

MEDIA RELEASE

14 June 2011

PGG Wrightson Enters Conditional Sale Agreement of Finance Company to Heartland New Zealand

PGG Wrightson Limited (NZX: PGW) today announced it had entered into a conditional share sale agreement with Heartland New Zealand Limited (**Heartland**) to sell its finance subsidiary PGG Wrightson Finance Limited (**PWF**) to Heartland's wholly-owned subsidiary Heartland Building Society (**HBS**).

The purchase price, an amount equal to the adjusted net tangible assets of PWF as of the expected completion date of the transaction, 31 August 2011, is expected to be approximately \$100 million.

In connection with the transaction PWF would transfer certain excluded loans, having a combined value of approximately \$95 million, to a wholly owned PGG Wrightson special purpose vehicle, which would work to realise or refinance these facilities over the short to medium term.

If all sale conditions are met, Heartland would become the issuer of the debt securities currently issued by PWF and would take over all aspects of PWF's business, including its loan book and existing staff.

Further, PGG Wrightson and Heartland have agreed to enter into a distribution and services agreement whereby Heartland would make financial products and services available to PGG Wrightson clients in support of their farming activities.

The transaction is conditional upon a number of approvals, including PGG Wrightson and Heartland shareholder approvals, where required, PWF debt holder consent, PWF and Heartland trustee consents, Heartland's capital raising, as well as relevant Regulatory and Crown consents.

Commenting on the sale agreement, PGG Wrightson Chairman, Sir John Anderson, said PGG Wrightson had adopted a strategy of focusing on its core business activities in the provision of agricultural products and services to its farmer clients in New Zealand and internationally.

"While we recognise that financial services products remain important to our client's businesses, ownership of a financial institution is not required to facilitate this. Our decision to divest our finance business, while retaining the capacity to provide lending support and investment products to our clients, is therefore in the best interests of our company and our clients, leaving us to focus our resources on our core business activities."

Sir John said the final structure of the transaction, which had taken a number of months to conclude, had 'ticked all the right boxes'. "Not only will the proposed transaction have the impact of seeing PWF form part of a much larger financial institution that specialises in many of the markets that PWF operates in, but it will also significantly deleverage and de-risk PGG Wrightson's current financial position.

“The sale of the finance division has the support of our new majority shareholder, Agria Singapore, and is consistent with our ongoing strategy to reduce debt in the parent company, grow our AgriTech and AgriServices operations and seek to introduce a dividend payment policy for shareholders in the medium term.”

Sir John said that PWF would continue to offer rural lending products to the customers of PGG Wrightson while its investors would now be able to invest directly in Heartland, meaning that borrowers and lenders alike would benefit from the larger scale and resources of Heartland, which importantly offered an investment grade credit rating.

The directors of PGG Wrightson overseeing the sale process have, consistent with the NZX Listing Rules, engaged Northington Partners Limited to prepare an Independent Advisor's Report to assess the merits of the proposed transaction and to determine whether it is fair to PGG Wrightson shareholders.

The Northington Partners' Independent Adviser Report concludes that the proposed transaction is fair from the point of view of PGG Wrightson shareholders. The report, along with the Notice of Meeting and explanatory information relating to the transaction accompanies this announcement and will be posted to PGG Wrightson shareholders today. The PGG Wrightson shareholders' meeting to approve the transaction is scheduled for 28 June 2011 and will be held in Christchurch.

Ends

About PGG Wrightson Finance

PGG Wrightson Finance provides a comprehensive range of financial products and services to New Zealand's rural community, including dairying, sheep and beef, deer, mixed livestock and cropping, arable, horticulture and viticulture. Finance products are distributed by 36 field staff located within PGG Wrightson's store network of 98 stores across 10 regions nationwide.

About Heartland

Heartland was formed in January 2011 following the merger of Canterbury Building Society, MARAC Finance and Southern Cross Building Society. Until recently Heartland was majority owned by Pyne Gould Corporation Limited, which also currently owns approximately 9.5% of the ordinary shares in PGG Wrightson. The objective of Heartland is to create a New Zealand controlled, NZSX-listed bank that serves the needs of rural New Zealanders. This includes providing financial services to small and medium enterprises, rural businesses, individuals and families. Heartland has more than 90,000 clients throughout New Zealand.

Sir John Anderson
Chairman, PGG Wrightson