

SEEKA KIWIFRUIT INDUSTRIES LIMITED
2010 ANNUAL SHAREHOLDERS MEETING

Chairman's statement, 17 August 2010

Ladies and Gentlemen, welcome to Seeka Kiwifruit Industries' Annual Shareholders Meeting. My name is Kim Ellis, and I am the Chairman of the Board of Directors.

Before we get underway, let's run through the structure of the meeting.

- We'll deal with procedural matters before introducing Seeka's board and senior executive team. I will summarise some company highlights and strategy for 2010; then Michael Franks, the chief executive, will review the company's financials and update us on current performance.
- Please hold all questions until after Michael's presentation. Questions should be directed through the chair.
- We will then attend to the resolutions in the notice of meeting. Any questions relating to the resolutions should be asked at that time.
- As I am standing for re-election, Mr Jim Scotland will chair the meeting during the election of directors.
- The notice of meeting, which includes explanatory notes, has been circulated to all shareholders. I intend to take it as read.

The company's constitution requires a quorum of 10 shareholders, either in person or by proxy. As you can see, a quorum is present - so the meeting is duly constituted and I declare it open.

The company's auditors PricewaterhouseCoopers are represented here today by Julian Prior. The company's legal advisors are represented by Tanya Drummond of McKenzie Elvin and Greg Horton of Harnos Horton & Lusk has given his apology to the meeting as he cannot be here today.

Stephen McPherson of Westpac has also given his apology to the meeting. The company welcomes its auditors, and advisors.

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Proxies

Proxies have been appointed for this meeting for 1,147,264 ordinary shares. As chairman, I hold proxies for 648,527 shares. Where proxy discretion has been given,

the directors, chief executive and myself (as chairman) intend to vote in favour of the resolutions.

I would now like to introduce my fellow board members, one at a time, and ask them to stand in turn.

Directors

- Jim Scotland

Jim was appointed to the board in 1998. He's an experienced company director with widespread interests in horticulture and viticulture. He is chairman of the Port of Napier and a director of the New Zealand Institute for Plant & Food Research.

- Dave Emslie

Dave has been a director since 2000 and he's been a director of Opotiki Pack and Cool for 18 years. He has more than 30 years experience in the kiwifruit industry, both as an orchardist and in field operations.

- Malcolm Cartwright

Malcolm has been a director since 2002. He has extensive experience in the kiwifruit industry, at both governance and grower levels. He's a past president of NZKGI and director of Kiwifruit New Zealand. Malcolm also chairs Seeka Growers Limited and is a director of AvoFresh.

- Junichi Moriya

Junichi was appointed in 2008. He has been president of Japan's largest fruit wholesaler, Tokyo Seika, for a decade and has 35 years experience in international fresh-produce logistics and wholesaling.

- Stuart Burns

Stuart joined the board in 2008. He is the Rotorua Energy Charitable Trust's chief executive and serves on the boards of Hubbard Foods and Te Arawa Fisheries Limited. He was instrumental in the energy trust's investment in Seeka, which helped fund the expansion programme in 2005. He is a fellow of the Institute of Chartered Accountants and of the Institute of Chartered Secretaries and Administrators. He is a member of the Institute of Finance Professionals of New Zealand and of the New Zealand Institute of Directors.

- Amiel Diaz

Amiel was appointed to the board in October last year after being nominated by Fresh MD Holdings, and after being interviewed and accepted by the Seeka board. Fresh MD has a 16% holding in Seeka.

Amiel has more than 15 years experience in the produce industry out of his 29 years in corporate management. He is currently a director for FreshRemix Corporation of Japan, as well as president and treasurer of FreshRemix Asia Software Corporation in the Philippines.

Amiel is a certified public accountant and a certified information systems auditor; he majored in economics and accountancy at one of the top universities in the Philippines.

- Taari Nicholas

Taari was appointed to the board in April this year, after being nominated by Te Awanui Huka Pak Limited, and after being interviewed and accepted by the Seeka board.

He's a professional company director, including for: Kordia, a state-owned enterprise telecommunications company; Singapore-based private equity company Aegis Private Capital; and PKW Farms (the largest corporate dairy farmer in Taranaki).

He is a director of Te Awanui Huka Pak - its largest and most important investment is a 17% holding in Seeka.

Taari is a management studies graduate, a chartered accountant and a retired member of the New Zealand Stock Exchange.

- Peter Dawe

In the audience is Peter Dawe, a director since 1987. He retired in April. Peter chaired our Audit Committee and brought with him a solid commercial and legal background. We thank him for his contribution over 23 years and wish him well.

- Kim Ellis

I was appointed as a director and elected chair in 2007. Other directorships include Freightways, and I chair the boards of MetroGlasstech and Envirowaste Services. Prior to 2006, I was managing director of Waste Management for 13 years.

Senior management team

I'd now like to introduce Seeka's senior management team. (Again, I'd ask each of them to stand in turn.)

- Michael Franks, Chief Executive
- Bryan Grafas, General Manager Orchard Operations
- Rob Towgood, General Manager Post Harvest Services
- Kevin Halliday, General Manager IFSL (our logistics service provider)
- Geoff Carey, General Manager Grower Entities
- Peter Mourits, General Manager Client Relations and Corporate Marketing.
- Greg Rodger, General Manager Information Management
- Stuart McKinstry, Chief Financial Officer and Company Secretary

These people have considerable experience and are representative of the wider Seeka team in the Bay of Plenty and Coromandel.

Financial highlights

The financial statements for the year ended 31 March 2010 are set out in the Annual Report released to shareholders in July.

Operating revenue increased significantly during the year, reflecting the greater number of trays packed for the year to 31 March.

The company generated \$14.5m in EBITDA during the year. This is a \$0.5m (or 4%) increase on last year - it reflects the net operating costs of Huka Pak from the time of its purchase in December 2009, and also reflects a non-cash loss of \$0.9m for a share of the OPAC result through associate earnings.

Profit before non-recurring items and tax of \$7.5m is \$1.9m (or 34%) up on the previous year - the company benefited from reduced interest costs and derivative charges.

Non-recurring items

The company incurred three one-off items that reduced profit before tax from \$7.5m to \$1.4m.

- The Huka Pak purchase involved a \$3.9m payment to terminate a management contract previously held by CMS. Huka Pak's management is now completely within Seeka's operation. That one-off payment has been expensed in the reported profit, consistent with accounting and tax advice.
- During the year a capital raising by Vital Foods materially diluted Seeka's interest in the company and led the board to form a view that the carrying value of the investment was no longer appropriate. Accordingly an impairment expense of \$1.7m reduces Seeka's reported profit, with no impact on cashflow or underlying profitability. Vital Foods continues to grow revenues through the marketing of its key products, Phloe and Kiwicrush.
- The company renegotiated the consideration received for the sale of its interest in South Auckland Pack and Coolstores. Under the revised terms, Seeka accepted \$3.1m in October 2009 in settlement for a \$3.5m loan which would otherwise have been repaid in April 2011. The payment has been received and concludes all matters relating to the sale.
- While we are covering one-off items, please note that in the 2010/2011 financial year the company's deferred tax liability will increase under government tax changes. Buildings will no longer be depreciated, so a non-cash tax expense of up to \$ 4.9m will need to be recognised against profit.

Huka Pak purchase

The Company acquired Te Awanui Huka Pak in December 2009. Some benefits of the purchase are:

- Access to an early fruit supply. Huka Pak previously received more early fruit than it could handle at a time when Seeka had spare capacity. The purchase provides better utilisation of Seeka's post-harvest infrastructure, and gives growers timely processing.
- Access to a premium pool of orchards which increases the company's kiwifruit volumes to approximately 25% of the industry.

- An experienced orchard and post harvest team. Huka Pak's high-calibre, experienced people quickly and fully integrated into our company. They are a welcome addition and their efforts have seen Seeka achieving promising early results.
- Incremental earnings that will increase returns to shareholders.
- A new major shareholder in Te Awanui Whenua Trusts Limited (recently re-named Te Awanui Huka Pak Limited).

Details of the purchase are contained within Note 34 to the financial statements.

Total consideration paid for all of the shares in Huka Pak was \$24.6m.

The purchase was funded through Seeka issuing 1.8m shares to Te Awanui for \$3.60 per share, leaving a balance of \$18m to be funded by the sale and lease-back of the land at Huka Pak for \$11m and by \$7m paid in cash.

New major shareholders

- In August 2009 Fresh MD Holdings acquired a major stake in the company through the purchase of 2.3m shares for \$3.60 per share from former Seeka director Chris Morton.

Fresh MD Holdings currently has a 16.4% holding in Seeka. Fresh MD Holdings is a Japan based company with major shareholders including Dole, Sumitomo and PS Asset Management of Japan.

Fresh MD Holdings operates a fresh produce distribution network throughout Japan and is involved with fruit ripening, repacking and distribution. They are a significant handler of kiwifruit.

FreshRemix, a division of Fresh MD Holdings, provides information infrastructure to deliver accurate information from producers to customers. It also undertakes a marketing function for producers and retailers.

Fresh MD Holdings is represented here today by the company's President Mr Tatsuo Horiuchi who has travelled here from Japan to attend this meeting.

- In December 2009 Te Awanui acquired a major stake in Seeka through the issue of 1.8m new shares at \$3.60 per share as part of the purchase consideration for Huka Pak. These new shares extended Te Awanui's holding in Seeka to 17%.

Te Awanui is owned by local kiwifruit growers supplying more than 2 million trays to Seeka.

Te Awanui is represented here today by the company's Chairman Mr Neil Tekani and its CEO Mr Hemi Rolleston.

Change of balance date

The directors have determined the company will change its balance date from 31 March to 31 December, effective December 2010.

This will enable the Annual Report and Financial Statements to:

- Better reflect the kiwifruit business and industry cycle.
- Simplify accounting for Long Term Leased orchards and the valuation of their crops on the vine at balance date.
- Better match the post-harvest packing and coolstore cycle as substantial volumes of crop are now being harvested in March prior to the current year-end balance date.

The new balance date will be adopted at 31 December 2010 and Seeka will at that time report on the previous nine months.

The company will introduce a new short-form version of the Annual Report which will be sent to shareholders instead of the current comprehensive report. A copy of the full Annual Report will still be available to shareholders on the company's website.

Dividends

A key component of Seeka's strategy is delivering predictable dividends to shareholders, and the dividend policy announced in July 2009 is based on paying a minimum annual dividend of \$0.20 per share. The policy has been achieved in the current year with a dividend of \$0.10 per share in December 2009. This has been followed by a dividend of \$0.10 per share in June.

I now invite Mr Franks to address you.

(Note: The chief executive addressed the meeting and resolutions were taken.)

Profit Outlook

The forecast profit before tax and non-recurring items for the nine month period to 31 December 2010 is in a range of \$12.5m and \$11.5m. This compares to \$9.8m in the prior nine month period to December 2009.

By way of comparison, had there not been a change in the balance date the forecast profit before tax and non-recurring items for the year to 31 December 2011 is in a range of \$10.50m and \$9.5m. This compares to \$7.5m in the prior year.

Director Retirement

At the board meeting proceeding this ASM Mr Junichi Moriya announced his retirement from the board of Seeka. Moriya-san joined the board in 2008, and we have appreciated his contribution to the company over these last two years and look forward to a continued involvement with him in the future.

With his retirement the number of directors will be seven, which is within the limits provided in Seeka's constitution

General Business

Before we close the meeting, I invite shareholders to raise any items of general business they may want discussed at this meeting.

I now take this opportunity to thank your board for their contribution over the past year along with the chief executive, executive and employees of the company.

I also express the board's appreciation to shareholders for their continued support of the company and assure you that we are taking the steps to generate the returns you all expect from your investment.

I will now close the meeting.