

22 February 2017

**NOTICE TO INELIGIBLE SHAREHOLDERS**

Dear Shareholder,

**Ruralco Holdings Limited \$65 million Pro Rata Accelerated Non-renounceable Entitlement Offer and Placement**

On Wednesday, 15 February 2017, Ruralco Holdings Limited (**Ruralco**) announced a pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new fully paid ordinary shares in Ruralco (**New Shares**) at an offer price of \$2.66 per New Share (**Offer Price**) to raise up to \$35 million. The Entitlement Offer is being undertaken along with a placement of New Shares to institutional investors to raise up to \$30 million (**Placement**, and together with the Entitlement Offer, the **Offer**).

Under the Entitlement Offer, Ruralco will offer eligible existing shareholders (**Eligible Shareholders**) the opportunity to subscribe for 1 New Share for every 6 existing Ruralco shares held on the Record Date of 7.00pm (AEDT) on Friday, 17 February 2017 (**Record Date**).

The Offer is joint lead managed by Insight Capital Advisors Pty Ltd (**Insight Capital Advisors**) and Wilsons Corporate Finance Limited (**Wilsons**). Insight Capital Advisors has also acted as Capital Markets Advisor to Ruralco.

**Why are we sending you this letter?**

This letter is to inform you about the Entitlement Offer and to explain to you why you will not be able to subscribe for New Shares under the Entitlement Offer.

**No action required**

This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter.**

**Details of the Offer**

The New Shares issued under the Offer will comprise up to approximately 24.5 million New Shares. The final number of New Shares issued, and therefore the total amount raised under the Offer, will depend on the extent to which New Shares are applied for under the Placement and the Entitlement Offer.

The funds raised under the Offer will be principally applied to fund Ruralco's portfolio of announced acquisitions in line with its Future Farming Strategy and to provide enhanced balance sheet flexibility.

The Entitlement Offer comprises an offer to eligible institutional shareholders (**Institutional Entitlement Offer**) and an offer to eligible retail shareholders to participate at the same Offer Price and offer ratio (**Retail Entitlement Offer**). The Entitlement Offer is being made pursuant to section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), meaning that no prospectus needs to be prepared in relation to the Entitlement Offer. The Institutional Entitlement Offer and Placement have already been completed and raised approximately A\$52.5 million.

## Details and eligibility of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to eligible retail shareholders (as defined below) on the basis of 1 New Share for every 6 existing Ruralco shares held at 7.00pm (AEDT) on the Record Date. An information booklet in relation to the Retail Entitlement Offer (**Retail Information Booklet**) will be despatched to Eligible Retail Shareholders on or around Wednesday, 22 February 2017.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of existing Ruralco shares as at 7.00pm (AEDT) on the Record Date;
- as at the Record Date, have a registered address in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Ruralco shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as ineligible institutional investors under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Shareholders who are not Eligible Retail Shareholders and who did not participate in the Institutional Entitlement Offer are ineligible shareholders and are consequently unable to participate in the Retail Entitlement Offer.

The restrictions upon eligibility to participate in the Retail Entitlement Offer arise because of legal and regulatory limitations in some countries other than Australia and New Zealand and the potential costs to Ruralco of complying with these legal and regulatory requirements compared with the relatively small number of shareholders there, the small number of shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled. Ruralco has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3) of the Corporations Act, that it would be unreasonable to make or extend offers to shareholders in all countries in connection with the Retail Entitlement Offer.

Unfortunately, as you do not satisfy the criteria stated above, you are deemed not to be an Eligible Retail Shareholder for the purposes of the Retail Entitlement Offer. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act, Ruralco wishes to notify you that Ruralco will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. Under the terms of the Retail Entitlement Offer, you are not eligible to apply for New Shares and you will not be sent a copy of the offering materials relating to the Retail Entitlement Offer.

The Entitlement Offer is non-renounceable, which means that your entitlements are non-transferable and cannot be sold or traded.

If you have any queries regarding the Retail Entitlement Offer, or if you believe you are an Eligible Retail Shareholder please call the Ruralco Offer Information Line on 1300 850 505 or +61 3 9415 4000 at any time between 8.30am to 5.30pm (AEDT) Monday to Friday during the Retail Entitlement Offer period. For other questions, you should consult your stockbroker, accountant or other professional adviser.

On behalf of the Board and management of Ruralco, thank you for your continued support.

Yours sincerely,



Richard (Rick) Lee AM  
Chairman







### Important Information

This letter is issued by Ruralco. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Ruralco in any jurisdiction. This letter does not constitute financial product advice and has been prepared without taking account of the investment objectives, financial situation or needs of any particular investor. This letter does not and will not form any part of any contract for the acquisition of Ruralco shares.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the New Shares referred to herein have been, nor will be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be exercised by, and the entitlements and New Shares may not be offered or sold to, persons in the United States or to persons that are acting for the account or benefit of persons in the United States unless they have been registered under the U.S. Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

No documents relating to the Retail Entitlement Offer may be sent or distributed, in whole or in part to persons in the United States or to persons that are acting for the account or benefit of any person in the United States.

Ruralco Holdings Limited | ABN: 40 009 660 879

 Level 5, Building A, 26 Talavera Road, Macquarie Park NSW 2113  (02) 9952 6666  (02) 9952 6599  [www.ruralco.com.au](http://www.ruralco.com.au)

**WE'RE HERE FOR AUSTRALIAN FARMERS**