



Chairman's Overview

AGM, 31 October 2013

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Consistent earnings

- Tandou has continued to successfully leverage its management and operational expertise in farming and water investment to take full advantage of its strategic holding in irrigated cropping and water assets.
- This year has been another positive step in the Company's strategy of establishing diversified income streams and reduced earnings volatility.
 - 15% earnings growth with a profit before tax result of \$8.6 million, further demonstrating the Company's ability to generate consistent earnings from both its farming and water assets.
 - Continued expansion of the cropping operations with the acquisition of Riverina irrigated property "Glenmea".

Performance

- The Company has now achieved year on year earnings growth. Importantly, this growth has been achieved over a period in which the Company has experienced significantly varying seasonal and market conditions.
- Excellent operating results were achieved at Tandou Farm with record yields for both cotton and cereal crops. The Company's water business continued to expand with more than 25,000 megalitres of water entitlements traded during the period, and segment earnings of \$7.3 million.
- Based on the solid returns of 2013 and the Board's confidence in the business model to continue generating positive returns the Company has again declared a dividend return to shareholders of 1 cent per share.

3

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Positive Outlook

- Over recent years Tandou has firmly established itself as an industry leading agribusiness and water investment company with proven management expertise and a strong balance sheet position.
- The long term outlook for soft commodities and water values continues to be positive and the Board is continuing to explore opportunities through further development or acquisition to expand the Company's operational scale, while delivering sustainable returns to shareholders.
- Australian agricultural and water assets continue to attract growing interest from local and international investors and relative to the rest of the world present a compelling long term investment option. Tandou is uniquely placed to provide this sector with the option and flexibility of owning significant portfolios of both land and water assets, combined with the corporate governance and reporting frameworks established over more than 25 years as a listed entity.

6

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Positive Outlook (cont'd)

- The Company places significant importance on developing and improving environmentally sustainable farming practices with an internal environmental management system and continuing compliance with independently certified industry practices.

6

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In Conclusion

- Directors acknowledge the contribution of our loyal and dedicated management and staff. Tandou's continued success has largely been a result of their efforts and this has positioned the Company to take advantage of the positive outlook for our farming and water businesses.
- The Board thanks all of our shareholders for your loyal and ongoing support

15

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