

09 January 2012

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

Lonrho Plc expands its exclusive John Deere dealership network in Africa adding Tanzania and South Sudan to its current operations

Lonrho is pleased to announce that it has completed a share purchase agreement to acquire 100% of Lonagro Tanzania Limited and has also entered into a Memorandum of Understanding directly with John Deere to become the exclusive John Deere dealership in South Sudan.

Lonrho is already the exclusive John Deere dealer for Mozambique and Angola, where it has seen strong demand for John Deere products as the mechanised farming market expands across Africa.

Lonagro Tanzania is based in Dar es Salaam, the capital of Tanzania, and has the exclusive John Deere dealership for Tanzania. Tanzanian growth is expected to outperform both sub-Saharan Africa and global growth rates over the coming years with agriculture contributing 45% of GDP.

The market for agricultural equipment in Tanzania is already substantial and is set to increase rapidly as the Tanzanian Government is giving significant attention to the agriculture sector through the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), a public-private partnership that aims to stimulate commercial scale agricultural productivity in Tanzania.

The consideration for the acquisition of Lonagro Tanzania is USD 1.4 million (£0.9m), funded from the Company's existing cash resources.

Lonrho is further pleased to announce that it has also entered into a Memorandum of Understanding directly with John Deere to become the exclusive John Deere dealership in South Sudan with a view to beginning operations in the second quarter of 2012.

South Sudan has a vast natural resource base and huge agricultural potential, with more than 90% of the land being suitable for farming. Significant foreign direct investment and international donor funding is forecast to support large scale agricultural development following the independence of South Sudan.

David Lenigas, Lonrho's Executive Chairman commented:

“The expansion of Lonrho's exclusive John Deere dealerships, adding Tanzania and South Sudan, builds on the Company's excellent relations with John Deere and our continued aim to develop John Deere distribution in the agricultural markets in Africa. The established Lonrho / John Deere dealerships in Mozambique and Angola are demonstrating that the fully supported approach offering comprehensive maintenance, training and spare part support, and not just sales, delivers increased market share and long term growth for the businesses.”

Len Brand, Managing Director of John Deere (Pty) commented:

“John Deere are delighted to continue to work with Lonrho and further build the cooperation and relationship between the companies. The strong working relationship between John Deere and Lonrho benefits customers and demonstrates our mutual commitment to Africa.”

Enquiries

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