



30th August, 2012

The Manager
Company Announcements
Australian Securities Exchange – ASX Limited
Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000

Via E-Lodgement

Dear Sir / Madam,

PrimeAg Australia Limited (ASX: PAG)

Attached for the market's information is the announcement for the period ending 30 June 2012.

Samantha Macansh
Company Secretary



PrimeAg Announces Plan to Unlock Shareholder Value and FY12 Results

PrimeAg Australia Ltd (PrimeAg), (ASX : PAG), today announced a plan to unlock shareholder value in the business, including a capital return to shareholders and an operating profit in line with most recent guidance.

PrimeAg Chairman, Roger Corbett said “Due to the inadequate recognition by the listed market of the value of the company assets, the Board has resolved, with the support of major shareholders, to determine if there is an acceptable proposal to unlock value for all shareholders at a price and on terms that are in the best interests of all shareholders.”

Consideration will therefore be given to proposals to privatise the Company through an acquisition of the assets via a process of public tender managed by an independent qualified party.

“Capital released from a privatisation or the sale of assets will be returned to shareholders.”

“An advisor will be appointed to assist the process which will take several months. Shareholders will be kept informed of developments. If a privatisation process is successful, shareholder approval will be required.”

“If the process is not successful, PrimeAg will conduct an orderly divestment of its properties and return the proceeds to shareholders,” Mr Corbett said.

“In view of the possible privatisation of the business, the Board has also decided to use the proceeds of recent asset sales to return approximately \$40M, or 15 cents per ordinary share of capital to shareholders by way of a capital return.” Mr Corbett added.

FY12 Results

PrimeAg announced today that FY12 profit from operations and investment activities was \$10.4M. After valuation adjustments, the net profit before tax was \$7.2M and net profit after tax was \$5M.

PrimeAg Managing Director and CEO, Peter Corish said that “PrimeAg’s FY12 crop production was at the higher end of expectations in a challenging year with yields of both cotton and wheat up on last year. However, with the reduction earlier in the year of global wheat prices, and, more recently cotton prices coupled with continuing strength of the A\$, our operating profit has been reduced. The effect of reduced commodity prices together with increased cotton ginning prices (over a full production year), has reduced returns by approximately \$11M “.

“It is pleasing that following recent revaluation of the McIntyre Downs, Mullala, Crooble and Dodds properties, the value of the company’s assets has increased by \$5.7M which incorporates a \$2.6M reversal of prior impairment and \$3.1M increase booked to the revaluation reserve.

“An impairment of \$3.2M to land and water assets was booked to the profit and loss for the year reflecting \$5.8M of water impairment offset by \$2.6M reversal of prior impairment to land assets.”

Mr Corbett added “following a year of less than expected operating returns, all Directors, including the Managing Director have agreed to accept a 35% reduction in remuneration from 1st August 2012.”

Net asset backing per ordinary share at 30 June 2012 was \$1.58.

“Due to the planned capital return to shareholders, no dividend has been declared for the FY12 year,” Mr Corbett concluded.

Ends

Note- CEO Peter Corish will host a teleconference for shareholders and analysts at 2pm today to discuss the FY12 results. Please contact Fiona at 07-46884588 to obtain dial in detail.

Media contact – Peter Corish

07- 46884588