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BOND MATURITY EXTENSION

The Directors of Allied Farmers Ltd (**ALF**) are pleased to advise that the holders of the first ranking \$1 million bonds issued by ALF subsidiary Allied Farmers Rural Limited (**AFRL**) on 9 October 2014 (**020 Bonds**) have agreed to extend the maturity date for four years from 30 September 2017 to 30 September 2021.

Chairman Garry Bluett said: "We are delighted at this vote of confidence from the bondholders. ALF's financial position continues to go from strength to strength, as evidenced by the strong result for the 2017 Financial Year. This has assisted us to negotiate improved terms, evidences the ongoing transition to more normalised debt/equity funding of the business, and provides the Board with additional confidence that it will be able to support NZ Farmers Livestock Limited's* growth initiatives".

The amended terms of the 020 Bond are as follows:

- extend the maturity date of the bonds to 30 September 2021;
- amend the interest rate of the bonds from the equivalent to the 1 year interest rate swap mid-rate per annum determined by Westpac New Zealand Limited on 30 September of each year plus a margin of 6 percentage points, to an interest rate of 450 basis point margin over the 4 year swap rate as at 30 September 2017 as advised in writing to the Company by the ANZ Banking Group Limited, but not less than 6.50% per annum and not more than 7.50% per annum;
- include the following new terms:
 - Once in each 12-month period AFRL can redeem or repurchase up to 10 percent of the bonds and pay an additional 5 percent to the bondholders on the face value of the bonds redeemed or repurchased;
 - once in each 12-month period AFRL can redeem or repurchase between 10 percent and 100 percent of the bonds and pay an additional 10 percent to the bondholders on the aggregate of the face value of the bonds redeemed or repurchased; and

- ALF shall not reduce its equity capital by way of share re-purchase or other means without bondholders approval, provided however that ALF may pay, in relation to each financial year of the term of the Bond, an interim and/or final dividend of up to 51% of the Net Profit After Tax for that interim and/or full year period.

An Associated Person of ALF Director Mark Benseman, Albany Braithwaite Holdings Limited, is the holder of 600,000 of the 020 Bonds, and has agreed to the amendment to the terms of the 020 Bond.

Garry Bluett

A handwritten signature in black ink, appearing to read 'G. Bluett', with a horizontal line underneath.

Chairman

*NZ Farmers Livestock Limited is a 66.4% owned subsidiary of AFRL