

Allied Farmers Ltd

201 Broadway, Stratford, 4332

PO Box 304, Stratford 4352

Phone: 06 765 6199**Web:** www.alliedfarmers.co.nz**Email:** headoffice@alliedfarmers.co.nz

18 March 2020

announce@nzx.com

MARKET UPDATE

Further to the update provided on 26 February 2020, the Directors of Allied Farmers Limited (NZX:**ALF**) reiterate the material and continuing Covid-19 uncertainties and drought-related effects impacting the business.

The performance in the first quarter of calendar year 2020 to date has reflected appreciable but manageable drought related profit impacts. There are some early signs that the drought conditions may be abating, and we would expect some recovery in trading as that occurs.

The Covid-19 effects and uncertainties globally are also weighing on pricing and supply chains.

Given these factors, it is expected that the FY20 second half result will be significantly below the FY19 second half result. The FY20 first half result was solid, however with most livestock income usually occurring in the second half of the financial year, it is expected that the FY20 full year result will be significantly lower than the FY19 full year result.

Directors are comfortable with the position and strength of the Allied Farmers business, and continue to remain positive about the long term prospects for the Group.

Mark Benseman,

Chairperson