

Namoi Cotton Limited (Namoi Cotton) Revises Guidance for Full Year 2018/19 Financial Results

Namoi Cotton today revised its full year forecast financial results from the previously advised range of between \$4.0m and \$7.0m in net profit after tax to between \$3.5m and \$5.0m in net profit after tax. Forecast net cash flows from operating activities is expected to be at the upper end of the previously advised range of between \$18m and \$21m.

The revised forecast net profit after tax reflects further losses associated with Namoi Cotton's 15% investment in the Cargill Oilseeds Australia partnership and Cargill Processing Limited which is subject to a commercial dispute. In addition, the 51% owned Namoi Cotton Alliance forecast result has declined due to market volatility, interest costs associated with delayed demand for Australian cotton and the low volume chickpea harvest in NSW and southern Queensland.

The 2019 cotton crop has commenced harvest in central Queensland, and our current expectation is the national crop size will be approximately 2.25m bales (2018: 4.52m bales). The rainfall in early December facilitated additional late plantings although this has now been offset by the extreme hot weather conditions throughout January 2019, which has lowered yield expectations.

The extraordinary impacts of the ongoing drought are anticipated to impact the operations of Namoi Cotton in the forward 2019/20 financial year. Namoi Cotton expects to gin between 0.4m and 0.5m bales including 100% of joint venture gins in the 2019 season.

Namoi Cotton's current operating plan for the 2019 season is being implemented to deliver targeted net cash flows from operating activities of between negative and positive \$2.5m. The Board continues to review the operations of Namoi Cotton to mitigate the impacts of these exceptionally dry weather conditions.

For further information, please contact:

Namoi Cotton Limited
Jeremy Callachor
Chief Executive Officer
(07) 4631 6104
<end>