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FY17 Highlights

Record performance in core traditional business

- √ 42% organic growth in uEBITDA
- \checkmark uEPS up 62% to 27.4 cents
- Improving returns with uROCE up 4ppts to 17.3% and uROE up 4ppts to 10.0%
- Significant improvement in operating leverage
- Portfolio management activities continued with disposal of non-core assets

uEBITDA up 58% to \$65.4m

uNPAT up 95% to \$26.2m Reported NPAT up 422%

uEPS up 62% to 27.4 cents Reported EPS up 332%

Strategy execution via accretive acquisitions

- 24 new points of presence
- Culture of new and existing businesses aligned with all integrations well progressed
- Increased scale, geographical and operational diversity
- Prudent capital structure maintained via strongly supported \$65million equity raise
- Broadening of institutional share ownership

Improved
OPEX to GP%, down
5.4 ppts to 80.8%

Full year dividends of 15 cents (fully franked) Acquisitions performing to expectations, generating \$6.6million EBITDA

Strategy Execution

On track to deliver +\$13.6million incremental annualised

EBITDA

+14 new Water locations

Delivering scale & geographical diversity

+10 new Rural Services locations

Filling gaps in footprint in NSW, WA and TAS



Program Elevate on track

to deliver a platform for digital transformation, \$10.2million spend to date LTIFR: 2.8
our safest year yet,
with over 35 training
courses held to
enhance safety
& capability

Scaleable insurance offering with establishment of Ausure JV

Launch of Flexi Finance product

to complement seasonal finance

4 key innovation partnerships established with CSIRO, MLA, PrecisionHawk & SproutX



Financial Overview



30 September	2017	2016 ¹	Change	Commentary
Sales revenue (\$m)	1,827	1,790	2%	Underlying revenue is up 11% reflecting strong growth in rural supplies and agency revenue. 2% increase in Group revenue reflects impact of depressed CRT wholesale revenue in Western Australia and Queensland from dry conditions (with matching impact in COGS, therefore nil impact on gross profit)
Underlying Gross profit (\$m)	334.6	300.8	11%	5% organic growth in core traditional rural supplies and agency (particularly livestock) businesses and recovery in live export. Includes \$17.8million attributed to new acquisitions
Underlying OPEX to GP $\%$	80.8%	86.2%	(5.4 ppts)	Impact of cost-out initiatives assisted by gross profit growth
Underlying EBITDA (\$m)	65.4	41.5	58%	Strong improvement in operating leverage (includes \$6.6 million attributed to new acquisitions)
Underlying NPAT (\$m)	26.2	13.4	95%	Reflects EBITDA performance and strong operating leverage
Significant items (net of tax & NCI)	(3.8)	(9.1)	(59%)	\$5.2million of significant items (pre-tax) excluded from underlying earnings, see page 25 for further details
Reported NPAT (\$m)	22.4	4.3	422%	
Working capital (\$m)	133.1	92.7	44%	Impact of stronger September sales, acquisitions and expansion of FY18 livestock backgrounding program. Includes \$27.8million of acquisition related working capital at 30 September 2017
Average Working Capital as % of Sales ²	7.8%	7.7%	0.1 ppts	Working capital efficiency of the underlying business in line with the pcp
Operating cash flow (\$m)	14.2	38.1	(63%)	Driven by change in working capital with significant growth in earnings offset by growth in current debtors and improved efficiency in payments to suppliers from increased automation (DPO reduction of 7.8 days)
Underlying ROCE (%)	17.3%	13.3%	4.0 ppts	Driven by strong uEBITDA result and includes the impact of acquisitions in average capital employed
Gearing (%) (spot)	23.6%	22.8%	0.8 ppts	Reflects higher working capital position at the end of the year given improved trading performance but remains at the lower end of the target range. Spot leverage has also improved from 2.3x to 1.5x
Weighted average # of shares	95,376	79,042	21%	Impact of capital raise in February 2017 (+24.4million) & operation of DRP in June following interim dividend (+0.7million)
Underlying EPS (cents)	27.4	17.0	62%	Significant improvement reflecting excellent operating leverage
Reported EPS (cents)	23.5	5.4	332%	
Full year dividends—fully franked (cents)	15.0	10.0	50%	Increase reflects significant growth in earnings, particularly in H2, compared to the pcp
Underlying dividend payout ratio (%)	55%	59%	(4 ppts)	Within preferred payout ratio range

N.B For definitions of the above terms see "Glossary: Financial Terms" at the end of this presentation

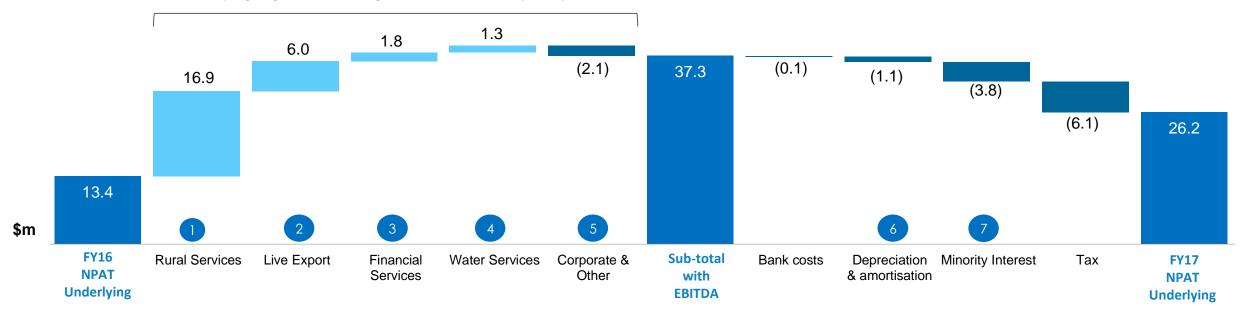
¹ Reclassifications between revenue, OPEX and costs of goods sold have been undertaken to align with current period presentation. See page 26 for further details

² Portfolio of acquisitions are excluded from average working capital as % of sales in order to provide comparable organic measure

Underlying NPAT Drivers



Underlying segment EBITDA¹ growth +\$23.9 million (+58%)



- Rural Services: Significant rural supplies organic sales growth bolstered by above average livestock and wool prices and increased real estate volumes. Includes \$1.2million EBITDA attributed to new acquisitions
- **Live Export:** Reflects benefits of prior year restructuring and successful backgrounding operation in H1
- Financial Services: Increase in Seasonal Finance uptake, stronger result from Agfarm JV (+\$0.5million) and new Ausure JV (+\$0.5million)
- Water Services: Pleasing turnaround in restructured water retail business offset by tightened market conditions in specific geographies of the existing water infrastructure business (primarily WA). Includes \$4.8million EBITDA attributed to new acquisitions

- Corporate & Other: Increased corporate cost of doing business (Corporate CODB) reflects higher STI cost given strong Group financial performance and \$0.7million centralised finance headcount cost previously included in Rural Services (net headcount decrease following centralisation)
- Depreciation & Amortisation: Additional depreciation from acquisitions and amortisation of acquired intangibles. No material impact in FY17 of capitalised IT costs as larger projects have not yet gone live
- Minority Interest: Increase reflects improved financial result from live export business and certain Rural Services JV's in particular



Focused Financial Management

Strategy Execution + Improved Operating Leverage = NPAT and EPS growth

Financial Discipline

Relentless focus on cost control and efficiency initiatives to drive positive operating leverage

Measure	FY17	FY16
Underlying OPEX to GP %	80.8%	86.2%
Operating leverage	58.1	(4.0)
Corporate cost of doing business (Corporate CODB) ¹	\$37.3m	\$35.2m

Portfolio Management

Decisive action in restructuring operations, divesting non-core operations and increasing equity interest in subsidiaries

Measure	FY17	FY16
Underlying ROCE	17.3%	13.3%
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Cash Flow Generation

Continuous pursuit of working capital efficiency and disciplined capex and investment decisions

Measure	FY17	FY16
Avg Working Capital % of Sales ²	7.8%	7.7%
Operating Cash Flow	\$14.2m	\$38.1m

+62% to 27.41 cents uNPAT

+95%

uEPS

to \$26.2m

Balance Sheet Strength

Disciplined capital management and funding flexibility to support strategic growth aspirations

Measure	FY17	FY16
Gearing % (spot)	23.6%	22.8%
Leverage (spot)	1.5x	2.3x

N.B for definitions of the above measures see "Glossary: Financial References"

^{1:} Equivalent to the underlying EBITDA of the "Corporate & Other" segment

^{2:} For the purpose of comparing working capital as % of sales, impact of portfolio of acquisitions are excluded from the calculation

Balance Sheet



	Bal	ance as a	at 30 Septe	mber	
Abridged balance sheet	2017 \$m	2016 \$m	Change \$m	Change %	Commentary The state of the st
Trade receivables (incl. prepayments)	402.9	364.2	38.7	11%	Stronger sales result in September vs PCP and impact of acquisitions driving increase. Underlying improvement in ageing profile (> 30 days past due debtors down 28%). Includes \$20.0million attributed to acquisitions
nventory (incl. livestock)	160.2	129.7	30.5	18%	Includes \$21.3million of inventory attributed to acquisitions and higher inventory held in Frontier livestock backgrounding program. 4% growth in underlying inventory primarily reflects increased inventory at balance date on the back of recent rainfall
Trade payables (incl. derivative financial instruments)	(430.0)	(401.2)	(28.8)	7%	Increase reflects growth in size of business and \$21.4million from acquisitions offset by DPO reduction of 7.8 days
Working capital	133.1	92.7	40.4	44%	Impact of stronger September sales, acquisitions and expansion of FY18 livestock backgrounding program
Average working capital ¹	136.0	138.6	(2.6)	(2%)	Continued focus on working capital management
Avg. working capital as % of sales ¹	7.8%	7.7%		0.1 ppts	Slight increase due to lower Live Export sales but expansion of cattle backgrounding operation will benefit FY18
Property, plant & equipment	44.0	40.9	3.1	8%	Primarily acquisition related
ntangibles	214.7	147.3	67.4	46%	Primarily acquisition related plus investment software capex, including \$10.2million on Program Elevate
nvestments	18.5	8.8	9.7	110%	Purchase of 50% interest in Ausure JV
Net tax items	10.2	11.8	(1.7)	(14%)	Increase in current tax payable due to higher profits
Other items (net)	(40.1)	(28.0)	(12.1)	43%	Increase primarily reflects contingent consideration for two Water Services acquisitions
Total capital employed	380.3	273.5	106.8	39%	Increase primarily driven by impact of acquisitions
Underlying ROCE	17.3%	13.3%		4.0 ppts	Positive ROCE trend despite impact of acquisitions on capital employed without commensurate full year of earnings

¹ Impact of portfolio of acquisitions excluded from average working capital and measure calculation

Cash Flow



	Ye	ar ended	30 Septe	mber			
Abridged cash flow	2017 2016 Change Change		Change	Commentary			
	\$m	\$m	\$m	%			
Reported EBITDA ¹	60.2	27.5	32.7	119%	Driven by growth in core traditional business and acquisitions		
Net change in working capital	(35.1)	23.7	(58.8)	(248%)	Growth in current debtors and improved efficiency in payments to suppliers from increased automation (decrease in DPO of 7.8 days)		
Net finance (costs)/income ¹	(0.1)	1.2	(1.4)	(111%)	Good result in light of higher average net debt (pre-equity raise). Reflects improved funding mix		
Tax paid	(10.8)	(14.3)	3.5	(25%)	Higher tax instalment rate paid in the pcp		
Net operating cash flows	14.2	38.1	(23.9)	(63%)	Driven by change in working capital with significant growth in earnings offset by growth in current debtors and improved efficiency in payments to suppliers from increased automation		
Capital expenditure	(24.9)	(13.1)	(11.8)	90%	Driven by \$10.2million Program Elevate spend		
Acquisitions, net of cash acquired	(69.8)	(13.8)	(55.9)	405%	Portfolio of acquisitions announced with equity raise		
Divestments and other	2.9	0.7	2.2	294%	Disposal of non-core assets, primarily farm machinery business		
Change in non-controlling interest	2.5	2.4	0.1	4%	Increase ownership in certain JVs		
Investing cash flows ²	(89.3)	(23.8)	(65.5)	276%	Primarily reflects acquisitions plus Program Elevate investment capex		
Dividends paid	(14.3)	(15.2)	0.8	(5%)	Lower 2016 final dividends		
Equity raise, net of raise costs	63.3	-	63.3	100%	\$65 million cash proceeds net of raise costs paid in cash		
Purchase of treasury shares ²	(0.7)	(2.1)	1.4	(65%)	Lower level of spend required to purchase shares on market to satisfy LTI vesting as pcp included impact of vesting of grants for the former MD		
Net change in borrowings	44.2	9.6	34.6	360%	Used to fund working capital and reflects bigger business		
Financing cash flows ²	92.4	(7.7)	100.1		Proceeds from equity raise used to fund purchase of portfolio of acquisitions and working capital debt funding for enlarged business		
Change in cash held	17.3	6.6	10.7	162%			

¹ PCP "Reported EBITDA" and net finance costs adjusted to include the impact of the reclassification of \$0.8million of merchant fees from net finance costs to cost of sales to reflect current period classification ² Purchase of treasury shares reclassified as a financing cash flow in the current and prior period to align with financial statement presentation

Funding



	Bala	ince as a	30 Septem	ber	
	2017	2016	Change	Change	Commentary
	\$m	\$m	\$m	%	
Net cash	22.8	5.4	17.3	321%	Higher cash receipts received at the end of the year (timing)
Current debt	(14.6)	-	(14.6)	100%	Balance specifically relates to Frontier's Seasonal Cattle Facility
Non-current debt	(95.0)	(65.0)	(30.0)	46%	Increase reflects increased working capital
Gross drawn debt	(109.6)	(65.0)	(44.6)	69%	Reflects increased working capital funding requirement given growth in size of the business and new cattle seasonal finance facility to fund the cattle backgrounding program
Other loans	(1.5)	(1.1)	(0.4)	30%	
Finance lease liabilities	(1.4)	(1.7)	0.3	(17%)	
Total net debt	(89.7)	(62.4)	(27.3)	44%	
Total shareholders' equity	(290.7)	(211.1)	(79.6)	38%	Impact of equity raise to fund portfolio of acquisitions
Gearing ratio (spot)	23.6%	22.8%		0.8 ppts	Reflects higher working capital position at the end of the year given improved trading performance, remains at the lower end of the preferred range
Average net debt (12 months)	(117.2)	(90.8)	(26.4)	29%	Increase due to acquisitions initially debt funded prior to equity raise and higher working capital from the impact of acquisitions
Leverage (spot)	1.5x	2.3x			Improvement reflects improved earnings result partly offset by higher working capital at September

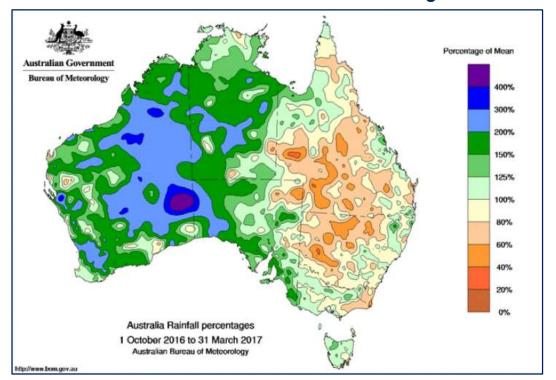
Facility	Maturity	Available \$m	Utilised \$m	Commentary
Uncommitted facility	Oct-18	40.0	-	Extended 13 months and Multi Option Facility changed to an uncommitted facility of up to \$40 million to fund further acquisitions
Overdraft facility	Oct-18	10.0	-	Overdraft facility put in place following conversion of Multi Option Facility to an uncommitted facility
Debtor securitisation facility	Oct-18	180.0	95.0	Extended 13 months and the limit increased to \$180 million reflecting increase in size of the business
Seasonal Cattle Facility	Dec-17	20.0	14.6	New facility available to live export business to fund cattle purchases



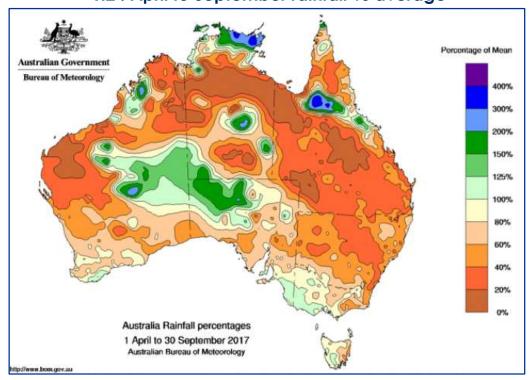


- ▶ Geographical diversity and scale of operations leading to record H1 and H2 results in existing business despite contrasting seasonal and market conditions
- Good rainfall in H1 supported higher retail sales, lower livestock supply pushed up livestock prices further but there was lower demand for water and water related products
- In H2, much drier conditions resulted in lower rural supplies sales in some geographies, particularly in WA and northern NSW; an increase in the numbers of livestock marketed (particularly on the east coast) contributed to the decline in cattle prices but improvement in volumes sold has somewhat offset this impact; and the underlying Water Services retail business has seen improved results relative to last year's H2, with the infrastructure side of the business picking up pace towards the end of the half

H1: October to March rainfall vs average



H2: April to September rainfall vs average





Fill remaining gaps in the retail network

Strategically invest along the value chain while continuing to focus on portfolio management to drive organic growth

Grow high yielding agency business

Commercialise the 'next Wave' of AgTech



- ▶ EBITDA increase of \$16.9million with \$1.2million from acquisitions and \$15.7 million from organic growth and OPEX to gross profit % improvement
- Gross profit from rural supplies up 17% (\$20.7 million) from stronger sales in Tasmania and the Eastern states
- Continued growth in agency gross profit (+5%) with above average cattle/lamb prices for most of the year and improved volumes relative to market supply, particularly in H2. Improved performance in Wool (+8%) and Real Estate (+6%) from price and volume growth respectively

10 new equity locations

- Expanded regional footprint with 10 new locations in Western Australia, Tasmania and New South Wales
- Launch of new animal health range, Covine in 2H17
- 3 new CRT members in FY17



- Cattle prices expected to continue to return to historically average levels. Short term price movements will be largely influenced by seasonal conditions
- Good rainfall in September and early October should support rural supplies sales in Q1 FY18
- A full year's contribution from acquisitions and an ongoing focus on driving cost base efficiency (including improved automation from Program Elevate) is expected to offset the impact of a decline in cattle prices and deliver continued, albeit moderate, growth in FY18





- ▶ EBITDA result includes \$4.8million from acquisitions
- Stronger underlying retail sales were seen, particularly in Q4, with especially good improvement seen in QLD, VIC and NSW
- Subdued activity in residential development projects in WA continued to impact the infrastructure projects side of the business. In addition, below average temporary water pricing for most of the year combined to restrict growth in the underlying business



- Acquired sites in the Hunter region of NSW, the Murray Darling Basin and Tasmania provide increased scale and diversity in water operations
- Integration of acquired businesses is well advanced with only Irrigation Tasmanian remaining to be brought onto the Group's SAP ERP in H1
- Management has focused on ensuring the cost base of the existing business is right-sized to account for adverse market conditions with further restructuring undertaken in the projects side of the business to streamline operations in specific geographies (in particular WA and northern VIC)



- The increased geographical diversity in the water business will reduce reliance on specific regional seasonal conditions in FY18 and the increased scale will provide the ability to leverage national opportunities
- Focus is on systems integration of acquired businesses and optimising overall operational and financial performance to deliver strong growth in earnings in FY18
- ► Healthy project pipeline going into FY18 with Management's focus on leveraging the IP from acquired businesses to broaden the service offering to its customer base

Ruralco's Water Services Business

Investment in water businesses allows Ruralco to capture a greater share of wallet in a higher margin category and represents a significant point of difference and competitive advantage

Activities

Broking Brokering of water trades (to buy/sell water entitlements)

Projects Design, Construction, Installation, Maintenance

Retail Sale of domestic and agricultural irrigation products & parts

Brands













EDEN



Geographic spread

Murray Darling Basin

- Water catchments were back to long-term averages leading to below average temporary water price for most of the year
- Prices have returned to average in the last quarter and are expected to remain in that range going into FY18

Key catchment areas and agricultural centres in WA, Murray Darling Basin and Tasmania

- Previous geographical concentration in WA and VIC has eased with the acquisitions in key catchment areas on the Fast Coast
- Expanded focus in WA business on rural ag market, especially in South West WA and the northern pastoral areas
- Healthy project pipeline going into FY18 with Management's focus on leveraging the IP from acquired businesses to broaden the service offering to our customer base

Distribution centres in all major capital cities and national footprint of 47 stores

- Benefits restructurina activities of undertaken in pcp and focus on improving management capability at the store level has lead to improved results, particularly in QLD and NSW
- Sales in the underlying retail stores are up in August and September compared to the same time last year, which is a positive trend leading into the peak summer selling season



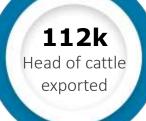
Maximise market share along the entire protein supply chain

Improve market diversification in Asia to complement Indonesia and Vietnam

Develop partnership structure to support product diversification



- Successful restructure of live export business and the establishment of new backgrounding program have provided the business with flexibility and improved the operational result despite challenging market conditions in FY17
- Frontier's operations are well integrated with Ruralco's agency network and connected internationally to quality, long-standing customers



- Over 112k head of cattle exported in line with last year and favourable to the ~25% decline seen in overall industry volumes this year
- Strong focus in the year on compliance, driving a culture of continuous improvement in our business



- Challenging market conditions to continue with intense competition, high \$AUD and export market price resistance putting pressure on volume and margins
- Continued quality sourcing from internal agency network and higher volume backgrounding program to satisfy requirements from key international partnerships
- Integration strategy supports continued commitment to the live export sector





- Improvement in earnings in this division with growth in the seasonal finance book and a stronger result from the share of profits from the grain marketing JV, Agfarm
- Includes \$0.5million share of profits from new Ausure JV

+140% in Seasonal Finance loan book

- Merged insurance operations with Ausure to support Ruralco's network of more than 500 locations with a scalable insurance offering
- ▶ 140% growth in Rabobank Seasonal Finance loan book (an off balance sheet financing solution for our customers), with drawings up 199%
- New low-doc Ruralco Flexi Finance product for short term livestock and equipment financing recently launched and is to be rolled out across the network in FY18

FY18 outlook

- Full year impact of Ausure insurance JV contribution and opportunity to consolidate further Ausure's authorised representative network
- Improved cost synergy from growing the insurance offering
- Continued growth in Seasonal Finance loan book and new Flexi Finance product is expected to drive the earnings growth momentum into FY18



- Program Elevate will enable Ruralco's growth aspirations, delivering digital transformation based on a reliable back office foundation integrated with a scalable e-commerce platform
- The Program, consisting of multiple projects, is well advanced and on track with \$10.2 million program spend to date out of a budget of \$14 million
- Key milestones delivered since half year include the roll-out of automated rebates, vendor and materials master data, cost price determination and implementation of a business process mining tool
- Focus in 1H18 will be on the **go-live of the enhanced RuralcoNet**¹, further accounts payable **automation**, development of an improved **POS solution** and **customer portal**
- Expected benefits from the program of projects in FY18 include the delivery of a digital platform to better interact with our customers to support strategic growth; process and system automation leading to improved cost of doing business; and ease of access to quality data for better and faster procurement decision making



DATA

Focus on improving quality of data as a foundation

- Master Data
- Pricing
- Rebates

PROCESS

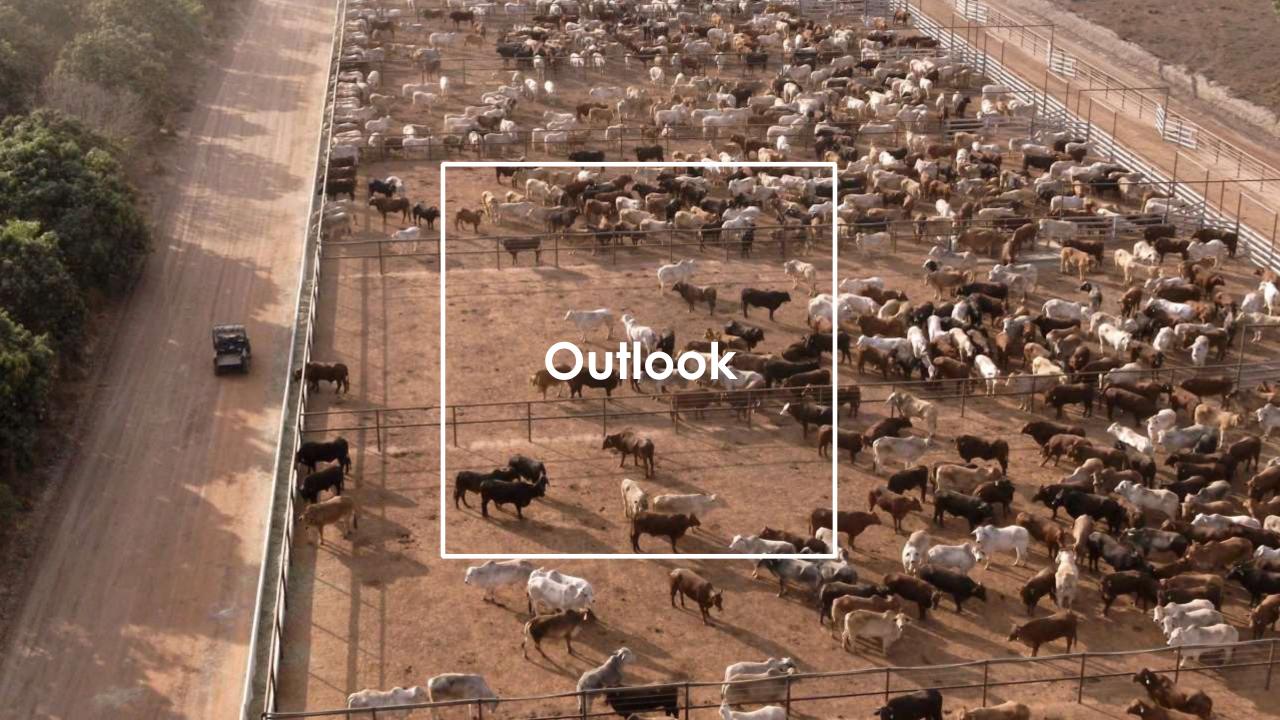
Focus on improving process & automation as a foundation

- SAP Roles
- Business Process
- AP Automation

DIGITAL

Focus on delivering digital capability

- RuralcoNet replacement
- POS
- Customer Portal





Seasonal conditions outlook

- Good rainfall across the Eastern states in September and early October should support positive rural supplies sales over the next few months
- The decline in cattle prices over the last quarter is indicative of a return to historically average prices. Short term price movements will be largely influenced by seasonal conditions

Focus for 1H18

- Deliver the targeted earnings contribution from acquisitions, focus on diversifying water offerings and leveraging the IP brought into the business through the acquisitions by upskilling and pursuit of cross selling initiatives to deliver revenue synergies
- Target continued positive operating leverage across all business segments, underpinned by pro-active cost-base management to deliver 80% OPEX to GP target through the cycle
- Disciplined management of live export operations in light of tight domestic supply and weaker demand, at least for the remainder of the calendar year
- Grow the earnings contribution from the Ausure JV and drive the marketing and take-up of Ruralco Finance's new Flexi Finance low-doc product whilst expanding the established Ruralco Seasonal Finance loan book
- Progress digital transformation via Program Elevate, focused on delivering enhanced RuralcoNet, further automation, improved POS solution and customer portal
- Complete remaining systems integrations for acquisitions to optimise their operational and financial performance in FY18 and continue disciplined execution of identified acquisition opportunities
- Continue to build a pipeline of innovation solutions to deliver to our network in collaboration with our R&D partners



Set out below is a reconciliation between underlying and reported profit and loss in the current and prior period:

	Underlying 2017 \$000	Significant items 2017 \$000	Reported 2017 \$000	Underlying 2016 ¹ \$000	Significant items 2016 \$000	Reported 2016 ¹ \$000
Revenue	1,826,781	19	1,826,800	1,790,131	9	1,790,140
COGS	(1,492,168)	(295)	(1,492,463)	(1,489,358)	(6,600)	(1,495,958)
Gross profit	334,613	(276)	334,337	300,773	(6,591)	294,182
OPEX	(270,321)	(4,705)	(275,026)	(259,256)	(7,425)	(266,681)
Share of profit of equity accounted investees	1,141	(228)	913	(10)	-	(10)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	65,433	(5,209)	60,224	41,507	(14,016)	27,491
Depreciation and amortisation expense	(10,490)	-	(10,490)	(9,405)	-	(9,405)
Net finance costs	(5,586)	-	(5,586)	(5,440)	-	(5,440)
Profit before tax	49,356	(5,209)	44,147	26,662	(14,016)	12,646
Tax	(14,639)	1,319	(13,321)	(9,662)	5,886	(3,776)
Non-controlling interest	(8,571)	165	(8,406)	(3,596)	(978)	(4,574)
Net profit after tax attributable to shareholders (NPAT)	26,146	(3,725)	22,420	13,404	(9,108)	4,296

^{1: 2016} reported and underlying profit and loss items revised to reflect the impact of reclassifying certain items to align with current period presentation. A summary of these is included on page 26.

2017 significant items excluded from underlying earnings	\$000	Commentary
Restructuring & cost out initiatives	2,407	Impact of second phase of Total Eden restructuring program focused on underperforming branches in specific geographies, headcount cost-out initiatives in Rural Services and onerous lease costs from warehouse site consolidation in Victoria
Acquisitions & portfolio management activities	2,353	Acquisitions related costs and loss on disposal of farm machinery business
Other one-off items	449	Primarily includes FY16 related statutory adjustment excluded from Agfarm JV results
Total significant items (pre-tax)	5,209	

Appendix 2: Restated FY16 profit and loss presentation



Set out below is a summary of the impact of reclassifications in the 2016 Statement of Profit and Loss to align with current period presentation:

	Per 2016 Annual Report \$000	Reclass of merchant fees ¹ \$000	Reclass of distribution costs ² \$000	Reclass of Agency COS items ³ \$000	Reclass of sundry revenue items ⁴ \$000	Disaggregation of other expenses ⁵ \$000	Revised Reported 2016 \$000
Revenue	1,756,376	-	-	34,646	(882)	-	1,790,140
Cost of goods sold	(1,445,073)	(805)	(3,341)	(46,739)	-	-	(1,495,958)
Gross profit	311,303	(805)	(3,341)	(12,093)	(882)	-	294,182
Personnel expenses	(185,644)	-	-	11,323	-	(8,729)	(183,050)
Property & equipment expenses	(31,556)	-	-	-	-	-	(31,556)
Motor vehicle expenses	(18,709)	-	-	-	-	-	(18,709)
Administrative expenses	-	-	-	-	584	(13,534)	(12,950)
Marketing & advertising expense	(7,577)	-	-	-	-	-	(7,577)
Data & telephony expenses	(4,264)	-	-	-	-	-	(4,264)
Bad debt expense	(3,002)	-	-	-	25	-	(2,977)
Net (loss)/gain on disposal of assets	-	-	-	-	273	-	273
Other expenses	(32,245)	-	3,341	770	-	22,263	(5,871)
Share of net profits of equity accounted investees	(10)	-	-	-	-	-	(10)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	28,296	(805)	-	-		-	27,491
Depreciation and amortisation expense	(9,405)	-	-	-	-	-	(9,405)
Net finance costs	(6,245)	805	-	-	-	-	(5,440)
Profit before tax	12,646	-	-	-	-	-	12,646
Tax	(3,776)	-	-	-	-	-	(3,776)
Non-controlling interest	(4,574)					-	(4,574)
Net profit after tax attributable to shareholders (NPAT)	4,296	-	-	-	-	-	4,296

^{1:} Reclass of merchant fees previously in finance costs to cost of goods sold to align with current period classification

^{2:} Reclass of certain freight and cartage costs in Water Services from OPEX to cost of goods sold to align with current period classification

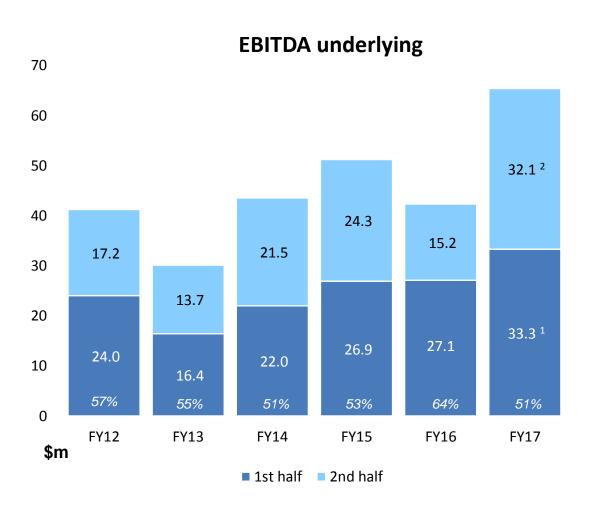
^{3:} Reclass of employee agent commission expenses to cost of goods sold and reclass of other agency related cost of goods sold (primarily wool related) previously netted off against revenue to cost of goods sold

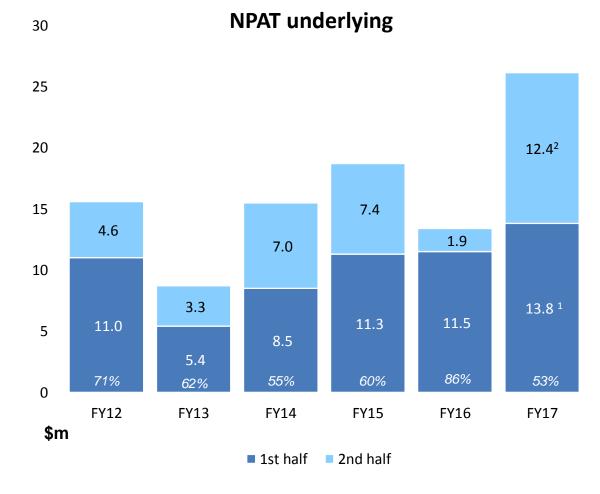
^{4:} Reclass of administrative cost recharges and gain on disposal of assets from sundry revenue to administrative expenses and net loss/gain on disposal of assets respectively

^{5:} Further disaggregation of other expenses to reclass certain other employee related costs (such as training and travel costs) and administrative expenses (such as licence costs, insurance and professional fees)

Appendix 3: Additional Financial Analysis

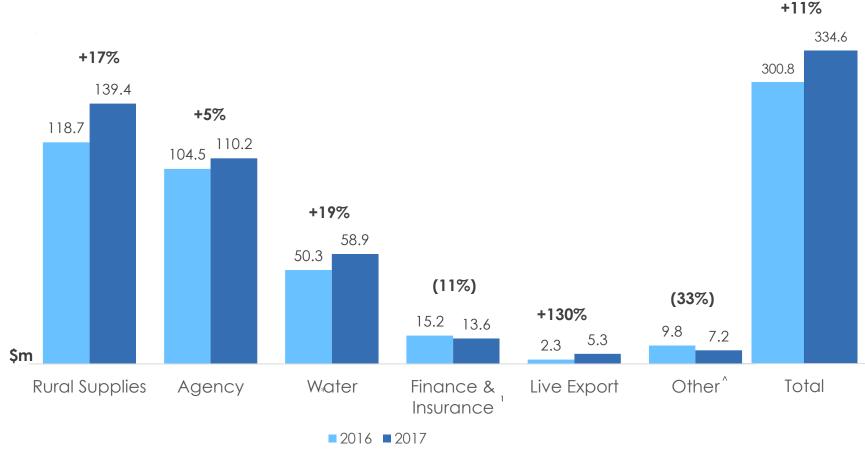
Historic H1/H2 Earnings Split





Appendix 3: Additional Financial Analysis (continued)





N.B The pcp 'water' and 'other' activity gross profits have been adjusted to reflect the reclassification of items in the profit and loss to align with current year presentation. For further details see page 26.

- ▶ Rural Supplies: 13% organic growth combined with contribution from acquisitions
- ▶ **Agency**: Continued growth in livestock (+5%) with above average prices for most of the vear and improved volumes relative to market supply, particularly in H2. Improved performance in Wool (+8%) and Real Estate (+6%) from price and volume growth respectively

Gross profit contribution by commodity Livestock Real Estate Wool 23%

13%

64%

- ▶ Water: Growth in water retail sales and impact of acquisitions offset by tight market conditions in certain geographies, primarily the WA residential development market
- **Finance & insurance:** Decline due to disposal of insurance activities into the Ausure JV². Also includes interest received on debtors and finance commission income
- **Live Export:** Improved contribution from quality northern supply chain
- ▶ Other: Primarily due to the divestment of the farm machinery business

^{1:} Includes Financial Services segment gross profit as well as finance commission income and interest on debtors from Live Export (\$0.1 million in FY17 and \$0.7 million in FY16) and Rural Services (\$10.5million in FY17 and \$11million in FY16) segments

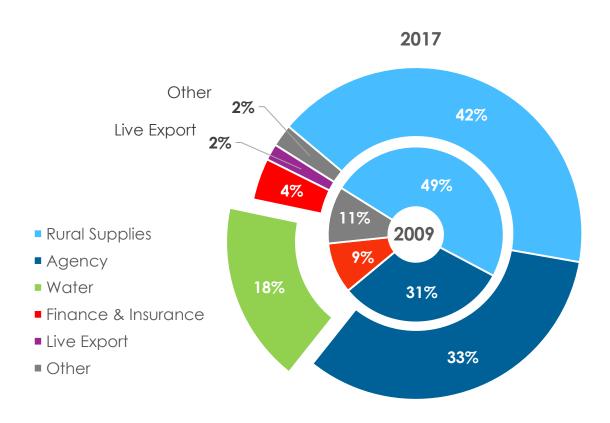
²: Earnings from insurance activities now captured in share of net profits from equity accounted investees

Appendix 3: Additional Financial Analysis (continued)

Diversification of earnings base

- Set out opposite is the analysis of the Group's gross profit by activity in 2017 vs 2009
- Pursuit of the Future Farming Strategy continues to generate value for shareholders through vertical integration across the agricultural value chain through our national points of presence

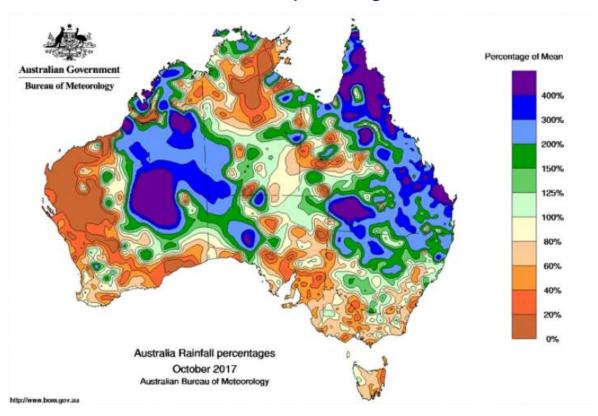
Business activity change (in gross profit) from 2009 - 2017



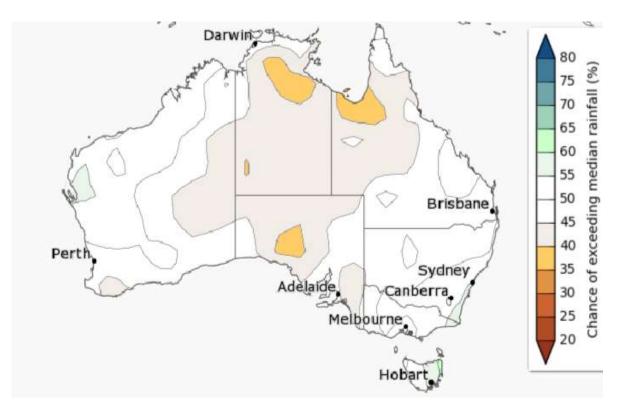
Appendix 4: Rainfall Outlook

- ▶ Higher than average October rainfall in QLD, central and northern NSW should provide welcome relief to some regions that have experienced very dry conditions in recent months
- The October rainfall and a neutral three month BOM outlook suggests overall good seasonal conditions in early FY18

October 2017 rainfall as percentage of Mean



3 month outlook rainfall percentage of mean from Nov to Jan



Appendix 5: Commodity outlook - Cattle

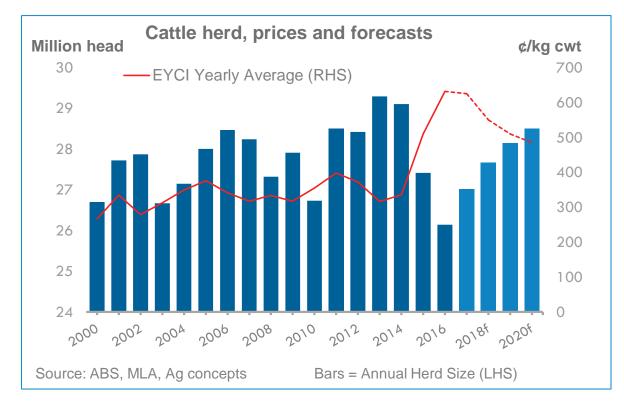


Good seasonal conditions in H1 drove higher restocker demand and kept domestic prices high. Conversely, in H2 the dry winter was a catalyst for the beginning of a price decline but with higher volumes marketed



- ▶ The improved conditions in October and outlook into 2018 has stemmed the price decline
- Herd rebuild remains a focus into 2018 which will provide price support while increasing production will act as a headwind
- ► Forecasts suggest an annual average EYCl of 550¢/kg cwt for the 2018 season



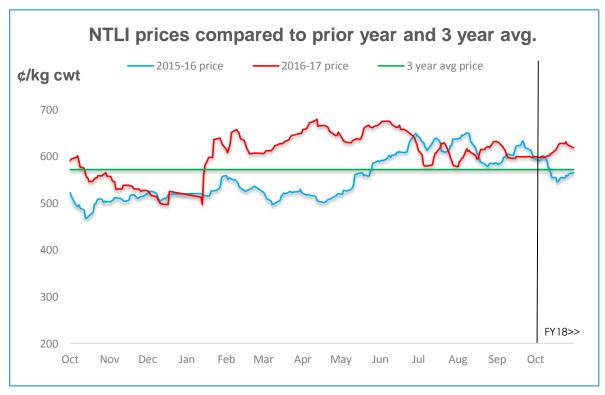


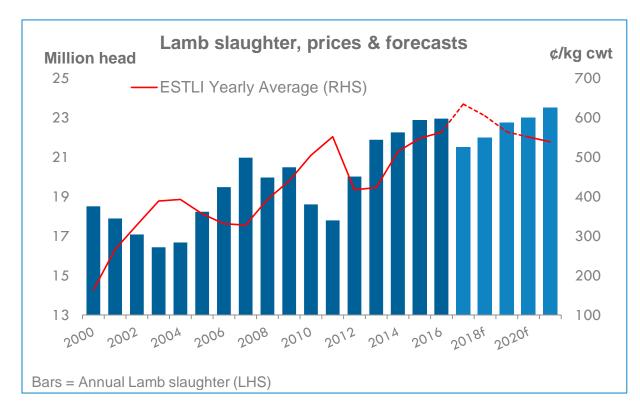
Appendix 5: Commodity outlook - Sheep/Lamb

 Australia Day demand initially pushed prices up in January and in H2 the very dry winter (especially in NSW) put pressure on producers to bring supply forward, which led to price stagnation



- In FY18 growing export demand (in part due to capacity constraints seen in New Zealand) is expected to provide price support for Australian sheep/lamb, despite the anticipated increase in flock numbers
- ► Forecasts suggest an annual average ESTLI of 605¢/kg cwt for the 2018 season





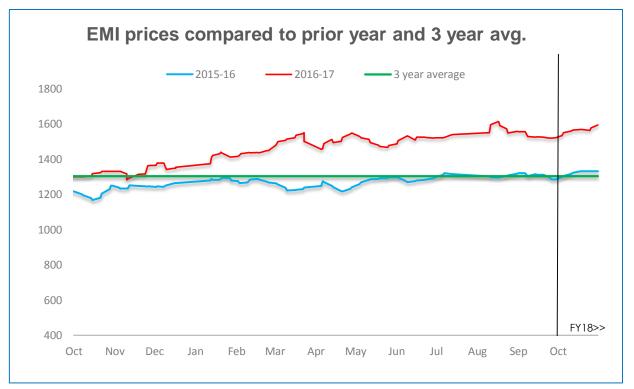
Appendix 5: Commodity outlook - Wool

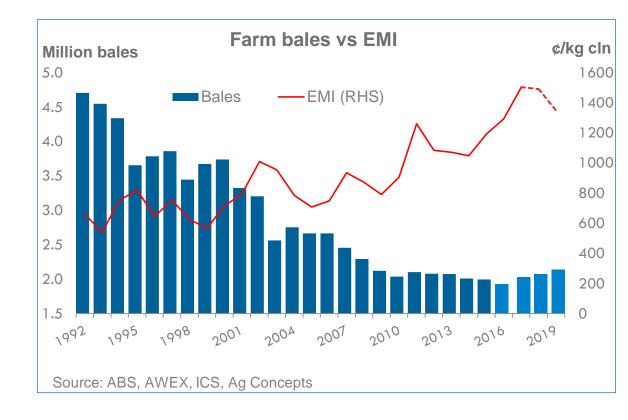


Low wool supply compared to historic volumes are driving prices higher



- The record wool prices are encouraging existing wool producers to expand production
- Wool prices are expected to consolidate at current levels with a slightly softer bias into next season in line with the flock rebuild
- ► Forecasts suggest an annual average EMI of 1488¢ for the 2018 season

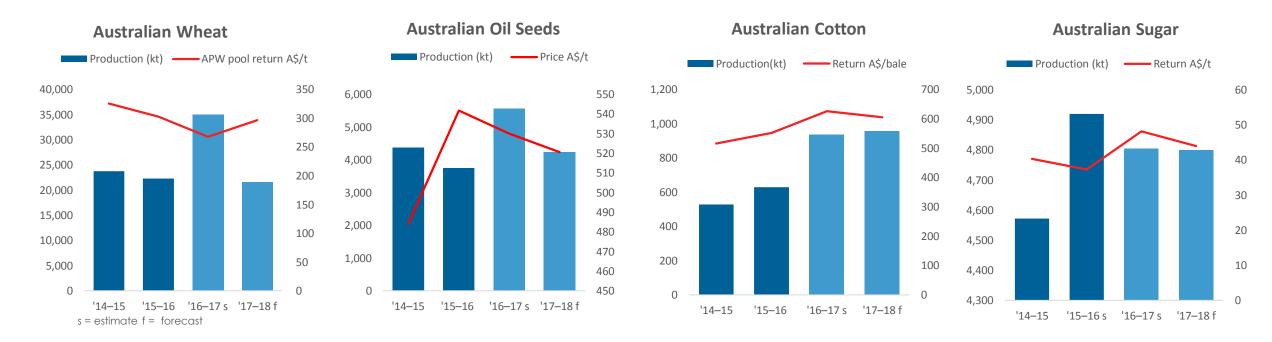




Ruralco

Appendix 5: Commodity outlook - Crops

- While commodity prices are important to our customers, any short term changes do not significantly impact Ruralco rural supplies results. Seasonal conditions have a greater impact on earnings
- mecardo EXPERT MARKET ANALYSIS
- Global wheat stocks remain abundant, however local premiums are reasonably strong for Australian producers due to poor growing conditions throughout much of the wheatbelt in '17-18
- Strong spring rains in northern NSW and southern QLD are likely to lead to increased plantings of cotton



Source: ABARES, Mecardo

Glossary: Ruralco's operating segments



Segment	Description
Rural Services	Ruralco's Rural Services division comprises 43 businesses located across the country that sell farm supplies (such as fertiliser, chemicals and general farm merchandise) and provide agency services to market the outputs of customers.
	Rural Services employs approximately 1,185 staff that hold expertise and key relationships in the fields of: Agronomy – advice regarding crop selection, harvest, the application of inputs and the treatment of ailments Livestock agency – buy/sell advice, herd selection and genetics for cattle and sheep Wool brokerage – buy/sell advice, classing, genetics and logistics Real Estate – buy/sell advice and property management
	Rural Services also includes the results of CRT, Australia's largest group of independent rural retailers. CRT wholesales to over 270 members and earns its income through the provision of buying power, access to national accounts, consolidated marketing and the provision of networking and business development events to members. There are 189 independent CRT members and 84 that are controlled by Ruralco
Water Services	With nearly 60 points of presence across Australia employing approximately 445 staff, Ruralco's Water Services division hold expertise and key relationships to: sell domestic and agricultural irrigation products and parts, design, construct, install and maintain on-farm water infrastructure, and broker the buying/selling of water entitlements (temporary and permanent).
	Ruralco's ongoing focus is to invest in water businesses that operate in regions with significant upcoming or prolonged Government or private investment in irrigation infrastructure and water schemes. This includes the Murray Darling Basin and key catchment and agricultural centres around the country.
Live Export	Frontier is a Ruralco partnership established in 2014 focused primarily on the short haul live export of feeder and slaughter cattle to Indonesia and Vietnam. It provides a fully integrated service, including sourcing and herd selection to coordination of shipping, logistics and related services.
	Ruralco's financial services offering to its Australian network of customers incorporates insurance broking, finance broking, and commodity advice and analysis via the Mecardo market analysis website.
	Ruralco's insurance offering in partnership with Ausure (a Steadfast Group company), supports our customers in managing the risks associated with their operations, increasing their confidence and supporting their demand for inputs from Ruralco.
	A national network of brokers, access to an extensive panel of lenders and a focus on off-balance sheet finance through Seasonal Finance products, supports our customers' ability to invest in and intensify their operations and manage the cash flow cycle between planting and harvesting.
	Ruralco's partnership with CHS Inc. in the Agfarm JV, provides grain financing solutions (such as Agfarm Accelerate, which turns future grain production into a line of credit) and commodity management and marketing services to our customers.



Term	Meaning			
Average working capital	Average working capital for preceding 12 months			
Average working capital as % of sales	Average Working Capital / Total Sales for a rolling 12 month period			
DIO	Days inventory outstanding			
Dividend Policy	The Board has a preference to maintain a dividend payout ratio of between 40-60% of underlying earnings per share			
DRP	Dividend Reinvestment Plan, when shareholders elect to utilise the plan instead of receive cash dividends it increases the number of shares on issue			
DSO	Days sales outstanding			
Equity transactions	Transactions completed in the reporting period to increase Ruralco's % holding in a subsidiary			
Gearing Policy	The Board has a target to maintain a gearing ratio of between 25-45% on a normalised business cycle basis			
Gross profit (GP)	Statutory revenue less cost of goods sold including commissions paid to employee agents/brokers			
Leverage	Underlying EBITDA/Average Net debt for reporting period. Spot leverage calculated as Underlying EBITDA/spot net debt			
LTI	Long term incentive scheme operated for Executives and employees. Under the scheme participants are granted Performance Rights to acquire one ordinary fully paid Ruralco Holdings Limited share, at no cost, that only vests if certain time based and performance based vesting conditions are met.			
Minority interest share of profit	Profit attributable to minority interest (non controlling interest) holders of shares in some Ruralco subsidiaries, primarily certain livestock related JV businesses			
Net debt	Cash and cash equivalents + Loans and borrowings + certain related party receivables/payables			
Significant items	The difference between reported and underlying profit measures. Includes costs/income not considered to form part of the Group's recurring results particularly those related to executing strategy such as acquisition related costs, material impairments and costs of restructuring operations as part of portfolio management activities			
OPEX to GP %	Reported or underlying operating costs/Gross profit (rolling 6 months or rolling 12 months depending on reporting period)			
Operating leverage	% change in underlying EBITDA/% change in sales revenue. Denotes the change in EBITDA as a multiple of the change in sales (rolling 6 months or rolling 12 months depending on reporting period)			
PCP	Prior corresponding period			
Reported EBITDA	As above but including the impact of significant items			

Glossary: Financial References (continued)

Term	Meaning
Reported EPS	Reported NPAT /Weighted average number of ordinary shares on issue for the period
Reported NPAT	Statutory net profit attributable to equity holders of the company
STI	Cash bonus incentive paid to employees based on performance outcomes measured over a single financial year.
Total capital employed	Statutory net assets less net debt
Underlying dividend payout ratio	Dividend per share/Underlying EPS
Underlying EBITDA	"Underlying" measures of profitability provide more useful information. Underlying EBITDA means reported earnings before interest, tax, depreciation and amortisation including share of profits from equity accounted for investments adjusted to remove the impact of non-recurring significant items (pre-tax)
Underlying EPS	Underlying earnings per share = Underlying NPAT/Weighted average number of ordinary shares on issue for the period
Underlying NPAT	Underlying NPAT means reported net profit attributable to equity holders of the Company adjusted to remove the impact of significant items (post-tax and related non controlling interests (NCI))
Underlying ROCE	Underlying EBITDA / 12 month average total capital employed
Underlying ROE	Underlying NPAT/ 12 month average shareholders equity
Working capital	Trade and other receivables + Prepayments + Inventories + Biological assets + Trade and other payables + Derivative financial instruments less certain related party receivables/payables

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Ruralco

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