

20 July 2011

**Lonrho Plc**  
**(“Lonrho” or the “Company”)**

**Lonrho Plc acquires Grindrod PCA and becomes the leading exporter of Southern African agricultural produce to the global marketplace by air.**

Lonrho Plc (“Lonrho”) is delighted to announce that it has successfully completed the acquisition of the business of Grindrod PCA from Grindrod (South Africa) (Pty) Ltd for a consideration of ZAR 50 million (£4.5 million) in cash. The acquisition has been unconditionally approved by the South African Competition Committee. Grindrod (South Africa) (Pty) Ltd is a 74.99% held subsidiary of Grindrod Limited.

Grindrod PCA, is a division of Grindrod (South Africa) (Pty) Ltd, and is a leading exporter of fruit, vegetables and fish from Southern Africa to the global market. It operates international standard cold store and logistics facilities in Johannesburg, Cape Town, Port Elizabeth and George. Its head office is at Johannesburg International Airport, OR Tambo, where Grindrod PCA has a 6,419m<sup>2</sup> facility with direct airside apron access.

Grindrod PCA is a member of IATA (International Air Transport Association), AATA (Animal Air Transport Association), SAEPA (South African Express Parcel Association) and also of GPLG (Global Perishable Logistics Group).

The existing Grindrod PCA management team will continue to operate the business on a day to day basis as it is integrated with, and adds value, to other Lonrho agri-logistics companies within the Lonrho Group. The management team at PCA bring an in-depth knowledge of the South African logistics market and is led by Mike Froy the current Divisional CEO who has been with Grindrod PCA since 1993.

Lonrho is seeing increasing demand from global retail chains in the USA, Europe and the Far East for fresh produce from Southern Africa as retailers seek new sources of supply to meet increasing global sales.

60% of the world’s arable land is in Africa (McKinsey 2010), yet only 10% of it is productive. There is growing demand from the increasingly affluent one billion potential consumers in the domestic African market and from the expanding export market for opportunities for Africa to help to meet global demand.

Lonrho is already a leading player in the vertical integration of the agriculture market where it plants, grows, packs and delivers produce to the retail shelves in Africa and increasingly across the world. The acquisition of Grindrod PCA will significantly increase the logistic capabilities of Lonrho to meet existing and forecast demand. The transaction will build on Lonrho’s established agri-

logistics businesses. This will include adding further cold store capacity, improved access for more efficient handling of perishable goods and potential cost savings. Grindrod PCA will deliver synergistic benefits to current Lonrho businesses and the PCA management expertise is expected to deliver increased order fulfillment ratios and improved customer service.

Grindrod PCA reported turnover of ZAR 257m with gross assets of ZAR 64m and PBT of ZAR 1.1m (after central management charges) as at 31 Dec 2010 and has reported strong growth in revenues for the first half of 2011.

**David Lenigas, Lonrho Executive Chairman commented:**

“This is a good strategic acquisition for Lonrho, making us the largest distributor by air of fresh produce from Southern Africa to the global marketplace in a sector we see as having strong growth potential. The purchase of 100% of the Grindrod PCA business provides us with additional expertise to ensure we can meet customer requirements and the high fulfillment levels we target for our expanding agri-division.

The opportunities for Africa to further develop its agricultural output and supply produce to the booming African market and the growing export market are significant and this acquisition places Lonrho at the forefront of meeting this demand.”

**Enquiries**

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