



27 February 2015

TANDOU REPORTS HALF YEAR RESULTS

- **Net Profit Before Tax \$0.3 million, operating cashflow \$9.244 million**
- **Water business EBIT \$4.8 million**
- **13% increase in value of water entitlements to \$88.0 million (44.7 cents per share)**
- **Successful establishment of 7,000 hectares 2015 cotton**
- **Net asset backing (at valuation) 65 cents per share**

Listed water investment and agribusiness company Tandou Limited (ASX:TAN) today reported a \$0.3 million Net Profit Before Tax result for the half year ended 31 December 2014.

Announcing the result, Tandou CEO Guy Kingwill said "the Company has successfully aggregated one of the largest and most diverse water entitlement portfolios in the southern connected Murray Darling Basin, totalling more than 84,000 megalitres and independently valued at \$88 million."

"With continued dry conditions and tightening of water markets these entitlements have continued to rise in value post balance date. As one of the pioneers and established leaders within the water industry Tandou will continue to actively manage these water assets to generate positive earnings growth."

"The lower consolidated profit result for the half year was in line with projections and the majority of profit from the 2015 cotton crop is forecast for the second half earnings. The crop has benefited from favourable seasonal conditions to date and the Company is confident of achieving budgeted yields. Management is looking forward to harvest commencing in the coming weeks"

"With cotton prices currently trading at above \$530/bale, the Company is anticipating the cropping operations to contribute significantly to a stronger full year result".

"The preliminary forecast earnings for the year ending 30 June 2015 are projected to be in the range of \$3.0-\$5.0 million profit before tax" Mr Kingwill said.

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About Tandou Limited:

Tandou Limited (ASX:TAN) was established in 1972 and has evolved into a modern Australian water investment and agribusiness company that owns a significant and diversified portfolio of water entitlements, along with its large scale irrigated cropping and pastoral operations. Over time Tandou has invested in water entitlements strategically held across various river systems in the Murray Darling Basin. In addition to investing in entitlements and trading water allocations Tandou combines traditional farming knowledge with the latest technological advancements throughout its enterprises to minimise risk and produce high value returns. Tandou's land holdings cover approximately 135,000 hectares near Menindee, NSW and 13,500 hectares near Hay, NSW with approximately 19,500 hectares (in total) developed for irrigation. The Company is a major producer of cotton and cereal, along with organic lamb on its pastoral operations. Its corporate office is located in Mildura, Victoria.