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S. Kidman & Co Ltd Directors Unanimously Recommend Increased AOB Offer

Australian Outback Beef Pty Ltd (AOB), a joint venture company owned by Hancock Prospecting Pty Ltd (67%) and Shanghai CRED Real Estate Stock Co Ltd (33%), is pleased to announce that it has increased its offer to acquire 100% of the shares in S. Kidman & Co Ltd (Kidman) to \$386,500,000 and today lodged documentation with the Australian Securities and Investment Commission (ASIC) to launch AOB's takeover offer.

The lodging of documents follows the announcement made on 7 October 2016 in which AOB and Kidman announced the reaching of an agreement to facilitate the takeover offer. All other terms of the bid implementation agreement disclosed in that announcement remain in place. Today's announcement is further evidence of the commitment of AOB to progress the process to the benefit of all Kidman shareholders.

The Kidman directors have carefully considered the increased offer by AOB and have unanimously recommended that Kidman shareholders accept the Offer in the absence of a superior proposal.

The documentation lodged with ASIC will be important for the shareholders in Kidman to evaluate the AOB offer and includes:

- A Target's Statement, prepared by Kidman and approved by its Board of Directors, which annexes an Independent Expert's Report that concludes that the AOB offer is both fair and reasonable; and
- A Bidder's Statement, prepared by AOB and approved by its Board of Directors.

In addition to being available through ASIC, copies of the relevant documents will be provided directly to Kidman's shareholders by AOB and Kidman.

On behalf of AOB, Chairman of the Hancock Group Mrs. Gina Rinehart said the potential to acquire the Kidman business meant a great deal to her personally.

"As I have said earlier, I hold in high regard the legacy of the great Australian, Sir Sidney Kidman. Sir Sidney Kidman has special meaning to me given our families historical ties dating back more than a hundred years when my grandfather, James Nicholas, owned stations together with Sir Sidney Kidman in South Australia and they jointly owned a successful coach business in the East as well as in West Australia. And more to they respected each other and were friends. I am from a station background, having grown up on Mulga Downs and Hamersley stations both in the outback— a childhood that develops resilience and that I loved, indeed I still have Mulga Downs station today."

Mrs. Rinehart added "I stand behind the bid and should FIRB or PRC approvals not be achieved, then Hancock will proceed with the acquisition on a 100% basis."

"I hope this provides shareholders with significant comfort and that when they consider the offer they can do so in the knowledge that there is no FIRB or PRC execution risk, and further that we have the money to invest to properly maintain the stations and their hard-working staff," Mrs. Rinehart said.

"I re-iterate AOB's commitment to invest and grow Kidman. AOB has the capacity and ability to access additional markets vital to any credible plan to grow Kidman in a sustainable way and without breaking up the core business. This will result in valuable jobs being retained in Adelaide and also importantly create more jobs in rural communities where they are so desperately needed."

Chairman of Kidman John Crosby said the Board welcomed the increased offer and acknowledged the strong credentials of the company led by Mrs. Rinehart.



“Under the Hancock JV offer the core Kidman business will remain intact and the Kidman staff and legacy will be looked after,” Mr. Crosby said.

More than 600 interested parties have held discussions with sale manager Ernst & Young since the iconic Kidman landholding went on sale almost 18 months ago.

S. Kidman & Co Ltd is one of Australia's largest beef producers, with an average herd carrying capacity of 185,000 cattle. The company has pastoral leases covering 101,000 square kilometres across South Australia, Western Australia, Northern Territory, and Queensland.

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