



Supreme Court of New Zealand

5 December 2008

MEDIA RELEASE – FOR IMMEDIATE PUBLICATION

**ELDERS NEW ZEALAND LIMITED v PGG WRIGHTSON LIMITED
SC 7/2008 [2008] NZSC 104**

PRESS SUMMARY

This summary is provided to assist in the understanding of the Court’s judgment. It does not comprise part of the reasons for that judgment. The full judgment with reasons is the only authoritative document. The full text of the judgment and reasons can be found at www.courtsofnz.govt.nz.

The Supreme Court has dismissed an appeal by Elders New Zealand Limited in litigation in which Elders had claimed it was entitled to acquire the interests of PGG Wrightson in stock saleyards the two companies jointly own.

The claim arose from the merger in 2005 of Wrightson Limited and Pyne Gould Guinness Ltd. At that time Elders owned 13 saleyards jointly with Wrightson. Their agreement gave each company a right to buy out the other if it wished to transfer or sell its interest.

The merger was carried out as an amalgamation of Wrightson and Pyne Gould Guinness, under Part 15 of the Companies Act 1993. Elders argued in the litigation that, as a result of the merger, Wrightson had transferred all its property, including its interest in the saleyards, to PGG Wrightson which is the amalgamated company. Elders said this triggered its contractual rights to buy out Wrightson’s half share.

The Supreme Court has decided that an amalgamation under Part 15 of the Companies Act results in the fusion of the merging companies. In law it involves no transfer of the property either owns to the continuing amalgamated company. In those circumstances, Elders' pre-emptive rights had not been triggered by the merger. Its appeal was dismissed with costs of \$15,000 in favour of PGG Wrightson Ltd.

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