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Market Announcement Platform
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

APA TO RE-LIST AS AUSTRALIAN DAIRY FARMS GROUP AFTER SECURING CORNERSTONE INVESTORS FOR CAPITAL RAISING

- **APA has received cornerstone commitments of \$8.5m for the proposed listing of Australian Dairy Farms Group**
- **Strongly supported by domestic and offshore institutional investors**
- **Offer document to be lodged and offer opened to the general public later this month**
- **Relisting targeted for 1 October 2014**
- **Australian Dairy Farms Group will be the ASX's first listed milk producer**

APA Financial Services Limited (to be renamed Australian Dairy Farms Limited) (**Company**) is pleased to announce that it has secured firm commitments of \$8.5 million under a cornerstone book-build process, prior to launching a public offer to raise up to \$14.5m (**Offers**).

Upon completion of the Offers and satisfying the appropriate ASX listing requirements, the Company and Trustees Australia Limited (ASX: TAU) as responsible entity for the Australian Dairy Farms Trust (together **ADF** or the **Group**) (ASX reserved code: AHF) will be an owner and operator of two producing dairy farms in Brucknell, South West Victoria, near Warrnambool.

The Group has appointed Bell Potter Securities Limited as lead manager of the Offers, and the firm commitments were received under a bookbuild undertaken by Bell Potter to Professional and Sophisticated investors. The Public Offer of stapled fully paid ordinary shares in the Company and units in the Trust (**Stapled Securities**) will include a priority offer of 10,000 Stapled Securities to existing shareholders of the Company and Trustees Australia Limited, and a public offer.

The Company's Chairman, Michael Hackett said: ***"The Board is very encouraged with the level of interest from domestic and offshore institutional investors to cornerstone the Offer. It is clear that institutional investors share our view that there is a significant opportunity to consolidate Australia's fragmented dairy sector.***

"The capital raising will provide a strong platform to deliver on our vision to use scale via the acquisition of additional quality farms to deliver revenue and cost synergies to produce 50m litres of milk per annum within two years of listing.

"There has also been significant interest from potential retail investors to participate in the Offer. We welcome the general public to apply for shares under the Public Offer, with the Board reserving a majority of the remaining Offer for retail investor applications. I confirm also

that each eligible registered shareholder in APA and Trustees Australia will be sent applications and is entitled to apply for a Priority Offer allocation of 10,000 Stapled Securities.”

The Group will lodge a prospectus and product disclosure statement (**Offer Document**) with the Australian Securities and Investments Commission for the Offers, which will then be available on each of the ASX website (www.asx.com.au); the Company’s website (www.apafs.com.au) and Trustee’s Australia’s website (www.trusteesau.com.au).

Investors should consider the Offer Document in deciding whether to acquire Stapled Securities under the Offers, and will need to complete the application form that will accompany the Offer Document to apply for Stapled Securities.

Further information on the Offers is set out in the Company’s meeting booklet announced to ASX on 1 August 2014.

About Australian Dairy Farms

Initially, ADF will be an owner and operator of two producing dairy farms in Brucknell, in South West Victoria, near Warrnambool. The operating farms are currently producing at strong levels, supplying milk to Fonterra Co-operative Group Ltd.

ADF’s medium-term strategy is to purchase additional farms, using scale to deliver revenue and cost synergies and produce more than 50 million litres of production per annum within two years.

Shareholder returns will be driven by the operations of the producing dairy farms via exposure to earnings and cash flows from milk sales as well as to dairy farm capital value growth.

For further information please on Australian Dairy Farms Group please refer to the presentation released to the ASX dated 23 June 2014 under announcements by the Company (ASX code APP).

Bonus issue of loyalty options

To reward existing shareholders and new subscribers under the Offers, the Group intends to make a pro rata offer of loyalty options on the loyalty option record date (being 4 weeks after the Group lists on ASX) to eligible security holders. One free loyalty option will be issued for every 2 Stapled Securities held and will entitle the holder to acquire one fully paid Stapled Security on exercise.

The loyalty options will have an exercise price of 25 cents and an expiry date of 31 March 2016. The number of loyalty options to vest will be the lesser of the number of options held on the vesting date (being 4 months after the Group lists on ASX) and the number of Stapled Securities held on the vesting date, divided by 2.

For example if a holder of Stapled Securities is issued 200,000 loyalty options (because it held 400,000 Stapled Securities on the loyalty options record date) and:

1. sells 200,000 Stapled Securities before the Vesting Date, and therefore hold 200,000 Stapled Securities on the vesting date then only 100,000 loyalty options will vest; or
2. buys a further 200,000 Stapled Securities before the vesting date, the 200,000 loyalty options will vest; but the Securityholder will not receive any further loyalty options for the Stapled Securities bought after the loyalty options record date; or
3. sells 400,000 Stapled Securities and then buys 300,000 Stapled Securities, with both transactions occurring before the vesting date, then 150,000 loyalty options will vest.

The issue is conditional upon the Group being admitted to the Official List of ASX.

Updated timetable

Following consultation with ASX, the Company announces the following amended timetable for the Offers and admission of the Group to ASX:

Lodge Offer Document with ASIC and ASX	18 August 2014
Record date to determine eligibility for Priority Offer	22 August 2014
Public Offer opens and Priority Offer dispatched to eligible shareholders	26 August 2014
Last day to return proxies for shareholder meeting	30 August 2014
Company shares suspending from trading pending re-compliance and Shareholder meeting to approve the proposal	1 September 2014
Closing date for Offers	17 September 2014
Record date for Consolidation and Stapling	25 September 2014
Issue of Stapled Securities under the Offers and Stapling Issue and holding statements sent to security holders	26 September 2014
Group admitted to the Official List	30 September 2014
Trading of Stapled Securities expected to commence	1 October 2014
Record date under loyalty option issue	28 October 2014

The above dates are indicative only. The Company reserves the right to amend any or all of these dates subject to applicable laws, or to withdraw the proposal without prior notice. Any amendment to the timetable will be announced to the market through ASX. Unless otherwise specified, all times and dates refer to AEST.

The quotation and commencement of trading of the Stapled Securities is subject to confirmation from ASX.

The Company requests that ASX lift the trading halt requested on 12 August 2014 with immediate effect.

By authority of the Board of Directors
APA FINANCIAL SERVICES LIMITED

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