

PGG Wrightson Limited
Condensed Interim Consolidated Statement of Comprehensive Income
For the six months ended 31 December

	Note	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
Continuing operations				
Revenue	3	693,790	1,247,247	616,873
Cost of sales		(549,869)	(967,210)	(489,934)
Gross profit		143,921	280,037	126,939
Other income		773	973	197
Employee benefits expense		(67,728)	(125,882)	(62,170)
Research and development		(2,460)	(4,861)	(2,353)
Other operating expenses		(52,470)	(100,837)	(48,398)
		(121,885)	(230,607)	(112,724)
EBITDA		22,036	49,430	14,215
Depreciation and amortisation expense		(4,085)	(10,124)	(4,565)
Results from continuing operating activities		17,951	39,306	9,650
Equity accounted earnings of associates		3	789	266
Non operating items	4	(4,486)	(22,029)	(8,873)
Fair value adjustments	5	(1,854)	(25,764)	2,894
Profit from continuing operations before interest and income taxes		11,614	(7,698)	3,937
Net interest and finance costs		(8,631)	(28,087)	(11,367)
Profit from continuing operations before income taxes		2,983	(35,785)	(7,430)
Income tax expense		(35)	585	(209)
Profit from continuing operations		2,948	(35,200)	(7,639)
Discontinued operations				
Profit/(loss) from discontinued operations (net of income tax)	6	159	4,533	1,731
Profit for the period		3,107	(30,667)	(5,908)
Other comprehensive income/(loss) for the period, net of income tax				
Foreign currency translation differences for foreign operations		1,802	2,678	1,180
Effective portion of changes in fair value of cash flow hedges		(282)	(513)	(165)
Effective portion of changes in fair value of financial instruments		(1,200)	-	-
Defined benefit plan actuarial gains/losses		(5,915)	648	6,467
Deferred tax on movement of actuarial gains/losses on employee benefit plans		1,379	(194)	(1,940)
Other comprehensive income/(loss) for the period, net of income tax		(4,216)	2,619	5,542
Total comprehensive income/(loss) for the period		(1,109)	(28,048)	(366)
Profit/(loss) attributable to:				
Shareholders of the Company		2,311	(31,608)	(6,153)
Non-controlling interest		796	941	245
Profit/(loss) for the period		3,107	(30,667)	(5,908)
Total comprehensive income/(loss) attributable to:				
Shareholders of the Company		(2,022)	(28,994)	(737)
Non-controlling interest		913	946	371
Total comprehensive income/(loss) for the period		(1,109)	(28,048)	(366)
Earnings/(loss) per share				
Basic and diluted earnings per share (New Zealand Dollars)	7	0.00	(0.04)	(0.01)
Continuing operations				
Basic and diluted earnings per share (New Zealand Dollars)	7	0.00	(0.05)	(0.01)

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

PGG Wrightson Limited
Condensed Interim Consolidated Statement of Changes in Equity

For the six months ended 31 December

	Share capital	Foreign currency translation reserve	Realised capital and other reserves	Revaluation reserve	Hedging reserve	Defined benefit plan reserve	Fair value reserve	Retained earnings	Non-controlling interest	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2010	640,174	(1,243)	27,977	790	2,277	(12,664)	(375)	(23,216)	1,750	635,470
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	-	(6,153)	245	(5,908)
Other comprehensive income										
Foreign currency translation differences	-	789	(264)	(78)	-	-	-	607	126	1,180
Effective portion of changes in fair value of financial instruments, net of tax	-	-	-	-	(166)	-	-	-	-	(166)
Defined benefit plan actuarial gains and losses, net of tax	-	-	-	-	-	4,527	-	-	-	4,527
Total other comprehensive income	-	789	(264)	(78)	(166)	4,527	-	607	126	5,541
Total comprehensive income for the period	-	789	(264)	(78)	(166)	4,527	-	(5,546)	371	(367)
Transactions with shareholders, recorded directly in equity										
Interest on convertible redeemable notes	-	-	-	-	-	-	-	(1,392)	-	(1,392)
Dividends to shareholders	-	-	-	-	-	-	-	-	(138)	(138)
Changes in ownership interests in subsidiaries										
	-	-	-	-	-	-	-	(1,392)	(138)	(1,530)
Balance at 31 December 2010	640,174	(454)	27,713	712	2,111	(8,137)	(375)	(30,154)	1,983	633,573
Balance at 1 January 2011	640,174	(454)	27,713	712	2,111	(8,137)	(375)	(30,154)	1,983	633,573
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	-	(25,495)	736	(24,759)
Other comprehensive income										
Foreign currency translation differences	-	(2,355)	1,158	(67)	-	-	-	2,923	(161)	1,498
Reclassification to retained earnings	-	-	1,550	-	(993)	-	375	(932)	-	-
Effective portion of changes in fair value of financial instruments, net of tax	-	-	-	-	(347)	-	-	-	-	(347)
Defined benefit plan actuarial gains and losses, net of tax	-	-	-	-	-	(4,073)	-	-	-	(4,073)
Total other comprehensive income	-	(2,355)	2,708	(67)	(1,340)	(4,073)	375	1,991	(161)	(2,922)
Total comprehensive income for the period	-	(2,355)	2,708	(67)	(1,340)	(4,073)	375	(23,504)	575	(27,681)
Transactions with shareholders, recorded directly in equity										
Interest on convertible redeemable notes	-	-	-	-	-	-	-	(1,370)	-	(1,370)
Dividends to shareholders	-	-	-	-	-	-	-	-	(181)	(181)
Total contributions by and distributions to shareholders										
	-	-	-	-	-	-	-	(1,370)	(181)	(1,551)
Balance at 30 June 2011	640,174	(2,809)	30,421	645	771	(12,210)	-	(55,028)	2,377	604,341
Balance at 1 July 2011	640,174	(2,809)	30,421	645	771	(12,210)	-	(55,028)	2,377	604,341
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	-	2,311	796	3,107
Other comprehensive income										
Foreign currency translation differences	-	1,703	104	33	-	-	-	(155)	117	1,802
Effective portion of changes in fair value of financial instruments, net of tax	-	-	-	-	(282)	-	(1,200)	-	-	(1,482)
Defined benefit plan actuarial gains and losses, net of tax	-	-	-	-	-	(4,536)	-	-	-	(4,536)
Total other comprehensive income	-	1,703	104	33	(282)	(4,536)	(1,200)	(155)	117	(4,216)
Total comprehensive income for the period	-	1,703	104	33	(282)	(4,536)	(1,200)	2,156	913	(1,109)
Transactions with shareholders, recorded directly in equity										
Contributions by and distributions to shareholders										
Interest on convertible redeemable notes	-	-	-	-	-	-	-	(2,048)	-	(2,048)
Repayment of convertible redeemable notes	(33,850)	-	-	-	-	-	-	-	-	(33,850)
Dividends to shareholders	-	-	-	-	-	-	-	-	(278)	(278)
Total contributions by and distributions to shareholders										
	(33,850)	-	-	-	-	-	-	(2,048)	(278)	(36,176)
Balance at 31 December 2011	606,324	(1,106)	30,525	678	489	(16,746)	(1,200)	(54,920)	3,012	567,056

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

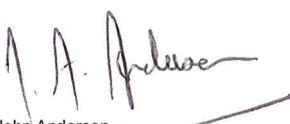
PGG Wrightson Limited

Condensed Interim Consolidated Statement of Financial Position

As at 31 December

	Note	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
ASSETS				
Current				
Cash and cash equivalents	8	13,433	216	35,029
Short-term derivative assets		3,381	5,357	3,888
Trade and other receivables		298,030	230,055	304,738
Finance receivables		52,844	-	411,492
Income tax receivable		758	551	3,542
Assets classified as held for sale		1,530	509,350	3,025
Biological assets		21,599	25,367	17,938
Inventories		208,446	230,260	201,460
Total current assets		600,021	1,001,156	981,112
Non-current				
Long-term derivative assets		129	746	1,837
Finance receivables		-	-	80,355
Biological assets		236	198	270
Deferred tax asset		15,940	8,003	9,083
Investments in equity accounted investees		172	168	4,531
Other investments	9	18,902	10,663	44,003
Intangible assets		333,902	333,909	334,098
Property, plant and equipment	10	96,710	94,183	78,095
Total non-current assets		465,991	447,870	552,272
Total assets		1,066,012	1,449,026	1,533,384
LIABILITIES				
Current				
Debt due within one year - PGW	8	98,935	52,194	93,011
Short-term derivative liabilities		2,226	2,674	2,132
Accounts payable and accruals		234,921	222,513	234,686
Liabilities classified as held for sale		-	417,198	-
Finance current liabilities		-	-	327,896
Total current liabilities		336,082	694,579	657,725
Non-current				
Long-term debt - PGW	8	130,000	124,500	132,210
Long-term derivative liabilities		87	821	3,356
Defined benefit liability	11	22,397	16,970	13,268
Other long-term provisions		10,390	7,815	1,563
Finance term liabilities		-	-	91,689
Total non-current liabilities		162,874	150,106	242,086
Total liabilities		498,956	844,685	899,811
EQUITY				
Share capital	12	606,324	640,174	640,174
Reserves		12,641	16,818	21,570
Retained earnings		(54,920)	(55,030)	(30,154)
Total equity attributable to shareholders of the Company		564,045	601,962	631,590
Non-controlling interest		3,011	2,379	1,983
Total equity		567,056	604,341	633,573
Total liabilities and equity		1,066,012	1,449,026	1,533,384

These consolidated financial statements have been authorised for issue on 21 February 2012.


Sir John Anderson
Chairman


George Gould
Managing Director

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

PGG Wrightson Limited
Condensed Interim Consolidated Statement of Cash Flows

For the six months ended 31 December

Note	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
Cash flows from operating activities			
Cash was provided from:			
	628,134	1,278,524	541,555
	80	3,628	247
	16,286	61,240	32,668
	644,500	1,343,392	574,470
Cash was applied to:			
	(657,681)	(1,282,016)	(602,975)
	(19,176)	(47,564)	(28,135)
	6,559	(8,894)	(469)
	(670,298)	(1,338,474)	(631,579)
13	(25,798)	4,918	(57,109)
Cash flows from investing activities			
Cash was provided from:			
	414	440	333
	27,370	83,252	32,588
	24,475	56,179	28,921
	52,260	139,871	61,842
Cash was applied to:			
	(8,303)	(4,270)	(5,390)
	(961)	(896)	(899)
	(11,198)	(11,718)	(5,976)
	(20,463)	(16,884)	(12,265)
	31,797	122,987	49,577
Cash flows from financing activities			
Cash was provided from:			
	52,727	11,000	48,202
	-	145	18,063
	-	16,892	-
	52,727	28,037	66,265
Cash was applied to:			
	(278)	(319)	-
	(33,850)	-	-
	(2,048)	(2,762)	(1,392)
	-	(7,458)	(1,182)
	(3,600)	(15,826)	(10,593)
	-	(2,557)	(2,005)
	-	(79,433)	(45,658)
	(752)	-	-
	(4,982)	-	12,880
	(45,510)	(108,355)	(47,950)
	7,217	(80,318)	18,315
	13,217	47,587	10,783
	216	24,246	24,246
	13,433	71,833	35,029
Comprises:			
	-	71,617	21,188
	13,433	216	13,841
	13,433	71,833	35,029

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

PGG Wrightson Limited
Notes to the Financial Statements
For the six months ended 31 December

1 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 issuer in terms of the Financial Reporting Act 1993.

The condensed interim consolidated financial statements of PGG Wrightson Limited for the six months ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

The Company is primarily involved in the provision of rural services.

2 Basis of Preparation

The condensed interim consolidated 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") as applicable for interim financial statements for profit orientated entities, and in particular NZ IAS 34. The financial statements comply with International Financial Reporting Standards as issued by the IASB, as applicable for profit oriented entities.

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

Certain comparative amounts in the statement of comprehensive income have been reclassified to conform with the current year's presentation. In addition, the statement of comprehensive income has been re-presented as if an operation discontinued during the current year had been discontinued from the start of the comparative periods (see Note 6).

These statements were approved by the Board of Directors on 21 February 2012.

3 Segment Reporting

(a) Operating Segments

The Group has two primary operating divisions, AgriServices and AgriTech. AgriServices is further separated into four 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 Managing Director 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) and ancillary sales support, supply chain and marketing functions.
- Livestock. This includes rural Livestock trading activities and export livestock, being commission based activities.
- Other AgriServices. Includes Insurance, Real Estate, Wool, Irrigation and Pumping, AgNZ (training), Funds Management, South American activities to supply products and services into the Uruguayan rural services industry, Regional Admin, Finance commission and other related activities.
- AgriTech. Includes Seed and Grain (research and development, manufacturing and distributing forage seed, turf and grain), Agri-feeds (purchasing, manufacturing and distributing liquid animal feeds and other animal nutritional products) and various related activities in the developing seeds markets in South America.

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 and consolidation adjustments.

(b) Operating Segment Information

	Retail ⁽ⁱ⁾			Livestock			Other AgriServices ⁽ⁱⁱ⁾			AgriServices			AgriTech ⁽ⁱⁱⁱ⁾			Total operating segments			Other ^(iv)			Total		
	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000
Total segment revenue	354,689	568,600	330,422	59,587	139,581	58,777	88,826	112,696	36,447	503,102	820,877	425,646	214,856	479,410	215,556	717,958	1,300,287	641,202	2,566	6,652	3,908	720,524	1,306,939	645,110
Intersegment revenue	-	-	-	-	-	-	-	-	-	-	-	-	(26,734)	(59,692)	(28,237)	(26,734)	(59,692)	(28,237)	-	-	-	(26,734)	(59,692)	(28,237)
Total external operating revenues	354,689	568,600	330,422	59,587	139,581	58,777	88,826	112,696	36,447	503,102	820,877	425,646	188,122	419,718	187,319	691,224	1,240,595	612,965	2,566	6,652	3,908	693,790	1,247,247	616,873
EBITDA	17,113	18,698	13,884	3,016	16,386	539	1,289	(2,309)	(1,821)	21,418	32,775	12,602	11,618	38,201	13,478	33,036	70,976	26,080	(11,000)	(21,546)	(11,865)	22,036	49,430	14,215
Depreciation and amortisation	(570)	(3,323)	(1,610)	(160)	(439)	(224)	(420)	(574)	(240)	(1,150)	(4,336)	(2,074)	(1,829)	(3,357)	(1,214)	(2,979)	(7,693)	(3,288)	(1,106)	(2,431)	(1,277)	(4,085)	(10,124)	(4,565)
Results from operating activities	16,543	15,375	12,274	2,856	15,947	315	869	(2,883)	(2,061)	20,268	28,439	10,528	9,789	34,844	12,264	30,057	63,283	22,792	(12,106)	(23,977)	(13,142)	17,951	39,306	9,650
Equity earnings of associates	-	-	-	-	(213)	(231)	-	56	497	-	(157)	266	47	8	-	47	(149)	266	(44)	938	-	3	789	266
Non operating items	3	(2,733)	(176)	(211)	(12,443)	(922)	(38)	(502)	(1,129)	(246)	(15,678)	(2,227)	(103)	(1,884)	(5,705)	(349)	(17,562)	(7,232)	(4,137)	(4,467)	(941)	(4,486)	(22,029)	(8,873)
Fair value adjustments	173	(169)	(63)	(1,651)	2,507	1,446	229	(17,853)	(76)	(1,249)	(15,515)	1,307	(817)	(297)	2,643	(2,066)	(15,812)	3,950	212	(9,952)	(1,056)	(1,854)	(25,764)	2,894
Profit before interest	16,719	12,473	12,035	994	5,798	608	1,060	(21,182)	(2,769)	18,773	(2,911)	9,874	8,916	32,671	9,202	27,689	29,760	19,076	(16,075)	(37,458)	(15,139)	11,614	(7,698)	3,937
Net interest and finance costs	-	(55)	(55)	(48)	91	69	(443)	1,456	(433)	(491)	1,492	1,447	(165)	(3,120)	(735)	(656)	(1,628)	712	(7,975)	(26,459)	(12,079)	(8,631)	(28,087)	(11,367)
Profit before income tax	16,719	12,418	11,980	946	5,889	677	617	(19,726)	(1,336)	18,282	(1,419)	11,321	8,751	29,551	8,467	27,033	28,132	19,788	(24,050)	(63,917)	(27,218)	2,983	(35,785)	(7,430)
Income tax expense	(4,680)	(6,094)	(4,527)	(278)	(5,107)	(355)	(1,360)	909	(1,732)	(6,318)	(10,292)	(6,614)	135	(2,410)	(4,086)	(6,183)	(12,702)	(10,700)	6,148	13,287	10,491	(35)	585	(209)
Profit from continuing operations	12,039	6,324	7,453	668	782	322	(743)	(18,817)	(3,068)	11,964	(11,711)	4,707	8,886	27,141	4,381	20,850	15,430	9,088	(17,902)	(50,630)	(16,727)	2,948	(35,200)	(7,639)
Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	159	4,533	1,731	159	4,533	1,731
Profit for the year	12,039	6,324	7,453	668	782	322	(743)	(18,817)	(3,068)	11,964	(11,711)	4,707	8,886	27,141	4,381	20,850	15,430	9,088	(17,743)	(46,097)	(14,996)	3,107	(30,667)	(5,908)
Segment assets	172,042	100,729	183,078	149,957	176,253	155,765	64,964	67,814	71,601	386,963	344,796	410,444	489,386	505,503	482,339	876,349	850,299	892,783	187,961	89,209	633,045	1,064,310	939,508	1,525,828
Equity accounted investees	-	-	-	67	67	197	-	4	4,322	67	71	4,519	67	20	12	134	91	4,531	38	77	-	172	168	4,531
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,530	509,350	3,025	1,530	509,350	3,025
Total segment assets	172,042	100,729	183,078	150,024	176,320	155,962	64,964	67,818	75,923	387,030	344,867	414,963	489,453	505,523	482,351	876,483	850,390	897,314	189,529	598,636	636,070	1,066,012	1,449,026	1,533,384
Segment liabilities	(99,036)	(45,445)	(98,642)	(46,950)	(78,254)	(40,332)	(36,499)	(48,625)	(22,037)	(182,485)	(172,324)	(161,011)	(159,805)	(224,116)	(213,190)	(342,290)	(396,440)	(374,201)	(156,666)	(448,245)	(525,610)	(498,956)	(844,685)	(899,811)

Historically the Group has provided information in addition to the segment reporting to further split elements of some segments, eg. Retail has often been separated into the Rural Supplies and Fruited operations. The additional analysis on key aspects of some of these historical segment components (as indicated by asterisks in the segment analysis) is provided as additional tables to the segment note.

** Further analysis of trading performance of elements of some segments:

(i) Retail

	Rural Supplies			Fruited			Other			Retail		
	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000
Total segment revenue	270,793	444,035	251,506	82,807	122,297	77,773	1,089	2,268	1,143	354,689	568,600	330,422
Intersegment revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total external operating revenues	270,793	444,035	251,506	82,807	122,297	77,773	1,089	2,268	1,143	354,689	568,600	330,422
EBITDA	13,641	18,201	11,561	6,045	7,021	5,600	(2,573)	(6,524)	(3,277)	17,113	18,698	13,884

(ii) Other AgriServices

	Insurance			Real Estate			Irrigation & Pumping			AgNZ			Wool			South America			Regional Overhead			Finance Commission			Other AgriServices		
	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000
Total segment revenue	1,303	3,460	1,868	10,899	17,477	6,603	16,384	23,597	14,601	2,701	4,717	2,394	47,048	40,951	4	10,258	22,517	10,977	(1)	(23)	-	234	-	-	88,826	112,696	36,447
Intersegment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total external operating revenues	1,303	3,460	1,868	10,899	17,477	6,603	16,384	23,597	14,601	2,701	4,717	2,394	47,048	40,951	4	10,258	22,517	10,977	(1)	(23)	-	234	-	-	88,826	112,696	36,447
EBITDA	1,081	2,963	1,627	463	(846)	(1,268)	1,306	2,070	1,448	987	1,481	746	1,254	(917)	(716)	1,557	3,064	1,225	(5,391)	(10,124)	(4,883)	32	-	-	1,289	(2,310)	(1,821)

(iii) AgriTech

	Seeds and Grain			Agri-feeds			South America			AgriTech		
	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000
Total segment revenue	139,779	328,001	139,461	35,598	55,727	35,674	39,479	95,682	40,421	214,856	479,410	215,556
Intersegment revenue	(26,734)	(59,692)	(28,237)	-	-	-	-	-	-	(26,734)	(59,692)	(28,237)
Total external operating revenues	113,045	268,309	111,224	35,598	55,727	35,674	39,479	95,682	40,421	188,122	419,718	187,319
EBITDA	7,788	28,575	9,157	3,521	5,474	4,054	309	4,152	267	11,618	38,201	13,478

(iv) Other

	HR & Corporate Services			PGW Rural Capital			Finance (PWF Discontinued)			Group Elimination / Consolidation & Discontinued operations adjustment			Other		
	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000	Dec 2011 \$000	June 2011 \$000	Dec 2010 \$000
Total segment revenue	2,567	5,986	3,243	4,360	-	-	13,603	55,129	28,993	(17,964)	(54,463)	(28,328)	2,566	6,652	3,908
Intersegment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total external operating revenues	2,567	5,986	3,243	4,360	-	-	13,603	55,129	28,993	(17,964)	(54,463)	(28,328)	2,566	6,652	3,908
EBITDA	(10,052)	(19,192)	(10,360)	-	-	-	1,169	5,448	2,614	(2,117)	(7,802)	(4,119)	(11,000)	(21,546)	(11,865)

4 Non Operating Items

Capital gains/(losses) on sale of business, property plant and equipment
 Loss on sale of PGG Wrightson Finance Limited
 Gain on purchase of business
 Defined benefit superannuation plan
 Restructuring
 Silver Fern Farms supply contract
 Other non operating items

Note	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
	(132)	1,615	(1,025)
6	(3,372)	-	-
	-	3,286	-
11	(502)	(1,656)	(1,529)
	(472)	(8,499)	(5,134)
	-	(9,555)	-
	(8)	(7,220)	(1,185)
	(4,486)	(22,029)	(8,873)

5 Fair Value Adjustments

Continuing Operations

Impairment on consolidation of WPI
 Gain/(loss) on investments designated at fair value through profit or loss
 Derivatives not in qualifying hedge relationships
 Other fair value adjustments

Note	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
	-	(18,302)	-
9	(161)	(989)	4,221
	(1,260)	386	(1,802)
	(433)	4,754	475
	(1,854)	(14,151)	2,894

PWF held for sale adjustments

Assets held for sale
 Derivatives not in a qualifying hedge relationship PWF

	-	(9,441)	-
	-	(2,172)	-
	-	(11,613)	-

Total fair value adjustments

	(1,854)	(25,764)	2,894
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6 Discontinued Operations

In June 2011 the Group entered into a conditional share sale agreement with Heartland New Zealand Limited to sell its finance subsidiary PGG Wrightson Finance Limited (PWF) to Heartland's wholly-owned subsidiary Heartland Building Society (Heartland). The purchase price was \$98.17 million, being an amount equal to the adjusted net tangible assets of PWF as at the completion date of the transaction. The completion date was 31 August 2011. This resulted in a loss on disposal of \$0.32 million. Investment disposal costs of \$0.78 million have been recognised in respect of the sale.

As part of the sale transaction the Group agreed to purchase 13,333,333 shares in Heartland New Zealand Limited for \$0.75 per share. The fair value of these shares at the NZX list price as at the completion date was \$0.58 per share resulting in an additional loss on disposal of PWF of \$2.27 million.

In connection with the sale transaction certain loans were transferred from PWF to a wholly owned PGG Wrightson special purpose vehicle, PGW Rural Capital Limited, which is working to realise or refinance these facilities over the short to medium term. The operations of this entity are treated as discontinued and are also included within this note.

Profits attributable to the discontinued operation were as follows:

Results of discontinued operations

Revenue
 Expenses

	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
Revenue	13,603	55,129	28,993
Expenses	(14,776)	(50,020)	(26,604)
	(1,173)	5,109	2,389
Fair value adjustments	(1,069)	2,171	84
Results from operating activities	(2,242)	7,280	2,473
Income tax expense	2,401	(2,747)	(742)
Results from operating activities, net of income tax	159	4,533	1,731
Profit/(loss) for the period	159	4,533	1,731
Basic and diluted earnings per share (New Zealand dollars)	0.00	0.01	0.00

Cash flows from discontinued operations

Net cash from operating activities
 Net cash from/(used in) discontinued operation

Net cash from operating activities	18,788	4,814	2,099
Net cash from/(used in) discontinued operation	18,788	4,814	2,099

7 Earnings Per Share and Net Tangible Assets

	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
Number of shares			
Weighted average number of ordinary shares	754,849	758,136	758,285
Number of ordinary shares	754,849	754,849	757,986
	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
Net Tangible Assets			
Total assets	1,066,012	1,449,026	1,533,384
Total liabilities	(498,956)	(844,685)	(899,811)
less intangible assets	(333,902)	(333,909)	(334,098)
less deferred tax	(15,940)	(8,003)	(9,083)
	217,214	262,429	290,392
	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
Net tangible assets per security	0.29	0.35	0.38
Earnings per share	0.00	(0.04)	(0.01)

8 Cash and Bank Facilities

	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
Cash and cash equivalents	13,433	216	35,029
Current bank facilities	(98,935)	(52,194)	(93,011)
Term bank facilities	(130,000)	(124,500)	(132,210)
	(215,502)	(176,478)	(190,192)

The Group has bank facilities of \$319.03 million. The Group has granted to ANZ National Bank Limited a general security deed and mortgage over all its assets. ANZ National Bank Limited holds this security on trust for the banking syndicate (ANZ National Bank Limited and Bank of New Zealand Limited).

The amortising facility of \$64.00 million is secured by the PGW Rural Capital (PGWRC) assets. At 31 December 2011 it was drawn to \$34.00 million with the remainder committed to the contingent liability referred to in Note 15.

The Group bank syndicate facilities include:

- A term debt facility of \$130.00 million that matures on 31 July 2014.
- A working capital facility of \$60.00 million that matures on 31 July 2014.
- A amortising facility of \$64.00 million that matures on 31 July 2013.
- Overdraft, guarantee and trade finance facilities of \$65.03 million.

9 Other Investments

	Note	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
Non-current investments				
BioPacificVentures Limited	14	9,575	9,435	12,483
Heartland New Zealand Limited		6,533	-	-
Sundry other investments including saleyards		2,107	1,290	374
Advances to associates		687	(62)	31,146
		18,902	10,663	44,003

The Group purchased 13,333,333 shares in Heartland New Zealand Limited (HNZ) for \$10.00 million as part of the agreement to sell PWF. A fair value loss of \$2.27 on the fair value of these shares was included in the loss on disposal of PWF. An additional fair value reserve of \$1.20 million has been recognised in the statement of comprehensive income representing the NZX share price movement on the HNZ shares from the completion date of the sale of PWF to 31 December 2011. The Group considers that as at 31 December 2011 this investment is not impaired.

The Group recognised a fair value impairment of \$0.16 million on its investment in BioPacificVentures Limited during the period.

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.

10 Property, Plant and Equipment

Acquisitions and disposals

During the six months ended 31 December 2011, the Group acquired assets with a cost of \$8.27 million (30 June 2011: \$5.36 million, 31 December 2010: \$4.34 million), together with assets acquired through business combinations of \$Nil (30 June 2011: \$15.33 million, 31 December 2010: \$5.40 million).

Assets with a net book value of \$1.75 million were disposed during the six months ended 31 December 2011 (30 June 2011: \$3.86 million, 31 December 2010: \$3.30 million), resulting in a gain on disposal of \$0.02 (30 June 2011: \$0.04 million, 31 December 2010: \$0.20 million).

11 Defined Benefit Asset / Liability

The Group's net obligation with respect to defined benefit pension plans is calculated by estimating the future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

The present value of the defined benefit obligation less the fair value of plan assets results in a liability of \$22.40 million (30 June 2011: \$16.98 million liability, 31 December 2010: \$13.27 million liability).

12 Capital and Reserves

The Company redeemed convertible redeemable notes of \$33.85 million on 30 December 2011.

13 Reconciliation of Profit After Tax With Net Cash Flow from Operating Activities

	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
Profit after taxation	3,107	(30,667)	(5,908)
Add/(deduct) non-cash/non operating items:			
Depreciation, amortisation and impairment	4,085	10,124	4,565
Fair value adjustments	1,854	25,764	(2,894)
Net (profit) on sale of assets/shares	3,504	(4,901)	1,025
Bad and doubtful debts	1,761	14,543	8,241
(Increase)/decrease in deferred taxation	(7,937)	407	(270)
Equity accounted earnings from associates	(3)	(789)	(266)
Financing costs	-	2,557	2,005
Discontinued operations	(159)	(4,533)	-
Other non-cash/non-operating items	192	13,457	(1,500)
	<u>3,297</u>	<u>56,629</u>	<u>10,906</u>
Add/(deduct) movement in working capital items:			
Movement in working capital due to sale/purchase of business	(3,539)	24,064	-
(Increase)/decrease in inventories and biological assets	25,581	(30,897)	21,805
(Increase)/decrease in accounts receivable and prepayments	(67,976)	(40,908)	(95,484)
Increase/(decrease) in trade creditors, provisions and accruals	12,409	20,611	8,477
Increase/(decrease) in income tax payable/receivable	1,323	6,086	3,095
	<u>(32,202)</u>	<u>(21,044)</u>	<u>(62,107)</u>
Net cash flow from operating activities	(25,798)	4,918	(57,109)

14 Commitments

	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
There are commitments with respect to:			
Capital expenditure not provided for	1,567	183	14,943
Commitments to extend credit - PGG Wrightson Finance Limited	-	51,765	58,303
Investment in BioPacificVentures	1,140	1,412	1,517
Purchase of Corson Grain business	1,800	-	-
	<u>4,507</u>	<u>53,360</u>	<u>74,763</u>

Investment in BioPacificVentures

The Group has committed \$14.00 million to an international fund established for investment in food and agriculture life sciences. The Group's investment in BioPacificVentures began in June 2005. The investment has an anticipated total lifespan of 12 years. At 31 December 2010 \$12.86 million has been drawn on the committed level of investment (30 June 2011: \$12.59 million, 31 December 2010: \$12.48 million), which is included in other investments.

The Group has committed to buy land as part of its purchase of the Corson Grain business. The property is to be purchased for \$1.80 million in November 2013.

There are no material commitments relating to investment in associates.

15 Contingent Liabilities

	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
There are contingent liabilities with respect to:			
Guarantees	47,555	20,978	22,405
PGG Wrightson Loyalty Reward Programme	391	416	520
	<u>47,946</u>	<u>21,394</u>	<u>22,925</u>

Guarantees

Included in the contingent liabilities is a guarantee in respect of certain loans acquired by Heartland Building Society as part of the PWF sale transaction on 31 August 2011. The value of the guaranteed loans as at 31 December 2011 was approximately \$30.00 million. The guarantee is contingent upon individual loans becoming impaired and put back to PGW during the three year guarantee period. Remaining guarantees are provided to banks of subsidiary companies for borrowings and to various other third parties.

PGG Wrightson Loyalty Reward Programme

The PGG Wrightson Loyalty Reward Programme is run in conjunction with the co-branded American Express card. A provision is retained for the expected level of points redemption. The contingent liability represents the balance of live points that are not provided for.

No losses are expected to arise from these contingent liabilities. There are no contingent liabilities relating to investments in associates.

16 Seasonality of Operations

The Group is subject to significant seasonal fluctuations. In particular Livestock and Seeds activities are significantly weighted to the second half of the financial year. Seeds revenues reflects the fact that 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 maximise their incomes. The Group recognises this is the nature of the industry and plans and manages its business accordingly.

17 Related Parties

Key Management Personnel compensation

Key management personnel receive compensation in the form of total remuneration including employee benefits, as set out below:

	Unaudited Dec 2011 \$000	Audited Jun 2011 \$000	Unaudited Dec 2010 \$000
Short-term employee benefits	3,403	4,956	3,097
Post-employment benefits	-	-	-
Termination benefits	704	3,342	3,342
Other long-term benefits	-	-	-
Share-based payments	-	-	-
	<u>4,107</u>	<u>8,298</u>	<u>6,439</u>

18 Events Subsequent to End of Interim Period

Subsequent to the reporting date PGW expects to acquire loans totalling approximately \$9.50 million pursuant to the Heartland Building Society guarantee referred to in Note 15.