

Landcorp Farming Limited
Continuous Disclosure Statement

10 December 2018

Forecast Earnings before Interest, Tax, Depreciation and Revaluations – Financial Year Ending 30 June 2019

Landcorp Farming Limited advises that it has updated its forecast Earnings before Interest, Tax, Depreciation and Revaluations (EBITDAR) for the financial year ending 30 June 2019. It now expects full year EBITDAR of between \$37 million and \$42 million. This compares to the previous forecast of \$46 million.

The change to forecast EBITDAR reflects downward revisions to forecast milk revenue due to lower than anticipated production and lower milk prices. The lower forecast milk price principally reflects the revision in Fonterra's forecast milk payment to \$6.00 to \$6.30 per kg of milk solids compared to Landcorp's original estimate of \$6.50. Partially offsetting lower milk revenue is firmer than planned red meat prices and expense reductions.

The forecast assumes there will be no material adverse weather events; significant strengthening of the New Zealand dollar or other material changes to market prices.