



FARMS OF
NEW ZEALAND

**Media Statement - For Immediate Release
Wednesday 18 December**

PĀMU REVISES FULL YEAR FINANCIAL FORECAST

Pāmu has revised its full year EBITDAR (Earnings before Interest, Tax, Depreciation and Revaluations) forecast to between \$73 million and \$78 million. This compares to the previous forecast of \$61 million.

Chief Executive Steve Carden said the increased forecast was pleasing and demonstrated both a lift in milk and meat prices, plus a strong focus on productivity improvement on farm and securing premiums for its products.

“The improved milk price principally reflects the revision in Fonterra’s forecast milk payment to \$7.00 - \$7.60 per kg of milk solids, while the strong beef and sheep prices are being driven by strong global demand for protein, particularly from China.

“Our diversification strategy has seen a lift across both dairy and meat, with good production volumes and carefully managed costs outweighing negative factors such as the unusually wet spring conditions on the West Coast and in Southland.

“Our farm teams have done a great job on lifting farm performance through focused pasture and livestock management. As well, we are making good progress on key initiatives such as the transition to organic production on more of our dairy farms, price premiums from the likes of A2 milk, greater efficiency in fertiliser use, and the planting of additional trees on less productive land.

“While the forecast assumes that no significant weather or pricing events occur in the remainder of the year, we are well positioned to produce an improving return for the shareholder this year,” Mr Carden said.

ENDS

Contact: Simon King 021 242 5723

Editor’s notes:

Pāmu’s financial year runs from 1 July 2019 – 30 June 2020. Full disclosure notice can be viewed at <https://pamunewzealand.com/news-media>

Pāmu is the brand name for Landcorp Farming Ltd, a Stated Owned Enterprise, and one of New Zealand’s most innovative farmers and food businesses. It is also the name given to the quality products created by the company. Pāmu is the Māori word ‘to farm’ and reflects the deep connection New Zealanders have with the land, born from respect, and a genuine desire to protect and enhance the environments in which the company works. It’s a proud provenance that stands behind every product bearing the Pāmu name.