



## PGG Wrightson Trading Update

Chief Executive Mark Dewdney announced today that PGG Wrightson Limited's (PGW) trading performance is holding up well despite lower forecast dairy payouts. He reiterated previous guidance in October that PGW is on track to better last year's Operating EBITDA excluding earnings of associates\* of \$58.7 million.

Mr. Dewdney said "The current market conditions highlight the benefit to PGW of having a diverse product and service portfolio across New Zealand and international agricultural sectors. Confidence remains high in the sheep and beef sectors and this strength should see the business well placed if we encounter reduced dairy related spend over the remainder of the financial year."

"Our first half results will be strong compared to the corresponding period last year which is very pleasing" Mr. Dewdney said. "Revenue in our Retail segment is weighted towards the first half of the year and has performed well. We believe that market share gains have contributed to this revenue growth we have seen in our Retail business. New Zealand Seeds is another business unit that has performed well on the back of a strong spring season."

Mr. Dewdney attributes these successes to the renewed focus on the customer. "Over the past few years we've invested substantially in our people, our infrastructure and our products to improve our offering to our customers. This investment continues to deliver improved results".

"Further guidance will be provided when our half year results are announced" Mr. Dewdney said. "There remains some uncertainty with respect to the second half of the financial year as we are starting to see some signs of market softness in areas related to dairy. Livestock, Seeds Australia and South America all make their biggest contributions in the second half, and results are also impacted by weather and commodity prices".

PGW expects to announce its half year results on 24 February 2015 with details of the announcement to be confirmed closer to the time.

### **For further information:**

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

PGW's standard profit measure prepared under New Zealand GAAP is profit/(loss) for the period. PGW has used non-GAAP profit measures when discussing financial performance in this document. The directors and management believe that these measures provide useful information as they are used internally to evaluate performance of business units, to establish operational goals and to allocate resources. They also represent some of the performance measures required by PGW's debt providers. For a more comprehensive discussion on the use of non-GAAP profit measures, please refer to the policy "Non-GAAP Financial Information" available on our website ([www.pggwrightson.co.nz](http://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 excluding earnings of associates: Earnings before net finance costs, income tax, depreciation, amortisation, fair value adjustments, non-operating items and equity accounted earnings of associates.

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

	(\$m)	June 2014	June 2013
<b>Profit/(loss) for the period</b>		<b>42.3</b>	<b>(306.5)</b>
<i>(GAAP, commonly referred to as Net Profit after Tax)</i>			
<i>Add (Profit)/loss from discontinued operations (net of income tax)</i>		(0.9)	1.6
<i>Add Income tax expense</i>		8.5	5.0
<i>Add Net interest and finance costs</i>		7.9	9.4
<i>Add Depreciation and amortisation expense</i>		11.2	7.7
<i>Add Fair value adjustments (income) / expense</i>		(1.3)	1.9
<i>Add Non operating items (income) / expense</i>		(6.4)	7.1
<i>Add Impairment losses on goodwill</i>		0.0	321.1
<b>Operating EBITDA including earnings of associates</b>		<b>61.2</b>	<b>47.3</b>
<i>Deduct Equity accounted earnings of associates</i>		(2.5)	(1.5)
<b>Operating EBITDA excluding earnings of associates</b>		<b>58.7</b>	<b>45.8</b>