



GRANULATED UREA: PRICE AGREEMENT

We hereby notify you that on Friday 16 June 2006 we have entered a price agreement with the National Government regarding granulated urea, main product of PROFERTIL.

It provides that, as from June 20, 2006, the price of PROFERTIL Granulated Urea for agricultural producers of Argentina will be us\$300 plus VAT per bulk tonne for advanced payment condition, available through our commercial network in our Port Terminals of San Nicolás, Necochea and Bahía Blanca.

The Agreement is inserted in the effort of solidarity required, among many other sectors, to the entire National Agricultural Industrial Chain, to achieve the price support to benefit the national agricultural productive structure.

Precisely, PROFERTIL understands that the agreement made is another way of giving predictability and continuity to agricultural producers in their activities, who are the main users of granulated urea.

Also, we intend to deny the rumors and certain rash statements about possible price increase of granulated urea. For all the above mentioned, it is clear that at least with PROFERTIL sales price this is not true and will not happen.

Accordingly, we ratify our commitment to supply the local market normally, as we have supplied it from the beginning: PROFERTIL is able to guarantee in its terminals a sales price of us\$ 300 plus VAT by bulk tonne, in trucks of 30 metric tonnes. This is the way to do it because our dispatch systems are not designed for smaller loads.

In the next days we will keep you informed about the implementation of said Agreement, especially in reference to commercialization and logistics activities in our Company.

Last, it is important to remember that the Agreement does not deny the statements duly made by Profertil, and ratified by the **Comisión de Defensa de la Competencia**, with respect to the fact that the Company is not a price maker, since as it produces and commercializes a *commodity* it is governed by the international markets reference values.

We understand many concerns may arise as from next Tuesday 20 in the agricultural sector with respect to urea commercialization. In order to respond to and clarify all of them the **Centro de Atención Comercial (CAC- Commercial Attention Center)** will operate from 8:00 am to 8:00 pm. If you have any concern please contact the CAC at **0800-666-7763 (PROF)**.