



NZX Release

27 October 2016

Update on Edendale silo 4 incident.

MGL's subsidiary, Mercer Stainless Limited, designed (with independent engineering peer review), built and installed a silo which collapsed at the Edendale dairy factory on 16 September 2016:

- The collapse of the silo destroyed the silo itself, damaged surrounding property and caused economic loss. The precise quantum of loss as a result of the incident is unknown but it has been indicated that it might be as high as \$45 million.
- The cause of the incident remains under investigation.
- MGL's group has professional indemnity and public and products liability insurance although the extent to which these policies may cover Mercer Stainless' exposure in respect of the incident will depend on a number of factors, including the findings of the investigation, the extent of Mercer Stainless' liability (if any), the amount of cover under MGL's insurance policies (which could be less than the extent of any liability) and any relevant exclusions in the policies themselves.

For further information contact:

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