



18 January 2010

## **PGG Wrightson and Agria Corporation Settle Subscription Agreement**

PGG Wrightson (**PGW**) and Agria Corporation announced today that PGW had issued Convertible Redeemable Notes [CRNs] to Agria to a value equivalent of US\$25 million (approximately NZ\$33.8 million), as part of the original Subscription Agreement announced between the two companies in October last year. Further details were outlined when the PGW rights issue was announced on 20 November last year.

Under the agreement announced in November, PGW agreed to issue CRNs to Agria with the proceeds being invested as new capital into PGG Wrightson Finance, to enhance regulatory capital and provide greater liquidity and capacity for growth in that business.

As a result, PGW issued the CRNs to Agria Asia Investments Limited on 15 January 2010.

PGW Managing Director, Tim Miles said that this was the final part of PGW's highly successful fund raising, which saw the company repay \$200 million in bank debt ahead of schedule. "The issue of the CRNs to Agria is an important part of the ongoing relationship between the two companies as we execute on the broader cooperation we outlined last year."

"Our combined recent capital raising and debt reduction restores PGW's financial strength and places us in a very strong position for the future. We are delighted with the result," said Mr Miles.

"PGG Wrightson Finance has a diversified funding base that includes deposits, bonds, parent company equity and the support of three major banks," said PGW Managing Director Tim Miles. "This additional funding will boost the existing capital base and better position PGG Wrightson Finance as the company executes on its business plan in a changing commercial and regulatory environment."

Proceeds from the issue of the CRNs will be used by PGW to subscribe for preference shares issued by PGG Wrightson Finance equivalent to the value of the CRNs. Further details on the CRNs can be found in the Simplified Disclosure Prospectus prepared for the rights issue by PGW.

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