



Australian Agricultural Company Limited
ABN 15 010 892 270

3rd Quarter Update: AAco in the global context

ASX Announcement No. 62/2011

14 October 2011

Following is a presentation to be delivered to institutional investors by David Farley, Managing Director and Chief Executive Officer, and Phil Beale, Chief Financial Officer, commencing 14 October 2011.

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Issued by:

Bruce Bennett
Company Secretary
www.aaco.com.au

AAco

Australian Agricultural Company Limited – AAco (ASX:AAC) – is the largest beef cattle company in Australia. AAco was established in 1824 and is one of the oldest companies in Australia.

For media queries please contact:

Marsha Cadman or Bruce Ruddy
Rowland.
07 3229 4499

3rd Quarter Update: AAco in the global context

David Farley

14 October 2011



AAco in the global context

- AAco harnessing global conditions
 - AAco herd growing in contrast to global decline
 - Global demand for protein driving pricing increases
 - Live export situation secured
- AAco well positioned
 - Herd growth strong with ideal seasonal conditions
 - Well executed strategic initiatives are realising benefits
 - Stable to slightly ascending land values.

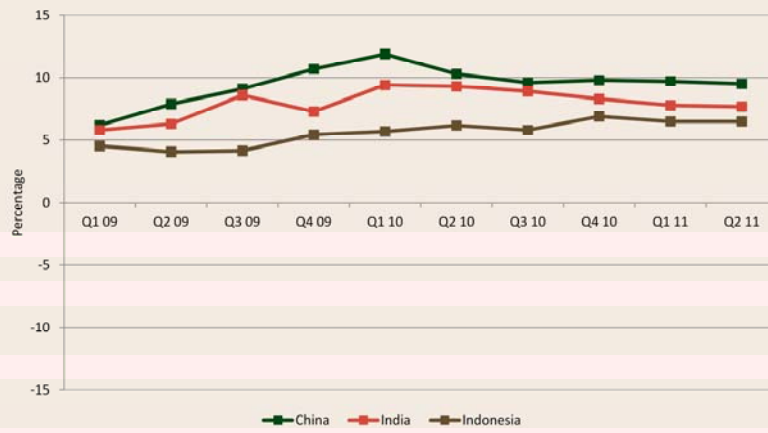


AAco 2011

AAco harnessing global conditions



Annual GDP growth rates



Developing nations



Trading Economics 2011

AAco 2011

Annual GDP growth rates



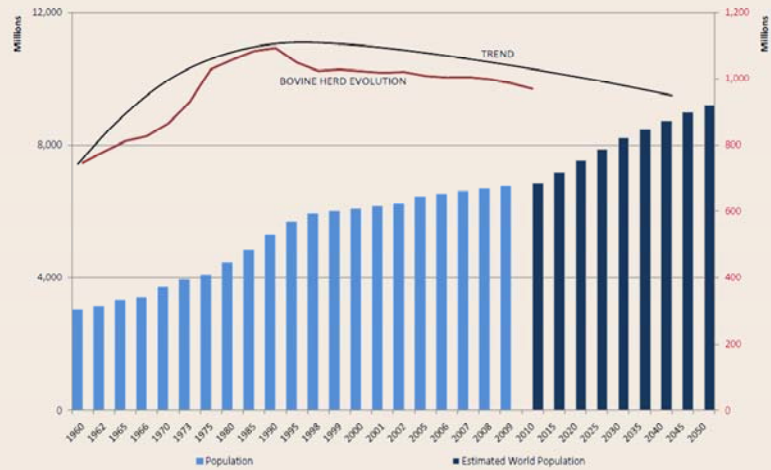
Developed nations



Trading Economics 2011

AAco 2011

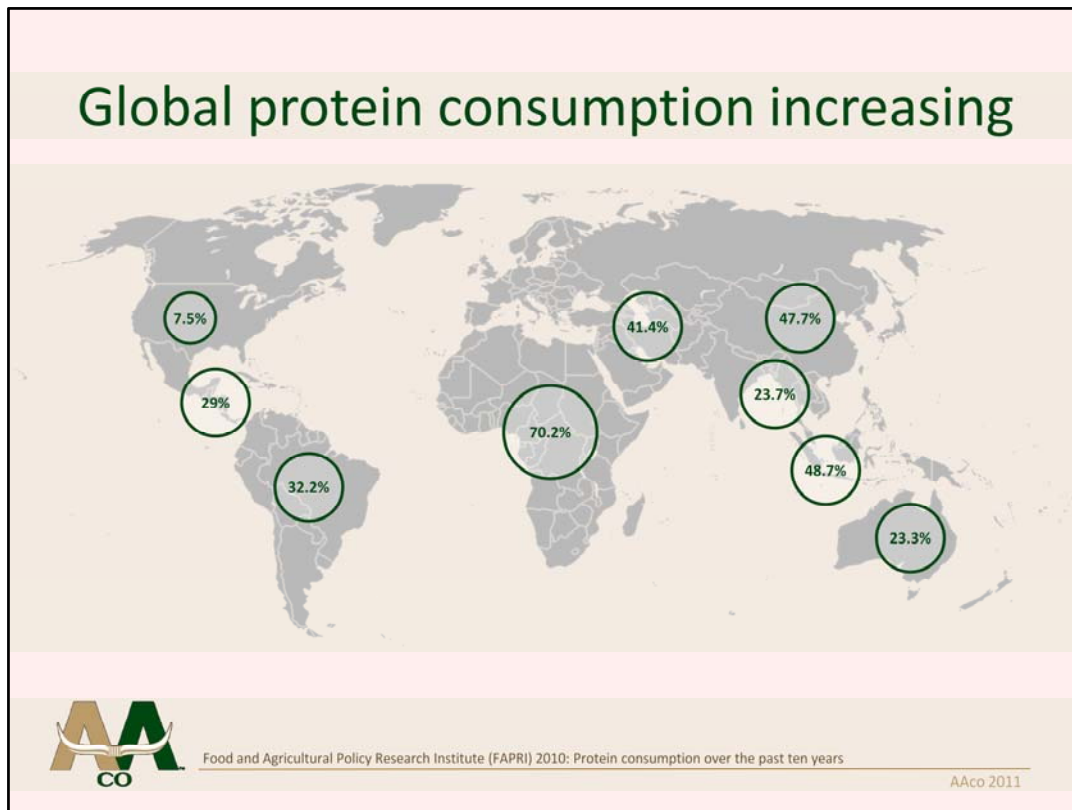
World population growth continues



US Census Board 2011

AAco 2011

Population growth combines with the decrease in herd number and increasing protein consumption to provide an opportunity for AAco.



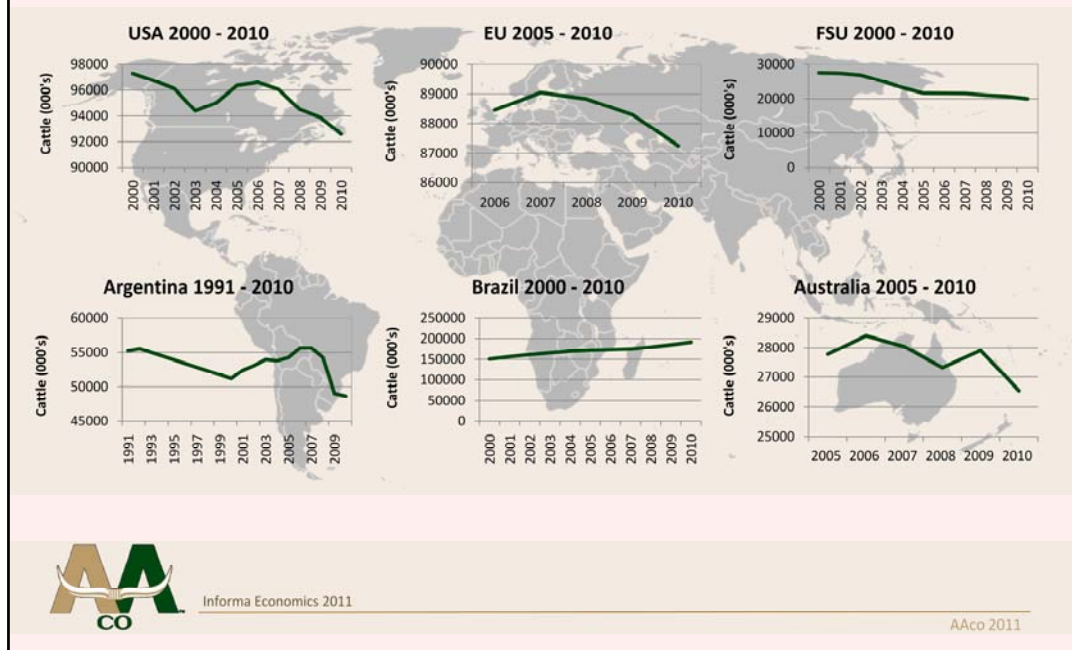
Global protein consumption

A shift in global dietary patterns is taking place.

Increased incomes and living standards are enabling the expanding global middle class to adopt higher protein diets.

Global consumption of livestock products is increasing, driven mainly by substantial growth in meat and dairy consumption in developing nations.

Global herd decreasing



Cattle numbers

US

Weekly cow kill is at its highest since 1997.

Longer term, this rate is unsustainable, and they will have to import – supporting prices.

US herd is at its lowest level for 60 years. Contraction forecasted to continue until 2013.

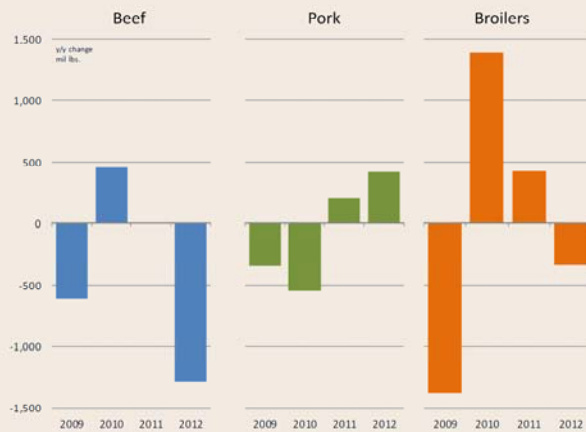
Argentinean cattle numbers won't return to pre-liquidation levels for at least 10 years (Argentinean Catholic University).

- The Argentinean cattle herd fell by 10 million head between 2007 and 2011
- Negative government policies focused on increasing low-priced beef supplies to the domestic market
- Severe drought in 2009
- Relatively small player in the global trade, as beef supplies remain very low.

Breeding rates

Argentina: 50% in the more marginal northern region, and 69% in the highly productive central 'pampa' region – historically the most important cattle production area in Argentina. Expected to continue to be a supplier of young cattle to the central 'pampean' zone.

Forecast US protein production



Year/year change in beef, pork and broiler production



CME Group 2011

AAco 2011

The latest USDA WASDE report includes some major revisions to forecasts for US beef, pork, and poultry supplies in 2012.

USDA currently expects a major reduction in beef and broiler supplies for 2012 and slight increase in pork output.

The current forecast for total US beef production for 2012 is 25.135 billion pounds. This is 1.285 billion pounds or 4.9% lower than 2011.

The forecast for US broiler production in 2012 is 36.604 million pounds, 0.9% lower than in 2011.

The projection for US pork supplies in 2012 is 23.074 billion pounds, 110 million pounds higher than the September forecast.

US influences



US Restaurant Performance Index



Informa Economics 2011

AAco 2011

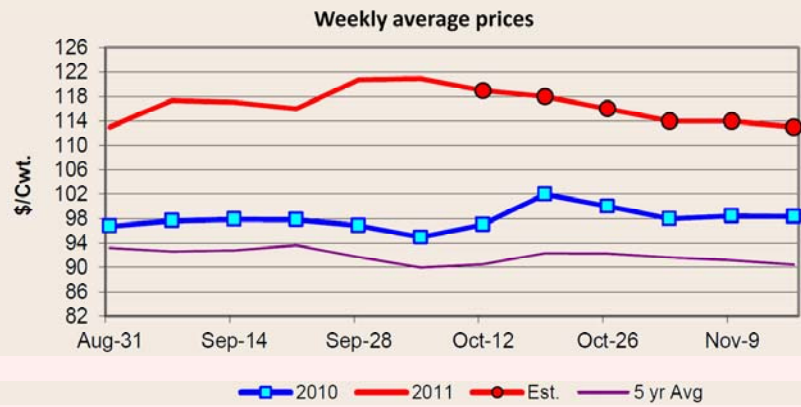
US influences

This index tracks the health of, and outlook for, the U.S. restaurant industry and is an indicator of overall consumer confidence.

Importantly, the industry's 2011 performance is a substantial improvement over 2008-2009.

This positive trend was recently burdened with the debt ceiling crisis and the downgrade in the nation's credit rating.

US influences



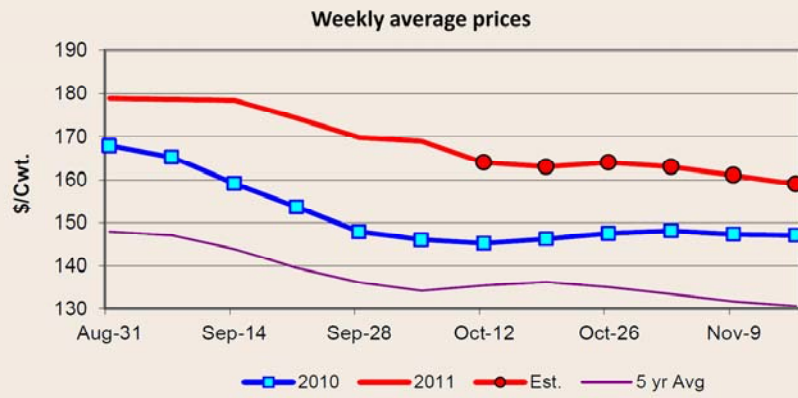
Texas Panhandle Cattle



Informa Economics 2011

AAco 2011

US influences

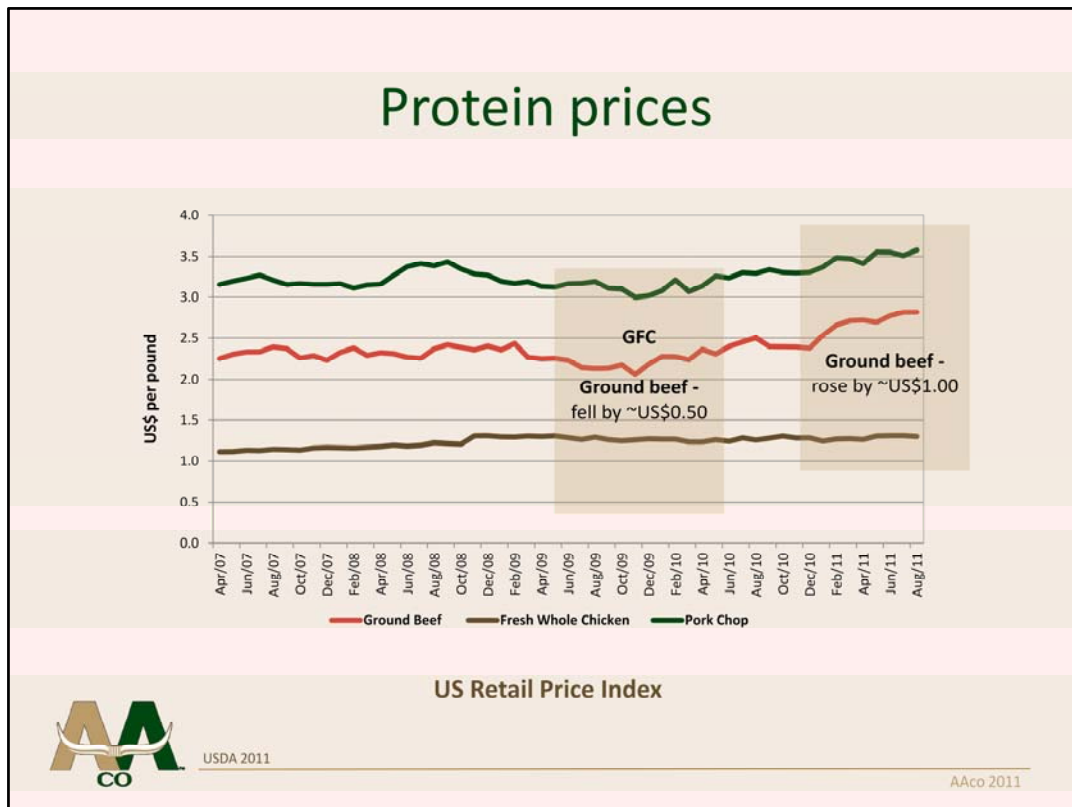


90% Lean Fresh Beef Trimmings



Informa Economics 2011

AAco 2011



US Retail Price Index

Beef price fell by less than US\$0.50/lb during the GFC and has since risen by approximately US\$1.00, twice the increase in pork prices.

Protein prices

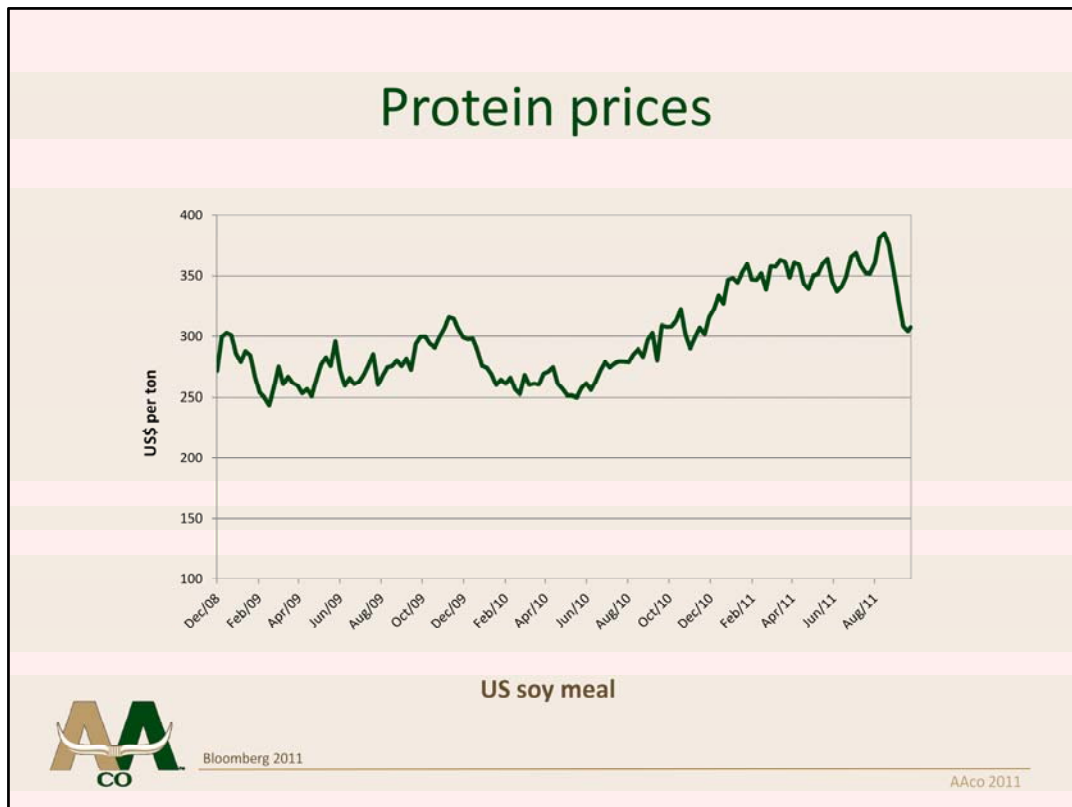


CME Meat Price Series



Bloomberg 2011

AAco 2011



US soy meal

Soy meal experienced a significant price fall following a revised USDA crop forecast this week.

Price movement against the fundamentals of tightness of supply versus global demand, particularly for protein.

Revised USDA forecasts regarding reduced harvest should see a price uptick.

Protein prices



Japanese Grassfed Fullset



MLA 2011

AAco 2011

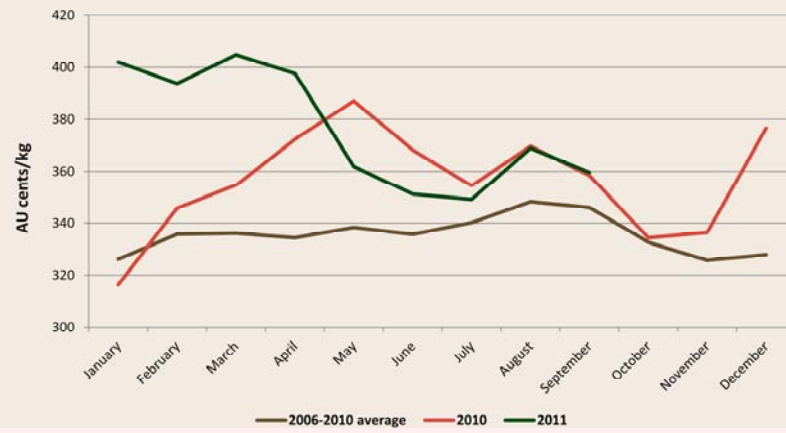
Japanese Grassfed Fullset

Japan is AAco's largest and most important beef export market.

Prices dipped as a result of the impacts of the Fukushima earthquake.

Positive price trend following radiation found in Japanese domestic meat supply and concerns radiation leaks from the Fukushima Dai-Ichi nuclear power plant may spread further.

Protein prices



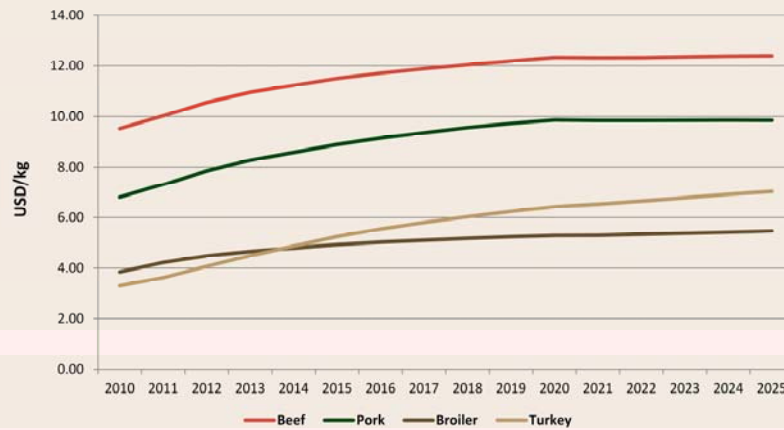
Australian beef export prices to the US



Steiner Consulting Group 2011

AAco 2011

Forecast continued increase



Forecast retail prices



FAPRI 2010

AAco 2011

High demand for biodiesel and ethanol is forecast to hold many crops at historically high price levels, affecting livestock feed costs.

Increased appeal of beef: decline in relative cost of production of beef protein (compared to chicken and pork).

Continued strength in global meat prices, particularly beef, is projected over the next half decade.

Exchange rate



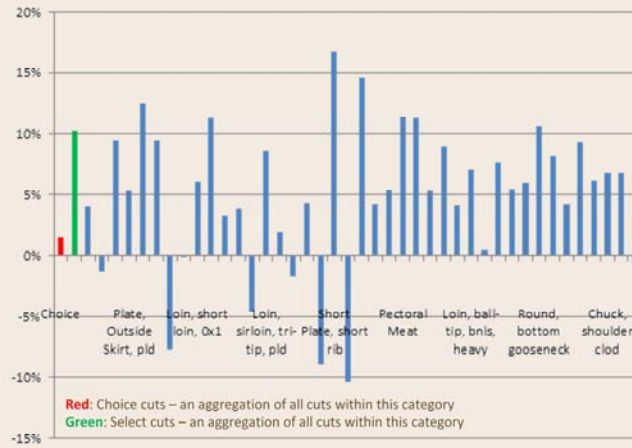
AUD/USD September 2011



Bloomberg, National Australia Bank 2011

AAco 2011

AUD impact on beef prices



USDA reported beef prices (ex works) move in AUD per kg from 16 September – 7 October 2011



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Domestic grain fed supermarket HSCW



AAco achieved and forward sale prices



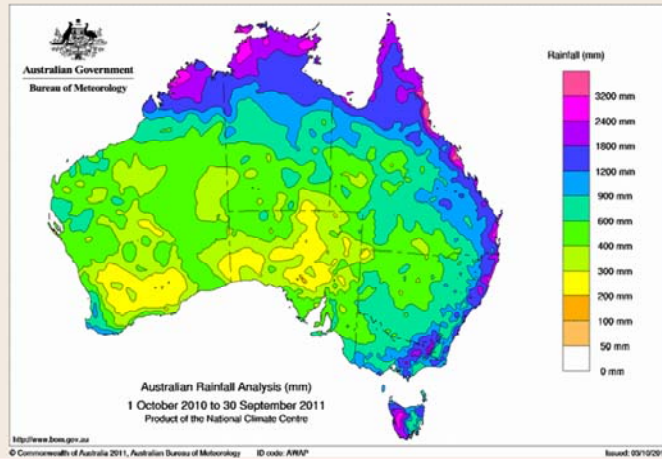
AAco 2011

AAco 2011

AAco well positioned



Strong seasonal rainfall

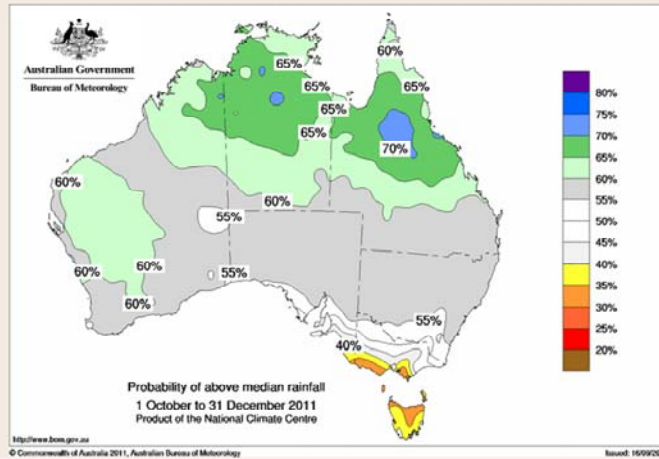


Commonwealth of Australia 2011, Australian Bureau of Meteorology

AACo 2011

Season is our key driver, without rain and grass AACo stops.

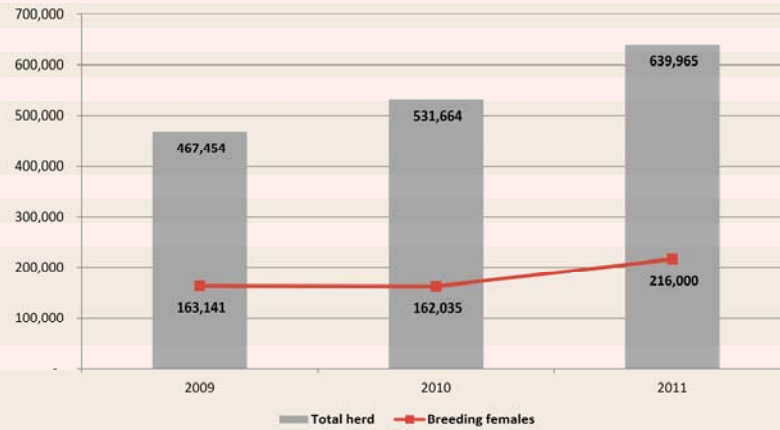
Positive outlook



Commonwealth of Australia 2011, Australian Bureau of Meteorology

AAco 2011

AAco's herd is growing



AAco, as at 30 September 2011, excludes calf accrual

AAco 2011

AAco cattle by breed



AAco's markets



EYCI 2010 v 2011



Ag Concepts Unlimited 2011

AAco 2011

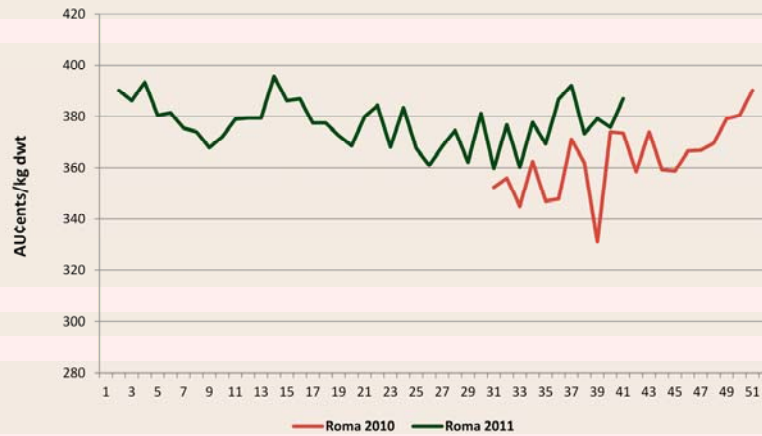
EYCI

The Eastern Young Cattle Indicator (EYCI) is the general benchmark of Australian cattle prices.

The EYCI includes vealer and yearling heifers and steers, grade score C2 or C3, 200kg+ liveweight from saleyards in NSW, QLD and VIC. The results are expressed in cents per kilogram carcase (dressed) weight (c/kg cwt).

This slide indicates improvement in prices 2011, when compared to 2010, and the anticipated increasing prices through to the end of the calendar year.

AAco's markets



Roma 2010 v 2011



Ag Concepts Unlimited 2011

AAco 2011

Roma

Roma Saleyards are Australia's largest cattle selling centre.

This slide again shows improvement in prices compared to 2010, and the last three months of the year should see a further increase in prices.

AAco's markets



NLRS Light Live Export Steer (benchmark)



MLA and AAco 2011

AAco 2011

AAco's markets



Australian beef export prices to the US



Steiner Consulting Group 2011

AAco 2011

Indonesian live trade

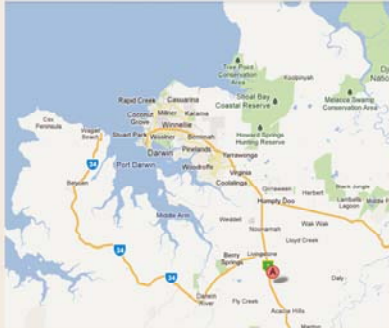


- AAco's compliant supply chain secured
- Investment in:
 - New yards and abattoirs
 - Stun technology
 - Audit and Welfare Officers
- Strong, committed progress from both Australian and Indonesian governments and industry



AAco 2011

Northern Territory abattoir



The abattoir will be situated at 360 Stuart Highway, Livingstone Valley, about 50km south of Darwin.

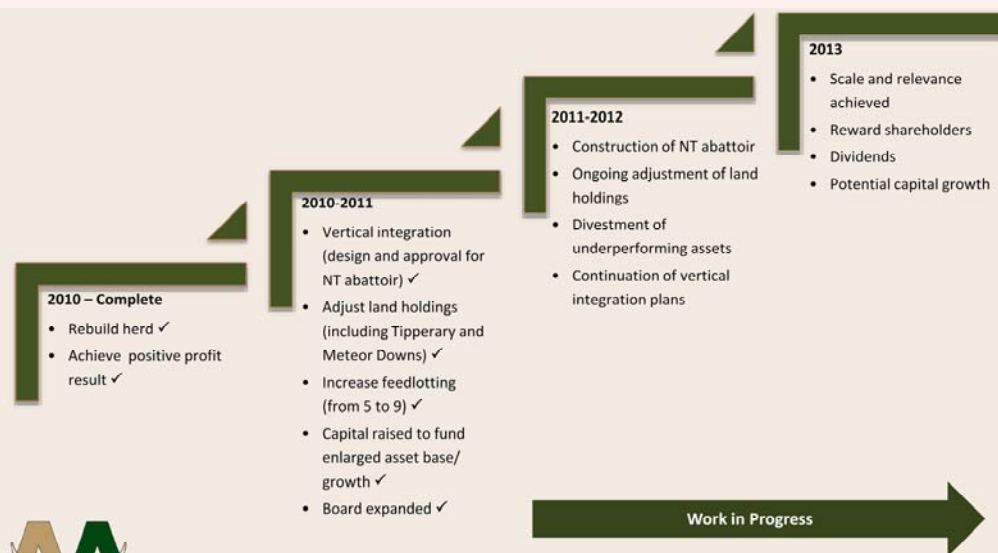
- Development application lodged September 30 2011
- Exhibition stage
 - Underway from 7 October – 4 November 2011
 - Includes community consultation period
- MeatEng appointed as process engineer and design firm



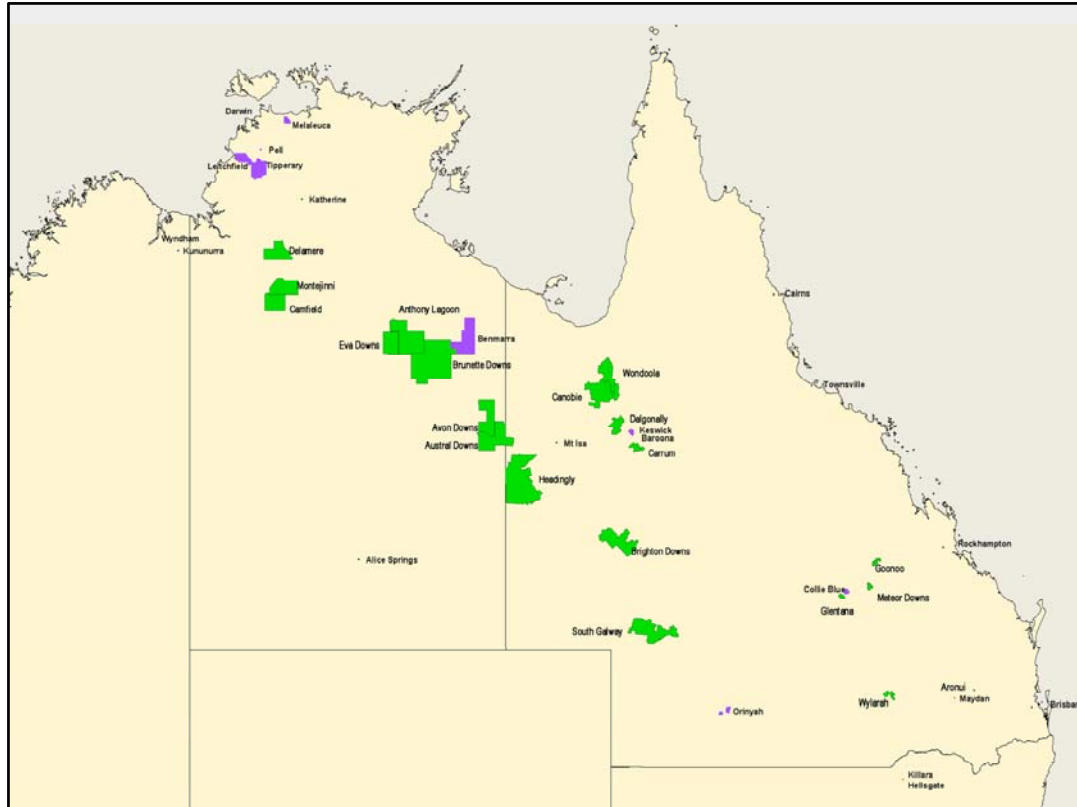
AAco 2011

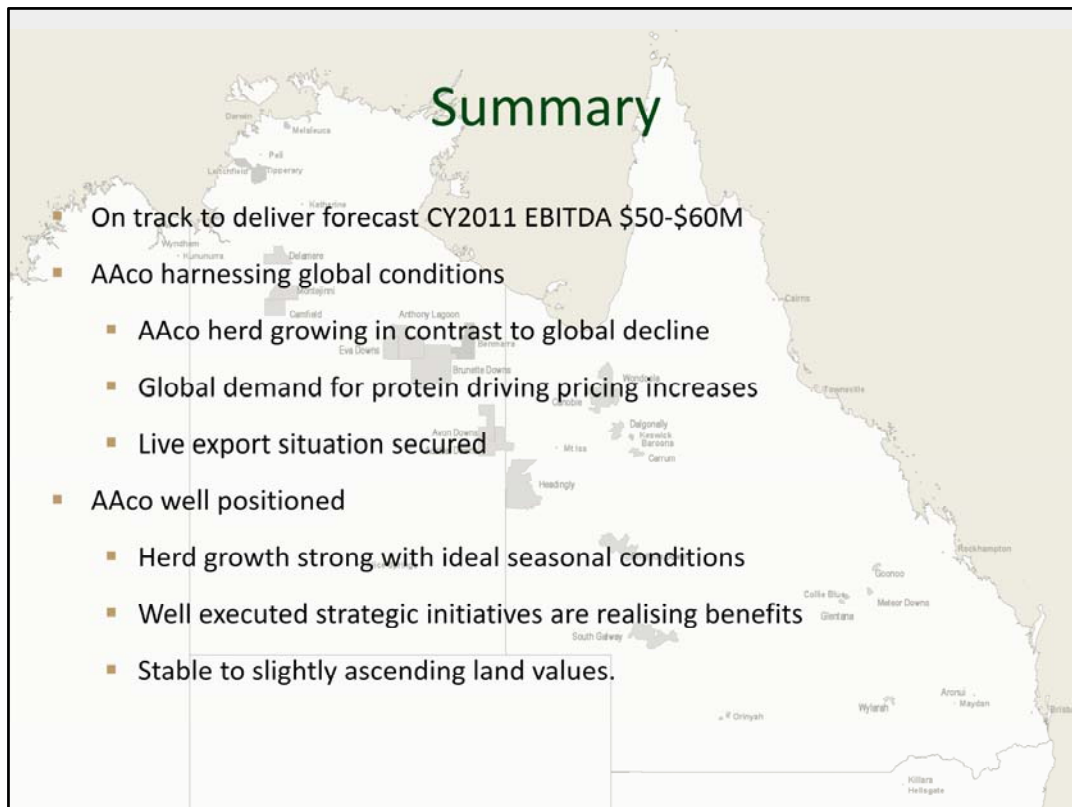
For further information: <http://www.aacnt.com.au>

3 year plan update



AAco 2011





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AAco 2011