

23 February 2009

Company Announcements
Australian Securities Exchange

Futuris sells further 14.99% stake in AAco

Futuris Corporation Limited (ASX:FCL, "Futuris") announces the unconditional sale of a further 14.99% interest in Australian Agricultural Company Limited (AAco) and the commencement of a global institutional book build to sell the balance of its AAco shareholding.

Futuris has sold 39.6 million shares today (representing a 14.99% interest) for \$67.4 million (\$1.70 per AAco share) to interests controlled by the IFFCO Group, a privately owned United Arab Emirates based business house, which manufactures and markets a range of mass-market consumer products including food and beverages.

Settlement for the sale to IFFCO will occur on Tuesday 3 March and proceeds will be used to retire debt and strengthen the Futuris balance sheet. The sale is the second major AAco divestment transaction by Futuris within a week, following the announcement of an agreement to sell a 19.9% interest for \$89.8 million (involving the sale 52.8 million shares also at \$1.70 per share) to interests controlled by Mr Allan Myers.

Futuris' shareholding in AAco has a book value of \$1.18 per share. The gain on sale of its AAco shares will not attract tax given the Company's tax position. The outstanding balance of Futuris' shareholding in AAco of 20.6 million shares will be marketed today by way of a global institutional book build being managed by Citi, ABN Amro and ABN Amro Morgans.

Futuris CEO, Malcolm Jackman, said: "This sale signals that our plan to divest our interest in AAco is rapidly drawing to a close. It is pleasing to see the transaction completed given the challenge of divesting assets in these markets. "Today's announcement marks the completion of a key item in our Agenda for Change program. We are on-track with the work program to transform Futuris from a conglomerate holding company to an owner-operator of core businesses in which we have demonstrable skill and market advantage and which match our cash operating earnings objectives," said Mr Jackman.

"We remain focussed on cash management and extracting maximum profitability in these volatile markets and are pushing onwards with the Elders transformation project which will deliver significant improvement to the Company's performance."

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“The divestment, and the roll over of our finance facilities which is also approaching completion, are also two key steps forward in our journey to restore shareholder confidence. But we know that more needs to be done and management has set itself to deliver on what is required”.

Mr Jackman considered the acquisition of the interest in AAco by IFFCO promised to be beneficial to all parties. “The sale of a substantial interest in AACo to a committed investor with significant food processing interests is an excellent fit with all stakeholders’ interests. We hope to expand our relationship with IFFCO in the future.”

Further Comment:

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