



PRESS RELEASE

TATUA FINANCIAL RESULTS FOR THE YEAR ENDED 31 JULY 2009

The Board of Directors of The Tatua Co-operative Dairy Company met on September 30 2009 to consider the financial results and decide on the final payout for the 2008/09 season to its 112 suppliers.

Tatua generated group revenues of NZ\$205 million for the 12 month period to 31 July 2009. Earnings before payout and taxation were \$66.1 million, which equates to NZ\$5.38 per kilogram of milk solids.

The company will pay its suppliers NZ\$5.38 per kilogram of milksolids. This is down on the NZ\$8.00 per kilogram of milksolids paid in the previous year, highlighting the extreme volatility of international dairy and financial markets in recent times.

Mindful of the tough financial conditions on farm at the present time, the Board of Tatua has decided to payout all of its earnings this year and not make any retentions.

Milk supply from Tatua suppliers was back to normal levels of 12.3 million kilograms of milksolids after the one-in-one-hundred year drought which gripped the Waikato in the summer of the previous year.

Cashflow was strong and the Company's gearing ratio (of debt divided by debt plus equity) has remained low at 30%, similar to 2008. This compares to 31% in 2007 and 44% in 2006.

The 2008/09 season has been extremely challenging from a management perspective. Demand for our products was down for most of the year, as a result of the global financial crisis, but then began to recover late in the year.

The NZ dollar fell to 49c to the US dollar early in the year then bounced back strongly to 66c by year end. The volatility in both market demand and currency simultaneously called on every resource the company could muster to deliver a competitive result. In the circumstances, we are pleased with our final result, although in no way complacent, given the comparative result with last year.

We have continued to try and position Tatua as best we can, both financially and strategically, in the increasingly volatile international commodity and financial markets. Our aim is to ensure long term confidence, stability, and success for our customers, our shareholders and our staff.

Please contact either of us if you have questions or would like further comment on our results.

Kind regards

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