

# WHAT THE AUSTRALIAN GRAINS CHAMPION PROPOSAL MEANS FOR US

“The chance to plan for retirement and for our son to take over the farm”

Liz and Jack have been farming most of their lives. They initially owned a property which they sold after a few “back to back” tough years and only in recent years have managed to get enough capital together to again buy their own farm. They were property managers and share farmers prior to that. In conjunction with their son, they are now cropping 3,000 hectares of which 2,200ha is leased and share farmed country and the balance owned but mortgaged. They have consistently achieved yields above district averages.

As they are now both reaching 60 years old, they are planning for retirement but this is not practical in the near term with their current equity. Their aim is to semi-retire and hand on the property to their son, but they currently see this as a 10+ year plan at best. Their immediate goal is to further build equity and financial stability in the farming business so that they can reasonably pass this onto their son, whilst also providing for their daughter in their estate planning. On top of their farm, they have no additional significant assets and have very modest superannuation balances.

The farming operation produces on average 8,000 tonnes per year and with the Australian Grains Champion proposal, their single \$2 CBH share could convert into around \$1,140,000\* worth of equity on their balance sheet.

The Australian Grains Champion proposal is totally transformative for them – they would have the ability to buy some of their leased country, strengthen their balance sheet and, seasons permitting, allow them to contemplate semi-retirement before they reach 70.

The Australian Grains Champion proposal could deliver \$1,140,000 in cash and shares\*



### \$260,000 Cash

Liz and Jack will receive \$260,000\* cash as part of the Australian Grains Champion proposal. This money will be used to immediately pay down some of their debt – providing a welcome buffer to their financial position. The interest savings from the debt repayment is equivalent to nearly \$2.00/tonne, which is a significant saving for them.



### \$880,000 Shares\*

Liz and Jack would also receive approx. \$880,000\* worth of shares in the new listed company. With these shares on their farm balance sheet, Liz and Jack can now confidently plan for the future of their farming business. Liz and Jack would like to retain half of the shares as a supplement to their superannuation but may in time sell the other 50% of the shares to provide the equity for the acquisition of some of their leased country as they work towards their goal of 2,000 ha of owned cropping land.

### In the short term

Australian Grains Champion has guaranteed to cap increases to storage and handling fees at no more than the CPI for 5 years and to maintain the existing local bin. This leaves Liz and Jack and their son comfortable as they work to secure their farming future.

### In the long term

Liz and Jack will gain a valuable asset in their shares in the listed company to help support their savings and superannuation in retirement. They plan to retire on the property and continue to help their son, but with this additional capital, have the opportunity to be financially independent, to assist their daughter, and allow their son to further grow the farming business.

Australian Grains champion will be headquartered in Perth, with a goal to grow the value of the WA grains industry and the value of every grain farming business in WA.

\*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](http://www.australiangrainschampion.com.au).

## WHAT THE AUSTRALIAN GRAINS CHAMPION PROPOSAL MEANS FOR US

Liz and Jack have average grain deliveries of 1,800 tonnes per annum for the last five years.

LIZ AND JACK CURRENTLY OWN:

VS

UNDER THE AUSTRALIAN GRAINS CHAMPION PROPOSAL LIZ AND JACK COULD OWN\*:

\$2 in 1 CBH share



\$260,000 in cash

1 vote



\$880,000 worth of voting shares

S & H rebate



Grower loyalty incentive scheme



Potential dividends

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## 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

