



## **NZ Farming Systems Uruguay - inadvertent breach of covenant to bondholders**

NZ Farming Systems Uruguay (**NZS**) has US\$30 million of bonds on issue in Uruguay. NZS had covenanted to provide a copy of its business plan to all bond-holders through a Fiduciary (acting on behalf of bond-holders) by 18 February 2011.

The business plan was provided by NZS to most bond-holders but was not provided to the Fiduciary by this date. The breach was unintentional. This breach of covenant constitutes an event of default under the terms of the bond issue and gives bond holders the option to request redemption of their bonds.

NZS will provide its business plan to remaining bond-holders and the Fiduciary. NZS is seeking a waiver of the breach with the Fiduciary and has requested an urgent meeting of bond-holders which is expected to be held within days. NZS does not anticipate any adverse reaction from bond-holders as a result of the delay in provision of the business plan and will advise the market of future developments as they occur.

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