PGG Wrightson Limited

Results Announcement

Six Months to 31 December 2006

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Overview

- NPAT of $12.9m, vs $5.0m last year
- NOPBT (Operating Profit) of $16.8m, vs $13.9m last year. An increase of 21%
- Result improved despite tough market conditions. Sales maintained.
- Interim Dividend of 4 cents per share
- Merger gains have been delivered
- Management focus on improved operating performance and growth initiatives

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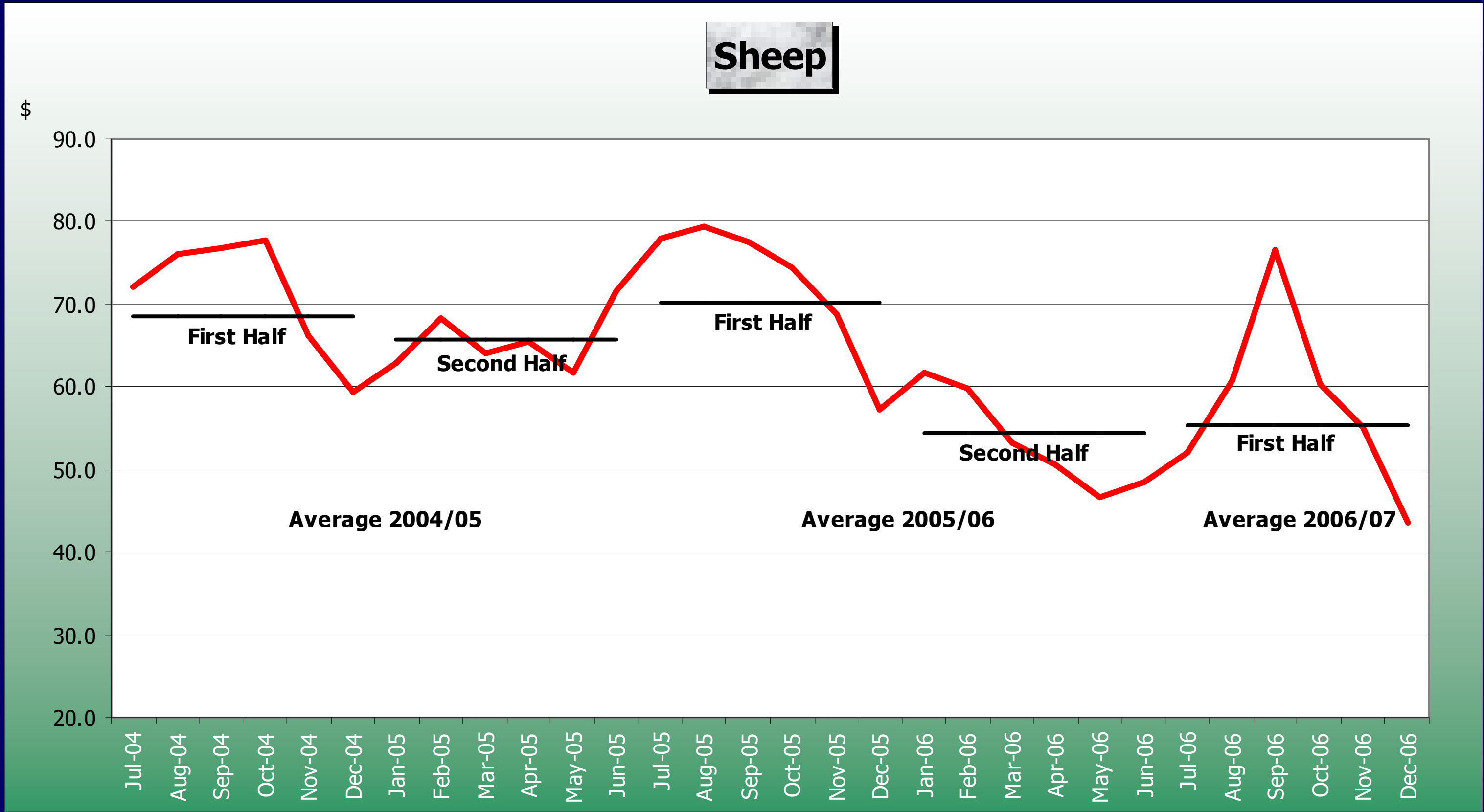
Market Conditions

Average Sheep Prices for the 3 Years ending 30 June 2007



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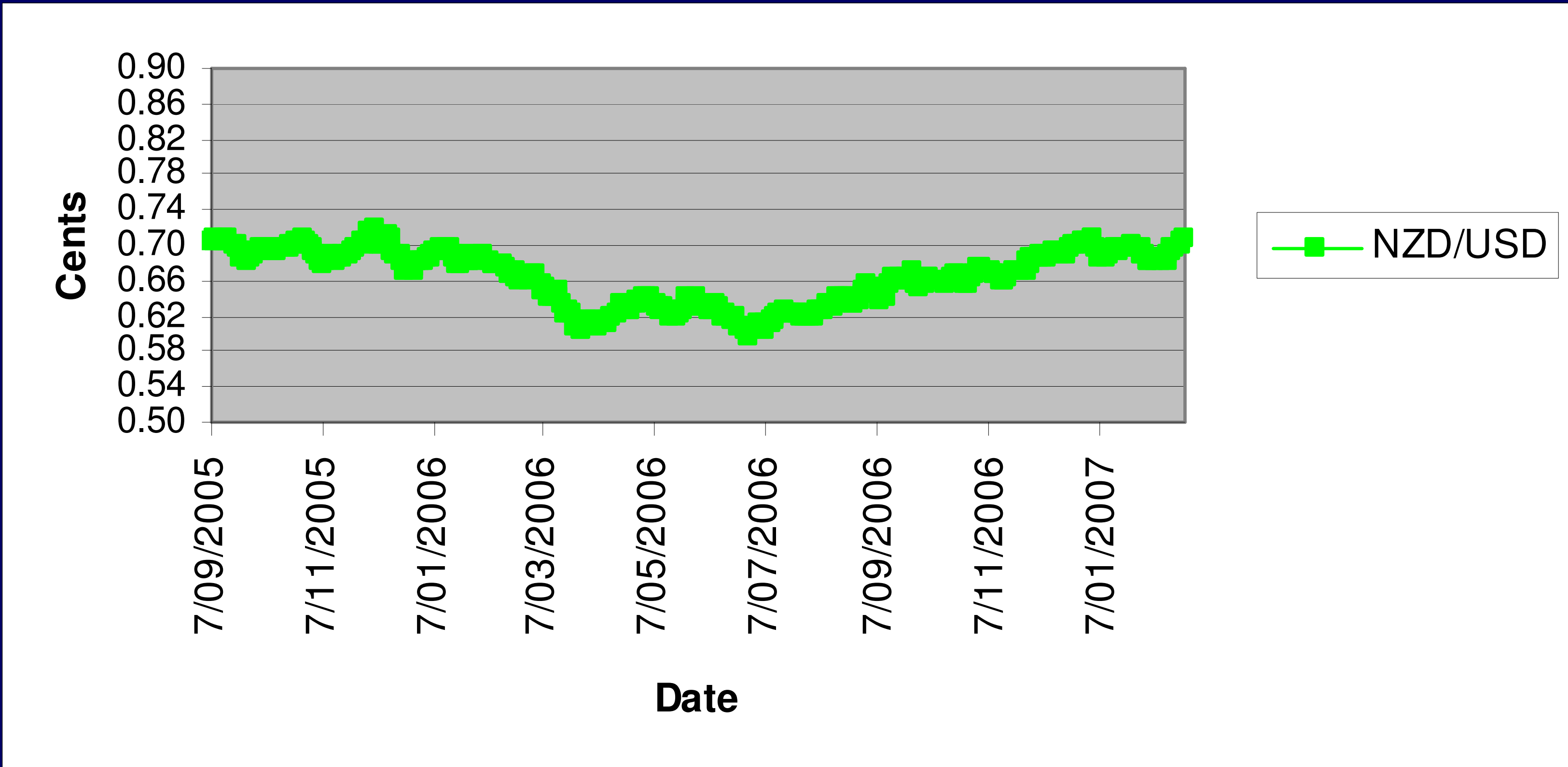
Exchange Rate



Rural Sector Confidence

- Confidence in decline two years running
- 37% of farmers expect rural decline over the next year
- 38% of farmers expect their income to decline
- But 85% expect to maintain or increase investment

Source Rabobank Survey 24/1/07

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Financial Overview - Profitability

	Dec 2006	Dec 2005*
Sales	523.9	373.6
EBITA	26.1	20.1
Operating profit before tax	16.8	13.9
On offs/gains	8.1	(2.3)
NPATA	20.5	8.7
Amortisation	(7.6)	(3.7)
NPAT	12.9	5.0

*Dec 2005 included 6 months of ex PGG and 3 months of ex Wrightson/Williams & Kettle

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Financial Overview – Balance Sheet

	Dec 2006	Dec 2005
Net Finance Receivables	$101 m	$46 m
Other Net assets*	$667 m	$618 m
	$768 m	$664 m
Equity	$409 m	$403 m
Debt	$359 m	$261 m
	$768 m	$664 m

* NZFSU investment, utilised merger provision and seeds stocks increased

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Financial Overview – Cashflow

	Dec 2006	Dec 2005
Operating cash flows	(36.7)	(11.5)
Investing cash flows	(50.3)	(21.1)
Financing cash flows	(6.6)	(3.8)
Net decrease	(93.6)	(36.4)

Growth in Finance Assets, investment in NZFSU and growth in working capital

Management Structure

- CEO
  Barry Brook
  - Group GM,
    Rural Services
    Hugh Martyn
    - Livestock
    - Wool/NZM
    - Districts
    - Rural Supplies
    - Key Accounts
    - Fruitfed Supplies
    - Irrigation & Pumping
  - Financial Services
    Barry Brook
    - Banking
    - Insurance
    - Real Estate
    - Funds Management
  - Group GM,
    Technology Services
    Paul Tocker
    - Seed & Grain
    - Nutrition
    - Animal Health
    - South America
    - Ag NZ/Consulting
    - BioPacific Ventures
  - Chief Financial Officer
    Mike Sang
  - GM Human Resources
    Kate Peterson

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Divisional Profitability

	Dec 2006	Dec 2005*
Rural Services	15.8	18.2
Financial services	8.6	8.0
Technology services	13.1	4.5
Overheads	(11.4)	(10.5)
EBITA	26.1	20.1

*Dec 2005 included 6 months of ex PGG and 3 months of ex Wrightson/Williams & Kettle and is therefore not directly comparable

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Rural Services

Livestock, Wool, Rural Supplies, Fruitfed Supplies, Districts

- EBITA of $15.8 million
- Livestock
  - Market share down 4% in specific isolated areas
  - Tallies up in sheep and beef but down in dairy cattle
- Wool
  - Market share down 4% - lower North Island
  - Recovery underway
  - Wool bales sold down 4%
- Fruitfed Supplies
  - Market share maintained
  - Gross profit (sales) up on last year
- Rural Supplies
  - Gained sales momentum
  - Sales in second quarter were up on last year
  - Margin squeeze benefit to customers

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Financial Services

Finance, Insurance, Real Estate, Funds Management

- EBITA of $8.6 million
- Strong growth overall but margins under pressure
- Finance lending growth $38.4 million, 12 %
- In Finance margin pressure as conditions tighten and growth in market slows
- Expansion of insurance product range in JV with AON NZ
- Clear leader in rural Real Estate with market share growth in declining market, from 25% to 27%
  - Farm sale volume down 15%
- Sound platform established in Australia in Real Estate (dairy sector)
- NZFSU successfully launched

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Technology Services

Seed & Grain, South America, Nutrition, Ag NZ, Fecpak

- EBITA of $13.1 million
- Seed businesses have maintained market share in all markets
- Continued focus on innovation
  - Grasslanz Innovation JV with AgResearch
  - AR37 endophyte in market
- Acquisition of controlling interest in seed business in Argentina (Alfalfares)
- Acquisition of Fecpak
- Strong performance in training services of Agriculture New Zealand
- Strong result from Uruguay farm activity

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Way Forward

- Improved business focus from refined organisational structure
- Increased impact from District management
- Prime focus on home (NZ) base
- Build team based high performing organisation with emphasis on operational excellence

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Way Forward

- Rural Services
  - Focus on clients and customers, with tighter margins and cost effective delivery of products and services
  - Account management
- Financial Services
  - Continued growth in tighter market
  - Dairy sector focus in Australia
- Technology Services
  - Continued focus on knowledge and innovation
  - Leverage technology where benefits to clients high and underpin margins
  - Expansion in South America

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Outlook

- Expect no change in tough operating conditions
- Businesses are executing well
- NPATA forecast for full year of $39 - $45 million
- Wide range reflects reliance on Livestock and Seeds in second half year and both subject to external factors, eg values and weather in Australia
- Full year dividend expected to be no lower than last year
- Well placed to benefit when conditions improve

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