



26 February 2014

## TANDOU REPORTS \$3.4M HALF YEAR PROFIT

- Consolidated earnings (before tax) up 32% to \$3.447 million
- Record production of more than 72,000 bales of cotton and \$3.913 million half year earnings (EBIT) from farming operations.
- Expansion of the Hay Aggregation with the acquisition of “Bundygoola” (formerly “South Farm”) irrigation property.
- Water entitlements owned increased to more than 84,000 megalitres, following the “Bundygoola” entitlements acquisition.

Listed agribusiness and water investment company Tandou Limited (ASX:TAN) today reported a \$3.4 million profit before tax for the six months ended 31 December 2013.

Announcing the result, Tandou CEO Guy Kingwill said “today’s announcement is another very pleasing result for the Company which has continued to achieve earnings growth while expanding our asset and operational base”.

“Following the “Bundygoola” acquisition the value of the Company’s water entitlements have increased to approximately \$75 million, including a significant holding of Murrumbidgee General Security entitlements supporting our expansion of the Hay Aggregation cropping operations. The Company is continuing to build one of the most diverse, actively managed water portfolios in the southern connected Murray Darling Basin.

“The reduction in the availability of water entitlements as a result of the government purchasing programs, combined with the dry seasonal conditions and current strength of the allocation market, is expected to continue the recent upward trend of entitlement values”.

“Operational management and cotton quality for the 2013 crop has continued to out-perform and the 2014 cotton crop of more than 8,700 hectares is well placed with favourable seasonal conditions to date”.

Enquiries:

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### **TANDOU LIMITED**

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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.*