Market Update
24 June 2011

NZ Farming Systems Uruguay (NZS) Shareholder Loan

NZS had, on 21 December 2010, announced that it had arranged a short term shareholder loan of up to US$50 million (**Loan**) with Olam International Limited (**Olam**), NZS' controlling shareholder, to provide funding for immediate capital expenditure requirements, working capital, and to re-pay the outstanding balances owing to PGG Wrightson Limited. Further to the announcement, Olam has agreed to extend the credit limit under the Loan from US$50 million to US$85 million. The extension of the credit limit is to enable NZS to:

(a) repay NZS' current syndicated loan of US$16 million (**Syndicated Loan**) from Banco Santander S.A. and Banco de la Republica Oriental del Uruguay (**collectively, the Syndicated Bank**) before 30 June 2011; and

(b) support NZS' ongoing development.

With the repayment of the Syndicated Loan by 30 June 2011, the waivers of the bank covenants which were earlier sought from the Syndicated Banks are no longer required.

NZX has granted a waiver on 24 June 2011 in respect of the requirement to obtain shareholders' approval for the extension of the credit limit (**2011 Olam Loan**) as a material related party transaction. The waiver was granted on the basis that the directors of NZS not associated with Olam consider that:

1 the terms of the 2011 Olam Loan have been negotiated, and will be entered into, on an arm's length and commercial basis and were considered independently of Olam; and

2 the entry into the 2011 Olam Loan is in the best interests of and fair to NZS and NZS shareholders who are not associated with Olam.

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