

10 February 2014

The Manager
The Company Announcements Office
Australian Securities Exchange

AGRICULTURAL LAND TRUST (AGJ)
NOTICE UNDER SECTION 1012DAA(2)(F) OF THE
CORPORATIONS ACT 2001 (CTH)

This notice is given by Agricultural Land Management Limited ACN 072 899 060 (**ALML**) in its capacity as responsible entity of the Agricultural Land Trust ARSN 096 588 046 (ASX Code: AGJ) (**ALT**) under section 1012DAA of the Corporations Act 2001 (Cth) (**Corporations Act**), as modified by Australian Securities and Investments Commission Class Order 08/35 (**CO 08/35**).

ALML today announced a non-renounceable pro-rata entitlement offer of 3 new fully paid units in ALT (**New Units**) for every 4 existing units held as at 7.00 pm (AEDT) on Tuesday, 18 February 2014 (**Record Date**) by unitholders with a registered address in Australia or New Zealand (**Entitlement Offer**).

ALT confirms the following:

- a) The New Units will be offered for issue without a product disclosure statement for the New Units being prepared.
- b) This notice is being given under section 1012DAA(2)(f) of the Act as modified by CO 08/35.
- c) As a disclosing entity, ALT is subject to regular reporting and disclosure obligations.
- d) As at the date of this notice, ALT has complied with;
 - (1) the provisions of Chapter 2M of the Act as they apply to ALT; and
 - (2) section 674 of the Act as it applies to ALT.
- e) As at the date of this notice, there is no information that is 'excluded information' within the meaning of sections 1012DAA(8) and 1012DAA(9) of the Act.
- f) The potential effect that the issue of the New Units will have on the control of ALT, and the consequences of that effect, will depend on a number of factors, including investor demand and the number of New Units taken up by each eligible unitholder under the Entitlement Offer.

The Entitlement Offer forms part of a broader restructure of the affairs of ALT as announced to the market on 28 October 2013 (**Restructure**). The purpose of the Restructure is both to satisfy the requirements of ALT's lenders under its senior debt facility and to facilitate the exit by Elders Limited and its subsidiaries (**Elders**) from its interest in ALT (as shareholder of ALML,

unitholder, lessee and financier). The terms of the Restructure are set out in an Implementation Agreement between Elders and ALML dated 28 October 2013 (**Implementation Agreement**).

Certain elements of the Restructure required the approval of unitholders; a meeting was held on Monday, 16 December 2013 (**Original Meeting**) for the purpose of obtaining those approvals but was adjourned to Friday, 31 January 2014 and subsequently postponed until Friday 7 February 2014. The approvals were obtained at the meeting on Friday 7 February 2014 (**Approval Meeting**). The notice of meeting and explanatory booklet for the Original Meeting (released to the market on 21 November 2013) set out in detail the elements of the Restructure, the nature of the Unitholder approvals required and the terms of the Implementation Agreement (**Notice of Meeting**). A supplementary notice of meeting for the Approval Meeting was released to the market on Tuesday, 7 January 2014 and contained further information in relation to the Restructure (**Supplementary Notice of Meeting**). Copies of the Notice of Meeting and the Supplementary Notice of Meeting (together, the **Notices**) are available on the ASX website www.asx.com.au and on ALT's website www.agriculturalandtrust.com.au.

As explained in the Notices:

- (1) ALML has entered into a binding deed of undertaking with Westralia Property Holdings Pty Ltd (**Westralia**), a substantial unitholder of ALT, under which Westralia has agreed to participate in the Entitlement Offer by subscribing and paying for, and procuring that other eligible unitholders subscribe and pay for, New Units to an aggregate value of not less than \$2 million (**Deed of Undertaking**).
- (2) Elders had committed under the Implementation Agreement **not** to participate in the Entitlement Offer.
- (3) The Approval Meeting included a resolution to approve the acquisition by entities controlled by or associated with Mr Allen Caratti (**Caratti**) (which includes Westralia) of an increased relevant interest in the units of ALT that will result from the Restructure, including the issue of New Units under the Entitlement Offer and the cancellation of 60,536,628 units in ALT held by Elders. As a result of the Unitholder Approval, this acquisition is permitted for the purposes of the takeovers prohibition set out in the Corporations Act.

As announced to the market in the Supplementary Notice of Meeting, Elders has waived the requirement in the Implementation Agreement for the Entitlement Offer to be completed before the Restructure can be finalised, in reliance on the Deed of Undertaking. The waiver by Elders is subject to and conditional upon Westralia paying the \$2 million into its solicitor's trust account as required by the Deed of Undertaking. Accordingly, if the requirements of the Deed of Undertaking are satisfied the cancellation of 60,536,628 units held by Elders will occur prior to the Record Date for the Entitlement Offer. Even if Elders' 60,536,628 units have not yet been cancelled by the Record Date, Elders has still committed under the Implementation Agreement not to participate in the rights issue with respect to any of its Units.

The effect on the unitholding structure of ALT arising out of the Restructure (including the Entitlement Offer) can be summarised as follows:

- (1) Elders is currently the major unitholder of ALT, holding 51.96% of the issued units in ALT.
- (2) Caratti currently has the second largest holding in ALT, having a relevant interest in 26.03% of the issued units in ALT.
- (3) As a result of the implementation of the Restructure (including the Entitlement Offer and the cancellation of Elders' 60,536,628 units in ALT), Caratti's voting power in ALT may increase

up to a maximum of 63.23% (in the event that no other unitholders participate in the Entitlement Offer).

- (4) Elders' voting power will decrease to between 5.05% and 6.3% (depending on the participation of other unitholders in the Entitlement Offer).

ALML also notes the ASX announcement released on Friday 7 February 2014 updating the market in relation to ALML. As set out in that announcement, Elders has advised ALML that the agreement between it and Guce Farms Pty Ltd (**Guce**) (an entity associated with Caratti) under which Guce was to acquire ALML from Elders had been terminated.

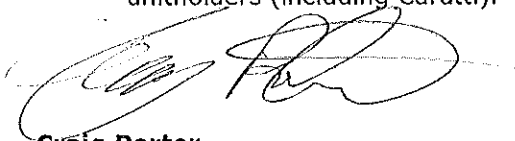
Although that agreement has been terminated, it is still Elders' intention to cease to have an interest in the responsible entity of ALT. To that end, Elders also advised that it has been investigating various potential scenarios in relation to the responsible entity role, including the corporatisation of ALT, the internalisation of ALML or the replacement of ALML.

Elders has proposed to work with ALML and unitholders to find a solution in relation to the responsible entity that it in the best interests of all unitholders. If such a solution is implemented, Elders has indicated that it will consent to the balance of its units being cancelled.

Once the various options have been considered and the most appropriate option determined, further detail will be provided as part of any proposal regarding ALML put to Unitholders for approval.

Accordingly, and in relation to control:

- (1) although Caratti will still obtain control of ALT as a result of the Restructure, it is no longer proposed that ALML will be owned by Caratti; and
- (2) if any further proposal is implemented with respect to ALML, Elders' interest in ALT could be further reduced to nil, which would proportionately increase the interest of all other unitholders (including Caratti).



Craig Porter
Joint Company Secretary

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