

AUSTRALIAN DAIRY FARMS GROUP

“ASX’s Only Listed Milk Producer”



AUSTRALIAN DAIRY FARMS

Australian Dairy Farms Group

ASX listed Stapled Security *

ASX Code: AHF (reserved)*

FOR ASX RELEASE

For General Information Purposes

August 2014

**Please refer to Prospectus and Product Disclosure Statement (Offer Document) dated
20 August 2014 for information and Applications**



*subject to ASX approval and successful completion of capital raising

Disclaimer



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General Information

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This Presentation contains certain statements which constitute forward-looking statements or information ("forward-looking statements"), including statements regarding the use of proceeds of any funds available to the Group. These forward-looking statements are based on certain key expectations and assumptions, including assumptions regarding the general economic conditions in Australia and globally, industry conditions in Australia and the intended operations of the Group. These factors and assumptions are based upon currently available information and the forward-looking statements contained herein speak only as of the date hereof. Although the Group believes the expectations and assumptions reflected in the forward-looking statements are reasonable, as of the date hereof, reliance should not be placed on the forward-looking statements as the Group gives no assurances that they will prove correct and because forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward-looking statements. These risks include, but are not limited to: uncertainties and other factors that are beyond the control of the Group; global economic conditions; risks associated with the global dairy industry; commodity prices, exchange rate changes; operational and seasonal risks associated with farming; delays or changes in plans; specific risks associated with the ability to execute production contracts, ability to meet work commitments and capital expenditures; risk associated with securities market volatility and the ability of the Group to continue as a going concern. The Group assumes no obligation to update any forward-looking statements or to update the reasons why actual results could differ from those reflected in the forward-looking statements, except as required by Australian securities laws and ASX Listing Rules.

Re-compliance with ASX Listing Rules – Chapters 1 and 2

APA Financial Services Limited lodged a Notice of Meeting of APA shareholders (Meeting Booklet) with ASIC and ASX on 1 August 2014 for a meeting to be held on 1 September 2014. The Group lodged a Prospectus and Product Disclosure Statement (Offer Document) with ASIC on 20 August 2014 and proposes to raise up to \$14.5 million in new capital from a public issue of up to 72,500,000 Stapled Securities at an issue price of \$0.20 each including a priority offer of 10,000 Stapled Securities at an issue price of \$0.20 each, to Eligible Shareholders of APA Financial Services Limited and Trustees Australia Limited. The Group will seek re-admission to ASX on completion of the proposed capital raising. This is subject to a number of risks including obtaining shareholder approval, raising sufficient funds, completing the acquisition of the Brucknell Farms and obtaining ASX approval. Copies of the Meeting Booklet and the Offer Document can be obtained from the ASX website under announcements by APP. Applications can only be made on Application Forms contained in the Offer Document.

¹Associates of Australian Dairy Farms Group include any of its directors, employees, contractors, advisers, brokers, consultants and their respective employees and representatives. References to "Australian Dairy Farms", the "Group" Australian Dairy Farms Limited, Australian Dairy Farms Trust and its trustee are references to Australian Dairy Farms Group or its constituent entities. At the date of this presentation, APA Financial Services Limited (ASX:APP) is the registered name of the Company which is proposed to be changed to Australian Dairy Farms Limited. A shareholders meeting to be held in August 2014 will consider changes to the name, structure and business activity of the Company to approve the business undertakings set out in this Presentation.



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- **Australian Dairy Farms Group (“ADF”) will be an owner and operator of Australian dairy farms**
- ADF intends to offer an ASX listed investment opportunity in corporate farm consolidation in Australia’s fragmented dairy supply industry – focussed on Victoria
- **The time is right to consolidate the Victorian dairy sector:**
 - Cyclical low in dairy farm prices – prime opportunity for acquisition
 - Strong milk supply/demand fundamentals – demand forecast to grow at CAGR of 5% p.a¹
 - High milk price trend – long term, high demand growth forecast - potential for high return on equity
 - Economies of scale – management, revenue and cost synergies risk diversification
- **Strategy to purchase attractively priced existing dairy farms:**
 - In Australia’s premier dairy regions – initially SW Victoria;
 - Currently operational with strong production and earnings metrics;
 - Identifiable and accessible productivity gains and cost efficiencies;
 - Benefit from economies of scale – i.e. proximity to multiple ADF owned / managed dairy farms
- Medium term strategy to purchase additional farms, use scale to deliver revenue and cost synergies and produce 50m+ litres of production p.a. within 2 years.



- Shareholder returns driven by:
 - Operations – exposure to earnings and cashflows
 - Property – exposure to dairy farm capital value growth
- ADF will own 2 producing dairy farms in South West Victoria’s “Golden Triangle” near Warrnambool¹
- Currently producing strong production levels selling to Fonterra
- Current production / cow exceeds Australian average by 49%² and SW Regions top 10% benchmark by 24%²
- Market capitalisation of \$17.1m post listing at Maximum Subscription
- Future purchases of farms will provide a strong uplift in financial performance – both revenue and cost synergies

APA Financial Services Limited (ASX:APP) and Australian Dairy Farms Trust will form Australian Dairy Farms Group (ASX:AHF) as an ASX listed Staped Security. APP will be renamed Australian Dairy Farms Limited.

Australian Dairy Farms Group (ADF) is seeking to raise up to \$14.5m at \$0.20 per stapled security and will seek re-quotations post the capital raising on or around 1 October 2014. Public Offer is subject to APA Shareholder meeting scheduled for 1 September 2014.

ADF has already received firm commitments of \$8.5m from international and domestic institutions and sophisticated investors. Prospectus and PDS lodged with ASIC and ASX on 20 August 2014. Visit www.apafs.com.au for a copy

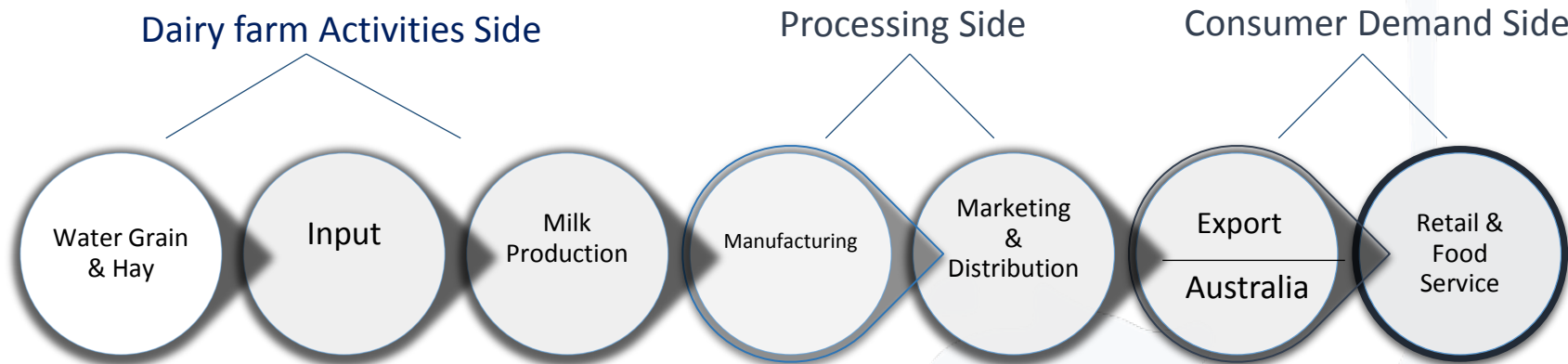
Please refer to the statement regarding forward looking figures on Slide 2

¹Subject to successful completion of capital raising and re-quotations on ASX

²Source: DPI Statistics, Red Sky and Company estimates



Supply Side Farmers sell to Processors who sell to the Demand Side Consumers



- **Global Pricing:** Milk Products are Global Commodities, setting Processors' Sales Prices
- **Demand \$ Impact:** Global Demand Growth exceeds Supply Growth > Global Price and Volumes rise
- **Competition Mix:** Processors compete for milk Supply > reward high volume Suppliers
- **Change Dynamic:** Supply Side - "Price Taker" v Processing Side - "Price Maker" dynamic is changing
- **Current Price Mix:** Strong Milk Prices and Weak Farm Prices > Farm buying opportunity
- **Future Price Mix:** Higher Milk Price > Higher Cow Prices > Higher Farm Prices
- **Counter-cyclical:** Higher Milk Price + Lower Farm Prices > Short Term Opportunity to Aggregate
- **Investment Benefit:**
 - > Cashflow from Profitable Operations
 - > Capital Growth from Dairy Farmland Value Growth

Rationale for Consolidation of Milk Sector



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Scale (Revenue Synergies)	<ul style="list-style-type: none">✓ Processors have excess capacity and actively seek security of milk supply✓ Will pay significant premiums / incentives for high volume and reliability of production✓ e.g. 1 owner producing 37.5 million litres p.a. should be paid 13% more per litre than 10 separate owners each producing 3.75 million litres p.a. (based on \$6.00/kgMS base price) Source: WCB Milk Supply Handbook – 2013
Scale (Cost Synergies)	<ul style="list-style-type: none">✓ Bulk purchasing power - grain/fodder, trade services etc.✓ Manage calf rearing and dry cow grazing on specialist facilities by specific staff✓ Share seasonal / capital equipment across farms✓ Share management / administration costs and expertise across farms
Inefficiencies	<ul style="list-style-type: none">✓ Average Australian dairy farms are producing well below their production potential✓ Older generation farmers not using modern farming techniques✓ Existing farmers have limited access to capital – have not reinvested
Farm Prices / Timing	<ul style="list-style-type: none">✓ Farm prices are at cyclical lows in premier dairy regions of Australia, while milk prices remain relatively high✓ Older generation farmers looking for an exit – with younger generations not choosing to take over family farms
Overseas Success	<ul style="list-style-type: none">✓ Consolidation and corporatisation of dairy sector has proven successful overseas as demonstrated in New Zealand
Processor / Farmer Dynamic	<ul style="list-style-type: none">✓ Processors have had all the power in dealing with individual farmers – who are price takers✓ Consolidating farms to produce larger volumes enable those suppliers to negotiate higher prices and other incentives from competing processors.

Corporatisation Strategy Rationale



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- Previous aggregations of farming operations have had mixed success in Australia – listed and unlisted.
- ADF recognises key mistakes other aggregation entities have made:

Mistake	Australian Dairy Farms Response
<p>Acquisition Pricing <i>Aggregation done at the top of the land price cycle when commodity is in favour</i></p>	<ul style="list-style-type: none"> ✓ Purchasing dairy farms in prime locations at cyclical low prices ✓ Buying into a likely upward trend in dairy farm prices i.e. farm prices follow milk prices
<p>Commodity Choice <i>Some soft commodities less likely to be successful in a corporate model, or carry more risk</i></p>	<ul style="list-style-type: none"> ✓ No annual crop / herd growth cycle – milk produced daily – paid for monthly ✓ Ready market –, multiple local competitive buyers ✓ Minor storage / transport costs – milk sold daily, major processors within 30km radius ✓ No major annual upfront capital investment as with grains
<p>Cost Base <i>Cost base too high, farms generate good revenue but returns don't flow back to shareholders</i></p>	<ul style="list-style-type: none"> ✓ No large management team or “Collins Street” office ✓ Genuine synergies between farms – no scale for the sake of scale ✓ Management scalable with increasing farm numbers
<p>Water Dependency / Intensity <i>Profitability heavily influenced by annual rainfall, or farming in high rainfall risk regions (i.e. NT, Cent QLD)</i></p>	<ul style="list-style-type: none"> ✓ Consistent rainfall region – refer slides 9 and 10 ✓ Full contingency of water rights under worst case scenario ✓ Stock irrigation licences in place

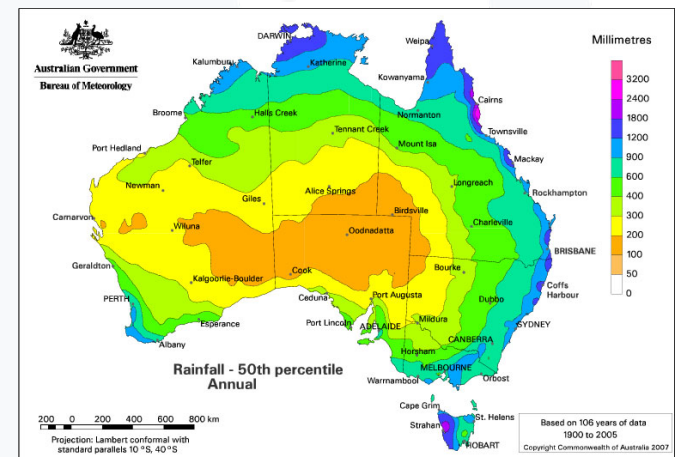
Farm Selection Criteria



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ADF has a strict selection criteria for dairy farm acquisitions:

- ✓ **Existing production** - with immediate cashflows
- ✓ **Location** – Proximity to regional centres and existing processing facilities
- ✓ **Premier Regions** – Invest only in regions known for strong production
- ✓ **Synergy Potential** - Proximity to existing ADF farms to realise cost synergies
- ✓ **Scale** - Minimum 500 cow capacity, no sub-scale farms
- ✓ **Rainfall** - historically consistent and strong rainfall areas
- ✓ **Production Improvements** – potential for increased production via:
 - Pasture Renovation
 - Paddock Layout
 - Dairy Technology
 - Feeding Intensification
 - Adjoining Land Options



Initial Focus – South West Victoria



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ADF's first 2 dairy farms are located in South West Victoria near Warrnambool. "The Golden Triangle" is Australia's premier dairy producing region.

- ✓ Largest Australian producing state by volume
- ✓ Consistent and favourable rainfall
- ✓ Close to major processors – Fonterra, Murray Goulbourn, Warrnambool Cheese & Butter, Bega
- ✓ Close to regional centres
- ✓ Melbourne CBD 3 hours away
- ✓ Quality infrastructure – excellent laneways, dairy sheds, good water, access etc

ADF's initial focus for future acquisitions will be the Golden Triangle:

- Aim to acquire up to 16 farms in close proximity
- Drive production improvements and economies of scale
- Build production volumes to a scale that is material to both processors and strategic investors



Step 1 – Acquisition

- ✓ Establish initial production foothold in one of Australia’s premier dairy regions
- ✓ Retain existing experienced operational and farm management and consultants
- ✓ Raise capital and list on ASX

Step 2 – Productivity

- ✓ Improve existing production and livestock intensification
- ✓ Drive cost efficiencies with scale
- ✓ Deliver earnings to shareholders

Step 3 – Scale

- ✓ Purchase additional farms in same region
- ✓ Use scale to drive both revenue and cost synergies
- ✓ Achieve critical mass (circa 16 farms, aim for 50m litres p.a. within 2 years)

Step 4 – Replicate / Expand

- ✓ Potential to replicate in other Australian dairy regions (Gippsland, Northern Tasmania)
- ✓ Become Australia’s leading independent producer of milk
- ✓ Drive stronger “price maker” supply contracts with processors

Longer Term Possibilities

- ✓ JV on dairy processing plants; Repurchase agreements for processed product
- ✓ Export opportunities in higher margin end products
- ✓ Joint ventures to take model overseas

Corporate Structure



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Australian Dairy Farms Limited (Operating Company)

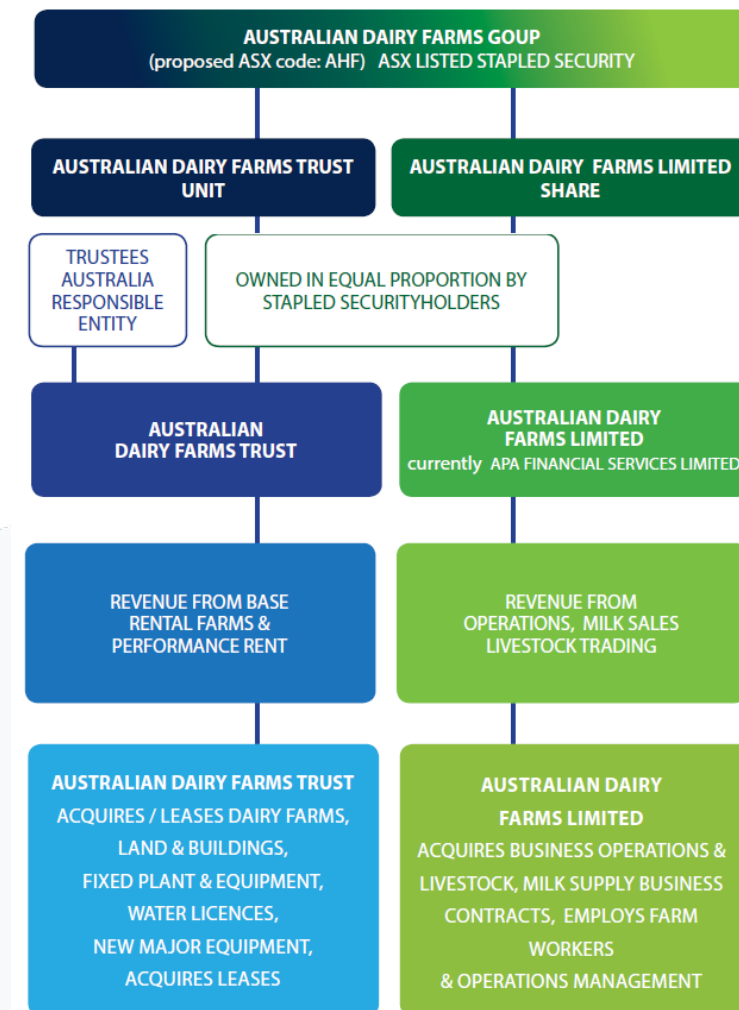
- Operates the farms – owns the livestock
- Revenue from milk sales and livestock trading
- Leases farms from the stapled property trust
- Potential participation in surplus live heifer exports

Australian Dairy Farms Trust (Property Trust)

- Owns the farms - land/buildings/equipment
- Leases farms to the stapled operating company
- Turnover rent to participate in farm operations
- Capital gains for increased farm values

Rationale for stapled security structure:

- Flexibility for low cost restructure in future
- Potentially more attractive to strategic buyers
- Medium term benefit from combined operation
- As scale is achieved, opportunity for trust spin-off
- Potentially facilitates management of unrelated farms.





- ADF has assembled an experienced board with ASX and NZX experience
- Initially all roles will be non-executive, with board members overseeing all management responsibilities in order to keep costs down and maximise shareholder returns
- Intention is to install a full time CEO within 12 months once adequate scale has been achieved

Board & Management	
<p>Michael Hackett Non-Executive Chairman</p>	<ul style="list-style-type: none"> • Long term hands-on ASX listed Chairman and CEO; FCA qualified • Specialist financial, corporate, M&A and administration over 25 years in diverse industries
<p>Keith Jackson Non-Executive Director</p>	<ul style="list-style-type: none"> • Experienced NZ corporate CEO and Chairman level • Specialist skills and success in operation and M&A activities at several listed NZ food production / processing companies • Experienced Director of dairy farming equity partnerships and fresh milk production company
<p>Adrian Rowley Non-Executive Director</p>	<ul style="list-style-type: none"> • Accomplished financial and investment market analyst, investment advisor. BSc and CFP qualified • Experienced in analytical portfolio management, marketing and investor communications
<p>Jerome Jones Non-Executive CFO</p>	<ul style="list-style-type: none"> • Highly experienced financial and management accounting analyst in Australia and UK. CPA qualified • Specialist skills and experience in detailed management accounting and procedure implementation in several private and ASX listed businesses



- ADF will have a manager/family living on site – overseeing day to day operations and milking
- On-site management will have clear KPI's and will be incentivised on production levels and costs
- ADF has also assembled a “best of breed” team of consultants to ensure maximum productivity and cost efficiencies
- Focus is on improvements in agronomy (grass/soil quality), animal welfare/nutrition, stock/pasture rotation
- Initial role as consultants to keep costs down, but with a view to moving closer to more part and full time roles once adequate scale has been achieved

Consultants

<i>Robby Zeissig</i> Agronomist - Farm Operations Supervision	<ul style="list-style-type: none">• Internationally experienced Agronomist• Specialist hands-on knowledge of Australian dairy production, grass nutrition management, pasture planning• Extensive farm operations management experience at significant dairy aggregations in Australia and internationally
<i>Eliot Cooper</i> Farm Management – Nutrition – Farm Strategies	<ul style="list-style-type: none">• Second generation NZ dairy farmer• Strong dairy and agricultural operations and business experience in NZ and in Australia• Consultant oversight role for on farm strategies and farm selection assessment
<i>Nathan Leman</i> Project Management – Farm Development	<ul style="list-style-type: none">• Experienced project manager and registered builder, town planning and development• Strong organisational, financial budgeting and project / consultant coordination skills• Implementation of farm development strategies and oversight in farm selection assessment

Key Metrics



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Offer Summary

Listed Stapled Entity	Australian Dairy Farms Group <ul style="list-style-type: none"> Australian Dairy Farms Limited Australian Dairy Farms Trust
Offer Size	A\$7.5m to A\$14.5m
Offer Price	\$0.20 per Stapled Security
Free Loyalty Option Non-transferrable	1 free unlisted option for every 2 ordinary Securities - <i>refer Offer Document for details</i>
Loyalty Option Exercise	Exercisable at \$0.25 on or before 31 March 2016

Capital Structure

	Minimum Subscription A\$7.5m	Maximum Subscription A\$14.5m
APP Shareholders	12.9m (26%)	12.9m (15%)
Directors	6.4m (14%)	6.4m (8%)
New Shareholders	37.5m (74%)	72.5m (86%)
Total Shares On Issue	50.5m	85.5m
Market Capitalisation	\$10.1m	\$17.1m

Table excludes any future securities issued for conversion of loans. Please refer to the statement regarding forward looking figures on Slide 2

Full 2015 Financial Year Production Estimates

Farm Hectares	536.14 ha 108.01 ha leased
Herd Size (approx.)	1250 head 935 average milking
Full Year Production	561,000 kg milk solids 7.707m litres milk
Based on a full year production	



¹Assumes full subscription of \$14.5m



TIMETABLE

Prospectus lodged with ASX & ASIC	20 August 2014
Record date to determine eligibility for priority offer to APA & TAU shareholders	22 August 2014
Public Offer & Broker Firm Offer opens	27 August 2014
APA Shareholder Meeting Company's Share trading suspended after meeting	1 September 2014
Closing date for Offers	17 September 2014
Issue of securities under the Stapling Issue and Offers and dispatch of holding statements	26 September 2014
Trading of Stapled Securities expected to commence	1 October 2014



Key Contacts & Applications



AUSTRALIAN DAIRY FARMS

How To Apply:

To apply for stapled securities please download the Offer Document from www.apafs.com.au and submit the attached application form along with a cheque or money order in accordance with the attached guidance.

Investor or broker enquiries:	Media enquiries:	Company enquiries:
Darren Craike Corporate Finance Bell Potter Securities dcaike@bellpotter.com.au +61 3 9235 1838	Simon Hinsley Investor Relations NWR Communications simon@nwrcommunications.com.au +61 401 809 653	Michael Hackett Chairman Australian Dairy Farms Group michaelhackett@trusteesau.com.au +61 7 3020 3021



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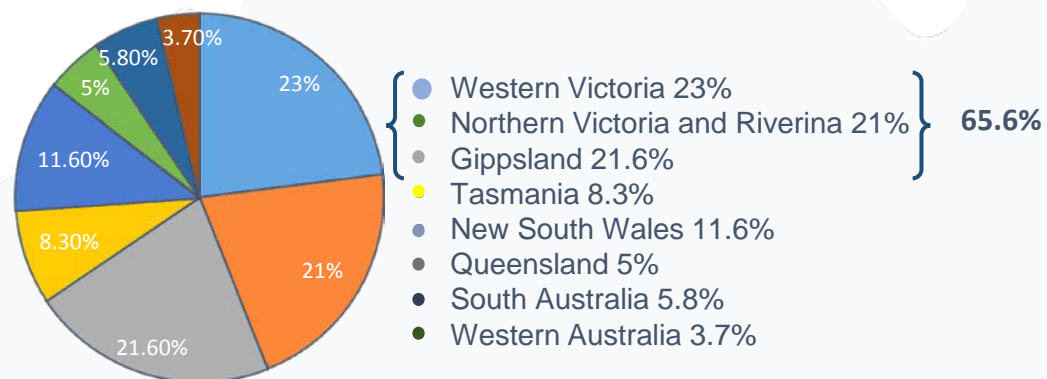


Fragmented Cottage Industry - Ripe for Corporate Aggregation

Key Statistics 2012/2013 season

- Australia's third largest rural industry with \$13 billion farm, manufacturing and exports
- Farm-gate value of \$4 billion in fresh milk
- 6,398 farmers producing 9.28 billion litres of milk in the 2012/13 season(1).
- Victoria's position - 65% of the Australian milk production
67% of Australia's 6,398 registered dairy farms
65% of the total national dairy herd
86% of Victoria's milk is converted for export
- Share farming was employed on 18% of farms
- Corporate farms make up just 3% of the total farm numbers
- In 2011/12 11% of dairy farms had 500 cows or more and produced 33% of the total milk.
26% of farms had fewer than 150 cows and produced just 8% of the milk.

2013 – 2014 Milk production by region



Global Farmland Value Growth

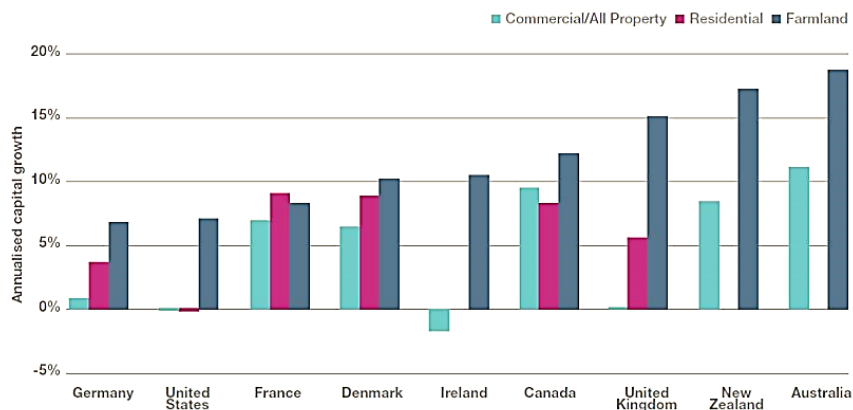


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Savills Global Farmland Index – April 2014

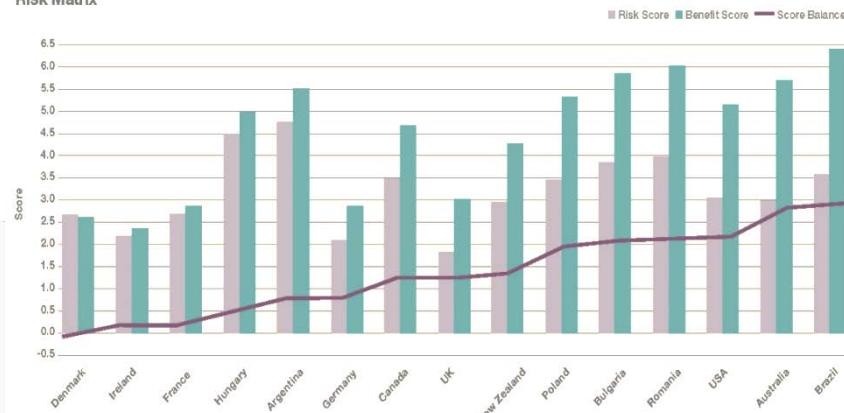
- Global Farmland values outperform other market sectors.
- Brazil and Australia top the table for investment opportunities.
- The opportunity for large scale farming is a key driver in both countries, but location is critical,
- Australia also scores well politically, economically and
- Liquidity of the farmland market is good.

Global Capital Growth (Annualised 2002-2010)



Graph source: Savills analysis using IPD, USDA, Eurostat and various data estimates

Risk Matrix



Graph source: Savills. Various reports and data sources (listed below) were used to lay the foundations of the matrix but this was overlaid with our experience and knowledge to ensure the final overall scoring/ranking for each country is realistic and current.

- Australia's proximity to Asia is also set to drive future growth.
- Another differentiator in Australia - new virgin productive irrigated agricultural land is being opened up

The Savills Global Farmland Index Report (Savills is a leading global real estate service provider. Savills has over 500 offices and associates around the world.)

Global Food Demand Growth

Demand led by Population, Disposable Wealth, Food Choice

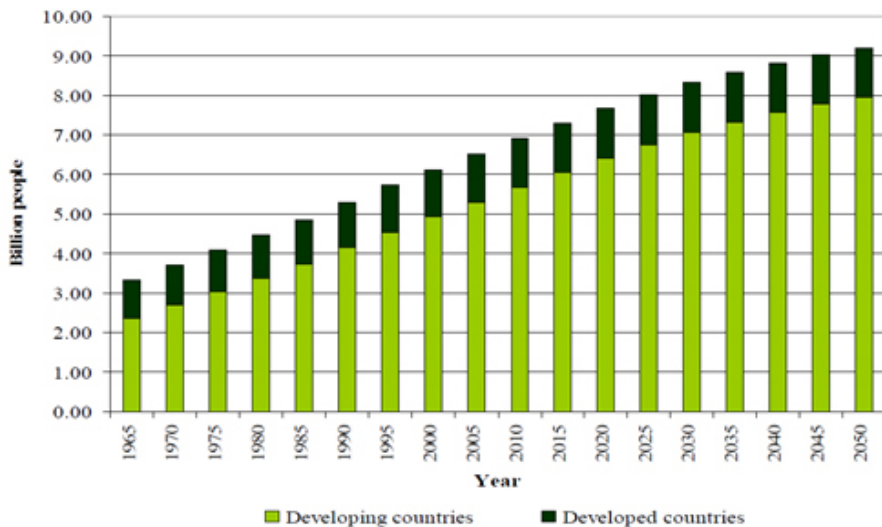


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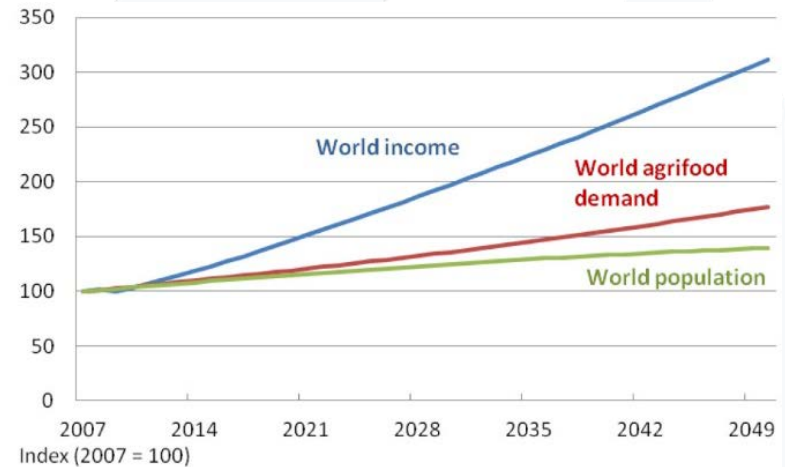
Primary Drivers:

- **World's population** 6 billion people in 2000 to over 9 billion in 2050
- **Food and Protein Production** 60% more Food Production needed by 2050
- **Increased Disposable Wealth** Allows Food Choices
- **China and Asia** Driving Consumer Demand and Prices.

World Population (1965 – 2050) Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat



Map of Increasing Wealth and Population



Data source: United Nations (2011a), ABARES model output

Global Dairy Landscape

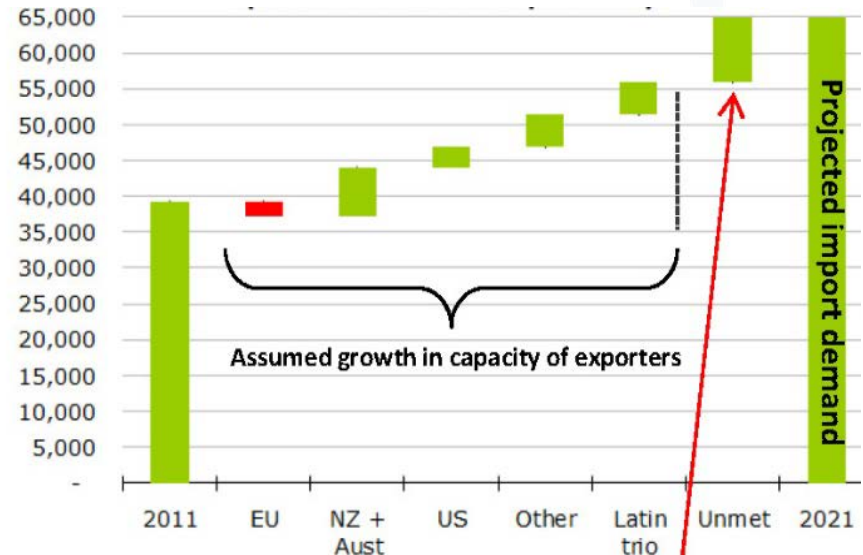
Long Term Continuous Demand Growth



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Meeting growth continuous demand 2011 – 2021
(millions litres milk equivalent)



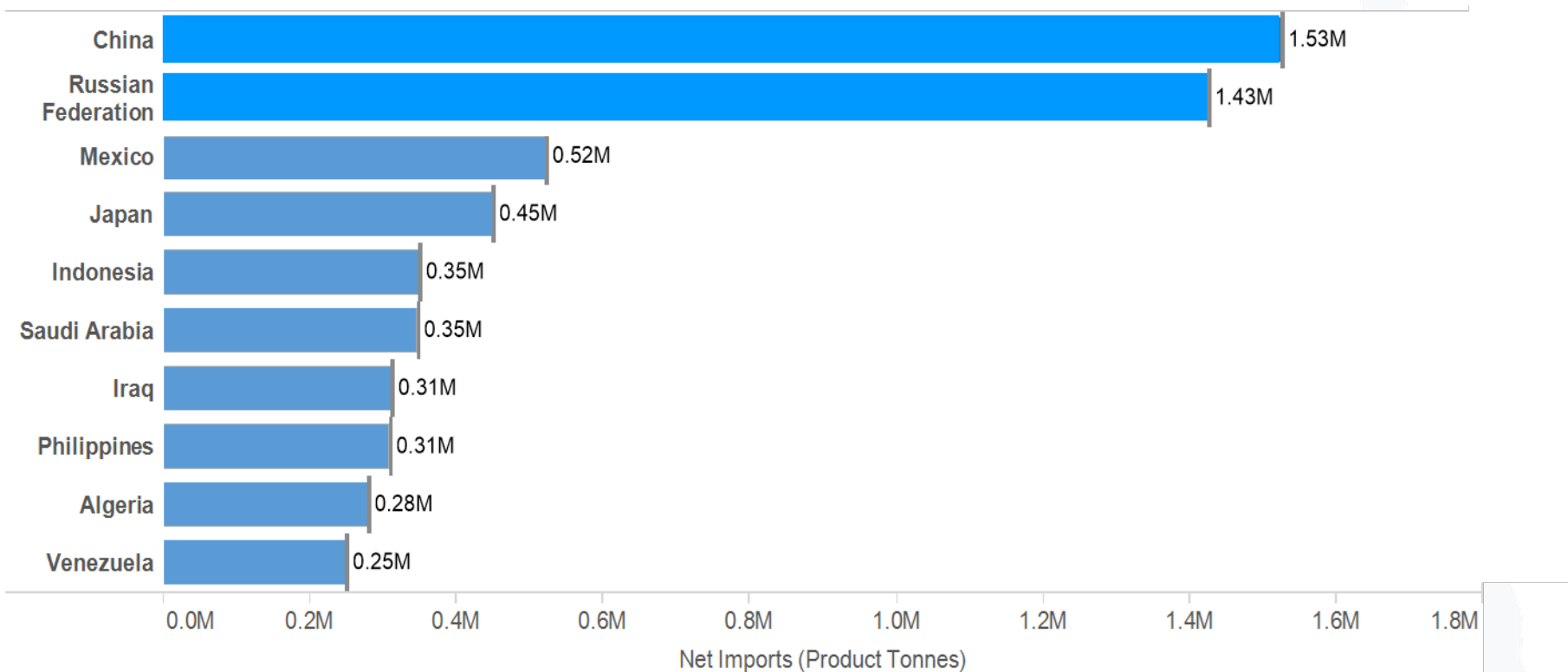
“Unmet” global demand in 2021

- Global trade in milk powders volumes has escalated since 2006 growing at of 8% CAGR
- Trade Growth in both 2011 and 2012 at 10% pa
- Global output to rise at 2% per annum to 2020 OECD-FAO
- Global Demand for Dairy will increase much faster than Global Capacity to Supply.
- Fonterra projects global dairy trade to grow at 5%-6% to 2020
- Australia is geographically well positioned to supply these regions
- **Despite optimising theoretical capacity for global production growth there remains a potentially “unmet” global demand in 2021 of more than 10 billion litres** (Source : Horizon 2020, Dairy Australia and Fonterra)

Main Dairy Global Export Markets (Importers)



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- China imports 1.5 mil tonnes of dairy products, or 13.4% of global imports
- Russia imports 1.4 mil tonnes of dairy products, or 12.5% of global imports
- China and Russia are the two top importers of dairy by a significant margin
- China's and Russia's consumption and domestic supply volatility impact global trade flows, product mix, and production levels of dairy producers and manufacturers

Asia and China Basics

Dairy Consumption Growth in China



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Changing diets in Asia mean enormous growth for dairy

**Per capita consumption
of dairy in China**



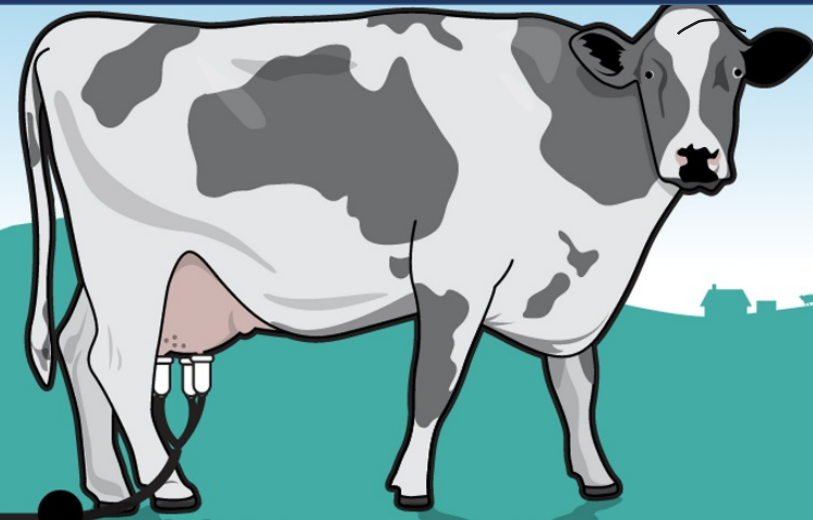
Asia and China Basics

Australia's Key Export Markets



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Key dairy export markets for Australia (tonnes)



Asia and China Basics

China's Imports increased three fold 2007 - 2011



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Exports

**Chinese dairy imports increased
threefold to \$US2.7 billion
from 2007-2011**



Asia and China Basics

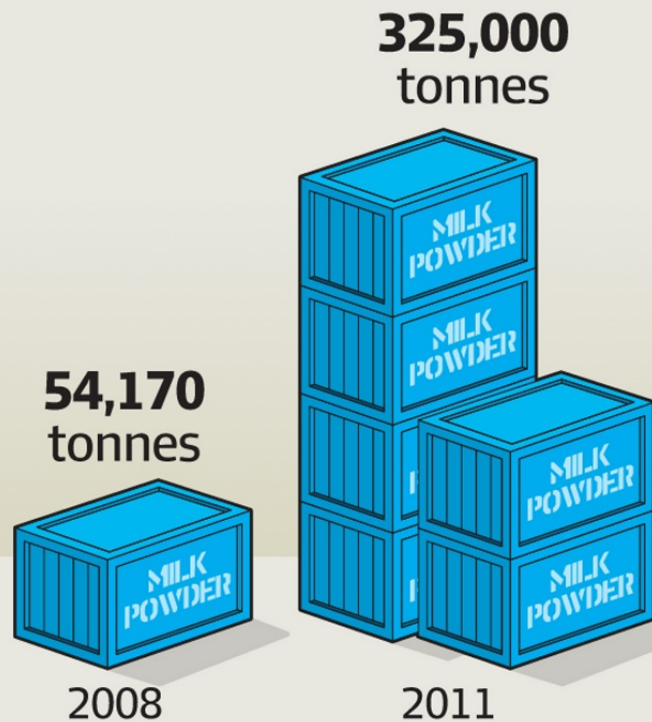
Change in Diets > Increased Dairy Imports



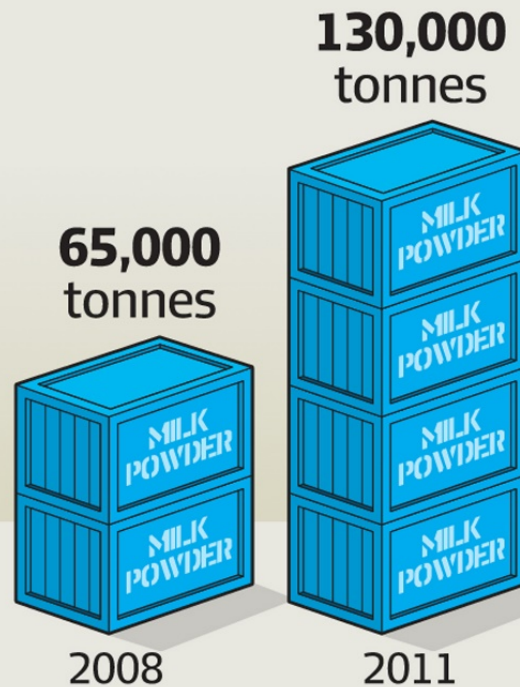
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Changing diets in Asia mean enormous growth for dairy

Whole milk powder imports increased sixfold



Skim powder imports doubled



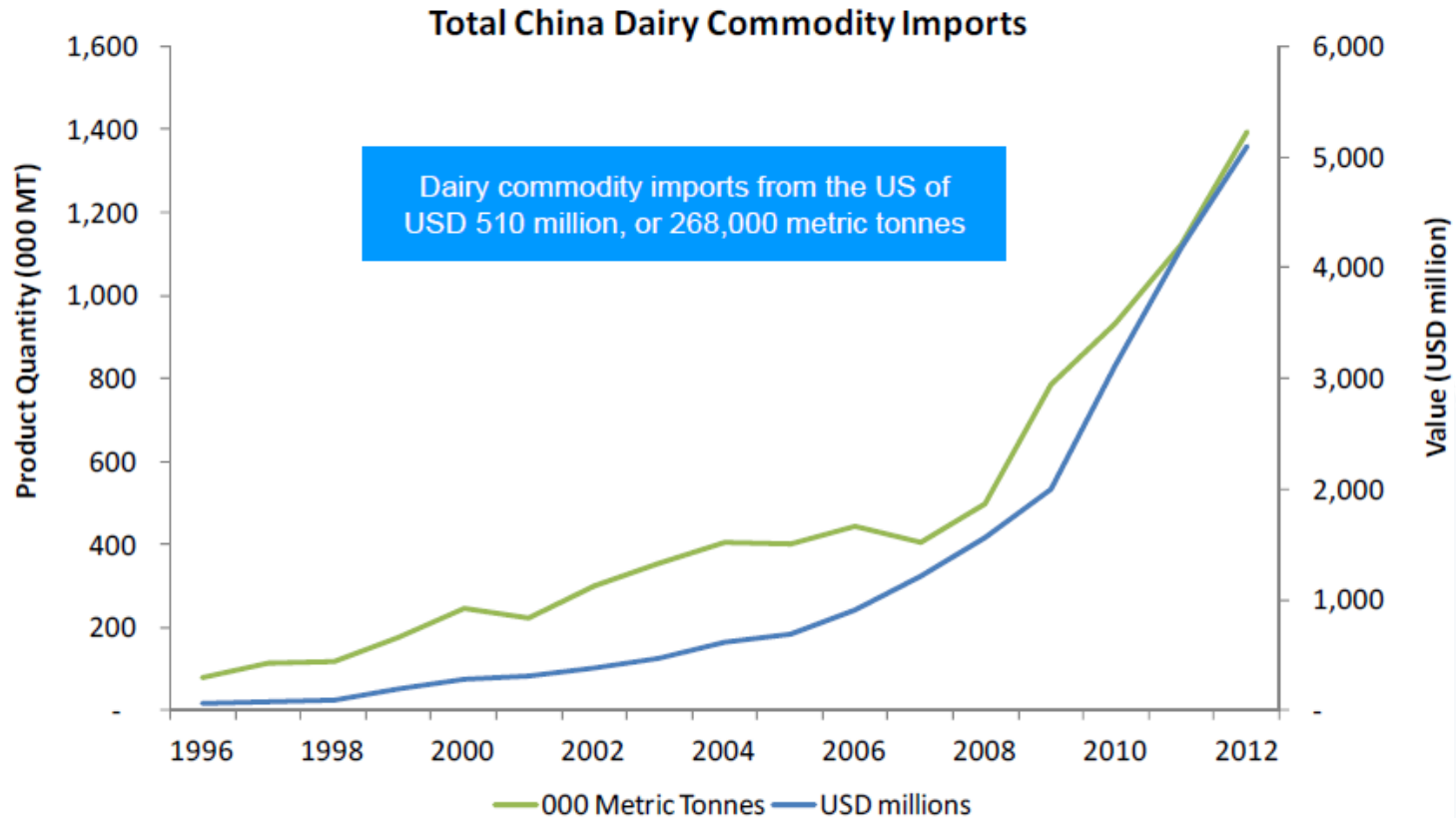
Whey powder imports



China – Largest Global Dairy Importer



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Source: Global Trade Atlas

Example: “in the last four months of 2013, China imported **a staggering** (sic) **550,404 tons** of milk product—**more than the purchases of Russia, Mexico, Japan and Algeria put together**. This figure is up 74% (on the corresponding period) from the year before. For the full year, imports were up 34% from 2012 and up 61% from 2011”. US Dairy Export Council

New Zealand v Australia – can we catch up?

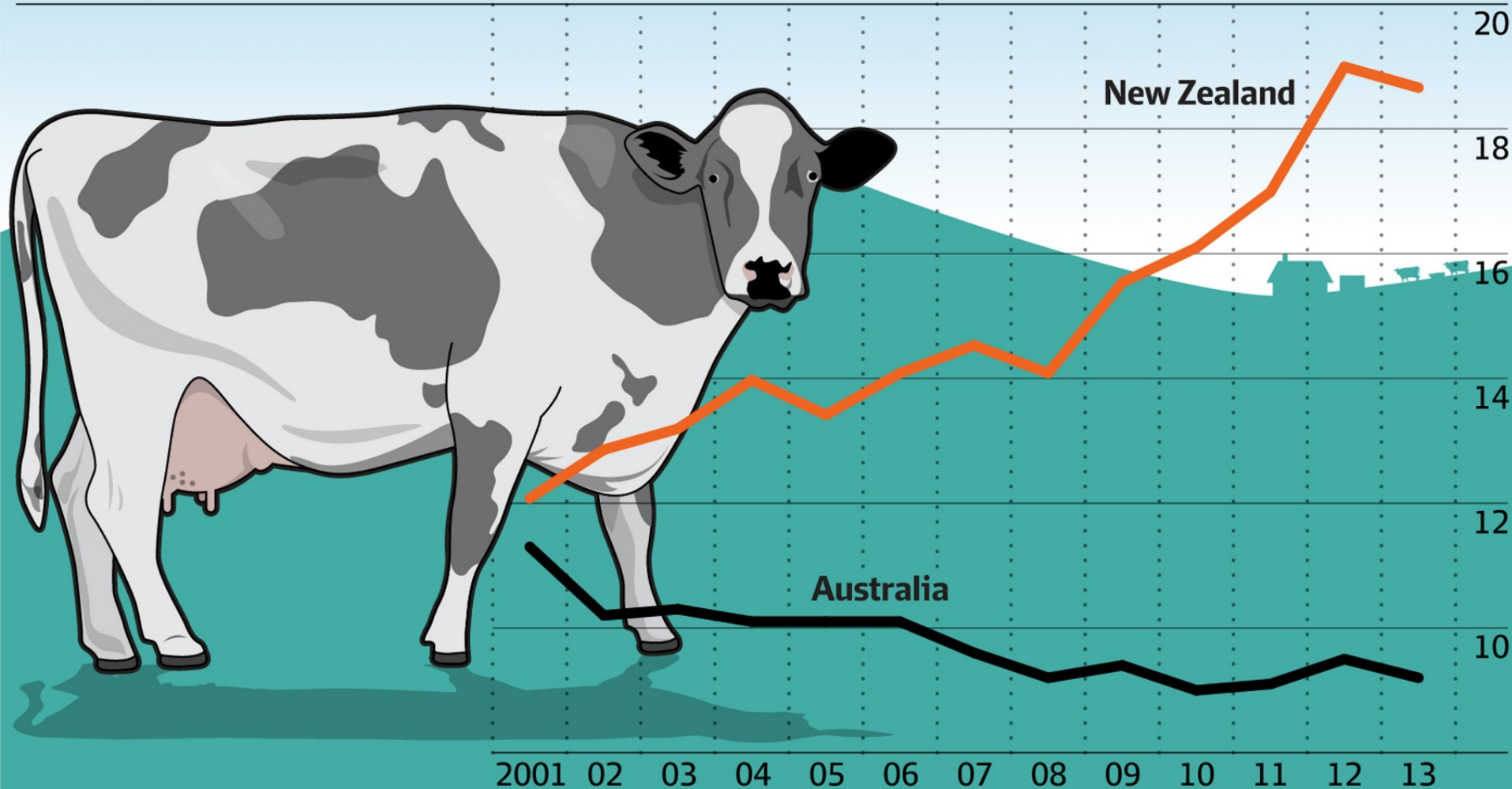
Production - New Zealand Compared to Australia



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Milk production has fallen in Australia, while New Zealand surges ahead

Milk production (billion litres)



New Zealand v Australia – can we catch up?



Processors:

NZ: Fonterra collects **95%** of all milk

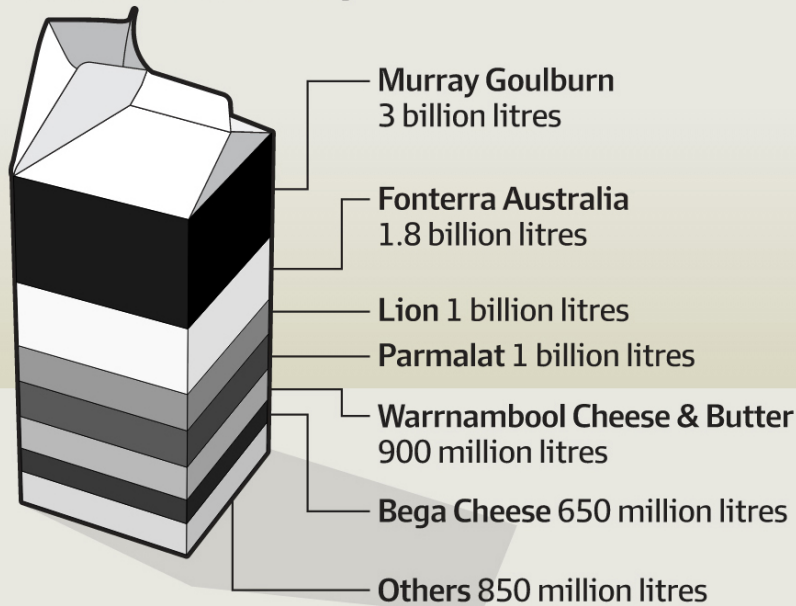
Australia: several competitive Processors

The Australian market is highly fragmented, while in New Zealand Fonterra dominates

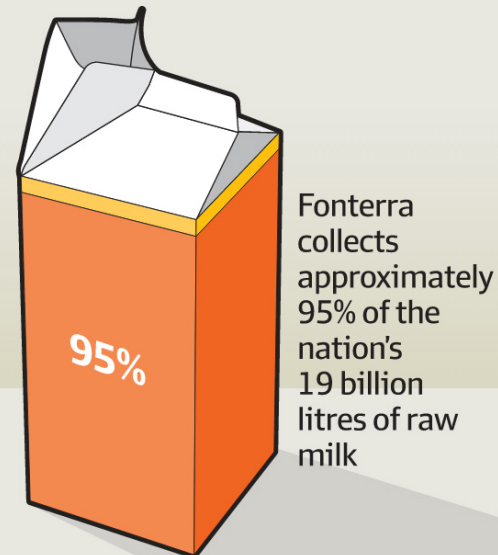
Market structure

Australia

The nation's 9.2 billion litres of raw milk is divided among:



New Zealand



SOURCE: DAIRY AUSTRALIA, ABS, DAIRY NZ | GRAPHIC: LES HEWITT

New Zealand v Australia – can we catch up?

Milk Production Comparison



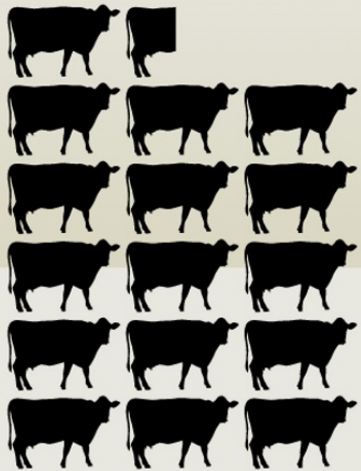
AUSTRALIAN DAIRY FARMS

Yet Australian cows are more productive

Number of cows and yield

Australia

**1.65m
COWS**



New Zealand
**4.78m
COWS**



New Zealand v Australia – can we catch up?

Dairy Exports Share



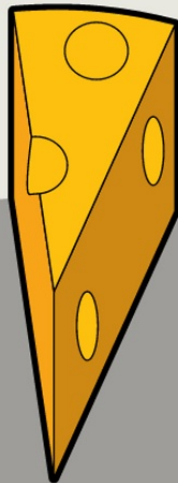
AUSTRALIAN DAIRY FARMS

Total share of exports and value, 2012

Australia

7% of global exports worth

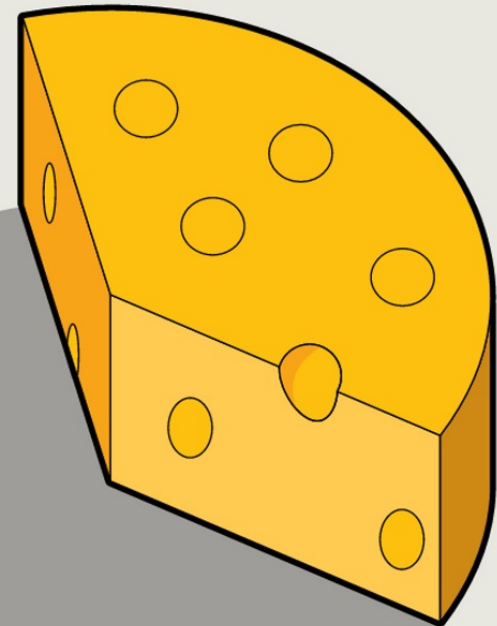
\$2.76bn



New Zealand

37% of global exports worth

\$NZ13.7bn



New Zealand v Australia – can we catch up?



New Zealand Dairy Farm Prices compared with South West Victoria:

- Victorian Dairy Farm Price Statistics are not segregated from other agricultural property pricing
- Good quality South West Victoria dairy farms are available although there are few sales
- Victoria SW Prices range from **AUD \$11,200** /ha to **AUD \$18,000** per ha for *Premium* farms
- Receivership farms can sell at **AUD \$8,750** /ha
- This compares with almost **AUD \$30,000** /ha for *weighted average* of 197 NZ Farm sales

In NZ - Dairy farm land prices have been relatively steady for the past two seasons

The weighted average sale price of dairy farms (\$4.58 million) increased 1.0% in 2012/13 (Table 5.2). The weighted average sale price per hectare of \$32,311 is similar to the previous season.

Season	Number of dairy farms sold	Weighted average sale price NZ\$	Inflation adjusted average sale price NZ\$	Weighted average land area (ha)	Weighted average sale price/ha NZ\$	Inflation adjusted average sale price/ha NZ\$	Weighted average sale price /kgms NZ\$
2009/10	90	4,128,586	4,417,850	145	31,618	33,833	39
2010/11	143	4,136,532	4,204,461	143	32,726	33,263	38
2011/12	157	4,532,603	4,563,648	171	32,123	32,343	40
2012/13	197	4,579,455	4,579,455	155	32,311	32,311	35

Note: Number of dairy farms sold is for a season (01-Jun to 31-May) and excludes support blocks and non-economic units. Figures have been weighted by the number of dairy farms in each region. Source: Real Estate Institute of New Zealand (REINZ)

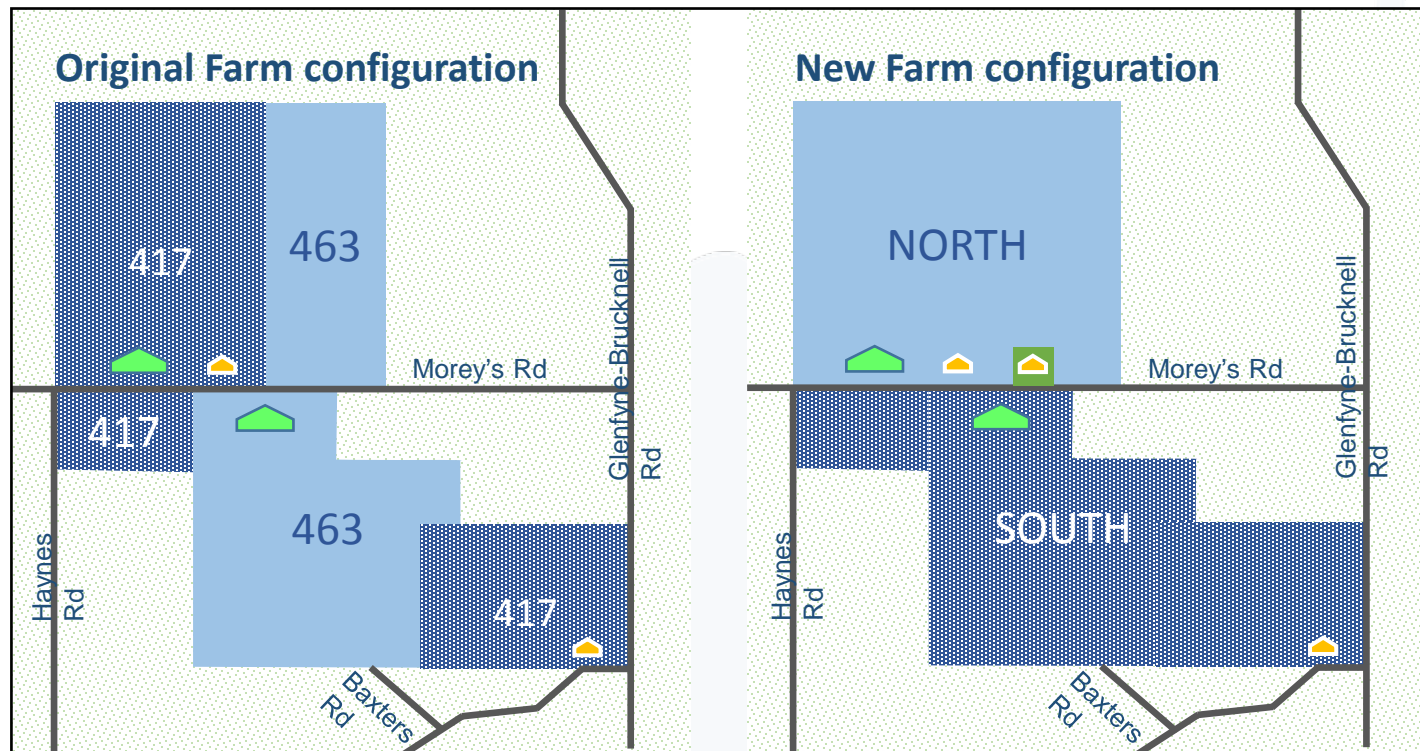
Farm Case Study: Moreys Road



AUSTRALIAN DAIRY FARMS

Two Farms:

- 417 and 463 Moreys Road → Two Farms: North and South
- Increase: Milking Platform - Livestock Carrying capacity - Milk Production – Labour Efficiency
- Becomes two 500 cow farms, two Rotary Dairy sheds, three Houses → One Family Management Team





Pro-forma Balance Sheet

\$'000	Company	Trust	Adjustments		Group	
			Minimum	Maximum	Minimum	Maximum
ASSETS						
Current assets						
Cash	36	4	1,838	7,418	1,878	6,458
Receivables	21	249	-	-	270	270
Shares in OneVue	725	-	(453)	(453)	272	272
Other	13	9	-	-	22	22
	795	262			2,442	7,022
Non-current assets						
Livestock – dairy cattle	-	702	1,060	1,060	1,762	1,762
Plant and equipment	-	123	150	150	273	273
Land & buildings - dairy farms	-	4,203	3,854	3,854	8,057	8,057
	-	5,028			10,092	10,092
TOTAL ASSETS	795	5,290			12,534	17,114
LIABILITIES						
Trade and other payables						
	(311)	(192)	155	155	(348)	(348)
Loan - CBA	-	(2,250)	(1,750)	(750)	(4,000)	(3,000)
- Interim Facility Trust	-	(3,500)	3,500	3,500	-	-
Convertible Note	-	-	(2,350)	(1,350)	(2,350)	(1,350)
	(311)	(5,942)			(6,698)	(4,698)
NET ASSETS	484	(652)			5,836	12,416
EQUITY						
Contributed equity	7,866	-			14,761	21,341
Reserves	198	-			198	198
Accumulated Losses	(7,580)	(652)	(891)	(891)	(9,123)	(9,123)
TOTAL EQUITY	484	(652)			5,836	12,416
No. of Stapled Securities on issue ('000) – Section 7.3(h)					50,472	85,472
Net asset value per Stapled Security (cents)					11.6¢	14.5¢

Pro-forma Cash Position

	Section 7.3(a)	Minimum Subscription \$'000	Maximum Subscription \$'000
Cash at 30 June 2014 – Actual			
- Company		36	36
- Trust		4	4
Pro form adjustments			
- Sale of shares in OneVue	(iv)	348	348
- Proceeds from the Offer	(v)	7,500	14,500
- Costs associated with the Offer	(vi)	(760)	(1,180)
- Purchase of Brucknell Farm No 1	(ix)	(5,850)	(5,850)
- Proceeds from bank debt	(ix)	1,750	1,750
- Repayment of loan – Interim Facility Trust	(vii)	(1,150)	(2,150)
Cash at 30 June 2014 – Pro Forma		1,878	6,458