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Media Release

PGG Wrightson Finance gears up for further growth in 2009

Specialist Rural Financier PGG Wrightson Finance has signalled its clear intent to further grow market share in 2009 with a substantial strengthening of its funding base in recent months.

The recent NZDX-listed bond offer was fully subscribed (to its \$100 million limit) and was filled well ahead of the closing date. The debenture book has grown by more than \$80 million this year¹, and additional wholesale lines from key banking partners have been put in place.

Reinvestment rates have remained strong, demonstrating the trust and loyalty of PGG Wrightson Finance's traditional investors.

The head of PGG Wrightson Finance, Mark Darrow, commented: "We have deliberately targeted higher levels of liquidity given the global financial situation, but we also now have scope to grow lending assets significantly by providing more farmers with both core and seasonal funding.

"Levels of lending enquiry are increasing noticeably as other rural financiers appear to be more reticent – either because of existing exposure or liquidity concerns. In that regard we are proudly contrarian. Given that rural finance is all we do, and with our strong financial and institutional base, we can take a much more resilient view on supporting our farmer clients through global cycles."

"We also see our farmer clients as being incredibly resilient themselves. First and foremost, they are good at what they do and they know how to adjust to difficult conditions. They tend to take a long-term view. Although commodity prices have come back, things aren't all bad. Sheep farmers – having weathered this year's drought – are expecting a 13 percent increase in income this year as they typically receive \$85 per lamb compared with \$65 a year ago. South Island deer Farmers are looking at a 24 percent increase in income. Much is also made of the decrease in the dairy payout, but it's still one of the highest on record and, taking a longer-term view, prices are still solid."

"From our point of view, it's great to be going into 2009 with substantial cash resources, and with a mandate to further increase our support for the rural community by financing their farming operations."

PGG Wrightson Finance is part of the PGG Wrightson group, New Zealand's largest and only nationwide provider to the agricultural sector. It provides a comprehensive

¹ The Bonds and Debentures are secured by a first ranking charge subject to prior permitted charges (currently none) and claims given priority by legislation, over all assets of PGG Wrightson Finance Limited.

range of financial services including seasonal finance, term loans, livestock finance, grain finance, farm input finance and equipment finance – along with a wide range of transactional services including cheque accounts, eftpos and ATM services, electronic payments and internet services.

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