PGG Wrightson Limited

2013 Annual Meeting

Riccarton Park Function Centre

Christchurch

Wednesday 22 October 2013 at 2.30pm

Sir John Anderson, Chairman

Slide 2 – AGENDA

Welcome

Slide 3 – DIRECTORS INTRODUCTION

Slide 4 – SENIOR MANAGEMENT

Apologies

Slide 5 - FORMALITIES

Notice of Meeting

Minutes

Proxies

Annual Report

Slide 6 – CHAIRMAN'S ADDRESS

We now move to the main business of the meeting.

My role will be to lay the groundwork with a high level review of the past financial year. Our Chief Executive Mark Dewdney will provide the operational insights into the underlying businesses and how they are tracking in the current financial year.

Finally, Rob Woodgate, our Chief Financial Officer, will then run through the financial headlines from the past year.

At that point there will be an opportunity for questions and I will outline the procedure for that part of the meeting when the time comes.

Following question time the business of the meeting comprises of five resolutions, which are outlined in the Notice of Meeting. Similarly to last year we have again offered shareholders the option to cast their votes on meeting business by post or online. This option provides shareholders with more flexibility and convenience where they cannot attend in person or by proxy but nevertheless wish to cast their votes on meeting business. Given that votes can be cast by shareholders not attending the meeting it makes sense that all resolutions will be determined by way of a poll. After the business of the meeting those in attendance that have not yet cast their votes prior to the meeting will have the opportunity to do so.

Slide 7 – OVERVIEW

During the year to 30 June 2013 PGG Wrightson* continued the process of refocusing on our core business, enabling our staff to build on the relationships they have with our customers and maximising the value created by the wealth of expertise that the company, and our people, possess.

Many farmers found 2012/13 a tough year. New Zealand suffered its most severe drought in almost 70 years, with many farming regions receiving little rainfall through the late summer and autumn. As a company, our fortunes are closely tied to those of our customers and this is reflected in our overall results.

Operating earnings before interest, tax and depreciation (Operating EBITDA**) for the year was $45.8 million, compared with $55.2 million for the year to June 2012.

Despite Operating EBITDA declining this year, the company is committed to providing a cash return to investors. Accordingly, shareholders have received a final dividend of one cent per share, making a total of 3.2 cents per share paid for the year.

Slide 8 – GOODWILL WRITEDOWN

Related to our Operating EBITDA decline, this year the Board determined to write off $321.1 million of goodwill that has been carried on our balance sheet since 2005. This goodwill asset was largely created as a consequence of the accounting treatment used during the merger that established PGG Wrightson. Goodwill is an intangible asset and the write down has no effect on the company's day-to-day business or banking arrangements, no bearing on our ability to generate cash and no impact on our dividend policy.

Slide 9

The results of the past financial year were recorded during George Gould's tenure and on behalf of the board of directors and personally, I would like to pay tribute to his leadership of the company. George was previously a non-executive director of the company and at the request of the Board in 2011, he agreed to take on the challenge as managing director. With a successful track record in rural servicing and an affinity for the business, George helped to stabilise the company as it re-focussed on its core offerings. In a successful two and a half years, George did exactly what was required to guide the company back to a position of strength.

In July 2013 Mark Dewdney assumed the role of the company's Chief Executive Officer. Mark's background and leadership credentials within the New Zealand agri-business sector are of the highest order. We are confident he is the right person to build on the excellent work done by his predecessor. Finally, on behalf of the Board I would acknowledge the effort and commitment of our staff across the PGG Wrightson business.

[Mark Dewdney – Chief Executive]

Slide 10 – OPERATIONAL REVIEW

Slide 11 – OPERATIONAL PERFORMANCE

For the year under review the company achieved Operating EBITDA of $45.8 million compared with $55 million last year, a decrease of 17%. Excluding the goodwill write-off, net profit would have been $14.6 million compared with $24.4 million in the prior year.

Within the context of a challenging year for many farmers, the financial performance indicates that our business is fundamentally sound.

Our business experienced both negative and positive impacts from the drought. Our livestock business closely tracks the fortunes of our customers and lower livestock values led directly to reduced earnings for both farmers and for us.

On the positive side, drought increases the demand for animal feed. It also negatively influences seed purchasing decisions.

While the company's retail, wool and irrigation businesses performed strongly, our seeds, grain, livestock and real estate businesses faced challenges.

Slide 12 – RURAL SERVICES

In a tough environment, our retail business, through our Rural Supplies division and Fruitfed Supplies, had an excellent year, exceeding last year's results.

Our store refreshment programme is well advanced, with the South Island programme now complete and progress underway in the North Island.

Our livestock business directly reflects the fortunes of livestock farming in New Zealand. Lower export prices and the drought resulted in significantly reduced sheep and lamb values, which impacted farm profitability and reduced revenue for our livestock business. Our livestock export business completed a major dairy heifer contract to Vietnam early in the season, but has not secured any additional export contracts.

Reintegration of our wool operations into the wider PGG Wrightson group is now complete. This, and a restructure of our wool logistics operation, enabled the business to achieve improved performance through reduced costs.

PGG Wrightson Real Estate is a market leader in rural and farm sales nationwide but the business had a tough year with turnover in the market still below historical levels. We are now reinvigorating the business and we were pleased to recently announce the appointment of Peter Newbold as General Manager Real Estate.

Operating EBITDA for our insurance business was consistent with the previous year.

The irrigation business performed well and achieved gains and an increase in the number of irrigators sold resulting in a significant increase in revenue growth. The outlook for irrigation is positive. A number of major irrigation schemes are likely to come online over the next decade, supported by a government focus on the importance of irrigation to our economy. Consistent with this theme, we were pleased to announce last month the acquisition by PGG Wrightson of the Water Dynamics and Aquaspec businesses from Pentair. These businesses are complementary to our existing irrigation business and add additional strength to grow our reach across the broader water management sector.

Agriculture New Zealand is a specialist provider of agriculture and horticulture training courses. There have been changes to the Government funding model which have negatively impacted the business.

PGG Wrightson's South American Rural Services businesses offer similar services to our New Zealand offering. While we enjoyed good growth in irrigation, competition in the animal health sector increased, and turnover in the real estate market remained subdued.

Slide 13 – SEED & GRAIN

Our New Zealand seed business continues to enjoy strong growth, underpinned by our research development programme and the release of new products. A notable contributor was our Clean Crop™ brassica system, which exceeded target in its first full year of commercial sales.

Our Australian seed business was down on the previous year, mainly due to weather issues.

Our international seed business continues to suffer from the strong New Zealand dollar, especially in Europe where many of our customers are based.

During the year we continued to work with researchers in China to develop and demonstrate cultivars suitable for the Chinese climate.

Our grain business was down on the previous year. While volumes were up, there was pressure on margins – a number of these a consequence of the drought as farmers used grain earlier than usual.

With operations in Uruguay, Argentina and Brazil, our South American seed business is a major player in the region. To add value to seed we commissioned a seed coating facility in Uruguay whose results have exceeded expectations.

At the start of the year Agri-feeds sold its molasses business into a new joint venture. Profit for this part of the business is now reported as earnings from associates rather than in operating EBITDA.

Slide 14 – Strategy

I've now been with the business for almost four months and I'd like to share with you some of my observations on the business and our strategies for the future.

Firstly, I've been very impressed with the quality of our people and their commitment to the business. This is something the business has been working on and is measured annually through a staff survey. The results of this are very encouraging and show that over the last three years, staff engagement and commitment to the business has steadily improved. This is fundamental because engaged staff will go the extra mile to support the business and our customers.

Equally important is the commitment of customers to our business. Again the level of support we enjoy from customers is very good. We measure this through customer satisfaction surveys and this too is improving year on year.

Committed staff, and loyal customers provide us with a solid foundation for the business. It doesn't insulate us from the external factors such as weather, exchange rates and commodity prices which impact the sector, but it gives me a great deal of optimism that, these other factors being equal, we will continue to see our performance improve.

Over the last two months we've reviewed our strategies for each of our operating businesses. While each business must respond to its particular market and challenges the common themes that recur across our businesses is the continuing need to ensure:

- We have the best people – through developing the staff we have and recruiting good people where necessary,

- That we keep a focus on adding value to customers by providing them a level of service, expertise and product innovation that leads the market
- That we move faster to capture new opportunities within the market as they emerge. Illustrating this, we expanded our irrigation business last month as I noted earlier with the acquisition of a smaller complementary business. This is an area of importance for New Zealand agriculture and we want to make sure that we are the market leaders in it.

For us to be able to capture these opportunities it is essential that we have a profitable underlying business that generates good cash flows, this then gives us options at different levels that can be good for all stakeholders. From this platform we are then in a position to look for suitable investments that build on our core competencies and at the same time deliver a sustainable return to investors in PGW.

Within the next twelve months I expect that there will be growth options within the domestic Seed & Grain business building on the requirements for maize as a supplementary feed option for dairy farmers. Dairy also needs to be a key focus across the business where we are still behind the longer term trend and are not a major participant when it comes to this key market. We have seen the market grow as the dairy sector becomes a key aspect of the NZ farming landscape, a trend we can only see getting bigger.

South America is also on our development plan, we have been in that part of the world for almost 20 years and have established a profitable business predominantly built around our seed offering. Opportunities in Uruguay and north into Brazil have the potential to be very positive for our temperate and sub-tropical varietals, and with the footprint and people we have on the ground there is sound logic to look to expand in this region.

We've also got an on-going programme of infrastructure investment to complete – primarily this is about improving our IT systems, giving better tools to our front line sales teams and ensuring our store network is fit for purpose. IT will be a crucial tool in giving our staff the right information that will allow us to demonstrate how we can add value to our customer base, it can also help attract and retain the right staff in the business. What I have observed is that we can get much better when it comes to linking up the respective parts of our business with the customer. In some instances we are letting good opportunities slip through by not converting some of the leads we intrinsically get through being close to our customers and their operations. The programme of works around the IT space has essentially been underway for the last three years and has another 2-3 years to go.

The goal we have set as a management team is to lift profitability by approximately 50% over the next few years. It's not an easy goal but one which we believe is achievable if we can execute our strategies and continue to make improvements across all parts of the business.

Slide 15 – Water

While I am discussing strategy, I'd like to briefly talk about the acquisition of Water Dynamics and Aquaspec that we announced in September. That acquisition will be completed this Friday bringing those two businesses into the PGG Wrightson tent as part of our existing irrigation and pumping business.

We are rebranding the combined business to PGG Wrightson Water which reflects our broader aspiration to be the clear market leaders in the provision of water systems and solutions to our customers – be that irrigation, stock water reticulation, farm effluent systems or household water supplies.

The businesses we have acquired are highly complementary to our existing business, but help take us to that goal of market leadership. They provide us with nationwide footprint, fast-tracking our ability expand into the North Island, and provide us with an improved wholesale capability – something we were lacking in this space.

While the acquisition itself might not appear as a game changer, we are very excited about as it completes our offering and gives us a platform from which we can readily grow to a position of market leadership.

[Rob Woodgate, Chief Financial Officer]

Slide 16 – FINANCIAL REVIEW

As noted the operating EBITDA was $45.8 million – down on the prior year but in line with expectations given the on-farm challenges experienced by our customers

Slide 17 – FINANCIAL PERFORMANCE

The Chairman has briefly discussed the nature of the Goodwill write-down. With the exception of this, our profit result was "straight-forward" in general. The non-operating adjustments which take us from Operating EBITDA to profit are all largely the same as the prior year. A significant improvement is in our interest and finance costs which are a direct result of carrying lower debt in the business.

It's worth noting that following the joint venturing of our Agri-feeds molasses business last August, the profit from this business is now recorded in earnings of associates, essentially moving from Operating EBITDA but remaining in the Net Profit result. We incurred a loss on the sale of this business and also, recorded a loss from exiting a building which still had several years to run on its lease, both of these showing up as non-operating items.

Slide 18 – BALANCE SHEET and CASH FLOW

Operating cash flow was strong at $39.3 million. This is generated both by the operating profits of the business and also from improvements we have made in our working capital – by focusing on our debtors and inventory decisions, and proactively working with our creditors. We've made good gains in this in the previous year and have continued to make gains in the year just finished. We still see improvement possible in terms of working capital, however they do get harder to deliver from here on.

The balance sheet is very sound. Our debt levels continued to improve through the year– down from $125 million a year ago to just over $100 million. We're very comfortable with this level of debt and, while we look to continue reducing it over time we are now back in a position where we are looking to make the investments in the business Mark referred to earlier and continue to support a regular dividend.

[**Mark Dewdney – Chief Executive]**

SLIDE 19 – OUTLOOK

The Board have reviewed our performance so far this season and conditions on farm. Spring and autumn are the two key periods for this business. So, while it is too early to have high levels of certainty around how the year will play out, I'm pleased to advise that based on current conditions and performance we are on track to deliver an operating EBITDA for the current year of $52-$56 million. This will be firmed up at our half year announcement.

[**Sir John Anderson]**

Questions and discussion on the Annual Report etc…

SLIDE 20 – CHAIRMAN

Before we move to the general business of the meeting, I'd like to invite Alan Lai to address the meeting. The Board today elected Alan to succeed me as Chairman.

[**Alan Lai to speak]**

[Sir John Anderson]

Following my retirement as Chairman and Director of the company at the conclusion of this meeting the Board intends to resolve to appoint John Nichol to the Board. A chartered accountant, John Nichol has held a number of governance and executive management roles within the agricultural sector. Among his many governance roles he was a director of the New Zealand Dairy Board prior to the formation of Fonterra and was Chairman of the New Zealand Merino Company until 2011.

The Board has determined that John Nichol would qualify as an Independent Director and with his accounting and audit committee experience would be a good addition to the PGG Wrightson Audit Committee.

As is conventionally the case, John will stand for election at the next Annual Shareholders Meeting.

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 21 – GENERAL BUSINESS OF THE MEETING

The proposed resolutions will now be considered by the meeting, with all five resolutions to be determined by a poll that will be undertaken by our share registrar, Computershare. The company's auditors, KPMG are here to act as scrutineers if required. The resolutions and accompanying explanatory notes are set out in the notice of meeting.

Business – Election of Directors

The first four resolutions relate to the election of directors. The notice of meeting records that Trevor Burt, Ronald Seah, Patrick Tsang and Kean Seng U were each appointed to the Board by the Directors subsequent to last year's annual meeting. As such, and in accordance with NZX listing rules each retires and offers themselves for election. Biographical notes for each of the directors standing for election are set out in the notice of meeting. These details are also briefly summarised on the presentation.

Slide 22 – TREVOR BURT

Trevor Burt is the chair of Ngai Tahu Holdings Corporation and the Lyttelton Port Company. He is also a director of a number of the well-known New Zealand companies including; Silver Fern Farms, Landpower Holdings, Mainpower NZ and is a commissioner on the Earthquake Commission.

Trevor is an associated person of Agria (Singapore) Pte Ltd – our cornerstone shareholder.

[Trevor to speak]

Slide 23 – RONALD SEAH

Ronald Seah is a Singaporean national with a background in bank and funds management, with an executive career in the AIG group of companies. He is director of a number of Singaporean listed companies including Yanlord Land Group Ltd, Telechoice International Ltd and is a director of Invenio Holdings Pte Ltd (a subsidiary of Olam International).

Ronald is an independent director.

[Ronald to speak]

Slide 24 – PATRICK TSANG

Patrick Tsang is the Chief Financial Officer of Agria Corporation and has held finance roles in a number of companies listed on the Hong Kong Stock Exchange. He is currently a director of China Pipe Group Ltd which is itself a Hong Kong listed company.

Patrick is an associated person of Agria (Singapore) Pte Ltd.

[Patrick to speak]

Slide 25 – KEAN SENG U

Kean Seng U is Head of Corporate and Legal Affairs for Agria Corporation. He was previously a partner at a Singaporean law firm, Shooklin and Bok LLP, and has advised on investment in China and Chinese entities investing offshore. He is also a director of several publicly listed corporations.

Kean Seng is an associated person of Agria (Singapore) Pty Ltd.

[Kean Seng to speak]

Slide 26 – RESOLUTION 5, AUDITOR'S REMUNERATION

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 of PGG Wrightson to set the auditors' remuneration. As is usual with audit fees, due to the complexity and changing nature of the company's affairs, it is impractical to set the remuneration at the beginning of the year. Accordingly, the board of directors are seeking authority from the shareholders of the company to set the audit fees at the appropriate time.

Thank you.

I will now move each of the five motions separately as ordinary resolutions. A poll will be conducted in respect of all five resolutions at the conclusion of general business. For those that have not cast postal votes already please complete you ballot paper at the conclusion of general business and hand this in to the Computershare desk at the back of the room. The results of the poll will be displayed on the projector screen following the conclusion of the meeting.

Slide 27 - GENERAL BUSINESS

Ladies and gentlemen, the meeting is now open for general business.

Slide 28 – MEETING END

Notes:

*All references to PGG Wrightson Limited or the Company refer to the Company, its subsidiaries and interests in associates and jointly controlled entities.

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

PGW's standard profit measure prepared under New Zealand GAAP is net profit. 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*

GAAP to non-GAAP reconciliation:

($'000)	*2013*	*2012*
Profit/(loss) for the year (GAAP)	***(306,505)***	***24,453***
Add Profit/(loss) from discontinued operations (net of income taxes)	*1,584*	*809*
Add Income tax (expense)/income	*5,029*	*3,341*
Add Net interest and finance costs	*6,102*	*13,835*
Add Depreciation and amortisation expense	*7,642*	*8,323*
Add Fair value adjustments	*5,151*	*2,560*
Add Non operating items	*7,134*	*1,941*
Add Impairment losses on goodwill	*321,143*	*-*
Deduct Equity accounted earnings of associates	*(1,483)*	*(101)*
Operating EBITDA	***45,797***	***55,161***