

The logo for PGG Wrightson, featuring a stylized green wave above the company name in white text on a dark blue background.

PGG Wrightson

*Growing
expertise.*

Investor Day
Kimihi Research Centre
7th July 2010

Tim Miles, PGG Wrightson MD
Jason Dale, PGG Wrightson CFO

Helping grow the country

Growing Expertise

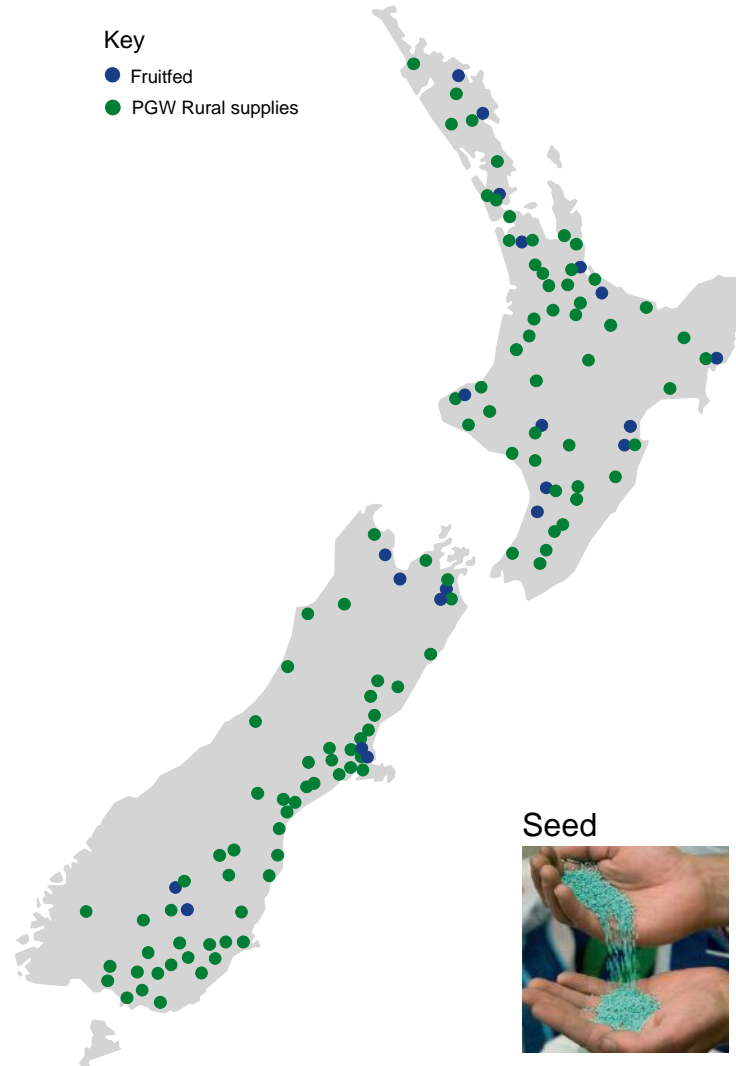
- **Setting the scene on Strategy**
- Organisational Change
- AgriTech & AgriServices activities
- Summary

PGG Wrightson – update since Investor Presentations November 2009

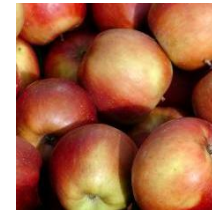
- In November 2009 PGG Wrightson came to investors with a focus on
 - Raising \$249.4m of new capital
 - Having new significant investors in place
 - Change in Governance of PGG Wrightson.
- We also committed to changing the way we operated the business:
 - Focus on quality earnings and cash generation
 - Enhance Client/Customer interface and expertise
 - Focus on domestic business and growth potential
 - Export Intellectual Property and expertise
 - Streamline operating systems and processes.
- Today is an update on these key strategic drivers for the business and to add detail to our recent announcement.
- We are providing significant information on AgriTech today because we believe it is an area not as familiar to investors as AgriServices. It is not because we are not as focused on the future of AgriServices.

PGW— a complete rural platform in New Zealand

- Strength in all areas of agricultural services
- Annual turnover of NZ\$1,200 million (over US\$800 million)
- 40,000 farmer clients
- Leading agri-business brands
- Growing operations and profile in Australia & South America
- Focus on investing in new ways of doing business



Pipfruit



Grain



Sheep



Beef



Horticulture



Seed



Viticulture



Dairy



A diversified base of businesses

PGW has leading market positions across its business units

Seed & Grain	Rural Supplies	Livestock	Fruited	Nutrition
<ul style="list-style-type: none"> • Producer and seller of temperate forage seed in New Zealand, Australia and South America • Provides seed, advice, treatment and broking to contracted grain growers 	<ul style="list-style-type: none"> • Leading supplier of goods and services to the rural sector through network of 96 stores • Only nationwide provider to agricultural sector • Significant interaction with farmers establishes information flow 	<ul style="list-style-type: none"> • Sales agent for sheep, beef, dairy, etc for meat processors and farmers • Relationship developed through knowledge of genetics, appropriate stocking levels, processor requirements, etc 	<ul style="list-style-type: none"> • Leading horticulture service and supply business, providing grower clients with agronomic advice, technical expertise and an extensive product range • 16 national retail outlets supported by 60 technical field staff 	<ul style="list-style-type: none"> • Leading importer of cane molasses, liquid feeds, feed additives and feeding systems • #1 market share in molasses, with competitive position supported by national storage and distribution infrastructure
<p>Market position – NZ Forage</p> <p>#1 – PGW #2 – Barenbrug</p>	<p>Market position</p> <p>#1 – PGW #2 – RD1 #3 – CRT #4 - Farmlands</p>	<p>Market position</p> <p>#1 – PGW</p>	<p>Market position</p> <p>#1 – PGW #2 – Other</p>	<p>Market position - Molasses</p> <p>#1 – PGW</p>

A diversified base of businesses

PGW has leading market positions across its business units

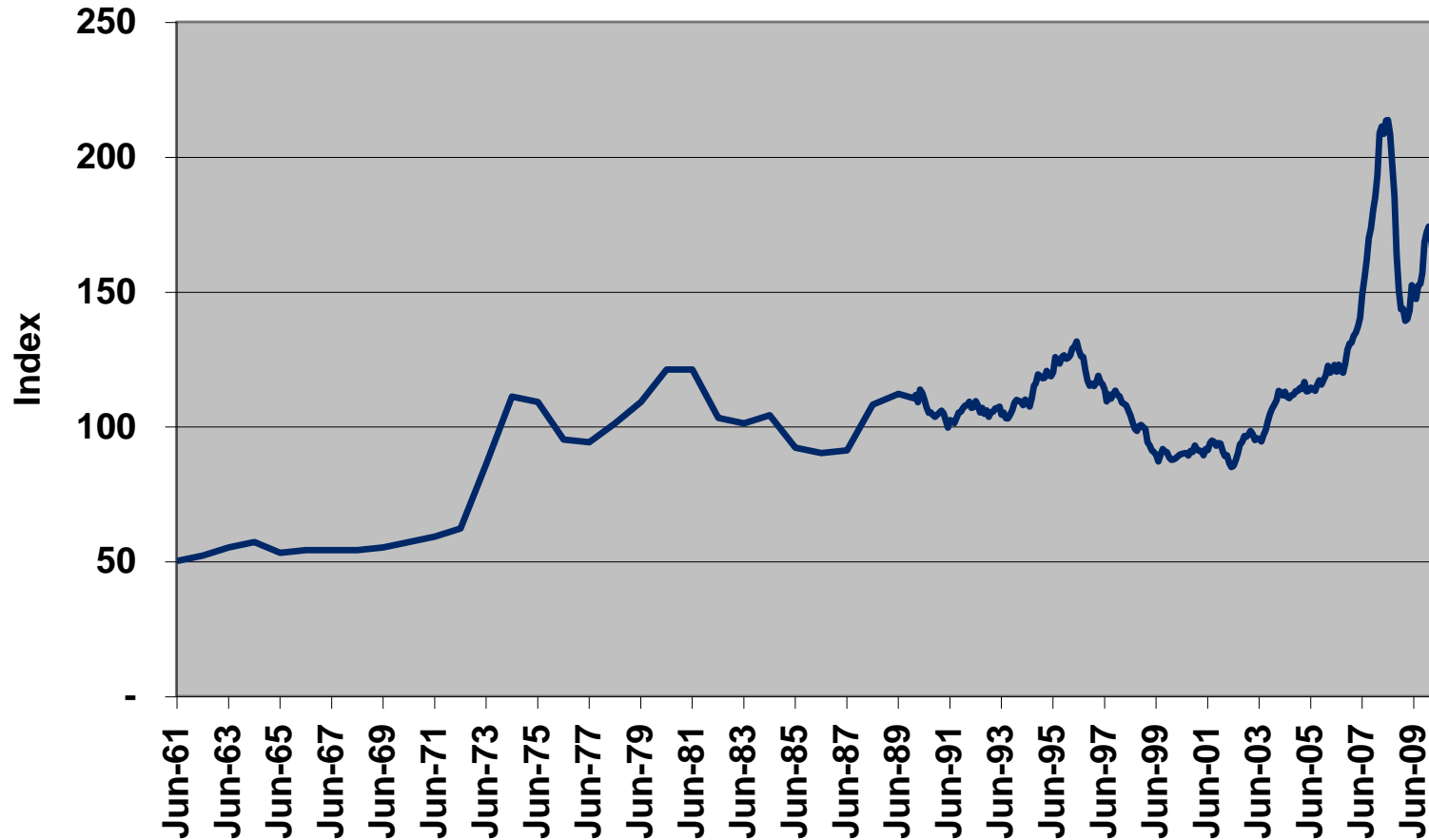
Finance	Real Estate	Insurance	Irrigation & Pumping	South America
<ul style="list-style-type: none"> Leading non-bank rural lender with approximately NZ\$550m of assets under management An approved institution under the Crown Retail Deposit Guarantee Scheme Ongoing focus on seasonal and working capital lending 	<ul style="list-style-type: none"> Rural Real Estate broker focussed primarily on farm sales but with a developing presence in lifestyle, residential and to a lesser extent commercial sales Over 45 branches nationwide 	<ul style="list-style-type: none"> Broker of rural insurance products on behalf of Aon through PGW store network Currently 30 offices and 43 insurance advisers across a national network which sits within PGW rural supplies sites 	<ul style="list-style-type: none"> Design, construction, installation and servicing of irrigation and pumping systems with over 30 years industry experience 	<ul style="list-style-type: none"> South America is a key area of opportunity for PGW PGW's South American business comprises both seeds operations and rural services, however seeds currently contributes ~85% of revenue
<p>Market position</p> <p>1% of rural lending</p>	<p>Market position</p> <p>#1 – PGW #2 – Bayleys</p>	<p>Market position</p> <p>#1 – FMG #2 – PGW</p>	<p>Market position</p> <p>#1 – Waterforce #2 – PGW #3 – Rainer</p>	

Key Questions addressed in the Strategic Review

- How to do a better job of creating customer and shareholder value?
- Strategic review included an analysis of each business, its opportunities and its cash contribution
- Implementation had to be post rebuilding of PGW capital structure, change in shareholder base and Board.

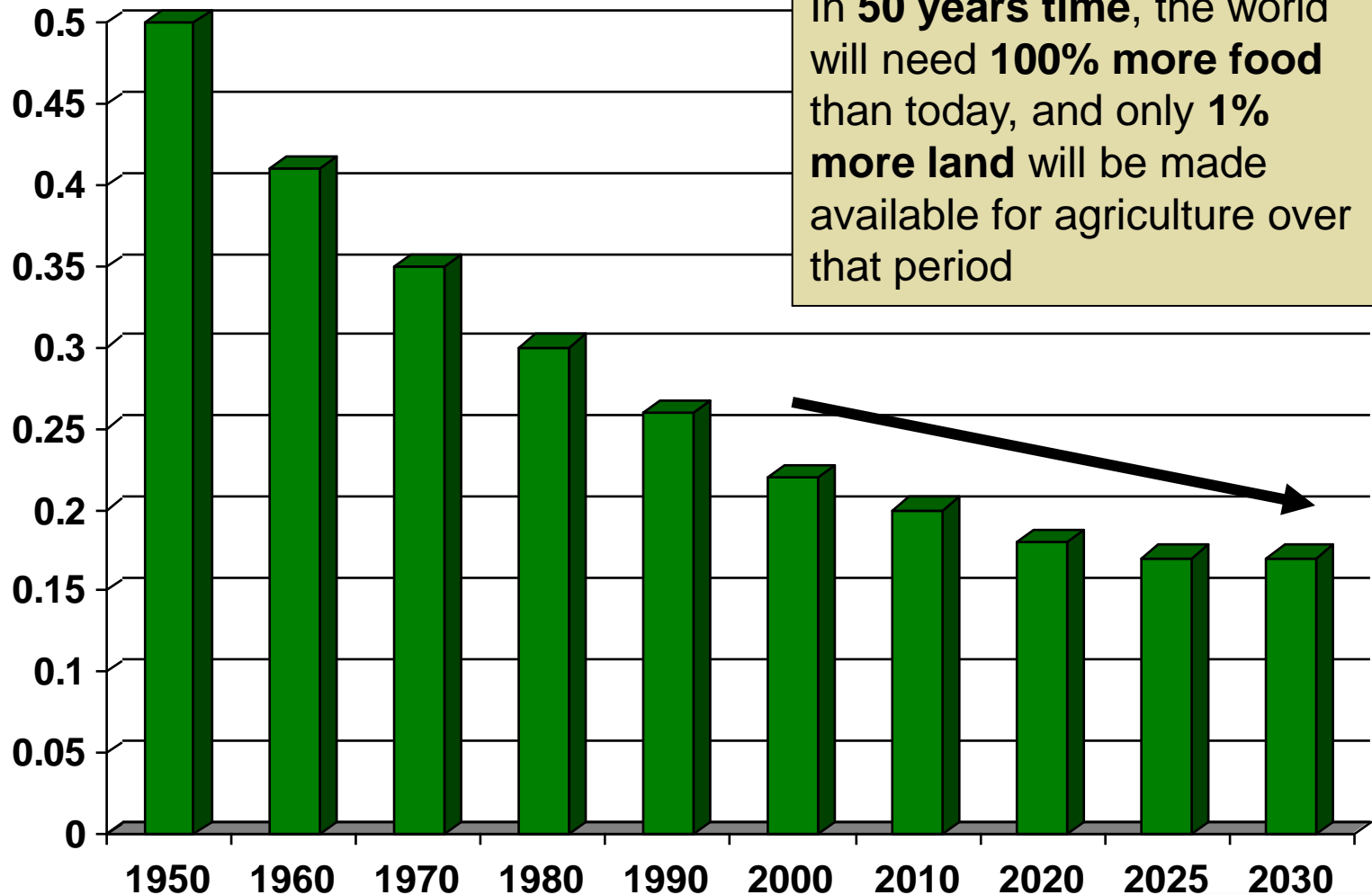
Food more scarce and expensive

FAO Food Price Index



Search for food producing land

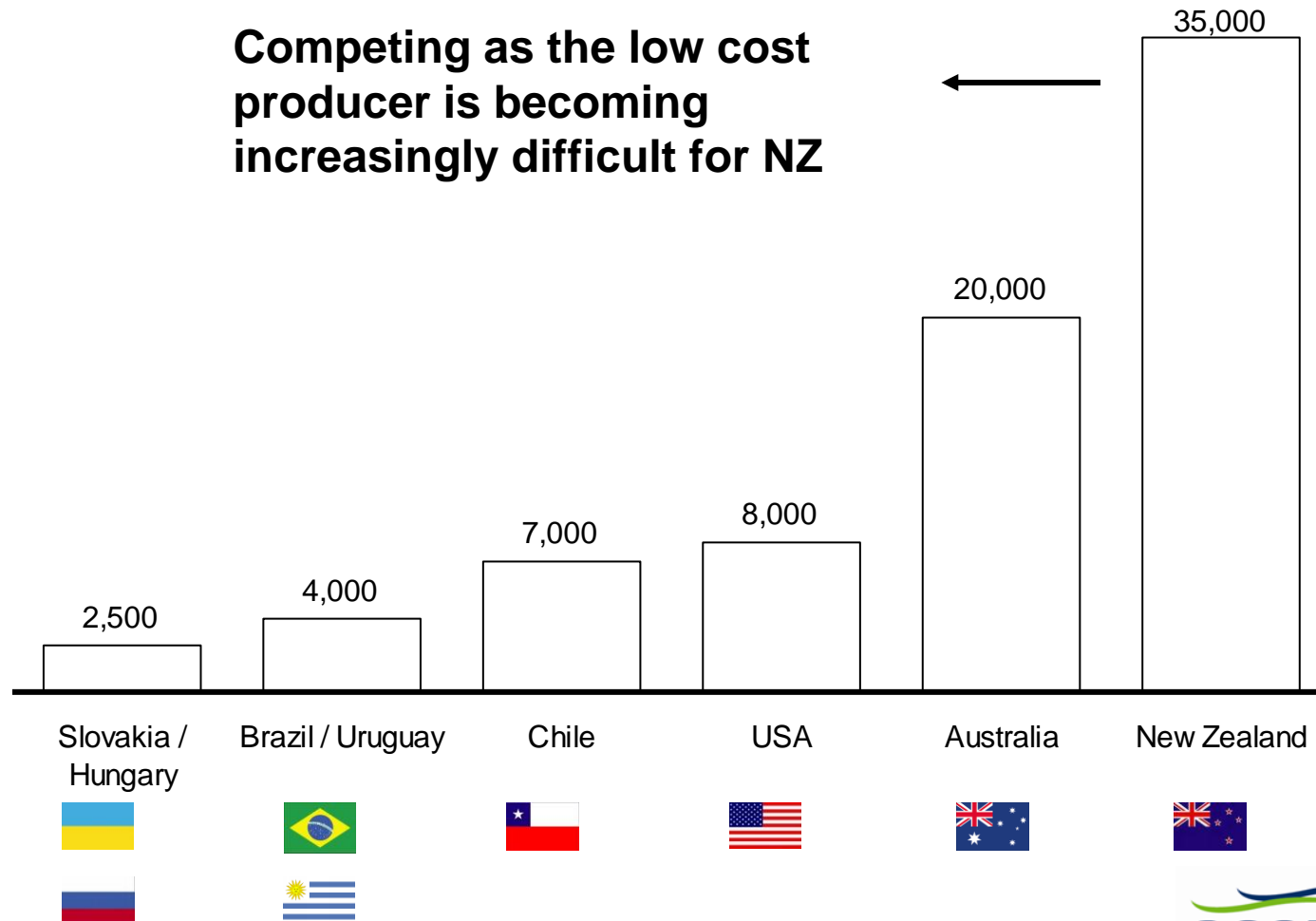
Per Ha / per person



Search for productivity improvement

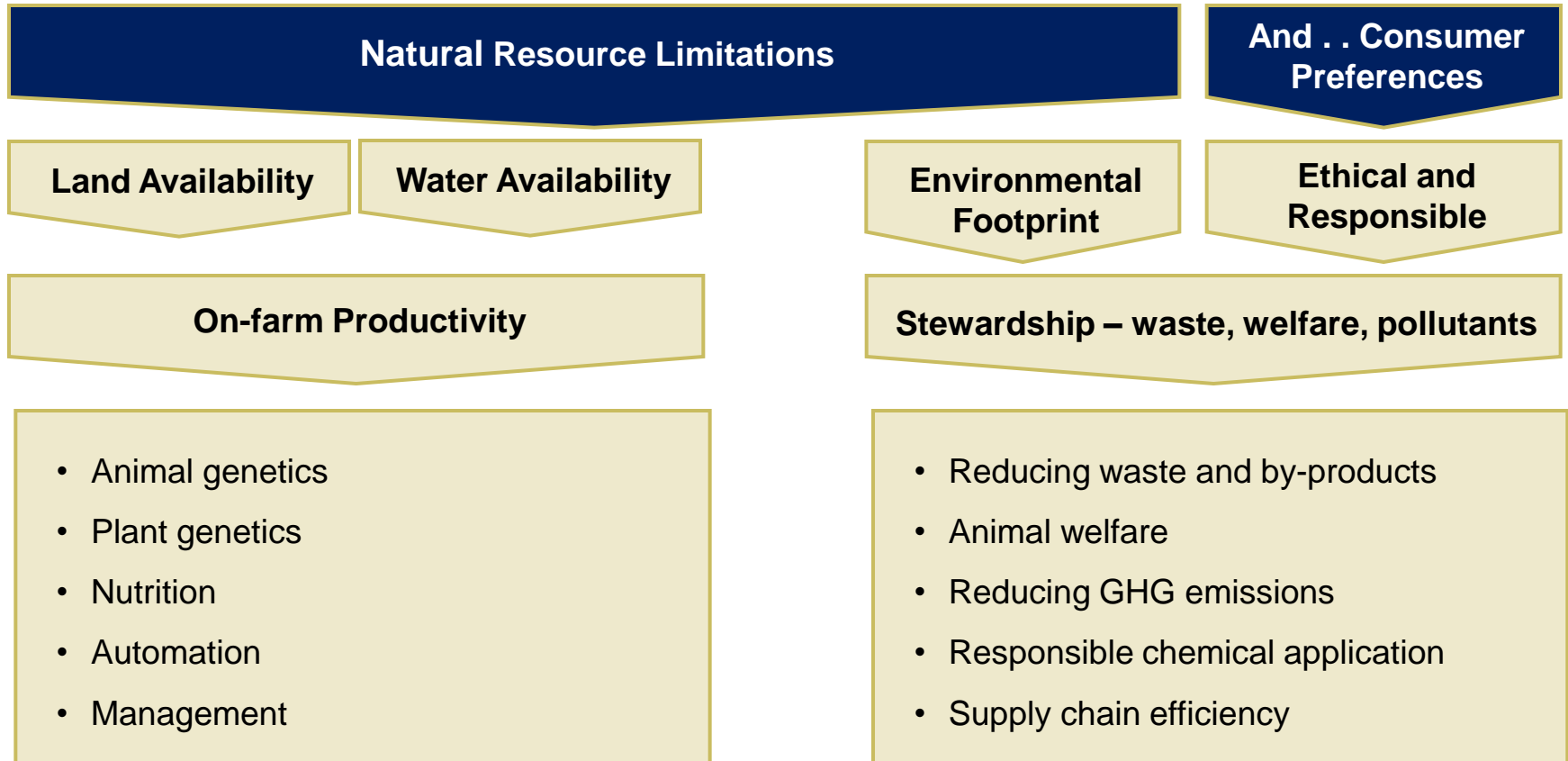
Approximate acquisition price for irrigated dairy-suitable land

US\$ / Ha, 2008



The future is achieving more from less

Increasing productivity from finite resources to responsibly feed the world!



Leading farmer relationships and IP

Market leadership across a diverse range of business units has established PGW as the leading New Zealand rural business platform

Significant expertise in pasture based farming methods and a portfolio of patented temperate forage seeds

Provides competitive advantage domestically and increasingly in international locations

1 Complete rural business platform

2 Leading positions across multiple agriculture markets

3 Diversified base of businesses and capabilities

4 IP, technology and expertise underpins products and services

5 Export of IP and capabilities to new markets

- Market leader across all major segments with 40,000 customers throughout New Zealand
- Relationship and advice based service model complemented by an extensive product offering
- New Zealand market leader across farm and horticulture supply, seeds, supplementary feed, grain trading and livestock trading
- Also leading forage seeds supplier in both Uruguay and Australia
- High degree of business and geographic diversification providing multiple customer touch-points
- Vertically integrated across value-chain
- Proprietary, patented portfolio of seeds developed in conjunction with global research agencies
- Expertise in pasture based farming methods offering farmers advice and inputs to maximise payouts
- Expansion of business units in South America (Uruguay, Argentina and Brazil) and Australia especially through seeds
- Opportunities for further market development as farming methods become more sophisticated

PGW's vision is to be

Leaders in the field – helping grow the country

Who we want to be

Leaders in the field

Why (our purpose)

To help grow the country

What we provide

Growing expertise



WHAT we want to be

**HOW we will
deliver it**

Growing Expertise

- Setting the scene on strategy
- **Organisational Change**
- AgriTech & AgriServices activities
- Summary.

The business configured around two core groupings



**AgriTech
(IP & Growth)**

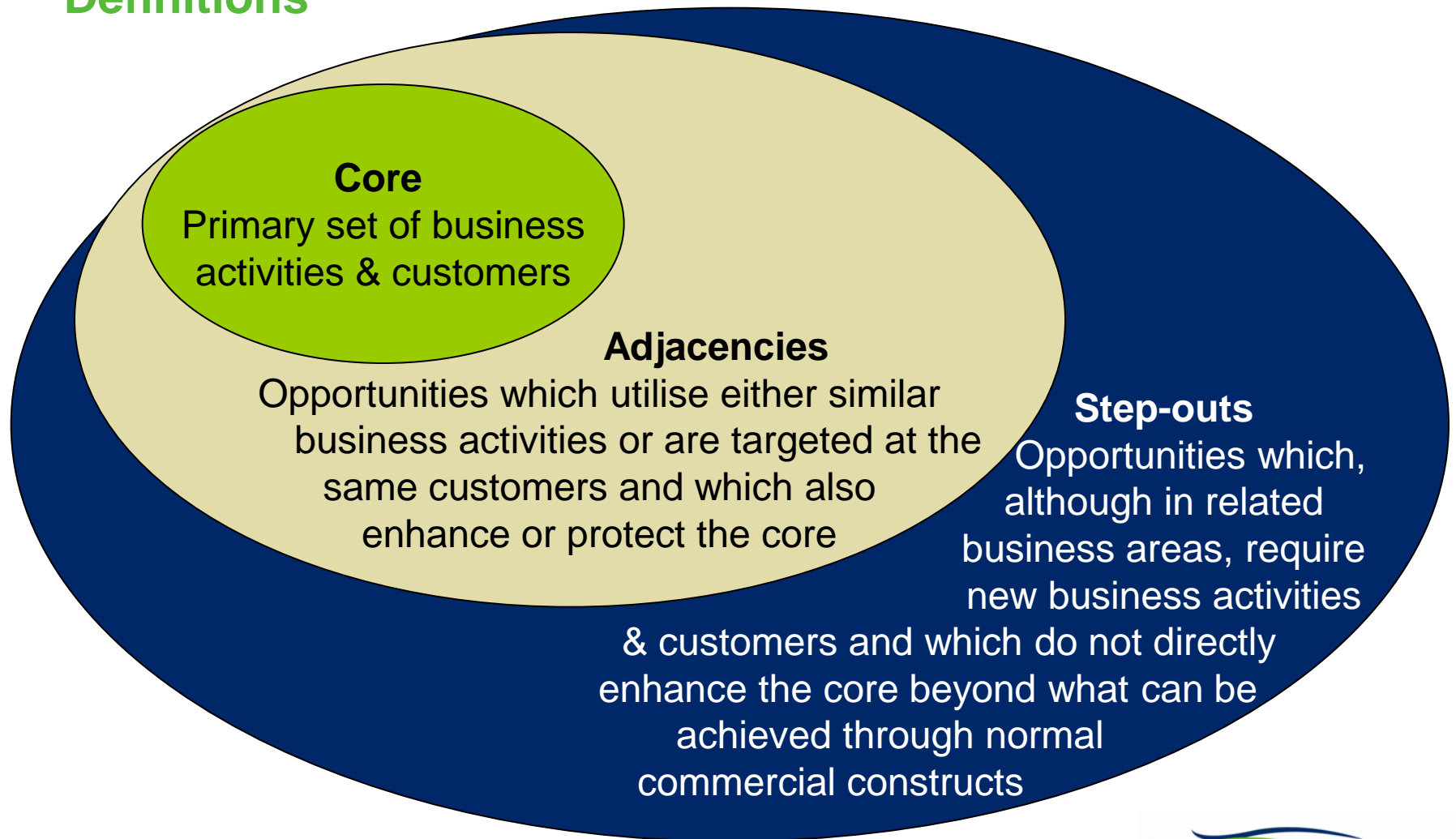
- Price relative to value proposition
- Wholesale distributor
- High quality
- Low volume turnover
- Growth engine
- High investment/return
- IP driven business
- International focus

**AgriServices
(Customers & Distribution)**

- Limited ability to price differentiate
- End customer distributor
- High quality service and products required
- High volume turnover
- Focused on delivery and costs
- Limited IP
- NZ centric
- Finance enabled

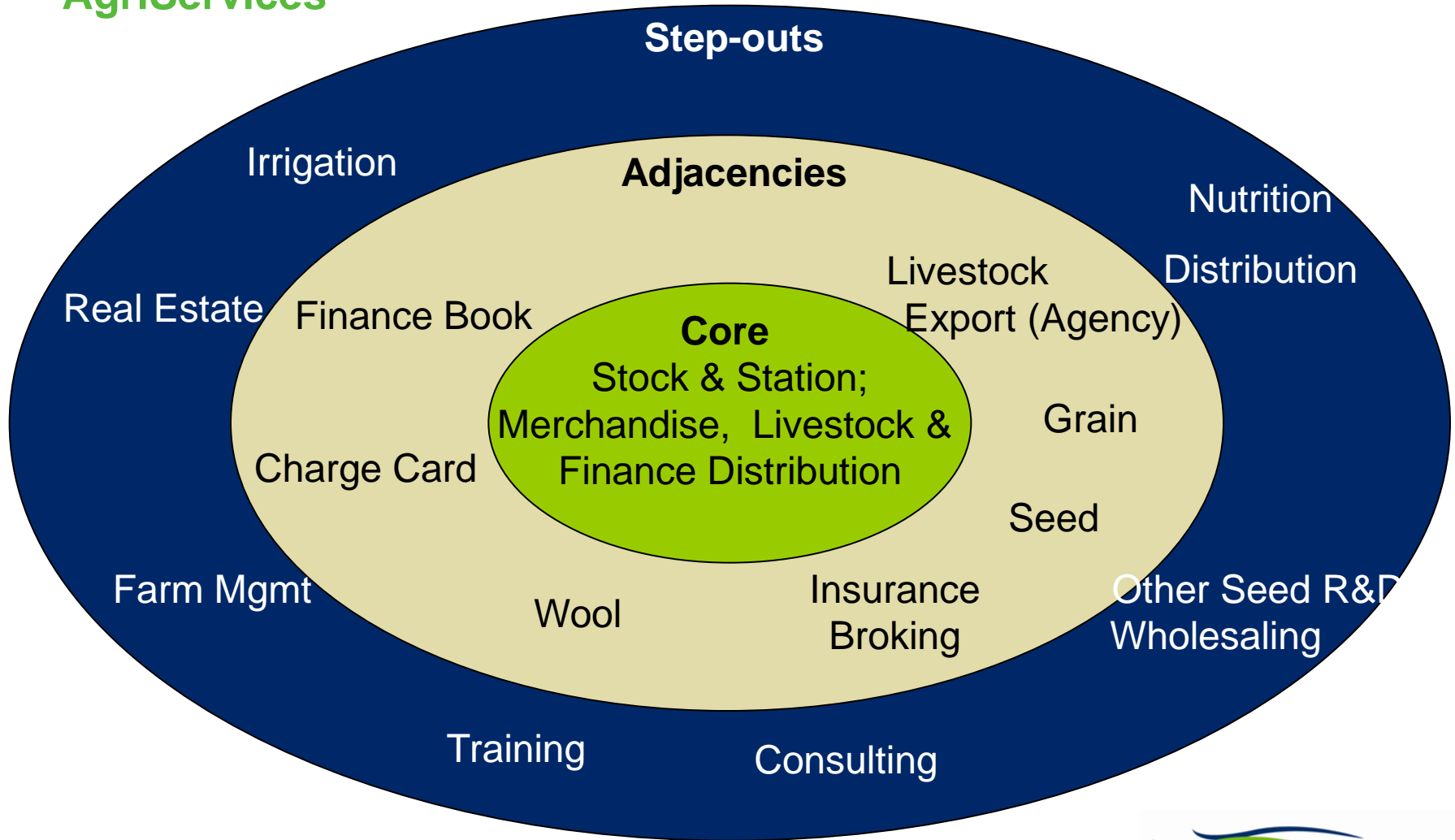
Core businesses for AgriServices and AgriTech

Definitions



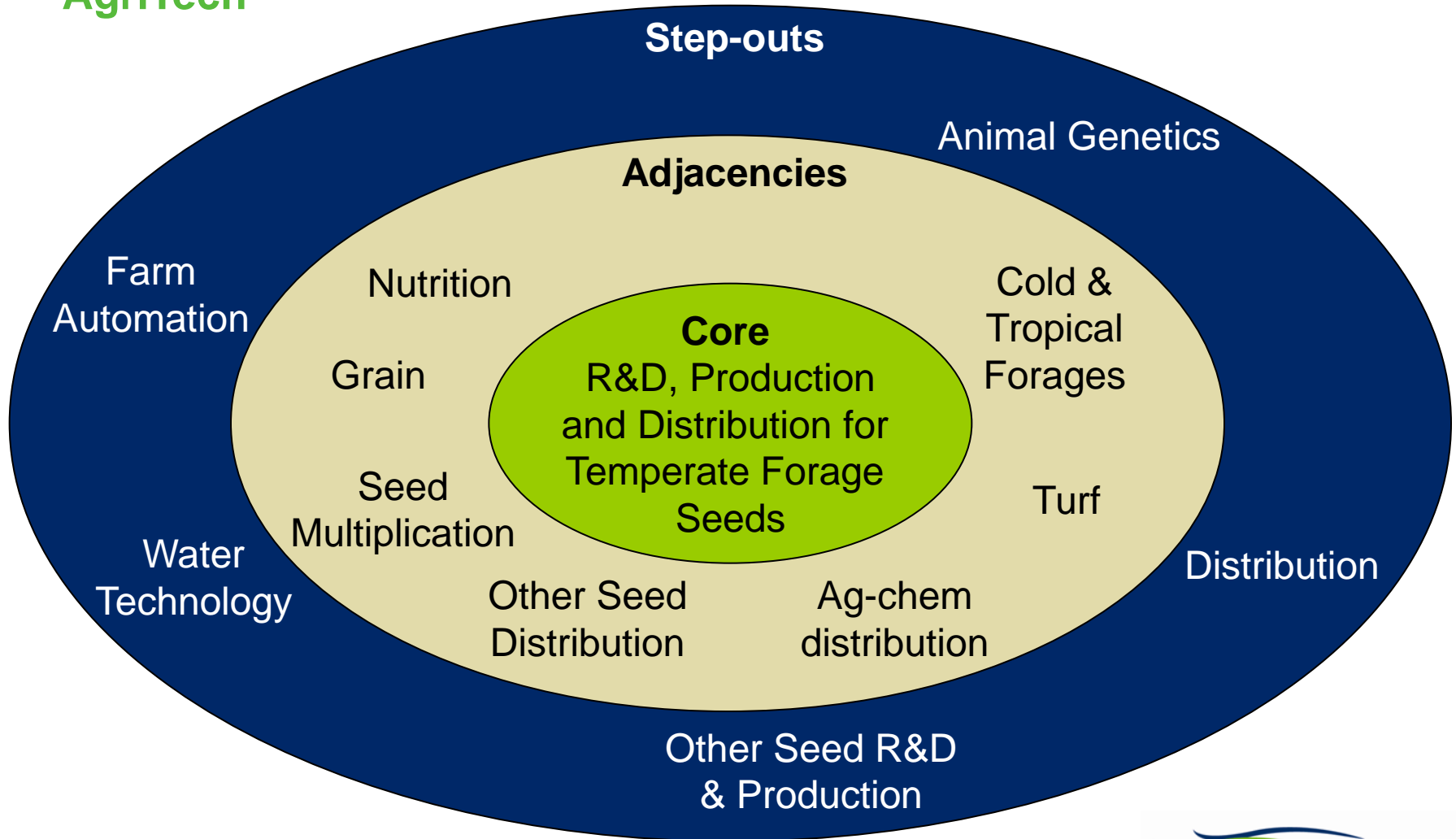
Stock and Station is the core business for AgriServices

AgriServices

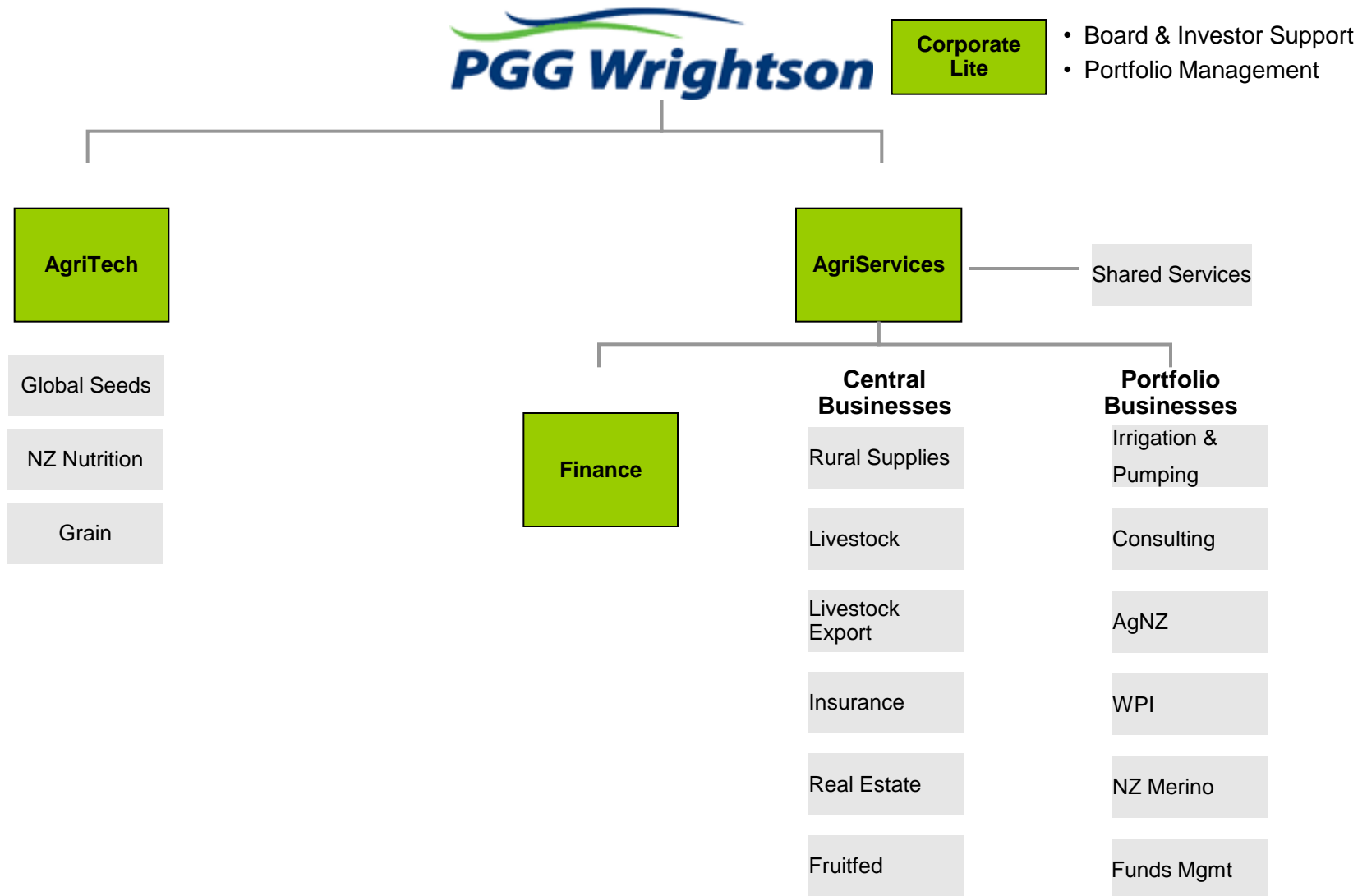


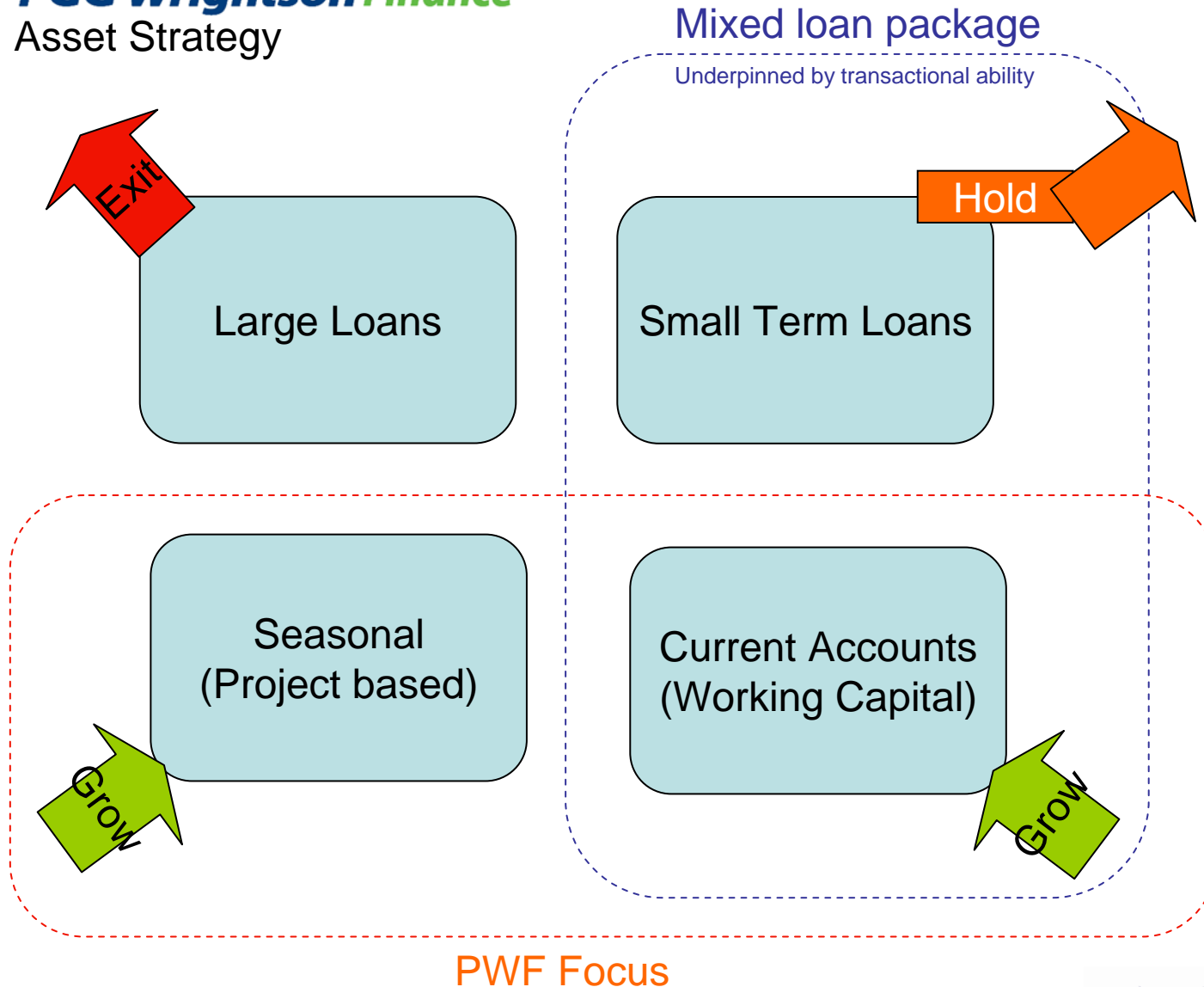
With Seeds the core for AgriTech

AgriTech

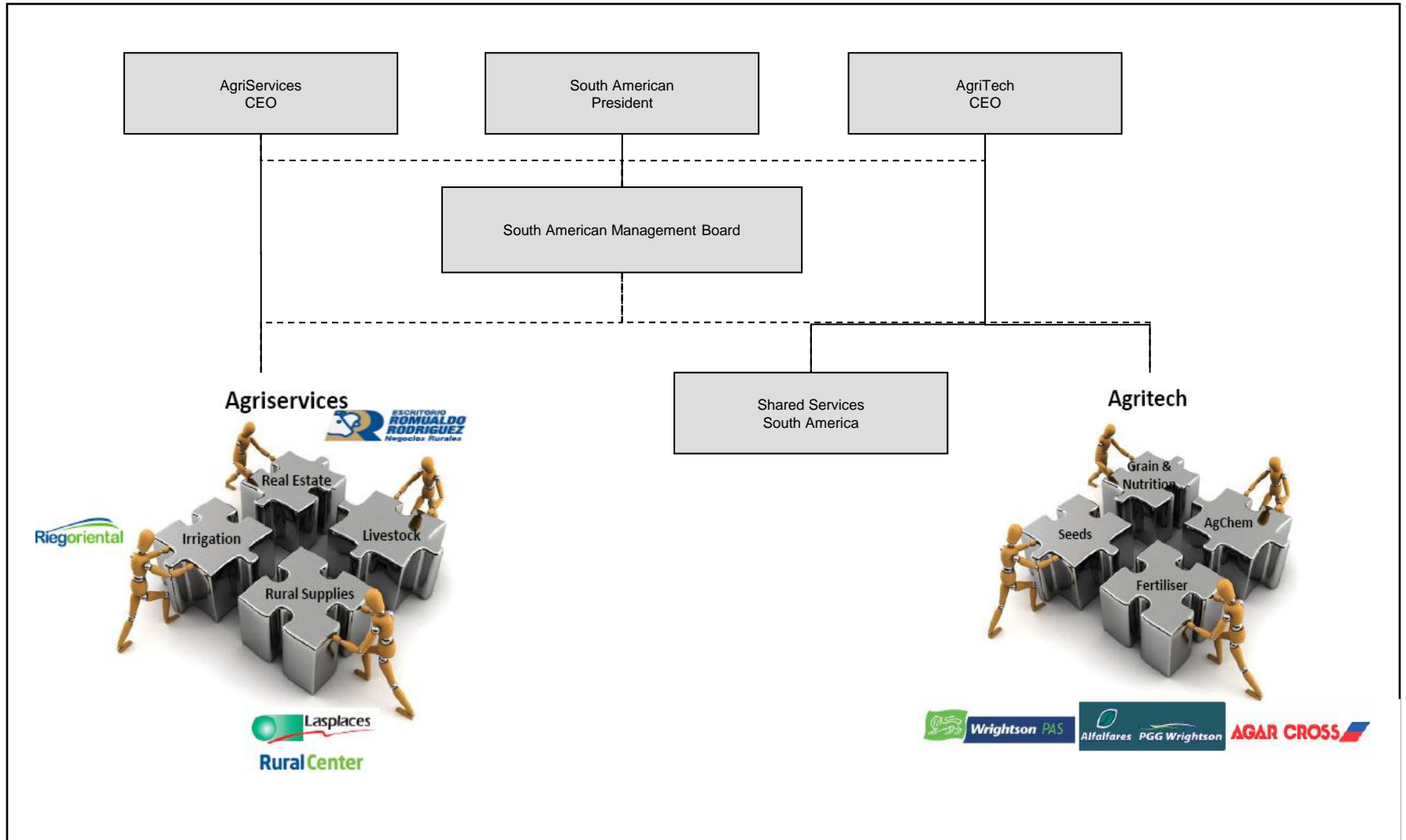


With existing businesses configured within these broader groups





Confirming South American Management Structure



Role of Corporate

- Board Support
 - Company secretary, legal and risk management (audit)
- Investor Support and funding (Equity & Debt)
 - Investor and banking relations
- Portfolio management and strategy
 - Capital structure
 - Portfolio configuration
 - Active investor relationship with Agritech & Agriservices
 - Performance Management
 - Capital Allocation

Key Messages

- Focus will be on reallocating resources to businesses where most customer and shareholder value is created
- The new structure provides investment focus, systems and management practices needed to successfully meet the individual needs of the two different businesses
- This will underpin enhanced group profitability and long term sustainability, to the benefit of its Clients/customers, staff and shareholders
- AgriServices : high level opportunities around improving efficiency,
 - Continue to support people and systems,
 - Driving customer relationships and supply chain development.
 - Evolve from a 'ticket clipper' to 'trusted advisor'.
 - Opportunity for future consolidation.
- Finance is a key enabler to AgriServices and an important industry differentiator
- AgriTech: unlocking value through targeted focus.
 - Returns are underpinned by IP, technology and expertise.
 - Growth is from export of IP and capabilities into new markets, and further expansion in South America and Australia.
 - Requires ongoing investment into R&D and new market development

Growing Expertise

- Global picture
- Organisational Change
- **AgriTech & AgriServices activities**
- Summary



AgriServices

Summary of key messages

Grow Customer interactions

Deepen our relationship with customers. Develop key segmentation strategies, to drive revenue and wallet share growth, streamline operations, reduce operating costs and improve ROI.

Develop Finance offers

Develop product offers around all three business units (Fruitfed, Rural Supplies and Livestock) that incorporate Finance. Offers potential to create a more robust business model and improve financial performance.

Improve distribution offering

Centralised distribution offers financial and operational benefits by improving distribution efficiency, inventory performance, supplier leverage and customer service, whilst reducing working capital.

Improve use of working capital

Introduce VMI and apply best practise standards to improve cash collection cycle performance

Improve efficiency and processes

Reduce duplication and manual processes. Adopt technology to support our distribution and communication networks; implemented in a practical and controlled manner.

AgriTech



The merger of three rural services businesses has created the scale to now launch specialist businesses – one called “AgriTech”

Up to 2004 / 2005 – Small conglomerates

(2004 EBIT)



Total EBIT

\$16.5m

\$25.9m

\$14m

- Wrightson Seeds & Grain NZ
- Wrightson Seeds Australia
- Wrightson PAS (Uruguay)
- Agrifeeds
- Grain
- PGG Seeds (NZ)
- PGG Seeds (Aust)
- Grain
- Agricom (NZ)**

2005-2010 – Big conglomerate

(2009 EBIT)



\$74m

- PGW Seeds
- PGW Grain
- PGW Nutrition
- PGW RS
- PGW Finance
- PGW I&P
- FF Supplies
- PGW Livestock

2011 onwards – Specialised entities

GLOBAL

AgriTech Inc

- Seeds
- Arable Services
- Nutrition

NZ

AgriServices Inc

- Rural Supplies
- Livestock
- Fruitfed
- Finance

Total Seed & Grain & Nutrition EBIT 28

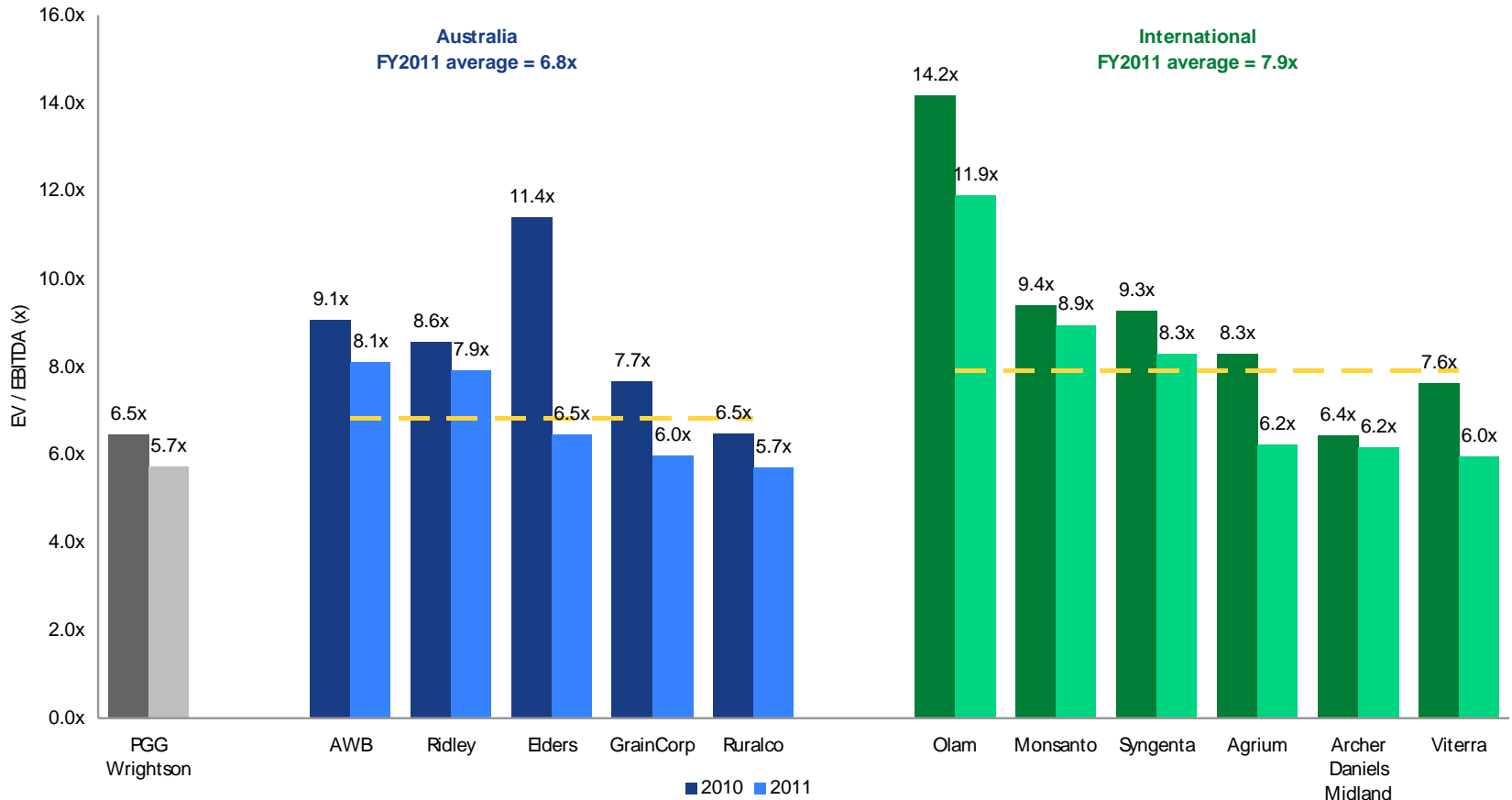
\$11.9m

\$4.3m

\$--

\$45.3m

Comparable multiples



Source: Company filings, broker reports, Bloomberg (as at 6 July 2010)

Notes:

- 1 PGW figures are presented excluding PGW Finance. EBITDA figures are based on broker consensus estimates less PGW Finance EBITDA prospectus estimate of \$17.0m. EV is reduced by ~\$100m attributed to PGW Finance (\$67.5m 31 December 2009 book value + \$33.8m convertible note investment). PGW net debt based on 2010 year end prospectus estimate of \$134.5m
- 2 Calendarised to June year end.

Growing Expertise

- Setting the scene on Strategy
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- **Summary**

Summary of Strategic Review

- PGW has completed its business vision and strategy since the capital raise
- The strategic review was initiated in response to a desire to improve the operating performance of PGW and the need to set a clear strategic direction for the company into the future
- Initiatives are focused on enhancing quality earnings and cashflows of underlying businesses
- The review has led to a focus on where and how the company competes and to continually improve skills, and enhances focus on science and technology businesses that have the potential to create high margin business
- Proposal advanced to separate the portfolio of businesses into two similarly sized businesses, separating out high growth business from traditional stock and station businesses, under AgriServices (rural merchandising, finance, livestock and wool) and AgriTech (Seed, grain and nutrition)
- Corporate functions (shared services) to move under AgriServices banner – to drive better alignment
- A restructuring of the senior management team has been undertaken to support these initiatives.

Thank you.