



Market Update
3 September 2010

Clarification on NZ Farming Systems Uruguay (NZZ) Board recommendation

The Board of NZZ reiterates that its recommendation in regard to the takeover offer from Olam International Limited is "that shareholders accept the Olam offer in respect of at least part of their shareholding."

Some media reports have abbreviated the recommendation by omitting reference to the option of partial acceptance. The resulting inference that the Board is recommending acceptance in full is incorrect.

For clarity, the Board believes it is in the interests of shareholders for Olam to achieve a shareholding of more than 50 percent, as this would provide certainty over the funding of the company and completion of the farm development programme. The Board also believes that retention of a significant minority shareholding in the company is desirable, as this would enable Olam and other shareholders to share any future upside in the value of the company.

As noted in Grant Samuel's Independent Adviser's report on the Olam offer, the value of the company is extremely sensitive to variations in milk prices. The results from the Fonterra auction platform announced this week illustrate potential for prices to increase. Irrespective of short-term movements, the Board remains of the view that the fundamentals for dairy prices are strong.

The Board's views would be consistent with a decision by shareholders to accept the offer for sufficient shares to provide Olam with a majority shareholding, and to retain some shares in view of the company's potential to deliver on its business plans and capitalise on the adaptation to Uruguay of New Zealand-style pastoral dairy farming systems.

For further information please contact:

Barry Akers
021 571-234