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Lely Holding S.à r.l and Mengele Agrartechnik AG set up a strategic alliance

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Holland-based Lely, a leading player in the agricultural business and German-based Mengele, a household name for agricultural products to many farmers, are pleased to announce the start of a strategic alliance, enforced by Lely's strategic interest in Mengele Agrartechnik AG. For Lely this move means a welcome enhancement of its Forage Solutions portfolio while Mengele can significantly strengthen its sales and distribution network beyond the German-speaking countries.

Mengele Agrartechnik AG sells first-class agricultural equipment - loader wagons, trailed forage harvesters, manure spreaders and tipping trailers - under the brand name Mengele. In its Waldstetten production site, the company currently manufactures mainly loader wagons and silage loader wagons, spreaders and trailers for farmers and agricultural contractors. The brand name Mengele is a household name to many farmers in Europe.

Along with its minority interest, Lely will also obtain exclusive distribution of Mengele products outside of the German-speaking territories (i.e. all over the world, except for Germany, Austria and Switzerland). By adding this loader wagon product line to its Forage Solutions range, Lely now boasts an all-embracing portfolio including Lely Splendimo mowers, Lely Lotus tedders, Lely Hibiscus rakes as well as Lely Welger balers. "We can now offer our customers an efficient solution for making bunker (clamp) silage as well", says Niels Havermans, Managing Director of Lely International. "Mengele loader wagons stand out because of their quality and sustainability. They will come in the red Lely colour and will be marketed under the brand name Lely. We will be making every possible effort to showcase the Lely equipment to all representatives of our worldwide distribution network during the Field Days, a major Lely event that will be held in late June 2009."

In Germany, Austria and Switzerland, all activities will continue through Mengele's existing management and the established sales force. "Our product range for loader wagons is one of the most accepted and worldwide a well-known brand. The new strategic alliance is an ideal platform for an ongoing profitable growth for Mengele and Lely." says Thomas Pfalzgraf, CEO of Mengele Agrartechnik AG.

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About the Lely Group

Lely aims all of its efforts on cattle farmers to further improve their financial as well as social wellbeing, also enabling them to anticipate market developments. For 60 years the name Lely has been a synonym for products, services and solutions that are relevant and meaningful to cattle farmers, simply because they have been developed to meet their specific requirements. Consequently, Lely is the uncontested market leader in sales and servicing of automated milking systems; in addition, the company holds a strong position in forage solutions. The company is active in more than 60 countries and it employs 1,200 people. The annual turnover amounts to 390 million euro.

For more information, please go to <http://www.lely.com/>

About Mengele

For more than 135 Years MENGELE Agrartechnik has been the partner of modern agriculture. The company has always responded to the ever-changing demands of the markets with innovative technique and new ideas. Our world-wide renowned brand stands for best quality and a lifetime service for our machines. It is our vision to make agricultural work more efficient and more economic.

For more information, please go to <http://www.mengele-agrartechnik.de>