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**FULL YEAR ANNOUNCEMENT
 FOR THE YEAR ENDED 31 MAY 2010**

Directors are pleased to announce the result for Tasman Farms Limited (TFL) for the full year ended 31 May 2010.

TFL owns 98.15% of the Van Diemen's Land Company (VDL) which owns and operates a successful large-scale dairy and pastoral farming business in the North West of Tasmania.

TFL has reported tax adjusted figures for the full year ended 31 May 2010 which is consistent with the adoption of International Financial Reporting Standards (IFRS) in May 2008.

Results for announcement to the market

Extracts of Tasman Farms Limited results for the financial year ended 31 May 2010 (all comparisons to year ended 31 May 2009)

	\$	Up/down	Movement %
Revenues from continuing operations	27,844,798	Down	24%
Profit / (loss) before financing costs and tax	7,944,949	Up	230%
Finance costs	(3,753,622)	Down	23%
Income tax (expense) / benefit	(3,624,747)	Up	230%
Net profit/(loss) from continuing operations	566,580	Up	107%

No dividends have been declared or paid during the current or preceding financial years.

	31 May 2010	31 May 2009
Net Tangible Assets per share	\$1.86	\$2.01
Basic Earnings per share	\$0.0080	\$(0.1196)

Group Result

The overall result for Tasman Farms Limited and its subsidiaries (“the Company”) was a net profit after tax of NZ\$0.57 million. The net profit after tax and minority interests was NZ\$0.55 million.

Income tax expense is strongly influenced this year by the de-recognition of NZ\$2.47 million (AU\$1.97 million) in deferred tax assets. These tax losses were previously brought to account for losses incurred prior to the company entering tax consolidation.

The depressed farm gate milk price during the year had a significant detrimental effect on gross revenue. The average farm gate price fell from NZ\$6.55 (AU\$5.33) in the previous season to NZ\$5.34 (AU\$4.25), a decline of 20%. However, livestock values have increased as a result of recent improvements in dairy prices, with mature cows increasing from an average value of NZ\$941 (AU\$750) in the previous year to NZ\$1,430 (AU\$1,150). This improvement is reflected across all classes of dairy stock leading to an NZ\$9.74 million (AU\$7.75 million) increase in the carrying value of dairy livestock.

The Company has continued to implement management and policy changes aimed at providing sustained improvements in productivity and profitability in the future. These changes have reduced the impact of depressed prices in the current year.

Severe weather conditions in the North West of Tasmania caused significant disruption to milk production during the 2009 winter, with the Company electing to cease production on one property due to the level of damage sustained. Despite the adverse conditions, the decline in milk production by the Company, compared to last year’s historic high, was limited to 3.3%, with 4.02 million kilograms of milk solids being produced.

The initiatives in the Beef and Sheep Operation outlined in previous reports are now showing benefits with genetics, feeding, animal health and renewed focus leading to improved overall productivity. In addition the support of the Dairy Operations through supplying feed supplements and winter grazing has proved very worthwhile.

Fixed Asset Valuation

The Tasmanian farms were valued by the Directors at 31 May 2010, in accordance with the Accounting Standards. They were last independently valued at 31 May 2009.

Following advice from a licensed valuer, and taking into account continued fluctuations in milk and other commodity prices (including foreign exchange rates), the Directors have valued the Land and Buildings at NZ\$10.89 million (AU\$8.76 million) less than the last valuation in 2009. This revaluation, coupled with other asset movements, resulted in a decrease to the revaluation reserve by NZ\$12.81 million (AU\$10.50 million) before tax.

Capital Raising

During the year, the Company received two significant injections of new funds. In November 2009, the directors authorised the issue of 2,000,000 shares at a subscription price of NZ\$1.00 per share. In May 2010, Tasman Farms Limited raised a further NZ\$6.18 million from Convertible Redeemable Notes issued to the majority equity holder, New Plymouth District Council. These funds will be used by the Company to finance further development of the Company’s existing operations in Tasmania, including wallaby-proof fencing, pasture renewal, soil fertility improvements, water reticulation, and dairy shed technology.

Subsequent to 31 May 2010, the Company successfully concluded a Rights Issue which was underwritten by New Plymouth District Council. The funds raised amounting to NZ\$6.52 million will be used by the Company to assist with financing the developments listed above.

In addition, New Plymouth District Council has elected to convert NZ\$6.00 million Convertible Redeemable Notes, at a conversion price of NZ\$0.75 per share.

Outlook

The Company's major milk processor in Tasmania, Fonterra Australia (Bonlac Supply Company Limited) announced its opening price for the 2010/11 season at approximately NZ\$5.02 (AU\$4.04) per kilogram of milk solids, an increase of 14% from NZ\$4.41 (AU\$3.50) per kilogram of milk solids announced in July 2009. An initial step-up of NZ\$0.46 (AU\$0.37) per kilogram of milk solids was announced in July 2010. It is anticipated that there will be further step-ups during the year with a final price of NZ\$6.21 (AU\$5.00) per kilogram of milk solids considered realistic.

For 2010/11, 16 of the Company's 23 dairy farms will be operated under lower order Sharefarming Agreements, 1 under 50:50 Sharefarming Agreements and 6 properties by managers employed by the Company.

The total number of beef cattle carried at 31 May 2010 was 5,235 head compared with 8,010 in the previous year. Large scale bull beef finishing has been phased out and replaced with a larger breeding cow operation and a focus on high margin cattle finishing both on the Company's own account and through an agistment arrangement with the local meat processor.

As all farm returns and costs are in Australian dollars any change against the NZ dollar will impact on reported net returns.

Summary

In summary, the Tasmanian domiciled VDL has been through a challenging year. However, the outlook for dairy farming remains positive with higher prices anticipated for the forthcoming year.

Management and the Board of Directors continue to review all aspects of the operations and are confident that the initiatives put into place during the past two years will result in improved production and profitability in the future.

I would like to acknowledge the support of Tim Breward, Phil Newland and Mike Trousselot, Directors who resigned from the Board during the year.

I welcome the return to the Board of Dr Robin Pratt. In addition, I welcome new Director Trevor Westacott, and staff who have joined the Company during the year. I also acknowledge the support of my fellow Directors, and on behalf of the Directors and Shareholders, thank our sharefarmers, management and staff for their efforts over the past year.

John Watson AM
Chairman
27 August 2010

**PRODUCTION SUMMARY
FOR THE YEAR ENDED 31 May 2010**

	2010	2009	2008
DAIRY OPERATIONS			
Number of Farms			
Tasman Farmdale Pty Ltd	12	12	12
The Van Diemen's Land Company- Dairies Pty Ltd	11	11	11
Total	23	23	23
Effective Hectares			
Tasman Farmdale Pty Ltd	1,796	1,796	1,796
The Van Diemen's Land Company-Dairies Pty Ltd	4,296	4,296	4,296
Total	6,092	6,092	6,092
Milking Cows			
Tasman Farmdale Pty Ltd	4,609	3,289	5,316
The Van Diemen's Land Company-Dairies Pty Ltd	10,980	9,854	11,157
Total	15,589	13,143	16,473
Production - Kilograms of Milk Solids			
Tasman Farmdale Pty Ltd	1,283,560	1,445,486	1,174,272
The Van Diemen's Land Company-Dairies Pty Ltd	2,739,285	2,716,466	2,225,573
Total	4,022,845	4,161,952	3,399,845
Farmgate Milk Price AU\$ per Kg of Milk Solids	\$4.25	\$5.33	\$6.46
NON DAIRY OPERATIONS			
Cattle			
Numbers slaughtered	4,629	6,842	5,356
Closing Cattle on hand	5,235	8,010	12,284
Sheep			
Lambs slaughtered	1,023	1,372	4,137
Closing Sheep on hand	1,574	1,099	1,562
Non-Dairy Area – Hectares			
Beef and Sheep	3,442	3,442	3,442
Heifer Operations	1,964	1,964	1,964
Total	5,406	5,406	5,406

(This document and the accompanying Annual report and Accounts of Tasman Farms Limited are available on the Unlisted website – www.unlisted.co.nz)