

PRESS RELEASE

TATUA FINANCIAL RESULTS FOR THE YEAR ENDED 31 JULY 2012

The Board of Directors of The Tatua Co-operative Dairy Company met on 27 September 2012 to consider the financial results and decide on the final payout for the 2011/12 season to its 109 Suppliers.

The Board decided that payout for the 2011/12 season would be NZ 750 cents per kilogram of milksolids cash to its Suppliers and in addition declared a pre-tax retention of NZ 54 cents per kilogram of milksolids. This retention will ensure the Company retains its financial strength, particularly in a volatile global economic environment.

Tatua was able to continue to make substantial investments in new facilities and plant during the year. The Company completed the construction and commissioning of a new plant to produce lactose solids. This plant was designed and built within the year and produced its first product for sale on 1 August 2012 as planned.

A new hydrolysis plant has also been constructed. This plant is expected to begin producing commercial product for sale by November 2012.

Demand for products from our new foods plant built in 2010/11 has been strong. The Company took the decision to extend the operating hours of this plant to 24/7 from 3 September 2012. This resulted in the employment of 33 new staff directly and another 6 staff in support positions. This is good news for our local community in and around Morrinsville.

All of these investments are a strong endorsement of the strategy and future prospects for Tatua by the Board and Shareholders.

The Company's gearing ratio (of debt divided by debt plus equity) increased in line with expectations to 34% (28% in 2010/11). This modest increase was the result of the new plant investments.

Milk supply from Tatua Suppliers was 13.2 million kilograms of milksolids, an increase of 9.5% from the previous year.

The 2011/12 season has been another positive one for Tatua. Demand for our products has remained firm throughout the year and our product mix returns were favourable.

Foreign exchange management continues to be a challenge with the New Zealand dollar remaining elevated throughout the year. Our foreign exchange hedging policies have mitigated the impact of this to a considerable extent.

It is eleven years since the New Zealand Dairy Industry Restructuring Act came into effect. Tatua's business continues to grow steadily. Overall we are very satisfied with the performance of Tatua in 2011/12.

We continue to focus on positioning Tatua financially, operationally and strategically. Our 98 year old Company is made up of 87 farming families and 270 employees and their respective families. Long-term confidence and stability for our farming families, staff and our customers is paramount, particularly in these uncertain times.

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

Kind regards,



Stephen Allen
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