



ASX / Media Release
For immediate release

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FarmWorks Preparing for Expansion

Strategy Review Completed

Following its listing on the ASX on 22 March this year, FarmWorks Australia Ltd (ASX: FWA) has completed a strategic review of the business and is this week briefing Australian investors and broking groups on its strategy for expansion in the Australian agribusiness sector.

Since listing, newly appointed CEO David Connolly has overseen a 3 month strategic review of the company's growth plans and organisational structure.

FarmWorks' strategy for growth will be based on ensuring the operational performance of the existing business is maximised, to enable the Group to broaden its geographical footprint, increase existing product lines and develop new products and markets.

The growth strategy will be based on:

- Expansion of the FarmWorks agency model;
- Increasing FarmWorks' livestock model in Western Australia, Northern Territory and Queensland;
- Increasing the Ag-chemical product portfolio;
- Expanding its finance and insurance white label products;
- Implementation of FarmWorks asset management division; and
- Research of Grain Accumulation model and horticultural products;

To support the market growth strategy, FarmWorks is simultaneously tightening the efficiency of its existing supply chain and ensuring risk management systems are sufficiently robust to minimise its exposure to key risks. FarmWorks is also implementing new corporate governance policies and performance management systems for its employees.

CEO David Connolly said: "As a listed company, we have to earn the right to grow. We do this by making sure our own backyard is in good shape before we embark upon this next growth stage and that's exactly what the strategic review is enabling us to do."

As part of this process the company has alleviated the financier risk as set out in the risk section at clause 7.3 (page 36) of the Prospectus dated 13th January 2010 by renewing its working capital financial facility with GE Commercial Corporation (Australia) Pty Ltd for a three year period commencing 1 June 2010.



“FarmWorks has a sustainable competitive advantage that differentiates it from its peers in the agribusiness sector. That is, the company can offer its customers the advantages of a full service offering that being a vertically integrated supplier, wholesaler and retailer can provide. This means that we advise our customers on their crop and livestock activities, we manufacture our own chemical products that our customers need, we line up buyers for their products and we provide the risk management products they need themselves such as finance and insurance.”

“FarmWorks is well placed to capitalise on the opportunities that are arising in the agri sector following the recent significant rainfall across the country.”

“We are confident that the implementation of the FarmWorks strategy over the next three years will deliver returns and build shareholder wealth”.

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FarmWorks: A well established business in key markets

FarmWorks is a specialist provider of rural services that has developed a full service network of rural services including rural merchandise, livestock, finance and property. FarmWorks has enjoyed strong growth since inception, generating revenues of more than \$92 million in 2009 and its peers include Elders, RuralCo and Landmark.

Since its inception in Western Australia in 2001, FarmWorks has experienced strong growth and performance, with operations across Western Australia, South Australia, Victoria, New South Wales and Queensland.

FarmWorks generated revenues of more than \$92 million and normalised EBIT of \$2.5 million in financial year 2009 and it has a total customer base of approximately 4700 growers. FarmWorks employs over 60 staff across Australia.

The FarmWorks brand name is well recognised in rural circles in Western Australia and Queensland particularly. Over the medium term the business will be strengthening and expanding its position in the New South Wales, Queensland and Northern Territory markets.

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