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ASX RELEASE

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Flood Update

Lindsay Australia Limited's operating divisions, Lindsay Transport and Lindsay Rural have been impacted directly and indirectly by the floods in Queensland which culminated in a significant flood in Brisbane.

Direct Impacts

Damage/Destruction

Head Office Rocklea

The ground floor was inundated and power loss to the building. Office Equipment (excluding Computer Equipment) and some records have been damaged, lost or destroyed. The Group's central servers are not located at Head Office and there is no impact on the Groups Information and Communication systems. This building is a leasehold property.

Lindsay Transport Rocklea

This depot was extensively damaged and office equipment, records, workshop equipment, and coldrooms damaged, lost or destroyed. In addition a small number of forklifts, prime movers and trailers were inundated resulting in damage to these assets. The amount of prime movers and trailers affected represents less than 2% of fleet. This building is a leasehold property. The National Transport Office has not been impacted.

Lindsay Rural

The Gatton store was partially inundated with office equipment, records, plant and equipment and stock damaged, lost or destroyed. This building is a leasehold property.

Lindsay Rural's central distribution warehouse (located at Cambridge Street Rocklea with the Group's head office) incurred very minor water inundation (it is at a higher level), however at present there is no power to the site.

Recovery

Head Office

A temporary head office has been established in Acacia Ridge and is operational as of 8.00 am today. Information and Communications systems have been established and the site connected to the Group's central servers. Operations will be slightly impaired.

Lindsay Transport

A temporary depot has been established in Acacia Ridge and was operational on Thursday night (13 January 2011). While some operational capacity has been impaired operations will not be significantly impacted. Some operational requirements will be transferred to other depots.

Lindsay Rural

Flood damage has been rectified and the Gatton store is back operating.

Property Damage

The respective owners of the Head Office Building and Brisbane Depot are currently assessing damage and will be required to instigate repairs. Abatement of rent is applicable.

Insurance

The Group holds comprehensive Industrial Special Risks policies which cover non-motorised plant and equipment, coldrooms and stock. The Group also holds comprehensive motor vehicle insurance for prime movers, trailers, forklifts and rigid trucks. As these vehicles have been damaged in one incident repairs or vehicle write-offs are covered by insurance subject to an excess of \$100,000. Loss assessors are currently inspecting the vehicles and procedures are in place to fast track repairs.

Indirect Impacts

The Group derives approximately 65% of revenues from the horticultural sector in various regions throughout the eastern area of Australia. The extent that demand for services and products of the Group has been impacted by the floods cannot be assessed at this stage. Preliminary investigations with growers indicate that tree crops have not been significantly impacted by the floods. Small crops losses have been incurred in some areas however the regeneration time for these crops is short. In respect of the Transport division the Group in the last year has significantly increased its operations in North Queensland. North Queensland has not been significantly impacted by the recent weather events. Water availability in many areas which the Group operates is now excellent and will stimulate demand for Rural products as growers plant and rebuild.

The Group does not expect to incur any significant increased operating costs from the temporary Brisbane Depot and Head Office.

Yours sincerely



Graham Johnston
Company Secretary