



Market Update
16 March 2009

NZ FARMING SYSTEMS URUGUAY RECEIVES INVESTMENT GRADE CREDIT RATING FOR DEBT FUNDING IN URUGUAY

NZ Farming Systems Uruguay (NZS) is pleased to announce that it has received a strong investment grade credit rating of A- (uy) from Fitch Ratings, for a funding structure established by NZS in Uruguay to raise debt funding for development of its farms.

Chairman Keith Smith said that “achieving an investment grade credit rating is a very positive step and NZ Farming Systems Uruguay is now at an advanced stage in obtaining debt funding from financial markets”.

NZS was formed in 2006 to establish an internationally competitive dairy farming enterprise with a low cost operation, using highly productive pasture species and genetically superior milking cows. The company raised around \$US 200 million of equity in capital raisings during 2006 and 2007, enabling the purchase of 36,300 hectares of land in Uruguay. The unprecedented recent turmoil in global financial markets had delayed the original timeline for debt raising to complete the farm development, however the credit rating is a key positive step in this process.

NZS has established a funding structure in order to obtain debt funding, using trusts to provide security for the borrowing over part of the company’s milk receipts and part of the company’s land-holdings. The structure has now received an investment grade credit rating of A- (uy) from Fitch Ratings. Fitch Ratings noted in its report “the rating reflects the sound operating and financial profile of the project, the farm management experience, the advanced stage of development, and the low risks around demand for dairy products...”

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