

Hancock Kidman

Making us the best Cattle Company

100-Day Grain Fed Santa Gertrudis



Thursday 1 March 2018 marked a milestone in Kidman's history when, following the rebranding of the

unanimous, everybody agreed the Kidman Santa Gertrudis grain fed beef was top class, some of Australia's best beef. Another positive decision by the new Kidman Board. Congrats and thank you to David and all Santa Gertrudis stations and everyone involved. This Santa grain fed is something all concerned at Kidman can be very proud.

Company to our new logo, our Executive Chairman, Mrs Rinehart and CEO David Larkin, with Directors or their alternates present, officially launched our 100-day grain fed Santa Gertrudis beef in Adelaide.

This is the first time Kidman has gone beyond selling cattle to market with the Board making a strategic decision to grain feed our own Santa Gertrudis cattle at Tungali Feedlot and hold ownership through the processing supply chain.

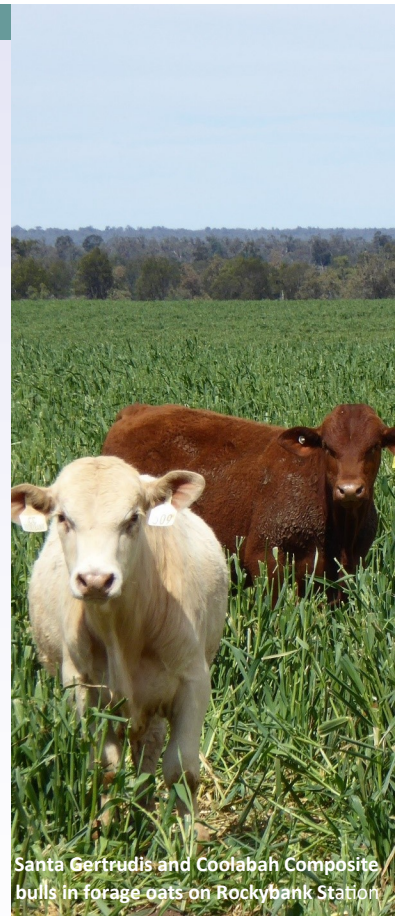
The result is better Kidman branded beef being distributed throughout Australia to some of the country's finest restaurants.

On the evening of the launch, where we were joined by Loretta Leung, representing Mr Gui, the verdict was

The Chairman and Tad Watroba have also launched the new Santa grain fed brand in Thailand, to a very keen reception, who liked and wants the Santa Gertrudis beef, but who are waiting for Kidman to supply an internationally competitive price. This is a reality for Australia, being cost competitive internationally, which is not helped by Australia's renowned high costs, in particular, high taxes and red tape expense.



Mrs Gina Rinehart (Executive Chairman), and Mr David Larkin AM (CEO Hancock Agriculture)



Santa Gertrudis and Coolabah Composite bulls in forage oats on Rockybank Station

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Santa Gertrudis cattle at S. Kidman & Co Pty Ltd Naryilco Station, Qld

Your Chairman's First Year

Having long been a great admirer of Sir Sidney Kidman, including because he and my grandfather James Nicholas, were good friends over decades, and at times, business partners, it was an amazing morning on 22 December 2016 to visit the Kidman headquarters as a new owner of the iconic S. Kidman & Co.



Walking for the first time through the office enjoying historic Kidman photos on the walls, seeing the portrait of Sir Sidney Kidman, photos of him with various Station Managers and an editorial from the Stock Journal of the Kidman Centenary in 1999, I remember one of our lady staff had a Churchill quote on the wall of her office “Success is not final, failure is not final, it is the courage to continue that counts”.

Churchill’s reference to such courage to continue is spot on where Sir Sidney Kidman is concerned, who went from very poor years as a teenager travelling with his one eyed horse Cyclops, spending many cold nights together with a dog and thin blanket and campfire he made to try to keep him warm on bitterly cold nights, to build his cattle empire, which became the largest empire in Australia. And, from poor beginnings with little education, but with much hard work, Sir Sidney became the largest private land owner in the world!

I could hardly wait to get to see the historic Kidman stations, and meet the Managers, and looked forward to visiting in January 2017, including celebrating Australia Day in the outback. I was being discouraged not to go, being told it was too hot to go then, it was cyclone season, it was the wet season, snake and mosquito season, but I already well knew all this having in my earlier life had many years in our north, and off I went accompanied by hard working Dan and three of our fantastic Hancock Station Managers staying overnights at Innamincka and Helen Springs and requesting nearby Managers come to visit. Fortunately the rains and wet didn’t stop us, though did prevent one Manager from driving to join us.

During the visits I also met with the Managers of Durrie, Glengyle and Naryilco Stations, who visited with us overnights at Innamincka, (where there was more available accommodation) usually including discussions that went on enthusiastically into the early hours, and starting again the next morning. Time is valuable, and I wanted to hear also first hand from the Managers what they needed to make their stations and cattle better.

I did a second trip in early February to meet another Station Manager who’d been away on holidays during my first trip, accompanied also by Dan, some of my fantastic Managers, and joined by fellow Director, Tad, and then new to Hancock, the very keen Adam Giles.

I enjoyed greatly meeting those Station Managers who were keen to do better, and were interested in our investments at other Hancock stations, to improve our stations, and assist our cattle. I wanted to bring what I had learnt firsthand to the attention of the Kidman Board.

Our first Kidman Board meeting was scheduled for early February 2017. During and after these January visits we put together our list of recommendations for the Board, based on these visits and discussions and our experience at Hancock. With the great help of Rick Ford, our Manager of Fossil Downs, now also our overall West Australia State Manager, and acting overall Northern Territory Manager for Hancock, we put together a presentation for the Board regarding new technology investments we had successfully introduced at Hancock, and believed would be very beneficial to Kidman.

In addition we included essential spends for improvements for investment starved Kidman stations. Rick bought his first suit as I’d asked him to do the presentation on the digitalised UHF, solar pumps, and be available for questions, plus introduce our upcoming drone trial on Hancock Kimberley stations, scheduled for April. The Kidman Board approved all our recommendations, which was a big ask of our partner after the huge investment they had already made to purchase Kidman. I am very grateful to our partner for this.

Your Chairman's First Year (cont'd)

Our partner also accepted the principle that profits would at least for early years, need to be reinvested into the stations, given the first hand visits to Kidman stations had revealed the stations were falling behind after years of policies that saw profits leave the stations for dividends, rather than being reinvested in the stations and enabling adequate maintenance and investment in new practical technology.



2017 also saw Rick and Stacey Ford and their four delightful daughters first overseas visit, when we went to KL in Malaysia together to collect an international award for me, celebrated Rick Fords birthday in the air, then went to Singapore. 2017 also marked our first Kidman Board meeting to ever be held in China. What a magnificent welcome Mr Gui very kindly put on for us. A wonderful highlight of the decade for all of us. On our visit to Shanghai, we also included another birthday boy, Chris Morrow, one of our Kimberley Station Managers, who is leading the implementation of our drone program in West Australia, and was able to present to the Kidman Board on the trial of drones Hancock had experienced in the Kimberley's. The drone technology in China is amazing, drones are used to clean windows on skyscrapers, and one of our Kidman Board members, Andrew, went to see a drone display where thousands of drones flew along a winding Chinese river, only 2 or 3 cms apart. What technology!

Among other Hancock properties highlights in 2017 included the launch in Sydney at an exclusive venue, for 2GR Wagyu, where we were able to include the renowned best steak chefs in Australia, Nobu. Three Nobu Chefs joined us from Melbourne, and prepared the 2GR canopies, capacio and steak, fantastically! We were very excited to hear their Senior Chef say our 2GR was the best Wagyu they had seen, cooked and tasted, and they want our Wagyu not just for Crown Melbourne and elsewhere in Australia, but in Nobu worldwide! This is great news of which the Wagyu team can be extremely proud, it can take years to get your product accepted by Nobu, if at all, but our very special launch propelled us forward. Andrew, thank you again for helping us talk the Nobu restaurant and Chefs into departing Melbourne for our inaugural launch.

Of course, given our wonderful farms and Maydan Feedlot in Queensland, it was important to also have a terrific launch in Queensland, which we did at my home, adjacent the river. I flew up especially to ensure the details, and all enjoyed too, the best restaurants in the greater Brisbane area want our product too, and are enjoying it. Feedback is fantastic. The team stayed on into the early hours, discussing making our Wagyu even better, I love it already! And other cattle matters, and this is where the idea was launched sitting outside in my garden, to make our first ever Team Agriculture Aussie Christmas carols video!

We also discussed the need to significantly ramp up our Wagyu cross breeding program since the successful trials of sending Wagyu bulls to Hancock stations, so that more stations can benefit from Wagyu crosses. A matter I keep reminding our enthusiastic David about!

Of course my Brisbane home will also be available for our Kidman Santa Gertrudis launch in Queensland next month. David will kindly see if we can get the Nobu chefs along to help us also make a great success.

Another highlight for 2017 was the inaugural National Agriculture and Related Industries Day, for which I achieved approval from the Federal Government. The Black Tie and Akubra's night was sold out, with those attending having a very happy night, catching up with friends and enjoying the delicious Kidman mini meat pies for canopies and the fantastic Kidman meat pie for mains. Thank you to all at Kidman who made this possible. A generous door prize of a beautiful Paspaley pearl necklace was kindly donated, Nick Paspaley drew the winner from a barrel. The very very happy winner was Sue Daubney from Bannister Downs Dairy in Western Australia. The event was well supported by Kidman and Hancock Directors, and or their alternates, and our Kimberley Managers, Rick Ford and Chris Morrow.

Your Chairman's First Year (cont'd)

Also in 2017 I visited Kidman properties again, returning to Helen Springs and later Innamincka, and again asking Stations Managers in those areas to meet up with us. Our then new CEO, David Larkin, was with me for this later visit, together with Dan and Rick and a few others. I was and remain very keen for the stations to enjoy the Kidman Board approved investments and disappointed it was taking longer than I had expected for investments approved earlier in the year to reach the stations.

Where a few of the investments had been introduced on the Kidman stations, the Managers were very appreciative. Ditto of course the Hancock stations, where was pleased to see even on one of our newest Hancock stations, the digitalised UHF communication system was already in operation. Our Station Managers are in the main, working hard and wanting to do better for their stations and cattle. Huge thanks. Outback life I love because I was fortunate to grew up there, but it's not a life all can handle, away from city conveniences, in the heat for many months of the year, with many challenges.

If we want to be the best cattle business for station staff and cattle, then we need to get these Board approved investments happening. Of course, I have raised this with our very enthusiastic CEO, David, and during my December visit, directly to Kidman head office also. We need to get our investments operating, and Station Managers achieving helicopter licences, as a priority. These licences will then enable them to get their CASA licences for drones, as well as enable better tools for station management.

I'd like to add how much my party and I were delighted with our December stations and meetings with Station Managers visit. These included visits to new Hancock stations also, Aroona and Willeroo and included filming our inaugural Chrissie carol CD, another first in Australia! Yes it was around 50 degrees when we were outside singing together Aussie Chrissie carol verses for this inaugural Christmas carols DVD, but the spirit of the staff and their families was wonderful! As it was on the Hancock farms too in New South Wales and Queensland, and will be remembered always. I treasure a lovely cow drawing I received from one of the farm children, with jars of farm made goodies inside, and what a cake!

The December Kidman Board Meeting held in Adelaide approved more investment requested after our most recent stations visit.

The Kidman Board also enjoyed attending the annual staff Christmas lunch, and cocktails together the evening before, at a Royal Flying Doctor Service function, where we were very pleased to see unveiled a new twin-engine plane, which carries the Kidman name. Our donation to the RFDS, helps them bring the first jet into operation in south Australia and central, which will be operating near the end of this year, shortening trips to patients and getting them to hospital if required quicker and more comfortably.

We look forward to attending our next Kidman Board meeting in Adelaide in May, where Kidman Directors and David, will also attend the 90 year RFDS Annual Ball, for which Kidman is one of the sponsors.

I'd also like to extend warmest congratulations to Nadine Lorenz and Darren from Durrie station in Queensland who did such an amazing job of organising 12 different verses and different filming locations and contents for the Aussie Christmas carols, and for that very enthusiastic wonderful rendition of "6 Kidman meat pies". I do hope they enjoy their Kidman first prize of a trip to Singapore.



Your Chairman's First Year (cont'd)

Our overall first prize for the Chrissie carols went to Stacey and Rick Ford, of Fossil Downs and West Australia, for their mateship in helping supply film footage for another Kimberley station, for Stacey's usage of drones and filming of her daughters, in magnificent footage riding horses with the Australian flag, capturing technology, and look forward very much to welcoming them to Europe, for their first prize and first trip to Europe. Stacey additionally contributed by contacting Hancock stations and properties to gather photos for the first Hancock Ag calendar. Some beauties were received and are now included in the calendar.

By now, I hope all stations have received copies of the 2018 Hancock Agriculture calendar. To Stacey Ford, and all who contributed to the calendar, thank you for compiling the calendar for all our staff to enjoy. And we hope you'll start gathering best station photos throughout the year to contribute to the 2019 calendar.

I hope you all have a better 2018, and more Station Managers enjoying new helicopters and technology!

Wishing you good rains and happy cattle, and looking forward very much to photos of that new infrastructure operating!

Huge thank you Team Agriculture!

All Best

Gina Rinehart



Message from your CEO

Happy new year, both western and Chinese to all of you. We are looking forward to another big and as our Chairman says, better year in agriculture.

What a wonderful Christmas celebration we had together with the inaugural Aussie Christmas carols. The production is on YouTube <https://www.youtube.com/watch?v=0oU6Omdog2M> and has turned out to be a great exhibit - looking forward to this December, let's get some great ideas and Aussie verses from every station.



I would like to bring your attention to a wonderful award bestowed on our Chairman Mrs Rinehart in February. The award (details below) is truly inspiring to us all and a great example for all of us in agriculture to aspire to the significant human contribution to the world we live in by our Chairman.

Mrs Rinehart was presented with the Angkor Award by Scott Neeson, Founder and Executive Chairman of the Cambodian Children's Fund (CCF), in an amazing ceremony adjacent to the Thommanon temple. The Angkor Award is rarely given, and recognises the outstanding and meaningful contributions by Mrs Rinehart over years to the improvement of the lives of impoverished and less fortunate girls in Cambodia. These contributions assist to inspire today's Cambodian youth into tomorrow's role models and leaders through education opportunities and mentoring.

We were blessed on the 27 February by Shanghai CRED who arranged a traditional Chinese Lion dance and blessing of the Adelaide office to help celebrate the Chinese New Year, the Year of the Dog. HPPL's greeting to Mr Gui for Chinese New Year is attached. Mr Gui looks forward to the second football match in Shanghai in May, where he will again fly an Adelaide team to participate.

On February 28th, our Chairman received another award, this time an inaugural award for her contribution to West Australia, the "State Shapers" award. Mrs Rinehart's speech on this occasion can be seen on the ANDEV web <http://www.andev-project.org/wp/wp-content/uploads/2018/03/Speech-by-Gina-Rinehart-to-the-500-Club.pdf> and Mrs Rinehart's own web at <https://www.ginarinehart.com.au/mrs-gina-rineharts-contributions-west-australia-acknowledged-award-recipient-inaugural-500-club-state-shapers-award/>

Our Chairman has also repeatedly won a prestigious nationwide Chairman of the Year Award, including last year at a glittering gala ceremony in Melbourne late November.

The year ahead holds many exciting changes and has some significant opportunities for us to grow and shine. We will focus on our growth, our people and safety and of course our animals and the very significant capital improvement of our business. We're keen to see slatted shading across all water troughs, with further shading extending to the pipes leading to the trough, and shading where all grain troughs are, and across stock yards, with some scattered shading in berthing paddocks.

Our Wagyu infusion into the herd is growing and the results are very exciting. And a very significant increase in this program will be implemented.

I look forward to a great year with you. Welcome to all of our new staff and all my good wishes to Team Agriculture.

CEO, David Larkin AM GAICD AssDipASci



Property Upgrades

The Capex program approved by the Kidman Board in early February, and later by circular resolution, and subsequent Board meetings, is in progress, and I have been asked and reminded by Mrs Rinehart to get this out with greater urgency. A further 10% of the program awaits the end of the wet season to allow work to proceed on Helen Springs and Brunchilly.

The Digital UHF system has been installed at Ruby Plains, Helen Springs, Brunchilly and Macumba. The remaining installations are on track for completion by the end of the financial year. The objective of 95% coverage over properties has been met, providing a mantle of safety for Kidman workers, and a better tool for station management.



Digital UHF - Hughes Repeater, Ruby Plains Station

Living conditions are being improved by the provision of filtered water and solar hot water systems are replacing fuel hungry electric systems.

Evaluation of kit form shade continues to optimise construction times. Solar pumps are replacing windmills and, in some cases, diesel pumps.



Hydraulic crush - No 26 Yard, Sturt Creek Outstation

Hydraulic crushes in cattle yards and improved weaner cradles and yard improvements have increased the level of safety when handling animals. Dams, pipelines and troughs have been installed to shorten the distance between waters.

The extent of the work being carried out is breathtaking, and a great credit to our board, especially Mrs Rinehart and Mr Gui, and hardworking Managers and their staff.

*Terry Omond,
Manager Strategic Operations*



Tullanora Dam, Durham Downs Station

Drone Update

At the urgency of Mrs Rinehart, seeing how practical drones are for our business after successful trials, and longer-term usage in the mining industry, I understand daily usage for her mega Roy hill mine, we have completed registration and gaining accreditation with CASA to fly drones beyond line of sight.

We have some staff members qualified to fly drones and we have employed Mr Alex Michel into the business as Aviation Manager, who is responsible for the successful completion of our drone engagement.

We expect the first drones to be flying at Nerrima Station beyond line of sight by mid-March 2018.

Technology is moving very fast in the drone space - you may have seen the opening and closing ceremonies at the Korean Winter Games.

We hope that also as technology improves so will cost - as at this time a drone capable to do what we want beyond visual line of sight is very expensive to purchase.

Another great commitment by Mrs Rinehart to advance our business. And help to make us the best cattle company in Australia.

General Manager Updates

Paul Quigley, Pastoral Operations Manager

Helen Springs, Brunchilly and Ruby Plains received good rain through November. Good stand of feed over most. The red country responded well with the black soil a little patchier. Most cattle improved in condition and rain timing was perfect prior to joining. All cattle in the North are in excellent order and will continue to improve.

The Channels, except Morney Plains, have not fared as well, remaining dry. Dams and watering points drying. Cattle are onto bores, feed getting short. Most cattle holding condition. Some rain will allow us to hold our numbers otherwise numbers will need to be reduced. Morney Plains has received good rain and a run in the river so their season is well set with most cattle in fat condition.

Macumba is looking very good with plenty of green feed available and all cattle in fat condition. Rockybank has also received good rain which has picked up their season with good feed prior to joining. All calves have branded with DNA samples taken and recorded. The numbers have been increased into Tungali and they will be full by February. All cattle in the Feedlot will be Kidman bred which Jamie Gibbs prefers due to their excellent doing ability.

Chris Fenwick - General Manager Feedlots & Wagyu Operations

Less than optimal weather conditions have been affecting the Eastern properties in Queensland and New South Wales. With a very dry early summer and limited rainfall, pasture conditions have deteriorated and delays in early winter forage production have been experienced. As a result, many weaners have been relocated to agistment properties to ensure continued growth whilst we await a break in the season.

In the Feedlots the same weather conditions have resulted in elevated local grain prices, especially in Queensland. It is inevitable that these increases will flow on to higher break-evens for some of our longer fed cattle. The only positive flow on that comes out of continued dry conditions is the increased demand for Feedlot space, this demand is reflected in the head on feed at both of our eastern Feedlots operating at, or near to capacity.

At Phoenix Park we have just completed our first trial of Wagyu X veal, a second consignment is expected to be ready shortly. This represents a good start in some of the information required for Wagyu infusion project.

George Scott - General Manager Agricultural Operations

January saw all properties in the North receive widespread beneficial rain, however February has been patchier and conditions have dried out considerably on many properties. For some the season remains insecure. Most affected are Inverway and Riveren which has resulted in Management gearing up for a very early start there. All hoping for the return of the monsoon during March.

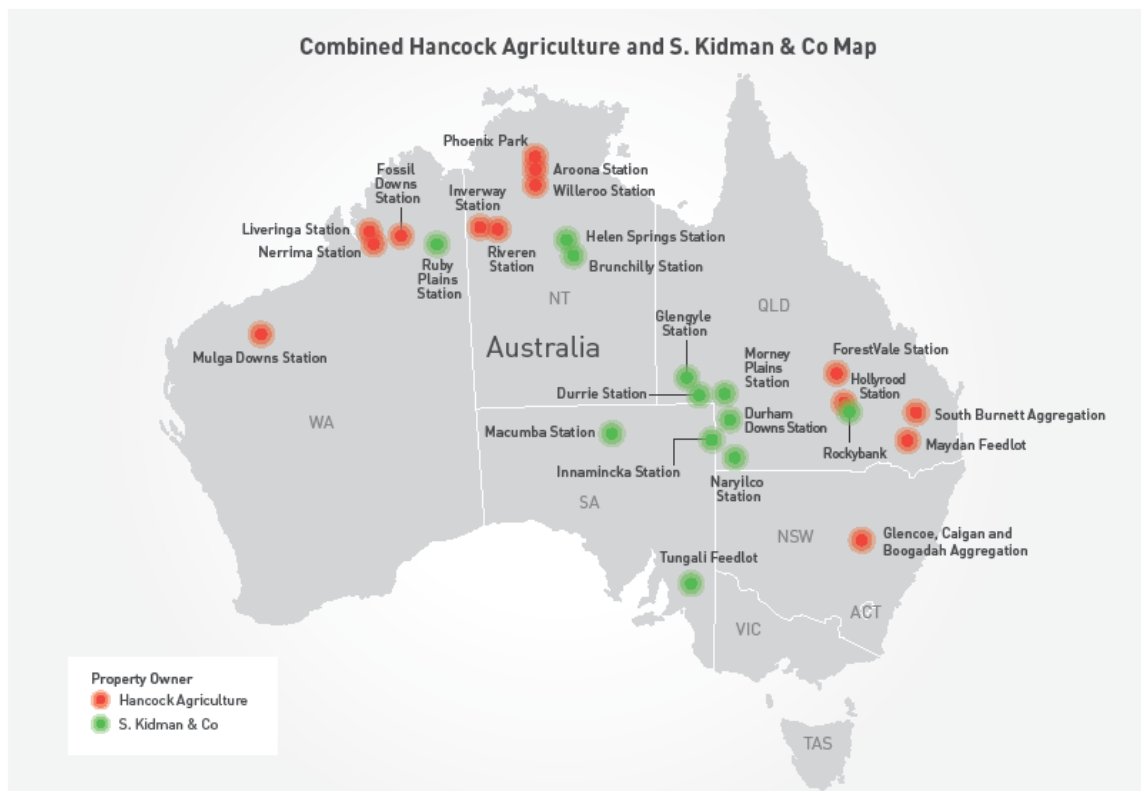
Most Managers have taken the opportunity over the past couple of months to take some well earned annual leave, and children have been seen off to boarding school for the first time in some cases. Jed has returned to Liveringa to continue in his role until we secure a replacement. Doug and Brenna resigned from their respective roles at Aroona recently and departed on Friday 23rd Feb, we wish them well. Experienced Kimberley Manager David Deighton has been engaged as Caretaker Manager at Aroona until a permanent replacement is secured.

Planning is underway for the important budgeting process that we are about to commence, as is the repairs and maintenance to equipment that will be required as teams are assembled in readiness for the mustering season. Our thoughts in the North have been with the Channel Country teams turning off drought cattle in an oppressive summer. Hope this week brings a change in the season there.

Hancock Agriculture expands portfolio

Hot on the heels of our much-heralded 2GR Wagyu launches in Sydney and Brisbane we were excited to expand our Queensland operations with the purchase of Forestvale, Hollyrood and South Maffra. These properties will complement the acquisition of the Maydan Feedlot.

Combined with South Burnett, Caigan, Boogadah and Glencoe we now have a substantial Wagyu operation to supply Australia's growing demand with potential for expanding exports throughout Asia.



Hancock Agriculture Calendar

By now everyone should have received their copies of the 2018 Hancock Agriculture Calendar.

The calendar includes photos of the 2017 National Agriculture and Related Industries Day Gala dinner and a celebration of our Christmas carols for December of course. A big thanks to Stacey Ford for all her hard work in pulling the calendar together.



Future Important Dates

Coming Up

On Saturday 26 May the SA/NT Royal Flying Doctor Service will be holding their annual *Wings for Life* Birthday Ball raising much for an essential service for the outback. Contact RFDS if you are interested in purchasing a ticket.

The annual National Agriculture and Related Industries Day Gala Dinner is on November 21. This year it will be held in Sydney CBD. Please start thinking about how you and your property can help by celebrating this important day.



Social Scene

On 22 February, our Purchasing Officer Stuart Prideaux reached his 30-year milestone working at Kidman. Manager Strategic Operations, Terry Omond, presented Stuart with a gold pin to mark the occasion.



Congratulations go to David Hamilton (Manager, Sturt Creek Outstation) and Justine Reynolds on their engagement. David proposed to Justine on 21 December last year, just as the sun was setting at Broome's Cable Beach. Congratulations from the whole Kidman and Hancock teams.



Late 2017 we celebrated the 1st anniversary of the change of Kidman ownership and what a great way to celebrate that milestone with our corporate Christmas carols. The production efforts of our talented Hancock and Kidman Agriculture staff means everyone deserves a good pat on the back.

What people did not know is that I was running a competition to see who put in the best effort.

It was a very close race but I want to send congratulations to Stacey Ford, with a special mention to husband Rick, whose effort and singing was so good I think you may have a new career!

In addition, a big thank you to Nadine Lorenz and Darren from Durrie station in Queensland who did such an amazing job of organising 12 different verses and 12 different filming locations for the Christmas carols.

There are special gifts coming your way. Thanks for the efforts.

Thank you too, to the staff at Glengyle, Tungali and Morney Plains who also worked so hard to help coordinate. I hope you all enjoyed.

Gina Rinehart

If you wish to submit editorial content or social scene events please email the Editor Janet on admin@kidman.com.au.

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HAPPY
CHINESE
NEW YEAR!
恭贺新禧



Wishing you a happy, safe and prosperous new year!
祝你新年快乐，出入平安，万事如意！

Best wishes from Gina Rinehart, Tad, Ginia, Andrew, Jay, Garry, David, Jabez and the entire Hancock Prospecting & Hancock Agriculture Team!