



18 July 2014

ASX ANNOUNCEMENT:

TANDOU EARNINGS & VALUATION UPDATE FY2014

Listed agribusiness and water investment company Tandou Limited (ASX:TAN) today reported a projected Total Comprehensive Income result of \$8.5-\$9.0 million for the year ended 30 June 2014 and an estimated \$0-\$0.5 million Net Profit After Tax (\$6.0 million profit 30 June 2013).

Following the Company's change of accounting policy from cost to fair value for land, buildings and property/structural improvements for the year ended 30 June 2014, Comprehensive Income will include approximately \$8.5 million from revaluation gains net of tax. This valuation uplift excludes any adjustment of water entitlement values.

As this is the first year of carrying these assets at fair value the total uplift of \$8.5 million has been booked in this financial period and includes prior year gains. The year on year valuation gain of land and property improvements is approximately \$3.0 million after tax.

The estimated Net Profit earnings follows lower cotton yields experienced across both Tandou cropping operations as reported in the Company's harvest update on 26 May 2014. Further impacting on the result was approximately \$1.0 million of finance and overhead costs associated with the Bundygoola property purchased during January 2014. The financial statements remain subject to audit.

Tandou CEO, Guy Kingwill, said "the lower projected profit result is disappointing with the Company's revenue being significantly impacted by cotton yields well below expectations. Despite the difficult season, it is pleasing that both the farming operations and water business have now continued to report profitable segment earnings (EBIT) for the last 5 financial years."

"Water entitlement markets have demonstrated strong capital growth over the past 12 months. Based on independent valuations for 30 June 2014 the Company has seen unrealised gains of approximately \$8.7 million on its water portfolio asset values during the period. Consistent with prior years these water valuation gains have not been booked in the financial accounts" Mr Kingwill said.

Further details will be included in the Company's Preliminary Final Report due to be released in late August.

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.