

Heavy rainfall and flooding in Uruguay

PGG Wrightson (“PGW”) announced today that its operations in Uruguay have been impacted by high rainfall that has been experienced in Uruguay in recent days and has caused widespread flooding.

Chief Executive, Mark Dewdney said that “severe flooding in the Colonia region of Uruguay has flooded our seed cleaning site near Rosario with both the offices and the machine processing room affected. The good news is that all our staff are safe and were evacuated from the site after doing what they could to move seed and plant to higher ground.

“As floodwaters recede our local team and advisers will assess the damage and loss of seed. Our early assessment is that the physical damage will not be material, although further time is needed to be more definitive. Of more concern is the impact that the flood and very wet conditions are having on the summer crop, autumn re-grassing and farming sector generally. With the majority of the soya bean crop ready for harvest the rainfall will impact yields. Large areas of soya bean and sorghum grain are showing pre-germination symptoms, and this will place additional pressure on the arable sector in Uruguay.

“At our half-year announcement in February we noted that our South American business had experienced a challenging first half, but that we were anticipating a better second half where the focus of the business turns to inputs into the pastoral sector. The strength of beef prices gave us reason to believe we would see a recovery in our Uruguayan business at the full year. While it remains too soon to quantify the full impact of the current flooding, we are now not expecting to see that full recovery in the current financial year.

“In terms of the outlook we are maintaining our 2016 full year Operating EBITDA forecast range of \$61 to \$67 million. While the difficult conditions our business is experiencing in Uruguay introduce a real challenge that is largely outside our control, we still consider this guidance range remains appropriate. We are however realistic that the tougher market conditions and inclement weather may push the final result towards the lower end of the range. We expect to be in a position to provide a further update later in autumn when we will be able to forecast with more accuracy.

“On a more positive note, our businesses in New Zealand and Australia have continued to perform well in the financial year to date with the exception of our PGW Water business, which has been impacted by the challenging conditions in dairy, resulting in less dairy conversions and irrigation upgrades.

“While there are a wide range of external factors at play that will impact our performance over the remainder of the financial year, we remain optimistic about the medium to long term prospects for agriculture, and we are confident that PGW is well placed to capitalise on opportunities available in the sectors where we operate.”

For further information:

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*All references to PGG Wrightson Limited or the Group refer to the Company, its subsidiaries and interests in associates and jointly controlled entities.

****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).

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: Earnings before net interest and finance costs, income tax, depreciation, amortisation, the results from discontinued operations, fair value adjustments and non-operating items.