

Landcorp Farms Decline in Value

27 July 2010

Wellington, New Zealand: - As expected in the general economic conditions, Landcorp today announced that the 30 June 2010 valuations of its farms had resulted in decrease in value of around \$120 million or 11%.

This decrease in value was spread across the country and reflected a 10% decrease in sheep and beef farms and 14% decrease in dairy farms.

Despite this decrease in value, the company expects to generate a stronger than budgeted operating profit and will still meet its \$18m dividend target.

Landcorp's operating profit and cash flow continued to improve during 2009/10 and our costs have been below budget. In addition, debt has been significantly reduced.