



NZFSU OFFER FINDS FAVOUR WITH INVESTORS

News Release
16 November 2006

NZFSU offer finds favour with investors

New Zealand Farming Systems Uruguay (NZFSU) today announced that demand for allocations of shares in its Initial Public Offering was significantly in excess of the offer size of 75 million shares. The number of people who have accepted the company's offer to facilitate a visit to Uruguay has also exceeded expectations.

NZFSU plans to buy farms in Uruguay and develop them into dairy and beef farms using New Zealand farming technology and systems. Bids for priority 'best endeavours' allocations of shares in the NZFSU offer were due at Lead Manager ABN Amro Craigs last Friday (10 November), which was the end of the first week of the offer,

NZFSU chair Keith Smith said: "A total of 58 people are going on the trip to Uruguay this week. This is impressive given the personal cost and very short notice of little more than a week. "The demand for allocations of shares has also been pleasing, and it is fortunate that we provided for a very high level of oversubscriptions. As a result, everyone who put their hand up for an allocation of shares will get what they have asked for without scaling."

The NZFSU Offer is for 75 million shares at an issue price of \$1.00 per share (partly paid to \$0.50 at the time of subscription, with the remaining call payable on 14 December 2007) with a provision for over-subscriptions of a further 75 million shares.

"We seem to have captured investors' imagination with this offer, and we are already close to a position where we could allocate all the oversubscription shares. That said, we are aware that allocations are being made on a best endeavours basis and that there is no certainty at this stage that all the shares allocated to NZX firms and others will be taken up. However, we are now fully confident the IPO will be very successful," Mr Smith said.