



**14 October 2008**

### **Market Update**

NZ Farming Systems Uruguay (NZFSU) has previously advised the market of its intention to raise further capital to buy additional land in Uruguay and possibly Brazil while the economics of doing so remain compelling.

"Current market conditions, including turmoil in world financial markets and the NZFSU share price, do not support an expansionary capital raising. We have therefore decided to postpone capital raising until conditions are more favourable" said NZFSU Chairman, Keith Smith. A further capital raising is not required to complete the dairy conversion and development of the 36,300 hectares we currently own. Land and livestock were valued at \$US 206 million at 30 June 2008 and with no net debt the company has the ability to secure debt funding to cover its needs.

Mr Smith said he would make further comment on the company's programme at the annual shareholders' meeting, on Thursday 16 October.

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