

Stakeholder Update

21 October 2014



SEEKA
KIWIFRUIT INDUSTRIES LIMITED





Agenda

Welcome

Introductory remarks and dividend

- Fred Hutchings

Six months financial review and forecast

- Stuart McKinstry

Business update

- Michael Franks



Financial Highlights

Improved six months performance and full year forecast

Six months

- \$0.10 EPS – double June 2013
- \$1.5m NPAT – up 120% on June 2013
- \$5.8m EBITDA – up 39% on June 2013
- \$4.09 net assets per share – up 5% on June 2013

\$3.00 share price – up 67% on June 2013

\$0.07 dividend distributed per share

Modest debt of \$31.4m

- \$4.2m received just after balance date



Highlights

Continued strong Zespri market returns

Glassfields purchase

Grower Share Scheme

OPAC shares sold



Our operating environment

Greater fruit volumes forecast

Great support from growers

Grower share scheme rewards loyalty and secures crop

Capital investments to handle 2015 crop

Improving industry optimism but Psa-V uncertainties continue

Demand for Glassfields handling facilities



Our business

Kiwifruit is the foundation to our business

Careful capacity planning undertaken

Competitive pricing to underpin volumes

Retail services incorporating Glassfields and SeekaFresh securing growth



Our business

Other produce varieties complimentary to core competencies [e.g. kiwiberries]

Supply team delivering faster, fresher, better produce to our customers

- Zespri
- Major Australian and New Zealand retailers

Professional performance to growers

Relationships based on transparency and trust

Commercial operators



Board continues to refine strategy

Focus on profitable growth

Kiwifruit business provides key strategic platform

Seeking opportunities that transform Seeka by

- Building on the activities we are good at
- Investments need to return cost of capital
- Pursue vertically integrated opportunities
- Give us greater geographical and produce spread
- Provide higher returns to our stakeholders



Industry Matters

Kiwifruit Industry Strategy Project

Industry Claim



Dividend

8 Cents
Per share

7 November
RECORD DATE

13 November
PAYMENT DATE

**Fully
imputed**

Dividend Reinvestment Programme
will apply, DRP to be distributed to new shareholders



Summary

Financially sound

Increased kiwifruit volumes predicted

Continuing focus on growers and customers

Open to opportunities to expand existing businesses

Open to complimentary business opportunities

Management team and dedicated staff to execute and achieve outstanding performance



SEEKA
KIWIFRUIT INDUSTRIES LIMITED

Six months financial review & forecast

Stuart McKinstry

Six-monthly overview

Snapshot



20 ▲ 1.4m
million trays
PACKED, up 8%

\$1.5 ▲
million NPAT, up 114%

\$5.8 ▲
million EBITDA, up 39%

\$3 ▲
million
ORCHARDING, up 15%

\$5 million
POST HARVEST, unchanged

\$31 ▲ \$8m
million
NET BANK DEBT
Investing in growth

\$1.2 ▲
million
EBITDA Retail Services

Packed kiwifruit trays class 1 & 2

Up 1.4m trays



	6 months June 2013	6 months June 2014	Difference
Packed	18.8 m	20.2 m	▲ 1.4 m
UFI	0.8 m	1.0 m	▲ 0.2 m
Total	19.6 m	21.2 m	▲ 1.6 m

Financial summary and forecast

Improving performance



	6 months June 2013	12 months Dec 2013	6 months June 2014
Class 1 & 2 trays packed	18.8m	19.6m	20.2m
Operating revenue	\$ 67.0 m	\$ 97.4 m	\$ 79.2 m
EBITDA			
Orchards	2.6 m	3.3 m	3.0 m
Post harvest	5.2 m	12.3 m	5.1 m
Retail services [SeekaFresh]	0.0 m	1.4 m	1.2 m
Corporate	(3.6m)	(7.1 m)	(3.5m)
Total EBITDA	\$ 4.2 m	\$ 9.9 m	\$ 5.8 m
Profit before tax	\$ 0.9 m	\$ 3.5 m	\$ 2.5 m
Net profit after tax	\$ 0.7 m	\$ 2.7 m	\$ 1.5 m

\$1.8 million COST of
Grower Share Scheme

\$1.3 million GAIN on
sale of OPAC shares

\$10 to 10.5 m
EBITDA, forecast year end
before cost of share scheme

\$2.6 to 3 million
PROFIT, forecast year end after tax



Balance sheet

	6 months Jun 2013	12 months Dec 2013	6 months Jun 2014
Cash	0.2 m	5.9 m	0.9 m
Inventory and land held for resale	10.9 m	1.3 m	17.3 m
Other current assets	26.8 m	24.1 m	31.3 m
Total current assets	\$ 37.9 m	\$ 31.3 m	\$ 49.5 m
Property, plant & equipment	60.7 m	60.3 m	63.8 m
Other non current assets	5.9 m	7.6 m	12.7 m
Total non-current assets	\$ 66.6 m	\$ 67.9 m	\$ 76.5 m
Other current liabilities	15.6 m	12.2 m	*22.0 m
Interest-bearing debt	23.5 m	20.6 m	32.3 m
Deferred tax	9.3 m	7.9 m	12.5 m
Total liabilities	\$ 48.4 m	\$ 40.7 m	\$ 66.8 m
Net assets	\$ 56.1 m	\$ 58.5 m	\$ 59.2 m

Includes \$4.2m
for orchards sold
in July

\$5.4m
GLASSFIELDS
Goodwill and supplier contract

* Includes grower share scheme

Orcharding operations

Increased OGR and yields



	June 2013	June 2014	
EBITDA	\$ 2.6 m	\$ 3.0 m	▲ \$ 0.4 m

3.9m SKIL lease trays

- Gold volume
- Green volume
- Green organic volume



0.3m trays



No change



0.4m trays



0.1m trays

Long term lease trays

- 48k trays Gold
- 390k trays Green



[Nil 2013]



[340k 2013]



Post harvest operations

	June 2013	June 2014	
EBITDA	\$ 5.2 m	\$ 5.1 m	▼ \$ 0.1 m

20.2 m trays class 1 & 2 packed  1.4m trays

10.3 m trays loaded out  1.3m trays

Prices held to growers

- Some cost pressure

Includes \$1.8m cost of grower share scheme



Retail services

	June 2013	June 2014	
EBITDA	\$ 86 k	\$ 1.2 m	▲ \$ 1.1 m

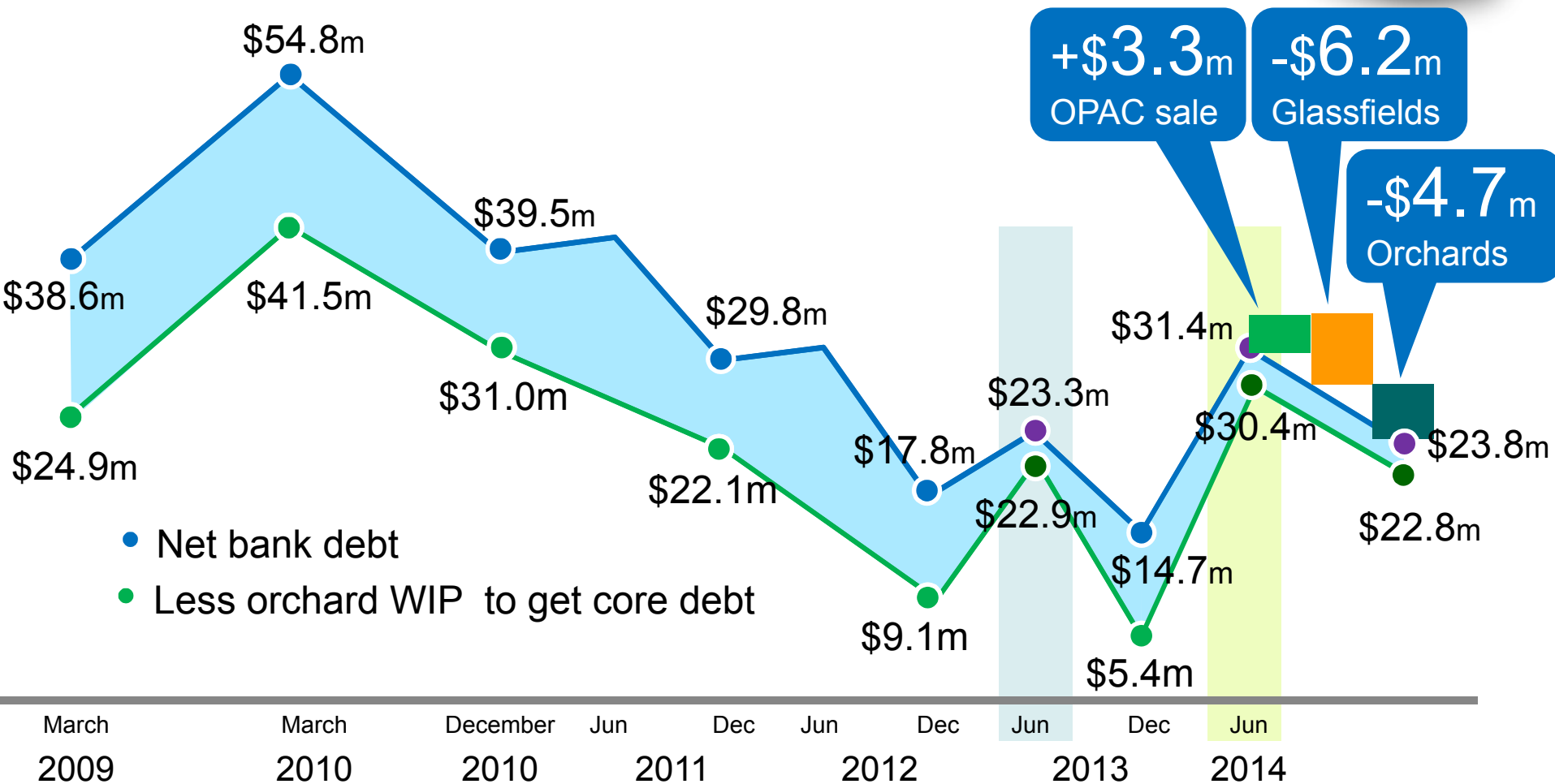
Glassfields acquired April 2014

- Integrated with SeekaFresh to form Retail Services

SeekaFresh had a strong avocado season

Net bank debt

Reinvesting in future growth





SEEKA
KIWIFRUIT INDUSTRIES LIMITED

Focusing on the core business

Michael Franks



Health and Safety [to 30 September]

The safety of our people



	Sep 2013	Sep 2014
Notified serious harm	3	2
Lost-time medical	16	16
Non-lost-time medical	53	54
First Aid	21	33
Hours worked	1.1m	1.6m
Lost time injury frequency rate	1.4	1.0



Focusing on the core business

Safety performance and culture

Operational excellence

Innovation to compete

Improved earnings

Capacity planning forefront of our minds

- Both for Hayward and G3
- Strategically securing our future



Capacity planning

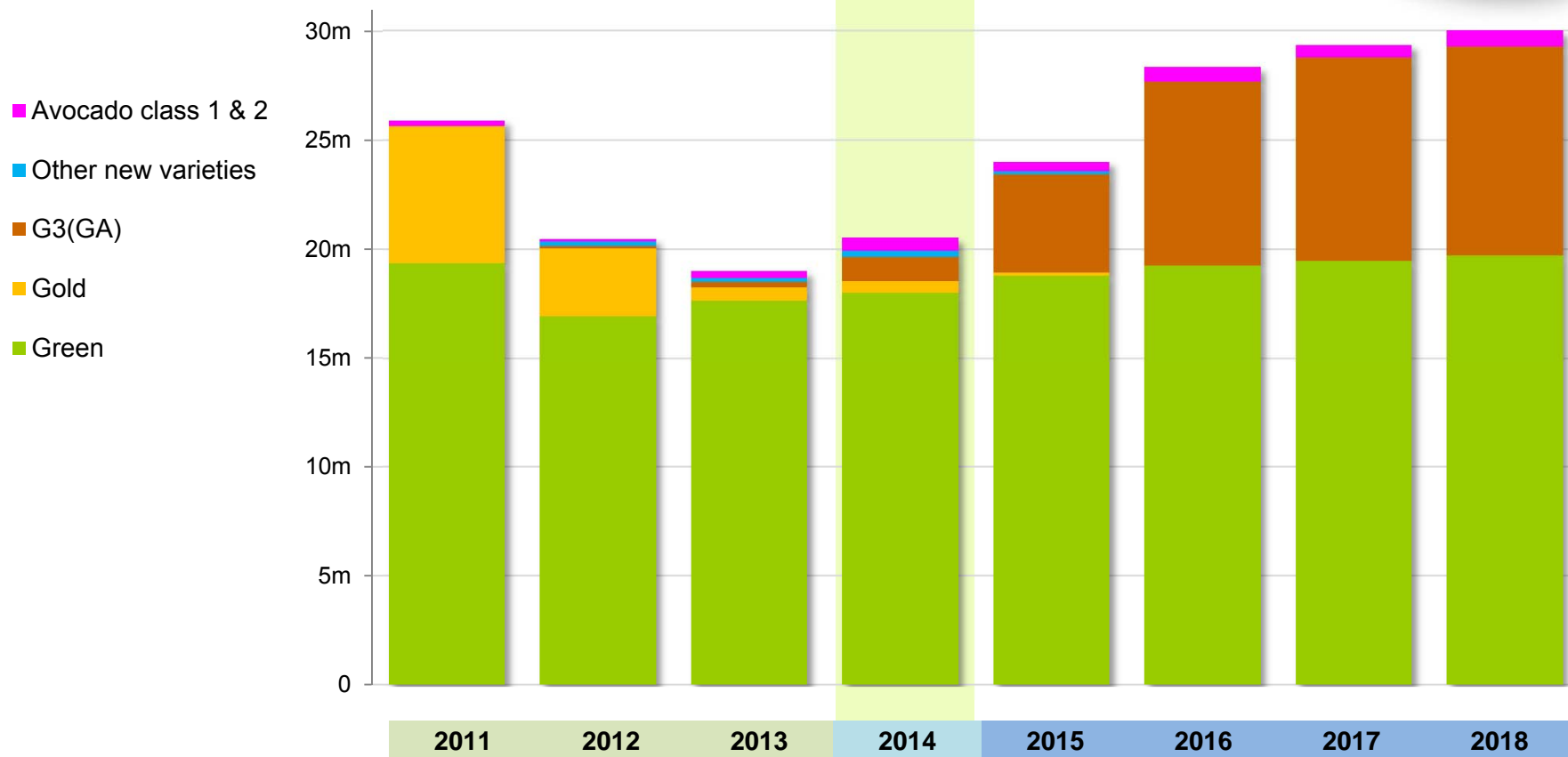
Gross assumptions

- Yield
- Area
- Recovery of orchards re-grafted after Psa
- Tolerance to Psa
- Timing of harvest
- Shipping windows and storage requirement
- Ability to handle fruit off-shore
- Net fruit procurement

Means forward projections are difficult, subject to disclaimer and potential error

Forecast volumes

Strong G3 growth 2015 & 2016



Total Kiwifruit Packed Trays	27,106	21,445	19,587	21,196	24,944	29,217	30,401	30,891
------------------------------	--------	--------	--------	--------	--------	--------	--------	--------

2014 Forecast =

Capacity growth

Timed to match volume growth



Best to time investment as late as possible

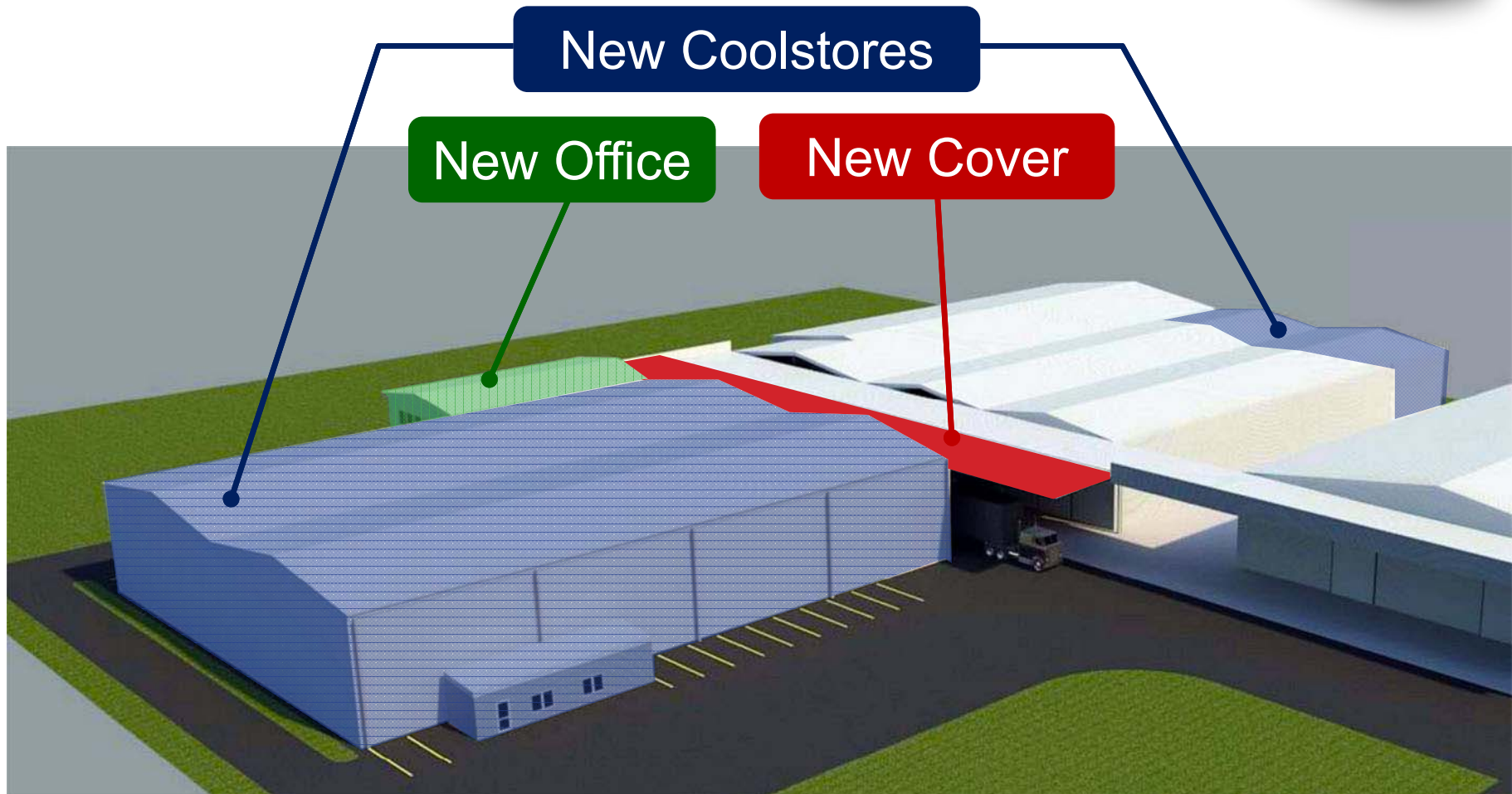
- Just before the expected demand

2015 packing capacity

- Can be achieved with current configuration

2015 coolstore extensions

- Pioneer
 - > Funded by landlord
- Oakside





Oakside

New coolstores and pre-coolers

New canopy



Capacity planning

From 2016



Options being evaluated for capacity from 2016

- Based on forecast volumes Seeka will need additional coolstorage
- Offshore processing remains a conceptual option

Potential for a new packing and coolstore facility to be constructed

Strategic sites being evaluated as one option

Early financial planning indicates that Seeka can expand its capacity to meet kiwifruit demand within its current resources

Innovation drive continues

Delivering competitive advantages



Plastic bins

Kiwiberry

Avocados

World-class software systems to optimise inventory value

Efficiency focus, reporting and planning

Structures to deliver improved or optimal performance

Retail Services

Retail services

Faster, fresher, better



Glassfields integrated into with SeekaFresh

Core retail operations

- Export and domestic avocado programmes
- Australian and New Zealand kiwifruit programmes
- Collaborative kiwifruit marketing
- Kiwiberries
- Banana ripening services
- Sumifru fruit handling
 - > Import, ripen, distribute
 - > Philippines bananas, pineapples, papayas
- Morning wholesale market

Opening new Christchurch retail service centre

Expanding produce range



SEEKA
KIWIFRUIT INDUSTRIES LIMITED

Shareholders Programmes

Employee Share Scheme

Revised and reinstated



429,600 shares issued @ \$3.05 to the scheme

145 participants out of 204 employees

Dividends applied to outstanding balance

In 3 years participants have option to buy the shares at the balance, pay them off or walk away

Designed to encourage employees to buy in to and participate in Company performance

Grower Incentive Scheme

Growing strong relationships



403 GROWERS
Join the 3-year scheme

305 NEW SHAREHOLDERS
Shareholders now exceed 1000

18 million
Class 1 trays 2014
92% of total supply

1.8 million shares issued
Will be paid October dividend

Questions



SEEKA
KIWIFRUIT INDUSTRIES LIMITED





SEEKA

END

SEEKA KIWIFRUIT INDUSTRIES LIMITED