



Allied Farmers Ltd

201 Broadway, Stratford, 4332

PO Box 304, Stratford 4352

Web: www.alliedfarmers.co.nz

Email: headoffice@alliedfarmers.co.nz

announce@nzx.com

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ANNUAL RESULT GUIDANCE AND UPDATE

The Board of Allied Farmers Limited (NZX:ALF) advises that it expects a full year net profit before tax for the year ended 30 June 2016 to be in the range of \$1.4 million to \$1.6 million, subject to finalisation of audited financial statements. While no prior guidance has been disclosed to the market, this expected result is materially above the prior year's pre-tax result (FY15 \$1.11m).

Allied Farmers Chairman Mr Garry Bluett said "The financial performance of Allied Farmers relies heavily on the performance of its subsidiary NZ Farmers Livestock Ltd ("NZ Farmers Livestock"). A large portion of NZ Farmers Livestock's income is budgeted to be received in May each year, due to the timing of dairy herd sales. The performance of the Livestock Division has exceeded expectations and as a consequence the Allied Farmers result for the six months ended 30 June 2016 is expected to be in the range of \$0.6 - \$0.7 million (2HY2015 \$0.12m), and this is expected to materially and positively affect the full year result."

Allied Farmers Limited will announce its results by 29 August 2016.

Strategic and Commercial Update

Mr Bluett also advised "that the Board wishes to update shareholders and the market on two commercial and strategic decisions that had been made, as part of the expansion of NZ Farmers Livestock".

- First NZ Farmers Livestock has confirmed that it has paid the second tranche of its scheduled acquisition of Redshaw Livestock in Hawkes Bay bringing its holding to 34%. The business continues to perform to expectations, adding to the growth prospects for NZ Farmers Livestock along with the recently announced Northland and South Island expansions. The next tranche of this transaction, which will take NZ Farmers Livestock's stake to 52% of Redshaw Livestock, occurs in July 2017.

The Board wish to acknowledge the passing in May of the principal of Redshaw Livestock, Mr Laurence Redshaw. Mr Redshaw's efforts to ensure that the business was maintained in a strong state, and performing well are a testament to him and the team he developed.

- Second, Mr Bluett advised that NZ Farmers Livestock has established a new subsidiary, NZ Farmers Livestock Finance Ltd, which is in the process of finalising a funding facility and is expected to be operating shortly. This business is being formed to target focussed livestock financing, and will enable NZ Farmers Livestock to conduct and bring in-house some of the financing operations that it has previously outsourced, and is expected to be a positive contributor in the 2016 / 2017 year.

Garry Bluett
Chairman