

Media Release
10 June 2010

PGG WRIGHTSON SEEKS TO UNLOCK INVESTOR VALUE

PGG Wrightson [PGW] has today announced a realignment of its business structure aimed at unlocking value for investors while strengthening its product and services offering for farmers, growers and partners.

The Board of PGW has approved a strategy which will involve realigning the group businesses into two core groupings. This will result in two of the existing New Zealand businesses of Customer Services and Financial Services being combined under one entity.

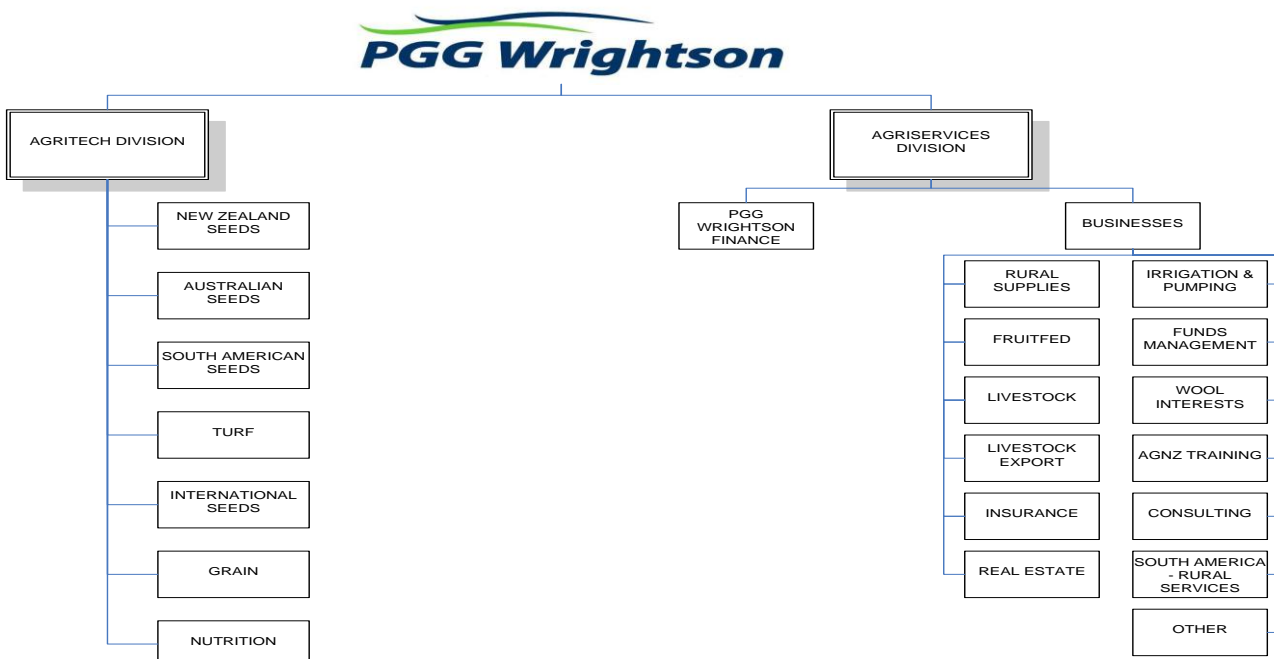
The group businesses will therefore be aligned into two new divisions as follows:

- **Agriservices Division** – Rural Supplies, Fruitfed, Livestock, Irrigation & Pumping, Agriculture New Zealand, Finance, Real Estate and Insurance
- **AgriTech Division** – Seeds, Grain and Nutrition businesses in New Zealand, Australia and South America.

In tandem with the structural changes, PGW has announced senior management changes:

- **Michael Thomas**, currently Group General Manager Financial Services, has been appointed as Group General Manager: Agriservices, effective 2 July 2010
- **John McKenzie**, Group General Manager Seed, Grain and Nutrition, takes up the role of Group General Manager: AgriTech with immediate effect
- **Mike Skilling**, currently Group General Manager Customer Services, has decided to leave PGW due to his wish to be located at his current residence in Auckland, where he will be pursuing other opportunities.

Agriservices and AgriTech divisional portfolios



Managing Director Tim Miles said the rationale for realignment was based on realising the full value of the underlying businesses. “The seeds business, for instance, has a different growth pattern and much more predictable earnings than traditional rural supplies or livestock businesses. AgriTech, therefore, is also about growth and development in an international market, while Agriservices is primarily focused on New Zealand.

“Further, the structure would support the company’s vision to be **Leaders in the field – helping grow the country** by providing investment focus, systems and management practices to successfully run each group.”

Mr Miles said that as a diverse agri-business there were a number of different drivers to generating value across the PGW business. “Our focus is therefore on better efficiencies in business operations, improving processes and systems, and supply chain and procurement activities to seek additional improvement and on farm demand planning.”

At the Agriservices level this means:

- Growing client / customer interactions by deepening relationship with them
- Developing increased and additional seasonal working capital finance offerings around our other businesses including Fruitfed, Rural Supplies, Livestock and Irrigation
- Improving the distribution offering, through better efficiencies and inventory performance
- Improving use of working capital, through the introduction of such activities as vendor managed inventories
- Improving processes and efficiency through reduced duplication and streamlining processes.

At the AgriTech level this means:

- Leveraging an already established international platform of businesses
- Expanding the core seeds business internationally
- Growth through targeted acquisition or partnership.

“These changes are very much aligned with our strategies and will give us more urgency and focus as we drive our longer term goals,” Mr Miles added.

ANNUAL RESULTS ANNOUNCEMENT DATE

PGW’s annual results for the year ending 30 June 2010 will be released to the NZX at 8:30am, on Friday 13 August 2010.

More detail on the realignment of the PGW portfolio of businesses would be available at this time.

Further information:

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