



Independent Directors Comment on Recent Farm Sale – 1 June 2011

In relation to the conditional farm sale of Los Naranjos announced by NZ Farming Systems Uruguay Limited (NZS) today, the Independent Directors of NZS have considered whether the sale price should be extrapolated into land values across the NZS farm portfolio in case the farms have been too conservatively valued.

The Independent Directors have analysed bare land valuation information and compared this with the Los Naranjos sale price, and have also asked Escritorio Dutra Ltda (Dutra) for comment. Dutra's response was "The market in Uruguay has not changed since our recent valuation. The farms similar to Los Naranjos (in location, quality and area) are still priced in the range of USD 4,000-4,500 per hectare. We consider the price achieved in this sale to be outstanding for the market but not indicative of a market change."

The Los Naranjos farm comprises land suitable for cropping and is located in the West. It contains fewer improvements than NZS' other farms in the West. No dairy platform has been built on this farm and the improvements comprise mainly fencing, some fertiliser, and a dam. So shareholders can see the relative values for other farms in the West, the table below shows the latest Dutra values with the carrying value of the improvements deducted to show the implied value of the bare land.

FARM	Hectares	Dutra Valuation 2011 USD	Price per hectare incl development	Price per hectare of bare land
CABURE	1,162	11,005,213	9,475	8,224
VALLE SOBA	625	5,400,532	8,645	7,911
MENAFRA	1,019	8,404,469	8,251	6,304
LOS NARANJOS	945	3,850,190	4,076	2,894

The sale price per hectare of the Los Naranjos farm (before commission) is USD 5,150 per hectare, and after deducting the carrying value of improvements is USD 3,968 per hectare. This is higher than the implied value of bare land based on the Dutra valuation (USD 2,894). The table shows that the implied bare land values, based on the Dutra valuations, of the other farms in the West are already valued higher than the value implied by the conditional contract.

Based on Dutra's comments and the above analysis, the Independent Directors do not consider that there is a basis for the increase in the sale price for Los Naranjos, relative to valuation, to be extrapolated across the portfolio of NZS farms to imply an increase in values.

The Independent Directors have not changed their recommendation to shareholders in relation to Olam's takeover offer, but reiterate that in their opinion there are reasonable grounds to believe that the upper end of the value range in the Grant Samuel report in the Target Company Statement may be conservative.

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