

WHAT THE AUSTRALIAN GRAINS CHAMPION PROPOSAL MEANS FOR US

“The chance to pass the farm on to the next generation without stress or debt.”

Jan and John are second generation farmers in their mid-50's from the Great Southern. They have a medium sized property, average levels of debt on the farm business, a modest amount in superannuation and mortgage on a residential investment property. John has been struggling with a debilitating back injury for the past 3 years, which is becoming an increasing problem for him. More and more, John has to rely on his son-in-law to run the farm.

As they are approaching retirement, they are concerned about structuring their finances and assets to allow for an independent retirement while they hand on the property to their daughter and son-in-law.

They have been farming together in partnership for some time and while the farm is profitable, Jan and John do not want to load their children up with debt to fund their retirement. To do that, they are currently staring down the barrel of a further 10 years of farming to top up their superannuation, pay down the debt on their investment property whilst leaving the farm with a modest amount of debt. Jan is concerned about John's health and mobility, and selling the farm has become a necessary option to consider.

The farm produces on average, 3,500 tonnes per year. The Australian Grains Champion proposal transforms a \$2 CBH share into around \$680,000* worth of equity on their balance sheet.

The Australian Grains Champion proposal could deliver \$680,000 in cash and shares*



\$160,000 Cash

John and Jan will receive \$160,000 cash following the conversion of co-cooperative shares to company shares. This money will be put towards paying off the loan on their residential investment property, accelerating their debt repayment at an opportune time.



\$520,000* Shares

John and Jan would also receive \$520,000* worth of shares in the new listed company. These shares will deliver real value on the balance sheet of the farm. John and Jan have decided with their children to split their share parcel – holding half and leaving half with the farm business.

John and Jan support the long term vision of growing a global grain industry powerhouse and can see further upside in the shares as they progress to retirement. They decide to place the shares in their self managed superannuation fund so they can retain them as an income producing stock.

In the short term

John and Jan can now see a much clearer pathway to a near term retirement whilst allowing their daughter and son-in-law to retain the farm. The concern about having to sell the farm and both generations leaving the industry no longer needs to be considered.

CBH and their local bin will still be there and Australian Grains Champion has guaranteed to cap storage and handling fees at no more than the CPI for 5 years. This leaves John and Jan's children secure in the knowledge that there will be no surprises.

In the long term

John and Jan's kids will gain a valuable asset in their shares in the listed company. These can be borrowed against, or retained to produce an income stream for the farm business. Meanwhile, John and Jan have been able to accelerate their retirement timeline and retain their shares within their superannuation fund as a substantial boost to their retirement savings.

Australian Grains Champion will be headquartered in Perth, with its key goal to grow the value of the WA grains industry and the value of every grain farming business in WA. Australian Grains Champion will develop into a global grain powerhouse.

*All illustrative valuations based on the Paterson Securities independent valuation of CBH Group at \$2.56 billion. Actual values may differ. The Australian Grains Champion calculator can be found at www.australiangrainschampion.com.au.



WHAT THE AUSTRALIAN GRAINS CHAMPION PROPOSAL MEANS FOR US

John and Jan have average grain deliveries of 3,500 tonnes per annum for the last five years.

John and Jan CURRENTLY OWN:

VS

UNDER THE AUSTRALIAN GRAINS CHAMPION PROPOSAL JOHN AND JAN COULD OWN*:

\$2 in 1 CBH share



\$160,000 in cash

1 vote



\$520,000 worth of voting shares

S & H rebate



Grower loyalty incentive scheme



Potential dividends

*All illustrative valuations based on the Patterson Securities independent valuation of CBH Group at \$2.56 billion. Actual values may differ. The Australian Grains Champion calculator can be found at www.australiangrainschampion.com.au.

AUSTRALIAN GRAINS CHAMPION PROPOSAL

Equity onto your balance sheet



Guaranteed no new storage & handling fees for at least first five years



Guaranteed fees and charges capped to CPI increases for at least first five years



Providing the most efficient and cost effective supply chain in Australia



Growers remain substantial shareholders at listing

