



MARKET RELEASE

15 August 2016

Wellard Limited

REINSTATEMENT TO OFFICIAL QUOTATION

The suspension of trading in the securities of Wellard Limited (the “Company”) will be lifted immediately, following receipt of an announcement

Security Code: WLD

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SENIOR ADVISER, LISTINGS COMPLIANCE (PERTH)



Wellard

ASX Announcement
15 August 2016

Wellard Update

Wellard Ltd (**Wellard**, ASX:WLD) provides the following update on the Company's operations and forecast profit.

Further to Wellard's announcement on 16 June 2016, all shipments forecast to depart by 30 June 2016 were loaded, departed and accounted for as sales or biological assets at year end.

Despite difficult market conditions, Wellard's Gross Profit¹ from operations is estimated to be approximately \$85.9 million after the inclusion of a provision for doubtful debts of approx. \$1.2 million. This is in line with the Gross Profit of \$85.6 million which was part of the calculation that underlay the forecast Net Profit After Tax² (**NPAT**) range announced on 16 June 2016.

Notwithstanding this outcome, as part of the preparation of the FY2016 statutory financial statements for audit, there have been a number of adjustments relating to, amongst others, vessel spares inventory, insurance claims and tax which has resulted in the pro forma FY2016 NPAT now being estimated at approximately \$14-\$15 million (unaudited).

This pro forma FY2016 NPAT includes approx. \$7.7 million for repairs on the M/V Ocean Swagman and M/V Ocean Outback as a result of mechanical breakdowns earlier this year. Wellard has notified its insurer and is making a claim with respect to the breakdowns. The claim involves two ships and is complex and it is expected that it will not have advanced sufficiently to be included in the Wellard audited financial statements for FY2016 at the end of August. Although Wellard is confident in the recovery, it is not in a position to say if the claim will succeed and if so for what amount, after the subtraction of deductibles.

The figures provided in this update are based on the best information available at this time and are unaudited. As part of the finalisation of the FY2016 financial results, Wellard is completing a review of its assets to determine if any impairment is required. Wellard intends to lodge the audited financial statements for the year ended 30 June 2016 on or about 31 August 2016.

¹ Gross Profit reflects the margin on sales, after incorporating direct livestock and transport related costs associated with the sales. It does not contain indirect expenses including repairs and maintenance on livestock carrying vessels, depreciation and amortisation charges.

² Pro forma FY2016 Net Profit After Tax excludes all one-off IPO related costs, normalisation of interest expenses to reflect post IPO capital structure, and tax expense increase to reflect the appropriate company tax rate after removal of one-off IPO related costs.

“It has been a challenging six months for our company with a difficult trading environment and a number of unexpected events. Despite this Wellard has maintained its market position and increased market share in some countries and all our ships are currently being utilised,” said Wellard Managing Director Mauro Balzarini.

For further information:

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