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## **Market statement**

19 April 2018

### **Update on share simplification proposal**

On 14 March 2018, Livestock Improvement Corporation (NZX:LIC) (**LIC**) shareholders voted strongly in support of the proposal to simplify LIC's share structure by bringing its existing two classes of shares together into a single class.

Since then, the Minister of Agriculture has given consent to the changes to the constitution of LIC required to implement the proposal.

A small number of shareholders elected to exercise their minority buy-out rights arising from the proposal under the Companies Act 1993 (**Act**).\*

LIC today confirmed it will buy-back 1,334,396 investment shares as a result of the shareholders exercising their rights.

LIC considers the fair and reasonable price to buy-back the investment shares, determined in accordance with the Act, is \$4.00 per share, being the same as the implementation price under the proposal and within the assessed value range for investment shares determined by Northington Partners in its report to shareholders on the proposal. However, there are objection rights available to those shareholders who have exercised their rights under the Act.

In accordance with the Act, the legal title to those investment shares will pass to LIC today. LIC intends to retain all investment shares concerned as treasury stock.

**ENDS**

For any shareholder enquiries please phone 0800 264 632

\* Sections 110 and 118 of the Companies Act 1993 grant minority buy-out rights to any shareholder who votes all of their shares against a special resolution that affects the rights attaching to shares (if the resolution is approved). Minority buy-out rights essentially require LIC to purchase, or to arrange the purchase of, the shares held by the shareholder exercising those rights. LIC's share simplification proposal was approved by a special resolution and, because the simplification proposal affected the rights attaching to LIC shares, shareholders who voted all their shares against the proposal were entitled to exercise their minority buy-out rights within 10 business days of the passing of the resolution.

### **About LIC**

LIC is a farmer-owned co-operative that provides a range of services and solutions to improve the productivity and prosperity of farmers. This includes dairy genetics, information technology, herd testing, DNA parentage verification and farm advisory services through FarmWise. Subsidiary business LIC Automation also provides integrated automation systems and unique milk testing sensors that present real-time data while a cow is being milked. With origins dating back to 1909, LIC has a long history of world-leading innovations for the dairy industry. Today the New Zealand-based co-operative employs more than 700 permanent staff, swelling to 2000 during the peak dairy mating season. LIC also has offices in the United Kingdom, Ireland and Australia. All LIC profit is returned to its farmer owners/shareholders in new solutions, dividends or re-invested for research and development or dividends. [www.lic.co.nz](http://www.lic.co.nz)