29 October 2012

ASX ANNOUNCEMENT
RURALCO HOLDINGS LIMITED (ASX CODE: RHL)
MARKET UPDATE

Ruralco Holdings Limited ("Ruralco") notes today's announcement that Elders Limited ("Elders") will sell its Rural Services division and that it is in discussions with its banking syndicate in respect of a refinancing.

As an Elders shareholder, Ruralco is disappointed. Ruralco is of the view that the sale of the Elders Automotive and Rural Services divisions in these circumstances is unlikely to create any shareholder value.

However, the sale of Elders Rural Services creates opportunities for Ruralco. Ruralco can potentially generate material synergies from an acquisition of Elders Rural Services. Ruralco will take a disciplined approach to any potential acquisition, to ensure that it creates shareholder value.

Alternatively, Elders Rural Services may be sold to an overseas based buyer. In these circumstances, Ruralco is well placed for ongoing market share growth as the only remaining large Australian owned rural services business with a proven business model attractive to key personnel.

Further Comment:
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Ruralco Holdings Limited (ASX:RHL), is a leading Australian agribusiness. Ruralco operates through a national footprint of businesses that specialise in providing rural customers with products and services in merchandise, fertiliser, seed, wool, livestock, real estate, risk management, water, grain, finance and insurance. Ruralco's businesses around the country operate under their own brands. They have their own cultures, their own service models and their own unique value propositions - all designed to meet the demands of local or regional markets. The group's businesses are committed to supporting the communities within which they operate.