



## KEY FINANCIAL DISCLOSURES

FOR THE SIX MONTHS ENDED  
31 DECEMBER 2015

The financial statements contained on pages 1 – 21 have been approved by the Board of Directors on 23 February 2016.

**Alan Lai**  
Chairman

**Bruce Irvine**  
Director and Audit Committee Chairman

**INTERIM STATEMENT OF PROFIT OR LOSS**

For the six months ended 31 December 2015

|   | NOTE | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 |
|---|------|--------------------------------|------------------------------|--------------------------------|
| <b>Continuing operations</b>  |      |                                |                              |                                |
| Operating revenue   |      | 623,066                        | 1,202,835                    | 654,699                        |
| Cost of sales   |      | (461,669)                      | (885,694)                    | (495,785)                      |
| <b>Gross profit</b>   |      | <b>161,397</b>                 | <b>317,141</b>               | <b>158,914</b>                 |
| Other income  |      | 388                            | 403                          | 336                            |
| Employee benefits expense   |      | (79,175)                       | (149,276)                    | (75,667)                       |
| Research and development  |      | (2,850)                        | (4,295)                      | (2,212)                        |
| Other operating expenses  |      | (48,579)                       | (94,523)                     | (47,731)                       |
|   |      | (130,216)                      | (247,691)                    | (125,274)                      |
| Operating EBITDA (excluding earnings of equity accounted investees) |      | 31,181                         | 69,450                       | 33,640                         |
| Earnings of equity accounted investees                              |      | (245)                          | 181                          | 159                            |
| <b>Operating EBITDA</b>   |      | <b>30,936</b>                  | <b>69,631</b>                | <b>33,799</b>                  |
| Non-operating items   |      | (1,157)                        | (2,097)                      | 986                            |
| Fair value adjustments  | 1    | 400                            | (23)                         | 282                            |
| Depreciation and amortisation expense                               |      | (4,111)                        | (7,948)                      | (3,708)                        |
| <b>EBIT</b>   |      | <b>26,068</b>                  | <b>59,563</b>                | <b>31,359</b>                  |
| Net interest and finance costs                                      | 2    | (3,520)                        | (10,780)                     | (3,263)                        |
| <b>Profit from continuing operations before income taxes</b>        |      | <b>22,548</b>                  | <b>48,783</b>                | <b>28,096</b>                  |
| Income tax expense  |      | (6,558)                        | (16,172)                     | (8,541)                        |
| <b>Profit from continuing operations</b>                            |      | <b>15,990</b>                  | <b>32,611</b>                | <b>19,555</b>                  |
| <b>Discontinued operations</b>                                      |      |                                |                              |                                |
| Profit from discontinued operations (net of income taxes)           | 3    | 76                             | 142                          | 162                            |
| <b>Profit for the period</b>  |      | <b>16,066</b>                  | <b>32,753</b>                | <b>19,717</b>                  |
| <b>Profit attributable to:</b>                                      |      |                                |                              |                                |
| Shareholders of the Company   |      | 15,947                         | 31,869                       | 19,477                         |
| Non-controlling interest  |      | 119                            | 884                          | 240                            |
| <b>Profit for the period</b>  |      | <b>16,066</b>                  | <b>32,753</b>                | <b>19,717</b>                  |
| <b>Earnings per share</b>   |      |                                |                              |                                |
| Basic earnings per share (cents)                                    | 4    | 2.1                            | 4.3                          | 2.6                            |
| <b>Continuing operations</b>  |      |                                |                              |                                |
| Basic earnings per share (cents)                                    | 4    | 2.1                            | 4.3                          | 2.6                            |

The accompanying notes form an integral part of these financial statements.

## INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2015

Helping grow the country

|  | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 |
|--|--------------------------------|------------------------------|--------------------------------|
| <b>Profit for the period</b>   | <b>16,066</b>                  | <b>32,753</b>                | <b>19,717</b>                  |
| <b>Other comprehensive income/(loss) for the period</b>                    |                                |                              |                                |
| <b>Items that will never be reclassified to profit or loss</b>             |                                |                              |                                |
| Changes in fair value of equity instruments                                | 4,856                          | (2,278)                      | (2,450)                        |
| Remeasurements of defined benefit liability                                | 1,554                          | (3,611)                      | (3,127)                        |
| Deferred tax on remeasurements of defined benefit liability                | (435)                          | 1,011                        | 876                            |
|  | 5,975                          | (4,878)                      | (4,701)                        |
| <b>Items that are or may be reclassified to profit or loss</b>             |                                |                              |                                |
| Foreign currency translation differences for foreign operations            | (3,924)                        | 13,628                       | 3,050                          |
| Effective portion of changes in fair value of cash flow hedges             | 2,811                          | (2,390)                      | (170)                          |
| Income/deferred tax on changes in fair value of cash flow hedges           | (787)                          | 786                          | 269                            |
|  | (1,900)                        | 12,024                       | 3,149                          |
| <b>Other comprehensive income/(loss) for the period, net of income tax</b> | <b>4,075</b>                   | <b>7,146</b>                 | <b>(1,552)</b>                 |
| <b>Total comprehensive income for the period</b>                           | <b>20,141</b>                  | <b>39,899</b>                | <b>18,165</b>                  |
| <b>Total comprehensive income/(loss) attributable to:</b>                  |                                |                              |                                |
| Shareholders of the Company  | 20,055                         | 38,655                       | 17,634                         |
| Non-controlling interest   | 86                             | 1,244                        | 531                            |
| <b>Total comprehensive income for the period</b>                           | <b>20,141</b>                  | <b>39,899</b>                | <b>18,165</b>                  |

The accompanying notes form an integral part of these financial statements.

## INTERIM SEGMENT REPORT

For the six months ended / as at 31 December 2015

Helping grow the country

### (a) Operating Segments

The Group has two primary operating divisions, Rural Services and Seed & Grain. Rural Services operates within New Zealand. Seed & Grain primarily operates within New Zealand with additional operations in Australia and South America.

Rural Services is further separated into three reportable segments, as described below, which are that segment's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different skills, technology and marketing strategies. Within each segment, further business unit analysis may be provided to management where there are significant differences in the nature of activities. The Chief Executive Officer or Chairman of the Board reviews internal management reports on each strategic business unit on at least a monthly basis.

- **Retail.** Includes the Rural Supplies and Fruited retail operations, AgNZ (Consulting), Agritrade and ancillary sales support, supply chain and marketing functions.
- **Livestock.** Includes rural Livestock trading activities and Export Livestock.
- **Other Rural Services.** Includes Insurance, Real Estate, Wool, PGG Wrightson Water, AgNZ (Training), Regional Admin, Finance Commission and other related activities.

- **Seed & Grain.** Includes Australasia Seed (New Zealand and Australian manufacturing and distribution of forage seed and turf), Grain (sale of cereal seed and grain trading), South America (various related activities in the developing seeds markets including the sale of pasture and crop seed and farm inputs, together with operations in the areas of livestock, real estate and irrigation), and other Seed & Grain (research and development, international, production and corporate seeds).

**Other.** Other non-segmented amounts relate to certain Corporate activities including Finance, Treasury, HR and other support services including corporate property services and include adjustments for discontinued operations (PGW Rural Capital Limited) and consolidation adjustments. In addition it includes marketing reward programmes transferred from the Retail segment from 1 July 2015.

The profit/(loss) for each business unit combines to form total profit/(loss) for the Rural Services and Seed & Grain segments. Certain other revenues and expenses are held at the Corporate level for the Corporate functions noted above.

Assets allocated to each business unit combine to form total assets for the Rural Services and Seed & Grain business segments. Certain other assets are held at a Corporate level including those for the Corporate functions noted above.

### (b) Operating Segment Information

|   | TOTAL RURAL SERVICES           |                              |                                | SEED & GRAIN                   |                              |                                | TOTAL OPERATING SEGMENTS       |                              |                                | OTHER                          |                              |                                | TOTAL                          |                              |                                |
|---|--------------------------------|------------------------------|--------------------------------|--------------------------------|------------------------------|--------------------------------|--------------------------------|------------------------------|--------------------------------|--------------------------------|------------------------------|--------------------------------|--------------------------------|------------------------------|--------------------------------|
|   | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 |
| Total segment revenue   | 449,815                        | 799,741                      | 470,086                        | 201,419                        | 469,081                      | 215,240                        | 651,234                        | 1,268,822                    | 685,326                        | 5,761                          | 2,229                        | 1,029                          | 656,995                        | 1,271,051                    | 686,355                        |
| Intersegment revenue  | –                              | –                            | –                              | (33,929)                       | (68,216)                     | (31,656)                       | (33,929)                       | (68,216)                     | (31,656)                       | –                              | –                            | –                              | (33,929)                       | (68,216)                     | (31,656)                       |
| Total external operating revenues                                   | 449,815                        | 799,741                      | 470,086                        | 167,490                        | 400,865                      | 183,584                        | 617,305                        | 1,200,606                    | 653,670                        | 5,761                          | 2,229                        | 1,029                          | 623,066                        | 1,202,835                    | 654,699                        |
| Operating EBITDA (excluding earnings of equity accounted investees) | 32,770                         | 54,518                       | 33,214                         | 11,949                         | 40,318                       | 13,345                         | 44,719                         | 94,836                       | 46,559                         | (13,538)                       | (25,386)                     | (12,919)                       | 31,181                         | 69,450                       | 33,640                         |
| Earnings of equity accounted investees                              | –                              | –                            | –                              | (252)                          | 188                          | 189                            | (252)                          | 188                          | 189                            | 7                              | (7)                          | (30)                           | (245)                          | 181                          | 159                            |
| <b>Operating EBITDA</b>   | <b>32,770</b>                  | <b>54,518</b>                | <b>33,214</b>                  | <b>11,697</b>                  | <b>40,506</b>                | <b>13,534</b>                  | <b>44,467</b>                  | <b>95,024</b>                | <b>46,748</b>                  | <b>(13,531)</b>                | <b>(25,393)</b>              | <b>(12,949)</b>                | <b>30,936</b>                  | <b>69,631</b>                | <b>33,799</b>                  |
| Non-operating items   | (3,248)                        | 24                           | (34)                           | (397)                          | 346                          | (159)                          | (3,645)                        | 370                          | (193)                          | 2,488                          | (2,467)                      | 1,179                          | (1,157)                        | (2,097)                      | 986                            |
| Fair value adjustments  | 400                            | (23)                         | 282                            | –                              | –                            | –                              | 400                            | (23)                         | 282                            | –                              | –                            | –                              | 400                            | (23)                         | 282                            |
| Depreciation and amortisation                                       | (1,390)                        | (2,689)                      | (1,362)                        | (1,735)                        | (3,478)                      | (1,640)                        | (3,125)                        | (6,167)                      | (3,002)                        | (986)                          | (1,781)                      | (706)                          | (4,111)                        | (7,948)                      | (3,708)                        |
| <b>EBIT</b>   | <b>28,532</b>                  | <b>51,830</b>                | <b>32,100</b>                  | <b>9,565</b>                   | <b>37,374</b>                | <b>11,735</b>                  | <b>38,097</b>                  | <b>89,204</b>                | <b>43,835</b>                  | <b>(12,029)</b>                | <b>(29,641)</b>              | <b>(12,476)</b>                | <b>26,068</b>                  | <b>59,563</b>                | <b>31,359</b>                  |
| Net interest and finance costs                                      | (1,189)                        | 778                          | 235                            | (218)                          | (6,760)                      | (700)                          | (1,407)                        | (5,982)                      | (465)                          | (2,113)                        | (4,798)                      | (2,798)                        | (3,520)                        | (10,780)                     | (3,263)                        |
| <b>Profit/(loss) from continuing operations before income taxes</b> | <b>27,343</b>                  | <b>52,608</b>                | <b>32,335</b>                  | <b>9,347</b>                   | <b>30,614</b>                | <b>11,035</b>                  | <b>36,690</b>                  | <b>83,222</b>                | <b>43,370</b>                  | <b>(14,142)</b>                | <b>(34,439)</b>              | <b>(15,274)</b>                | <b>22,548</b>                  | <b>48,783</b>                | <b>28,096</b>                  |
| Income tax (expense) / income                                       | (7,508)                        | (14,856)                     | (9,312)                        | (5,649)                        | (10,072)                     | (5,780)                        | (13,157)                       | (24,928)                     | (15,092)                       | 6,599                          | 8,756                        | 6,551                          | (6,558)                        | (16,172)                     | (8,541)                        |
| <b>Profit/(loss) from continuing operations</b>                     | <b>19,835</b>                  | <b>37,752</b>                | <b>23,023</b>                  | <b>3,698</b>                   | <b>20,542</b>                | <b>5,255</b>                   | <b>23,533</b>                  | <b>58,294</b>                | <b>28,278</b>                  | <b>(7,543)</b>                 | <b>(25,683)</b>              | <b>(8,723)</b>                 | <b>15,990</b>                  | <b>32,611</b>                | <b>19,555</b>                  |
| Discontinued operations   | –                              | –                            | –                              | –                              | –                            | –                              | –                              | –                            | –                              | 76                             | 142                          | 162                            | 76                             | 142                          | 162                            |
| <b>Profit/(loss) for the period</b>                                 | <b>19,835</b>                  | <b>37,752</b>                | <b>23,023</b>                  | <b>3,698</b>                   | <b>20,542</b>                | <b>5,255</b>                   | <b>23,533</b>                  | <b>58,294</b>                | <b>28,278</b>                  | <b>(7,467)</b>                 | <b>(25,541)</b>              | <b>(8,561)</b>                 | <b>16,066</b>                  | <b>32,753</b>                | <b>19,717</b>                  |
| Segment assets  | 341,908                        | 251,719                      | 357,978                        | 322,448                        | 335,881                      | 302,892                        | 664,356                        | 587,600                      | 660,870                        | 71,177                         | 62,983                       | 65,916                         | 735,533                        | 650,583                      | 726,786                        |
| Investment in equity accounted investees                            | –                              | –                            | –                              | 16,947                         | 1,766                        | 1,603                          | 16,947                         | 1,766                        | 1,603                          | 91                             | 83                           | 60                             | 17,038                         | 1,849                        | 1,663                          |
| Assets held for sale  | –                              | –                            | –                              | –                              | 11                           | 11                             | –                              | 11                           | 11                             | 1,557                          | 510                          | –                              | 1,557                          | 521                          | 11                             |
| <b>Total segment assets</b>   | <b>341,908</b>                 | <b>251,719</b>               | <b>357,978</b>                 | <b>339,395</b>                 | <b>337,658</b>               | <b>304,506</b>                 | <b>681,303</b>                 | <b>589,377</b>               | <b>662,484</b>                 | <b>72,825</b>                  | <b>63,576</b>                | <b>65,976</b>                  | <b>754,128</b>                 | <b>652,953</b>               | <b>728,460</b>                 |
| <b>Segment liabilities</b>  | <b>(184,003)</b>               | <b>(155,890)</b>             | <b>(214,114)</b>               | <b>(154,775)</b>               | <b>(160,715)</b>             | <b>(144,657)</b>               | <b>(338,778)</b>               | <b>(316,605)</b>             | <b>(358,771)</b>               | <b>(143,388)</b>               | <b>(68,980)</b>              | <b>(108,719)</b>               | <b>(482,166)</b>               | <b>(385,585)</b>             | <b>(467,490)</b>               |

The accompanying notes form an integral part of these financial statements.

**INTERIM SEGMENT REPORT (CONTINUED)**

For the six months ended / as at 31 December 2015

Helping grow the country

**(b) Operating Segment Information continued**

|   | RURAL SERVICES                 |                              |                                |                                |                              |                                | RURAL SERVICES                 |                              |                                |                                |                              |                                |
|---|--------------------------------|------------------------------|--------------------------------|--------------------------------|------------------------------|--------------------------------|--------------------------------|------------------------------|--------------------------------|--------------------------------|------------------------------|--------------------------------|
|   | RETAIL                         |                              |                                | LIVESTOCK                      |                              |                                | OTHER RURAL SERVICES           |                              |                                | TOTAL RURAL SERVICES           |                              |                                |
|   | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 |
| Total segment revenue   | 306,631                        | 494,327                      | 314,303                        | 30,265                         | 86,700                       | 41,454                         | 112,919                        | 218,714                      | 114,329                        | 449,815                        | 799,741                      | 470,086                        |
| Intersegment revenue  | –                              | –                            | –                              | –                              | –                            | –                              | –                              | –                            | –                              | –                              | –                            | –                              |
| Total external operating revenues                                   | 306,631                        | 494,327                      | 314,303                        | 30,265                         | 86,700                       | 41,454                         | 112,919                        | 218,714                      | 114,329                        | 449,815                        | 799,741                      | 470,086                        |
| Operating EBITDA (excluding earnings of equity accounted investees) | 24,799                         | 27,323                       | 24,289                         | 2,592                          | 15,440                       | 3,358                          | 5,379                          | 11,755                       | 5,567                          | 32,770                         | 54,518                       | 33,214                         |
| Earnings of equity accounted investees                              | –                              | –                            | –                              | –                              | –                            | –                              | –                              | –                            | –                              | –                              | –                            | –                              |
| <b>Operating EBITDA</b>   | <b>24,799</b>                  | <b>27,323</b>                | <b>24,289</b>                  | <b>2,592</b>                   | <b>15,440</b>                | <b>3,358</b>                   | <b>5,379</b>                   | <b>11,755</b>                | <b>5,567</b>                   | <b>32,770</b>                  | <b>54,518</b>                | <b>33,214</b>                  |
| Non-operating items   | 12                             | (21)                         | (35)                           | (3,243)                        | (2)                          | (1)                            | (17)                           | 47                           | 2                              | (3,248)                        | 24                           | (34)                           |
| Fair value adjustments  | –                              | –                            | –                              | 400                            | (23)                         | 282                            | –                              | –                            | –                              | 400                            | (23)                         | 282                            |
| Depreciation and amortisation                                       | (617)                          | (1,242)                      | (632)                          | (305)                          | (551)                        | (282)                          | (468)                          | (896)                        | (448)                          | (1,390)                        | (2,689)                      | (1,362)                        |
| <b>EBIT</b>   | <b>24,194</b>                  | <b>26,060</b>                | <b>23,622</b>                  | <b>(556)</b>                   | <b>14,864</b>                | <b>3,357</b>                   | <b>4,894</b>                   | <b>10,906</b>                | <b>5,121</b>                   | <b>28,532</b>                  | <b>51,830</b>                | <b>32,100</b>                  |
| Net interest and finance costs                                      | (403)                          | 414                          | 123                            | (103)                          | (283)                        | (136)                          | (683)                          | 647                          | 248                            | (1,189)                        | 778                          | 235                            |
| <b>Profit/(loss) from continuing operations before income taxes</b> | <b>23,791</b>                  | <b>26,474</b>                | <b>23,745</b>                  | <b>(659)</b>                   | <b>14,581</b>                | <b>3,221</b>                   | <b>4,211</b>                   | <b>11,553</b>                | <b>5,369</b>                   | <b>27,343</b>                  | <b>52,608</b>                | <b>32,335</b>                  |
| Income tax (expense) / income                                       | (6,662)                        | (7,413)                      | (6,652)                        | 337                            | (4,016)                      | (902)                          | (1,183)                        | (3,427)                      | (1,758)                        | (7,508)                        | (14,856)                     | (9,312)                        |
| <b>Profit/(loss) from continuing operations</b>                     | <b>17,129</b>                  | <b>19,061</b>                | <b>17,093</b>                  | <b>(322)</b>                   | <b>10,565</b>                | <b>2,319</b>                   | <b>3,028</b>                   | <b>8,126</b>                 | <b>3,611</b>                   | <b>19,835</b>                  | <b>37,752</b>                | <b>23,023</b>                  |
| Discontinued operations   | –                              | –                            | –                              | –                              | –                            | –                              | –                              | –                            | –                              | –                              | –                            | –                              |
| <b>Profit/(loss) for the period</b>                                 | <b>17,129</b>                  | <b>19,061</b>                | <b>17,093</b>                  | <b>(322)</b>                   | <b>10,565</b>                | <b>2,319</b>                   | <b>3,028</b>                   | <b>8,126</b>                 | <b>3,611</b>                   | <b>19,835</b>                  | <b>37,752</b>                | <b>23,023</b>                  |
| Segment assets  | 211,018                        | 111,701                      | 228,874                        | 58,876                         | 63,910                       | 61,282                         | 72,014                         | 76,108                       | 67,822                         | 341,908                        | 251,719                      | 357,978                        |
| Investment in equity accounted investees                            | –                              | –                            | –                              | –                              | –                            | –                              | –                              | –                            | –                              | –                              | –                            | –                              |
| Assets held for sale  | –                              | –                            | –                              | –                              | –                            | –                              | –                              | –                            | –                              | –                              | –                            | –                              |
| <b>Total segment assets</b>   | <b>211,018</b>                 | <b>111,701</b>               | <b>228,874</b>                 | <b>58,876</b>                  | <b>63,910</b>                | <b>61,282</b>                  | <b>72,014</b>                  | <b>76,108</b>                | <b>67,822</b>                  | <b>341,908</b>                 | <b>251,719</b>               | <b>357,978</b>                 |
| <b>Segment liabilities</b>  | <b>(130,444)</b>               | <b>(63,843)</b>              | <b>(146,499)</b>               | <b>(24,760)</b>                | <b>(50,326)</b>              | <b>(36,813)</b>                | <b>(28,799)</b>                | <b>(41,721)</b>              | <b>(30,802)</b>                | <b>(184,003)</b>               | <b>(155,890)</b>             | <b>(214,114)</b>               |

The accompanying notes form an integral part of these financial statements.

## INTERIM STATEMENT OF CASH FLOWS

For the six months ended 31 December 2015

|  | NOTE | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 |
|--|------|--------------------------------|------------------------------|--------------------------------|
| <b>Cash flows from operating activities</b>                                  |      |                                |                              |                                |
| Cash was provided from:  |      |                                |                              |                                |
| Receipts from customers  |      | 567,162                        | 1,267,554                    | 571,092                        |
| Dividends received   |      | 2                              | 7                            | 2                              |
| Interest received  |      | 919                            | 2,077                        | 909                            |
|  |      | 568,083                        | 1,269,638                    | 572,003                        |
| Cash was applied to:   |      |                                |                              |                                |
| Payments to suppliers and employees  |      | (566,114)                      | (1,217,986)                  | (571,035)                      |
| Interest paid  |      | (3,723)                        | (6,915)                      | (3,518)                        |
| Income tax paid  |      | (10,420)                       | (15,569)                     | (8,887)                        |
|  |      | (580,257)                      | (1,240,470)                  | (583,440)                      |
| <b>Net cash flow from operating activities</b>                               |      | <b>(12,174)</b>                | <b>29,168</b>                | <b>(11,437)</b>                |
| <b>Cash flows from investing activities</b>                                  |      |                                |                              |                                |
| Cash was provided from:  |      |                                |                              |                                |
| Proceeds from sale of property, plant and equipment and assets held for sale |      | 12,758                         | 3,644                        | 1,645                          |
| Net decrease in finance receivables  |      | –                              | 3,003                        | –                              |
| Net proceeds from sale of investments  |      | 159                            | 202                          | 222                            |
|  |      | 12,917                         | 6,849                        | 1,867                          |
| Cash was applied to:   |      |                                |                              |                                |
| Purchase of property, plant and equipment                                    |      | (22,454)                       | (17,169)                     | (4,145)                        |
| Purchase of intangibles (software)   |      | (722)                          | (2,488)                      | (811)                          |
| Net increase in finance receivables  |      | (26)                           | –                            | (264)                          |
| Net cash paid for purchase of investments                                    |      | (9,533)                        | (819)                        | (152)                          |
|  |      | (32,735)                       | (20,476)                     | (5,372)                        |
| <b>Net cash flow from investing activities</b>                               |      | <b>(19,818)</b>                | <b>(13,627)</b>              | <b>(3,505)</b>                 |
| <b>Cash flows from financing activities</b>                                  |      |                                |                              |                                |
| Cash was provided from:  |      |                                |                              |                                |
| Increase in external borrowings and bank overdraft                           |      | 57,115                         | 22,622                       | 48,994                         |
|  |      | 57,115                         | 22,622                       | 48,994                         |
| Cash was applied to:   |      |                                |                              |                                |
| Dividends paid to shareholders   |      | (15,260)                       | (41,942)                     | (26,689)                       |
| Dividends paid to minority interests   |      | (287)                          | (291)                        | (208)                          |
| Repayment of loans to related parties  |      | (10)                           | –                            | (394)                          |
|  |      | (15,557)                       | (42,233)                     | (27,291)                       |
| <b>Net cash flow from financing activities</b>                               |      | <b>41,558</b>                  | <b>(19,611)</b>              | <b>21,703</b>                  |
| Net increase/(decrease) in cash held   |      | 9,566                          | (4,070)                      | 6,761                          |
| Opening cash   |      | 7,273                          | 11,343                       | 11,343                         |
| <b>Cash and cash equivalents</b>   | 5    | <b>16,839</b>                  | <b>7,273</b>                 | <b>18,104</b>                  |

The accompanying notes form an integral part of these financial statements.



## RECONCILIATION OF PROFIT AFTER TAX WITH NET CASH FLOW FROM OPERATING ACTIVITIES

For the six months ended 31 December 2015

Helping grow the country

|   | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 |
|---|--------------------------------|------------------------------|--------------------------------|
| <b>Profit after taxation</b>                                    | 16,066                         | 32,753                       | 19,717                         |
| Add/(deduct) non-cash/non operating items:                      |                                |                              |                                |
| Depreciation, amortisation and impairment                       | 4,111                          | 7,948                        | 3,708                          |
| Fair value adjustments  | (400)                          | 23                           | (282)                          |
| Net (profit)/loss on sale of assets/investments                 | (2,819)                        | (956)                        | (276)                          |
| Bad debts written off (net)                                     | 505                            | 1,050                        | 294                            |
| (Increase)/decrease in deferred taxation                        | 111                            | (1,296)                      | (1,755)                        |
| Earnings of equity accounted investees                          | 245                            | (181)                        | (159)                          |
| Discontinued operations   | (76)                           | (142)                        | (162)                          |
| Effect of foreign exchange movements                            | (2,520)                        | 10,271                       | 1,982                          |
| Other non-cash/non-operating items                              | 4,785                          | (5,300)                      | (2,259)                        |
|   | 20,008                         | 44,170                       | 20,808                         |
| Add/(deduct) movement in working capital items:                 |                                |                              |                                |
| Movement in working capital due to sale/purchase of businesses  | (541)                          | 321                          | –                              |
| (Increase)/decrease in inventories and biological assets        | 37,855                         | (13,251)                     | 30,581                         |
| (Increase)/decrease in accounts receivable and prepayments      | (100,292)                      | 1,335                        | (119,040)                      |
| Increase/(decrease) in trade creditors, provisions and accruals | 36,821                         | (7,071)                      | 56,079                         |
| Increase/(decrease) in income tax payable/receivable            | (2,203)                        | 765                          | 340                            |
| Increase/(decrease) in other assets/liabilities                 | (3,822)                        | 2,899                        | (205)                          |
|   | (32,182)                       | (15,002)                     | (32,245)                       |
| <b>Net cash flow from operating activities</b>                  | <b>(12,174)</b>                | <b>29,168</b>                | <b>(11,437)</b>                |

The accompanying notes form an integral part of these financial statements.

## INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

|  | NOTE | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 |
|--|------|--------------------------------|------------------------------|--------------------------------|
| <b>ASSETS</b>  |      |                                |                              |                                |
| <b>Current</b>   |      |                                |                              |                                |
| Cash and cash equivalents                                | 5    | 16,839                         | 7,273                        | 18,104                         |
| Short-term derivative assets                             |      | 2,917                          | 2,036                        | 2,430                          |
| Trade and other receivables                              |      | 335,497                        | 235,205                      | 355,574                        |
| Finance receivables                                      |      | 784                            | 1,430                        | 3,377                          |
| Assets classified as held for sale                       |      | 1,557                          | 521                          | 11                             |
| Biological assets  |      | 1,888                          | 2,593                        | 2,524                          |
| Inventories  |      | 209,163                        | 246,313                      | 202,551                        |
| <b>Total current assets</b>                              |      | <b>568,645</b>                 | <b>495,371</b>               | <b>584,571</b>                 |
| <b>Non-current</b>                                       |      |                                |                              |                                |
| Long-term derivative assets                              |      | 380                            | 12                           | 157                            |
| Biological assets  |      | 107                            | 104                          | 99                             |
| Deferred tax asset                                       |      | 12,222                         | 12,333                       | 12,793                         |
| Investments in equity accounted investees                | 6    | 17,038                         | 1,849                        | 1,663                          |
| Other investments  | 8    | 17,345                         | 12,467                       | 8,242                          |
| Intangible assets  |      | 6,832                          | 6,660                        | 6,004                          |
| Property, plant and equipment                            | 9    | 131,559                        | 124,157                      | 114,931                        |
| <b>Total non-current assets</b>                          |      | <b>185,483</b>                 | <b>157,582</b>               | <b>143,889</b>                 |
| <b>Total assets</b>                                      |      | <b>754,128</b>                 | <b>652,953</b>               | <b>728,460</b>                 |
| <b>LIABILITIES</b>                                       |      |                                |                              |                                |
| <b>Current</b>   |      |                                |                              |                                |
| Debt due within one year                                 | 5    | 82,640                         | 57,195                       | 62,268                         |
| Short-term derivative liabilities                        |      | 1,362                          | 3,266                        | 558                            |
| Accounts payable and accruals                            |      | 269,542                        | 233,058                      | 296,038                        |
| Income tax payable                                       |      | 1,706                          | 3,834                        | 3,580                          |
| <b>Total current liabilities</b>                         |      | <b>355,250</b>                 | <b>297,353</b>               | <b>362,444</b>                 |
| <b>Non-current</b>                                       |      |                                |                              |                                |
| Long-term debt   | 5    | 101,595                        | 66,000                       | 83,000                         |
| Long-term derivative liabilities                         |      | 445                            | 1,980                        | 28                             |
| Other long-term liabilities                              |      | 8,402                          | 5,597                        | 6,322                          |
| Defined benefit liability                                |      | 16,474                         | 14,655                       | 15,696                         |
| <b>Total non-current liabilities</b>                     |      | <b>126,916</b>                 | <b>88,232</b>                | <b>105,046</b>                 |
| <b>Total liabilities</b>                                 |      | <b>482,166</b>                 | <b>385,585</b>               | <b>467,490</b>                 |
| <b>EQUITY</b>  |      |                                |                              |                                |
| Share capital  |      | 606,324                        | 606,324                      | 606,324                        |
| Reserves   |      | 8,876                          | 4,768                        | (3,861)                        |
| Retained earnings  |      | (345,847)                      | (346,534)                    | (343,673)                      |
| Total equity attributable to shareholders of the Company |      | 269,353                        | 264,558                      | 258,790                        |
| Non-controlling interest                                 |      | 2,609                          | 2,810                        | 2,180                          |
| <b>Total equity</b>                                      |      | <b>271,962</b>                 | <b>267,368</b>               | <b>260,970</b>                 |
| <b>Total liabilities and equity</b>                      |      | <b>754,128</b>                 | <b>652,953</b>               | <b>728,460</b>                 |

The accompanying notes form an integral part of these financial statements.





## **ADDITIONAL FINANCIAL DISCLOSURES INCLUDING NOTES TO THE FINANCIAL STATEMENTS**

FOR THE SIX  
MONTHS ENDED  
31 DECEMBER 2015

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2015

### 1 FAIR VALUE ADJUSTMENTS

|                   | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 |
|-------------------|--------------------------------|------------------------------|--------------------------------|
| Biological assets | 400                            | (23)                         | 282                            |
|                   | <b>400</b>                     | <b>(23)</b>                  | <b>282</b>                     |

### 2 NET INTEREST AND FINANCE COSTS

|   | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 |
|---|--------------------------------|------------------------------|--------------------------------|
| Finance income contains the following items:      |                                |                              |                                |
| Other interest income                             | 82                             | 463                          | 174                            |
| <b>Finance income</b>                             | <b>82</b>                      | <b>463</b>                   | <b>174</b>                     |
| Interest funding contains the following items:    |                                |                              |                                |
| Interest on interest rate swaps                   | (77)                           | (10)                         | (1)                            |
| Interest on bank loans and overdrafts             | (3,383)                        | (6,768)                      | (3,416)                        |
| Other interest expense                            | (268)                          | (98)                         | (77)                           |
| Bank facility fees                                | (477)                          | (1,508)                      | (887)                          |
| <b>Interest funding expense</b>                   | <b>(4,205)</b>                 | <b>(8,384)</b>               | <b>(4,381)</b>                 |
| Foreign exchange contains the following items:    |                                |                              |                                |
| Net gain/(loss) on foreign denominated items      | (1,061)                        | (464)                        | 734                            |
| Derivatives not in qualifying hedge relationships | 1,664                          | (2,395)                      | 210                            |
| <b>Foreign exchange income/(expense)</b>          | <b>603</b>                     | <b>(2,859)</b>               | <b>944</b>                     |
| <b>Net interest and finance costs</b>             | <b>(3,520)</b>                 | <b>(10,780)</b>              | <b>(3,263)</b>                 |

### 3 DISCONTINUED OPERATIONS

On 31 August 2011 the Group sold its finance subsidiary PGG Wrightson Finance Limited (PWF) to Heartland New Zealand Limited's wholly-owned subsidiary Heartland Building Society (Heartland). In connection with the PWF sale transaction the Group transferred certain excluded loans to its wholly owned subsidiary, PGW Rural Capital Limited (PGWRC), which has worked to realise or refinance these facilities over the short to medium term. As at 31 December 2015 gross loans of \$12.54 million are held by PGWRC with a corresponding provision for doubtful debts of \$11.75 million (30 June 2015: gross loans of \$12.49 million held by PGWRC with a corresponding provision for doubtful debts of \$11.06 million, 31 December 2014: gross loans of \$15.67 million held by PGWRC with a corresponding provision for doubtful debts of \$12.29 million).

### 4 EARNINGS PER SHARE AND NET TANGIBLE ASSETS

|  | UNAUDITED<br>DEC 2015<br>000   | AUDITED<br>JUN 2015<br>000   | UNAUDITED<br>DEC 2014<br>000   |
|--|--------------------------------|------------------------------|--------------------------------|
| <b>Number of shares</b>                      |                                |                              |                                |
| Weighted average number of ordinary shares   | 754,849                        | 754,849                      | 754,849                        |
| Number of ordinary shares                    | 754,849                        | 754,849                      | 754,849                        |
|  | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 |
| <b>Net Tangible Assets</b>                   |                                |                              |                                |
| Total assets                                 | 754,128                        | 652,953                      | 728,460                        |
| Total liabilities                            | (482,166)                      | (385,585)                    | (467,490)                      |
| less intangible assets                       | (6,832)                        | (6,660)                      | (6,004)                        |
| less deferred tax                            | (12,222)                       | (12,333)                     | (12,793)                       |
|  | <b>252,908</b>                 | <b>248,375</b>               | <b>242,173</b>                 |
|  | UNAUDITED<br>DEC 2015          | AUDITED<br>JUN 2015          | UNAUDITED<br>DEC 2014          |
| <b>Net tangible assets per share (cents)</b> | 33.5                           | 32.9                         | 32.1                           |
| <b>Earnings per share (cents)</b>            | 2.1                            | 4.3                          | 2.6                            |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the six months ended 31 December 2015

**5 CASH AND FINANCING FACILITIES**

|                              | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 |
|------------------------------|--------------------------------|------------------------------|--------------------------------|
| Cash and cash equivalents    | 16,839                         | 7,273                        | 18,104                         |
| Current financing facilities | (82,640)                       | (57,195)                     | (62,268)                       |
| Term financing facilities    | (101,595)                      | (66,000)                     | (83,000)                       |
|                              | <b>(167,396)</b>               | <b>(115,922)</b>             | <b>(127,164)</b>               |

The Company has a syndicated facility agreement which provides bank facilities of up to \$176.00 million. The agreement contains various financial covenants and restrictions that are standard for facilities of this nature, including maximum permissible ratios for debt leverage and operating leverage. The Company has granted a general security deed and mortgage over all its wholly-owned New Zealand and Australian assets to a security trust. These assets include the shares held in South American subsidiaries and equity accounted investees. ANZ Bank New Zealand Limited acts as security trustee for the banking syndicate (ANZ Bank New Zealand Limited, Bank of New Zealand and Westpac New Zealand Limited).

The Company's bank syndicate facilities provide:

- A term debt facility of \$116.00 million maturing on 1 August 2018.
- A working capital facility of up to \$60.00 million maturing on 1 August 2018.

The syndicated facility agreement also allows the Group, subject to certain conditions, to enter into additional facilities outside of the Company syndicated facility that are guaranteed by the security trust. These facilities amounted to \$19.60 million as at 31 December 2015 providing:

- Overdraft facilities of \$9.56 million.
- Guarantee and trade finance facilities of \$6.54 million.
- Finance lease facilities of \$3.50 million.

In addition, during the period to 31 December 2015, two of the Group's wholly-owned Uruguayan subsidiaries (Wrightson Pas S.A. and Agrosan S.A.) jointly and severally entered into a club structure to simplify the bank financing of the Group's South American operations. The club facilities contain various financial covenants and restrictions that are standard for facilities of this nature. The club facilities are denominated in USD, secured by a mortgage over the new Uruguay logistics centre and provide:

- An amortising logistics centre facility of \$14.62 million (USD 10 million) maturing on 17 September 2022.
- A committed facility of \$17.54 million (USD 12 million) maturing on 17 September 2018.

Separate to the club facility, the Group's South American operations have various unsecured financing facilities that amounted to \$25.64 million (USD 17.54 million) as at 31 December 2015.

**6 ACQUISITION OF EQUITY ACCOUNTED INVESTEE****Agrocentro Uruguay**

On 31 August 2015 the Group acquired a 50% investment in Agrocentro Uruguay. The investment was made by acquiring 50% of the shares in Agimol Corporation S.A., the holding company for Agrocentro Uruguay. This jointly controlled entity is accounted for using the equity method and is included in the Group's Seed & Grain business segment. The acquisition involved an upfront payment and an earn out component of between nil and USD 11.50 million over the next three years based on the financial performance of the business. The initial investment recorded for the investee was \$16.37 million which includes management's estimate of the fair value of the earn out. Agrocentro Uruguay is a rural servicing company that has four different business units consisting of retail and distribution of agricultural inputs, farming, logistics and consulting.



## 7 ACQUISITION OF BUSINESS

### Grainland Moree Pty Limited

On 5 August 2015 the Group purchased the assets and business of Grainland Moree Pty Limited (Grainland) for \$0.79 million. Grainland is a seed production, cleaning and wholesale seed marketing business based in the northwest New South Wales town of Moree. The assets acquired included inventory and fixed assets. Goodwill of \$0.47 million arose upon acquisition.

## 8 OTHER INVESTMENTS

|  | NOTE | UNAUDITED<br>DEC 2015<br>S000 | AUDITED<br>JUN 2015<br>S000 | UNAUDITED<br>DEC 2014<br>S000 |
|--|------|-------------------------------|-----------------------------|-------------------------------|
| <b>Non-current investments</b>               |      |                               |                             |                               |
| BioPacificVentures                           | 11   | 12,040                        | 7,134                       | 6,806                         |
| Sundry other investments including saleyards |      | 1,650                         | 1,657                       | 1,436                         |
| Advances to equity accounted investees       |      | 3,655                         | 3,676                       | –                             |
|  |      | <b>17,345</b>                 | <b>12,467</b>               | <b>8,242</b>                  |

### Investment in BioPacificVentures

In 2005 the Group committed \$14.00 million to an international fund established for investment in food and agriculture life sciences. The investment in BioPacificVentures has an anticipated total lifespan of 12 years. At 31 December 2015 \$13.95 million has been drawn on the committed level of investment (30 June 2015: \$13.95 million, 31 December 2014: \$13.74 million). A fair value gain of \$4.86 million was recorded in the Statement of Other Comprehensive Income for the BioPacificVentures investment in the period to 31 December 2015 (30 June 2015: a fair value loss of \$2.28 million, 31 December 2014: a fair value loss of \$2.44 million).

### Advances to equity accounted investees

This advance is a loan to the South American entity, Fertimas S. A.. Interest is payable on the balance and no provision for doubtful debts was recorded against the loan as at 31 December 2015 (30 June 2015: nil, 31 December 2014: nil).

### Sundry other investments including saleyards

Saleyard investments, which do not have a market price in an active market and whose fair value can not be reliably determined, are carried at cost.

## 9 PROPERTY, PLANT AND EQUIPMENT

### Acquisitions and disposals

During the period to 31 December 2015, the Group acquired assets with a cost of \$22.41 million (30 June 2015: \$17.17 million, 31 December 2014: \$4.15 million), together with assets acquired through business combinations of \$0.23 million (30 June 2015: \$0.11 million, 31 December 2014: nil).

Assets with a net book value of \$11.93 million were disposed during the period to 31 December 2015 (30 June 2015: \$1.88 million, 31 December 2014: \$0.16 million), resulting in a gain on disposal of \$2.99 million (30 June 2015 Gain: \$1.01 million, 31 December 2014 Gain: \$0.27 million).

## 10 SEASONALITY OF OPERATIONS

The Group is subject to significant seasonal fluctuations. The Retail business is weighted towards the first half of the financial year as demand for New Zealand farming inputs are generally weighted towards the Spring season. Livestock and Seed & Grain activities are significantly weighted to the second half of the financial year. Seed & Grain revenues reflect the fact the Group operates in geographical zones that suit Autumn harvesting and sowing. New Zealand generally has spring calving and lambing and so Livestock trading is weighted towards the second half of the financial year in order for farmers to maximize their incomes. Other business units have similar but less material cycles. The Group recognises that this seasonality is the nature of the industry and plans and manages its business accordingly.

**NOTES TO THE FINANCIAL STATEMENTS** (CONTINUED)

For the six months ended 31 December 2015

**11 COMMITMENTS**

|   | NOTE | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 |
|---|------|--------------------------------|------------------------------|--------------------------------|
| <b>There are commitments with respect to:</b> |      |                                |                              |                                |
| Capital expenditure not provided for          |      | 7,786                          | 17,183                       | 1,380                          |
| Investment in BioPacificVentures              | 8    | 51                             | 51                           | 258                            |
| Contributions to Primary Growth Partnership   |      | 1,952                          | 2,374                        | 2,695                          |
|   |      | <b>9,789</b>                   | <b>19,608</b>                | <b>4,333</b>                   |

**Capital expenditure not provided for**

Included within capital expenditure not provided for are commitments of \$6.02 million in respect of contracted costs to complete the new logistics centre in Montevideo, Uruguay and the Corson maize plant in Gisborne, New Zealand.

**Primary Growth Partnership - seed and nutritional technology development**

The Group announced on 18 February 2013 that it had completed the contracting process for the Primary Growth Partnership (PGP) programme with the Ministry of Primary Industries. The PGP programme is a Seed and Nutritional Technology Development Programme that aims to deliver innovative forages for New Zealand farms. As a result of entering into the partnership the Group is committed to contributions to the partnership of \$3.95 million over the six year life of the programme which ends on 31 December 2018. As at 31 December 2015 total contributions of \$2.00 million (30 June 2015: \$1.58 million, 31 December 2014: \$1.25 million) have been made to the programme.

**12 CONTINGENT LIABILITIES****PGG Wrightson Loyalty Reward Programme**

The PGG Wrightson Loyalty Reward Programme is run in conjunction with the co-branded ASB Visa reward card. A provision is retained for the expected level of points redemption. A contingent liability of \$0.13 million represents the balance of unexpired points that do not form part of the provision (30 June 2015: \$0.13 million, 31 December 2014: \$0.15 million). Losses are not expected to arise from this contingent liability.

**13 RELATED PARTIES****Parent and ultimate controlling party**

The immediate parent of the Group is Agria (Singapore) Pte Limited and the ultimate controlling party of the Group is Agria Corporation.

**Transactions with key management personnel**

|  | UNAUDITED<br>DEC 2015<br>\$000 | AUDITED<br>JUN 2015<br>\$000 | UNAUDITED<br>DEC 2014<br>\$000 |
|--|--------------------------------|------------------------------|--------------------------------|
| Key management personnel compensation comprised: |                                |                              |                                |
| Short-term employee benefits                     | 3,300                          | 6,211                        | 3,768                          |
| Post-employment benefits                         | 189                            | 102                          | 59                             |
| Termination benefits                             | –                              | 208                          | –                              |
|  | <b>3,489</b>                   | <b>6,521</b>                 | <b>3,827</b>                   |



## 14 EVENTS SUBSEQUENT TO END OF INTERIM PERIOD

### Assets held for sale

Subsequent to 31 December 2015 the Group commenced marketing for the sale of seven properties. The combined book value of these properties is \$7.22 million.

### Dividend

On 23 February 2016 the Directors of PGG Wrightson Limited resolved to pay an interim dividend of 1.75 cents per share on 5 April 2016 to shareholders on the Company's share register as at 5.00pm on 10 March 2016. This dividend will be fully imputed.

## 15 REPORTING ENTITY

PGG Wrightson Limited (the "Company") is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. The Company is an FMC Entity in terms of the Financial Markets Conduct Act 2013.

The interim financial statements of PGG Wrightson Limited for the six months ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities. Financial statements have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

The Group is primarily involved in the provision of goods and services within the agricultural sector.

## 16 BASIS OF PREPARATION

### Statement of Compliance

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards as applicable for profit oriented entities, and in particular NZ IAS 34. The interim financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board, as applicable for profit oriented entities.

The interim financial statements do not include all of the information required for full annual financial statements. The same accounting policies and methods of computation are followed in the interim financial statements as applied in the Group's latest annual audited financial statements.

### Standards and Interpretations That Have Been Issued or Amended But Are Not Yet Effective

A number of new standards and interpretations are not yet effective for the year ended 31 December 2015 and have not been applied in preparing these interim financial statements. None of these standards are expected to have a significant impact on these financial statements except for:

- IFRS 9 (2014) *Financial Instruments* has been issued. The final component of IFRS 9 (2014) introduces a new expected credit loss model for calculating impairment. IFRS 9 (2014) is effective for annual periods beginning on or after 1 January 2018. The Group does not plan to adopt IFRS 9 (2014) early and the extent of the impact has not yet been determined. The Group early adopted IFRS 9 (2013) from 1 January 2015. IFRS 9 (2013) provides amended general hedge accounting requirements.
- IFRS 15 *Revenue from Contracts with Customers* has been issued. This standard introduced a new revenue recognition model for contracts with customers. The standard is effective for annual periods beginning on or after 1 January 2018. The Group does not plan to adopt IFRS 15 early and the extent of the impact has not yet been determined.
- IFRS 16 *Leases* has been issued. This standard eliminates the classification of leases as either operating leases or finance leases. The standard uses a single lessee model which requires a lessee to recognise on the Statement of Financial Position assets and liabilities for all leases with a term of more than 12 months. The standard is effective for annual periods beginning on or after 1 January 2019. The Group does not plan to adopt IFRS 16 early and the extent of the impact has not yet been determined.
- A variety of minor improvements to standards have been made in order to clarify various treatments of specific transactions. These are not expected to have an impact on the Group's financial results.

These statements were approved by the Board of Directors on 23 February 2016.

## INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2015

Helping grow the country

|  | SHARE<br>CAPITAL<br>\$000 | FOREIGN CURRENCY<br>TRANSLATION<br>RESERVE<br>\$000 | REALISED CAPITAL<br>AND OTHER<br>RESERVES<br>\$000 | REVALUATION<br>RESERVE<br>\$000 | HEDGING<br>RESERVE<br>\$000 | DEFINED BENEFIT<br>PLAN RESERVE<br>\$000 | FAIR VALUE<br>RESERVE<br>\$000 | RETAINED<br>EARNINGS<br>\$000 | NON-CONTROLLING<br>INTEREST<br>\$000 | TOTAL<br>EQUITY<br>\$000 |
|--|---------------------------|---|--|---------------------------------|-----------------------------|--|--------------------------------|-------------------------------|--------------------------------------|--------------------------|
| Balance at 1 July 2014   | 606,324                   | (13,414)  | 23,320   | 556                             | 272                         | (12,009)                                 | (743)                          | (336,461)                     | 1,857                                | 269,702                  |
| <b>Total comprehensive income for the period</b>                             |                           |   |  |                                 |                             |  |                                |                               |                                      |                          |
| Profit or loss   | –                         | –   | –  | –                               | –                           | –  | –                              | 19,477                        | 240                                  | 19,717                   |
| <b>Other comprehensive income</b>  |                           |   |  |                                 |                             |  |                                |                               |                                      |                          |
| Foreign currency translation differences                                     | –                         | 2,759   | –  | –                               | –                           | –  | –                              | –                             | 291                                  | 3,050                    |
| Effective portion of changes in fair value of equity instruments, net of tax | –                         | –   | –  | –                               | –                           | –  | (2,450)                        | –                             | –                                    | (2,450)                  |
| Effective portion of changes in fair value of cash flow hedges, net of tax   | –                         | –   | –  | –                               | 99                          | –  | –                              | –                             | –                                    | 99                       |
| Defined benefit plan actuarial gains and losses, net of tax                  | –                         | –   | –  | –                               | –                           | (2,251)                                  | –                              | –                             | –                                    | (2,251)                  |
| Total other comprehensive income   | –                         | 2,759   | –  | –                               | 99                          | (2,251)                                  | (2,450)                        | –                             | 291                                  | (1,552)                  |
| <b>Total comprehensive income for the period</b>                             | –                         | 2,759   | –  | –                               | 99                          | (2,251)                                  | (2,450)                        | 19,477                        | 531                                  | 18,165                   |
| <b>Transactions with shareholders, recorded directly in equity</b>           |                           |   |  |                                 |                             |  |                                |                               |                                      |                          |
| <b>Contributions by and distributions to shareholders</b>                    |                           |   |  |                                 |                             |  |                                |                               |                                      |                          |
| Dividends to shareholders  | –                         | –   | –  | –                               | –                           | –  | –                              | (26,689)                      | (208)                                | (26,897)                 |
| <b>Total contributions by and distributions to shareholders</b>              | –                         | –   | –  | –                               | –                           | –  | –                              | (26,689)                      | (208)                                | (26,897)                 |
| <b>Balance at 31 December 2014</b>   | <b>606,324</b>            | <b>(10,655)</b>                                     | <b>23,320</b>                                      | <b>556</b>                      | <b>371</b>                  | <b>(14,260)</b>                          | <b>(3,193)</b>                 | <b>(343,673)</b>              | <b>2,180</b>                         | <b>260,970</b>           |
| Balance at 1 January 2015  | 606,324                   | (10,655)  | 23,320   | 556                             | 371                         | (14,260)                                 | (3,193)                        | (343,673)                     | 2,180                                | 260,970                  |
| <b>Total comprehensive income for the period</b>                             |                           |   |  |                                 |                             |  |                                |                               |                                      |                          |
| Profit or loss   | –                         | –   | –  | –                               | –                           | –  | –                              | 12,392                        | 644                                  | 13,036                   |
| <b>Other comprehensive income</b>  |                           |   |  |                                 |                             |  |                                |                               |                                      |                          |
| Foreign currency translation differences                                     | –                         | 10,386  | 123  | –                               | –                           | –  | –                              | –                             | 69                                   | 10,578                   |
| Effective portion of changes in fair value of equity instruments, net of tax | –                         | –   | –  | –                               | –                           | –  | 172                            | –                             | –                                    | 172                      |
| Effective portion of changes in fair value of cash flow hedges, net of tax   | –                         | –   | –  | –                               | (1,703)                     | –  | –                              | –                             | –                                    | (1,703)                  |
| Defined benefit plan actuarial gains and losses, net of tax                  | –                         | –   | –  | –                               | –                           | (349)                                    | –                              | –                             | –                                    | (349)                    |
| Total other comprehensive income   | –                         | 10,386  | 123  | –                               | (1,703)                     | (349)                                    | 172                            | –                             | 69                                   | 8,698                    |
| <b>Total comprehensive income for the period</b>                             | –                         | 10,386  | 123  | –                               | (1,703)                     | (349)                                    | 172                            | 12,392                        | 713                                  | 21,734                   |
| <b>Transactions with shareholders, recorded directly in equity</b>           |                           |   |  |                                 |                             |  |                                |                               |                                      |                          |
| <b>Contributions by and distributions to shareholders</b>                    |                           |   |  |                                 |                             |  |                                |                               |                                      |                          |
| Dividends to shareholders  | –                         | –   | –  | –                               | –                           | –  | –                              | (15,253)                      | (83)                                 | (15,336)                 |
| <b>Total contributions by and distributions to shareholders</b>              | –                         | –   | –  | –                               | –                           | –  | –                              | (15,253)                      | (83)                                 | (15,336)                 |
| <b>Balance at 30 June 2015</b>   | <b>606,324</b>            | <b>(269)</b>  | <b>23,443</b>                                      | <b>556</b>                      | <b>(1,332)</b>              | <b>(14,609)</b>                          | <b>(3,021)</b>                 | <b>(346,534)</b>              | <b>2,810</b>                         | <b>267,368</b>           |

**INTERIM STATEMENT OF CHANGES IN EQUITY** (CONTINUED)

For the six months ended 31 December 2015

Helping grow the country

|  | SHARE<br>CAPITAL<br>\$000 | FOREIGN CURRENCY<br>TRANSLATION<br>RESERVE<br>\$000 | REALISED CAPITAL<br>AND OTHER<br>RESERVES<br>\$000 | REVALUATION<br>RESERVE<br>\$000 | HEDGING<br>RESERVE<br>\$000 | DEFINED BENEFIT<br>PLAN RESERVE<br>\$000 | FAIR VALUE<br>RESERVE<br>\$000 | RETAINED<br>EARNINGS<br>\$000 | NON-CONTROLLING<br>INTEREST<br>\$000 | TOTAL<br>EQUITY<br>\$000 |
|--|---------------------------|---|--|---------------------------------|-----------------------------|--|--------------------------------|-------------------------------|--------------------------------------|--------------------------|
| Balance at 1 July 2015   | 606,324                   | (269)   | 23,443   | 556                             | (1,332)                     | (14,609)                                 | (3,021)                        | (346,534)                     | 2,810                                | 267,368                  |
| <b>Total comprehensive income for the period</b>                             |                           |   |  |                                 |                             |  |                                |                               |                                      |                          |
| Profit or loss   | –                         | –   | –  | –                               | –                           | –  | –                              | 15,947                        | 119                                  | 16,066                   |
| <b>Other comprehensive income</b>  |                           |   |  |                                 |                             |  |                                |                               |                                      |                          |
| Foreign currency translation differences                                     | –                         | (3,891)   | –  | –                               | –                           | –  | –                              | –                             | (33)                                 | (3,924)                  |
| Effective portion of changes in fair value of equity instruments, net of tax | –                         | –   | –  | –                               | –                           | –  | 4,856                          | –                             | –                                    | 4,856                    |
| Effective portion of changes in fair value of cash flow hedges, net of tax   | –                         | –   | –  | –                               | 2,024                       | –  | –                              | –                             | –                                    | 2,024                    |
| Defined benefit plan actuarial gains and losses, net of tax                  | –                         | –   | –  | –                               | –                           | 1,119                                    | –                              | –                             | –                                    | 1,119                    |
| Total other comprehensive income   | –                         | (3,891)   | –  | –                               | 2,024                       | 1,119                                    | 4,856                          | –                             | (33)                                 | 4,075                    |
| <b>Total comprehensive income for the period</b>                             | –                         | (3,891)   | –  | –                               | 2,024                       | 1,119                                    | 4,856                          | 15,947                        | 86                                   | 20,141                   |
| <b>Transactions with shareholders, recorded directly in equity</b>           |                           |   |  |                                 |                             |  |                                |                               |                                      |                          |
| <b>Contributions by and distributions to shareholders</b>                    |                           |   |  |                                 |                             |  |                                |                               |                                      |                          |
| Dividends to shareholders  | –                         | –   | –  | –                               | –                           | –  | –                              | (15,260)                      | (287)                                | (15,547)                 |
| <b>Total contributions by and distributions to shareholders</b>              | –                         | –   | –  | –                               | –                           | –  | –                              | (15,260)                      | (287)                                | (15,547)                 |
| <b>Balance at 31 December 2015</b>   | <b>606,324</b>            | <b>(4,160)</b>                                      | <b>23,443</b>                                      | <b>556</b>                      | <b>692</b>                  | <b>(13,490)</b>                          | <b>1,835</b>                   | <b>(345,847)</b>              | <b>2,609</b>                         | <b>271,962</b>           |