PGG Wrightson Trading Update

Chief Executive, Mark Dewdney announced today that PGG Wrightson (PGW) is forecasting that its full year Operating EBITDA* is expected to be in the $56 - $58 million range, slightly up on the guidance range indicated in February.

Mr. Dewdney said “The market and PGW’s trading performance has held up well in the past six months despite some localised challenges. The upper North Island saw another summer drought develop with farmers looking for rains to come mid-April. Just as this happened we also experienced a tough spell in the South with very wet and cold weather conditions challenging arable production and winter sowing activities.

In recent weeks the dairy forward herd sale contract settlements were transacted to close out the season for Livestock. This saw the Livestock business report a record month for May. Driving this was the large quantum of dairy forward sales transacted in May along with the increasing values in sheep and beef, and higher than forecasted auction cattle volumes yarded. With this busy period behind us we are now better placed to provide a guidance update for the current fiscal year.”

The company also announced that it had acquired a property company, AG Property Holdings Limited (AG Property) that owns a number of properties that are leased by PGW. AG Property collectively owns 40 properties that are a combination of retail stores, seed processing sites and livestock saleyards located across New Zealand. AG Property has no other assets, staff or operations and by acquiring the company, PGW obtains ownership of the 40 properties for consideration of approximately $30 million.

Shortly after the 2005 merger of Wrightson and Pyne Gould Guiness the company sold these properties subject to a lease back to PGW. Mr. Dewdney said “The decision to sell the properties was made at a different point in time, and the company now has a completely different look to its balance sheet and we are pleased to have been able to negotiate their acquisition.”

“The business continues to evolve and this gives us the opportunity to re-shape our property portfolio. A strategic review of the company’s property needs would be undertaken and some of the reacquired sites may ultimately be divested. The important thing is that this acquisition provides PGW with flexibility to review its property and lease needs and make decisions that are right for the business today and moving into the future.”

The transaction will see debt increase by a corresponding amount.

PGW expects to announce its full year results on 13 August 2014 with details of the announcement to be confirmed closer to the time.

For further information:

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

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

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

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

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