
From: David Stern <ds@witangroup.com>
Sent: Tuesday, November 20, 2012 3:45 PM
To: Jeffrey Epstein
Subject: Dairy Farm US
Attachments: FO Info Memo_11.05.12.pdf; Untitled attachment 00083.htm

US dairy farm, key guy remains, buyout of his co-op partners.
US\$ 700m sounds like a hell of a lot.
See below and attached.

Begin forwarded message:

From: <edwardscott1@gmail.com>
<=span>
Subject: Re: Opportunities to collaborate

Date: 20 November 2012 15:35:05 GMT

To: David Stern <david.stern@aghit.com>

Reply-To: <edwardscott1@gmail.com>
<=span>

David -

Mike wants you and me to chat about capital sources (european and asian) to recap the farm.

With soon to be 36,000 milking cows (30,000 now and 6000 coming on stream shortly) it is the largest and best asset in the US. Period, full stop. Cash on cash returns of 6% + annual land appreciation of 5% = 11% unlevered returns. Very attractive. With modest leverage these returns get into the mid teens.

The 30,000+ contiguous acreage is the largest agri plot in US east of Mississippi and only 90 minutes from downtown Chicago - this providing wonderful downside protection and natural real estate hedge.

Price = \$700. Assuming leverage of \$200 that means equity capital required of \$500. Assuming McCloskey rolls all of his 20% stake then \$400 of equity is required. Mike is not taking any money off table.

Let me know when you can speak.

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