



**Australian Agricultural Company Limited**  
**ABN 15 010 892 270**

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12 September 2013

**Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cwlth)**

This notice is given by Australian Agricultural Company Limited (ABN 15 010 892 270) ("**AACo**") under section 708AA(2)(f) of the *Corporations Act 2001* (Cwlth) ("**Corporations Act**").

On 12 September 2013, AACo announced a capital raising, comprising:

- (a) an accelerated non-renounceable pro-rata entitlement offer of 7 fully paid AACo ordinary shares ("**New Shares**") for every 10 AACo shares held as at 7.00pm (AEST) on 17 September 2013 by eligible shareholders with a registered address in Australia or New Zealand and any other jurisdictions in which it is decided to make offers ("**Entitlement Offer**"); and
- (b) the issue of subordinated convertible notes to an existing substantial shareholder of AACo ("**Convertible Notes**"),

(together, the "**Capital Raising**").

This notice is given in respect of the Entitlement Offer.

AACo confirms that:

- (a) the New Shares will be offered for issue without disclosure under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act;
- (c) as at the date of this notice, AACo has complied with:
  - (i) the provisions of Chapter 2M of the Corporations Act as they apply to AACo; and
  - (ii) section 674 of the Corporations Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act; and

- (e) the potential effect the Entitlement Offer will have on the control of AACo, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings, however the primary consequences are that:
- (i) if all eligible shareholders (other than IFFCO Poultry Co Sdn Bhd (discussed below)) take up their pro-rata entitlement to New Shares, the Entitlement Offer would have no material effect on the control of AACo because no person will increase their voting power beyond 20% as a result of the Entitlement Offer (noting that the AA Trust's (defined below) percentage ownership of AACo may increase up to a maximum of 19.99% as a result of the Entitlement Offer and its priority sub-underwriting commitment – see below for more information); or
  - (ii) if some eligible shareholders (in addition to IFFCO Poultry Co Sdn Bhd) do not take up their full pro-rata entitlement, such shareholders' ownership would be diluted relative to those who did take up their full pro-rata entitlement (and potentially also applied for additional New Shares through either the institutional shortfall bookbuild or retail oversubscription facility (as applicable)).

The Investor Presentation (which AACo filed with ASX today) and the Retail Offer Booklet (scheduled for release to ASX on 20 September 2013) also describe the potential control consequences of the Entitlement Offer, including the underwriting and sub-underwriting arrangements.

#### **Entitlement Offer**

If eligible AACo shareholders elect not to take up their full pro-rata entitlement, such New Shares will:

- in the case of the institutional entitlement offer, (i) first be allocated to the AA Trust (defined below) in accordance with the priority sub-underwriting commitment up to a maximum total shareholding of 19.99%, (ii) second used to satisfy valid applications for additional New Shares under the institutional shortfall bookbuild (beyond the AA Trust's priority sub-underwriting commitment) and, (iii) if not taken up under the priority sub-underwriting arrangements or institutional shortfall bookbuild, may ultimately be placed to the underwriter and, by extension, to one or more general sub-underwriters; and
- in the case of the retail entitlement offer, (i) first be used to satisfy valid applications for additional New Shares under the retail oversubscription facility and, (ii) if not taken up under the retail oversubscription facility, may ultimately be placed to the underwriter and, by extension, to one or more general sub-underwriters.

IFFCO Poultry Co Sdn Bhd, a 16.9% institutional shareholder prior to the announcement of the Entitlement Offer, has advised AACo that it will not take up any part of its pro-rata entitlement and therefore will not participate in the Entitlement Offer.

Southeast Point Limited (an associate of Mr Joseph Lewis, the principal investor and controller of the Tavistock Group), recently transferred its 13.5% shareholding in AACo to the AA Trust, a revocable discretionary trust established in The Bahamas, which is ultimately controlled by Mr Lewis ("**AA Trust**"). The trustee of the AA Trust is Mr Bryan Ginton. As such, the AA Trust currently holds an interest in AACo of 13.5% at the date of this notice. The AA Trust does not control AACo.

The AA Trust has committed to take up its pro-rata entitlement in full and to provide a priority sub-underwriting commitment in respect of the institutional component of the Entitlement Offer. The AA Trust's percentage ownership of AACo will not exceed 19.99% as a result of the Entitlement Offer and the sub-underwriting commitment.

## Convertible Notes

As announced to ASX today, the AA Trust will also subscribe for the Convertible Notes. The Convertible Notes, if converted in full, would entitle the holder to acquire additional AACo shares representing 11.6% of the total issued share capital of AACo on a fully diluted basis (ie including all of the New Shares to be issued under the Entitlement Offer and new shares which would be issued upon full conversion of the Convertible Notes, assuming no other securities issues and no adjustments to the initial conversion price under the terms of the Convertible Notes).

If the AA Trust's interest in AACo increased to 19.99% as a result of the Entitlement Offer and sub-underwriting (being the maximum permitted shareholding as noted above), the AA Trust's interest in AACo could increase to 29.2%, if the Convertible Notes were converted in full (assuming no other issues of securities by AACo and no adjustments to the initial conversion price under the terms of the Convertible Notes).

The AA Trust's rights of conversion will be subject to the terms of the Convertible Notes and compliance with applicable law, including Part 6.2 of the Corporations Act 2001 (Cth), and the AA Trust's ability to convert the Convertible Notes will be restricted by these provisions.<sup>1</sup>

Further details regarding the Capital Raising are set out in the investor presentation and ASX announcement released today.

Yours sincerely



**Bruce Bennett**

Company Secretary

For and on behalf of Australian Agricultural Company Limited (by authority of the Board)

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<sup>1</sup> For example, the AA Trust may need to rely on the "3% creep" rule in section 611 item 9 of the Corporations Act 2001 (Cth) to exercise conversion rights.