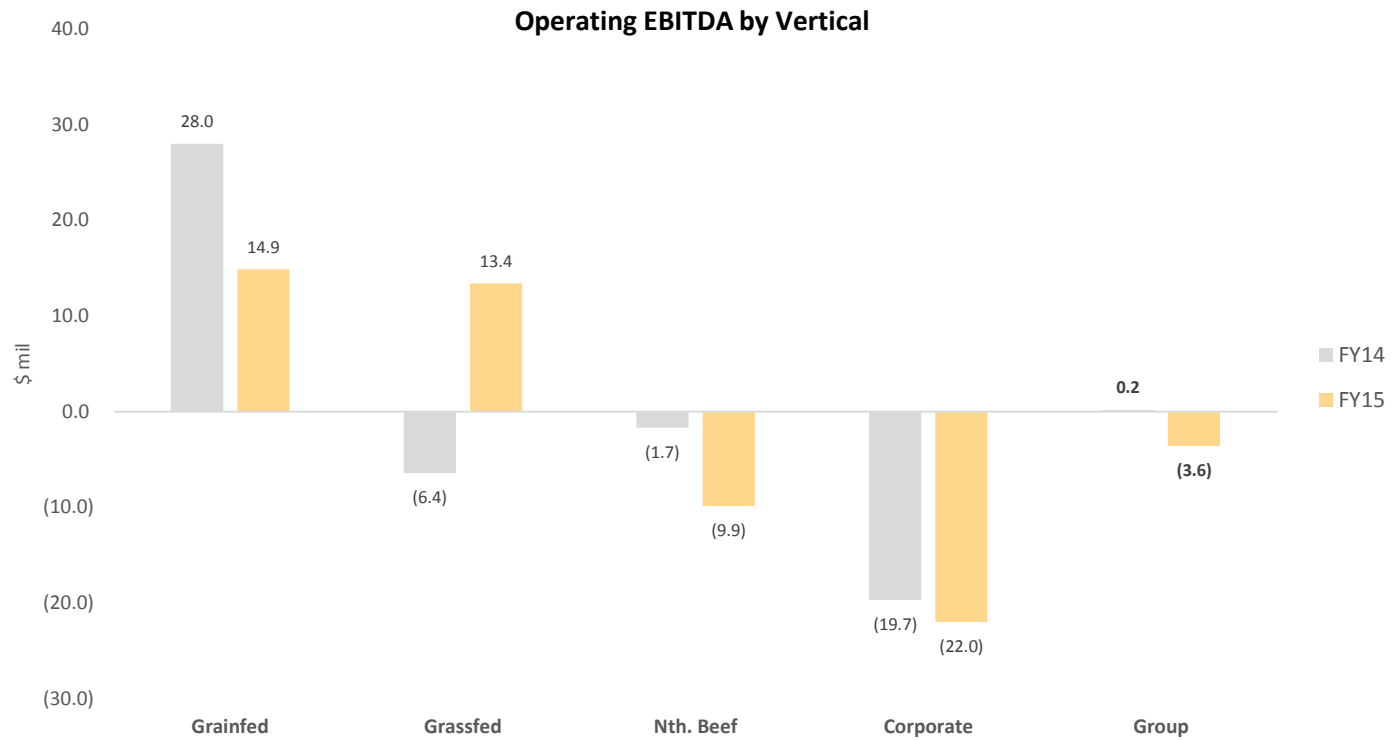
FY15 Results Detail



FY15 Results Detail

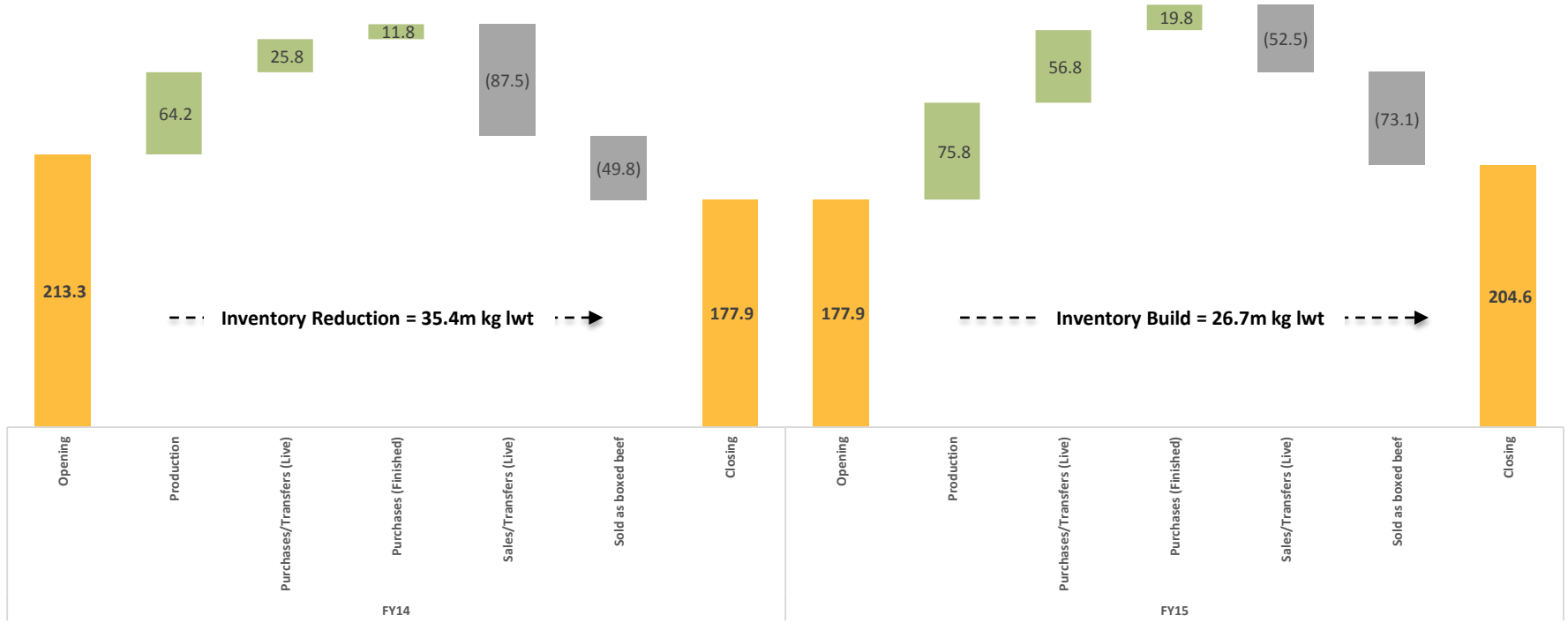


FY15 Results Detail



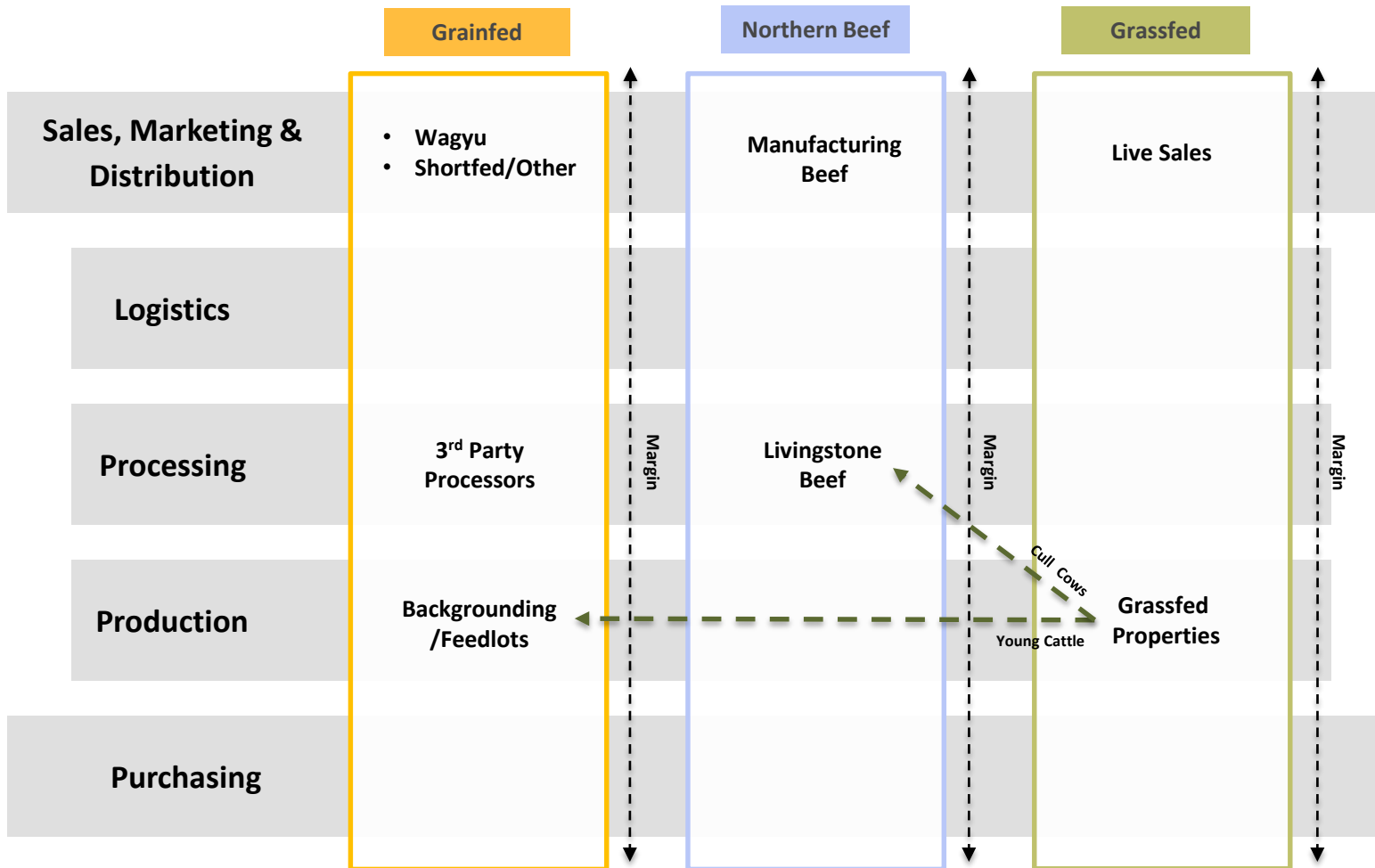
FY15 Results Detail

Movement in inventory weight (kg lwt mil)



Improved Business Structure

The improved structure follows the key supply chains in the business and allows for better management and reporting



AACo's Supply Chains

Grainfed

Northern Beef

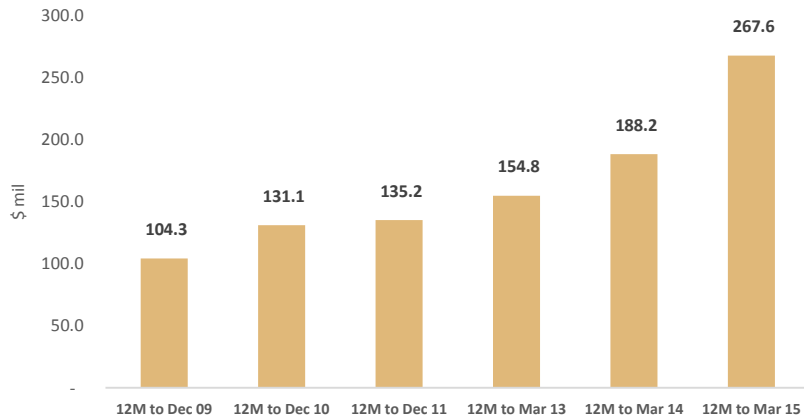
Grassfed

Total Assets	\$292m	\$112m	\$774m
Main Product	Differentiated, branded beef	Quality manufacturing beef	Cattle supply
Key Drivers	<ul style="list-style-type: none"> • Global beef prices • Grain prices • Domestic cattle prices and security of supply • Marketing/branding • Processing costs 	<ul style="list-style-type: none"> • Global beef prices • Domestic cattle prices and security of supply 	<ul style="list-style-type: none"> • Climatic conditions • Domestic cattle prices • Market Access



FY15 Operational Update - Grainfed

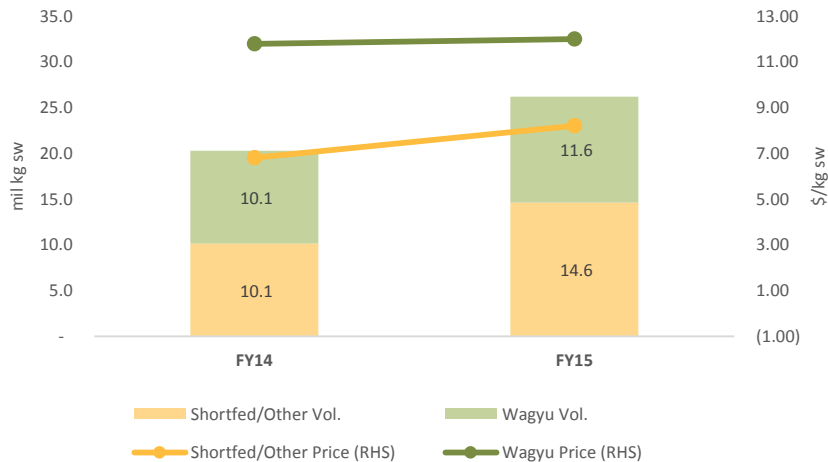
Boxed Beef Sales Over Time



Boxed Beef Sales by Region



Boxed Beef Sales Product Split



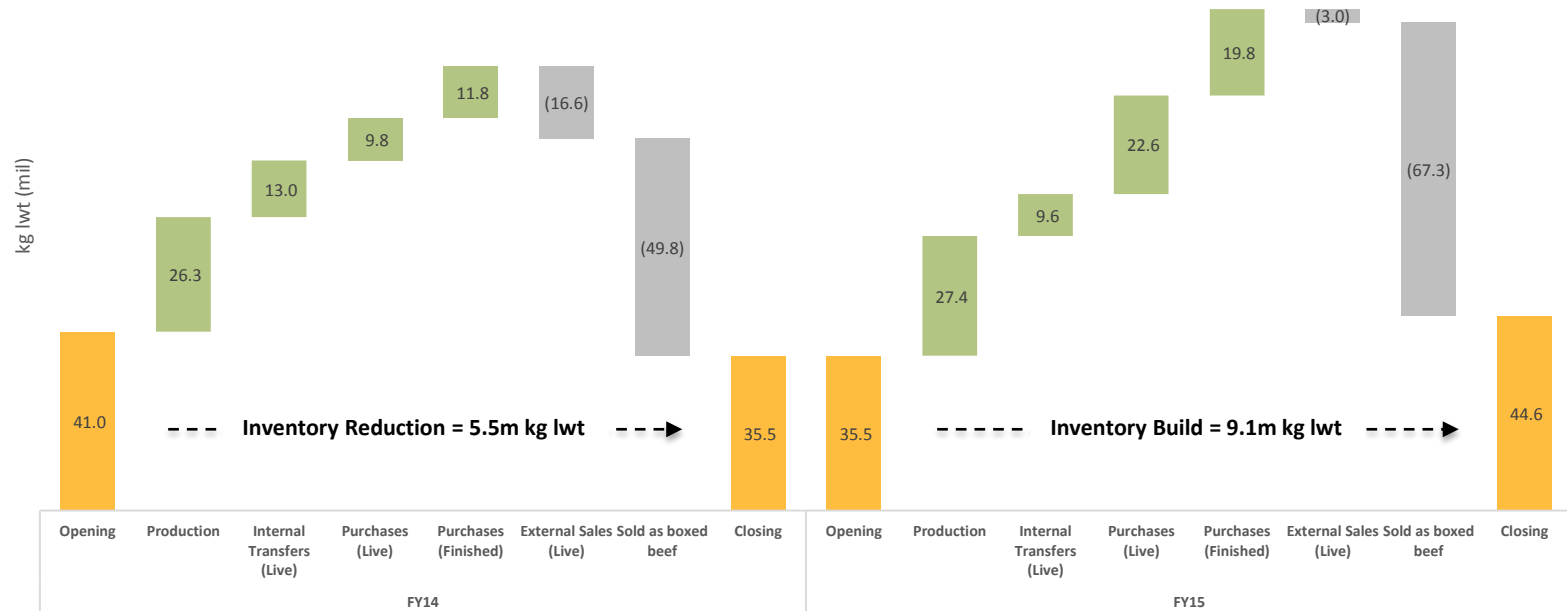
- Volume sales of both Wagyu and Shortfed boxed beef have increased in line with the company's strategy of adding value by increasing the quantity of cattle we process and sell as branded beef
- Strong global demand for beef and constrained supply continues

Note: sw = shipped weight of beef, cwt = carcass weight, lwt = live weight



Grainfed Inventory Movements

FY15 has seen a rebuilding of our Grainfed herds to support our expanded boxed beef sales program in FY15 and beyond



FY15 Operational Update - Northern Beef

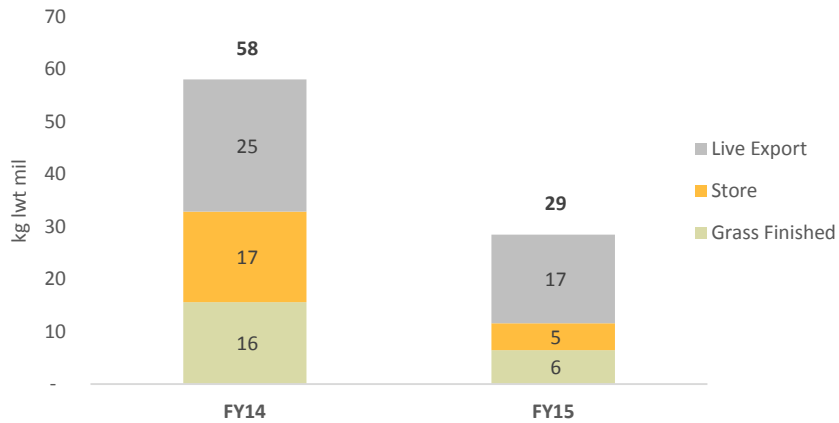
- ❖ The Livingstone Beef facility commenced commercial operations with roadtrains arriving on a daily basis from December 2014
- ❖ The facility has attained accreditation for our major target markets
- ❖ Product is now flowing to these markets through the Port of Darwin
- ❖ As throughput increases our average unit processing cost continues to decrease
- ❖ Pell and Tortilla stations were acquired to facilitate the year-round supply to both Livingstone Beef and live export

Aerial Photo of Darwin Facility – February 2015

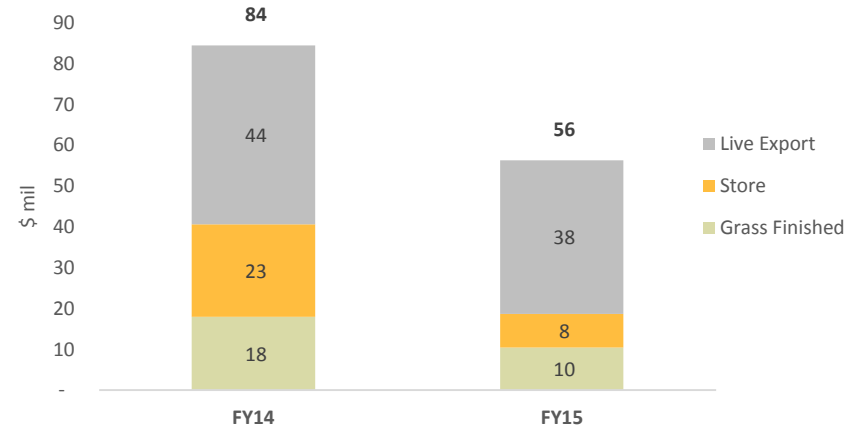


FY15 Operational Update - Grassfed

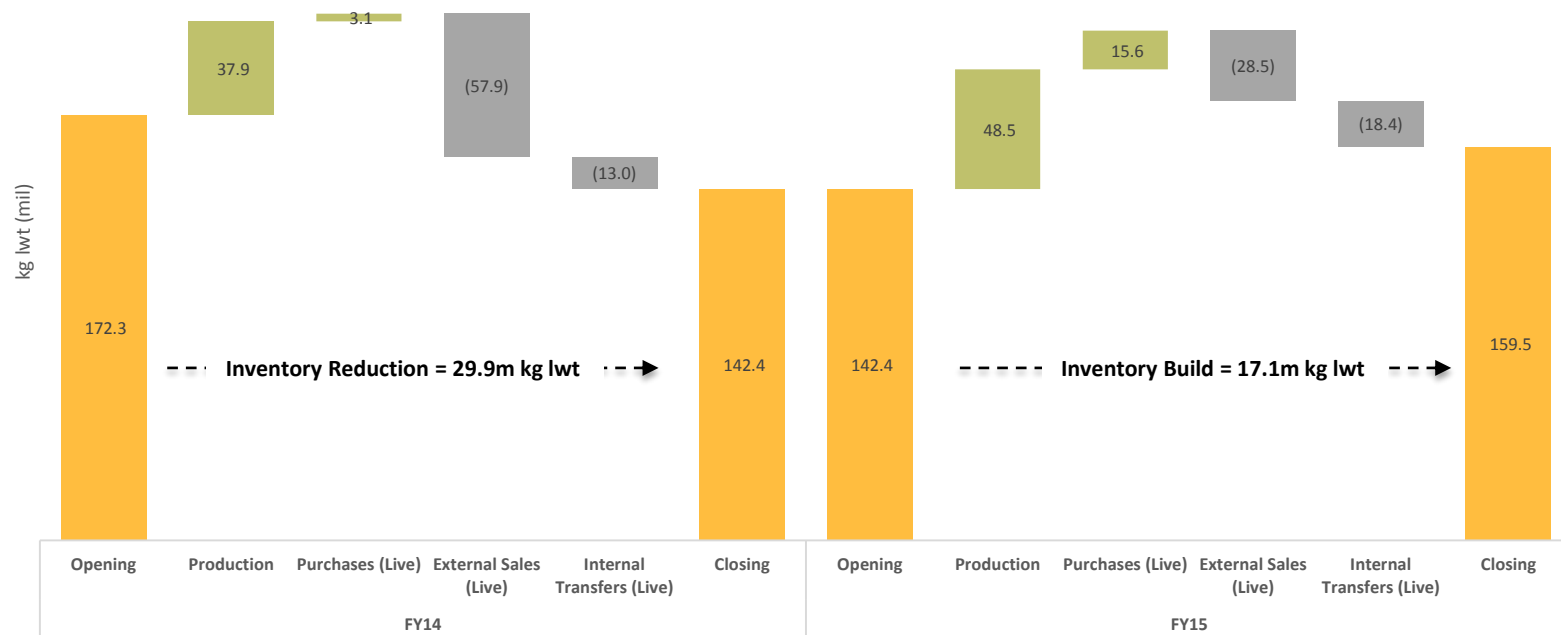
External Cattle Sales (kg lwt)



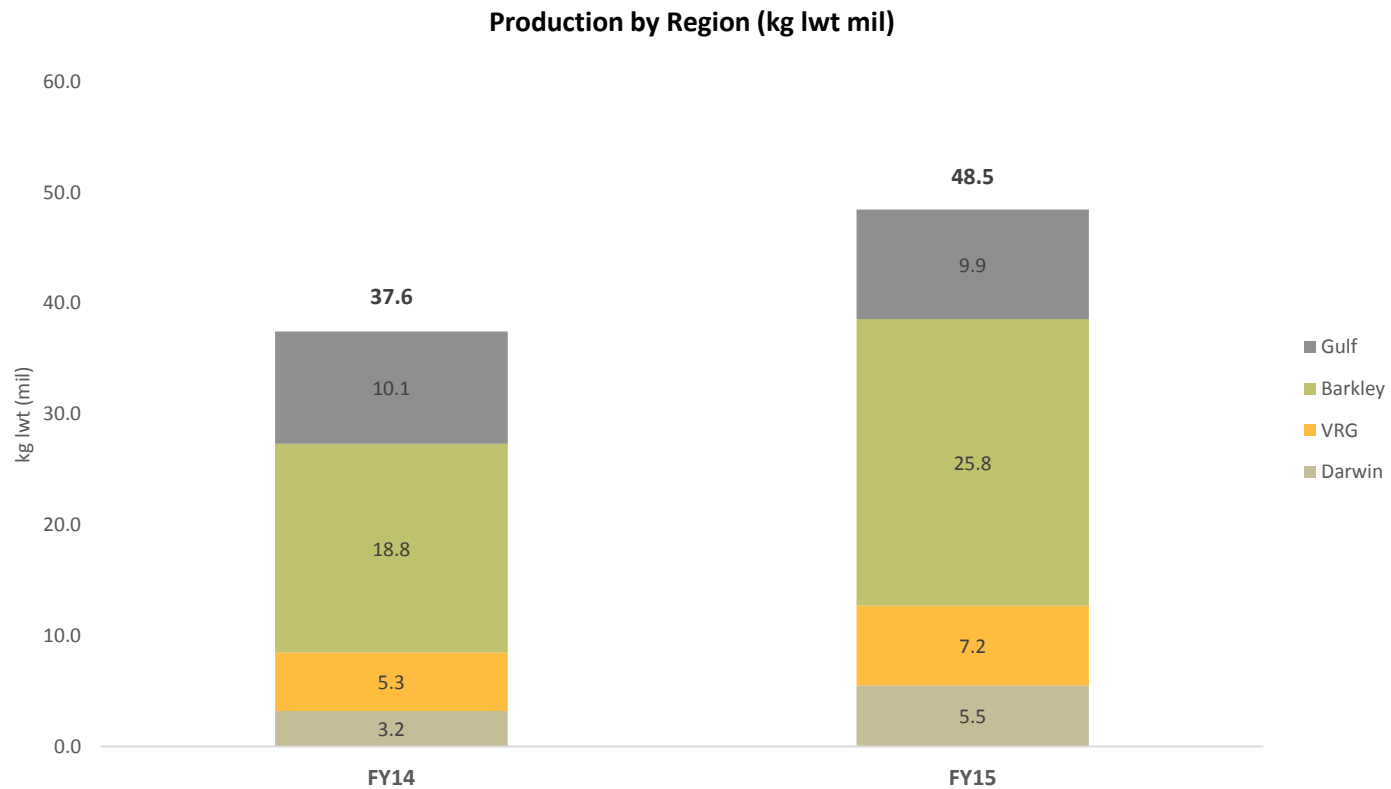
External Cattle Sales (\$ mil)



Grassfed Inventory Movements



FY15 Operational Update - Grassfed



Summary

- ❖ In July 2014 we outlined our strategy which included generating more of our revenue from boxed beef sales
- ❖ In FY15 AACo has transformed from a pastoral company to a beef company
 - ❖ Full year statutory net profit of \$9.6 million, an improvement of \$49.5 million on the previous year
 - ❖ Operating EBITDA for FY15 is \$(3.6) million
 - ❖ Boxed beef sales of \$267.6 million now comprise 77% of revenue
 - ❖ AACo's new Livingstone Beef processing facility is commercially operational
- ❖ Building our brands is the next stage of transforming and growing our business

