



ASX Announcement
4 February 2019

Wellard clarification of media article

Wellard Ltd (Wellard, ASX:WLD) notes a media article today indicating that the Commonwealth Bank of Australia “is about to withdraw support” from the Company.

The Commonwealth Bank has provided a \$30 million working capital facility to Wellard. The facility was undrawn at 30 December 2018 and 31 December 2017. Details of the Company’s minimal drawdown at 31 December 2018 will be in the Company’s interim financial accounts.

The impending change to Company’s finance arrangements was explicitly detailed in Chairman John Klepec’s address at the Company’s Annual General Meeting in November 2018 when he said:

The Commonwealth Bank has extended its trading facility to February 2019 and will not be renewed. We are in the advanced stages of negotiation on a series of opportunities with alternative specialist financiers to provide agribusiness-focussed trading facilities which will replace CBA thereafter.

This information was provided to the journalist but was not stated in the media article.

As noted in the Chairman’s address, the Company is in detailed negotiations for a replacement working capital facility and will update the market once those negotiations are completed.

The article also said that Wellard has been forced to source cattle from South America due to high beef prices in Australia. That is incorrect. Wellard has not sourced cattle from South America for more than a year, which was noted in various public announcements, apart from one profitable shipment of breeding cattle from South America to China.

The article also said that “*given the quality of the Wellard fleet, some say that the company would be better off hiring out its fleet as a transportation service for cattle globally*”. As stated in the Company’s FY2018 annual report, 70.0% of Wellard’s shipping capacity was chartered to third parties in FY2018.

For further information:

Investors

Interim Executive Chairman
Phone: + 61 8 9432 2800

Media

FTI Consulting, Cameron Morse
Phone: + 61 8 9485 8888
Mobile: +61 (0) 433 886 871