



Key Financial Disclosures

FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

The financial statements contained on pages 2–21 have been approved by the Board of Directors on 20 February 2017.

Alan Lai
Chairman

Bruce Irvine
Director and Audit Committee Chairman

INTERIM STATEMENT OF PROFIT OR LOSS

For the six months ended 31 December 2016

	NOTE	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000
Continuing operations				
Operating revenue		607,771	1,181,624	623,066
Cost of sales		(450,308)	(854,871)	(461,669)
Gross profit		157,463	326,753	161,397
Other income		30	725	388
Employee benefits expense		(79,969)	(156,148)	(79,175)
Research and development		(2,650)	(4,515)	(2,850)
Other operating expenses		(49,215)	(96,390)	(48,579)
Equity accounted earnings of investees		323	(244)	(245)
		(131,481)	(256,572)	(130,461)
Operating EBITDA		25,982	70,181	30,936
Non-operating items		1,932	(1,684)	(1,157)
Fair value adjustments	1	(283)	(232)	400
Depreciation and amortisation expense		(5,188)	(9,170)	(4,111)
EBIT		22,443	59,095	26,068
Net interest and finance costs	2	(1,511)	(10,474)	(3,520)
Profit from continuing operations before income taxes		20,932	48,621	22,548
Income tax expense		(4,955)	(8,832)	(6,558)
Profit from continuing operations		15,977	39,789	15,990
Discontinued operations				
Profit from discontinued operations (net of income taxes)		12	(211)	76
Net profit after tax		15,989	39,578	16,066
Net profit after tax attributable to:				
Shareholders of the Company		15,998	38,823	15,947
Non-controlling interest		(9)	755	119
Net profit after tax		15,989	39,578	16,066
Earnings per share				
Basic earnings per share (New Zealand Dollars)	3	0.021	0.052	0.021
Continuing operations				
Basic earnings per share (New Zealand Dollars)	3	0.021	0.053	0.021

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

INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2016

	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000
Net profit after tax	15,989	39,578	16,066
Other comprehensive income/(loss) for the period			
Items that will never be reclassified to profit or loss			
Changes in fair value of equity instruments	504	5,433	4,856
Remeasurements of defined benefit liability	3,343	(4,831)	1,554
Deferred tax on remeasurements and change of defined benefit liability	(2,564)	1,353	(435)
	1,283	1,955	5,975
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations	942	(8,513)	(3,924)
Effective portion of changes in fair value of cash flow hedges	(2,039)	3,888	2,811
Deferred tax on changes in fair value of cash flow hedges	571	(1,088)	(787)
	(526)	(5,713)	(1,900)
Other comprehensive income/(loss) for the period, net of income tax	757	(3,758)	4,075
Total comprehensive income for the period	16,746	35,820	20,141
Total comprehensive income/(loss) attributable to:			
Shareholders of the Company	16,773	35,098	20,055
Non-controlling interest	(27)	722	86
Total comprehensive income for the period	16,746	35,820	20,141

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

PGG WRIGHTSON LIMITED

INTERIM SEGMENT REPORT

For the six months ended / as at 31 December 2016

(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 Fruitfed 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. PGG Wrightson Water will be included as part of the Retail segment for the 30 June 2017 financial statements.

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.

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 DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000
Total segment revenue	436,848	771,647	449,815	203,521	453,168	201,419	640,369	1,224,815	651,234	3,821	8,729	5,761	644,190	1,233,544	656,995
Intersegment revenue	–	–	–	(36,419)	(51,920)	(33,929)	(36,419)	(51,920)	(33,929)	–	–	–	(36,419)	(51,920)	(33,929)
Total external operating revenues	436,848	771,647	449,815	167,102	401,248	167,490	603,950	1,172,895	617,305	3,821	8,729	5,761	607,771	1,181,624	623,066
Operating EBITDA	29,376	52,979	32,770	9,982	44,621	11,697	39,358	97,600	44,467	(13,376)	(27,419)	(13,531)	25,982	70,181	30,936
Non-operating items	829	(3,147)	(3,248)	(118)	(418)	(397)	711	(3,565)	(3,645)	1,221	1,881	2,488	1,932	(1,684)	(1,157)
Fair value adjustments	17	458	400	(300)	(19)	–	(283)	439	400	–	(671)	–	(283)	(232)	400
Depreciation and amortisation expense	(1,452)	(2,771)	(1,390)	(2,658)	(4,397)	(1,735)	(4,110)	(7,168)	(3,125)	(1,078)	(2,002)	(986)	(5,188)	(9,170)	(4,111)
EBIT	28,770	47,519	28,532	6,906	39,787	9,565	35,676	87,306	38,097	(13,233)	(28,211)	(12,029)	22,443	59,095	26,068
Net interest and finance costs	1,726	(1,699)	(1,189)	(1,437)	(3,845)	(218)	289	(5,544)	(1,407)	(1,800)	(4,930)	(2,113)	(1,511)	(10,474)	(3,520)
Profit/(loss) from continuing operations before income taxes	30,496	45,820	27,343	5,469	35,942	9,347	35,965	81,762	36,690	(15,033)	(33,141)	(14,142)	20,932	48,621	22,548
Income tax (expense) / income	(8,868)	(12,982)	(7,508)	(2,831)	(10,262)	(5,649)	(11,699)	(23,244)	(13,157)	6,744	14,412	6,599	(4,955)	(8,832)	(6,558)
Profit/(loss) from continuing operations	21,628	32,838	19,835	2,638	25,680	3,698	24,266	58,518	23,533	(8,289)	(18,729)	(7,543)	15,977	39,789	15,990
Discontinued operations	–	–	–	–	–	–	–	–	–	12	(211)	76	12	(211)	76
Net profit after tax	21,628	32,838	19,835	2,638	25,680	3,698	24,266	58,518	23,533	(8,277)	(18,940)	(7,467)	15,989	39,578	16,066
Segment assets	347,081	252,629	341,908	338,758	360,602	322,448	670,892	613,231	664,356	32,964	50,372	71,177	718,803	663,603	735,533
Investment in equity accounted investees	–	–	–	21,107	17,890	16,947	21,107	17,890	16,947	78	110	91	21,185	18,000	17,038
Assets held for sale	352	819	–	5,497	–	–	5,849	819	–	2,311	4,794	1,557	8,160	5,613	1,557
Total segment assets	347,433	253,448	341,908	365,362	378,492	339,395	697,848	631,940	681,303	35,353	55,276	72,825	748,148	687,216	754,128
Segment liabilities	(176,807)	(133,193)	(184,003)	(160,073)	(183,293)	(154,775)	(336,880)	(316,486)	(338,778)	(135,383)	(96,431)	(143,388)	(472,263)	(412,917)	(482,166)

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

PGG WRIGHTSON LIMITED

INTERIM SEGMENT REPORT (CONTINUED)

For the six months ended / as at 31 December 2016

(b) Operating Segment Information continued

	RURAL SERVICES						RURAL SERVICES					
	RETAIL			LIVESTOCK			OTHER RURAL SERVICES			TOTAL RURAL SERVICES		
	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000
Total segment revenue	318,904	479,772	306,631	27,429	73,111	30,265	90,515	218,764	112,919	436,848	771,647	449,815
Intersegment revenue	–	–	–	–	–	–	–	–	–	–	–	–
Total external operating revenues	318,904	479,772	306,631	27,429	73,111	30,265	90,515	218,764	112,919	436,848	771,647	449,815
Operating EBITDA	26,843	29,154	24,799	2,565	15,234	2,592	(32)	8,591	5,379	29,376	52,979	32,770
Non–operating items	203	390	12	746	(3,177)	(3,243)	(120)	(360)	(17)	829	(3,147)	(3,248)
Fair value adjustments	–	–	–	17	458	400	–	–	–	17	458	400
Depreciation and amortisation	(744)	(1,239)	(617)	(330)	(635)	(305)	(378)	(897)	(468)	(1,452)	(2,771)	(1,390)
EBIT	26,302	28,305	24,194	2,998	11,880	(556)	(530)	7,334	4,894	28,770	47,519	28,532
Net interest and finance costs	380	(660)	(403)	(114)	(269)	(103)	1,460	(770)	(683)	1,726	(1,699)	(1,189)
Profit/(loss) from continuing operations before income taxes	26,682	27,645	23,791	2,884	11,611	(659)	930	6,564	4,211	30,496	45,820	27,343
Income tax (expense) / income	(7,686)	(7,892)	(6,662)	(930)	(3,251)	337	(252)	(1,839)	(1,183)	(8,868)	(12,982)	(7,508)
Profit/(loss) from continuing operations	18,996	19,753	17,129	1,954	8,360	(322)	678	4,725	3,028	21,628	32,838	19,835
Discontinued operations	–	–	–	–	–	–	–	–	–	–	–	–
Net profit after tax	18,996	19,753	17,129	1,954	8,360	(322)	678	4,725	3,028	21,628	32,838	19,835
Segment assets	213,736	101,630	211,018	73,365	78,816	58,876	59,980	72,183	72,014	347,081	252,629	341,908
Investment in equity accounted investees	–	–	–	–	–	–	–	–	–	–	–	–
Assets held for sale	264	763	–	88	56	–	–	–	–	352	819	–
Total segment assets	214,000	102,393	211,018	73,453	78,872	58,876	59,980	72,183	72,014	347,433	253,448	341,908
Segment liabilities	(131,726)	(51,854)	(130,444)	(27,778)	(49,656)	(24,760)	(17,303)	(31,683)	(28,799)	(176,807)	(133,193)	(184,003)

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

INTERIM STATEMENT OF CASH FLOWS

For the six months ended 31 December 2016

	NOTE	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000
Cash flows from operating activities				
Cash was provided from:				
Receipts from customers		566,771	1,242,386	567,162
Dividends received		1	6	2
Interest received		1,282	2,038	919
		568,054	1,244,430	568,083
Cash was applied to:				
Payments to suppliers and employees		(567,335)	(1,188,736)	(566,114)
Contributions to defined benefit plans		(6,030)	–	–
Interest paid		(3,417)	(6,579)	(3,723)
Income tax paid		(7,465)	(13,903)	(10,420)
		(584,247)	(1,209,218)	(580,257)
Net cash flow from operating activities		(16,193)	35,212	(12,174)
Cash flows from investing activities				
Cash was provided from:				
Proceeds from sale of property, plant and equipment and assets held for sale		8,673	19,898	12,758
Net decrease in finance receivables		22	1,079	–
Net proceeds from sale of investments		4,424	9,692	159
		13,119	30,669	12,917
Cash was applied to:				
Purchase of property, plant and equipment		(6,950)	(30,750)	(22,454)
Purchase of intangibles		(933)	(2,176)	(722)
Net increase in finance receivables		–	–	(26)
Net cash paid for purchase of investments		(2,975)	(10,895)	(9,533)
		(10,858)	(43,821)	(32,735)
Net cash flow from investing activities		2,261	(13,152)	(19,818)
Cash flows from financing activities				
Cash was provided from:				
Increase in external borrowings and bank overdraft		32,144	7,035	57,115
		32,144	7,035	57,115
Cash was applied to:				
Dividends paid to shareholders		(15,252)	(28,602)	(15,260)
Dividends paid to minority interests		(289)	(205)	(287)
Repayment of loans to related parties		(163)	–	(10)
		(15,704)	(28,807)	(15,557)
Net cash flow from financing activities		16,440	(21,772)	41,558
Net increase/(decrease) in cash held		2,508	288	9,566
Opening cash		7,561	7,273	7,273
Cash and cash equivalents	4	10,069	7,561	16,839

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 2016

	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000
Profit after taxation	15,989	39,578	16,066
Add/(deduct) non-cash/non operating items:			
Depreciation, amortisation and impairment	5,188	9,170	4,111
Fair value adjustments	283	232	(400)
Net (profit)/loss on sale of assets/investments	(1,636)	(5,321)	(2,819)
Bad debts written off (net)	494	1,483	505
Change in deferred taxation	(8,453)	(2,001)	111
Earnings of equity accounted investees	(323)	244	245
Discontinued operations	(12)	211	(76)
Effect of foreign exchange movements	(307)	(6,131)	(2,520)
Other non-cash/non-operating items	(3,244)	10,246	4,785
	7,979	47,711	20,008
Add/(deduct) movement in working capital items:			
Movement in working capital due to sale/purchase of businesses	(3,433)	(583)	(541)
Change in inventories and biological assets	29,739	3,990	37,855
Change in accounts receivable and prepayments	(83,702)	(15,290)	(100,292)
Change in trade creditors, provisions and accruals	27,337	10,620	36,821
Change in income tax payable/receivable	8,433	(2,604)	(2,203)
Change in other current assets/liabilities	(2,546)	(8,632)	(3,822)
	(24,172)	(12,499)	(32,182)
Net cash flow from operating activities	(16,193)	35,212	(12,174)

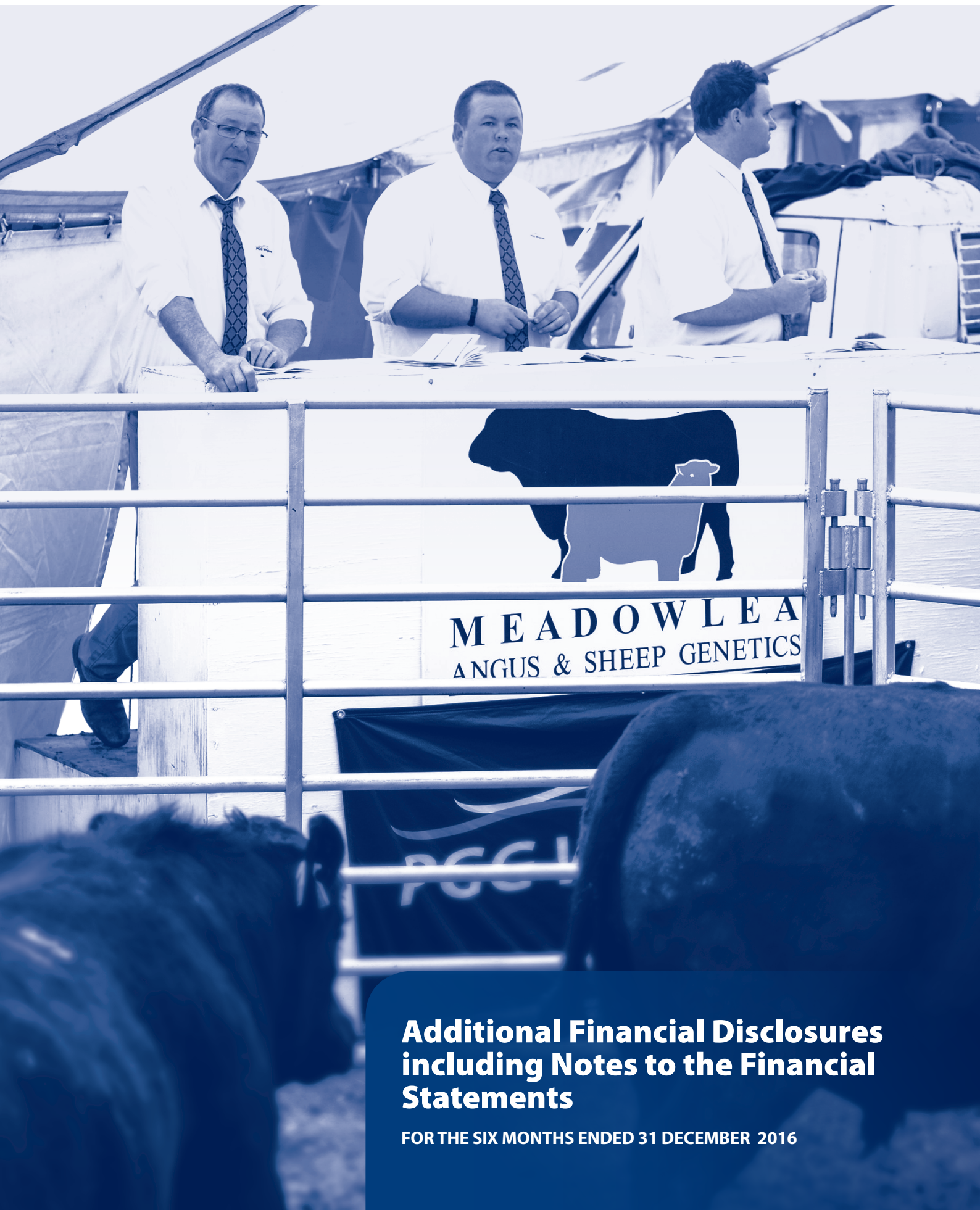
The accompanying notes form an integral part of these financial statements.

INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	NOTE	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000
ASSETS				
Current				
Cash and cash equivalents	4	10,069	7,561	16,839
Short-term derivative assets		2,595	3,743	2,917
Trade and other receivables		335,314	250,486	335,497
Finance receivables		–	–	784
Assets classified as held for sale		8,160	5,613	1,557
Biological assets		927	843	1,888
Inventories		214,251	244,074	209,163
Other investments	6	3,822	6,691	–
Total current assets		575,138	519,011	568,645
Non-current				
Long-term derivative assets		2,412	1,516	380
Biological assets		61	108	107
Deferred tax asset		22,787	14,334	12,222
Investments in equity accounted investees	5	21,185	18,000	17,038
Other investments	6	1,925	2,165	17,345
Intangible assets		6,655	7,079	6,832
Property, plant and equipment	7	117,985	125,003	131,559
Total non-current assets		173,010	168,205	185,483
Total assets		748,148	687,216	754,128
LIABILITIES				
Current				
Debt due within one year	4	70,034	36,623	82,640
Short-term derivative liabilities		748	1,438	1,362
Accounts payable and accruals		269,426	239,696	269,542
Income tax payable		10,555	2,392	1,706
Defined benefit liability	9	1,117	2,642	–
Total current liabilities		351,880	282,791	355,250
Non-current				
Long-term debt	4	96,283	97,511	101,595
Long-term derivative liabilities		762	940	445
Other long-term liabilities		9,138	8,588	8,402
Defined benefit liability	9	14,200	23,087	16,474
Total non-current liabilities		120,383	130,126	126,916
Total liabilities		472,263	412,917	482,166
EQUITY				
Share capital		606,324	606,324	606,324
Reserves		5,231	2,033	8,876
Retained earnings		(337,778)	(336,101)	(345,847)
Total equity attributable to shareholders of the Company		273,777	272,256	269,353
Non-controlling interest		2,108	2,043	2,609
Total equity		275,885	274,299	271,962
Total liabilities and equity		748,148	687,216	754,128

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 2016

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2016

1 FAIR VALUE ADJUSTMENTS

	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000
Assets held for sale	–	(670)	–
Biological assets	10	552	400
Investments	(293)	(114)	–
	(283)	(232)	400

2 NET INTEREST AND FINANCE COSTS

	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000
Finance income contains the following items:			
Other interest income	80	73	82
Finance income	80	73	82
Interest funding contains the following items:			
Interest on loans and overdrafts	(2,722)	(6,304)	(3,383)
Net interest on interest rate derivatives	(173)	(282)	(77)
Fair value change on interest rate derivatives	585	(846)	(122)
Effective interest on expected earnout payments	(558)	(809)	–
Effective interest on expected defined benefit pension ESCT payments	(229)	–	–
Other interest expense	(506)	(3)	(146)
Bank facility fees	(417)	(845)	(477)
Interest funding expense	(4,020)	(9,089)	(4,205)
Foreign exchange contains the following items:			
Net gain/(loss) on foreign denominated items	120	(3,717)	(1,061)
Fair value change on foreign exchange derivatives	2,309	2,259	1,664
Foreign exchange income/(expense)	2,429	(1,458)	603
Net interest and finance costs	(1,511)	(10,474)	(3,520)

3 EARNINGS PER SHARE AND NET TANGIBLE ASSETS

	UNAUDITED DEC 2016 000	AUDITED JUN 2016 000	UNAUDITED DEC 2015 000
Number of shares			
Weighted average number of ordinary shares	754,849	754,849	754,849
Number of ordinary shares	754,849	754,849	754,849
	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000
Net Tangible Assets			
Total assets	748,147	687,216	754,128
Total liabilities	(472,263)	(412,917)	(482,166)
less intangible assets	(6,654)	(7,079)	(6,832)
less deferred tax	(22,787)	(14,334)	(12,222)
	246,443	252,886	252,908
	UNAUDITED DEC 2016 \$	AUDITED JUN 2016 \$	UNAUDITED DEC 2015 \$
Net tangible assets per share	0.326	0.335	0.335
Earnings per share	0.021	0.052	0.021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2016

4 CASH AND FINANCING FACILITIES

	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000
Cash and cash equivalents	10,069	7,561	16,839
Current financing facilities	(70,034)	(36,623)	(82,640)
Term financing facilities	(96,283)	(97,511)	(101,595)
	(156,248)	(126,573)	(167,396)

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. The additional facilities are guaranteed by the security trust. These facilities amounted to \$19.41 million as at 31 December 2016 providing:

- Overdraft facilities of \$9.54 million.
- Guarantee and trade finance facilities of \$6.53 million.
- Finance lease facilities of \$3.34 million.

In addition, the bank financing of the Group's South American operations is provided by Uruguayan-authorized banks. Two of the Group's wholly-owned Uruguayan subsidiaries (Wrightson Pas S.A. and Agrosan S.A.) are jointly and severally financed by a club structure. 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 \$14.37 million (USD 10 million) maturing on 17 September 2022.
- A committed facility of \$17.24 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 \$20.13 million (USD 14.00 million) as at 31 December 2016.

5 ACQUISITION OF EQUITY ACCOUNTED INVESTEE**Agri Optics New Zealand Limited**

On 11 October 2016 the Group acquired a 51% investment in Agri Optics New Zealand Limited. 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 determined over the next two years based on the financial performance of the business. The initial investment recorded for the investee was \$0.80 million which includes management's estimate of the fair value of the earn out. Agri Optics New Zealand Limited is a Canterbury-based precision agriculture business.

6 OTHER INVESTMENTS

	NOTE	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000
Current investments				
BioPacificVentures	10	230	3,170	–
Advances to equity accounted investees		3,592	3,521	–
		3,822	6,691	–
Non-current investments				
BioPacificVentures	10	–	–	12,040
Sundry other investments including saleyards		1,925	2,165	1,650
Advances to equity accounted investees		–	–	3,655
		1,925	2,165	17,345

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 2016 \$13.95 million has been drawn on the committed level of investment (30 June 2016: \$13.95 million, 31 December 2015: \$13.95 million). A fair value gain of \$0.50 million was recorded in the Statement of Other Comprehensive Income for the BioPacificVentures investment in the period to 31 December 2016 (30 June 2016: fair value gain of \$5.43 million, 31 December 2015: fair value gain of \$4.86 million). In addition the Group received a capital return of \$3.52 million from its BioPacificVentures investment in the period to 31 December 2016 (30 June 2016: \$9.68 million, 31 December 2015: \$0.08 million).

Advances to equity accounted investees

This advance is a loan to the South American investee 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 2016 (30 June 2016: nil, 31 December 2015: 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.

7 PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the period to 31 December 2016, the Group acquired assets with a cost of \$4.26 million (30 June 2016: \$30.75 million, 31 December 2015: \$22.41 million), together with assets acquired through business combinations of nil (30 June 2016: \$0.23 million, 31 December 2015: \$0.23 million). Assets with a net book value of \$10.08 million were disposed during the period to 31 December 2016 (30 June 2016: \$19.88 million, 31 December 2015: \$11.93 million), resulting in a gain on disposal of \$1.10 million (30 June 2016 Gain: \$4.99 million, 31 December 2015 Gain: \$2.99 million).

8 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 2016

9 DEFINED BENEFIT ASSET / LIABILITY

During the period the Group made lump sum contributions to the two defined benefit plans amounting to \$6.03 million. In addition the assets and liabilities of the Wrightson Retirement Plan were transferred to the PGG Wrightson Employee Benefits Plan during the period. This resulted in the Wrightson Retirement Plan having no liability as at 31 December 2016.

10 COMMITMENTS

	NOTE	UNAUDITED DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000
There are commitments with respect to:				
Capital expenditure not provided for		2,365	1,427	7,786
Investment in BioPacificVentures	6	51	51	51
Contributions to Primary Growth Partnership		1,167	1,429	1,952
		3,583	2,907	9,789

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 \$3.61 million over the six year life of the programme which ends on 31 December 2018. As at 31 December 2016 total contributions of \$2.44 million (30 June 2016: \$2.18 million, 31 December 2015: \$2.00 million) have been made to the programme.

Forward purchase commitments

The Group as part of its ordinary course of business enters into forward purchase agreements with seed and wool growers. These commitments extend for periods of up to 3 years. These commitments are at varying stage of execution, therefore there remains uncertainty associated with yield, quality and market price. The Group is unable to sufficiently quantify the value of these commitments.

11 CONTINGENT LIABILITIES**PGG Wrightson Max Rewards loyalty programme**

PGG Wrightson operates the Max Rewards loyalty programme. A provision is retained for the expected level of points redemption. A contingent liability of \$0.12 million represents the balance of unexpired points that do not form part of the provision (30 June 2016: \$0.13 million, 31 December 2015: \$0.13 million). Losses are not expected to arise from this contingent liability.

12 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 DEC 2016 \$000	AUDITED JUN 2016 \$000	UNAUDITED DEC 2015 \$000
Key management personnel compensation comprised:			
Short-term employee benefits	3,622	5,798	3,300
Post-employment benefits	64	205	189
Termination benefits	–	–	–
	3,686	6,003	3,489

13 EVENTS SUBSEQUENT TO END OF INTERIM PERIOD

Assets held for sale

Subsequent to 31 December 2016 an unconditional sale agreement was entered into for one of the assets classified as held for sale. The sale is expected to settle in February 2017 and will result in the disposal of property with a book value of \$5.50 million. The Group expects to realise a gain of approximately \$5.00 million on the disposal of this asset.

Dividend

On 20 February 2017 the Directors of PGG Wrightson Limited resolved to pay an interim dividend of 1.75 cents per share on 4 April 2017 to shareholders on the Company's share register as at 5.00pm on 10 March 2017. This dividend will be fully imputed.

14 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 2016 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.

15 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.

These statements were approved by the Board of Directors on 20 February 2017.

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 period ended 31 December 2016 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.

PGG WRIGHTSON LIMITED

INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2016

	SHARE CAPITAL \$000	FOREIGN CURRENCY TRANSLATION RESERVE \$000	REALISED CAPITAL AND OTHER RESERVES \$000		REVALUATION RESERVE \$000	HEDGING RESERVE \$000	DEFINED BENEFIT PLAN RESERVE \$000	FAIR VALUE RESERVE \$000	RETAINED EARNINGS \$000	NON-CONTROLLING INTEREST \$000	TOTAL EQUITY \$000
Balance at 1 July 2015	606,324	(269)	23,443		556	(1,332)	(14,609)	(3,021)	(346,534)	2,810	267,368
Total comprehensive income for the period											
Profit or loss	–	–	–		–	–	–	–	15,947	119	16,066
Other comprehensive income											
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
Total comprehensive income for the period	–	(3,891)	–		–	2,024	1,119	4,856	15,947	86	20,141
Transactions with shareholders, recorded directly in equity											
Contributions by and distributions to shareholders											
Dividends to shareholders	–	–	–		–	–	–	–	(15,260)	(287)	(15,547)
Total contributions by and distributions to shareholders	–	–	–		–	–	–	–	(15,260)	(287)	(15,547)
Balance at 31 December 2015	606,324	(4,160)	23,443		556	692	(13,490)	1,835	(345,847)	2,609	271,962
Balance at 1 January 2016	606,324	(4,160)	23,443		556	692	(13,490)	1,835	(345,847)	2,609	271,962
Total comprehensive income for the period											
Profit or loss	–	–	–		–	–	–	–	22,876	636	23,512
Other comprehensive income											
Foreign currency translation differences	–	(4,589)	–		–	–	–	–	–	–	(4,589)
Effective portion of changes in fair value of equity instruments, net of tax	–	–	–		–	–	–	577	–	–	577
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–		–	776	–	–	–	–	776
Defined benefit plan actuarial gains and losses, net of tax	–	–	–		–	–	(4,597)	–	–	–	(4,597)
Total other comprehensive income	–	(4,589)	–		–	776	(4,597)	577	–	–	(7,833)
Total comprehensive income for the period	–	(4,589)	–		–	776	(4,597)	577	22,876	636	15,679
Transactions with shareholders, recorded directly in equity											
Contributions by and distributions to shareholders											
Dividends to shareholders	–	–	–		–	–	–	–	(13,424)	82	(13,342)
Total contributions by and distributions to shareholders	–	–	–		–	–	–	–	(13,424)	82	(13,342)
Transfer to retained earnings	–	–	–		–	–	990	–	294	(1,284)	–
Balance at 30 June 2016	606,324	(8,749)	23,443		556	1,468	(17,097)	2,412	(336,101)	2,043	274,299

PGG WRIGHTSON LIMITED

INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 31 December 2016

	SHARE CAPITAL \$000	FOREIGN CURRENCY TRANSLATION RESERVE \$000	REALISED CAPITAL AND OTHER RESERVES \$000	REVALUATION RESERVE \$000	HEDGING RESERVE \$000	DEFINED BENEFIT PLAN RESERVE \$000	FAIR VALUE RESERVE \$000	RETAINED EARNINGS \$000	NON-CONTROLLING INTEREST \$000	TOTAL EQUITY \$000
Balance at 1 July 2016	606,324	(8,749)	23,443	556	1,468	(17,097)	2,412	(336,101)	2,043	274,299
Total comprehensive income for the period										
Profit or loss	–	–	–	–	–	–	–	15,998	(9)	16,341
Other comprehensive income										
Foreign currency translation differences	–	960	–	–	–	–	–	–	(18)	1,087
Effective portion of changes in fair value of equity instruments, net of tax	–	–	–	–	–	–	504	–	–	504
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	–	(1,468)	–	–	–	–	(1,468)
Defined benefit plan actuarial gains and losses, net of tax	–	–	–	–	–	779	–	–	–	427
Total other comprehensive income	–	960	–	–	(1,468)	779	504	–	(18)	550
Total comprehensive income for the period	–	960	–	–	(1,468)	779	504	15,998	(27)	16,891
Transactions with shareholders, recorded directly in equity										
Contributions by and distributions to shareholders										
Investment in minority interest	–	–	–	–	–	–	–	–	381	381
Dividends to shareholders	–	–	–	–	–	–	–	(15,252)	(289)	(15,686)
Total contributions by and distributions to shareholders	–	–	–	–	–	–	–	(15,252)	92	(15,305)
Transfer to retained earnings	–	1,491	(875)	–	–	1,807	–	(2,423)	–	–
Balance at 31 December 2016	606,324	(6,298)	22,568	556	–	(14,511)	2,916	(337,778)	2,108	275,885