



## PGW to sell stake in NZ Farming Systems Uruguay

PGG Wrightson [NZX code: PGW] confirmed today that it had entered into a lock-up agreement with Singapore-based Olam International Limited [Olam] for its 28.1m shares, representing an 11.5% stake in NZ Farming Systems Uruguay [NZS]. The offer is subject to required regulatory approval and Olam obtaining not less than a 50% shareholding.

Olam is a leading global integrated supply chain manager of agricultural products and food ingredients. The agreement follows Olam's acquisition of an initial 14.35% tranche in NZS in September last year and subsequent purchase of a further 4.1% from the receivers of Rural Portfolio Investments in May 2010.

Sir John Anderson, Chairman of PGW, said the PGW Board had supported the offer in the best interests of its shareholders, and the sale of its equity interest in NZS would not impact on its close working relationship with NZS which it had fostered since NZS's inception in late 2006.

"We remain 100% committed to our core seeds and rural services businesses in Uruguay and the South American region which holds the promise of substantial growth on the back of productivity improvements and adoption of more intensive farming systems.

"PGW provides a range of agricultural products and services to rural customers in South America through its South American base in Uruguay, and we will continue to utilise that infrastructure to maintain an ongoing supply and advisory relationship for NZS."

Sir John said Olam's stated intention to support the capital requirements of NZS was good news for NZS, allowing it to complete its planned investments and support its growth trajectory. "We view the ongoing relationship between NZS and PGW as an important part of that, as PGW is an efficient supplier of farm inputs and services required by NZS."

### **About NZS**

NZ Farming Systems Uruguay was formed by PGW in 2006 to provide an opportunity for farmers and farming investors to participate in emerging agricultural opportunities in the 'Southern Cone' countries of South America; Chile, Uruguay, Brazil and Argentina.

The commercial rationale was compelling, and was designed to take advantage of:

- PGW's strong footprint in the region and majority stake in Uruguay's largest seed distributor Wrightson Pas S.A.
- High international prices for milk commodity prices
- The potential to boost productivity
- High quality, low cost farmland and conversion to NZ style pasture-based dairy farms.

PGG Wrightson Funds Management Limited was appointed to provide asset management and investor relations services to NZS under a management contract entered into on 3 November 2006.

### **Media enquiries**

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### **Investor Enquiries**

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