



NZ Farming Systems Uruguay Limited (NZS)

Independent Directors comment on draft 2011/2012 Budget

NZS is finalising its 2011/2012 budget. The budget has not been formally approved by the Board and is due to be considered at a scheduled Board meeting on 29 June 2011.

The independent directors note that primarily as a result of a higher assumed average milk price of USD 37 cents per litre, the current draft budget forecasts earnings before interest and tax (EBIT) for the 2011/2012 year at USD 8.9 million against the Company's existing business plan forecast of USD 3.3 million, and net profit after tax of USD 2.9 million against the business plan forecast of a loss of USD 1.9 million.

Shareholders are reminded that more information and analysis of NZS and its business plan is contained in Grant Samuel's report in the Target Company Statement dated 23 May 2011.

For further details contact:

Graeme Wong
+64 21 447 940

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