

Media release

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## **Ballance to acquire 100 percent ownership of Summit Quinphos**

Co-operative fertiliser marketer and manufacturer Ballance Agri-Nutrients is to acquire the remaining 60 percent shareholding it does not already own in Summit Quinphos, from Japanese-based Sumitomo Corporation.

The purchase is for an undisclosed sum, and is subject to the completion of due diligence.

Shinji Matsushita, General Manager of Sumitomo's fertiliser department and Chairman of Summit Quinphos, said Sumitomo had decided to refocus its attention on growth opportunities in Asia.

'We have had a long and productive relationship with Ballance at board level, and believe it is in the best long-term interest of staff, customers and business partners for Summit Quinphos to be more closely aligned to Ballance,' Mr Matsushita said.

Chairman of Ballance, David Graham, said Summit Quinphos is a well-managed, profitable fertiliser company with a focus on organic and environmentally sustainable fertilisers and nutrients.

'Ballance holds Summit Quinphos in high esteem, and we are determined to ensure its unique identity and market positioning remains available to New Zealand farmers. It has a strong, loyal following, particularly among those with an interest in its established fertiliser options,' said Mr Graham.

'Summit Quinphos offers farmers real choice in terms of products and purchase arrangements, and we are committed to ensuring that this choice remains.

'We anticipate the acquisition will provide synergy benefits in excess of \$2 million a year, a welcome reduction in costs for farmers at a time when the price of fertiliser is under unprecedented pressures.'

Summit Quinphos was established in 1989. Sumitomo became a shareholder in 1995 and Ballance in 2000. Summit Quinphos operates nationally, employing 98 people. Ballance has participated in Summit Quinphos' development at board level since becoming a shareholder eight years ago.

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