



14 June 2012

New Zealand Farming Systems Uruguay Limited (NZS) update on business development and earnings guidance for year ending 30 June 2012

The farm development programme has continued to progress with the first of 8 new dairies opened in May and the balance expected to be opened over the next month. The feed mill and on-going irrigation development is well advanced, with the majority of capital development expected to be completed by the coming summer.

Milk production continues to increase significantly year on year, although the very dry summer and autumn weather in Uruguay along with the later than expected completion of the new dairies, has resulted in milk production to date being below forecast.

While operating and overhead expenses in the second half of the year will be lower than planned, the consequences of the lower milk production is that NZS will not achieve a breakeven position at the EBIT level (before any livestock fair value adjustment) for the year ending 30 June 2012 as indicated in the half year report to shareholders.

On the assumption that current conditions do not change markedly prior to year end, NZS will finish the year with a loss of between US\$3m and US\$5m at the EBIT level before livestock fair value adjustment. It is however expected that NZS will achieve a breakeven position including the fair value adjustment.

For further information please contact:

David Beca
Managing Director
New Zealand Farming Systems Uruguay Limited
Mobile: +598 98 240 707
Email: david.beca@nzfsu.com.uy