

## AHF – Farms Update

- **Farms conditions for AHF positive.**
- **Excellent rain falls in location of farms (366 m in last 3 months alone for Brucknell farms and newly contracted Yaringa farm at Nirranda).**
- **Golden triangle of South West Victoria not experiencing drought conditions.**
- **Substantial investment in pasture over last 4 years yielding very positive pasture results – see pictures below.**

There have been considerable recent local and national news coverage regarding adverse and in many cases crippling drought conditions and the resultant effects on farmers and livestock. The Group has received several inquiries as to the condition of the farms owned by Australian Dairy Farms Group.

We are pleased to be able to advise that our farms are in very good condition in fairly typical Autumn /Spring condition with strong grass growth being enhanced with very good rains in South Western Victoria where the farms are located.

The Board and Securityholders will be very thankful for the good conditions favouring our properties while also being concerned for farmers and livestock in other dryer regions who are experiencing such devastating drought conditions.

The pictures in this announcement are typical of the region in South West Victoria and were taken in the last two weeks by farm managers in the Brucknell district.

### Excellent Quality Farms in Relatively Drought Resistant Region

The first essential criteria for a successful strategy for dairy farming is to start with great farms. Then it is necessary to build reliable water storage, drainage and where possible irrigation infrastructure to – as far as possible - provide insurance against the adversity Mother Nature at some stage always delivers. The Group has invested significant capital in pasture over last 4 years yielding very positive pasture results all of which has been expensed over last 4 years, rather than capitalized.

Investors who joined the AHF register in the early years in 2014 will recall the regular reference in publications about the Golden Triangle of South West Victoria. It is in times of adverse weather and environmental conditions that the Golden Triangle name has real meaning. These pastures are harvested and the harvest is stored as hay and silage for the coming months and to help to maintain livestock through the normally dry summer and minimise purchased fodder. Every bit of fodder harvested now will be consumed in the dry months from December until the “Autumn Break” arrives in April or May to again water the paddocks and refill the dams.

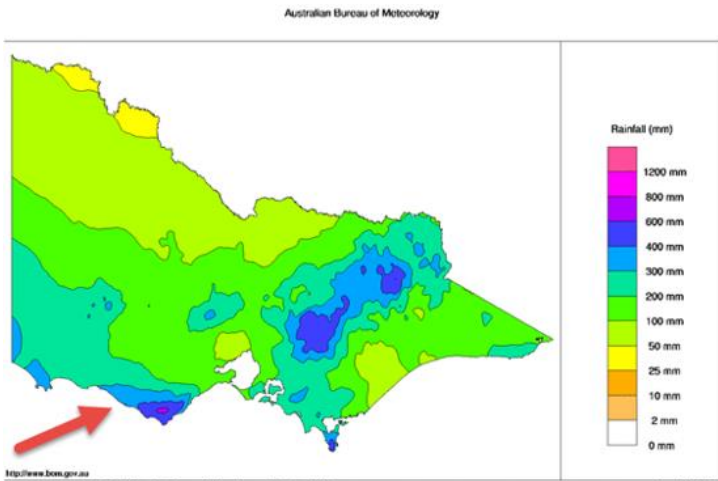
The following photos show the Brucknell farms and the rainfall statistics for the region from the Australian Bureau of Meteorology.



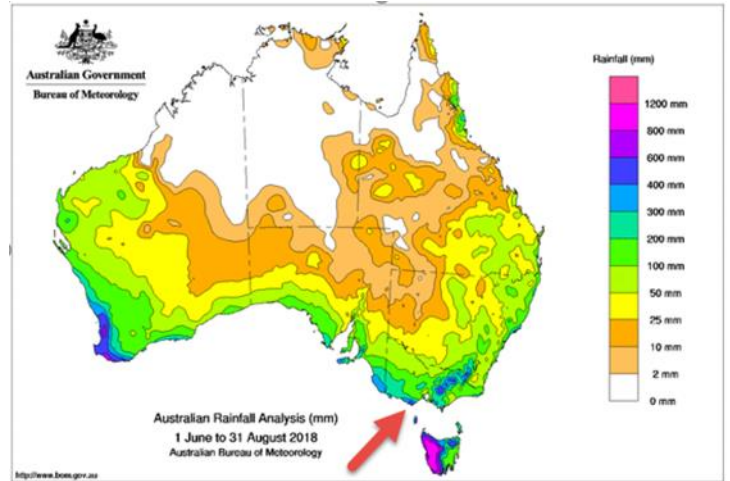
**Above:** Strong grass growth in pastures



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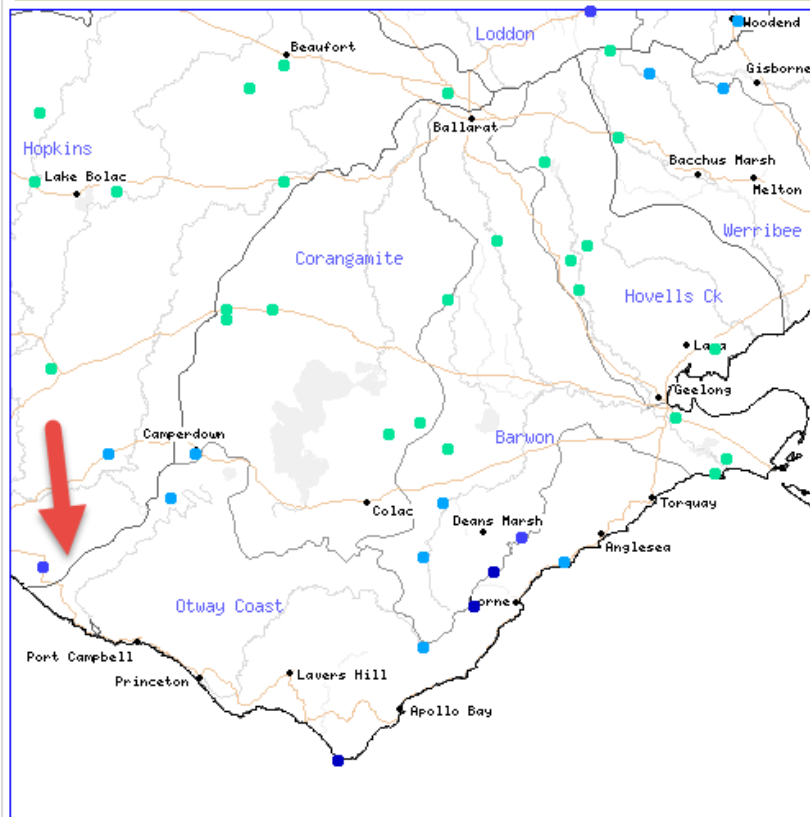


Above: Victorian rainfall occurred from 1 June to 31 August 2018



Above: Australian rainfall from 1 June to 31 August 2018

90035	COLAC (MOUNT GELLIBRAND)	183.4	173.7	-1.00	143.79	38.23	261	18
90077	NULLAWARRE	366.2	305.6	80.87	142.75	38.47	55	116
90077	TERANG	251.4	255.2	49.14	142.92	38.24	131	117
90176	MORTLAKE RACECOURSE	184.6	183.0	47.83	142.77	38.07	130	24
90180	AIREYS INLET	200.0	199.8	52.17	144.09	38.46	95	24
90181	CAMPERDOWN	262.6	250.2	-1.00	143.14	38.24	195	16
90183	HAINES JUNCTION (MOUNT SABINE)	271.4	563.5	-1.00	143.73	38.63	583	16
90185	LORNE (MOUNT COWLEY)	519.4	444.9	-1.00	143.86	38.55	657	18
90187	BOONAH	301.8	275.1	-1.00	143.98	38.41	NA	18
90188	BENWERRIN	405.4	358.6	-1.00	143.91	38.48	NA	14
90189	BARWON DOWNS (GERANGAMETE)	268.6	213.5	-1.00	143.73	38.45	NA	16



Above: Rainfall in direct area of farms from 1 June to 31 August 2018

## AUSTRALIAN DAIRY FARMS GROUP

Ends.

## Further Details

For additional company information or media enquiry matters please contact:

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## Communications Policy

*As a policy, because of the heavy demands on limited management resources and to ensure compliance with continuous market-wide disclosure regulations, AHF does not respond to individual security holder communications regarding the management of the business, the company or with respect of any opinion or analysis that is not contained in market releases and released financial reports.*

*AHF makes ASX market releases at times directors believe it would be helpful or necessary for investors and as required by the Listing Rules. For further information regarding our shareholder communications policy, please refer to AHF's website: [www.adfl.com.au](http://www.adfl.com.au)*

## About Australian Dairy Farms Group

**Australian Dairy Farms Group (AHF)** was the first ASX listed dairy farmer. Its initial focus was on aggregating high-quality dairy farms in Victoria, initially in the South Western region with particular emphasis initially, on the famous Dairy Golden Triangle region of South West Victoria between Warrnambool and Colac south of the Princes Highway to the coast around Port Campbell.

In April 2016 the Group completed the acquisition of Camperdown Dairy Company Pty Ltd - ACN 140 640 606 (Camperdown Dairy) – see announcement on <http://www.adfl.com.au/announcements>.

**Australian Dairy Farms Group** is listed as a stapled security comprising one fully paid share in **Australian Dairy Farms Limited (the Company)** and one fully paid unit in **Australian Dairy Farms Trust (the Trust)**. Within the structure, the Company is the operator and manager of the dairy farm properties, which are leased from the Trust as the registered owner.

## Disclaimer – Forward Looking Statements

*This announcement may include “forward looking statements” within the meaning of securities laws of applicable jurisdictions. These forward-looking statements are not historical facts but are based on AHF's current expectation, estimates and projections about the industry, in which it operates, and beliefs and assumptions. Forward looking statements may include indications of, and guidance on, future earnings or distributions and financial position and performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of AHF, and its officers, employees, agents, or associates, that may cause actual results to differ materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and AHF assumes no obligation to update such information.*