

PGG Wrightson Limited

Key financial disclosures

For the six months ended 31 December 2014

PGG Wrightson Limited
Interim Statement of Profit or Loss

For the six months ended 31 December

	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
Continuing operations			
Operating revenue	654,699	1,219,383	634,892
Cost of sales	(495,785)	(914,467)	(489,331)
Gross profit	158,914	304,916	145,561
Other income	336	285	192
Employee benefits expense	(75,667)	(144,813)	(71,545)
Research and development	(2,212)	(4,839)	(2,275)
Other operating expenses	(47,731)	(96,802)	(49,619)
	(125,274)	(246,169)	(123,247)
Operating EBITDA (excluding earnings of associates)	33,640	58,747	22,314
Equity accounted earnings of associates	159	2,521	1,246
Operating EBITDA (including earnings of associates)	33,799	61,268	23,560
Non-operating items	986	6,422	(1,089)
Fair value adjustments	282	1,310	1,385
EBITDA	35,067	69,000	23,856
Depreciation and amortisation expense	(3,708)	(11,242)	(3,696)
Results from continuing operating activities	31,359	57,758	20,160
Net interest and finance costs	(3,263)	(7,926)	(5,803)
Profit from continuing operations before income taxes	28,096	49,832	14,357
Income tax expense	(8,541)	(8,472)	(2,304)
Profit from continuing operations	19,555	41,360	12,053
Discontinued operations			
Profit from discontinued operations (net of income taxes)	162	898	1,353
Profit for the period	19,717	42,258	13,406
Earnings per share			
Basic earnings per share (New Zealand Dollars)	0.026	0.056	0.018
Continuing operations			
Basic earnings per share (New Zealand Dollars)	0.026	0.055	0.016

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

PGG Wrightson Limited
Interim Statement of Other Comprehensive Income

For the six months ended 31 December

	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
Profit for the period	19,717	42,258	13,406
Other comprehensive income/(loss) for the period			
Items that will never be reclassified to profit or loss			
Changes in fair value of equity instruments	(2,450)	(842)	38
Remeasurements of defined benefit liability	(3,127)	5,117	8,116
Deferred tax on remeasurements of defined benefit liability	876	(1,433)	(2,273)
	(4,701)	2,842	5,881
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations	3,050	(7,062)	(5,116)
Effective portion of changes in fair value of cash flow hedges	(170)	649	(36)
Income tax on changes in fair value of cash flow hedges	269	(269)	-
	3,149	(6,682)	(5,152)
Other comprehensive income/(loss) for the period, net of income tax	(1,552)	(3,840)	729
Total comprehensive income for the period	18,165	38,418	14,135
Profit attributable to:			
Shareholders of the Company	19,477	42,249	13,082
Non-controlling interest	240	9	324
Profit for the period	19,717	42,258	13,406
Total comprehensive income/(loss) attributable to:			
Shareholders of the Company	17,634	38,721	13,994
Non-controlling interest	531	(303)	141
Total comprehensive income for the period	18,165	38,418	14,135

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

PGG Wrightson Limited

Interim Segment Report

For the six months ended 31 December

(a) Operating Segments

The Group has two primary operating divisions: Rural Services and Seed & Grain. Rural Services is further separated into three reportable segments, as described below, which are that segment's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different skills, technology and marketing strategies. Within each segment, further business unit analysis may be provided to management where there are significant differences in the nature of activities. The Chief Executive Officer or Chairman of the Board reviews internal management reports on each strategic business unit on at least a monthly basis.

- Retail. Includes the Rural Supplies and Fruited retail operations, AgNZ (Consulting), Agritrade and ancillary sales support, supply chain and marketing functions.
- Livestock. Includes rural Livestock trading activities and Export Livestock.
- Other Rural Services. Includes Insurance, Real Estate, Wool, PGG Wrightson Water, AgNZ (Training), Regional Admin, Finance Commission and other related activities.
- Seed & Grain. Includes Australasia Seed (New Zealand and Australian manufacturing and distribution of forage seed and turf), Grain (sale of cereal seed and grain trading), South America (various related activities in the developing seeds markets including the sale of pasture and crop seed and farm inputs, together with operations in the areas of livestock, real estate and irrigation), and other Seed & Grain (Research and development, international, production and corporate seeds).

Other non-segmented amounts relate to certain Corporate activities including Finance, Treasury, HR and other support services including corporate property services and include adjustments for discontinued operations (PGW Rural Capital Limited) and consolidation adjustments.

(b) Operating Segment Information

	Rural Services			Seed & Grain			Total operating segments			Other			Total		
	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
Total segment revenue	470,086	765,627	425,424	215,240	529,694	254,682	685,326	1,295,321	680,106	1,029	2,253	1,035	686,355	1,297,574	681,141
Intersegment revenue	-	-	-	(31,656)	(78,191)	(46,249)	(31,656)	(78,191)	(46,249)	-	-	-	(31,656)	(78,191)	(46,249)
Total external operating revenues	470,086	765,627	425,424	183,584	451,503	208,433	653,670	1,217,130	633,857	1,029	2,253	1,035	654,699	1,219,383	634,892
Operating EBITDA (excluding earnings of associates)	33,214	52,988	28,048	13,345	33,965	9,722	46,559	86,953	37,770	(12,919)	(28,206)	(15,456)	33,640	58,747	22,314
Equity earnings of associates	-	-	-	189	2,494	1,241	189	2,494	1,241	(30)	27	5	159	2,521	1,246
Operating EBITDA (including earnings of associates)	33,214	52,988	28,048	13,534	36,459	10,963	46,748	89,447	39,011	(12,949)	(28,179)	(15,451)	33,799	61,268	23,560
Non-operating items	(34)	1,027	(212)	(159)	3,378	(974)	(193)	4,405	(1,186)	1,179	2,017	97	986	6,422	(1,089)
Fair value adjustments	282	1,388	1,390	-	-	-	282	1,388	1,386	-	(78)	(1)	282	1,310	1,385
EBITDA	33,462	55,403	29,226	13,375	39,837	9,989	46,837	95,240	39,211	(11,770)	(26,240)	(15,355)	35,067	69,000	23,856
Depreciation and amortisation	(1,362)	(2,498)	(1,174)	(1,640)	(3,296)	(1,645)	(3,002)	(5,794)	(2,819)	(706)	(5,448)	(877)	(3,708)	(11,242)	(3,696)
Results from continuing operating activities	32,100	52,905	28,052	11,735	36,541	8,344	43,835	89,446	36,392	(12,476)	(31,688)	(16,232)	31,359	57,758	20,160
Net interest and finance costs	235	(705)	(215)	(700)	(2,894)	(2,396)	(465)	(3,599)	(2,607)	(2,798)	(4,327)	(3,196)	(3,263)	(7,926)	(5,803)
Profit/(loss) from continuing operations before income tax	32,335	52,200	27,837	11,035	33,647	5,948	43,370	85,847	33,785	(15,274)	(36,015)	(19,428)	28,096	49,832	14,357
Income tax (expense) / income	(9,312)	(14,676)	(6,830)	(5,780)	(9,780)	(1,531)	(15,092)	(24,456)	(8,361)	6,551	15,984	6,057	(8,541)	(8,472)	(2,304)
Profit/(loss) from continuing operations	23,023	37,524	21,007	5,255	23,867	4,417	28,278	61,391	25,424	(8,723)	(20,031)	(13,371)	19,555	41,360	12,053
Discontinued operations	-	-	-	-	-	-	-	-	-	162	898	1,353	162	898	1,353
Profit/(loss) for the period	23,023	37,524	21,007	5,255	23,867	4,417	28,278	61,391	25,424	(8,561)	(19,133)	(12,018)	19,717	42,258	13,406
Segment assets	357,978	238,274	314,989	302,892	319,194	313,200	660,870	557,468	628,189	65,916	74,502	66,807	726,786	631,970	694,996
Equity accounted investees	-	-	-	1,603	1,274	5,295	1,603	1,274	5,295	60	90	68	1,663	1,364	5,363
Assets held for sale	-	-	-	11	-	-	11	-	-	-	1,168	21	11	1,168	21
Total segment assets	357,978	238,274	314,989	304,506	320,468	318,495	662,484	558,742	633,484	65,976	75,760	66,896	728,460	634,502	700,380
Segment liabilities	(214,114)	(153,338)	(180,328)	(144,657)	(157,946)	(137,810)	(358,771)	(311,284)	(318,138)	(108,718)	(53,516)	(120,688)	(467,489)	(364,800)	(438,826)

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

PGG Wrightson Limited
Interim Segment Report continued

For the six months ended 31 December

(b) Operating Segment Information continued

	Retail			Livestock			Other Rural Services			Rural Services		
	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
Total segment revenue	314,303	485,955	297,144	41,454	76,850	29,494	114,329	202,822	98,786	470,086	765,627	425,424
Intersegment revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total external operating revenues	314,303	485,955	297,144	41,454	76,850	29,494	114,329	202,822	98,786	470,086	765,627	425,424
Operating EBITDA (excluding earnings of associates)	24,289	25,509	21,679	3,358	13,389	1,026	5,567	14,090	5,343	33,214	52,988	28,048
Equity earnings of associates	-	-	-	-	-	-	-	-	-	-	-	-
Operating EBITDA (including earnings of associates)	24,289	25,509	21,679	3,358	13,389	1,026	5,567	14,090	5,343	33,214	52,988	28,048
Non-operating items	(35)	(206)	(206)	(1)	171	-	2	1,062	(6)	(34)	1,027	(212)
Fair value adjustments	-	-	-	282	1,388	1,386	-	-	-	282	1,388	1,386
EBITDA	24,254	25,303	21,473	3,639	14,948	2,412	5,569	15,152	5,337	33,462	55,403	29,222
Depreciation and amortisation	(632)	(1,256)	(551)	(282)	(595)	(303)	(448)	(647)	(320)	(1,362)	(2,498)	(1,174)
Results from continuing operating activities	23,622	24,047	20,922	3,357	14,353	2,109	5,121	14,505	5,017	32,100	52,905	28,048
Net interest and finance costs	123	(139)	(63)	(136)	158	152	248	(724)	(300)	235	(705)	(211)
Profit/(loss) from continuing operations before income tax	23,745	23,908	20,859	3,221	14,511	2,261	5,369	13,781	4,717	32,335	52,200	27,837
Income tax (expense) / income	(6,652)	(6,817)	(4,694)	(902)	(4,119)	(203)	(1,758)	(3,740)	(1,933)	(9,312)	(14,676)	(6,830)
Profit/(loss) from continuing operations	17,093	17,091	16,165	2,319	10,392	2,058	3,611	10,041	2,784	23,023	37,524	21,007
Discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the period	17,093	17,091	16,165	2,319	10,392	2,058	3,611	10,041	2,784	23,023	37,524	21,007
Segment assets	228,874	104,659	199,964	61,282	66,289	55,535	67,822	67,326	59,490	357,978	238,274	314,989
Equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total segment assets	228,874	104,659	199,964	61,282	66,289	55,535	67,822	67,326	59,490	357,978	238,274	314,989
Segment liabilities	(146,499)	(55,294)	(115,550)	(36,813)	(61,093)	(31,044)	(30,802)	(36,951)	(33,734)	(214,114)	(153,338)	(180,328)

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

PGG Wrightson Limited
Interim Statement of Cash Flows

For the six months ended 31 December

	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers	571,092	1,284,428	572,658
Dividends received	2	9	2
Interest received	909	3,190	810
	<u>572,003</u>	<u>1,287,627</u>	<u>573,470</u>
Cash was applied to:			
Payments to suppliers and employees	(571,035)	(1,223,893)	(556,833)
Interest paid	(3,518)	(4,791)	(2,349)
Income tax paid	(8,887)	(4,119)	(3,739)
	<u>(583,440)</u>	<u>(1,232,803)</u>	<u>(562,921)</u>
Net cash flow from operating activities	(11,437)	54,824	10,549
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of property, plant and equipment and assets held for sale	1,645	1,898	1,699
Net decrease in finance receivables	-	7,918	321
Net proceeds from sale of investments	222	21,109	11,448
	<u>1,867</u>	<u>30,925</u>	<u>13,468</u>
Cash was applied to:			
Purchase of property, plant and equipment	(4,145)	(38,006)	(4,633)
Purchase of intangibles (software)	(811)	(4,238)	(512)
Net cash paid for purchase of investments	(152)	(7,171)	(5,133)
Net increase in finance receivables	(264)	-	-
	<u>(5,372)</u>	<u>(49,415)</u>	<u>(10,278)</u>
Net cash flow from investing activities	(3,505)	(18,490)	3,190
Cash flows from financing activities			
Cash was provided from:			
Increase in external borrowings and bank overdraft	48,994	3,725	24,910
Repayment of loans by related parties	-	1,803	160
	<u>48,994</u>	<u>5,528</u>	<u>25,070</u>
Cash was applied to:			
Dividends paid to shareholders	(26,689)	(22,906)	(7,642)
Dividends paid to minority interests	(208)	(995)	(64)
Repayment of loans to related parties	(394)	-	(725)
Repayment of external borrowings and bank overdraft	-	(12,463)	(11,977)
	<u>(27,291)</u>	<u>(36,364)</u>	<u>(20,408)</u>
Net cash flow from financing activities	21,703	(30,836)	4,662
Net increase in cash held	6,761	5,498	18,401
Opening cash	11,343	5,845	5,845
Cash and cash equivalents	18,104	11,343	24,246

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

	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
Profit after taxation	19,717	42,258	13,406
Add/(deduct) non-cash/non operating items:			
Depreciation, amortisation and impairment	3,708	11,242	3,696
Fair value adjustments	(282)	(1,310)	(1,385)
Net (profit)/loss on sale of assets/investments	(276)	(5,829)	326
Bad debts written off (net)	294	90	(15)
(Increase)/decrease in deferred taxation	(1,755)	(1,615)	2,514
Equity accounted earnings from associates	(159)	(2,521)	(1,246)
Contractual obligations accrual	-	(160)	-
Discontinued operations	(162)	(898)	(1,353)
Effect of foreign exchange movements	1,982	(5,312)	(3,401)
Other non-cash/non-operating items	(2,259)	(1,599)	(1,068)
	<u>20,808</u>	<u>34,346</u>	<u>11,474</u>
Add/(deduct) movement in working capital items:			
Movement in working capital due to sale/purchase of businesses	-	5,890	2,467
(Increase)/decrease in inventories and biological assets	30,581	12,229	34,796
(Increase)/decrease in accounts receivable and prepayments	(119,040)	(18,752)	(108,344)
Increase/(decrease) in trade creditors, provisions and accruals	56,079	16,860	73,191
Increase/(decrease) in income tax payable/receivable	340	7,709	(1,638)
Increase/(decrease) in other assets/liabilities	(205)	(3,458)	(1,397)
	<u>(32,245)</u>	<u>20,478</u>	<u>(925)</u>
Net cash flow from operating activities	(11,437)	54,824	10,549

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

PGG Wrightson Limited
Interim Statement of Financial Position

As at 31 December

	Note	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
ASSETS				
Current				
Cash and cash equivalents	6	18,104	11,343	24,246
Short-term derivative assets		2,430	2,556	952
Trade and other receivables		355,574	236,529	326,184
Finance receivables		3,377	3,561	11,921
Income tax receivable		-	-	5,533
Assets classified as held for sale		11	1,168	21
Biological assets		2,524	6,198	2,979
Inventories		202,551	229,458	210,108
Total current assets		584,571	490,813	581,944
Non-current				
Long-term derivative assets		157	369	120
Biological assets		99	146	145
Deferred tax asset		12,793	11,037	6,908
Investments in equity accounted associates		1,663	1,364	5,363
Other investments	7	8,242	10,647	13,632
Intangible assets		6,004	5,684	6,571
Property, plant and equipment	8	114,931	114,442	85,697
Total non-current assets		143,889	143,689	118,436
Total assets		728,460	634,502	700,380
LIABILITIES				
Current				
Debt due within one year	6	62,268	35,573	62,245
Short-term derivative liabilities		558	887	1,344
Accounts payable and accruals		296,038	240,127	295,716
Income tax payable		3,580	3,071	-
Total current liabilities		362,444	279,658	359,305
Non-current				
Long-term debt	6	83,000	65,000	60,000
Long-term derivative liabilities		28	5	34
Other long-term provisions		6,322	6,609	6,513
Defined benefit liability		15,696	13,528	12,974
Total non-current liabilities		105,046	85,142	79,521
Total liabilities		467,490	364,800	438,826
EQUITY				
Share capital		606,324	606,324	606,324
Reserves		(3,861)	(2,018)	1,043
Retained earnings		(343,673)	(336,461)	(349,045)
Total equity attributable to shareholders of the Company		258,790	267,845	258,322
Non-controlling interest		2,180	1,857	3,232
Total equity		260,970	269,702	261,554
Total liabilities and equity		728,460	634,502	700,380

These financial statements have been authorised for issue on 23 February 2015.



Alan Lai
Chairman



Bruce Irvine
Director

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

PGG Wrightson Limited

Additional financial disclosures including notes to the accounts

For the six months ended 31 December 2014

PGG Wrightson Limited

Additional financial disclosures including notes to the accounts

For the six months ended 31 December

1 Non-operating Items

Capital gains/(losses) on sale of businesses, property plant and equipment	275	(262)	(326)
Sale of investment in 4Seasons Feeds Limited	-	4,848	-
Bargain gain on acquisition of business	-	1,243	-
Defined benefit superannuation plan	959	2,174	(271)
Restructuring	(198)	(1,643)	(281)
Other non-operating items	(50)	62	(211)
	986	6,422	(1,089)

Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
275	(262)	(326)
-	4,848	-
-	1,243	-
959	2,174	(271)
(198)	(1,643)	(281)
(50)	62	(211)
986	6,422	(1,089)

2 Fair Value Adjustments

Continuing operations

Assets held for sale	-	(78)	-
Biological assets	282	1,388	1,385
	282	1,310	1,385

Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
-	(78)	-
282	1,388	1,385
282	1,310	1,385

3 Interest - Finance Income and Expense

Finance income contains the following items:

Other interest income

Finance income

Interest funding contains the following items:

Interest on interest rate swaps

Interest on bank loans and overdrafts

Other interest expense

Bank facility fees

Interest funding expense

Foreign exchange contains the following items:

Net gain/(loss) on foreign denominated items

Derivatives not in qualifying hedge relationships

Foreign exchange income/(expense)

Net interest and finance costs

Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
174	1,328	-
174	1,328	-
(1)	(59)	(48)
(3,416)	(5,091)	(2,313)
(77)	-	(37)
(887)	(2,440)	(1,695)
(4,381)	(7,590)	(4,093)
734	(4,890)	(3,461)
210	3,226	1,751
944	(1,664)	(1,710)
(3,263)	(7,926)	(5,803)

4 Discontinued Operations

On 31 August 2011 the Group sold its finance subsidiary PGG Wrightson Finance Limited (PWF) to Heartland New Zealand Limited's wholly-owned subsidiary Heartland Building Society (Heartland). In connection with the PWF sale transaction the Group transferred certain excluded loans to its wholly owned subsidiary, PGW Rural Capital Limited (PGWRC), which has worked to realise or refinance these facilities over the short to medium term. As at 31 December 2014 four loans remain in PGWRC.

5 Earnings Per Share and Net Tangible Assets

Number of shares

Weighted average number of ordinary shares

Number of ordinary shares

Unaudited Dec 2014 000	Audited Jun 2014 000	Unaudited Dec 2013 000
754,849	754,849	754,849
754,849	754,849	754,849

Net Tangible Assets

Total assets

Total liabilities

less intangible assets

less deferred tax

Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
728,460	634,502	700,380
(467,490)	(364,800)	(438,826)
(6,004)	(5,684)	(6,571)
(12,793)	(11,037)	(6,908)
242,173	252,981	248,075

Net tangible assets per security

Earnings per share

Unaudited Dec 2014 \$	Audited Jun 2014 \$	Unaudited Dec 2013 \$
0.321	0.335	0.329
0.026	0.056	0.018

PGG Wrightson Limited

Additional financial disclosures including notes to the accounts continued

For the six months ended 31 December

6 Cash and Bank Facilities

	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
Cash and cash equivalents	18,104	11,343	24,246
Bank overdraft	-	-	(2,487)
Current bank facilities	(62,268)	(35,573)	(59,758)
Term bank facilities	(83,000)	(65,000)	(60,000)
	<u>(127,164)</u>	<u>(89,230)</u>	<u>(97,999)</u>

The Company entered into a new syndicated facility agreement on 20 December 2013. This agreement currently provides bank facilities of up to \$176.00 million. The Company has granted a general security deed and mortgage over all its wholly-owned New Zealand and Australian assets to a security trust. These assets include the shares held in South American subsidiaries and associates. ANZ Bank New Zealand Limited acts as security trustee for the banking syndicate (ANZ Bank New Zealand Limited, Bank of New Zealand Limited and Westpac New Zealand Limited).

The Company's bank syndicate facilities include:

- Term debt facilities of \$160.00 million maturing on 1 August 2016.
- A working capital facility of up to \$60.00 million maturing on 1 August 2016.

The syndicated facility agreement also allows the Group, subject to certain conditions, to enter into additional facilities outside of the Company syndicated facility. The additional facilities are guaranteed by the security trust. These facilities amounted to \$26.40 million as at 31 December 2014 including:

- Overdraft facilities of \$9.56 million.
- Guarantee and trade finance facilities of \$6.54 million.
- Standby letters of credit of \$10.30 million in respect of the current Uruguayan bank facilities outlined below.

The Group had current Uruguayan bank facilities amounting to \$29.78 million as at 31 December 2014 which are secured in part by the standby letters of credit outlined above.

7 Other Investments

	Note	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
Non-current investments				
BioPacificVentures	9	6,806	9,282	10,027
Sundry other investments including saleyards		1,436	1,365	1,418
Advances to associates		-	-	2,187
		<u>8,242</u>	<u>10,647</u>	<u>13,632</u>

Investment in BioPacificVentures

In 2005 the Group committed \$14.00 million to an international fund established for investment in food and agriculture life sciences. The investment in BioPacificVentures has an anticipated total lifespan of 12 years. At 31 December 2014 \$13.74 million has been drawn on the committed level of investment (30 June 2014: \$13.57 million, 31 December 2013: \$13.45 million). A fair value loss of \$2.44 million was recorded in the Statement of Other Comprehensive Income for the BioPacificVentures investment in the period to 31 December 2014.

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.

8 Property, Plant and Equipment

Acquisitions and disposals

During the period to 31 December 2014, the Group acquired assets with a cost of \$4.15 million (30 June 2014: \$39.35 million, 31 December 2013: \$4.63 million), together with assets acquired through business combinations of Nil (30 June 2014: \$0.17 million, 31 December 2013: \$0.22 million).

Assets with a net book value of \$0.16 million were disposed during the period to 31 December 2014 (30 June 2014: \$1.60 million, 31 December 2013: \$0.51 million), resulting in a gain on disposal of \$0.27 million (30 June 2014 Gain: \$0.71 million, 31 December 2013 Gain: \$0.59 million).

9 Commitments

	Note	Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
There are commitments with respect to:				
Capital expenditure not provided for		1,380	1,377	959
Investment in BioPacificVentures	7	258	429	551
Contributions to Primary Growth Partnership		2,695	3,017	3,335
		<u>4,333</u>	<u>4,823</u>	<u>4,845</u>

Primary Growth Partnership - seed and nutritional technology development

The Group announced on 18 February 2013 that it had completed the contracting process for the Primary Growth Partnership (PGP) programme with the Ministry of Primary Industries. The PGP programme is a Seed and Nutritional Technology Development Programme that aims to deliver innovative forages for New Zealand farms. As a result of entering into the partnership the Group is committed to contributions to the partnership of \$3.95 million over the six year life of the programme which ends on 31 December 2018. As at 31 December 2014 total contributions of \$1.25 million (30 June 2014: \$0.93 million, 31 December 2013: \$0.62 million) have been made to the programme.

10 Contingent Liabilities

PGG Wrightson Loyalty Reward Programme

The PGG Wrightson Loyalty Reward Programme is run in conjunction with the co-branded ASB Visa reward card. A provision is retained for the expected level of points redemption. A contingent liability of \$0.15 million represents the balance of live points that do not form part of the provision. Losses are not expected to arise from this contingent liability.

PGG Wrightson Limited

Additional financial disclosures including notes to the accounts continued

For the six months ended 31 December

11 Seasonality of Operations

The Group is subject to significant seasonal fluctuations. The Retail business is weighted towards the first half of the financial year as demand for farming inputs are generally weighted towards the Spring season. Livestock and Seed & Grain activities are significantly weighted to the second half of the financial year. Seed & Grain revenues reflect the fact the Group operates in geographical zones that suit Autumn harvesting and sowing. New Zealand generally has spring calving and lambing and so Livestock trading is weighted towards the second half of the financial year in order for farmers to maximize their incomes. Other business units have similar but less material cycles. The Group recognises that this seasonality is the nature of the industry and plans and manages its business accordingly.

12 Related Parties

Parent and ultimate controlling party

The immediate parent of the Group is Agria (Singapore) Pte Ltd and the ultimate controlling party of the Group is Agria Corporation.

Transactions with key management personnel

Key management personnel compensation comprised:

Short-term employee benefits
Post-employment benefits
Termination benefits

Unaudited Dec 2014 \$000	Audited Jun 2014 \$000	Unaudited Dec 2013 \$000
3,768	5,997	2,998
59	93	45
-	18	-
<u>3,827</u>	<u>6,108</u>	<u>3,043</u>

13 Events Subsequent to End of Interim Period

Dividend

On 23 February 2015 the Directors of PGG Wrightson Limited resolved to pay an interim dividend of 2.0 cents per share on 8 April 2015 to shareholders on the Company's share register as at 5.00pm on 12 March 2015. This dividend will be fully imputed.

Fixed assets

In January 2015 the Group committed to building a new logistics centre in Montevideo, South America. This commitment included the purchase of land for \$2.1 million together with the payment of \$3.0 million in respect of initial design and building work in February 2015.

There have been no other material events after the reporting date that would affect the interpretation of the interim financial statements or the performance of the Group.

14 Reporting Entity

PGG Wrightson Limited (the "Company") is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. The Company is an issuer in terms of the Financial Reporting Act 2013.

The interim financial statements of PGG Wrightson Limited for the six months ended 31 December 2014 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.

15 Basis of Preparation

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") 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 interim financial statements do not include all of the information required for full annual financial statements. The same accounting policies and methods of computation are followed in the interim financial statements as applied in the Group's latest annual audited financial statements.

Certain comparative amounts have been reclassified to conform with the current period's presentation.

In the current period the Group changed the format of the presentation of the financial statements. These changes are designed to enhance reader comprehension and visibility of results and performance. The overall aim is to improve disclosure effectiveness. The key changes include:

- Changing the order of the primary financial statements and other note disclosures.
- Separating the Interim Statement of Comprehensive Income into the Interim Statement of Profit or Loss and the Interim Statement of Other Comprehensive Income.

PGG Wrightson Limited
Interim 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 2013	606,324	(6,665)	23,629	686	(108)	(15,693)	3,570	(359,275)	3,638	256,106
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	-	13,082	324	13,406
Other comprehensive income										
Foreign currency translation differences	-	(6,243)	85	(94)	-	-	-	1,319	(183)	(5,116)
Effective portion of changes in fair value of equity instruments, net of tax	-	-	-	-	-	-	38	-	-	38
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	(36)	-	-	-	-	(36)
Reclassification upon sale of Heartland New Zealand Limited investment	-	-	-	-	-	-	(3,471)	3,471	-	-
Defined benefit plan actuarial gains and losses, net of tax	-	-	-	-	-	5,843	-	-	-	5,843
Total other comprehensive income	-	(6,243)	85	(94)	(36)	5,843	(3,433)	4,790	(183)	729
Total comprehensive income for the period	-	(6,243)	85	(94)	(36)	5,843	(3,433)	17,872	141	14,135
Transactions with shareholders, recorded directly in equity										
Contributions by and distributions to shareholders										
Buy out of non-controlling interest	-	-	(498)	-	-	-	-	-	(483)	(981)
Dividends to shareholders	-	-	-	-	-	-	-	(7,642)	(64)	(7,706)
Total contributions by and distributions to shareholders	-	-	(498)	-	-	-	-	(7,642)	(547)	(8,687)
Balance at 31 December 2013	606,324	(12,908)	23,216	592	(144)	(9,850)	137	(349,045)	3,232	261,554
Balance at 1 January 2014	606,324	(12,908)	23,216	592	(144)	(9,850)	137	(349,045)	3,232	261,554
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	-	29,167	(315)	28,852
Other comprehensive income										
Foreign currency translation differences	-	(506)	104	(96)	-	-	-	(1,319)	(129)	(1,946)
Effective portion of changes in fair value of equity instruments, net of tax	-	-	-	-	-	-	(880)	-	-	(880)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	416	-	-	-	-	416
Defined benefit plan actuarial gains and losses, net of tax	-	-	-	-	-	(2,159)	-	-	-	(2,159)
Total other comprehensive income	-	(506)	104	(96)	416	(2,159)	(880)	(1,319)	(129)	(4,569)
Total comprehensive income for the period	-	(506)	104	(96)	416	(2,159)	(880)	27,848	(444)	24,283
Transactions with shareholders, recorded directly in equity										
Contributions by and distributions to shareholders										
Sale to non-controlling interest	-	-	-	60	-	-	-	-	-	60
Dividends to shareholders	-	-	-	-	-	-	-	(15,264)	(931)	(16,195)
Total contributions by and distributions to shareholders	-	-	-	60	-	-	-	(15,264)	(931)	(16,135)
Balance at 30 June 2014	606,324	(13,414)	23,320	556	272	(12,009)	(743)	(336,461)	1,857	269,702
Balance at 1 July 2014	606,324	(13,414)	23,320	556	272	(12,009)	(743)	(336,461)	1,857	269,702
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	-	19,477	240	19,717
Other comprehensive income										
Foreign currency translation differences	-	2,759	-	-	-	-	-	-	291	3,050
Effective portion of changes in fair value of equity instruments, net of tax	-	-	-	-	-	-	(2,450)	-	-	(2,450)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	99	-	-	-	-	99
Defined benefit plan actuarial gains and losses, net of tax	-	-	-	-	-	(2,251)	-	-	-	(2,251)
Total other comprehensive income	-	2,759	-	-	99	(2,251)	(2,450)	-	291	(1,552)
Total comprehensive income for the period	-	2,759	-	-	99	(2,251)	(2,450)	19,477	531	18,165
Transactions with shareholders, recorded directly in equity										
Contributions by and distributions to shareholders										
Buy out of non-controlling interest	-	-	-	-	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	-	-	-	(26,689)	(208)	(26,897)
Total contributions by and distributions to shareholders	-	-	-	-	-	-	-	(26,689)	(208)	(26,897)
Balance at 31 December 2014	606,324	(10,655)	23,320	556	371	(14,260)	(3,193)	(343,673)	2,180	260,970