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Consolidated Pastoral Company announces sale and leaseback of Carlton Hill Station

FOR IMMEDIATE RELEASE

3 August 2016

Consolidated Pastoral Company (CPC), Australia's largest privately owned beef producer, today announced the sale and leaseback of its Carlton Hill Station in the Ord River District, Western Australia, close to the Northern Territory border.

The transaction, with Kimberley Agricultural Investment (KAI), ensures CPC will retain access to Carlton Hill Station for beef production through a 10 year leaseback of the vast majority of the Carlton Hill Station. CPC has retained ownership of all of the cattle and plant and equipment.

The sale has received Foreign Investment Review Board and West Australian government approval. Troy Setter, Chief Executive of CPC, commented:

“The decision to undertake a sale and leaseback of Carlton Hill is consistent with CPC’s strategy to leverage its assets whilst staying true to its core competency, which is beef and cattle production.

“The transaction is value accretive for both businesses. It will help to strengthen CPC’s North Australian portfolio, the gateway to the rapidly expanding Asian markets, and provides KAI with access to additional fertile land for irrigated cropping.

“Proceeds from the transaction will be reinvested for growth in CPC, including in operational improvements to increase cattle and land efficiency, and further investment in our value chain to move us closer to our end customer. Ultimately this deal will support the next phase of CPC’s transformation from a producer to a more vertically integrated supplier of cattle and beef and will increase exposure to international markets with higher and more stable international beef prices.

“We are extremely pleased to be partnering with KAI who are critical to the future of development of the Ord region, and look forward to working with them on the ongoing success of Carlton Hill.”

Mr Yin, CEO of KAI, said the company was looking to continue developing land for intensive irrigated farming adding scale to the region and KAI’s existing operations. On the back of this acquisition, KAI will be exploring other integrated business opportunities within Northern Australia.



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Carlton Hill spans approximately 476,000 hectares and is integral to the company's significant live export operations, growing approximately 20,000 steers and heifers a year in readiness for export to Asia.

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