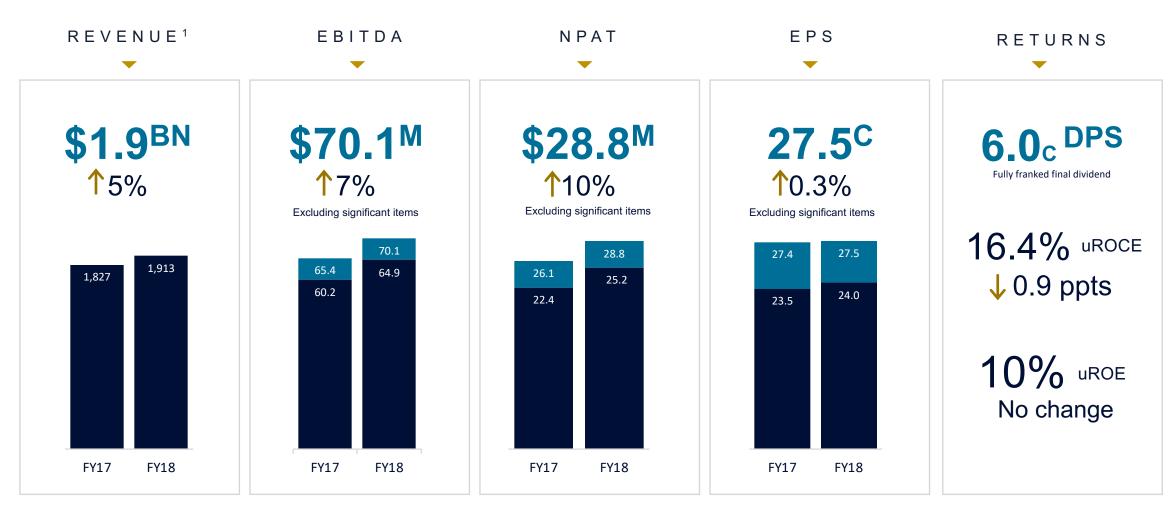






HIGHLIGHTS

FINANCIAL HIGHLIGHTS FY18



Reported Underlying²



¹:A summary of the expected impact of new accounting standards on revenue presentation from 1 October 2018 is set out on page 24 ²:For reconciliation of underlying to reported earnings see page 23

FY18 FINANCIAL OVERVIEW

HIGHLIGHTS FY18

- DELIVERED UNPAT AT
 THE TOP END OF THE
 GUIDANCE RANGE
- \$13.5MILLION TARGET ANNUALISED ACQUISITION EARNINGS ACHIEVED
- +\$20.4MILLION INCREASE IN OPERATING CASH INFLOWS
- PROGRAM ELEVATE COMPLETE

- In what has been a challenging year for our customers and many parts of our business, the diversification of our footprint and activities have eased the impact of mixed seasonal conditions
- Increased scale in Water Services has delivered 63% growth in uEBITDA, with Water gross profit now representing 22% of total Ruralco gross profit
- A resilient Rural Supplies result and excellent cost control helped offset declines in Livestock Agency gross profit in Rural Services
- Delivered \$13.5million EBITDA contribution from FY17 acquisitions
- 10 new points of presence, filling strategic footprint gaps in Rural Supplies, Real Estate and Water Services (including 2 new greenfield sites)
- First cash investments in AgTech start ups to deliver innovation to our customers
- Significant improvement in operating cash inflow to \$34.6million (+\$20.4million or 144% vs the pcp)
- Program Elevate complete with financial benefits starting to be reflected in decreasing cost to serve (OPEX/GP% down 0.8 ppts to 79.6%)



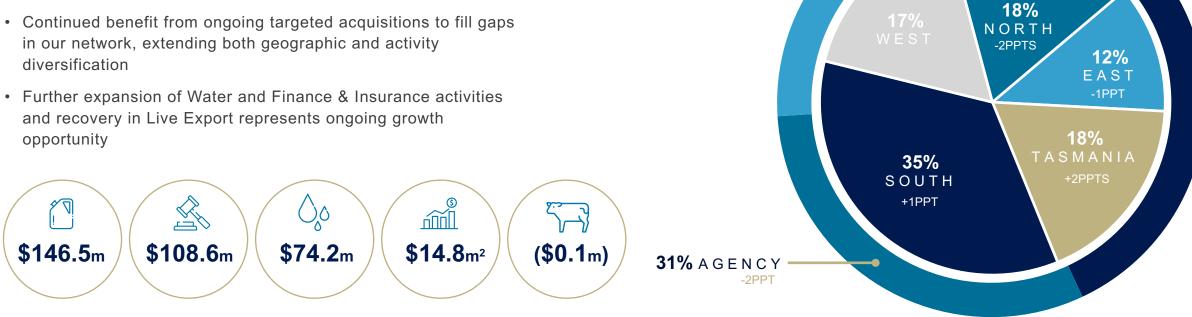


STRATEGY UPDATE

DIVERSIFICATION STRATEGY IN ACTION

\$344.1^M GROSS PROFIT¹

- Our three strategic priorities: Investment, Integration and Innovation deliver diversification in Ruralco's earnings and provide a platform for growth. The drought this year has tested and reinforced the success of this strategic focus
- Activity mix displaying benefits of increased scale in Water Services and Financial Services
- in our network, extending both geographic and activity
- and recovery in Live Export represents ongoing growth



4% OTHER

22% WATER

43% RURAL SUPPLIES

-2PPTS

+4PPTS



^{1:}See page 23 for definition of Underlying Gross Profit

^{2:} Finance & insurance activity gross profit Includes the gross profit from the Financial Services segment (including share of profits from equity investments in Agfarm and Ausure) as well finance commission income and interest on debtors from Live Export and Rural Services' divisions

STRONG PROGRESS EXECUTING OUR STRATEGY

STRATEGIC PILLARS SCALEABLE BACK OFFICE INVESTMENT INTEGRATION PEOPLE&CULTURE INNOVATION OBJECTIVES Targeted geographic Deliver digital transformation Provide end to end solutions to Be a leader in the future of Keep our people safe and invest presence in all our chosen based on a reliable back office in a high performance culture our customers agriculture activities foundation FY18 PROGRESS Acquired a 4 branch Rural Supplies Completed the 9 Program Elevate \$36million of new Flexi Finance loans Cash investment in Datafarming, • 74% participation in 2018 Employee business in southern NSW written and 45% growth in Seasonal projects with final staged roll-out of providing our agronomists and customers Opinion Survey conducted in August with with low cost actionable recommendations Engagement and Alignment scores growing enhanced POS system to branches Finance facility Acquired 2 leading Water projects 7%, moving Ruralco into the top quartile of well underway (see page 25) via satellite imagery Converted investment in ACB into a 25% businesses in Dubbo in NSW and surveyed companies Lameroo in SA interest in its parent company (Ausure Cash investment in Digital Agriculture Migrated acquisitions onto Ruralco Pty Ltd) expanding scale and footprint Services providing real time rural property Increased employee, Executive and SAP platform in line with plan Acquired the leading rural property exposure as well as earnings uplift valuations and farm performance history Director share ownership specialist agency in Tasmania Reduced corporate cost to serve to to customers, lenders and our network of • LTIFR increased from 2.7 to 4.6 at the end Increased private label sales (volume 10.9% reflecting increased capability Established 2 greenfield Water real estate agents and range) with over 100 product of the year. Whilst the majority of injuries and improved systems and processes projects businesses in East Gippsland • \$0.4million sponsorship of second registrations were minor in nature, 2019 will see an even VIC and the Barossa Valley SA SproutX cohort of start-ups higher focus to reduce this metric HIGHLIGHTS \$13.5m +45% +7% \$2.7m

investments made in

AgTech start ups

investments made in

Ruralco

Elevate projects

growth in Seasonal

Finance loan book

uEBITDA from FY17

OUTLOOK

OUTLOOK FY19

- With the benefits of diversification and ongoing disciplined cost control, first half earnings are expected to be similar to the same period last year but remain subject to short term seasonal conditions
- Irrigation water allocations remain low in the Murray Darling basin, which has lead to buoyant temporary water trading but has significantly impacted summer plantings, particularly rice and cotton. The Bureau of Meteorology 3 month outlook for February to April indicates a drier than average three months for many agricultural regions of Australia but in general, strong commodity prices continue to underpin the medium term outlook for the sector

	UPDATE	OPPORTUNITIES/ RISKS
R U R A L S E R V I C E S	 Continued mixed seasonal conditions geographically but Ag Supplies sales remain stable on the prior year Sheep and cattle volumes continue to be strong driven by ongoing dry conditions. Wool volumes are down compared to same period last year due to strong sell down of stored wool in 2018 and a lower wool clip so far this year Growth in rural real estate sales in the quarter particularly on the East Coast 	 The finish to the summer crop and the extent of summer spray activity will be heavily dependent on continuing levels of rainfall, which will influence Ag Supplies sales mix and volume in 1H19 Rainfall in coming months also remains vital in the cattle market as a lack of rain will further intensify the drought, forcing downward pressure on prices
WATER SERVICES	Recovery in water retail sales activity over peak summer trading period compared to the prior year. Impact of continuing growth in water broking has been offset by reduced projects activity in WA, on the back of poor local economic drivers	Sales volume in WA expected to continue to be under pressure, with economic conditions in the state impacting spend on projects
FINANCIAL SERVICES	 Continued penetration of Seasonal Finance and Flexi Finance working capital finance products with growth in both limits and drawn balances across the quarter but seasonal conditions are continuing to lead to low draw downs of livestock related financing 	Reduced loan draw downs from continuing tough seasonal conditions could impact finance commissions revenue but we continue to work with our customers to ensure they are poised to grow as soon as conditions permit
LIVE EXPORT	 Return to trading margin profitability across the quarter compared with prior year with growth in volumes exported, particularly to Indonesia Export margins continue to be impacted by high domestic feed costs 	 Ongoing challenging conditions in SE Asian market dynamics with excess industry capacity a risk to profitability High feed cost expected to prevail in medium term



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Ruralco

WE'RE HERE FOR AUSTRALIAN FARMERS





Delivering the future of agriculture



How we do things at Ruralco



COMMON SENSE

We use good judgement



We do the right thing



We exceed expectations



We own our actions



We lead by example



We support our people, customers and communities