PGG Wrightson Limited
2010 Annual Meeting
Riccarton Park, Christchurch
Thursday 28th October at 2.30pm

Slide 2 - Agenda

[Sir John Anderson]

Welcome

Good afternoon ladies and gentlemen, I am Sir John Anderson, Chairman of the Board of Directors of PGG Wrightson Limited. Welcome to the Annual Shareholders' Meeting for 2010.

I confirm that there is a quorum present, as we have with us shareholders or their representatives holding more than 10% of the shares. Accordingly, I declare the meeting open.

Slide 3 – Welcome

Introductions

Before beginning the business of the meeting, I would introduce members of the senior management team for PGG Wrightson. To my immediate left is Chief Financial Officer Rob Woodgate, to his left is General Counsel and Company Secretary Julian Daly. To my right are John McKenzie, GM of AgriTech businesses and Michael Thomas, GM of AgriServices businesses.

I am pleased to introduce the other members of the Board of Directors, who are seated in the front row in front of me:

Sir Selwyn Cushing
George Gould
Bruce Irvine
Alan Lai
Tao Xie (XT)
Keith Smith, and
Bill Thomas.

Other members of the senior management team, Company lawyers Chapman Tripp and external auditors KPMG are also in attendance.

Apologies

Apologies to be noted:

Notice of Meeting

The Company Secretary has confirmed to me that the Notice of Annual Meeting was sent on 11 October 2010 to all shareholders registered on 5 October 2010 and to other persons entitled to receive that notice.

Minutes

I confirm that the minutes of the company's previous annual meeting held on 29 October 2009 were approved as a true and correct record at the Directors' meeting held on 21 December 2009

Proxies

Proxies to be noted.

Annual Financial Statements

The financial statements and the reports of the directors and auditors, for the year ending 30 June 2010 are set out in the company's annual report. The annual report was forwarded to shareholders who had requested a copy on 22 September 2010 and is available on the company's website. Additional hard copies of the annual report are available.

Chairman's address

We now move to the main business of the meeting. I will provide an overview of the financial year and the business climate. Rob Woodgate, our CFO, will then run through the financial performance, and I will then provide an outline of the group Strategy, following which John McKenzie and Michael Thomas will provide detail on the operations of AgriTech and AgriServices respectively. I will then provide an overview of events subsequent to the year-end that merit discussion, followed by comment on the future outlook.

There will be an opportunity for questions and general discussion after the reports and I will outline the procedure for that part of the meeting when we reach it. Following that general discussion, our agenda comprises four items, including eight resolutions, which were outlined in the Notice of Meeting. Voting on the resolutions will be by voice unless inconclusive in which case I may call for a show of hands or a poll.

The first item of business is to receive the statement of accounts, and the reports of the directors and auditors, as set out in the annual report.

Slide 4 – Overview and Business Climate

The 2009-2010 year was highlighted by the successful recapitalisation of your business, and the securing of a new cornerstone shareholder in Agria. Agria currently holds approximately 19% of the shares in PGG Wrightson Limited while Pyne Gould Corporation holds approximately 18.3%. Former major shareholder Rural Portfolio Investments sold its holding in May.

Slide 5 – New ownership structure and acknowledgements

To reflect the new ownership structure, there have been a number of changes to the Board of Directors. On behalf of the Board, I would therefore acknowledge past Directors Sam Maling who retired in October last year, Craig Norgate, Baird McConnon and Murray Flett who stepped down in February and Alan McConnon who retired in May - for their commitment and valued contributions to the company. As a new independent Director myself, I would take the opportunity to welcome our new Directors Alan Lai, and Tao Xie who were appointed at the end of 2009, and also George Gould, who was appointed in early 2010.

The major effect of the capital raising was to allow the company to retire $207 million of debt. Total bank debt, excluding the finance company, was reduced by $243 million during the year - a 54% decrease from July 2009.

For the year to end June 2010, the Group reported EBITDA of $70.5 million and net profit after tax of $23.3 million, in line with forecast of $73.2 million and $24.1 million respectively made in the Prospective Financial Information published in November 2009.

While Rob Woodgate will go into more detail on the numbers behind this performance, what they reflect are tight liquidity conditions on farm, reduced appetite for agricultural inputs and intensifying competition in our core markets. A positive was the performance from strong cash flow returns and increasing operational efficiencies.

The balance sheet has also been substantially strengthened, and now has the depth and capacity to see the Group through foreseeable market and trading conditions. We will continue to focus on cash flows and make further inroads to reducing debt this year and in subsequent years.

I will now hand you over to Rob Woodgate to provide some detail on the financial results and an overview of Group strategy.

<u>Slide 6 – Financial Review</u>

[Rob Woodgate]

<u>Slide 7- comparative to PFI</u>

Good afternoon. As part of the capital raise process we issued a prospectus to the market outlining our performance expectations for the 2009/2010 year. This was described as a PFI or Prospective Financial Information. At $70.5 million, we were within $2.9 million of the EBITDA target in the PFI. Our revenue projections overall were good and AgriTech and South American businesses delivered above forecast. At the Gross Profit level there was a deterioration reflecting the competitive nature of the market and tough trading conditions. Operating expenses were largely on target with the exception being provisioning for receivables both in the Parent and Finance Company.

Reported Net Profit after tax was $23.3 million, this was after a $2 million adjustment to deferred tax, incorporating the Government's recent changes to the treatment of building depreciation and changes to income tax. Adjusting for this the Net Profit performance would have been $1.2 million up on PFI. The Group reduced interest cost and following the debt reduction programme we expect to see this reduce significantly in the year we are now in.

Net Debt reduced over the period from $412.8 million to $186.7 million with the capital raise generating $207 million, and subsequent cash inflows reducing this further. We had assumed lower working capital demands, however good harvest volumes led to increased seed inventories in NZ and South American markets, and we had factored in receivables from NZFSU into the projections.

<u>Slide 8 – Comparative year on year</u>

For comparisons between the two years, the revenue and subsequent EBITDA decline is the reflective of the impact of the global financial crisis on the agricultural sector. Michael and John will provide more context as to how this impacted on their respective businesses. However, in summary, we started the year with Fonterra projecting a $4.55 payout, subsequently revised upwards, liquidity became a focus for our customers and our competitors, customers sought to reduce inputs and trading conditions were tough.

The segment split shows that AgriTech fared better through the GFC than AgriServices.

<u>Slide 9 - Operating Cash flow</u>

Operating cash flow was a positive result of $43.3 million for the Group and reflected good overall management of payables and receivables, this focus will continue through this year.

<u>Slide 10 - Balance Sheet</u>

Regarding the balance sheet, we were required to re-state current and non-current liabilities due to the potential breach of our banking facilities; this was outlined in the 2009 Annual Report. The 2010 report shows this position reversed and the term debt being re-stated as non-current.

PGG Wrightson Finance received a BB (stable) rating from Standard & Poor during the year and continued to manage the loan book in a conservative manner throughout the period, This is reflected in the planned reduction in Finance receivables and liabilities.

Total Equity increased as a direct result of the capital raise, increasing from $390.9 million to $635.5 million.

It is worth outlining our position on dividends for the year just finished and the year we are in now. Within the prospectus we stated that we had not factored for a dividend for the period ending 30 June 2010, and this was the case. For the fiscal year we are now in, the focus continues to be on reducing debt through operating cash flows and a review on non-core business assets, and dividends will only be considered once debt is at a level the Board is comfortable with. At this stage we are not in a position to consider a dividend for the period ending 30 June 2011.

Slide 11 – Strategy

Slide 12 – Business configured around two core groupings

To move onto our Strategy - the capital raising process in 2009 highlighted a clear requirement for PGG Wrightson to better position itself to benefit from the positive economic fundamentals in the global food market. The direction we are taking this is to reinforce our position as a leading and sustainable provider of products, services and advice to improve client productivity and profitability.

To support this in June 2010 we announced we had realigned the business structure to unlock value for investors – identifying and strengthening the product and service offerings for farmers, growers and partners.

This effectively combined the Customer Services and Financial Services components of our business into a new AgriServices division, while the New Zealand, South American and Australian Seeds, Grain and Nutrition businesses were positioned into a new AgriTech division.

Slide 13 – Strategic direction in summary

The rationale for the realignment was based on tapping into the full value of the underlying businesses. In AgriServices the focus is on enhancing customer interactions, developing improved distribution offerings and further improving use of working capital. In AgriTech, the focus is squarely on the further development of propriety products to improve overall farm productivity and performance – focused clearly on improvement in profit margins. Michael and John will provide some more detail on this shortly.

Slide 14 – Supporting the strategy

To support the significant changes to the strategy and structure of the Group, the company has made a number of changes to key senior management that saw a reduction of two Group General Manager roles. The majority of these changes took effect following the year end:

- Michael Thomas has been appointed as Group GM AgriServices – Michael is the former PGG Wrightson Group GM Financial Services and has held GM positions at Landmark, one of Australia's largest agribusinesses
- John McKenzie has been appointed as Group GM AgriTech. John is the former PGG Wrightson Group GM Seed, Grain and Nutrition and was founder of specialist proprietary forage seed company Agricom Ltd
- Rob Woodgate as CFO – Rob has worked closely with the senior management team through the capital raise and more recently on the business strategy
- Andrew McSweeney, HR and Corporate Services

- Julian Daly, General Counsel and Company Secretary.

I will now hand you over to John McKenzie to provide some insight into a business which we believe holds tremendous potential for the future, our AgriTech division.

Slide 15 – Operational Review

[John McKenzie]

Slide 16 – AgriTech Seeds & Grain

The performance of the Seeds and Grain business was again a highlight of the year, with a performance that is noteworthy in light of subdued international trading conditions. The New Zealand business featured widespread adoption of endophyte technology AR37 and the commissioning of the Rolleston distribution centre. The Seeds business has seen progress in creating a strong team in Australia with some success in the adoption of new products. The international Seeds business also experienced a good trading year, meeting or exceeding all revenue and EBITDA targets.

Growing our capacity within the grain sector, we concluded the acquisition of the Te Awamutu grain drying and storage site of Allied Grain Cooperative, commenced construction of storage facilities at the Walton drying and storage site and the successful marketing of significant volume of maize grain on behalf of growers caught out by the sharp decline in maize silage demand in 2009.

On the R&D front, the Grasslands Innovation Shareholders Agreement was signed in June 2010, increasing the PGG Wrightson Seeds ownership to 70% and consolidating all our grass and legume breeding into this joint venture.

Slide 17 – AgriTech South America

PGG Wrightson Seeds continued to build and support the adoption of technology packages for our South American customers, including the farmers in Uruguay and Argentina. NZ Ruralco, our new company in Brazil, gained traction in that market. During the year we also finished the development of the Kiyu Research and development farm facilities in Uruguay.

Slide 18 – AgriTech Agri-feeds

Agri-feeds is a leading importer of cane molasses as a feed supplement for dairy farming in New Zealand. The company had a noteworthy performance in what can best be described as very challenging circumstances, with sales impacted by a low dairy payout forecast; we saw a56% decline in revenue in the first half of the year.

Slide 19 – AgriTech – Opportunities

We have the opportunity to build an Asian, Australasian and South American-centric Global Seeds business by linking Australia and South America with China. The Global Financial crisis will present opportunities to add to our Seeds footprint and expand our ability to take our intellectual property portfolio to market.

On the local front, we will continue to evaluate opportunities to expand our local footprint. An example is last week's acquisition of the maize division of Corson Grain Ltd, which complements PGG Wrightson Seeds' existing forage seed and maize grain businesses. We believe the integration of the two companies will serve to bring production and profitability benefits for maize silage growers, maize grain growers and maize end users.

I will now hand you over to my colleague, Michael Thomas to run through the AgriServices side of the business.

[Michael Thomas]

Slide 20 – AgriServices Merchandising

The performance of Merchandising, made up of Rural Supplies and Fruitfed, continues to be a barometer of tentative spending by farmers and grower clients and the impact of tighter liquidity on farm. A positive start to the 09/10 year for rural supplies was impacted during the second half by variable seasonal conditions and farmer caution, while traditional strong categories of seed, Agchem and fertiliser came under pressure as competitors scrambled for business. Fruitfed Supplies had a difficult year as did the entire horticultural and viticulture sectors, though it successfully maintained or grew share in key markets such as vegetables.

Slide 21 – AgriServices Livestock

It was an unusual year last year on the back of positive growing conditions during the first half of the year, motivating retention of stock and reduced tallies. During the latter six months dairy herd sales were back on prior years, consistent with the market place, though there was good support for contract procurement and livestock export programmes. Overall, this is a satisfactory result. We also gained some good traction for Agonline, NZ's first dedicated livestock auction site, which has seen positive sales volumes following the launch of breed specific auctions and other innovations, albeit volumes are relatively small to date.

Slide 22 – Finance

We would be the first to acknowledge that it is a difficult time to operate in the Finance sector. Overall we were pleased with the result of PGG Wrightson Finance for the year. The plan was to adopt a prudent and cautious approach during the current industry volatility. While impairment provisions were high at $8.9m this reflects a difficult year though this was partially offset by increased interest income. The company experienced excellent support from retail investors, while the debenture programme grew 12% during the year, with reinvestment rates at 77% continuing the high levels in prior years. As recently as last week we notified the market that we had secured long term banking funding support for a further three years, and more importantly beyond the period of the deposit guarantee scheme.

Slide 23 – AgriServices – Insurance

A successful joint partnership with Aon, this business had a strong year with business up 10% from 2009. Growth in this business will be underpinned by increased referrals and new product development. As a footnote, while Aon is deeply involved in dealing with Earthquake claims, like Aon, PGG Wrightson has no exposure as income is based on a brokerage business model.

Slide 24 - Comments on other operating units

Real Estate: Experienced ongoing decline in net units sold from 2009. However with prudent cost reduction targeting, the Real Estate division has continued to hold a leading position in rural property, and there are early signs of some movement in rural sector property this year.

Irrigation and Pumping: as expected I&P experienced a difficult year on the back of the reduced dairy payout, flat lifestyle market and subdued bank lending. While new installation were down dramatically year on year, a product mix switch to higher margin service revenue served to offset the performance

AgriServices, South America: South America experienced a solid year with positive revenue growth.

Agriculture New Zealand: Agriculture New Zealand Ltd had a very successful financial year 09/10 in difficult trading conditions with a Government Cap on Education Spending. The outlook for the next two years is similar with education funding focused on qualification completions, progression on to higher learning and job outcomes.

Slide 25 – AgriServices - Path Forward

As a company PGG Wrightson has an extremely strong footprint, and we do a lot of things well. We recognise however that there are challenges and on-farm priorities have changed in the wake of a global economic paradigm shift. Our aim therefore in the coming years will be to shift from a 'one size fits all' model to provision of tailored solutions and advice for our clients, thereby growing and strengthening our customer interactions and relationships. We also have a strong focus on our cost structures, with an aim of enhancing efficiencies throughout the supply chain.

In the knowledge that our business is about people, we also need to build the capabilities of our employees via investment in learning and development, while helping them do their job through better systems, processes and efficiency.

That summarises the operational overview – I will now hand you back to Sir John.

Slide 26 – Key Events and Outlook

[Sir John]

Slide 27 – Events subsequent to balance date

PGG Wrightson's head office is based here in Christchurch. In an area that stretches from about Amberley to Ashburton we have some 450 staff members – representing almost ¼ of all our employees. So as a company we were sensitive to the potential impact of the 4 September earthquake and the 2,000 aftershocks that have occurred to date.

On a relative scale PGG Wrightson escaped with minor operational disruption, though our recently commissioned distribution centre at Rolleston sustained damage to a high percentage of its storage racking systems.

It took a team of 60 people more than four weeks to extricate more than 1,800 tonnes of seed from collapsed pallet racking at the facility, and do repair work on the mixing and coating plants.

I would acknowledge our staff, our clients and our contractors who worked together in stressful conditions to ensure there was as little service disruption as possible to our clients. Further, I acknowledge all of our Canterbury staff, and others around the country that came together in the spirit of solidarity that has been the hallmark of this incredible event.

Comment on Tim Miles

All of us in the room will be aware that post the financial crisis the world has been a very different place. For PGG Wrightson this has meant restructuring our business. In considering the new strategy and environment it became apparent to the Board, and to our MD Tim Miles, that the MD's role would be different to that envisaged when Tim joined the company in February 2008. Accordingly the Board and Tim agreed that this would be an appropriate time for a change and so, effective Tuesday the 19th of October, Tim left the company.

Tim played a pivotal role in leading the company through its restructure post the Global Financial crisis. This included strengthening the Company's balance sheet, the introduction of new shareholders and a refreshed Board, and delivery of last year's results which as you will have heard earlier, were in line with PFI. No small task in the economic environment in which we were operating.

A process will commence shortly to identify a replacement and in the interim period the senior management team will work closely with the Chairman and Board.

On behalf of the Board and Management, I would wish Tim and his family well in his future endeavours.

Resignation of Jason Dale

I would also note the resignation of Jason Dale, PGG Wrightson's GM: Transformation and Strategy. Jason's resignation, while totally unrelated to the departure of Tim Miles, had followed time off recently for a health related matter. Jason played an invaluable role in the Group's capital raising and in the design and implementation of the Group's corporate strategy and structure. We wish Jason and his family all the very best for the future.

Until a replacement is found, Maurice Noone, a partner of PricewaterhouseCoopers, has agreed to carry on the work started by Jason in implementing strategic and change management initiatives.

NZ Farming Systems Uruguay

The details of this transaction are well known. PGG Wrightson agreed to sell its 28.1 million shares to Singapore-based Olam International for what eventuated as a price of $0.70 per share. PGG Wrightson supported the offer in the best interests of its shareholders, as in our opinion, the investment would best support the capital requirements of NZFSU as it pursued its growth strategy.

In the end, Olam's offer was good enough for the majority of shareholders - as the acceptance level of 78% speaks for itself. I would like to provide clarity also on the relationship with PGG Wrightson Uruguay and NZFSU as it stands today, and to the financial implications of the agreements:

- PGG Wrightson and Olam have agreed that following the internalisation of the management agreement, that there would be no formal Preferred Supplier Agreement entered into. Rather, that NZFSU would agree to retain PGG Wrightson as its preferred supplier for the purchase of farm inputs where PGG Wrightson is competitive, and that the fee to be paid to PGG Wrightson for termination of the management agreement would lift from $4 million to $4.6 million. PGG Wrightson and NZFSU will continue to retain a close working relationship moving forward.

- That all outstanding monies in New Zealand and Uruguay owed to PGG Wrightson would be paid by end of 2010. This amounts to approximately $24.6 million at current exchange rates.

It is envisaged that these funds would go towards further debt reduction. I would also reinforce that PGG Wrightson remains very committed to its core business in Uruguay, which is an important part of our overall strategy.

Slide 28 – Wool Partners Co-operative

On 20 October 2010 Wool Partners Co-operative registered a prospectus and Investment Statement aimed at gaining the commitment and capital of 50% of New Zealand wool growers into a new co-operative venture.

Specifically, the prospectus is seeking commitment on the basis of one $1 share for every kilo of greasy strong wool produced. Payment will be 20 cents per kilo upon subscription and four further annual calls of 20 cents per kilo each, beginning May 2011. Payments other than the initial 20 cents per kilo subscription can be made by deduction from wool cheques rather than in cash.

The proceeds of the capital raising will be used to purchase selected assets from Wool Partners International, including leading international brands: the Wools of New Zealand business, the National Wool Auction Centre and WPI's procurement network.

The arrangements negotiated and being put in place, subject to this capital raising, will see New Zealand Wool handlers as the sole remaining asset of WPI – which is currently owned by Wool Grower Holdings and PGG Wrightson. A successful capital raising by WPC would ultimately make the existence of WGH irrelevant, and it is therefore likely that WGH would seek to sell out its shareholding in WPI to PGG Wrightson. That would be subject to negotiation by the two parties.

Slide 29 – Primary Growth Partnership

Integrated value chain for red meat

As many of you will be aware, PGG Wrightson is partnering with Government, Silver Fern Farms and Landcorp Farming to transform the meat sector. If successful it is estimated that this programme will grow the red meat sector by 50% by 2025. It will also provide projected growth of New Zealand's GDP of $1.1 billion over the seven years of the programme, and $8.8 billion net economic benefit out to 2025.

The programmes' seven project streams and 18 sub-projects work to improve the capture and utilisation of both market and farm production information. This information will then support the development of new value-driven genetics and extension work that underpin the programme.

A government-industry partnership of up to $151 million has been agreed, with PGP funding of up to $59.5 million over seven years. The private sector partners are providing 61%, with Silver Fern Farms contributing 45% of the total. PGG Wrightson and Landcorp will provide a mix of capital, in kind skills, nutritional expertise and resourcing across the seven projects

Slide 30 – Outlook

Slide 31 - Outlook

You have heard that we have re-engineered our company as we focus on transforming our business to ensure our clients and our shareholders are best positioned to benefit from improved medium to longer term fundamentals for the primary sector.

PGG Wrightson has now come through the first quarter of the current financial year. As expected business conditions remain muted as a result of tight liquidity and market volatility, while the NZ$ exchange rate also continues to be a concern.

Given the current market outlook, the Board expects trading performance for the current financial year to be largely in line with the prior reporting period. There is upside at NPAT level taking into account reduced interest costs.

As outlined earlier, our focus remains on reducing debt and as a result no dividend will be declared this fiscal year.

Slide 32 – Questions

Questions

Ladies and gentlemen, we will now take questions and discussion on the annual report, and on the matters covered by the senior management team and myself.

Slide 33 – **Business Resolutions**

We now come to the business of the meeting.

The proposed resolutions will now be considered by the meeting, with all resolutions to be determined by voice unless inconclusive in which case I may call for a show of hands or a poll.

The company's auditors, KPMG will act as scrutineers. The resolutions and accompanying explanatory notes are set out in the Notice of Meeting.

Business – Election of Directors

The first item of business is the seven resolutions for re-election and election, as the case may be, of Directors. There are biographical notes on the Directors on page 18 and 19 of this year's Annual Report and in the Notice of Meeting. Each of the prospective candidates will have the opportunity to address the meeting.

Given that I am standing for election, I will pass the Chair to Bruce Irvine for this part of the meeting.

Sir Selwyn John Cushing, Keith Raymond Smith, and William David Thomas are retiring under the rotation policy and Sir John Anthony Anderson, George Arthur Churchill Gould, Alan Lai and Tao Xie, having been appointed by the Directors since the previous Annual Meeting, retire in accordance with the NZSX Listing Rules. All are eligible and offer themselves for re-election and election respectively.

Each of the nominees standing for election and re-election will now have an opportunity to address the meeting. I would note there is no obligation to do so.

Sir Selwyn John Cushing
Keith Raymond Smith
William David Thomas
Sir John Anthony Anderson
George Arthur Churchill Gould
Alan Lai
Tao Xie

Each of the elections and re-elections of directors will be dealt with as separate motions and will be moved as separate resolutions.

I note the automatic reappointment of KPMG as the company's auditors under section 200 of the Companies Act 1993. The proposed ordinary resolution is to authorise the board of directors to fix the auditor's remuneration. As is usual with audit fees, due to the complexity and changing nature of the company's affairs, it is not possible to fix the remuneration at the beginning of the year.

General Business

Ladies and gentlemen, the meeting is now open for general discussion. Are there any further matters for discussion or questions?

Closing

That completes the business of the meeting. The documents from today's presentation are available on the New Zealand Stock Exchange website. I thank you for your attendance. I would like to invite you to stay for light refreshments with the Board and Executives who have joined us for the occasion.