

PGG Wrightson Trading Update

Chief Executive Mark Dewdney announced today that PGG Wrightson (PGW)* expects its full year Operating EBITDA excluding earnings of associates** will be in the \$66 to \$69 million range, slightly up on the guidance indicated in February.

Mr Dewdney said, "PGW's trading performance has held up well over the second half of our financial year in spite of more challenging conditions in the New Zealand agricultural sector. Overall the business has continued to trade well to back up the strong performance over the first six months."

"The effects of a dry summer have continued to be felt in some regions and while these conditions have stimulated some activity for PGW it has impacted the budgets for a number of our customers. However, the key factor influencing farmer sentiment is weakening commodity prices. Dairy farmer confidence in particular has taken a hit with farm-gate milk prices tumbling together with a realisation that softening commodity prices may continue for longer than initially anticipated. While the longer-term fundamentals of dairy demand and trade opportunities for New Zealand remain sound there is widespread acceptance that the sector is moving into a more difficult period."

"The improving PGW results we are seeing are a direct result of the hard work we've put into our business over recent years." Mr Dewdney said. "I'm proud of what we are achieving in the face of some tough market conditions."

"We expect Livestock to be back on last year, with dairy tallies in particular down. On the other hand our Seed and Grain business is expected to improve on last year's result. Seed sales continue to be strong in New Zealand, and Australia has had a solid year but extremely dry conditions in Uruguay have meant we haven't been able to grow earnings there this year as we had planned."

"Looking ahead, reduced farmer confidence in dairy and lamb is creating more uncertainty than usual regarding spending intentions for next season. This may result in farmers reducing expenditure which will potentially impact on our financial performance. However, we still feel there are improvements to be made across our businesses and believe that PGW is well placed to trade through any weakness in the market and capitalise upon the opportunities available."

Alan Lai, PGW Chairman commented "It is very pleasing to see the business continue to perform well and execute on the strategy. The results the company is delivering are a credit to the dedicated staff that PGW have right across the business."

PGW expects to announce its full year results on 11 August 2015 with details of the announcement to be confirmed closer to the time.

Further information:

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*All references to PGG Wrightson Limited or the Group refer to the Company, its subsidiaries and interests in associates and jointly controlled entities.

**Disclosure Statement: Non-GAAP profit reporting measures:

PGW's standard profit measure prepared under New Zealand GAAP is "profit/(loss) for the period". PGW has used non-GAAP profit measures when discussing financial performance in this document. The directors and management believe that these measures provide useful information as they are used internally to evaluate performance of business units, to establish operational goals and to allocate resources. They also represent some of the performance measures required by PGW's debt providers. For a more comprehensive discussion on the use of non-GAAP profit measures, please refer to the policy "Non-GAAP Financial Information" available on our website (www.pggwrightson.co.nz) or refer to our previous financial statements for reconciliations to GAAP profit measures.

Non-GAAP profit measures are not prepared in accordance with NZ IFRS and are not uniformly defined, therefore the non-GAAP profit measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation or considered as a substitute for measures reported by PGW in accordance with NZ IFRS.

PGW's definition of non-GAAP profit measures used in this document:

Operating EBITDA excluding earnings of associates: Earnings before net interest and finance costs, income tax, depreciation, amortisation, fair value adjustments, non-operating items and equity accounted earnings of associates.