

PGG Wrightson

Announcement and briefing Strategic partnership with Agria Corporation

16 October 2009



PGG Wrightson

Keith Smith
Chairman

Overview

- Announcement of an important new partnership with Agria Corporation, in two parts
 - Cornerstone shareholding by way of this placement
 - Strategic Co-operation Agreement to explore new business opportunities

- Continued priority on existing customers and business platform

- New equity supports recapitalisation programme

- Equity raising such as rights issue being explored – announcement by early November

Equity investment by Agria Corporation

- Equity placement – 13 percent of PGW's share capital
- 88 cents per share – NZ\$36 million
- Placement conditional on certain key events
- Announcement on rights issue early November
- Both parties' aspiration is for Agria to be a significant shareholder in PGG Wrightson over time

Strategic partnership through Co-operation Agreement

- Highly complementary business platforms and capabilities
- Agreement to work together to create value for both companies
 - Advancement of agricultural technology
 - Development of new markets
- Creates strategic options for PGW to participate in China with Agria
- Creates options for joint development in other markets
- Consistent with the current business platform – delivering to customers in existing markets remains the top priority

PGG Wrightson

Tim Miles
Managing Director

Why Agria?

- Conducted robust cornerstone process

- Strong preference
 - Value add to stakeholders
 - Long-term partnership

- Agria
 - Here for the long term
 - Link our customers to world's largest market
 - Provide financial resources, access to intellectual property and talent
 - Value creation opportunities via Co-operation Agreement
 - Mutuality – basis of successful partnership
 - Focused on existing PGW business as well as China opportunities
 - Positive human dynamics

Some initial thoughts regarding co-operation

- Develop and commercialise seed cultivars
- Livestock
 - Establish livestock trading in China
 - Fulfil demand for livestock in China
- Examine development of a rural services business in China
- Examine additional funding options through third party sources to aid growth of PGG Wrightson Finance

Agria Corporation

Xie Tao
Chief Executive Officer

Key highlights

- The first China originated agribusiness to reach an international stage of development
- Substantial cash balances earmarked for investment
- Newly strengthened management team
- Extensive relationships throughout China's agriculture sector
- Diversified investments in crop seed, animal breeding and other agribusinesses in China
- Strategic JV with China National Academy of Agricultural Sciences (CNAAS) granted preferential access to one of largest seedbanks in the world

Questions and Discussion

PGG Wrightson Agria Corporation



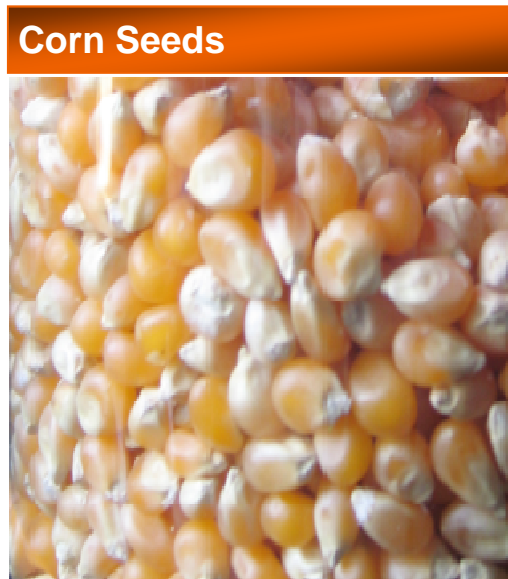
APPENDIX

Agria Corporation Overview



Business overview

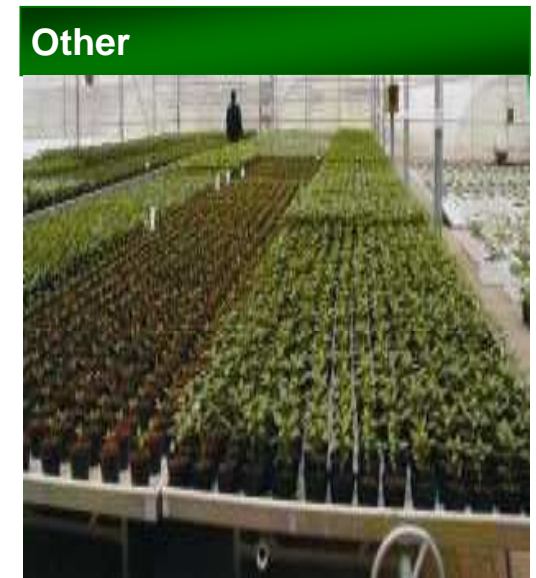
A leading China-based agri-solutions provider focusing on R&D, production and sale of upstream agricultural products



- Proprietary
- Generic



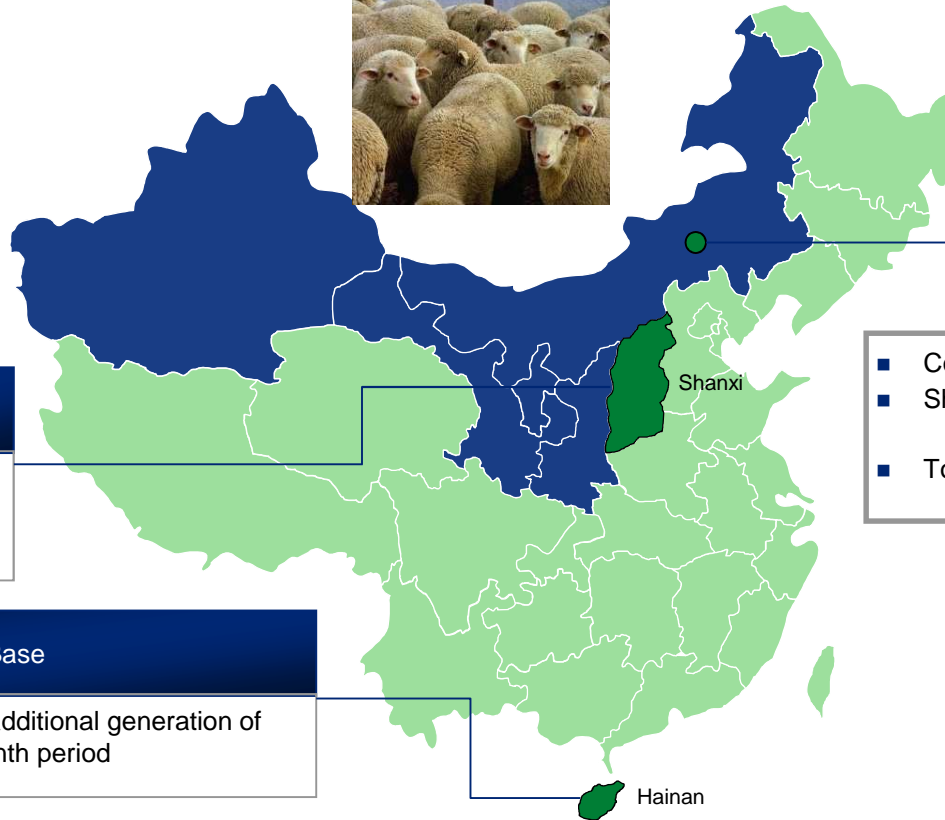
- Sheep
- Semen and Embryos



- Includes
- Blackberries
 - Raspberries
 - Dates
 - White bark pine

Large Scale, Diversified business...

Strategic Production Locations



Shanxi: Production Base

Favorable climate and geographic conditions for growing Agria products

Hainan: Winter Propagation Base

Enables Agria to harvest an additional generation of seeds within each twelve-month period

- Corn seeds
- Sheep breeding
- Total: 63 Production Bases

... with Extensive Sales and Distribution ...

Corn Seeds

- 12 Provinces
- Shanxi, Inner Mongolia, Hebei, Henan, Shaanxi, Shandong, Liaoning, Hubei, Hunan, Heilongjiang, Jilin and Sichuan

Sheep Breeding

- 7 Provinces
- Shanxi, Inner Mongolia, Hebei, Henan, Gansu, Ningxia and Shaanxi



... and Marketing and Customer Support ...

| | # of Distributors | Ultimate Customers | # of Provinces | |
|-----------------------|--|---|----------------|---|
| Corn Seeds | 40 distributors 70 sales outlets | Farmers | 12 |  |
| Sheep Breeding | Breed Improvement and Reproductive Stations (BIRS) Veterinary stations (260+) | Breeding companies Farmers | 7 | |
| Other | Direct sales | Plantation nursery Local government agencies (40+) | 2 | |

Distribution Channel



Marketing and Customer Support

- Dedicated teams promoting marketing and customer service
- Increase customer awareness through marketing campaigns
- Site visits and field demonstrations
- Assisting customers in product selection
- Educating distributors about Agria's products

Overview of CNAAS

CNAAS is China's largest agricultural organization and a key partner of Agria

- Established in 1957 and controls one of the largest seed banks in the world through its extensive nature of branches and subsidiaries
- One of the most important research groups in the country owning 39 research institutes across the country covering all major areas of the agriculture sector including:

| | | |
|---|---|------------------------------------|
| Crops scientific institute | Economic and development institute | Pomology institute |
| Plant protection institute | Resources and allocation institute | Tee institute |
| Vegetables and flowers institute | Information institute | Livestock and veterinary institute |
| Environment and sustainable development institute | Quality standards and detection institute | Grassland institute |
| Aspian research institute | Irrigation institute | Speciality institute |
| Feed institute | National rice institute | Environment protection |
| Agricultural processing institute | Cotton research institute | Scientific monitoring institute |
| Biological technology institute | Oil plants institute | Farm machinery institute |
| | Fiber institute | Poultry institute |
| | Sugar beet institute | |



- 5,975 scientists and engineers including a number awarded the highest academic accolades in the country
- Agria has a long association with CNAAS and a particularly strong relationship with its President Mr Zhai Huqu

Agria's co-operation with CNAAS

- CNAAS has chosen Agria to effect the commercialisation of its research and technology through
 - Agria making a majority equity investment in Zhongnon (China Agricultural Seed Company) and
 - A strategic co-operation agreement between CNAAS and Agria
- Key features of the arrangements for Zhongnon are:
 - Focus on exploiting opportunities in the areas of seeds, animal vaccines and organic fertilizers
 - Preferential right over CNAAS developed seeds and technologies now and in the future
 - Access to specialised divisions and R&D institutes of CNAAS to expand product range to include vaccines, animal breeds and fertilisers

Strengthened Management Team



Alan Lai
Chairman



Xie Tao
CEO

Combination of international management experience and local knowledge

Chris Boddington
CFO

Frank Zhao
COO

John Layburn
CIO Designate

APPENDIX

PGG Wrightson Overview



The consummate rural platform in New Zealand

New Zealand wide network of supply stores and livestock yards



Strength in all areas of agricultural services supported by leading brands



Annual turnover of NZ\$1.3 billion across all PGW business units



90,000 farmer clients



Leading technology within temperate forage seed



Growing operations and profile in Australia & South America



Leader in pastoral based farming methods

Key

- Fruited stores
- PGW Rural Supplies stores



Pipfruit



Grain



Sheep



Beef



Horticulture



Seed



Viticulture



Dairy



Leading farmer relationships and IP

Market leadership across a diverse range of business units has established PGW as the leading New Zealand rural business platform

Significant expertise in pasture based farming methods and a portfolio of patented temperate forage seeds

Provides competitive advantage domestically and increasingly in Australia and South America

1 Consummate rural business platform

- ◆ Market leader across all major segments with 90,000 customers throughout New Zealand
- ◆ Relationship and advice based service model complemented by an extensive product offering

2 Leading positions across multiple agriculture markets

- ◆ New Zealand market leader across farm and horticulture supply, seeds, supplementary feed, grain trading and livestock trading
- ◆ Also leading forage seeds supplier in both Uruguay and Australia

3 Diversified base of businesses and capabilities

- ◆ High degree of business and geographic diversification providing multiple customer touch-points
- ◆ Vertically integrated across value-chain

4 IP, technology and expertise underpins products and services

- ◆ Proprietary, patented portfolio of seeds developed in conjunction with global research agencies
- ◆ Expertise in pasture based farming methods offering farmers advice and inputs to maximise payouts

5 Export of IP and capabilities to new markets

- ◆ Expansion of business units in South America (Uruguay, Argentina and Brazil) and Australia especially through seeds
- ◆ Opportunities for further market development as farming methods become more sophisticated

Growth strategy overview

Key focus is driving value from current portfolio of business units through improved customer services, improving operating efficiency and maximising cash generation

Streamline portfolio of businesses

- ◆ Current portfolio includes businesses which have become non-strategic, some have been exited e.g. livestock export and Australian livestock
- ◆ Focus on high growth, high cash flow domestic businesses e.g. nutrition and seeds and IP led businesses e.g. Fruitfed, Seeds

Increased focus on customer service offering

- ◆ Improve the quality of field staff to drive deeper customer loyalty and cross-selling activity. Supported by integration of CRM
- ◆ Implementation of key account management strategy

Improve operational efficiency

- ◆ Improvements across the business with c.10% reduction in headcount, lower capital requirements through working capital efficiencies, fleet and procurement standardisation, etc
- ◆ Other efficiencies being explored

Export IP and expertise

- ◆ Export IP-intensive products and services to offshore markets, e.g. temperate forage seeds, with less developed farming methods
- ◆ Expand in South America through seeds, rural services and farm management

PGW NZ Assets

1. Core Inputs and services

- Rural Supplies
- Fruitfed
- Livestock

2. On-Farm Financial Services

- PGW Finance
- Real Estate
- PGW AON Insurance

3. Value-Add Product Platforms

- Seed
- Agrifeeds
- Fecpak
- AgNZ
- Animal genetics
- Irrigation & Pumping
- Grain

4. Integrated Supply Chains

- Merino NZ
- Rissington Breedline
- Wool Partners Int'l
- NZ Velvet Marketing

5. Global Seeds

- Australia
- South America
- USA
- Europe

6. South American Rural Services

- Uruguay rural services

7. Funds and Farm Management

- New Zealand Farming Systems Uruguay

International Assets

Focus business portfolio:

- ◆ Focus on IP led, reliable businesses
- ◆ Assess available acquisition opportunities in the medium term
- ◆ Consider selected divestments

A diversified base of businesses

PGW has leading market positions across its business units

| Seed & Grain | Rural Supplies | Livestock | Fruited | Agri-feeds |
|--|---|---|--|---|
| <ul style="list-style-type: none"> ◆ Producer and seller of temperate forage seed in New Zealand, Australia and South America ◆ Provides seed, advice, treatment and broking to contracted grain growers | <ul style="list-style-type: none"> ◆ Leading supplier of goods and services to the rural sector through network of 96 stores ◆ Only nationwide provider to agricultural sector ◆ Significant interaction with farmers establishes information flow | <ul style="list-style-type: none"> ◆ Sales agent for sheep, beef, dairy, etc for meat processors and farmers ◆ Relationship developed through knowledge of genetics, appropriate stocking levels, processor requirements, etc | <ul style="list-style-type: none"> ◆ Leading horticulture service and supply business, providing grower clients with agronomic advice, technical expertise and an extensive product range ◆ 16 national retail outlets supported by 60 technical field staff | <ul style="list-style-type: none"> ◆ Leading importer of cane molasses, liquid feeds, feed additives and feeding systems ◆ #1 market share in molasses, with competitive position supported by national storage and distribution infrastructure |
| <p>Market position – NZ Forage #1 – PGW #2 – Barenbrug</p> | <p>Market position #1 – PGW #2 – RD1 #3 – CRT #3 - Farmlands</p> | <p>Market position #1 – PGW</p> | <p>Market position #1 – PGW #2 – Other</p> | <p>Market position #1 – PGW</p> |

Note: Market positions are PGW management estimates only

A diversified base of businesses

PGW has leading market positions across its business units

| Finance | Real estate | Insurance | Irrigation & Pumping | Funds management & South America |
|---|--|--|---|--|
| <ul style="list-style-type: none"> ◆ Leading non-bank rural lender with approximately NZ\$630m of assets under management ◆ Currently an approved institution under the Crown Retail Deposit Guarantee Scheme | <ul style="list-style-type: none"> ◆ Rural Real Estate broker focussed primarily on farm sales but with a developing presence in lifestyle, residential and to a lesser extent commercial sales ◆ 48 branches nationwide | <ul style="list-style-type: none"> ◆ Broker of rural insurance products on behalf of Aon through PGW store network ◆ Currently 30 offices and 43 insurance advisers across a national network which sits within PGW rural supplies sites | <ul style="list-style-type: none"> ◆ Design, construction, installation and servicing of irrigation and pumping systems with over 30 years industry experience | <ul style="list-style-type: none"> ◆ South America is a key area of opportunity for PGW ◆ PGW currently has a management contract with NZX listed New Zealand Farming Systems Uruguay, and is a 12% shareholder ◆ PGW's South American business comprises both seeds operations and rural services, however seeds currently contributes ~85% of revenue |
| Market position | Market position | Market position | Market position | |
| #1 – ANZ | #1 – PGW | #1 – FMG | #1 – Waterforce | |
| #2 – BNZ | #2 – Bayleys | #2 – PGW | #2 – PGW | |
| #3 – Rabo | | | #3 – Rainer | |
| #4 – ASB | | | | |
| #5 - PGW | | | | |

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