



24 April 2009

**News release format**

**MEDIATION BETWEEN PGG WRIGHTSON AND SILVER FERN FARMS CONCLUDED SUCCESSFULLY**

PGG Wrightson Limited (PGW) and Silver Fern Farms Limited advise that as a result of a recent mediation process they have agreed the terms of a full and final settlement following PGW's default on the equity transaction agreed in 2008.

Under the terms of the agreement, PGW will provide Silver Fern Farms with a mix of cash and PGW shares, and the two companies will continue to work on initiatives to integrate the supply chain from 'plate to pasture' to improve the strategic position of pastoral farmers.

The financial elements of the settlement are:

- \$25 million paid today
- \$5 million paid previously, of which \$3.5 million was for costs incurred by Silver Fern Farms
- 10 million ordinary shares in PGW (fully-paid and ranking equally with all other PGW ordinary shares on issue).

The settlement was welcomed by PGW chairman Craig Norgate and Silver Fern Farms chairman Eoin Garden as a successful resolution with which the boards of both companies can be well satisfied.

"I am delighted that both companies will now be able to put the disappointment of last year's events behind them," Mr Norgate said. "For PGG Wrightson, the settlement provides certainty over the financial exposure resulting from our inability to complete the transaction approved last year. The terms of the settlement have been approved by our banking syndicate and are well within the company's capacity to manage financially. The settlement also establishes the basis on which both parties can continue to work in their respective clients' interests under an integrated supply chain model.

Mr Garden said the settlement provided significant redress to Silver Fern Farms for the damages arising from PGW's inability to complete the 2008 transaction. "The resolution allows both companies to focus on optimising outcomes in a challenging economic environment, rather than wasting resources on protracted litigation. This is a sensible and pragmatic 'NZ Inc' outcome."

Silver Fern Farms intends to remain a long-term shareholder of PGW.

**For further information**

Brent Melville  
Group Communications Manager  
Silver Fern Farms Limited  
Tel. 03 474 6595  
Mob. 027 444 1322

Barry Akers  
Tel. 09 309 5656  
Mob. 021 571 234  
For PGG Wrightson