



WALLACE CORPORATION  
LIMITED

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21 April 2011

Dear customer,

### **Sale of Wallace Corporation meat plant at Waitoa to Silver Fern Farms**

I am writing to advise you that Wallace Corporation Limited has entered into an agreement to sell its meat business to Silver Fern Farms Limited. Completion of the sale is due to take place on May 6<sup>th</sup> 2011.

Wallace Corporation and Silver Fern Farms have issued a joint media release advising of the sale and also of SFF's intention to rebuild a beef processing plant at its Te Aroha site, subject to board and other approvals, including Union agreement. Silver Fern Farms' Te Aroha plant was seriously damaged by fire in December 2010 and has been out of operation since then.

Silver Fern Farms have signalled that it is their intention to operate the Waitoa meat plant very much on a 'business as usual' basis'. In the circumstances, we see this transaction as sensible industry aggregation.

Wallace Corporation will retain its rendering, tanning, farming and casualty stock collection businesses operated from its Waitoa site. Wallace Corporation is well recognised for its expertise in these businesses, with experienced people and established operations at our Waitoa site. Wallace Corporation has plans for significant investments in environmental initiatives such as waste to energy and new infrastructure at our Waitoa site. We have also been planning capability expansion and further development of our rendering and tanning plants to take advantage of new technologies and forecast growth in these areas. The sale of the meat plant potentially brings these plans forward.

I would like to take this opportunity to acknowledge the valuable relationship Wallace Corporation has enjoyed with you over the years and to wish you well for a very positive future. Wallace Corporation will continue to offer products to its customers during the transitional period.

Please do not hesitate to contact either me or Kevin Winders, Chief Operating Officer, Silver Fern Farms directly if there is anything you would like to discuss.

Yours sincerely,

**Graham Shortland**  
Chief Executive