

**ADDRESS GIVEN BY THE CHAIRMAN,
RICHARD ENGLAND FCA; MAICD
AT THE EIGHTY FOURTH ANNUAL GENERAL MEETING OF
RURALCO HOLDINGS LIMITED
HELD AT 1 ELIZABETH STREET HOBART
ON FRIDAY 20 FEBRUARY 2015**

Good afternoon ladies and gentlemen. It is my pleasure to welcome you to the Company's 2015 Annual General Meeting.

I would like to introduce my fellow non-executive directors, Michael Millner, John Tuskin, Ross Burney, Elizabeth Johnstone and Trudy Vonhoff. I would also like to introduce your Managing Director and CEO, John Maher.

Also present are our Legal Counsel and acting Company Secretary, Susannah Ball, and our Chief Financial Officer, Ruth Martin.

I welcome Anthony Jones, a partner at KPMG, our auditor, who is happy to answer your questions about the audit and Auditor's Report.

I note the presence of the representatives of Computershare Investor Services, who provide the company with share registry facilities. Computershare will be administering the meeting's voting processes.

Quorum

Susannah advises that a quorum is present and so I declare the meeting open.

Proxies

I hold a large number of proxies and some have been given to other directors. Rather than advise what I hold at this time I propose to disclose the position with respect to each resolution before that resolution is put to the vote.

Are there any apologies that shareholders present wish to record on behalf of other shareholders?

Notice convening the meeting

The notice of meeting was sent to all shareholders on 29 December 2014. There is a typographical error in the Notice of Meeting, where the Notice references the Remuneration Report being on pages 44-59 of the Group Annual Report, instead of pages 24-41 of the Group Annual Report.

Minutes of previous meeting

The minutes of the Annual General Meeting of the Company held on 13 February 2014 have already been confirmed by me and are available for perusal from the Company Secretary should shareholders wish to inspect them.

There will be an opportunity prior to each motion being put for shareholders to ask relevant questions or make relevant comments.

Ruralco's results and performance for 2014 have been documented in detail in the Company's Annual Report lodged with the ASX on 24 December 2014 and mailed to those shareholders who chose to receive a hard copy. It is also available to be viewed on the company's website.

Before attending to the formal part of the meeting, I will provide an overview of our results in the 2013/2014 financial year and comment on some other matters which I believe will be of interest to shareholders.

We will then proceed to the items of business for this Annual General Meeting.

At the conclusion of the meeting, the Board and executives would like you to join us for some refreshments.

Financial Results and Review of Operations

I am pleased to be able to advise shareholders that Ruralco has reported a resilient operating performance during the 2014 financial year despite challenging seasonal conditions.

Ruralco reported for the FY14 financial year:

- Net Profit after Tax of \$10.6m (up 86% on previous year)
- Turnover exceeded \$1.3 billion (up 21% on previous year)
- Net debt was reduced by 30% on the previous year
- Rural supplies gross profit increased 28% compared to the previous year

Increased diversification of our earnings and network footprint has assisted the group with these solid results.

Sale of stake in Elders

In September 2014, after careful consideration, the Ruralco Board sold its shares in Elders Limited. Ruralco's original investment in Elders was made at a time when there was a lot of international interest in the business, and we took the opportunity to make this investment in order to ensure we had a seat at the table. Elders subsequently announced its Rural Services business was for sale.

When Elders ceased the sale process, the reason for Ruralco retaining its stake in Elders no longer existed. The Elders equity raising, which was announced last year, gave Ruralco an opportunity to sell all its stake in one transaction for a slight profit.

Strategies

Progress on core strategies first quarter

The early months of the 2015 financial year have seen Ruralco maintain its intense focus on achieving key milestones in our strategic agenda.

Our continuing strategy to grow our market share in our traditional areas of operation and diversify our earnings base saw two major initiatives in 2014. The acquisition of Total Eden and commencement of the Frontier International live export business allows us to further expand our offering to our existing customer base. These two businesses continue to build pleasing momentum, with recent development activities including:

- Frontier International's commitment to a second charter vessel which is currently under construction for delivery later in 2015. This ship will be fully dedicated to servicing Frontier's customers for both short haul and long haul destinations.
- Total Eden's management and supply chain being fully integrated into Ruralco, meaning key growth markets are now being explored, such as northern Australia. Opportunities to co-locate Total Eden's water expertise and products within Ruralco's existing network footprint are receiving priority.

Grain and water broking growth strategies are also at a promising stage for 2015.

- Rollout of Agfarm's Accelerate input financing product, funded by our joint venture partner CHS, is generating pleasing support from existing and potential customers as we talk to them about their rural supplies, grain marketing and financing requirements for the 2015 season.
- Ruralco Water Brokers' newly released Water Exchange electronic trading platform has been actively transacting water in the temporary market since August with the platform attracting a depth of support from participants across the water broking sector.

Outlook

- The Group's trading performance through the first four months of the 2015 financial year has been solid against the prior year, despite the effects of an extremely dry finish to the winter broadacre season.
- Sales Revenue is trending strongly compared to the same period last year, with the existing platform generating higher sales despite seasonal conditions constraining demand for spring and summer cropping inputs. Total Eden's retail water products network has delivered first quarter sales in line with expectations, as has the Frontier Live Export business with shipped volumes continuing to build.
- The dry conditions have led to some acceleration in livestock sales, although prices have been strong with trade and export buyers keen to maintain throughput given robust international demand for Australian meat and livestock.
- It is heartening to see many areas of eastern Australia receive much needed rainfall over the past six to eight weeks. Whilst more is needed to signal a genuine end to the drought period, confidence levels in most of the sectors we participate in appear to be rising.
- Ruralco's first quarter underlying earnings are also trending similarly to revenue with increases in water services and live export earnings demonstrating the benefit of the Groups' increasingly diversified revenue base.

The Board

We were very pleased to welcome Ross Burney, Elizabeth Johnstone and Trudy Vonhoff as new members to the Board on 1 September 2014 following the resignation of Bruce Dixon and Michele Allan last year. I would like to acknowledge and thank Bruce and Michele for their valuable contribution to the company and board during their tenure.

Ross Burney was appointed as a non-executive director on 1 September 2014 and is CEO of Taverners Group and a director of Kaplan Equity Ltd. Ross is a director of Qube Holdings Ltd and Oncard International Ltd. Ross has over 20 years' experience as an accountant and investment manager with a strong knowledge of the agricultural supply chain.

Elizabeth Johnstone was appointed to the Board on 1 September 2014. Elizabeth was previously a corporate partner and practice head for company law and governance at a top tier legal firm. Elizabeth is a director of ASX Compliance Pty Ltd, the KinCare Group of Companies,

Macquarie University Hospital Operations Ltd and the Royal Flying Doctor Service (South East Section).

Trudy Vonhoff was appointed to the Board on 1 September 2014. Trudy is a non-executive director of AMP Bank Limited and Tennis NSW and a member of the NSW Government Industry Advisory Group for Procurement. Trudy brings over 30 years' experience in financial services, including senior executive positions at Westpac Banking Corporation.

Ross, Elizabeth and Trudy, as new appointments to the Board will retire from office later in the meeting and, being eligible, stand for re-election. Michael Millner and I will also retire by rotation in accordance with the Constitution and, also being eligible, will stand for re-election.

Corporate Governance

The Board is committed to achieving high standards of corporate governance practice and supports the ASX Corporate Governance Council's principles of Good Corporate Governance and Best Practice. We adopted a policy in December 2012 with respect to diversity and are committed to developing strategies to incorporate diversity principles into our recruitment and appointment processes.

The Company and your directors continue to reassess the appropriateness of its corporate governance structures and processes including the Board and Committee Charters.

In Conclusion

I would like to thank my fellow Board members for their valued contribution and express my sincere appreciation for the support of management and our dedicated staff, joint venture partners and members over this challenging but rewarding year. Your dedication, hard work, loyalty and support is appreciated.

I look forward to 2015 and the challenges it may bring, confident in the knowledge that we have a sound platform from which to pursue our strategic objectives while continuing to provide an exceptional level of service to rural and regional Australia.

Finally, I thank you, the Company's shareholders for your ongoing confidence, loyalty and support.