



NZ Farming Systems Uruguay – Bondholders

NZ Farming Systems Uruguay (**NZS**) refers to its announcements made on 24 February 2011 and 3 March 2011 concerning the despatch of NZS' business plan to all holders of USD 30 million of bonds on issue in Uruguay and to the Fiduciary by 18 February 2011. A meeting of bondholders to consider a waiver of the inadvertent timing breach was held in Uruguay on 29 March 2011. The inadvertent timing breach has been waived.

Separately, as noted in NZS' announcement made on 14 December 2010, bondholders had to advise their approval or otherwise of the business plan by 31 March 2011. The business plan has been approved by two of the bondholders holding USD 24.645 million (or 82.15%) of bonds, with NZS agreeing to additional covenants to bondholders which NZS considers can be met under its current business plan.

The business plan has been rejected by one bondholder who will be repaid USD 4.310 million (or 14.37%) of bonds. NZS is awaiting a response from the remaining bondholders who hold USD 1.045 million (or 3.48%) of bonds. If they reject the business plan they will also be repaid their bonds.

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