

Wrightson Limited

Results Announcement Year to 30 June 2004

PROGRAMME

- **Introductions**
- **Chairman's Overview – Keith Smith**
- **CEO Review – Barry Brook**
- **Financial Overview – Mike Sang**
- **RPI Perspective – Craig Norgate**
- **Chairman's Summary**
- **Questions**



CHAIRMAN'S OVERVIEW

Keith Smith

OVERVIEW

- Period of major change
- New strongly committed shareholder
- Board changes
- Confidence in SMT
- Fonterra's exit
- Comfortable with portfolio & structure – but not the way it was managed
- No strategy or structure 'u-turns'
- Strong focus on improving performance
 - remove complexity
 - make it easier to do business with us
 - focus on customers and frontline staff

OVERVIEW (cont'd)

- Disappointing 2003/04 result
- Underlying performance better than expected
- Prudent approach to 'one-offs'
 - MD settlement
 - Genesis
 - Goodwill
 - Amex Rewards provision
- Net profit after tax \$10.3m (2003 \$18.5m)

OVERVIEW (cont'd)

- CEO appointment process
- Future prospects
- Dividend policy
- Share buyback

SHARE BUYBACK

- Up to 23m shares (17%)
- \$1.56/share
- RPI will not participate
- Subject to IRD confirmation not a dividend

ACTING CHIEF EXECUTIVE'S REVIEW

Barry Brook

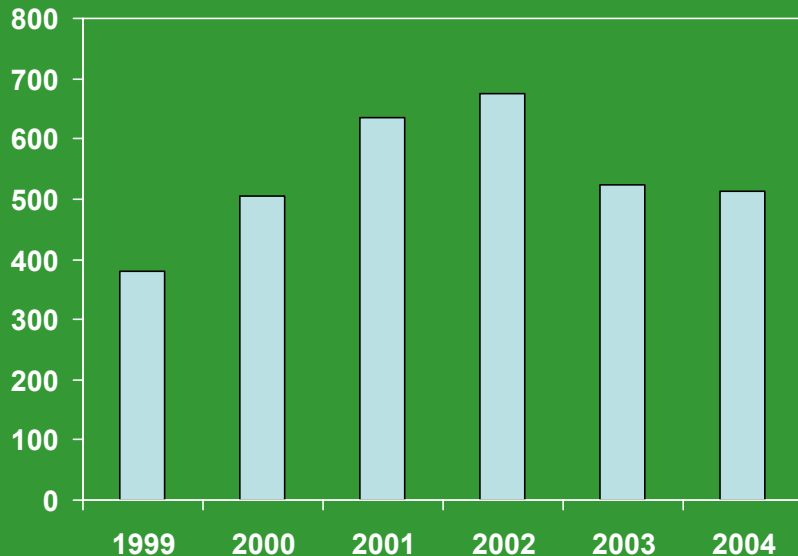
OVERVIEW

- **Disappointing result reflecting a challenging year**
- **Limited results from initiatives to strengthen business**
- **Less favourable trading conditions**

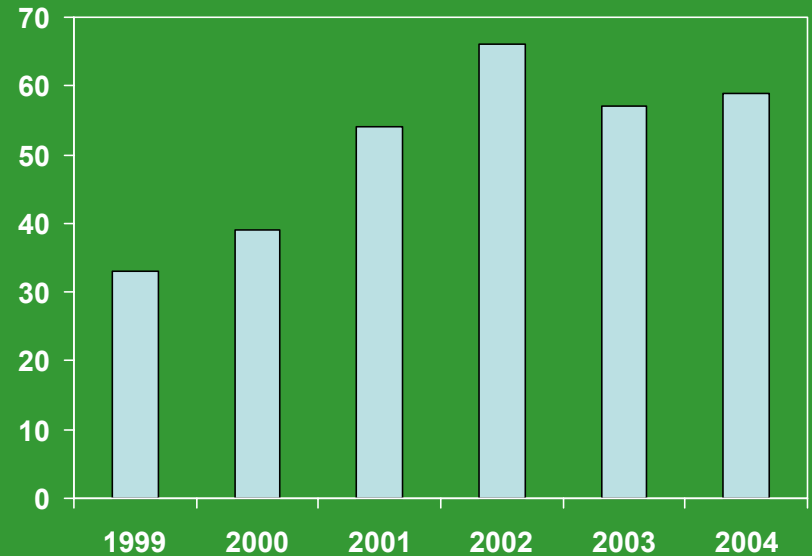
AVERAGE VALUE PER HEAD OF LIVESTOCK HANDLED

12 months to June

Ave. Beef Cattle Values \$

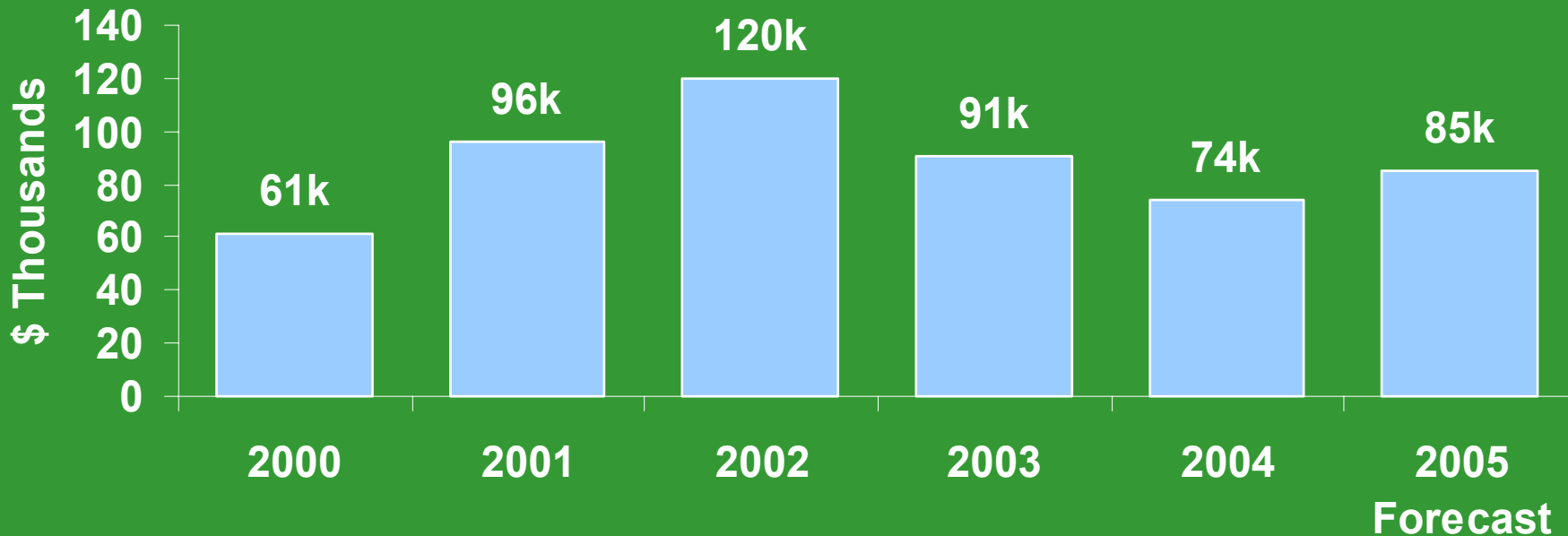


Ave. Sheep Values \$



SHEEP AND BEEF FARM PROFITABILITY

12 months to 30 June



Source: Meat and Wool Innovation

AVERAGE DAIRY COMPANY PAYOUT

\$ kg MS



HIGHLIGHTS

- **Strong year for Real Estate, Livestock Export & Grain**
- **Wool logistics rationalisation**
- **Growing the Seeds business in Uruguay**
- **Growth in sales of proprietary seeds**

PROPRIETARY SEED SALES

12 months to June



LOW POINTS

- Performance of Rural Supplies
- Fonterra withdrawal from RD1 discussions
- Slow start in Finance
- Costs
- Lack of traction with Solutions

2004/05 STRATEGIC PRIORITIES

- **More autonomy to front line**
- **Refocus on clients & key staff**
 - Understand farming systems
- **Improve productivity of our people**
 - Simplify the business
- **Build on our strengths**
 - Seeds IP
- **Implement strategies in key businesses**
 - Rural Supplies performance
 - Grow Finance business

GROW THE FINANCE BUSINESS

- New GM appointed
- Focus on building people and systems
- Shift focus from transaction financing to farmers' total finance needs
- Extend range of products and services
- Development costs
- Aim to break even this year - significant growth in 2005/06

FINANCIAL REVIEW

Mike Sang, GM Finance & Operations

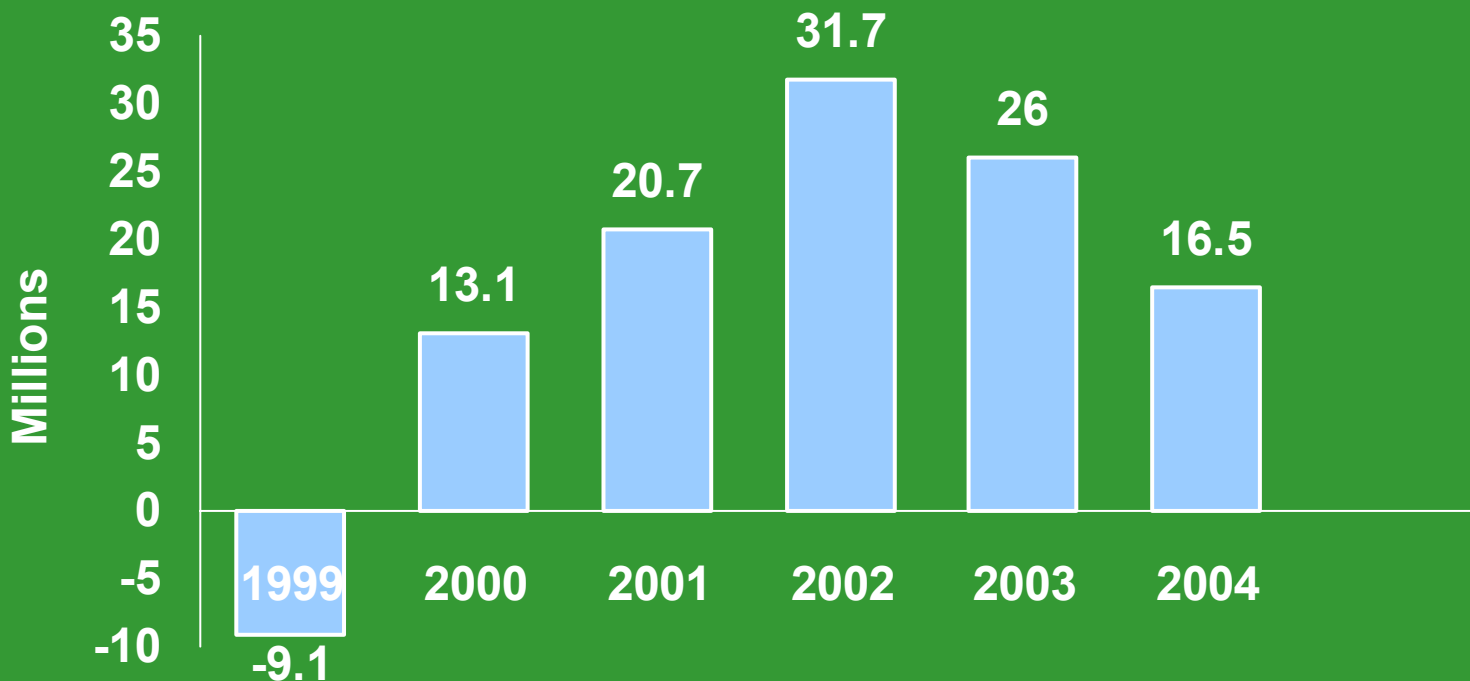


FINANCIAL HIGHLIGHTS

EBIT	\$16.5m	Down from \$26m
NPAT	\$10.3m	Down from \$18.5m
EVA	(\$2.1) m	Down from \$2.4m
Operating cash flows	\$9.1m	Down from \$32.7m
Costs	\$152m	Up 6%
9 cents per share final dividend already paid, to give 11.5 cents for the year		Same as last year

EARNINGS BEFORE INTEREST AND TAX

12 months to 30 June

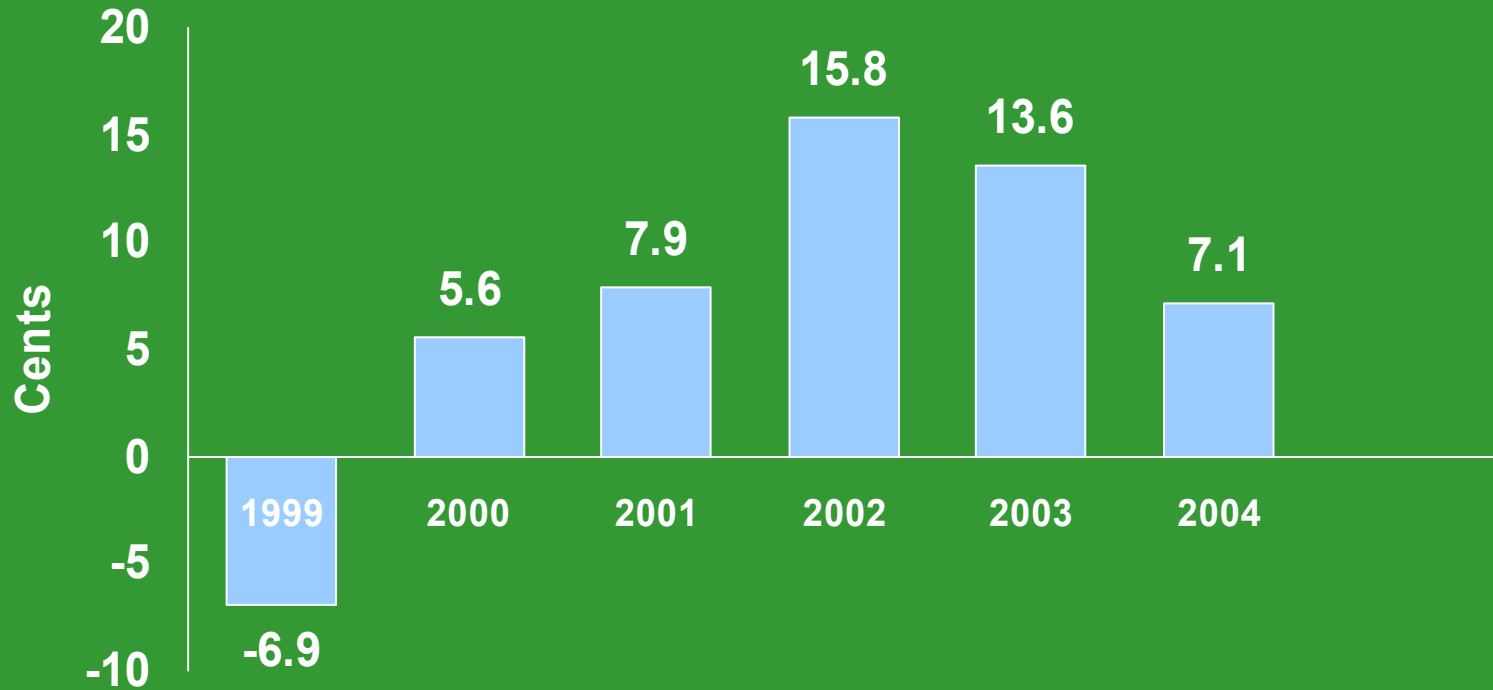


NET PROFIT AFTER TAX

Group reported NPAT
12 months to 30 June

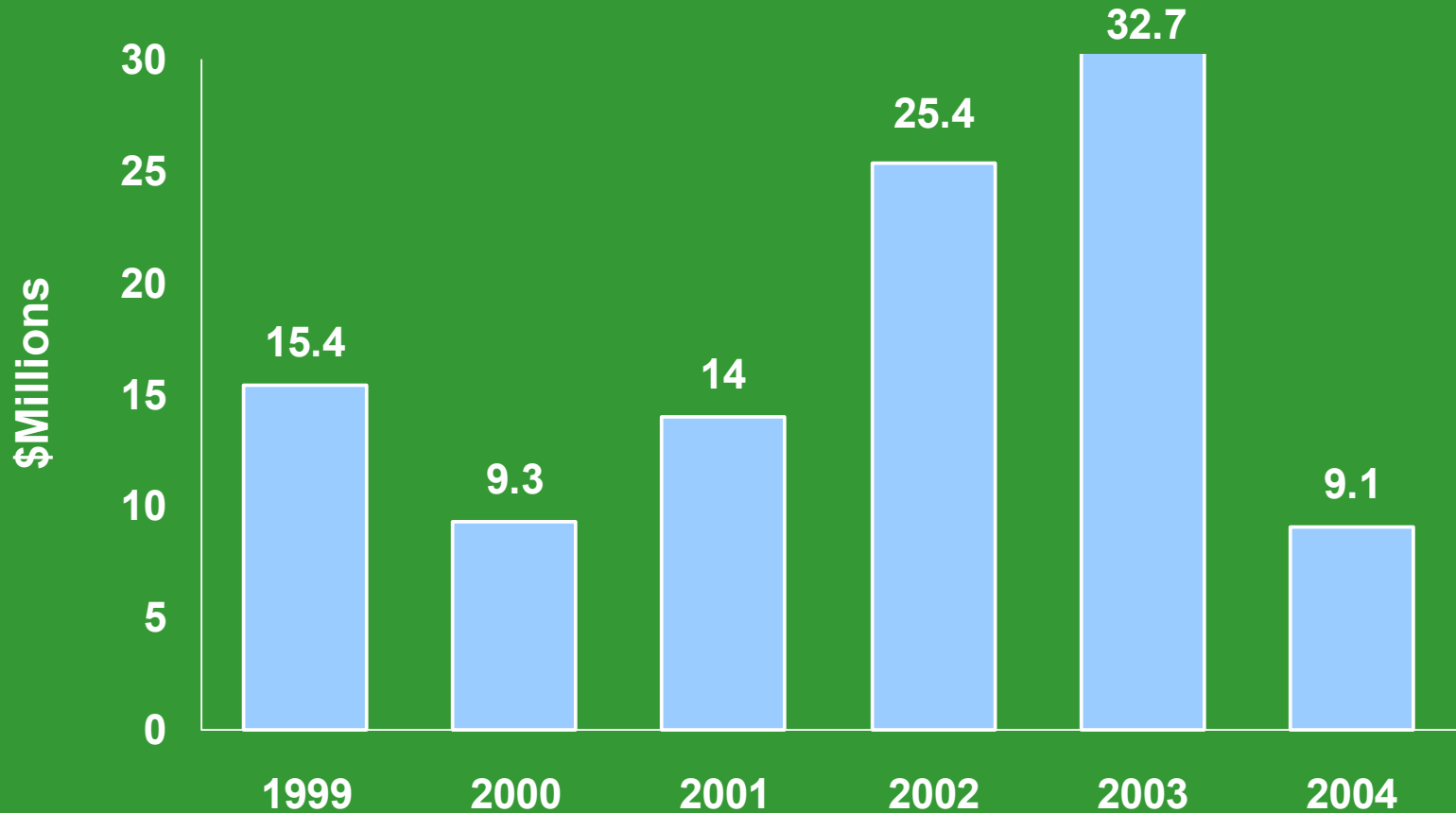


EARNINGS PER SHARE (Cents)

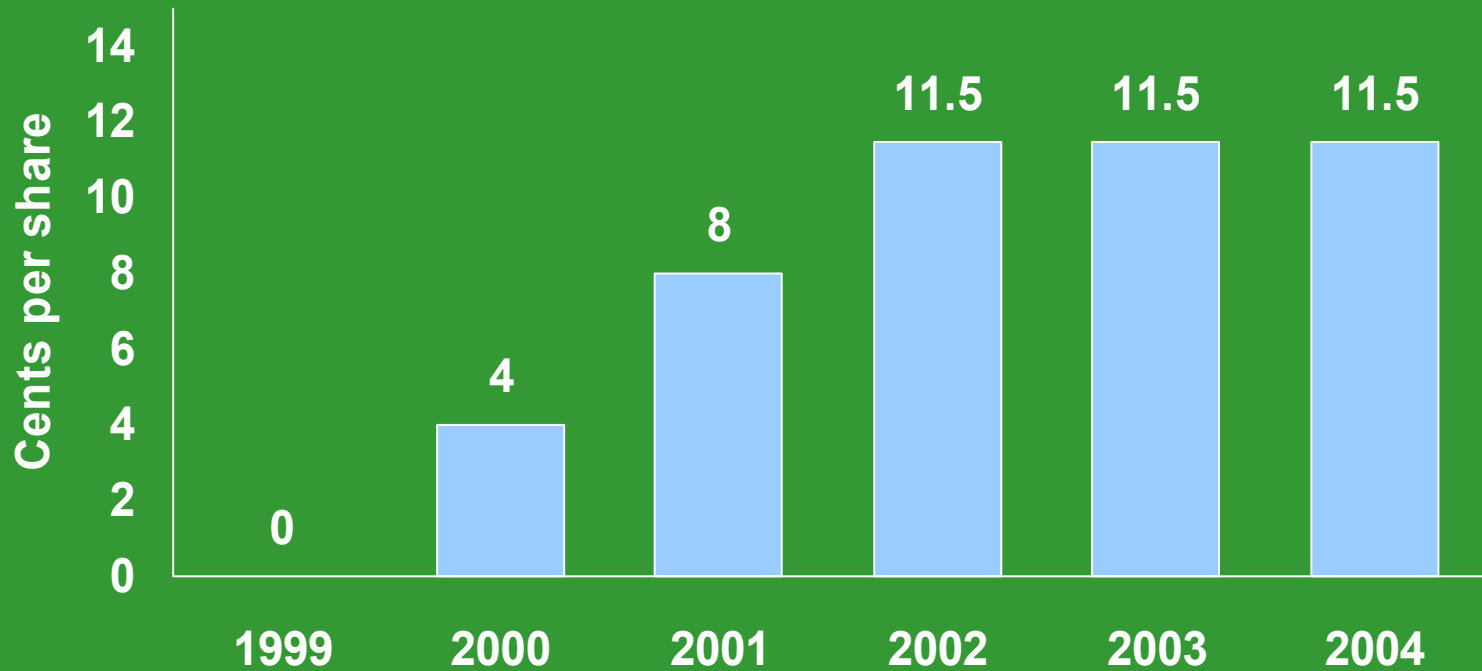


CASH FLOW FROM OPERATIONS

12 months to 30 June



DIVIDENDS (Cents Per Share)



UNDERLYING PERFORMANCE

12 months to 30 June

Reported NPAT **\$10.3m**

Deduct 'one-off' gains:

- Gain on wool assets **\$2.8m**
- Writeback on property provision **\$0.9m**

Add back 'one-off' costs:

- Historical employee entitlements
- Restructuring severance costs
- M.D's settlement
- Write-off of Forestry goodwill
- Genesis write-down
- Rewards redemption provision

\$6.1m

Adjusted operating NPAT **\$12.7m**

BUSINESS UNIT PERFORMANCE

12 months to 30 June

	EBIT		
	2001/2	2002/3	2003/4
Livestock/Wool	13.8	6.2	5.2
Rural Supplies	8.4	3.7	1.5
Seed & Grain	10.6	12.0	11.9
Other Businesses & Admin Costs	(1.0)	4.1	(2.1)
TOTAL	\$31.7m	\$26.0m	\$16.5m

GEOGRAPHIC IMPACTS

12 months to 30 June

	2002/3	2003/4
New Zealand	\$14.9m	\$7.6m
<ul style="list-style-type: none">• Underperformance in key areas• Strong performance in some businesses• Challenging sector conditions		
Australia	\$3.6m	\$2.1m
<ul style="list-style-type: none">• Difficult weather• Return to paying taxes		
Uruguay	\$0.1m	\$0.6m
<ul style="list-style-type: none">• Improved revenue		
NET PROFIT AFTER TAX	\$18.5m	\$10.3m

RURAL PORTFOLIO INVESTMENTS' PERSPECTIVE

Craig Norgate

RPI PERSPECTIVE

- Business fundamentally sound (just lost its way)
- Strategy, Structure, Systems



Purpose, Processes, People

- Remove complexity, do the simple things well
- Focus unashamedly on serving customers
- Move decision-making as close to the frontline as possible

CHAIRMAN'S SUMMARY

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- **A disappointing financial performance**
- **Strong Board with excellent mix of skills**
- **Comfortable with portfolio and structure – but not the way it was managed**
- **Strong focus on improving performance**
- **Will benefit from support of cornerstone shareholder**

QUESTIONS AND DISCUSSION

Wrightson Limited

Earnings Announcement Year to 30 June 2004