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Sale of Small Shareholdings - Update

On 21 March 2016 Allied Farmers Limited (NZX: ALF) announced that the three month notice period in relation to the sale of small shareholdings had expired, and accordingly ALF had appointed a broker to sell the relevant shares through the NZX at a minimum price equivalent to the volume weighted average price of ALF's shares for the 20 business days preceding 18 March 2016.

A total of 4,380,602 shares were sold, being the total number of shares held by shareholders with less than 1,000 shares as at 18 March 2016, and who had not opted out. The share sale has resulted in a reduction in the total number of ALF shareholders from 19,787 to 5790 (a 70.7 percent decrease), and will significantly reduce ALF's share registry and shareholder communication costs.

These shares were offered for sale on the NZX from 22 March 2016. On 14 April 2016 all of the remaining 4,356,428 unsold shares were purchased by Albany Braithwaite Holdings Limited, an Associated Person of ALF director Mark Benseman. The aggregate number of shares were sold for gross consideration of \$220,910.11, being \$0.050428 per share.

After deduction of sale expenses the net consideration received will be applied to relevant shareholdings and settlements to individual shareholders facilitated by LINK Market Services Limited, the Company's Share Registrar. Confirmation of payment (or cheque as the case may be) should be sent out to affected shareholders by 20 April 2016. As previously notified, in some cases, the reasonable sales expenses will exceed the value of holder's shares, in which case there will be no proceeds remitted.

Garry Bluett

Chairman