



3 September 2009

### **CLARIFICATION OF MEDIA REPORTS**

In announcing its trading results for the year ended 30 June 2009, the Board of PGG Wrightson noted that:

“In June 2009 the Company notified its banking syndicate of a potential breach of its financial covenants as at 30 June due to adverse trading conditions expected from the last four months of the financial year. A waiver of financial covenants was received from both the banking syndicate and South Canterbury Finance, before the finalisation of the Company’s results for the 2009 financial year.”

In view of subsequent media commentary, the Board wishes to clarify the following matters:

- The receipt of waivers from the Company’s lenders ensured that no breach occurred.
- From the time the company contacted its lenders to notify them of a potential breach there was support for the company’s position and the relevant waivers were confirmed promptly.
- Discussion commenced at that point between the company and its lenders to revise the terms of the lending facilities. The outcome of these discussions was announced on the day it was determined, in keeping with continuous disclosure under the NZX Listing Requirements.
- Any earlier announcement would have been in regard to an incomplete proposal, which would have been potentially misleading and thus contrary to the interests of the company and shareholders.

**For further information:**

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