

AFGRI proud recipient of yellow maize milling operation

Johannesburg, 14 November 2011 – AFGRI Limited (“AFGRI”), the leading listed South African agricultural services and foods group, has officially acquired the yellow maize milling business of Pride Milling, with the expected effective date of the transaction being 1 December 2011.

The transaction, approved by the Competition Tribunal, is earnings enhancing at a HEPS level of 6.5%.

“Purchasing the yellow maize milling operation is a strategic fit for AFGRI, allowing us to strengthen our industrial food processing capability,” says Chris Venter, CEO of AFGRI. The purchase consideration is R220 million. “The acquisition enables instant production capacity and market penetration. The Pride mills are located in Ermelo, Kinross and Bethal, which corresponds with AFGRI geographic areas.”

The business currently has a market share of 55% in the yellow maize milling industry. The acquired business will be conducted in future under the name “AFGRI Milling” and the CEO of Pride Milling, Jorrie Jordaan, has been appointed as the CEO of AFGRI Milling.

The total production capacity of these mills is 198,700 tonnes per year and provides AFGRI with valuable expansion opportunities into industrial brands. The acquisition includes the Gold Power trademark. Synergies exist between Grain Management and Animal Feeds, with close links between the milling operations and grain silos enabling enhanced strategic management of grain reserves.

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