



Australian Agricultural Company Limited
ABN 15 010 892 270

AACo Quarterly Operational Update

ASX Announcement No. 20/2013

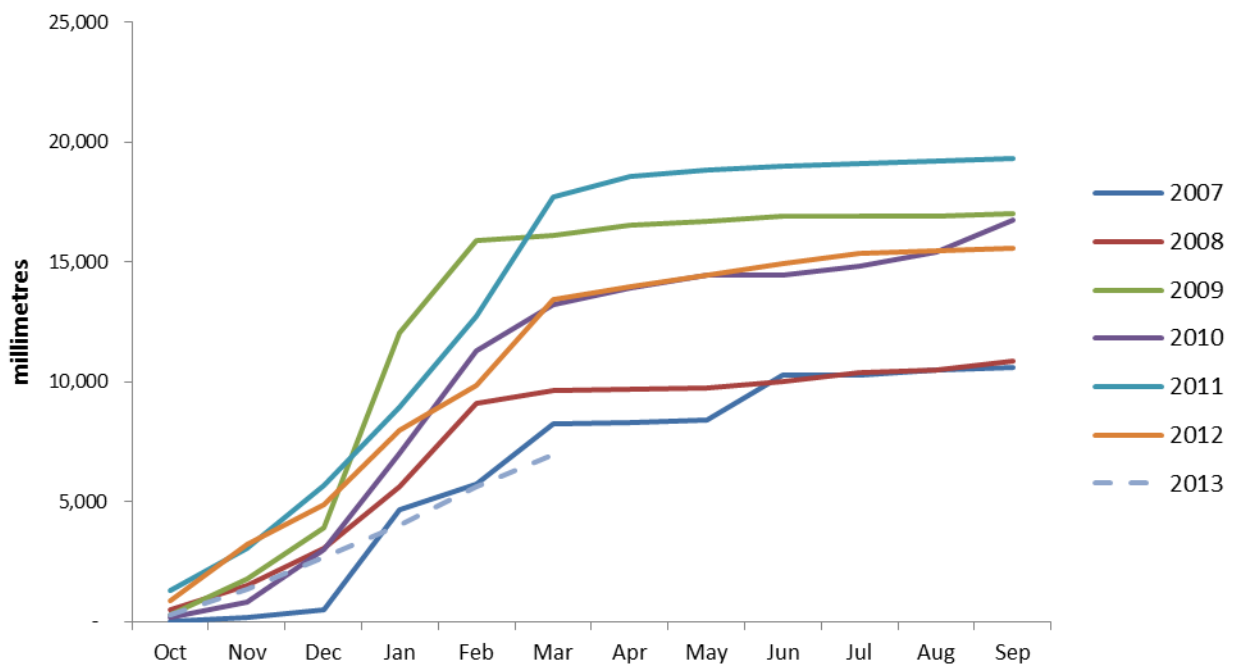
16 April 2013

The Australian Agricultural Company Limited (AACo) today announced a quarterly operational update.

Climate

Rainfall was well below average for AACo's northern Australia properties, and is now lower than the 2007 drought.

Figure 1: AACo properties cumulative rainfall



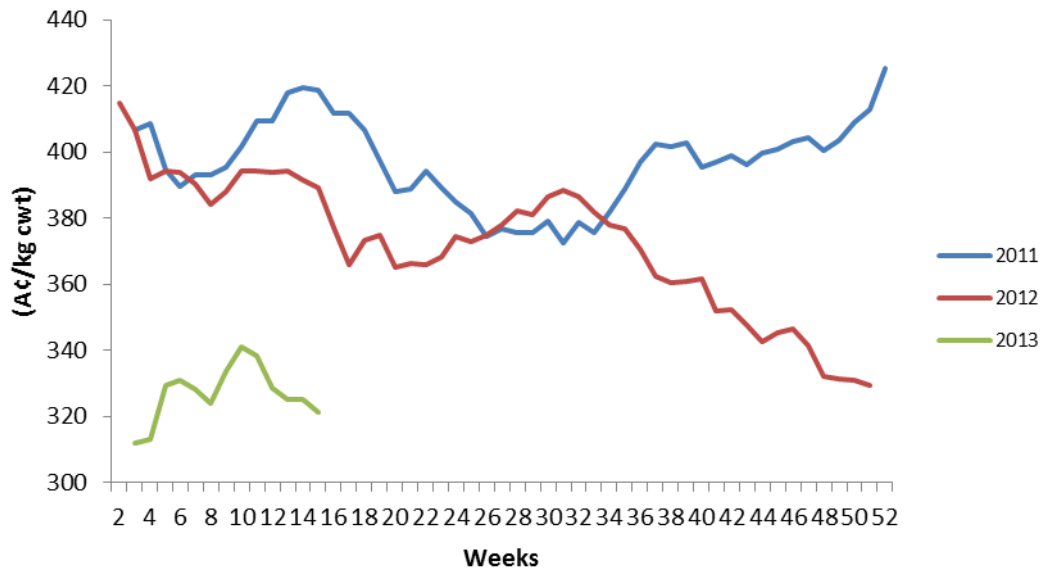
Markets

The weather is continuing to affect domestic cattle prices, with the benchmark Eastern Young Cattle Indicator (EYCI) tracking well below 2012 prices due mainly to a decline in demand for re-stocking cattle.

Prices also continue to be affected by the Federal Government's 2011 suspension of live exports to Indonesia and Indonesia's subsequent reduction in live cattle permits, together with the adverse impact of the continued high Australian dollar. Cattle which would have been destined for Indonesia are continuing to pressure the domestic market. All market categories have fallen significantly in value.

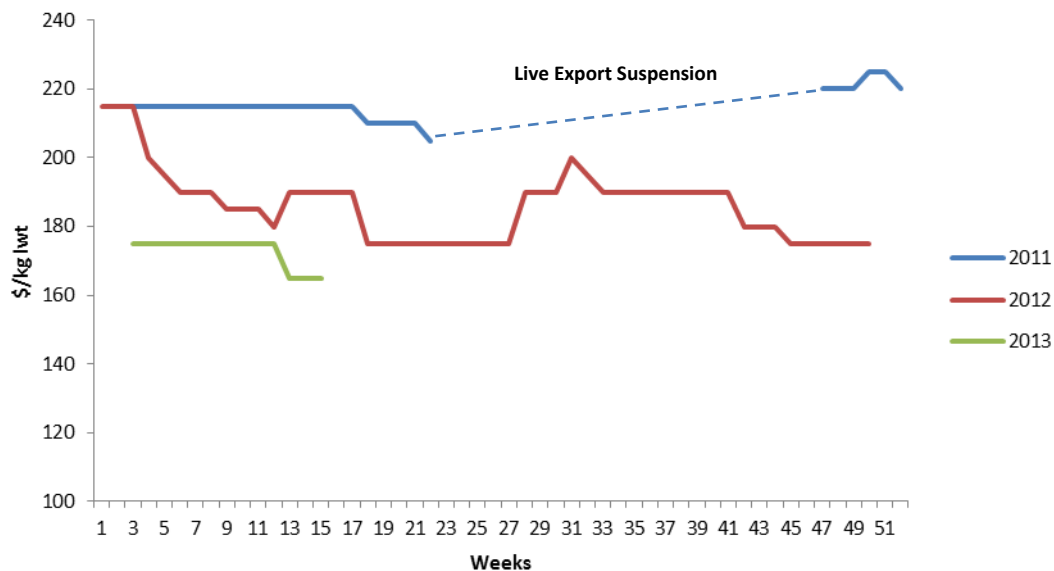
Due to the continued depression in domestic cattle markets, AACo expects to incur a negative non-cash mark-to-market impact on the valuation of the trading and breeding herds, the quantum of which is currently being reviewed.

Figure 2: Eastern Young Cattle Indicator (EYCI) 2011/13



Source: Meat and Livestock Australia

Figure 3: Indonesian Live export prices (ex Darwin)



Source: AgConcepts/AACo

Cattle Sales

AACo is monitoring the weather closely to determine its ongoing sales strategy and expects to update the market fully in mid May 2013 when the Company releases its financial results for the period 1 January 2013 to 31 March 2013.

	Grass Finished	Shortfed Grain Finished		Wagyu		Breeder and Feeder	Live Export	Total Sales	Average \$/head
	(head)	Internal (head)	External (head)	Internal (head)	External (head)	(head)	(head)	(head)	
Q1 2013	9,248	1,111	2,115	7,129	1,022	11,968	8,593	41,186	980
Q1 2012	2,860	179	4,063	6,972	1,986	1,082	12,504	29,646	1,255

Beef Sales

AACo's Beef Group had a 65 per cent increase in kilograms sold for the first quarter. The major contributors were larger numbers of AACo's signature 1824 beef brand and improved inventory management due to new customer and market development.

	Wagyu (kg)	Shortfed Grain Finished (kg)	Average Selling Price (per kg) on Total Sales
Q1 2013	1,909,227	2,386,270	\$8.76
Q1 2012	1,834,132	769,162	\$9.00

Farming Group

	Cotton Harvested (bales)
Q1 2013	15,120
Q2 2012	Nil

Note:

1. Cotton harvest in 2012 delayed due to seasonal conditions. No cotton bales were recognised in Q1 2012 result.
2. Ginning is yet to be completed on the 2013 cotton harvest. The yield estimates are based on current cotton ginning turnouts.
3. Wheat, chickpeas and sorghum not harvested in Q1 2013.

Release of Financial Results

AACo will release its financial results for the period 1 January 2013 to 31 March 2013 to the market in mid May 2013. As previously announced, AACo has moved to a new financial year-end reporting date of 31 March.

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