



PGG WRIGHTSON PROMOTES INVESTMENT

News Release
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PGG Wrightson promotes investment opportunity for farming in Uruguay

New Zealand's leading rural services group PGG Wrightson Limited has confirmed that a subsidiary company, NZ Farming Systems Uruguay Limited, will seek to raise up to \$150 million to purchase and develop farms in Uruguay.

The offer, detailed in the investment statement and prospectus (Offer Document) is for 75 million ordinary shares at an issue price of \$1 each, paid to 50 cents at the time of subscription, with the right to accept over-subscriptions for a maximum of a further 75 million ordinary shares.

ABN Amro Craigs Limited is the lead manager for the offer, which opens on Monday 6 November 2006 and closes on 12 December 2006.

New Zealand Farming Systems Uruguay will use the proceeds to acquire farms in Uruguay and fund their development into New Zealand style dairy and beef farms. Uruguayan milk prices are similar to those paid in New Zealand, farm development and operating costs are lower in Uruguay, and the board of NZ Farming Systems Uruguay believes that the productivity of Uruguayan farms under New Zealand management systems should be no different.

NZ Farming Systems Uruguay will also purchase three farms currently owned by PGG Wrightson in Uruguay in exchange for shares and cash. The purchase price for the farms was determined by an independent valuation, which is included in the Offer Document.

Five million shares have been reserved for PGG Wrightson and for the directors of NZ Farming Systems Uruguay. In addition, Rural Portfolio Investments has advised of its intention to subscribe for 10 million shares. "These commitments provide a strong endorsement of the offer," the chairman of NZ Farming Systems Uruguay, Keith Smith, says.

Mr Smith says PGG Wrightson has an unmatched combination of expertise, knowledge and demonstrated capability in Uruguay through its 86 per cent ownership of the country's largest seed distributor, Wrightson PAS S.A. and, since 2001, through substantial productivity gains achieved on a small beef finishing unit.

"The experience of PGG Wrightson has shown that farmland in Uruguay is highly responsive to New Zealand style pasture systems and intensive grazing management.

"New Zealand cannot hope to sustain a monopoly over that expertise. New Zealand farmers do have the choice of investing to capture the opportunity themselves or allow others to capture the gains.

“The board of NZ Farming Systems Uruguay believes that there is the potential to more than triple the productivity of Uruguayan farms and achieve an attractive rate of return for shareholders.” (See table below)

Mr Smith says the board of NZ Farming Systems Uruguay is satisfied that the country has a stable democracy employing sound economic policies. It also has modern and efficient farm service companies, a well trained and hardworking labour force, and technically advanced milk and meat processing facilities. Further, the Uruguayan government is highly supportive of foreign investment in the productive sectors and has a high regard for property rights.

PGG Wrightson has established a new company, PGG Wrightson Funds Management Limited, to manage and administer farms and farm assets owned by NZ Farming Systems Uruguay. In addition, PGG Wrightson has built a capable local management team in Uruguay that will be part of the team that will manage the farming enterprises for NZ Farming Systems Uruguay.

The Board of NZ Farming Systems Uruguay Limited comprises Keith Smith (Chairman), David Cushing (Independent), Murray Flett, Sam Maling, Craig Norgate, and John Parker (Independent). “This is a strong combination of relevant knowledge and experience, including personal and corporate involvement in farming, beef and dairy, funds management, and operating in Latin America,” Mr Smith says.

Applicants for shares in NZ Farming Systems Uruguay will be required to subscribe at 50 cents per share initially, and a further 50 cents per share on 14 December 2007. Following the 2007 call the directors of NZ Farming Systems Uruguay will use their best endeavours to list the shares on the New Zealand Exchange. However, no representation is made as to such listing. NZX accepts no responsibility for the offer or any statement made in the Offer Document. More information can be found in the Offer Document.