



Allied Farmers Ltd

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Loan Asset Sale - Update

On 5 April 2017 Allied Farmers Limited (Allied Farmers, NZX: ALF) advised that it is a party to a Deed of Assignment which includes, as part of the consideration payable to Allied, that if the Liquidators of Property Ventures Limited (in Liquidation) (the **Company**) and various of its subsidiaries succeeds in its litigation against the Company's directors and its auditors, ALF is entitled under the terms of a Deed of Assignment to a proportion of any net proceeds of that litigation (that proportion being confidential).

The Liquidators have today advised that that they have achieved a partial settlement and settled the litigation against the Company's auditors for a confidential amount (the **Settlement**), but that the litigation against the Directors continues.

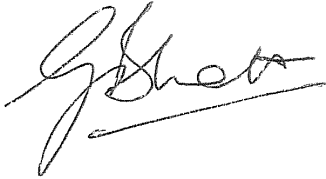
Allied has no knowledge of the amount received or to be received by the Liquidator as a result of the Settlement.

However, the Liquidators have:

- Confirmed to Allied that the Settlement does not crystallise any payment obligation to Allied. This is because the Deed of Assignment requires the Liquidators to pay to Allied a proportion of the net proceeds of the litigation against all of the parties. The net proceeds, if any (and notwithstanding the Settlement), will not be known until completion of the Liquidators' proceeding against the Company's directors. By way of example, if the Liquidators' costs incurred in the litigation against the directors was to exceed the amount of the Settlement, and that litigation was not successful, there would be no net proceeds and no payment to Allied;
- Reconfirmed to Allied its previous advice, and as advised by Allied in its NZX market announcement on 5 April 2017, that the case against the Directors is progressing well and the trial is scheduled to commence in February 2018; and
- Reconfirmed to Allied its previous guidance, as advised by Allied in its NZX market announcement on 5 April 2017, that based on the current circumstances advised to the Liquidator by its legal team, and highlighting the difficulties of predicting the outcome or the final quantum and the inherently risky nature of litigation, that, if successful, the final quantum that Allied may be entitled to is potentially substantially greater amount than \$500,000 referred to in our release of 5 March 2013.

Allied does not expect that any return would be received in the current calendar year.

Garry Bluett

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

Chairman