

ProTen Shareholder Newsletter

Dear Shareholder,

The Narrandera project is drawing to a close. All 80 concrete floors have been poured and the last sixteen sheds are at various stages of completion. Construction will be complete by the end of July 2017 with the final sheds being populated with chickens in early October.

The upgrade to Farms 60 and 61 is also nearing completion. At the same time the business has been busy constructing 96 new sheds over the past 22 months (one every 6.95 days) we have also upgraded 42 existing sheds, with concrete floors, new walls, doors, roofs and ventilation systems among other things.

The construction team will move to Tamworth to commence the construction of the new project at Rushes Creek in early 2018. The environmental assessment of the project continues with an approval expected by the end of 2017.



Farm 75. (The last 16 sheds to be built) Solar frames ready for panel installation in foreground.

The financial year is nearing an end. The financial performance of the business is forecast to be on or better than budget.

The performance of ProTen farms across the country has been exemplary. Henderson in WA is consistently in the top quartile of the pool, the Tamworth farms have made significant improvements to be regularly in the top half of their respective pool and the

Griffith farms have recently had nine of eleven farms in the top half of the pool. This is a great result given the ProTen has eleven of the 26 farms in the region.

May 2017

The performance improvement is a direct result of the retention and attraction of experienced Farm Managers and Farm Staff. Over the past 18 months the business has created 36 new full time roles, from Regional and Farm Management to Administration. We have sponsored (457 visa) 15 Farm Managers from South Africa, Zimbabwe and the United Kingdom. Key drivers of the retention and attraction of staff, is a detailed career progression program, on the job training and a culture of inclusiveness, teamwork and fun that ProTen's Operations team has developed, maintained and continues to be passionate about.



Ross Ellis from the UK and Herman Dames from South Africa. Recently employed Farm Managers that ProTen has sponsored.

Technology disruption to business is fast moving and business needs to be agile to keep up with new and “left field” technology that is moving ahead at an exponential rate. Business needs to quickly adapt to remain competitive and relevant. This is no different in the chicken industry with advancements in robotic handling of final product in chillers and freezers to electricity reduction and enhanced shed environment technology on chicken farms. Recent visits have been made to the VIV Asia Expo (Intensive livestock and feed) in Bangkok and to a Solar and Battery Expo in Shanghai to ensure that ProTen is at the forefront of new technology and new production systems.

Governments continue to support populism policies, which are leaning more and more to the left of centre with increased spending, increased taxation and an increasing level of government debt. Increased government debt is not always a bad thing if the debt is used to invest in yielding infrastructure which creates jobs, tax streams and future dividend payments. Higher tax rates for both companies and individuals when compared to the rest of the world means that Australia becomes uncompetitive in a

global environment where businesses and investment funds analyse investment opportunities based on after tax returns on equity invested. Access to foreign capital which is critical to fund future national growth becomes expensive and difficult to source in an uncompetitive economy. The local economy and the greater global economy is certainly not broken and on the contrary (if you listen to certain economists) is improving. Global growth is improving along with Australia where increases in GDP and CPI have moved up in the last quarter and are forecast to continue. With growth comes pressure on central banks to lift interest rates. ProTen has taken the opportunity to put in place long term swaps to protect against interest rate increases into the near future.

To date, of the 12.212m warrants that were issued as part of the 2015 equity raise, 5.719m have been exercised and converted to ordinary shares. There are still 6.492m warrants outstanding. For those shareholders that hold warrants and would like to exercise them please contact Simon Ward - ProTen CFO.

ProTen's share register is now managed by Link Market Services (Link). Link manage all share transactions, dividend payments and provide shareholders with tax statements. 2016/2017 tax statements are now available online for New Zealand shareholders. Link have also recently posted these to New Zealand shareholders. You can also log onto Link's website to view your shareholding, dividend payment history, download "off-market" share transfer forms and to download a tax statement. You will need your SRN to access your personal details. Australian shareholders will receive tax statements in early August 2017. www.linkmarketservices.com.au

Daniel Bryant
Managing Director



Alex Skirving. Farm 61.

ProTen features in the 'Poultry Digest'



The image shows the cover of the 'Poultry Digest' magazine. The background is a photograph of two men standing in front of a large green tarp. The man on the left is wearing a bright yellow high-visibility jacket, a cap, and shorts. The man on the right is wearing a light blue button-down shirt and dark trousers. The magazine title 'poultrydigest' is prominently displayed in large, bold, white and blue letters. Above the title, the website 'www.primarymedia.com.au' is visible. To the right of the title, the issue date 'February/March 2017' is printed. Below the title, 'Volume 32, Number 4' is indicated. At the bottom of the cover, there are three headlines in white and blue text.

www.primarymedia.com.au

February/March 2017

poultrydigest

Volume 32, Number 4

Polytex and ProTen work together to reduce gas cost shock

Australian Poultry Science Symposium 2017

Are avian influenza viruses in Australia sprinters or runners?