



Australian Agricultural Company Limited
ABN 15 010 892 270

Earnings Update

ASX Announcement No. 24/2013

3 May 2013

The Australian Agricultural Company Limited (AA Co) today announced the company's profit for the three months to 31 March 2013 would be adversely impacted by a non-cash, market-price related, accounting standards-driven writedown of the value of its herd expected to be approximately \$(43) million.

Under Australian accounting standard AASB141 Agriculture, AA Co's herd is valued on a mark-to-market basis using local and regional Australian prices. Domestic prices have been significantly depressed due to the Federal Government's 2011 suspension of live cattle exports and below-average seasonal conditions in northern Australia.

The majority of cattle marked down in value by the accounting standard are long life-cycle breeding cows and young grower cattle. The majority are not intended for immediate or near-term sale.

The company expects to report negative earnings before interest, tax, depreciation and amortisation (EBITDA) of between \$(58) million and \$(72) million for the three-month period, a \$60 to \$74 million reduction on the same three-month period in 2012.

Excluding the non-cash, market-price related herd valuation writedown, AA Co's EBITDA is expected to be in a negative range of \$(15) million to \$(29) million.

As advised on 16 April 2013, the northern wet season (November to March) has seen well below average rainfall. Seasonal conditions have brought to the market larger numbers of finished and unfinished cattle, affecting both cattle valuations and prices achieved for domestic sales.

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

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