



2 November 2012

**ASX ANNOUNCEMENT
RURALCO HOLDINGS LIMITED (ASX CODE: RHL)
MARKET UPDATE**

Ruralco Holdings Limited ("Ruralco") has today advised that it expects the Company's reported net profit after tax (NPAT) for the full year ended 30 September 2012 to be approximately 5% to 10% lower than the previous corresponding full year's reported result of \$15.0m. Underlying NPAT, before non-recurring items, is expected to be 10% to 15% lower than last year's figure of \$17.6m.

Ruralco's Managing Director, John Maher, said the Group's profitability for the year had been impacted by industry wide pressures leading to lower revenue generated from the agency activities of wool and livestock marketing compared to last year.

"Weaker sheep and wool prices, coupled with a reduction in wool volumes have impacted the profitability and contribution of our agency businesses. The financial performance of our Tasmanian residential real estate business has also been severely affected by that state's deteriorating economy" he said.

Despite challenging market conditions across the Group's activities, Mr Maher said the Company expects to deliver a solid earnings before interest and tax (EBIT) result.

"Both reported and underlying EBIT for the Company should fall somewhere between 0% and 5% below last years' results."

"Our ability to return an EBIT result which is relatively consistent with the prior year, despite what will amount to more than a 10% reduction in gross profit contribution from our traditional agency and real estate businesses, demonstrates the strength of the Ruralco business model, the continued successful execution of our strategy and the quality of our people."

Ruralco will report its audited full year results on Tuesday, 20 November 2012.

Further Information:

John Maher
Managing Director
Ph: 0418 687 016

Ruralco Holdings Limited (ASX:RHL), is a leading Australian agribusiness. Ruralco operates through a national footprint of businesses that specialise in providing rural customers with products and services in merchandise, fertiliser, seed, wool, livestock, real estate, risk management, water, grain, finance and insurance. Ruralco's businesses around the country operate under their own brands. They have their own cultures, their own service models and their own unique value propositions - all designed to meet the demands of local or regional markets. The group's businesses are committed to supporting the communities within which they operate.

A.B.N 40 009 660 879

2 Collins Street Hobart TAS 7000 G.P.O Box 65 Hobart TAS 7001

Phone (03) 6235 1444 Fax (03) 6234 1023