Media Release
26 February 2009

PGG Wrightson Confirms Banking Facilities

PGG Wrightson confirmed today that it has received bank commitments to the refinancing of all its existing bank facilities. The commitments are subject to completion of documentation.

The total facilities provided though ANZ, BNZ and Westpac amount to $475 million.

Included in the total facility are:

- $275 million of core debt for a 30 month period to September 2011
- $125 million amortising facility to December 2010
- $75 million of seasonal working capital to April 2010.

PGG Wrightson had drawn debt of $425 million at 31 December 2008 and $410 million drawn at mid-February enabling sufficient headroom for operational plans and commitments.

PGG Wrightson's Managing Director, Tim Miles, said that the company's banking syndicate is highly supportive of the company and its strategies allowing the business a 21 month period to reduce PGW's leverage to levels acceptable in the current credit environment.

PGW expects to pay down the amortising facility through operating cash flow, working capital initiatives and the sale of some non-core assets. Repayments will be made throughout the period with a final component due in December 2010. The repayments are weighted towards the end of the term to enable the benefits of the various initiatives to be fully realised. $65 million of the $125 million is due for repayment in December 2010.

Consistent with this, PGW will amend its dividend policy to enable operating cash flow to be applied to amortise debt. PGW intends that dividends will continue to be paid under the Distribution Plan but the company will not fund the buyback option. Instead it is intended that the buyback will now be underwritten to provide shareholders with a cash option. The current interim distribution, however, will be by way of a fully imputed bonus issue without a buyback option.

Mr Miles said the company's current focus is to optimise the existing asset base including working capital reduction. The Board has approved a plan that will see the amortisation achieved through a number of key initiatives. Work has already started on some of these including improved management of overdue debtors, improved inventory management and greater focus on procurement and supplier terms of trade. These initiatives will be supported by a small programme of property disposal. No businesses are intended to be sold.

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