



The
Van Diemen's
Land Company

Founded 1825 by Royal Charter of King George IV
ARBN 16 009 475 601

Press Release

The Annual General Meeting of The Van Diemen's Land Company was held in Stanley, Tasmania, on Friday 28th September 2012.

A copy of the Governor's and CEO's presentation and address is attached to this release.

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28th September 2012

THE VAN DIEMEN'S LAND COMPANY
188TH ANNUAL MEETING
FRIDAY, 28TH SEPTEMBER 2012

Governor's and CEO's Speech

Governor

WELCOME

Welcome ladies and gentlemen to this the one hundred and eighty eighth Annual Meeting of The Van Diemen's Land Company.

INTRODUCTION

Firstly I would like to make some introductions to the meeting:

- I am Keith Sutton Governor for The Van Diemen's Land Company.

I would also like to present the other Directors of the Company who are present:

- Elaine Gill from New Plymouth
- Miles Hampton from Tasmania
- Michael Trousselot from New Plymouth
- Trevor Westacott from Warrnambool, Victoria

I would also like to introduce our Chief Executive Officer, Mike Guerin and also our Chief Financial Officer, Michael Harvey.

David McGregor representing Ernst & Young, the Company's auditor, has requested that I pass on his apologies. The auditor's report was circulated as part of the annual report. If there are any questions of the Company's auditor I will pass them on and organise for the answer to be provided to the shareholder.

The Court of Directors is the traditional term for the Board of Directors of The Van Diemen's Land Company and has been in existence since 1825.

As a Royal Charter Company, VDL is one of about only three still in operation outside England and is the only Company still operating on part of its original land grant. This unique history of the Company is guarded and maintained by the present Court of Directors and recognised as holding a special place in the history of Tasmania.

PRELIMINARY MATTERS

Before addressing the business proper, I record the following matters:

- a. As per the Charter and Bye-laws of the Company, the Notice of Meeting was posted to all members of the Company within the required time frame and it is taken as been read.
- b. The register of directors' shareholdings is as set out in the 2012 Annual Report. The Register is available for inspection by shareholders.
- c. There is a quorum of shareholders present in person or by proxy.

I record that the Company holds 86,901,643 valid proxies from shareholders representing 98.45% of the issued capital of the Company.

APOLOGIES

We have received an apology from Ross Kelly and Eric Barnes.

Are there any other apologies?

FINANCIAL STATEMENTS, DIRECTORS' REPORT AND AUDITORS REPORT

Shareholders have been mailed a printed copy of the Financial Statements, Directors' Report and Auditor's Report for the year ended 31st May 2012. Before dealing with any questions on the accounts and report I would like to make these brief comments.....

The overall result for Van Diemen's Land Company was a net loss after tax of AU\$1.341 million. This compared to a profit after tax of AU\$5.768 million in 2011. The loss was largely the result of increased operating costs (mainly feed) during the wet 2011 winter period, a reduction in the volume and quality of silage on hand, a reduction in the rate of livestock appreciation and reduced milk prices. Revenue decreased to AU\$33.504 million from AU\$34.015 million for the year ended 31 May 2011 through a combination of a 12.9% lift in production offset by a drop of 4% in farm gate milk prices received.

The company achieved record dairy production for the year of 5.76 million kilograms of milk solids, an increase of 12.9% on 2011, from a similar dairy area. This compared to a production growth for Tasmania of 8% and was achieved through a combination of continued improvement in farm practices and herd quality and the ongoing migration of the Woolnorth property dairy herd to autumn calving. The average milk price for the year was AU\$ 5.45 per kg of milk solids versus AU\$5.70 paid in 2011, a decrease of 4%. The shift in supply pattern

resulting from the continuing transition to autumn calving on Woolnorth has allowed the company to benefit from targeted Fonterra pricing.

On a per share basis the net tangible assets of the company were A\$1.37 at 31 May 2012 compared to A\$1.37 a year earlier. Total assets of the company grew from A\$209.96 million in 2011 to A\$220.61 million in 2012. The market value of land and buildings was independently assessed and has increased to A\$168.23 million, an increase of A\$5.34 million over the year

Finance costs increased slightly to A\$3.61 million from A\$3.51 million in 2011 reflecting increased borrowings from Rabobank for capital expansion including the new dairy, Cape Barren.

I would now like to hand over to Michael Guerin, Chief Executive Officer to provide an overview of our operational results and outlook. Following that I will provide a brief update on our strategy and equity raising activity before taking questions.

Chief Executive Officer

OPERATIONAL RESULTS AND OUTLOOK

Results

In the year to 31 May 2012 your company lifted milk production by 12.9%. Production per cow lifted from 317kg MS to 352 kgMS and production per hectare lifted from 805 kgMS to 904 kg MS. With the exception of feed expenses costs of production as a percentage of milk production remained largely flat. During the same period our mortality rate dropped from 9% to 8% and over the past two years the average weight of our returning “in calf heifers” lifted to 475kg.

During the year we completed the first of our new dairy conversions on our Woolnorth property, named Cape Barren. The new dairy operation milks approximately 1200 cows on 350 hectares previously used for beef grazing. Additionally we introduced three 600 cow feed pads to our Woolnorth operations and extended the Denium farm, also on Woolnorth. The feed pads are seen as a key plank in continuing to lift our per hectare production on our Autumn calving Woolnorth dairy operations.

We also commenced a consolidation of our land holdings with the sale of our Mawbush Dairy Farm at Mawbanna and the acquisition of an additional unit contiguous with our existing operations on Togari, namely Greenfields. Mawbush was our most remote property in an area where we have no other land interests. Togari is an area we know well and where

we have operated four dairy farms for a number of years. It also represents an area that provides a natural risk hedge to our Woolnorth operations through its unique microclimate, different soil types and natural disposition toward spring calving dairy operations. We plan to continue to optimise our portfolio of farms.

Outlook

Your company's vision is to be Australasia's leading dairy farming operation through a combination of:

- putting Workplace Health and Safety and Animal Welfare as our first priorities
- building a training, development and career progression program for our workforce
- continuing conversion of non-dairy land to dairy farms
- focusing on meeting and beating industry benchmarks across key productivity measures on existing dairy operations
- prudent cost management

Our production has started strongly and we are targeting production of 6.7 million kg MS for the year to 31 May 2013. Within existing operations we are targeting more operational and productivity improvements, a continuing lift in per cow and per hectare production outcomes, a further drop in mortality and more improvements in herd health whilst holding or improving our costs of production.

The most recent capital expenditure projects have been the subject of detailed post implementation reviews as the company seeks to utilise lessons learnt from the latest capital works in planning further growth. In the year ahead we are planning another dairy conversion on our Woolnorth property utilising existing beef pasture as we did for our Cape Barren conversion last summer. Also under consideration are other capital works that can continue to underpin our productivity growth such as further feed pads on Woolnorth.

In support of our growth ambitions we have refocused and strengthened our management team into three distinct areas;

1. A dairy unit. This unit is responsible for our existing dairy operations and driving all the productivity, production and profit outcomes from those dairy operations.
2. A dairy support and development unit. Our growing dairy unit requires a growing level of support around areas such as supplement production and agistment

services, as well as provision of planning and project management for our development activities. Provision of these services outside of the dairy unit enables our dairy unit to be much more focused on the existing dairy operations.

3. A finance and administration area that provides the support services so critical to building a successful scale farming operation..

Clear accountabilities sit within these areas and underpin our operational ambitions.

Governor

STRATEGY AND EQUITY RAISING UPDATE

The long term outlook for dairy farming remains positive with milk prices expected to increase in future years. The company has a long term plan to significantly expand its dairy farming activities and now has sufficient confidence in its underlying farming systems and personnel to undertake this expansion. North west Tasmania remains ideally suited to dairying with a temperate climate combining abundant and consistent rainfall with moderate temperatures in both summer and winter.

The equity raising itself, which have attracted a little media attention recently, we continue to remain optimistic will be successfully concluded in the not too distant future.

Management and the Court of Directors continue to keep under review all aspects of the operations and are confident that the initiatives put in place during the past year will result in improved production and profitability in the future.

SUMMARY

In summary ladies and gentlemen, your Company has produced record dairy production and continued to put in place the foundations for a stronger financial contribution in future years. The outlook for the current season is positive with current production higher than last season.

Ladies and gentlemen, in concluding my address today, I would like to thank management, sharefarmers and staff for their efforts over the past season, and thank my fellow Board Members for the support they have given me as Governor.

The financial statements and annual report are now presented for your information.

Are there any questions on the financial statements?

Are there any questions or items of General Business?

CONCLUSION OF FORMALITIES

If there are no other items of general business I would like to thank you for your attendance and declare this meeting closed.

We welcome you to join Directors, Management and staff for refreshments.

Thank you.