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ALLIED FARMERS HALF YEAR RESULT TO 31 DECEMBER 2014

Allied Farmers Ltd (ALF) has reported an unaudited operating profit of \$0.91m for the six months to December 2014 (1HY:2013 \$0.47m loss).

The six months ending 31 December 2014 has seen the Livestock division improve its result by \$0.37m.

The Livestock Division reported a profit before tax of \$0.75m for the 6 months. This was a 97% improvement on the same period last year when a pre-tax profit of \$0.38m was reported. NZ Farmers Livestock Limited (now 57% owned by Allied Farmers), continues to perform ahead of expectations, with overall livestock sales 14% ahead of the same period last year. Traditionally the Livestock Division makes most of its earnings in the second six months and depending on the level of herd sale contracts this year we would expect the second half profits for the Livestock Division to exceed the first half. Due to the uncertainty caused by the reduced dairy payout, forward herd sales are lower than at the same time last year but we would expect herd sale activity to increase over the next few months.

The Asset Management Services division made a profit of \$0.12m for the period (last year \$0.17m profit.). This was largely related to the write back of a loan that was repaid. The value of these assets left to realise is now less than \$0.1m

During the period the Group repaid its obligations to Crown Asset Management Ltd largely funded by a 3 year \$1m bond issue and by selling 10% of the shares in NZ Farmers Livestock Ltd. As shares in the subsidiary are eliminated on consolidation the Accounting Standards (IFRS10) require that this sale of \$1m be brought to account as additional equity.

For the next six months ALF has some obligations to further repay secured debt and will focus on options to repay this. The focus for the Livestock Division will be to continue to grow NZ Farmers Livestock's business activities and the company is currently exploring several options.

The Directors wish to publicly acknowledge the continued hard work and dedication of the management and staff, and the ongoing support of the customers, of Allied Farmers and its subsidiary NZ Farmers Livestock.

Garry Bluett

Chairman