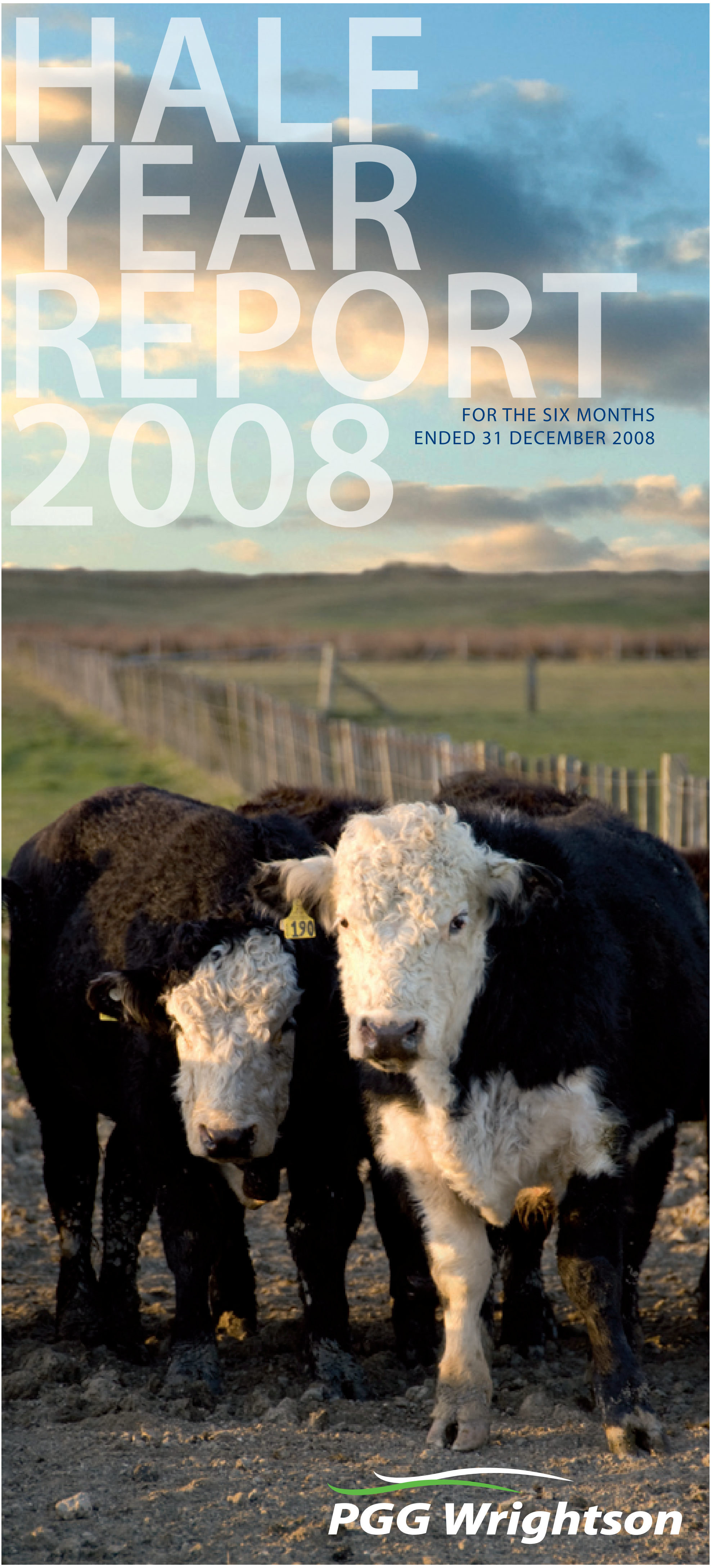
HALF YEAR REPORT 2008

FOR THE SIX MONTHS
ENDED 31 DECEMBER 2008



PGG Wrightson

Chairman and Managing Director's Report

PGG WRIGHTSON ACHIEVED AN EXCELLENT OPERATING PERFORMANCE IN THE FIRST HALF OF THE 2009 YEAR, AS THE PROGRESS DEMONSTRATED BY RESULTS FOR THE 2008 YEAR CONTINUED DESPITE THE CHALLENGES INHERENT IN THE GLOBAL ECONOMY.

Trading in the December half-year was very strong, with operating results significantly higher despite a materially lower contribution from the Real Estate business. Ongoing operational improvement was a core component of this growth, with progress being made across a range of initiatives.

Nevertheless, the global environment had a significant impact on the Group, with two major issues to be addressed – the non-completion of the partnership agreed with Silver Fern Farms (SFF), and the Board's decision to undertake a bank refinancing process to establish a financial structure suited to the prevailing conditions.

In its endeavour to settle the matter outstanding with SFF, the Company has proposed a payment of $10 million and the establishment of a joint capability in meat procurement and the supply chain. PGG Wrightson believes this would create substantial value for SFF. The $10 million payment, which is provided in the accounts for the half-year, would reflect SFF's direct costs and an ex gratia amount. Subsequently the two companies have agreed on a mediation process to work through the relevant issues in the interests of achieving a settlement.

Importantly, while the recent operating performance was very pleasing, the Group has also taken the opportunity to review and refocus its strategies, to reflect today's market reality.

This is a continuing process. Our operational strategies are focused on driving value from the existing portfolio of businesses, achieving efficiency and cost reduction and establishing the lower leverage deemed appropriate in the current economic environment.

Strategic Overview

Driving better operational performance by doing more with what we have …

- **Increased focus on high value customers**
- **Improving efficiency**
- **Streamlining the portfolio of businesses**
- **Focusing on domestic businesses with significant growth potential**
- **Building IP and expertise-intensive businesses both locally and abroad**

EARNINGS

PGG Wrightson achieved a net operating profit before tax (NOPBT) of $22.1 million in the six months to December 2008 – an increase of 32 percent compared with $16.8 million in the previous December half.

The improvement in operating performance was offset by a range of non-trading items – the effect of fair value adjustments and a provision for expenses incurred in regard to the transaction agreed but not settled with SFF. Fair value adjustments totalled to a loss of $47.2 million, compared with a profit of $10 million in the previous December half. Within the latest figure, $35.2 million was related to the value of the Group's shareholding in NZ Farming Systems Uruguay (NZS) and $9.3 million to the 'marking to market' of open contracts hedging foreign currency and interest rate exposures. The expenditure relating to the SFF transaction was $17 million, of which $10 million is the provision at balance date. Of these items, only the Company's portion of the SFF expenditure had a cash impact. These non-trading items meant that the Company reported an accounting loss (net profit after tax – NPAT) of $32.8 million.

The considerable improvement in operating performance reflected a continuation of the factors that led to the record 2008 result – the resilience of the agricultural sector, the Group's response to market conditions, the strength of the business portfolio and improving efficiency within the business.

The Group's strength was highlighted by the fact that 10 of 13 business units improved their trading results, with Rural Supplies, Seeds, Fruitfed Supplies, Finance and Animal Nutrition producing the strongest growth in profitability.

Dairy prices were off the record highs of the previous year, but farmers were still receiving the third-highest milk payouts ever. Sheep and beef prices benefited from better conditions in their sectors.

The overall improvement outweighed a fall in Real Estate earnings of $4.3 million driven by the impact of the global financial crisis. Notwithstanding that, the Real Estate business continues to grow market share, has reduced its cost base to meet the current market environment and is well-placed to benefit when sector activity increases again. Adjusting for the results from the Real Estate business unit, the other businesses in the Group increased operating earnings by 57 percent over those for the previous December half-year.

Operating revenue was $738 million – up 32 percent on $559 million for the December 2007 half-year.

Actions are being taken to significantly reduce the cost base of the whole Group to align with conditions in the market. Benefits from these actions are starting to flow through the business and we expect further improvement during the year.

Rural Services Highlights

EBITA of $22.0m (2007 $14.3m) up 54%

- **Further improvement from Rural Supplies and Fruitfed**
- **Solid Livestock contribution in mixed conditions**
- **Initiatives:**
  - **Development of online trading for Livestock (Agonline)**
  - **Appointment of new specialist client advisers – eg. In animal nutrition**
  - **Closure of Livestock operations in Australia**
  - **Establishment of Wool Partners International**

While the challenges in the trading environment remain, we believe the improvement in operating performance and the measures in place to continue to achieve efficiencies within the Group will continue to stand it in good stead.

DISTRIBUTION

An interim dividend of 5 cents per share will be paid to shareholders registered at the record date of 13 March 2009. The dividend will be issued in the form of taxable bonus shares (fully imputed) on 1 April 2009.

As announced along with the Group trading results on 26 February 2009, the Board has amended the Group's dividend policy to enable operating cash flow to be applied to amortise debt. While dividends may continue to be paid under the Distribution Plan, the Group will not continue to fund the buyback option under which shareholders have been able to elect to have their shares repurchased for cash. It is intended that the buyback option will remain in existence, but will in future be underwritten by a third party. The coming interim distribution, however, will be by way of a fully imputed bonus issue without a buyback option.

Technology Services Highlights

EBITA of $15.8m (2007 $8.9m) up 78%

- **NZ Seeds business grows with strong demand for forage crops**
- **Positive early contribution from Australia**
- **Acquisition of Stephens Pasture Seeds to increase scale and reach in Australia**
- **Ongoing research on enhanced pasture species**
  – Grasses suited to warmer climates, drought, pest resistance
- **Strong grain trading performance**
- **Rapid animal nutrition growth with demand for molasses**

Financial Services Highlights

EBITA of $8.1m (2007 $10.2m) down 21%

- **$100m bond issue completed successfully – $180m undrawn bank lines**
- **Strong growth in lending, deposits and earnings in Finance**
- **Reinvestment rate at 80% through period**
- **Crown Deposit Guarantee**
- **Funds Management steady**
- **Insurance JV growth continues**
- **Real Estate contribution down $4.3m**
  - **Market share increased**
  - **Cost reductions to align with market reality**
  - **Positioned to benefit from improvement in conditions**

BALANCE SHEET REFINANCING

The Board of PGG Wrightson took a decision during the half-year to undertake a refinancing programme with its syndicate banks. This was completed and announced in February 2009 along with the Group's results for the half-year.

The Group now has total facilities though ANZ, BNZ and Westpac amounting to $475 million, including:

- $275 million of core debt for a 30-month period to September 2011
- A $125 million amortising facility to December 2010
- $75 million of seasonal working capital to April 2010.

$425 million of debt was drawn at 31 December 2008, and $410 million at mid-February 2009, enabling sufficient headroom for all operational plans and commitments.

The Company's banking syndicate is highly supportive of PGG Wrightson and its strategies. The package now in place will allow the Group a 21 month period to reduce leverage to levels appropriate to the current credit environment.

South America Highlights

EBITA of $2.2m (2007 $1.3m) up 69%

- **Seeds business growing – leveraging Uruguayan infrastructure and distribution capabilities**
- **Farm management expertise showcases PGG Wrightson business strengths**
- **Opportunity to provide on-farm products to Uruguayan farmers who recognise productivity investment potential**
- **New acquisitions performing well**
- **Focus on improving earnings from investments made**

The Board expects to pay down the amortising facility through operating cash flow, working capital initiatives and the sale of some non-core assets. Work has already started on some initiatives, including improved management of overdue debtors, improved inventory management and greater focus on procurement and supplier terms of trade. These will be supported by a small programme of property disposal. No businesses are intended to be sold.

Debt repayments will be made throughout the period, with a final component of $65 million due in December 2010. The repayments are weighted towards the end of the term to enable the benefits of the various Group initiatives to be fully realised.

OUTLOOK

The global economic crisis has necessitated a review of PGG Wrightson's businesses. To date financial performance has remained strong and in line with forecast.

The Company amended its earnings guidance in December 2008 to reflect the fundamental change in market conditions. Net operating earnings for the year ending 30 June 2009 were forecast to be within the range from $39 million to $45 million. Trading since then has been consistent with that guidance.

Operating conditions will continue to be influenced by international market developments. Nevertheless, underlying trends for agriculture remain strong and the medium-term outlook positive.

The Group expects commodity prices to reflect current conditions until at least the first quarter of the 2010 financial year, but lower exchange and interest rates will benefit farmers, with the effect that overall operating conditions will remain similar to those for the current season. Importantly, confidence will return to the dairy sector once the market has confirmed its bottom level.

The Board is confident that the Group will perform well in adapting to the challenges and opportunities currently inherent in the operating environment. While the short-term outlook is for continued caution, the fundamentals for growth in agriculture in all the markets served by the Group remain strong. PGG Wrightson remains a well performing Company that is strongly positioned in the right sector for these difficult times.

Craig Norgate
Chairman

Tim Miles
Managing Director

PGG WRIGHTSON LIMITED

Financial Information

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2008

	Note	Unaudited For the 6 months ended 31 Dec 2008 $000	Unaudited For the 6 months ended 31 Dec 2007 $000
Continuing operations			
Operating revenue	3	737,722	558,925
Cost of sales		(580,376)	(419,994)
Gross profit		157,346	138,931
Operating expenses	4	(143,190)	(102,553)
Other income		15,995	5,428
Equity accounted earnings of associates		872	1,362
Profit before interest, fair value adjustments and income tax		31,023	43,168
Fair value adjustments	5	(47,177)	10,014
Profit before interest		(16,154)	53,182
Finance income		728	1,042
Finance expenses		(17,138)	(10,904)
Net finance income (costs)		(16,410)	(9,862)
Profit before income tax		(32,564)	43,320
Income tax expense		(197)	(9,484)
Profit from continuing operations		(32,761)	33,836
Discontinued operation			
Profit from discontinued operation (net of income tax)	6	–	748
Profit for the period		**(32,761)**	**34,584**
Profit attributable to:			
Shareholders of the Company		**(32,761)**	**34,584**
Earnings per share			
Basic earnings per share (New Zealand Dollars)		(0.11)	0.12
Net tangible assets per security at period end		0.31	0.46

CONDENSED INTERIM CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the six months ended 31 December 2008

	Note	Unaudited For the 6 months ended 31 Dec 2008 $000	Unaudited For the 6 months ended 31 Dec 2007 $000
Net gain (loss) on movement of fair value of financial instruments		4,025	307
Deferred tax on movement of fair value of financial instruments		(1,207)	101
Actuarial losses on employee benefit plans		(22,372)	–
Deferred tax on movement of fair value of employee benefit plans		6,300	–
Foreign currency translation differences for foreign operations		3,199	–
Subsidiary asset revaluation reserve		243	–
Income and expense recognised directly in equity		(9,812)	408
Profit for the period		(32,761)	34,584
Total recognised income and expense for the period		(42,573)	34,992
Attributable to:			
Shareholders of the Company		(42,573)	34,992
Total recognised income and expense for the period	7	(42,573)	34,992

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

As at 31 December 2008

	Note	Unaudited As at 31 Dec 2008 $000	Audited As at 30 Jun 2008 $000	Unaudited As at 31 Dec 2007 $000
EQUITY				
Share capital	7	382,439	374,508	369,193
Retained earnings	7	11,726	74,928	46,989
Reserves	7	19,509	31,065	28,574
Total equity		413,674	480,501	444,756
LIABILITIES				
Current				
Current bank facilities		427,763	174,294	341,315
Trade creditors and other		213,235	176,058	174,051
Liabilities classified as held for sale		–	20,900	–
Derivative financial instruments		13,581	1,660	1,284
Loans and borrowings		278,757	269,876	223,453
Total current		933,336	642,788	740,103
Non-current				
Term bank facilities – PGW		–	164,000	–
Term bank facilities – PGWF		–	140,000	125,000
Derivative financial instruments		4,719	2,136	2,078
Other non-current liabilities		794	–	–
Defined benefit liability	8	20,999	–	–
PGWF loans and borrowings		187,495	42,060	61,862
Total non-current		214,007	348,196	188,940
Total liabilities		1,147,343	990,984	929,043
Total liabilities and equity		**1,561,017**	**1,471,485**	**1,373,799**
ASSETS				
Current				
Cash and cash equivalents		17,829	26,101	5,988
Income tax receivable		3,484	7,030	6,261
Assets classified as held for sale		9,840	38,158	7,200
Derivative financial instruments		6,580	1,975	2,123
Finance receivables		342,703	311,289	363,448
Inventories		174,181	175,593	154,211
Biological assets		6,006	5,078	3,997
Trade and other receivables		306,585	243,158	286,505
Total current		867,208	808,382	829,733
Non-current				
Investments in equity accounted investees		3,918	3,141	3,208
Derivative financial instruments		4,743	100	1,728
Finance receivables		175,991	195,741	96,128
Biological assets		313	243	–
Defined benefit asset	8	–	823	2,953
Property, plant and equipment	9	79,682	70,221	74,013
Intangibles		329,117	319,606	309,225
Other investments	10	86,098	69,526	52,542
Deferred tax asset		13,947	3,702	4,269
Total non-current		693,809	663,103	544,066
Total assets		**1,561,017**	**1,471,485**	**1,373,799**

These condensed interim consolidated financial statements have been authorised for issue on 26 February 2009.

Craig Norgate
Chairman

Tim Miles
Managing Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2008

	Note	Unaudited For the 6 months ended 31 Dec 2008 $000	Unaudited For the 6 months ended 31 Dec 2007 $000
Cash flows from operating activities			
– Inflows		657,941	534,341
– Outflows		(705,431)	(576,113)
Net cash flow from operating activities	11	(47,490)	(41,772)
Cash flows from investing activities			
– Inflows		(3,276)	8,229
– Outflows		(33,686)	(55,695)
Net cash flow from investing activities		(36,962)	(47,466)
Cash flows from financing activities			
– Inflows		159,439	18,998
– Outflows		(83,259)	(84,588)
Net cash flow from financing activities		76,180	(65,590)
Net (decrease)/increase in cash held		(8,272)	(154,828)
Opening cash/(bank overdraft)		26,101	160,816
Cash and cash equivalents		17,829	5,988
Comprises:			
Cash and deposits		17,829	5,988
Cash and cash equivalents		17,829	5,988
Comprises:			
PGG Wrightson Finance Limited		12,175	536
Rest of the Group		5,654	5,452
		17,829	5,988

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2008

1 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 1993.

The condensed interim consolidated financial statements of the Company for the six months ended 31 December 2008 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.

2 BASIS OF PREPARATION

The condensed interim consolidated 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") for interim financial statements and in particular NZ IAS 34. The condensed interim financial statements do not include all of the information required for full annual statements.

The same accounting policies, presentation and methods of computation are followed in the condensed interim consolidated financial statements as applied in the Group's latest annual audited financial statements.

These statements were approved by the Board of Directors on 26 February 2009.

3 SEGMENT REPORTING

	Unaudited For the 6 months ended 31 Dec 2008 $000	Unaudited For the 6 months ended 31 Dec 2007 $000
Revenue derived from outside the Group		
Rural Services	478,984	380,706
Technology Services	149,395	96,006
Financial Services	50,448	65,797
Corporate Services	3,593	319
South America	55,302	16,097
Total revenue	737,722	558,925
Inter-segment revenue (eliminated on consolidation)		
Technology Services	21,429	30,809
Segment net profit		
Rural Services	5,705	6,934
Technology Services	3,739	10,863
Financial Services	5,097	14,423
Corporate Services	(47,959)	1,335
South America	657	1,029
Total net profit	(32,761)	34,584

4 OPERATING EXPENSES

Included in operating expenses for the six months ended 31 December 2008, is an abnormal expense of $16,951,000 (six months ended 31 December 2007: $Nil), being the costs incurred on the proposed purchase of Silver Fern Farms as outlined in Note 14.

5 FAIR VALUE ADJUSTMENTS

	Note	Unaudited For the 6 months ended 31 Dec 2008 $000	Unaudited For the 6 months ended 31 Dec 2007 $000
Fair value (loss) gain on investments	17	(35,223)	8,967
Fair value adjustment on assets held for sale		(651)	–
Fair value adjustment on derivatives		(9,283)	1,047
Fair value adjustment on commodity contracts		(1,681)	–
Fair value adjustment on risk share		97	–
Change in fair value of biological assets		(436)	–
		(47,177)	10,014

6 DISCONTINUED OPERATIONS

PGG Wrightson entered into a transaction with a new wool growers co-operative on 1 July 2008, Wool Grower Holdings Limited, to form The Wool Company Limited (since renamed Wool Partners International Limited). This joint venture will be owned 60% by Wool Grower Holdings Limited and 40% by PGG Wrightson. PGG Wrightson's 40% will dilute as other industry participants join the new venture.

On 1 July 2008 The Wool Company Limited (now Wool Partners International Limited) purchased PGG Wrightson's wool operations. The segment was a discontinued operation and was classified as held for sale as at 30 June 2008.

Profits attributable to the discontinued operation were as follows:

	Unaudited For the 6 months ended 31 Dec 2008 $000	Unaudited For the 6 months ended 31 Dec 2007 $000
Results of discontinued operation		
Operating revenue	–	40,297
Cost of sales	–	(30,580)
Gross profit	–	9,717
Operating expenses	–	(7,852)
Profit before interest	–	1,865
Finance expenses	–	(721)
Profit before income tax	–	1,144
Income tax expense	–	(396)
Profit for the period	–	748
Basic earnings per share (New Zealand dollars)	0.00	0.00
Cash flows from discontinued operation		
Net cash from operating activities	–	1,365
Net cash from/(used in) discontinued operation	–	1,365

7 CAPITAL AND RESERVES

During October 2008 the Group issued 12,638,542 new ordinary shares under the PGG Wrightson Limited distribution plan as a bonus issue. Shareholders can elect to have the Group buy back shares issued to them under the plan and 9,490,297 were repurchased at the cost of $23,908,905. All of the repurchased shares have been cancelled. This has resulted in an additional 3,148,245 shares being issued leaving a shareholding of 292,472,722 ordinary shares as at 31 December 2008.

Reconciliation of movements in equity

	Attributable to shareholders of the Company						
	Share capital $000	Foreign currency translation reserve $000	Fair value reserve $000	Realised capital reserve $000	Actuarial gains on defined benefit plan $000	Retained earnings $000	Total equity $000
Balance at 1 July 2007	359,445	(43)	(442)	24,931	3,720	38,592	426,203
Total recognised income and expense	–	–	408	–	–	34,584	34,992
Issue ordinary shares	9,748	–	–	–	–	–	9,748
Dividends to shareholders	–	–	–	–	–	(26,187)	(26,187)
Balance at 31 December 2007	**369,193**	**(43)**	**(34)**	**24,931**	**3,720**	**46,989**	**444,756**
Balance at 1 January 2008	369,193	(43)	(34)	24,931	3,720	46,989	444,756
Total recognised income and expense	–	4,592	(220)	551	(2,432)	38,658	41,149
Issue ordinary shares	5,315	–	–	–	–	–	5,315
Dividends to shareholders	–	–	–	–	–	(10,719)	(10,719)
Balance at 30 June 2008	**374,508**	**4,549**	**(254)**	**25,482**	**1,288**	**74,928**	**480,501**
Balance at 1 July 2008	374,508	4,549	(254)	25,482	1,288	74,928	480,501
Total recognised income and expense	–	(1,498)	2,818	243	(16,072)	(32,761)	(47,270)
FX adj on overseas subsidiary reserves	–	–	–	2,953	–	1,744	4,697
Issue ordinary shares	7,931	–	–	–	–	–	7,931
Dividends to shareholders	–	–	–	–	–	(32,185)	(32,185)
Balance at 31 December 2008	**382,439**	**3,051**	**2,564**	**28,678**	**(14,784)**	**11,726**	**413,674**

8 DEFINED BENEFIT ASSET (LIABILITY)

The Group's net obligation with respect to defined benefit pension plans is calculated by estimating the future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

Under International Financial Reporting Standards (IFRS) the defined benefit plan results in a liability of $20,999,000 as at 31 December 2008 (30 June 2008 $823,000 asset), (31 December 2007: $2,953,000 asset), however, the actuarial valuations performed as at 31 December 2008 show the plan is neutral.

9 PROPERTY, PLANT AND EQUIPMENT

Acquisitions and Disposals

During the six months ended 31 December 2008, the Group acquired assets with a cost of $13,194,000 (31 December 2007: $8,638,428), including assets acquired through business combinations (see note 12) of $491,414 (31 December 2007: $1,430,458). Assets with a net book value of $551,000 were disposed during the six months ended 31 December 2008 (31 December 2007: $2,907,262), resulting in a loss on disposal of $56,933 (31 December 2007: $4,511,338 gain).

10 OTHER INVESTMENTS

	Unaudited As at 31 Dec 2008 $000	Audited As at 30 Jun 2008 $000	Unaudited As at 31 Dec 2007 $000
Non-current investments			
New Zealand Farming Systems Uruguay Limited	16,883	50,951	40,440
BioPacific Ventures	11,029	7,780	7,232
Wool Partners International Limited			
industry and preference shares	27,500	–	–
Associate and other investments	16,578	10,357	4,870
Advances to associates	14,108	438	–
	86,098	69,526	52,542

11 RECONCILIATION OF PROFIT AFTER TAX WITH NET CASH FLOW FROM OPERATING ACTIVITIES

	Unaudited For the 6 months ended 31 Dec 2008 $000	Unaudited For the 6 months ended 31 Dec 2007 $000
Profit after taxation	(32,761)	34,584
Add/(deduct) non-cash items:		
Depreciation and amortisation	3,491	2,952
Fair value revaluations	47,177	(8,967)
Net (profit) on sale of assets/shares	(15,980)	(5,050)
Bad and doubtful debts	832	274
(Increase)/decrease in deferred taxation	(10,245)	1,108
Equity accounted (earnings) from associates	(825)	(1,070)
Other non-cash items	6,295	–
	30,745	(10,753)
Add/(deduct) movement in working capital items:		
(Increase)/decrease in inventories	4,385	(3,962)
(Increase)/decrease in accounts receivable		
and prepayments	(76,490)	(74,895)
Increase/(decrease) in trade creditors,		
provisions and accruals	23,085	14,858
Increase/(decrease) in income tax payable/receivable	3,546	(1,604)
	(45,474)	(65,603)
Net cash flow from operating activities	**(47,490)**	**(41,772)**

12 ACQUISITION OF SUBSIDIARIES

During the 6 month period ending 31 December 2008, the Group made the following acquisitions;

- On 31 October 2008, the Group purchased 100% of the shares in Stephens Pasture Seeds Pty Limited. Stephens Pasture Seeds Pty Limited trades in the states of Victoria and South Australia in Australia. Its operations cover seed distribution, sales, marketing, seed cleaning, mixing and coating. In the six months to 31 December 2008 Stephens Pasture Seeds Pty Limited contributed a loss of $156,620.
- On 1 July 2008, the Group purchased 51% of the shares in Romualdo Rodriguez Ltd. Romualdo Rodriguez Ltd is located in Uruguay. Its operations cover livestock, wool and real estate including procurement for meat processing companies and internet based livestock auctions. In the six months to 31 December 2008 Romualdo Rodriguez Limited contributed a profit of $414,000.
- On 30 July 2008, the Group announced the purchase of 51% of the shares in Veterinaria Lasplaces, a leading animal health and rural supplies business in Uruguay. In the six months to 31 December 2008 Veterinaria Lasplaces contributed a profit of $367,000.

If these acquisitions had occurred on 1 July 2008, the estimated Group revenue would have been $739,886,029 and a loss of $32,762,908 for the six months ended 31 December 2008.

No restructuring provisions or other expenses such as the disposal of an operation will be required. The acquisitions had the following effect on the assets and liabilities of the Group at the acquisition dates:

	Unaudited As at 31 Dec 2008 $000	Unaudited As at 31 Dec 2007 $000
Current assets		
Cash balances	(194)	621
Trade debtors and accruals	1,306	6,233
Inventory	1,823	6,353
	2,935	13,207
Non-current assets		
Property plant and equipment	491	1,430
Investments	2,897	
	3,388	1,430
Current liabilities		
Trade creditors and accruals	2,171	5,877
	2,171	5,877
Non-current liabilities		
Advances	–	1,290
Term loans	76	–
	76	1,290
Net assets acquired	4,076	7,470
Goodwill arising on acquisition	4,931	12,070
Cash paid	9,007	19,540

13 COMMITMENTS

	Unaudited As at 31 Dec 2008 $000	Unaudited As at 31 Dec 2007 $000
There are commitments in respect of:		
Capital expenditure not provided for	17,590	15,094
Commitments to extend credit	131,041	138,068
Investment in BioPacific Ventures	2,971	6,798
	151,602	159,960

Investment in BioPacific Ventures

The Group has committed $14 million to a fund established for investment in food and agriculture life sciences.

The Group's investment in BioPacific Ventures will be made over approximately six years. The investment has an anticipated total lifespan of 12 years. At 31 December 2008 $11,028,529 has been drawn on the committed level of investment (June 2008: $7,779,821, December 2007: $7,231,997), and is included in other investments.

There are no material commitments relating to investment in associates.

14 CONTINGENT LIABILITIES

	Unaudited As at 31 Dec 2008 $000	Audited As at 30 Jun 2008 $000	Unaudited As at 31 Dec 2007 $000
There are contingent liabilities in respect of:			
Guarantees	19,644	11,178	7,058
PGG Wrightson Loyalty Reward Programme	649	612	560
	20,293	11,790	7,618

Guarantees

The guarantees are provided to banks of subsidiary companies for borrowings and to various other third parties.

PGG Wrightson Loyalty Reward Programme

The PGG Wrightson Loyalty Reward Programme is run in conjunction with the co-branded American Express card. A provision is retained for the expected level of points redemption. The contingent liability represents the balance of live points that are not provided for.

No losses are expected to arise from these contingent liabilities.

Silver Fern Farms

On 30 June 2008 a partnership proposal was announced between Silver Fern Farms Limited (formerly PPCS) and PGG Wrightson Limited whereby PGG Wrightson Limited would undertake livestock procurement for Silver Fern Farms. That partnership also envisaged PGG Wrightson Limited investing $220 million in Silver Fern Farms in return for a 50% shareholding and other arrangements.

Due to the deterioration in global and domestic economic conditions, PGG Wrightson Limited could not finalise capital raising and other financing arrangements to complete settlement of the contract on the proposed timetable. Silver Fern Farms therefore gave notice purporting to terminate the contract on 3 November 2008.

PGG Wrightson Limited has expensed its own direct costs associated with this transaction, being $6.95 million, which is included in operating expenses for the six months ended 31 December 2008. PGG Wrightson Limited has made a settlement offer to Silver Fern Farms that includes a contractual commitment to provide livestock procurement services and a payment of $10 million. On this basis PGG Wrightson has accrued $10 million in the current accounting period.

There are no contingent liabilities relating to investments in associates.

15 EVENTS SUBSEQUENT TO END OF INTERIM PERIOD

Subsequent to balance date, on 26 February 2009, the Directors declared a bonus issue of 5 cents per share to be issued on 1 April 2009. The Company's interim dividend will be by way of the issue of taxable bonus shares which will be fully imputed.

The dividend has not been recognised as a liability in the financial statements.

16 SEASONALITY OF OPERATIONS

The Group is subject to significant seasonal fluctuations. In particular Livestock and Seeds activities are significantly weighted to the second half of the financial year. Seeds revenues reflects 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. The Group recognises this is the nature of the industry and plans and manages its business accordingly.

17 INVESTMENT IN NZ FARMING SYSTEMS URUGUAY LIMITED

During the six months to 31 December 2008, the Group purchased 774,357 shares in NZ Farming Systems Uruguay Limited (31 December 2007: $Nil). The Group now holds 28,137,844 shares which have been fair valued to the NZX share price at 31 December 2008 of 60 cents (31 December 2007: $1.50). The total fair value adjustment resulted in a loss of $35,222,885 (31 December 2007: $8,967,089 profit).

NZ Farming Systems Uruguay has a management contract with PGG Wrightson Funds Management Limited. Included within this is a performance fee element where a fee is payable to PGG Wrightson Funds Management Limited where shareholder returns exceed a compounding 10% per annum. For a performance fee to be paid, the NZ Farming Systems Uruguay Limited share price would need to be above $1.75 at 30 June 2009. As the share price was below this level at 31 December 2008, no accrual has been made for a performance fee (31 December 2007: $11,919,000)

18 RELATED PARTIES

Key management personnel receive compensation in the form of total remuneration including employee benefits. Key management personnel received total compensation of $1,618,218 for the six months ended 31 December 2008 (six months ended 31 December 2007: $1,151,000).

19 AMALGAMATION OF NON-TRADING SUBSIDIARIES

During December 2008, PGG Wrightson Limited began a process of amalgamating a number of non-trading subsidiaries with the parent company PGG Wrightson Limited. These amalgamations are pending completion of notifications and filing per section 222(3) of the Companies Act 1993.

This amalgamation has not had any impact on either the trading or financial position of the Group.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Craig Norgate, *Chairman*

Sir Selwyn Cushing

Murray Flett

Brian Jolliffe

Sam Maling

Baird McConnon

Tim Miles

Keith Smith

Bill Thomas

MANAGING DIRECTOR

Tim Miles

CHIEF FINANCIAL OFFICER

Mike Sang

GENERAL COUNSEL/COMPANY SECRETARY

Julian Daly

REGISTERED OFFICE

PGG Wrightson Limited
57 Waterloo Road
PO Box 292
Christchurch 8042
Telephone 64 3 372 0800
Fax 64 3 372 0801

AUDITOR

KPMG
10 Customhouse Quay
PO Box 996
Wellington
Telephone 64 4 816 4500
Fax 64 4 816 4600

SHARE REGISTRY

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92 119
Auckland 1142

Shareholder enquiries about transactions, changes of address or dividend payments are directed in the first instance to:

Computershare Investor Services Limited
Telephone 64 9 488 8777, Fax 64 9 488 8787
Email: enquiry@computershare.co.nz


PGG Wrightson
www.pggwrightson.co.nz