

05 May 2010

FITCH RATING UPDATE FOR FINANCIAL TRUST

Fitch Ratings has conducted an update review of the credit rating of the NZFSU I Financial Trust (Trust) and has assigned a BBB (Uy) Watch negative rating for the Trust. The Trust was established in July 2009 as part of a funding structure for NZ Farming Systems Uruguay Limited (NZS) to raise debt for the development of its farms. NZS issued US\$30m of long term bonds in Uruguay in July 2009 to continue the development of the farms. The Trust provides security for the borrowing over part of NZS's milk receipts and part of the company's land holdings.

Fitch Ratings considers there are tangible financing alternatives for NZS to fully complete farm development and therefore maintains an overall investment grade rating. However the rating of BBB (Uy) Watch negative from the A- (Uy) rating announced in March 2009 reflects the delay in the implementation of the development.

For further information:

Brent Melville
+64 27 555 9677

Michael Thomas
+64 27 416 1316

<http://www.nzfsu.co.nz>