



Media / ASX Announcement

11 February 2019

Impact of Queensland Floods

The Board of Australian Agricultural Company Limited ('AACo')(ASX:AAC) today confirmed heavy rain and severe flooding throughout northwestern Queensland had severely impacted four of AACo's 21 properties. The four properties have been subject to unprecedented levels of flooding not seen before in the Gulf region.

Our immediate focus is on our people, the welfare of our animals and the tight knit communities in which we operate. The full effects of the flood are being managed and measured in real time.

Management will continue to monitor the situation closely and take all possible steps to mitigate the impact on operations. All our staff and their families on the impacted properties are safe. People safety and animal welfare, as well as support for our local communities, will continue to be of the highest priority.

Of AACo's Gulf properties, Wondoola station has been most affected and its current herd of approximately 30,000 head of mainly composite cows and their calves is expected to sustain extreme losses. Canobie, Dalgonally and Carrum stations have a total current herd of approximately 50,000 head of mainly composite cows and their calves, and is expected to sustain lower but still material losses.

Current conditions are still challenging and a credible assessment of the impact on livestock and infrastructure will only be possible once the flood waters have started to recede. This is likely to occur over the coming weeks, noting there is still a possibility of further wet season storms.

South-western Queensland and the Barkly in the Northern Territory, where the majority of AACo's properties are located, continue to experience below average rainfall for the season and extreme heat conditions. As flagged in the Company's half-year results, the seasonal conditions will significantly increase station operating expenses, particularly grain, feeding and transport costs.

The overall impact of these seasonal conditions on the Company's financial earnings for the 2019 financial year (ending March 2019) is expected to be material, and management is currently working through an evaluation of the situation. An update will be provided when further assessments from the ground are available.

The current operating conditions are not expected to affect the Company's ability to fulfil supply obligations or the rollout of its branded beef strategy, which continues as a key focus. While we are still assessing the impact of this tragic situation, our balance sheet and financial position remains strong.

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