

PGG Wrightson Limited

Annual Shareholders' Meeting

29 October 2009

Keith Smith
Chairman

Overview – Trading Environment

- Worst global recession in 80 years
- Strong trading performance in first half
- Very difficult operating environment in second half – especially in the fourth quarter in dairy
- Sheep and beef farmers better placed but cautious about the future
- Farmers reduced spending to protect returns
- Increased pressure on margins

Financial Summary

	2009	2008	Change
Revenue	\$1.3b	\$1.3b	
Reported NPAT	-\$66.4m	\$73.2m	-\$139.6m
One-off items	-\$87.4m	\$36.9m	-\$124.3m
NOPAT *	\$30m	\$32.9m	-\$2.9m
Cash flow	\$52m	\$26m	+\$26m

Subscription Agreement

PGG Wrightson / Agria Corporation

- A placement of new equity representing 13 percent of PGG Wrightson's share capital
- 88 cents per share – value NZ\$36 million
- A premium of 33% to market price prior to announcement
- Aspiration for Agria to become a significant shareholder over time

Co-operation Agreement

PGG Wrightson / Agria Corporation

- Strategic partnership to explore a range of business opportunities – e.g.
 - Development and commercialisation of seed cultivars
 - Development of livestock business in China; and establishment of livestock trading systems in China
 - Potential development of a rural services business in China
 - Examination of additional funding lines through third party sources for growth in PGG Wrightson Finance

Agria Corporation – Business Profile

- Processes and packages corn seed products
- Produces and sells sheep breeding products
- Produces and sells seedlings – blackberry, raspberry, date
- Nationwide reach
 - 63 production bases
 - Distribution in 14 provinces
- Strong research and development base
 - Includes preferential access through jv with China National Academy of Agricultural Sciences (CNAAS)

Tim Miles
Managing Director

Operating Highlights

- Seed, Grain and Nutrition ahead of 2008 result
- Rural Supplies revenue ahead in a highly competitive market
- Good progress in South America
- Continued market support and growth in Finance

Leadership Changes

- Mike Skilling – Customer Services
- Bruce Gordon – Corporate Services
- Jason Dale – Chief Financial Officer
- John McKenzie – Seed, Grain & Nutrition
- Carlos Miguel de Leon – South America – in to leadership team

Customer Services

\$millions	FY09	FY08	Δ%
Revenue	777	819	-5
EBITDA	33.7	41.7	-19

Rural Supplies

- Revenue up by 7%, but margins reduced in fourth quarter
- PKE writedown of \$2.6m reflects pricing

Fruitfed Supplies

- Revenue up 14% and EBITDA up 16%
- Market share gains in vegetables and strong performance in pipfruit, kiwifruit and viticulture

Livestock

- Revenue up 5%
- Sheep & cattle prices up – offset by lower tallies and dairy prices

Wool

- The business discontinued Wool operations in 2008. Included in the FY08 numbers is \$98.7m revenue and \$5.1m EBITDA

Initiatives undertaken across the division to improve performance

Financial Services

\$millions	FY09	FY08	Δ%
Revenue	94m	118m	-20
EBITDA	15.2m	22.9m	-34

PGG Wrightson Finance

- Pre-tax profit up 22%
- Further growth in loan book and deposits
- Reinvestment rate averaging 74%
- \$100m bond issue fully subscribed
- Accepted into Crown Guarantee Scheme

Real Estate

- Earnings cut by market conditions (Revenue down 53%), but further growth in market share

Insurance

- EBITDA up 16%

Funds Management

- Revenue down 6% due to drought and lower dairy prices

Seed, Grain and Nutrition

\$millions	FY09	FY08	Δ%
Revenue	360m	299m	+20
EBITDA	43.2m	36.9m	+17

Australia

- Difficult year, with drought, bushfires and lower dairy prices
- Stephen Pasture Seeds acquisition boosts access to dairy in Victoria

New Zealand

- Seeds demand strong
- Grain business in line with 2008

Animal Nutrition (Agri-feeds)

- Outstanding year with revenue up 27%
- Growth underpinned by demand for molasses for dairy sector

South America

\$millions	FY09	FY08	Δ%
Revenue	95.6	55.6	+72
EBITDA	4.6	3.0	+56

- Worst drought in 30 years
- Fall in farm gate prices – arable crops, milk and meat
- Seeds and Livestock businesses performed above expectations
- Rural Supplies affected by reduced farmer spending

Strategic Overview

1. Enhance the way we work with our customers

- Moving to an advice-based model
- Appointed regional managers to provide local leadership and move decision making closer to the customer
- Presenting a unified face to customers
- Implementing our key account management strategy

2. Focus on businesses with growth potential

- In particular, Seeds and supplementary feed markets
- Driving market share growth in FruitFed

Strategic Overview

3. Build our ability to create business through IP and expertise

- Leveraging Seeds international growth platform
- Working with Agria under the co-operation agreement
- Expanding in South America through Seeds and Rural Services

4. Streamline our operating systems and processes

- Reducing fixed costs
- Reducing back office administration
- Heightening the output of field staff
- 10% reduction in headcount – 6.5% salary reduction
- Releasing working capital, inventory and debtors
- Savings in transportation and procurement

Positive Future for Agriculture

- In 50 years the world will need approximately 100% more food than today – FAO
- 1 per cent more land will be made available for agriculture over that period
- Most of the increased food requirement will have to come from efficiency improvement
- We will need to produce higher value ingredients and processes and continue to lead the world in food production
- Opportunity for New Zealand and PGW
- Well placed to assist with
 - Animal genetics
 - Seed technology
 - Nutrition
 - Land management techniques

Keith Smith
Chairman

Outlook – 2010 year

- Agriculture will be strong in medium term
 - Improvement in commodity markets is inevitable and will favour quality producers
 - PGW well-placed to take advantage of increased need for global food production
- Market conditions similar in the short term, with some improvement possible in 2010
- Farmer sentiment appears to be improving
- Improvement in dairy prices and payout forecast
- High NZD remains

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