



Dear Shareholders

**2007 HALF YEARLY RESULTS**  
**Australian Agricultural Company Limited "AAco"**

It is with great pleasure that I enclose a copy of AAco's 2007 Half Yearly Results.

We are pleased to report that the company remains on track with our strategies of building premium assets in northern Australian property with reliable rainfall along with modern breeding technology to a scale that provides comparative advantage in national and international beef markets. These strategies also help AAco stay insulated from the drought affected southern parts of the continent and keeps us well-placed to benefit from rising Asian and local demand for beef.

At the same time comes an announcement that our major shareholder, Futuris, proposes to sell its 42.9% stake in AAco. Futuris has benefited from AAco's strong growth in property values and has encouraged our growth strategy. AAco expects to work with Futuris for an orderly sale process that will allow Futuris to get a fair price for its shareholding while unlocking full value for all AAco shareholders.

Thank you for your continuing support for AAco.

Yours sincerely,

**NICK BURTON TAYLOR AM**  
Non Executive Chairman