

WRIGHTSON LIMITED AND SUBSIDIARIES

**Statement of Financial Performance**

		<i>For the 6 months ended 31 December 2004</i>	<i>For the 6 months ended 31 December 2003</i>	<i>For the 12 months ended 30 June 2004</i>
	Note	\$000	\$000	\$000
Operating Revenue		313,345	309,446	637,391
Interest Revenue		346	265	624
Equity earnings of associate		84	(449)	(1,535)
		<u>313,775</u>	<u>309,262</u>	<u>636,480</u>
Operating surplus before interest and taxation	3	10,044	4,631	16,545
Net funding (cost)		(644)	(737)	(1,094)
<b>Operating surplus before taxation</b>		<b>9,400</b>	<b>3,894</b>	<b>15,451</b>
Taxation expense		(2,049)	(1,261)	(5,193)
<b>Net surplus</b>		<b>7,351</b>	<b>2,633</b>	<b>10,258</b>
<b>Net surplus comprises</b>				
Parent interest		7,431	2,735	10,018
Minority interest		(80)	(102)	240
		<u>7,351</u>	<u>2,633</u>	<u>10,258</u>
<b>Net surplus attributable to parent company shareholders</b>		<b>7,431</b>	<b>2,735</b>	<b>10,018</b>

WRIGHTSON LIMITED AND SUBSIDIARIES

**Statement of Movements in Equity**

		<i>For the 6 months ended 31 December 2004</i>	<i>For the 6 months ended 31 December 2003</i>	<i>For the 12 months ended 30 June 2004</i>
		\$000	\$000	\$000
<b>Total recognised revenues and expenses</b>				
Net surplus		7,431	2,735	10,018
Movements in foreign currency translation reserve		(212)	(62)	(647)
		<u>7,219</u>	<u>2,673</u>	<u>9,371</u>
<b>Movements in minority interests</b>		<b>(184)</b>	<b>(244)</b>	<b>122</b>
<b>Contribution from owners</b>		<b>545</b>	<b>1,561</b>	<b>2,588</b>
<b>Distributions to owners</b>		<b>-</b>	<b>(11,032)</b>	<b>(27,131)</b>
<b>Movements in equity for the period</b>		<b>7,580</b>	<b>(7,042)</b>	<b>(15,050)</b>
Represented by:				
<b>Equity at the beginning of the period</b>		<b>110,068</b>	<b>125,118</b>	<b>125,118</b>
<b>Equity at the end of the period</b>		<b>117,648</b>	<b>118,076</b>	<b>110,068</b>
<b>Movements in equity for the period</b>		<b>7,580</b>	<b>(7,042)</b>	<b>(15,050)</b>

WRIGHTSON LIMITED AND SUBSIDIARIES

**Statement of Financial Position**

	As at 31 December 2004 \$000	As at 31 December 2003 \$000	As at 30 June 2004 \$000
<b>EQUITY</b>			
Shareholder funds	116,964	117,574	109,200
Minority interests	684	502	868
<b>Total equity</b>	<b>117,648</b>	<b>118,076</b>	<b>110,068</b>
<b>LIABILITIES</b>			
Trade creditors	77,225	75,426	104,007
Client Deposits	3,149	-	-
Secured borrowings	-	25,322	7,372
Unsecured borrowings	76,710	-	-
Other	22,407	15,968	33,373
<b>Current liabilities</b>	<b>179,491</b>	<b>116,716</b>	<b>144,752</b>
<b>Non-current liabilities (Provisions)</b>	<b>304</b>	<b>343</b>	<b>292</b>
<b>Total liabilities</b>	<b>179,795</b>	<b>117,059</b>	<b>145,044</b>
<b>Total liabilities and equity</b>	<b>297,443</b>	<b>235,135</b>	<b>255,112</b>
<b>ASSETS</b>			
Receivables	130,509	109,083	113,034
Finance Receivables	27,127	11,336	17,463
Inventories	72,844	62,892	78,374
Other	4,337	5,964	7,180
<b>Current assets</b>	<b>234,817</b>	<b>189,275</b>	<b>216,051</b>
Fixed assets	30,829	32,995	28,787
Investments	27,132	6,177	4,849
Intangibles	2,315	3,692	2,843
Other	2,350	2,996	2,582
<b>Non-current assets</b>	<b>62,626</b>	<b>45,860</b>	<b>39,061</b>
<b>Total assets</b>	<b>297,443</b>	<b>235,135</b>	<b>255,112</b>

## WRIGHTSON LIMITED AND SUBSIDIARIES

### Statement of Cash Flows

	<i>For the 6 months ended 31 December 2004</i>	<i>For the 6 months ended 31 December 2003</i>	<i>For the 12 months ended 30 June 2004</i>
	\$000	\$000	\$000
<b>Net cash flows from:</b>			
Operating activities			
- Inflows	325,699	317,313	659,141
- Outflows	(348,528)	(334,891)	(650,070)
Investing activities			
- Inflows	3,240	321	11,497
- Outflows	(37,512)	(6,550)	(23,973)
Financing activities			
- Inflows	462	1,528	2,558
- Outflows	(12,622)	(11,032)	(14,509)
Net (decrease) in cash	(69,261)	(33,311)	(15,356)
Opening (bank overdraft)/ cash	(7,372)	8,024	8,024
Effect of exchange rate change on cash	(77)	(35)	(40)
<b>Closing (bank overdraft)</b>	<b>(76,710)</b>	<b>(25,322)</b>	<b>(7,372)</b>
Comprises:			
Cash and deposits	-	-	5,125
Bank overdrafts	(5,609)	(7,320)	-
Short term borrowings	(71,101)	(18,002)	(12,497)
<b>Closing (bank overdraft)</b>	<b>(76,710)</b>	<b>(25,322)</b>	<b>(7,372)</b>

### Notes

#### 1 Financial Statements

The financial statements have been prepared in accordance with Financial Reporting Standard No. 24 Interim Financial Statements and generally accepted accounting principles and should be read in conjunction with the 30 June 2004 annual financial statements.

#### 2 Accounting Policies

The accounting policies of the Wrightson Group have been applied on a basis consistent with those of the previous year and as disclosed in the audited 2004 annual financial statements.

#### 3 Significant Items

During December 2004 the Group entered into an agreement to sell to Aon Risk Services New Zealand Limited the insurance broking business. A profit of \$5.0 million has been recognised in the current period to reflect this sale.

The December 2003 result included the release of a surplus property provision in respect of a wool store, which resulted in a gain of \$1.3 million.

#### 4 Loan to New Zealand Wool Handlers Limited

The receivables balance includes an amount of \$5,500,000 owing from New Zealand Wool Handlers Limited (31 December 2003 \$Nil, 30 June 2004 \$5,500,000).

#### 5 Purchase of Williams & Kettle Limited

During December 2004 the Group purchased a 19.9% stake in Williams & Kettle Limited for \$21.2 million. Subsequent to this investment Wrightson has made an offer to purchase the remaining shares in Williams & Kettle Limited for \$4.70 per share, payable either in cash or a combination of cash and Wrightson shares. This investment will be funded by increased debt.

## 6 Material Commitments

There are non-cancellable operating lease commitments in place with expected future minimum rental payments of \$24.1 million (31 December 2003 \$33.6 million, 30 June 2004 \$30.8 million).

## 7 Reconciliation of Surplus after Taxation with Net Cash Flow from Operating Activities

	<i>For the 6 months ended 31 December 2004</i>	<i>For the 6 months ended 31 December 2003</i>	<i>For the 12 months ended 30 June 2004</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Surplus after taxation	7,351	2,633	10,258
Add items classified as investing or financing activities	17	(233)	(2,619)
Add non-cash items	3,431	5,104	8,436
Add/(deduct) movement in working capital items			
Inventories	5,317	10,817	(4,952)
Net receivable/payables	(40,114)	(23,314)	3,359
Other	1,169	(12,585)	(5,411)
<b>Net cash flow from operating activities</b>	<b><u>(22,829)</u></b>	<b><u>(17,578)</u></b>	<b><u>9,071</u></b>

## Post Balance Sheet Events

### 8 Sale of Potato Business

On 9 February 2005 the Group entered into an agreement for the sale of its Potato business. This will take effect from 1 March 2005.

### 9 Interim Dividend

Directors, by resolution of the Board on 10 February 2005, have declared a fully imputed interim dividend of 3.5 cents to be paid on 31 March 2005.

### 10 Unaudited Financial Statements

These interim financial statements have not been audited.