

GRASS-FED WAGYU LTD

PRIMARY GROWTH PARTNERSHIP PROGRAMME

Quarterly Report - Quarter 4, April – June 2013

Executive Summary

The overall programme remained on track during the quarter from a timetable and project outcome viewpoint, and with expenditure for the quarter and Year to Date below budget.

Progeny testing activities were focussed on securing rearers for Wagyu x Dairy calves due to be born from late July in both North and South Islands, and during the quarter ahead these animals will be placed with rearers in a controlled programme before transferring to graziers at a weight of approximately 90 kg.

A research project evaluating sexed semen into embryos was initiated, with trials comparing embryo production from sexed and un-sexed semen continuing in the quarter ahead.

A summer feeding trial comparing liveweight gains of Wagyu x Friesian calves fed six different forage options was completed successfully during the quarter, with winter feeding trials comparing four feed treatments and three different groups of animals initiated.

A decision was made during the quarter to grow the Producer Group through the establishment of four regional hubs, with new hubs planned for Northland and East Coast North Island. An existing Producer Group member will act as the hub regional representative in Northland, making his farm available as a focus farm in the region from July.

The Go Direct model was successfully launched in London at the end of the quarter with the opening of the Provenance Meat Company's first butcher shop, and the appointment of the London Ambassador for the programme. In addition to consolidating the business base in London, activities in the quarter ahead will focus on further evaluating two potential new international markets, with a decision on which to develop as the next Go-Direct market to be made by September.

All Project Management requirements were met during the quarter, with all reporting and invoicing requirements met, and the Annual Plan approved by the PSG and submitted to MPI.

27 July, 2013