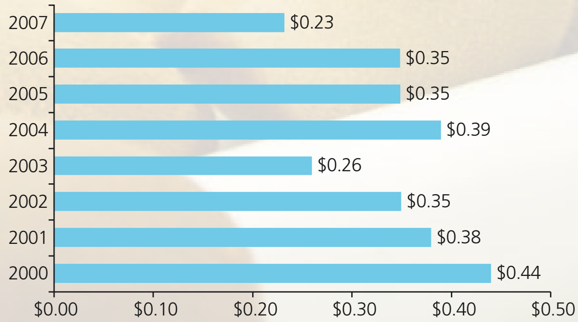
seeka kiwifruit industries limited

ANNUAL REPORT 31 MARCH 2007

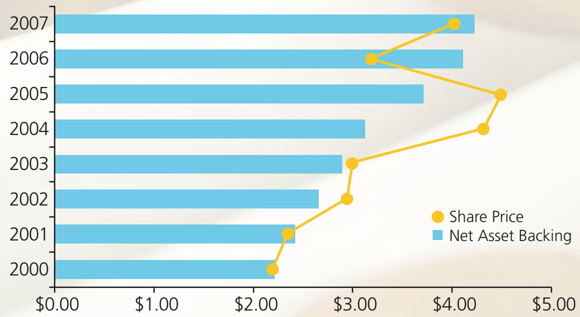
CHANGING THE FACE OF NEW ZEALAND'S KIWIFRUIT INDUSTRY

key features

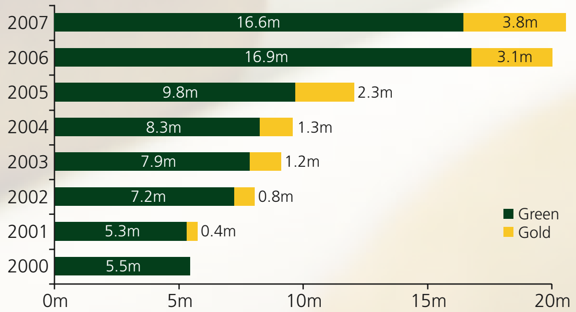
- Total revenue of $95.47m – slightly lower than 2006
- $4.02m operational earnings before tax consistent with September 2006 forecast
- Cash flow impacted by increased work in progress as orchard operations expand
- The extraordinarily high on-shore fruit loss experienced across the industry impacted on the Company's financial performance!
- Extensive programme of improvements initiated to improve 2007 / 2008 operations
- Reliable, high-quality seasonal workforce secured through immigrant labour programme
- Production capacity expanded by installation of new $4.6m Gold packing line at Oakside
- New information systems improve operational, grower and management reporting
- Full year dividend maintained at $0.20 per ordinary share



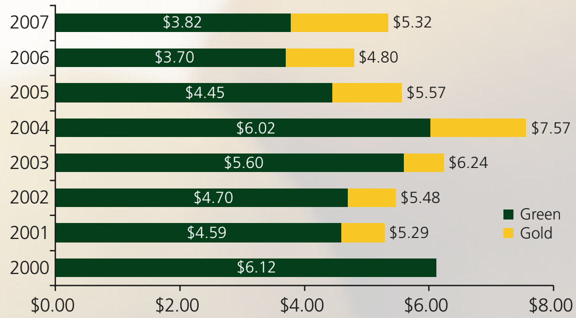
EARNINGS PER SHARE



SHARE PRICE COMPARED TO NET ASSET BACKING



TOTAL POST HARVEST VOLUMES



ORCHARD GATE RETURNS

business review

FINANCIAL RESULTS

The Board of Seeka is pleased to present this Annual Report covering the 2006 / 2007 operations of the Company. The results reflect a challenging year, affected particularly by unusually high fruit loss. As a result, the outcome was disappointing for both the Company and growers.

Net profit after tax for the year ended 31 March 2007 totalled $2.84m compared with $4.23m in the preceding year. The operational earnings before tax of $4.02m is consistent with the range advised to shareholders in the September 2006 Interim Report. Included in the preceding year's result was an additional profit of $2.14m obtained from sale of the Pioneer Coolstore at Mount Maunganui. Also in 2006 / 2007 amortisation of developments and goodwill increased by $0.36m.

The 2007 result was achieved on total revenue of $95.47m for the year, slightly lower than 2006.

The full year financial result was lower than our objective reflecting primarily the effect of a lower orchard gate return resulting from extraordinarily high on shore fruit loss. In spite of that we continued with an extensive programme of operational improvements from which we expect a significantly better result in 2007 / 2008.

Given this underlying confidence, the dividend rate has been maintained with total payments of $2.47m.

Operating cashflows of $4.21m are lower than the $10.19m recorded in 2006. Lower cashflow reflects significantly increased work in progress associated with expanding orchard leasing operations (an additional 209 hectares) along with higher packaging inventories. The investment in work in progress will see a significant lift in production from the Company's leased orchards for harvest 2007 and likewise the Company expects a reduction in packaging stock.

Total assets of $106.59m have increased by $11.30m, reflecting the Company's continued investment in core business along with investments in Kiwi Produce Limited and South Auckland Pack and Cool Limited. All investments have performed well in 2006 / 2007.

2006 OPERATIONALLY CHALLENGING

Across the whole kiwifruit industry, the 2006 packing and coolstorage season has been the most challenging in the Company's history. The industry struggled with the early Gold fruit and then contended with difficult fruit quality in Green.

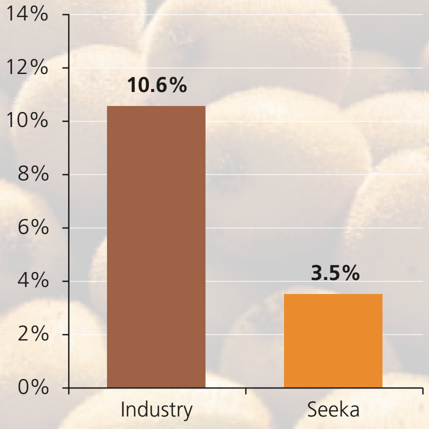
Seeka's Gold operational protocols saw these issues largely avoided and subsequent fruit loss in this variety was lower with good grower returns and margins achieved compared with industry averages. Seeka handles approximately 30% of industry Gold volumes and the Company's results for this variety were satisfying.

With Green however, industry issues impacted on Seeka. Fruit quality issues led to a challenging environment with higher amounts of rework and fruit loss, and associated pressure to meet demanding load-out schedules.

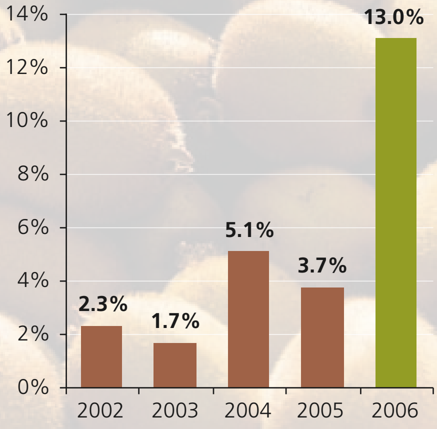
Fruit loss from conventional storage in 2006 rose to 13%, compared to the normal range of 3% to 4% per season. Fruit loss at this level is almost unprecedented in the industry and gave rise to a number of largely ineffective industry initiated reviews. Neither Seeka nor the industry could wait for the outcome and the Company took early action to identify and remedy the underlying issues.

Fruit loss at this level is due to harvesting fruit past its optimum maturity. The industry had focused on dry matter criteria along with aligned financial premiums as an indicator for harvest. The

GOLD FRUIT LOSS HARVEST 2006



SEEKA'S AVERAGE GREEN FRUIT LOSS



importance of brix as the primary indicator of optimum harvest maturity was neglected and led to an understandable delay in harvest. Compounding these delays in harvest were an industry wide shortage of seasonal labour, a very wet harvest period and capacity issues compounded by new wharf-side export consignment product inspection protocols. It was in light of this experience that Seeka advocated unsuccessfully against the initiative to double the Green dry matter incentive in 2007.

BASE BUSINESS – STRONG PLATFORM FOR IMPROVEMENT

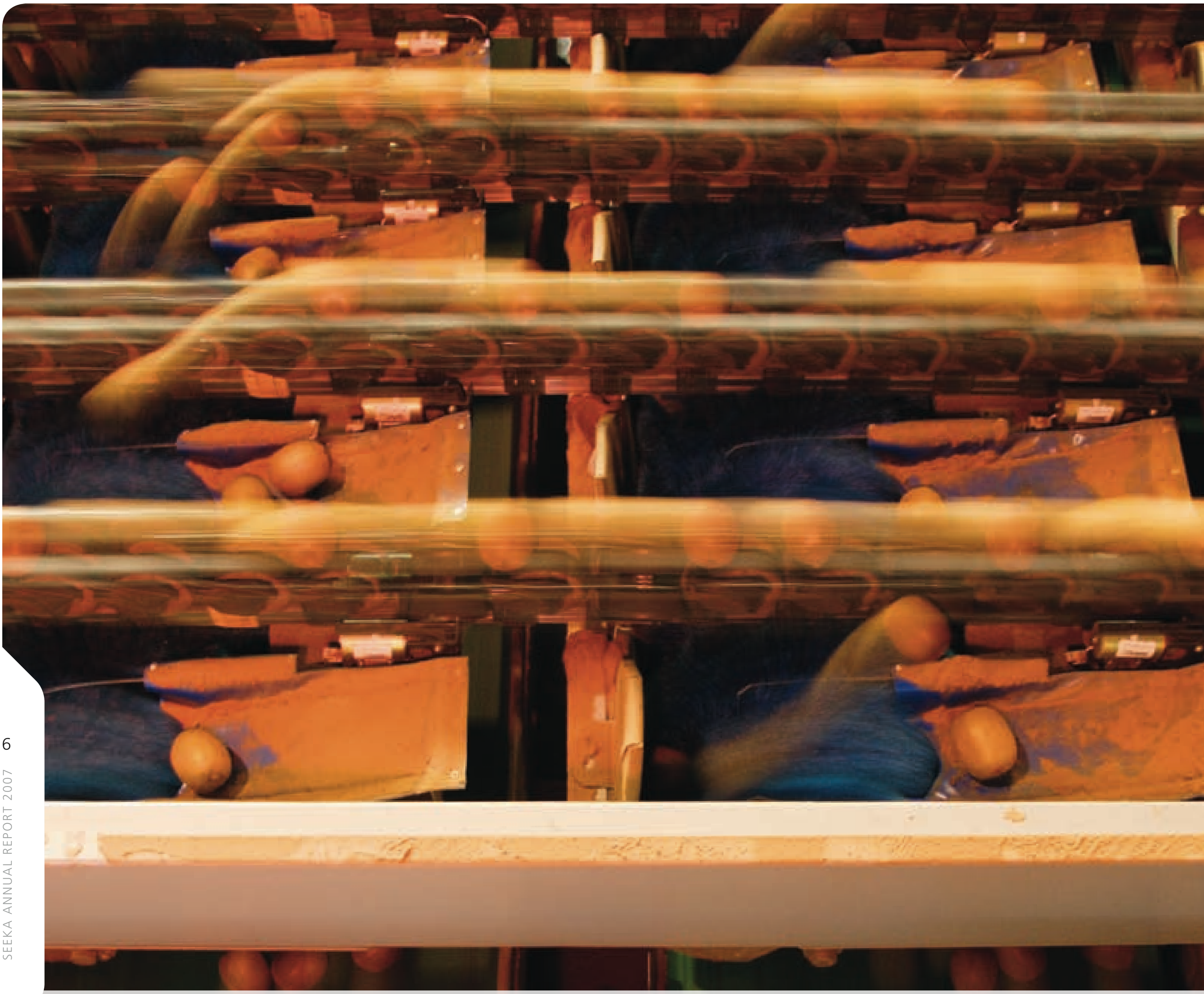
Aside from the fruit loss issues, the base business performed well providing confidence for the future.

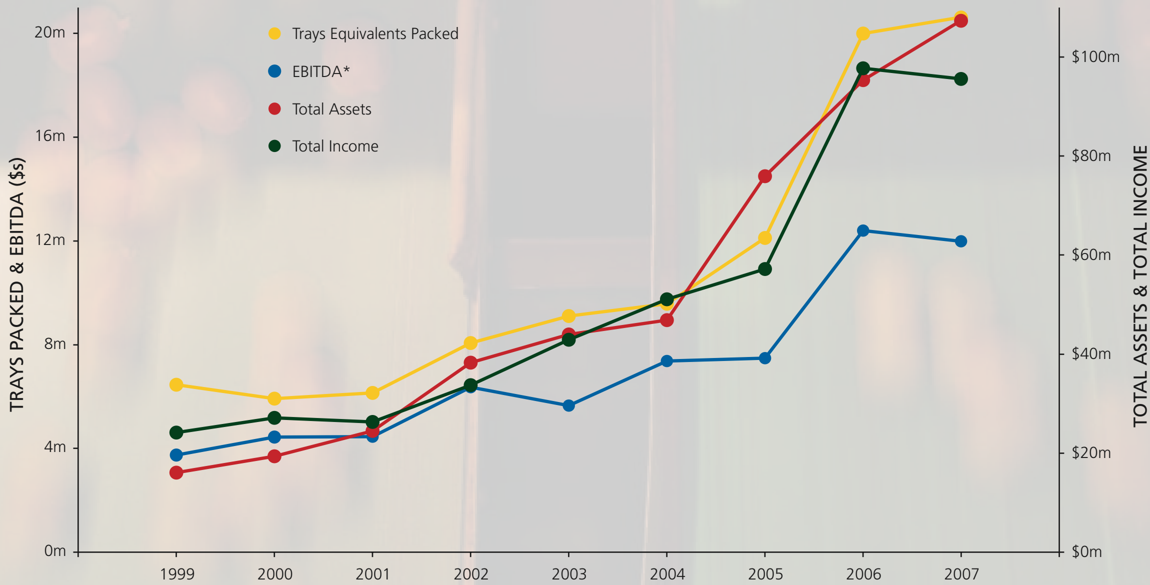
Orchard operations continue to be a highlight for the Company and are a credit to the orchard management team. The long term orchard developments yielded over 725,000 trays in 2006 and are expected to yield over 900,000 in 2007. The cash flow is starting to build satisfactorily from this investment.

During the year more than 150 leases were renewed onto standard terms. Leasing continues to develop the Company's stable supply base and has been a strong area of volume growth as growers recognise its inherent value.

Total post harvest volumes exceeded 20.4m trays of which 580k trays was handled through the new Peninsula facility, a site record. Post harvest throughputs were exceptional given the challenging fruit inventory.

SeekaFresh, Seeka's local market and Australian supply business performed very well supported by Freshco, Kiwi Produce, and Fresh Produce Group in Australia. Volumes exceeded 1.3m trays. SeekaFresh is a major supplier of kiwifruit to Woolworths, the largest supermarket retailer in Australia.





*Earnings Before Interest, Taxation, Depreciation and Amortisation

INDUSTRY LEADERSHIP INTO 2007 – SEEKA'S ROLE

Seeka has taken a number of important steps to build for improved 2007 performance.

Preparing the future – 2007 labour

Seasonal labour demand in the kiwifruit industry can no longer be satisfied by the local workforce. Seeka, with Government support, recruited over 200 Malaysian workers for 2007. Seeka also formed alliances with the apple industry to cooperatively share seasonal labour to expand our labour pool. These initiatives gave Seeka the confidence to invest in further capacity.

Seeka's labour strategy has provided a new set of management challenges – accommodation, infrastructure and transport, people support, and people rostering to ensure that workers do get their work commitment. These are challenges to which the Company is responding positively.

The Company has also moved to create facilities and work programmes to attract more of the local workforce, such as pre-school facilities at Oakside, in partnership with local businesses.

These positive steps have been taken to ensure that the 2007 season is adequately resourced, and that Seeka achieves its goal of being the Employer of Choice.

Preparing the future – 2007 capacity

Seeka addressed its core processing capacity and invested in a new Gold packing line located at Oakside. This $4.6m installation brings together the latest Gold handling technology into one facility, significantly increasing both Gold and Green capacity. Gold will be primarily handled at Seeka's Oakside and Peninsula sites with the ability to pack Gold at Kiwi Coast, Transpack and Main Road.

Concentrating Gold processing significantly improves inventory management. The increasingly immature harvest protocol is complex, resource hungry, requires skill and knowledge and is potentially risky for growers. Knowledge developed by scientist Murray Judd, together with experienced post harvest operational staff, ensures that Seeka will appropriately manage the risk on behalf of our growers. Nonetheless, Gold handling remains challenging for the industry.

Preparing the future – information systems empower the business

Seeka is investing in knowledge systems and making relevant information available to key decision makers and growers.

The Company has made a strategic decision to invest in real-time information systems linking on-orchard knowledge with harvest and packhouse production. These information systems enable Seeka to respond to an increasingly complex plan from Zespri. Better systems will drive better financial returns to growers and the Company.

In 2006, Seeka implemented a new 'harvest manager' system to allow centrally located harvest managers to coordinate the picking of fruit and its delivery to shed canopy at the optimal flow rate.

New integrated systems allow harvest managers and Seeka's laboratory to evaluate inventory while in the orchard and then target orchard testing to maximise the fruit flow at each stage of harvest. This benefits both growers and Company.

A spatial mapping system has been developed to allow our technical team to understand our harvest and fruit performance. These systems allow for the seamless flow of information from harvest to processing to enable a more timely harvest in 2007. It also provides the foundation for future enhancements.

Grower reporting has been a focus for the Company. In addition to launching the new grower website, the Company has re-engineered production reporting processes to provide reliable pack out reporting to growers immediately after processing, along with statement type reporting to accumulate multiple packouts. Improved coolstore reports have been developed and likewise will be available to growers via the website.

Seeka selected the Greentree Accounting and Payroll system in December 2005 for implementation on 1 April 2006. The new system replaced multiple accounting and payroll systems. New finger scan software manages the interface between seasonal workers and payroll. The system was successfully deployed allowing improved workforce management, margin reporting and efficient interfaces.

The key benefit of these rapid developments has been to add value to the Company and our growers.

ALIGNED INVESTMENTS CONTINUE TO CONTRIBUTE POSITIVELY

All of Seeka's commercial investments contributed positively in 2007 – either in line with or exceeding expectations. The performances of these investments were a highlight for 2006 / 2007, with over $665K before tax in Seeka's share of earnings.

Vital Foods continues with its product development and clinical trials programme, and we look forward to the outcomes of these studies in 2007 / 2008.

GROWER SERVICES – THE LINK TO OUR HEARTLAND

Seeka has continued to emphasise the importance of transparent financial information to growers. The previous three grower pools (Seeka, Eleos and Bridge Cool) have been incorporated into Seeka Growers Limited. In doing so, Seeka has lifted its reporting and communication focus to ensure that its growers are aware of financial and operational issues in the industry and their implications for grower profitability.

The Company moved to launch its Seeka Save Card offering growers the benefit of Seeka's purchasing power.

SHAREHOLDER ISSUES – DEBT RESTRUCTURING COMPLETED

During the year RECT Funds Management Limited, holders of the $5m in mandatory convertible notes (MCNs), converted $1m of their holding to ordinary shares. RECT and Seeka then negotiated the buy back and cancellation of the remaining $4m MCNs which was funded through existing debt facilities. KPMG Corporate Finance advised shareholders and the Company on the deal which benefited shareholders by removing the dilutionary effect if the MCNs had been exercised.

AN INDUSTRY LEADER – MR TONY DE FARIAS

At the last Annual Meeting Tony de Farias advised of his retirement effective 1 December 2006. Tony has been a leader within the Company and industry for more than 17 years. Throughout this period he has been a strong grower advocate. Tony set up many of the structures and transparent reporting processes that make growers supplying Seeka Growers Limited the most informed in the industry. The Company thanks Tony and acknowledges his work in developing the Company from

KEY MARKET INDICATORS FOR SEEKA GROUP	2006/2007 ACTUALS	2005/2006 ACTUALS	2004/2005 ACTUALS	2003/2004 ACTUALS	2002/2003 ACTUALS
Volumes					
Market Share	21.4%	21.2%	13.6%	14.1%	13.9%
Supplying Hectares	2,669	2,380	1,457	1,423	1,399
Post Harvest Operations					
Total Gross Packed Trays	20,494,433	19,997,109	12,102,192	9,574,299	9,089,363
Trays Packing Class 1	19,132,224	18,279,536	11,131,052	8,828,629	8,182,357
Trays Coolstorage	21,486,216	20,133,691	11,287,307	8,955,189	8,553,078
Class 11 Tray Equivalents	1,362,209	1,717,573	971,140	745,670	907,006
Orcharding Operations					
Orchard Production Trays	5,398,356	4,747,714	3,465,961	3,023,920	2,545,577
Orchard Production Hectares	693.50	579.30	441.00	468.00	445.13
Orchard Production Trays per Hectare	7,784	8,196	7,859	6,461	5,719
Orchard Gate Returns per Tray					
Green	$3.82	$3.70	$4.45	$6.02	$5.60
Gold	$5.32	$4.80	$5.57	$7.57	$6.24
KEY FINANCIAL INDICATORS FOR SEEKA GROUP					
Total Income ($000s)	$95,468	$97,736	$57,128	$51,032	$42,858
Net Profit Before Tax ($000s)	$4,022	$5,291	$4,443	$4,653	$3,022
Total Assets ($000s)	$106,588	$95,287	$75,894	$46,829	$43,932
Total Shareholders Funds ($000s)	$52,440	$49,035	$32,204	$25,083	$22,284
Total Interest Costs ($000s)	$2,767	$3,396	$1,111	$715	$762
Total Amortisation ($000s)	$1,188	$830	$-	$-	$79
Total Depreciation ($000s)	$3,968	$3,699	$1,926	$1,996	$1,777
Shareholder Equity Ratio	49%	51%	42%	54%	51%
Earnings per Share NPAT	$0.23	$0.35	$0.35	$0.39	$0.2 6
Dividend per Share	$0.20	$0.20	$0.20	$0.18	$0.15
Dividend % of NPAT	87%	57%	55%	46%	62%
Share Price	$3.95	$3.20	$4.50	$4.32	$3.00
NPAT on Net Assets	5%	9%	9%	12%	9%
Total Shareholders	825	812	526	398	376
Total Shares on Issue	12,599,999	12,095,685	8,669,936	8,013,914	7,696,068


seekafresh
seekafresh

a relatively insignificant beginning to being the largest integrated grower and post harvest services Company and a progressive industry leader.

INDUSTRY

Zespri marketing continues to deliver strong market returns across all key markets. Seeka acknowledges the performance of the Japanese, Asian, European, Australian and North American markets and the strength and achievement of the marketing team. Seeka believes that Zespri needs to focus its attention out towards the market rather than inwards at supply. The industry needs to focus on developing a supply chain positioned to efficiently manage the ebb and flow of product in response to market demand.

In an efficient supply chain, suppliers will take more responsibility for the harvest, quality and delivery of their fruit to market without the distortion of arbitrary incentive payments.

The current supply chain interface is increasingly complicated without corresponding benefit for the increasing risk imposed on growers.

TOKYO SEIKA – PREMIUM JAPANESE KIWIFRUIT WHOLESALER

Although occurring after balance date the Company notes and welcomes the participation of Tokyo Seika Company Limited which has acquired 3% of the Company's share capital on market.

Tokyo Seika is a premium wholesaler and distributor of New Zealand kiwifruit in our most premium market. Tokyo Seika is Japan's largest licensed fruit and produce wholesaler and distributor with annual revenue in excess of US$1.54 billion, and will handle more than 1.4m trays of kiwifruit annually.

This association with Tokyo Seika will give us, and our growers, a direct link with the critically important Japanese market. It will markedly improve our future understanding of the market's requirements and, over time, it will facilitate a more efficient and responsive supply chain.

This is a tremendous vote of confidence both in the New Zealand kiwifruit industry and in Seeka.

DIVIDEND

The Company has announced a final dividend of 10 cents per share fully imputed to be paid 20 June 2007. The final dividend applies to all shares on the register at 5pm 15 June 2007.

FORWARD OUTLOOK

Seeka heads confidently into 2007 / 2008 a better prepared Company. Systems, planning, resources and strategies have been put in place to ensure that the Company responds to the challenges that dominated 2006 / 2007. The Company has strong assets, a premium product and a loyal customer base as a foundation to move forward. Further the Company has a complement of high calibre employees throughout its operations who are committed to the Company's future success.

Brian Allison

Michael Franks

PRINCIPAL ACTIVITIES

The principal activity of the company is to provide and manage service activities to the horticulture industry. The nature of the Company's business has not changed in the year under review.

DIVIDENDS

A fully imputed final dividend for the 2006 financial year was paid on 10 July 2006 of 10 cents per share.

A fully imputed interim dividend for the 2007 financial year was paid on 9 February 2007 of 10 cents per share.

DIRECTORS HOLDING OFFICE DURING THE YEAR

The directors holding office during the year were:

E B Allison*
M J Cartwright
P G Dawe*
D J Emslie*
A E de Farias**
C R Morton
J A Scotland*

**Independent Directors*
***A E de Farias retired as a director in November 2006.*

USE OF COMPANY INFORMATION

During the year the Board received no notices from directors requesting them to use company information which would not otherwise have been available to them.

DIRECTORS SHAREHOLDING

Directors held the following shares at 31 March 2007:

Director	No of Shares Held
M J Cartwright	54,294
P G Dawe	17,097
P G Dawe – Omarama Farm Partnership	41,824
C R Morton	2,363,608
D J Emslie	155,348
J A Scotland – Scotland's Farms Limited	52,120

E B Allison, D J Emslie and C R Morton hold 373,100 shares on behalf of the Staff Share Scheme.

E B Allison is a director of B & P Investments Limited who hold 50,455 shares at balance date.

SHARE DEALINGS

During the year no directors acquired (or sold) interests, either directly or indirectly, in ordinary shares issued by the Company.

REMUNERATION AND OTHER BENEFITS

Director	Directors Fees	Other Remuneration	Total
E B Allison	40,000		40,000
M J Cartwright	25,000	12,500	37,500
D J Emslie	25,000		25,000
P G Dawe	28,000		28,000
A E de Farias	0	292,526	292,526
C R Morton	25,000		25,000
J A Scotland	25,000		25,000

REMUNERATION OF EMPLOYEES

The number of employees and former employees not being directors, who received remuneration and benefits exceeding $100,000 during the year are listed in the table below.

Remuneration	2007 No of Employees	2006 No of Employees
$100,000 – $120,000	1	1
$120,000 – $130,000	2	2
$130,000 – $140,000	2	1
$140,000 – $150,000	2	0
$170,000 – $180,000	1	0
$180,000 – $190,000	1	0
$190,000 – $200,000	0	1
$200,000 – $210,000	1	0

DIRECTORS INTERESTS

During the year the Company undertook transactions with the directors as set out in Note 20 to the financial statements 'Related Party Transactions'.

Directors have disclosed the following particular directorships held by them:

E B Allison is a director of B & P Investments Limited.

M J Cartwright – Chairman of Seeka Growers Limited, Chairman of Integrated Fruit Supply & Logistics Limited.

P G Dawe – Chairman of Kiwigold Developments Limited.

D J Emslie – Director of Opotiki Packing and Coolstorage Limited and Seeka Growers Limited.

J A Scotland – a director of the Horticulture and Food Research Institute of New Zealand Limited.

INDEMNITY INSURANCE

Clause 9.7 of the Constitution allows the Company to indemnify and insure directors to the extent permitted by the Companies Act 1993. The Company has provided insurance for all directors.

statement of financial performance

for the year ended 31 March 2007

		GROUP		PARENT	
	Notes	2007 $000	2006 $000	2007 $000	2006 $000
Operating revenues	2	95,468	97,736	93,812	97,736
Operating expenses	2	83,523	84,520	81,999	84,520
Operating surplus before interest, tax, depreciation and amortisation		**11,945**	**13,216**	**11,813**	**13,216**
Depreciation	11	3,968	3,699	3,946	3,699
Amortisation of development costs	7 & 12	769	441	769	441
Goodwill amortisation	13	419	389	409	389
Operating surplus before interest and tax		**6,789**	**8,687**	**6,689**	**8,687**
Interest	2	2,767	3,396	2,766	3,396
Operating surplus before tax		**4,022**	**5,291**	**3,923**	**5,291**
Taxation expense	3	1,180	1,061	1,144	1,061
NET OPERATING SURPLUS ATTRIBUTABLE TO SHAREHOLDERS		**2,842**	**4,230**	**2,779**	**4,230**

statement of movements in equity

for the year ended 31 March 2007

		GROUP		PARENT	
	Notes	2007 $000	2006 $000	2007 $000	2006 $000
Net surplus attributable to shareholders		2,842	4,230	2,779	4,230
Revaluation of land & buildings	5	1,135	795	1,135	795
Revaluation of investments	5	0	788	0	788
Total recognised revenues and expenses for the year		**3,977**	**5,813**	**3,914**	**5,813**
Shares issued net of costs	4	1,894	13,084	1,894	13,084
Contribution from owners		**1,894**	**13,084**	**1,894**	**13,084**
Dividend paid		(2,466)	(2,065)	(2,466)	(2,065)
Distributions to owners		**(2,466)**	**(2,065)**	**(2,466)**	**(2,065)**
Movement in equity for the year		**3,405**	**16,832**	**3,342**	**16,832**
Equity at beginning of year		**49,035**	**32,203**	**49,074**	**32,242**
EQUITY AT 31 MARCH 2007		**52,440**	**49,035**	**52,416**	**49,074**

The accompanying notes form an integral part of these financial statements.

statement of financial position

as at 31 March 2007

	Notes	GROUP 2007 $000	GROUP 2006 $000	PARENT 2007 $000	PARENT 2006 $000
EQUITY					
Share capital	4	30,156	28,262	30,156	28,262
Reserves	5	6,280	5,237	6,280	5,237
Retained earnings	5	16,004	15,536	15,980	15,575
TOTAL SHAREHOLDERS EQUITY		**52,440**	**49,035**	**52,416**	**49,074**
CURRENT ASSETS					
Cash in bank		16	149	0	149
Accounts receivable	6	7,011	6,168	6,865	6,168
Work in progress	7	18,392	15,012	18,392	15,012
Inventory	8	3,930	1,775	3,886	1,775
Income tax refund due		669	0	693	0
TOTAL CURRENT ASSETS		**30,018**	**23,104**	**29,836**	**23,104**
NON CURRENT ASSETS					
Advances	9	1,157	1,402	878	1,402
Investments	10	10,225	8,215	10,498	8,254
Property plant & equipment	11	55,573	52,014	55,263	52,014
Leased property development costs	12	8,328	8,994	8,328	8,994
Goodwill	13	1,287	1,558	1,249	1,558
TOTAL NON CURRENT ASSETS		**76,570**	**72,183**	**76,216**	**72,222**
TOTAL ASSETS		**106,588**	**95,287**	**106,052**	**95,326**
CURRENT LIABILITIES					
Bank overdraft		0	0	1	0
Accounts payable	14	7,177	4,437	6,686	4,437
Term liabilities – current	15	12,130	6,051	12,130	6,051
Income tax payable		0	59	0	59
TOTAL CURRENT LIABILITIES		**19,307**	**10,547**	**18,817**	**10,547**
NON CURRENT LIABILITIES					
Term liabilities	15	26,011	23,004	26,000	23,004
Mandatory convertible notes	15	0	5,000	0	5,000
Deferred tax	16	8,830	7,701	8,819	7,701
TOTAL NON CURRENT LIABILITIES		**34,841**	**35,705**	**34,819**	**35,705**
TOTAL LIABILITIES		**54,148**	**46,252**	**53,636**	**46,252**
NET ASSETS		**52,440**	**49,035**	**52,416**	**49,074**

On behalf of the board:

E B Allison
Chairman

P G Dawe
Director

Dated: 22 May 2007

The accompanying notes form an integral part of these financial statements.

statement of cashflows

for the year ended 31 March 2007

		GROUP		PARENT	
	Notes	2007 $000	2006 $000	2007 $000	2006 $000
OPERATING ACTIVITIES					
Cash was provided from:					
Receipts from customers		94,647	97,989	92,876	97,989
GST received		0	465	0	465
Interest received		65	50	64	50
Dividends received		459	554	459	554
Income taxes received		0	0	0	0
Cash was disbursed to:					
Payments to suppliers and employees		(86,549)	(85,241)	(85,211)	(85,241)
GST paid		(862)	0	(837)	0
Interest paid		(2,770)	(3,396)	(2,766)	(3,396)
Income taxes paid		(779)	(230)	(778)	(230)
NET CASHFLOWS FROM OPERATING ACTIVITIES	**24**	**4,211**	**10,191**	**3,807**	**10,191**
INVESTING ACTIVITIES					
Cash was provided from:					
Sale of property plant & equipment		190	5,101	190	5,101
Repayment of staff share trust advance	23	143	68	143	68
Sale of investments		326	143	326	143
Cash was applied to:					
Purchase of property plant & equipment		(6,579)	(4,485)	(6,340)	(4,485)
Staff share trust advance	23	(700)	0	(700)	0
Purchase of investments		(1,140)	(15,847)	(976)	(15,847)
Capitalised long term lease development		(103)	0	(103)	0
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(7,863)**	**(15,020)**	**(7,460)**	**(15,020)**
FINANCING ACTIVITIES					
Cash was provided from:					
Proceeds of term debt		3,007	0	2,996	0
Proceeds of flexi facility debt		6,079	0	6,079	0
Issue of shares		899	13,084	894	13,084
Cash was applied to:					
Term debt repayments		0	(5,666)	0	(5,666)
Flexi facility debt repayments		0	0	0	0
Payment of dividend		(2,466)	(2,065)	(2,466)	(2,065)
Settlement of mandatory convertible notes		(4,000)	0	(4,000)	0
NET CASHFLOWS FROM FINANCING ACTIVITIES		**3,519**	**5,353**	**3,503**	**5,353**
Net (increase)/decrease in cash		(133)	524	(150)	524
Amalgamation of Eleos Limited		0	0	0	(116)
Opening cash (overdraft) brought forward		149	(375)	149	(259)
ENDING CASH (OVERDRAFT) IN BANK CARRIED FORWARD		**16**	**149**	**(1)**	**149**

The accompanying notes form an integral part of these financial statements.

NOTE 1 – STATEMENT OF ACCOUNTING POLICIES

a. Reporting Entity

Seeka Kiwifruit Industries Limited is a company registered under the Companies Act 1993.

The Group consists of Seeka Kiwifruit Industries Limited, and its subsidiaries.

Seeka Kiwifruit Industries Limited is an issuer for the purposes of the Financial Reporting Act 1993. The financial statements and the group financial statements have been prepared in accordance with the Financial Reporting Act 1993.

b. Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the group with the exception of certain fixed assets and investments which have been revalued.

c. Specific Accounting Policies

Specific accounting policies which materially affect the measurement of results and financial position have been applied as follows:

(i) Basis of Consolidation – Purchase Method

The consolidated financial statements include the holding company and its subsidiaries and are accounted for using the purchase method. All significant intercompany transactions are eliminated on consolidation. In the Company's financial statements investments in subsidiaries are recognised at their cost.

(ii) Associate Companies

The associate companies are companies in which the Group holds substantial shareholdings and in whose commercial and financial policy decisions it participates. Associate companies have been reflected in the consolidated financial statements on an equity basis, which shows the Group's share of retained surpluses in the consolidated statement of financial performance, and its share of post acquisition increases or decreases in net assets in the consolidated statement of financial position.

(iii) Joint Ventures

When a member of the group participates in a joint venture arrangement, that member recognises its proportionate interest in the individual assets, liabilities and expenses of the joint venture. The liabilities recognised include its share of those for which it is jointly liable.

(iv) Valuation of Assets

Accounts receivable: Trade debtors are valued at estimated realisable value. All known bad debts are written off in the period in which they become evident. All other accounts receivable are stated at cost.

Inventory: The value of inventory is determined on a weighted average basis after due allowance for damaged and obsolete items.

Advances: Advances are stated at cost.

Investments: For investments that are actively traded the current market value is set by reference to the latest trading value at Balance Date. In the case where there is no reference to market value the carrying amount is determined by valuation model (discounted cash flow) or fair value assessment taking into account the nature of the investment itself.

Property, plant and equipment: The Group has two classes of property, plant and equipment and land and buildings. Plant and equipment includes motor vehicles, office furniture and equipment; and leased plant and vehicles. All property, plant and equipment is initially recorded at cost. Land and buildings are revalued to their market values as assessed by an independent qualified valuer.

Assets in these classes are revalued on a systematic basis on a rolling three year cycle. Some packing plant has been revalued to market value based on independent valuation, other plant and equipment has been valued at cost less depreciation.

(v) Depreciation

Depreciation is provided on a straight line or diminishing value basis on all property, plant and equipments other than freehold land, at rates calculated to allocate the assets cost or valuation less estimated residual value, over their estimated useful lives.

Major depreciation periods are: Freehold buildings – 20 to 50 years
Plant and equipment – 10 to 20 years
Motor vehicles – 4 to 7 years
Office furniture and equipment – 3 to 10 years.

(vi) Goodwill

Goodwill represents the excess of purchase consideration over the net book value of assets at the time of purchase of a business or share in a subsidiary.

Goodwill on amalgamations is amortised over a five year period. Goodwill included in equity accounted associates is amortised on a straight line basis based on economic return for the asset.

(vii) Taxation

The income tax expense charged to the Statement of Financial Performance includes both the current year's provision and the income tax effects of timing differences calculated using the liability method.

Tax effect accounting has been applied on a comprehensive basis to all timing differences. A debit balance in the deferred tax account, arising from timing differences or income tax benefits from income tax losses, is only recognised if there is a virtual certainty of realisation.

(viii) Leases

Group entities lease land, improvements and buildings and certain plant and equipment. Financial leases which effectively transfer to the entity substantially all of the risks and benefits incidental to ownership of the leased items, are capitalised at the cost of the asset concerned and depreciated in accordance with the accounting policies of the company. The corresponding liabilities are disclosed.

Vehicle operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of leased items, are included in the determination of the net surplus in equal instalments over the lease term.

(ix) Leased Property Development Costs

The group has entered into long term leases of land which it is converting to kiwifruit production.

Pre-production costs are accumulated and capitalised during the pre-production period. The accumulated costs are to be amortised by equal instalments over the remaining term of the lease commencing with the first year of significant production.

Property, plant & equipment are depreciated on a straight-line basis commencing on the first year of significant production and are depreciated over the remaining life of the lease.

(x) The Kiwifruit Crop

Revenues from the kiwifruit crop are recognised in the Statement of Financial Performance in the year in which the crop is harvested. The cost of growing the crop is expensed in that year. The costs incurred to balance date in growing the crop to be harvested following balance date are included as work in progress in the Statement of Financial Position.

(xi) Financial Instruments

The company includes all financial instrument arrangements in the Statement of Financial Position using the concepts of accrual accounting. These instruments arise as a result of everyday operations and include, bank accounts, accounts receivable, accounts payable, term debt, investments. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance. Financial instruments are shown at their fair values.

(xii) Cashflows

For the purpose of the Statement of Cashflows, cash includes cash on hand, deposits held at call with banks, and investments in money market instruments, net of bank overdrafts.

The following are the definitions of the terms used in the Statements of Cashflows:

Cash is considered to be cash on hand and current accounts in the bank, net of bank overdrafts.

Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments can include securities not falling within the definition of cash.

Financing activities are those activities which result in changes in the size and composition of the capital structure of the group.

This incudes both equity and debt not falling within the definition of cash. Dividends paid in relation to capital structure are included in financing activities.

Operational activities include all transactions and other events that are not investing or financing activities.

(xiii) Employee Entitlements

A liability for annual leave is accrued and recognised. The liability is equal to the present value of the estimated future cash outflows as a result of employee services provided at balance date.

d. Changes in Accounting Policies

There has been no changes in accounting policies.

All other accounting policies have been applied on a basis consistent with those used in previous years. Certain comparatives have been restated to maintain consistency with current year disclosures.

		GROUP		PARENT	
	Notes	2007 $000	2006 $000	2007 $000	2006 $000
NOTE 2 – OPERATING REVENUES					
OPERATING REVENUES					
per the Statement of Financial Performance comprise:					
Sales		94,392	94,832	92,735	94,832
Interest income		63	50	64	50
Dividend income		459	460	459	460
Profit on sale of land and buildings		0	2,139	0	2,139
Profit on sale of plant & equipment		32	18	32	18
Share of after tax surplus in associates	10	522	237	522	237
TOTAL OPERATING REVENUES		**95,468**	**97,736**	**93,812**	**97,736**
OPERATING EXPENSES					
per the Statement of Financial Performance comprise:					
Materials and service expenses		52,721	57,636	51,815	57,636
Employee remuneration including seasonal staff		21,323	20,425	20,714	20,425
Audit fees		67	58	67	58
Directors fees		181	181	181	181
Loss on sale of property, plant and equipment		30	42	30	42
Rent and lease expenses		9,201	6,178	9,192	6,178
TOTAL OPERATING EXPENSES		**83,523**	**84,520**	**81,999**	**84,520**
Depreciation	11	3,968	3,699	3,946	3,699
Amortisation of development costs	7 & 12	769	441	769	441
Goodwill amortisation	13	419	389	409	389
Interest		2,767	3,396	2,766	3,396

		GROUP		PARENT	
		2007	2006	2007	2006
	Notes	$000	$000	$000	$000

NOTE 3 – TAX

NET OPERATING SURPLUS BEFORE TAXATION		**4,022**	**5,291**	**3,923**	**5,291**
Prima facie taxation at 33%		1,327	1,746	1,295	1,746
Add tax effect non deductible items		(172)	(685)	(176)	(685)
Add prior year adjustments		25	0	25	0
INCOME TAX EXPENSE		**1,180**	**1,061**	**1,144**	**1,061**
The income tax expense is represented by:					
Current tax		51	834	26	834
Deferred tax	16	1,129	227	1,118	227
INCOME TAX EXPENSE		**1,180**	**1,061**	**1,144**	**1,061**
IMPUTATION CREDIT ACCOUNT					
Balance at 1 April 2006		**219**	**522**	**219**	**522**
Net tax paid		789	447	789	447
Imputation credits attached to dividends received		226	273	226	273
Imputation on dividends paid		(1,217)	(1,023)	(1,217)	(1,023)
BALANCE 31 MARCH 2007		**17**	**219**	**17**	**219**

NOTE 4 – SHARE CAPITAL

SHARE CAPITAL AT 1 APRIL 2006	**28,262**	**15,178**	**28,262**	**15,178**
Shares issued under staff share scheme	700	0	700	0
Shares issued for settlement of mandatory convertible notes	1,014	0	1,014	0
Shares issued under grower offer	0	4,841	0	4,841
Shares issued under rights issue	0	8,742	0	8,742
Balance of partly paid shares received	180	0	180	0
Costs of raising capital	0	(499)	0	(499)
Total change in share capital for year	**1,894**	**13,084**	**1,894**	**13,084**
SHARE CAPITAL AS AT 31 MARCH 2007	**30,156**	**28,262**	**30,156**	**28,262**

The share capital of the company comprises 12,599,995 (last year 12,095,685) ordinary shares of which 12,598,115 (last year 11,947,444) are fully paid and 1,880 (last year 148,241) are partly paid at balance date.

All fully paid shares have equal voting rights and share equally in dividends and surplus on winding up. Partly paid shares carry a proportion of a vote in relation to the amount that is paid up.

Share Repurchase held as Treasury Stock
A total of 8,199 shares (last year 8,199) are being held as treasury stock at balance date.

	GROUP		PARENT	
	2007 $000	2006 $000	2007 $000	2006 $000

NOTE 5 – RESERVES

ASSET REVALUATION RESERVES				
Balance at 1 April 2006	**5,237**	**5,500**	**5,237**	**5,500**
Revaluation of land and buildings	1,135	795	1,135	795
Transfer of reserves on land & buildings sold	0	(1,846)	0	(1,846)
Revaluation of investments	0	788	0	788
Transfer of reserves on investments sold	(92)	0	(92)	0
BALANCE AT 31 MARCH 2007	**6,280**	**5,237**	**6,280**	**5,237**
RETAINED EARNINGS				
Balance at 1 April 2006	**15,536**	**11,525**	**15,575**	**11,564**
Net operating surplus attributable to shareholders	2,842	4,230	2,779	4,230
Dividend paid	(2,466)	(2,065)	(2,466)	(2,065)
Revaluation reserves realised	92	1,846	92	1,846
BALANCE AT 31 MARCH 2007	**16,004**	**15,536**	**15,980**	**15,575**

NOTE 6 – ACCOUNTS RECEIVABLE

Trade debtors	1,355	1,876	1,257	1,876
Accrued income	3,750	3,221	3,730	3,221
Prepayments	1,041	876	1,041	876
GST refund due	865	195	837	195
	7,011	**6,168**	**6,865**	**6,168**

NOTE 7 – WORK IN PROGRESS

Orchard operating costs	17,902	14,462	17,902	14,462
Contracting costs	66	0	66	0
Pre-production costs 5 year lease	550	550	550	550
Accumulated amortisation	(126)	0	(126)	0
Orchard Operating Costs	**18,392**	**15,012**	**18,392**	**15,012**
Total canopy hectares	879	670	879	670

Orchard operating costs include orchard production costs and rentals incurred to balance date in growing the kiwifruit crops on orchards owned and leased by the Company and which will be harvested following balance date. Contracting costs represent the work in progress at balance date for orchard services provided by the company to growers.

The pre-production costs on the 5 year lease are gross costs including amortisation and relate to a total of 11.86 hectares.

		GROUP		PARENT	
	Notes	2007 $000	2006 $000	2007 $000	2006 $000

NOTE 8 – INVENTORY

Kiwifruit packaging		3,746	1,719	3,702	1,719
Avocado packaging		50	56	50	56
Other finished goods		134	0	134	0
Total Inventory		**3,930**	**1,775**	**3,886**	**1,775**

The kiwifruit packaging includes carry over stocks from last season and stock purchased prior to balance date for the next season. Certain inventories are subject to retention of titles.

NOTE 9 – ADVANCES

Advances		**1,157**	**1,402**	**878**	**1,402**

Advances are in respect of orchard leases and management contracts for specific projects where a lease or management contract is held. Repayment is from crop proceeds with the advance repayable within the terms of the contract.

NOTE 10 – INVESTMENTS

Investment in subsidiaries companies					
Shares in Eleos Limited (previously Seeka Management Services Limited)		0	0	34	34
Advances to Eleos Limited (previously Seeka Management Services Limited)		0	0	4	4
Total Investments in Subsidiaries		**0**	**0**	**38**	**38**
Investment in joint ventures					
Shares in and advances to South Auckland Pack and Cool Limited		228	210	463	210
Total Investments in Joint Ventures		**228**	**210**	**463**	**210**
Investment in associated companies					
Shares in & advances to Prendo Prepack Limited		0	115	0	115
Shares in and advances to Opotiki Packing and Coolstorage Limited		4,093	3,868	4,093	3,868
Shares in & advances to Kiwi Produce Limited		1,112	0	1,112	0
Total Investments in associated companies		**5,205**	**3,983**	**5,205**	**3,983**
Other Investments					
Shares in orchard companies at valuation		170	292	170	293
Shares in Zespri Group Limited at valuation		1,272	1,359	1,272	1,359
Other shares		510	457	510	457
Shares in Vital Foods Limited		1,564	1,195	1,564	1,195
Advance to Staff Share Trust	23	1,276	719	1,276	719
Total Other Investments		**4,792**	**4,022**	**4,792**	**4,023**
BALANCE AT 31 MARCH 2007		**10,225**	**8,215**	**10,498**	**8,254**

Investments in Subsidiaries and Associated Companies Comprise:

	Percentage Held by Seeka Kiwifruit Industries Limited 2007	2006	Balance Date	
Investments in subsidiaries				
Eleos Limited (Previously Seeka Management Services Limited)	100%	100%	31-Mar	Non Trading
Envirogro Limited	100%	100%	31-Mar	Non Trading
Investments in joint ventures				
South Auckland Pack and Cool Limited	50%	0%	31-Mar	Post Harvest Services
Investments in associates				
Kiwi Produce Limited	25%	0%	31-Mar	Prepacking Business
Kiwifruit Supply Research Limited	20%	20%	31-Mar	Research
Tauranga Kiwifruit Logistics Limited	20%	20%	31-Mar	Port Service Company
Opotiki Packing and Coolstorage Limited	20%	20%	31-Dec	Post Harvest Services
Prendo Prepack Limited	0%	25%	31-Mar	Prepacking Business

All investments are directly owned by Seeka Kiwifruit Industries Limited.

ACQUISITION OF JOINT VENTURES

South Auckland Pack and Cool Limited

On 15 March 2006 a joint venture company South Auckland Pack and Cool Limited was incorporated with a 50% shareholding held by Seeka Kiwifruit Industries Limited and 50% held by Jace Investments Limited.

South Auckland Pack and Cool Limited has purchased the plant, equipment, stock and goodwill of the operating business previously called Verikiwi.

ACQUISITION AND SALE OF ASSOCIATES

Kiwi Produce Limited

On 26 June 2006 the company invested $825,000 for a 25% holding in the share capital of Kiwi Produce Limited at $2.35 per share. Of the remaining capital the original owners G & N Oliver hold 55% collectively. Kiwi Produce Limited provides specialised packing services to the fruit industry.

Prendo Prepack Limited

On 1 April 2006 the company sold 2,875 shares in Prendo Prepack Limited at book value to Kiwi Produce Limited for $74,951 ($26.07 per share).

In addition $40,250 of shareholder advances from the company to Prendo Prepack Limited were repaid.

	Notes	GROUP 2007 $000	GROUP 2006 $000	PARENT 2007 $000	PARENT 2006 $000
NOTE 10A – MOVEMENTS IN INVESTMENTS					
MOVEMENTS IN INVESTMENTS IN SUBSIDIARIES					
Eleos Limited (Previously Seeka Management Services Limited)					
Opening Balance 1 April 2006		0	0	38	38
Movement for year		0	0	0	0
Balance at 31 March 2007		**0**	**0**	**38**	**38**
MOVEMENTS IN INVESTMENTS IN JOINT VENTURES					
South Auckland Pack and Cool Limited					
Opening Advances Balance 1 April 2006		210	0	210	0
Share capital South Auckland Pack and Cool Limited		0	0	5	0
Net advances South Auckland Pack and Cool Limited		18	210	248	210
Balance at 31 March 2007		**228**	**210**	**463**	**210**
MOVEMENTS IN INVESTMENTS IN ASSOCIATES					
Prendo Prepack Limited					
Opening Balance 1 April 2006		115	115	115	115
Sale of shares in & settlement of advances to Prendo Prepack Limited		(115)	0	(115)	0
Balance at 31 March 2007		**0**	**115**	**0**	**115**
Opotiki Packing and Coolstorage Limited					
Opening Balance 1 April 2006		3,868	3,726	3,868	3,726
Share of dividends Opotiki Packing and Coolstorage Limited		(85)	(95)	(85)	(95)
Share of after tax profit Opotiki Packing and Coolstorage Limited	10b	310	237	310	237
Balance at 31 March 2007		**4,093**	**3,868**	**4,093**	**3,868**

The Company's share of Opotiki Packing and Coolstorage Limited's surplus after tax for the year was $345,000 (last year $236,600). The Company's share of tax attributable to Opotiki Packing and Coolstorage Limited as $28,000 (last year $16,000).

	Notes	GROUP 2007 $000	GROUP 2006 $000	PARENT 2007 $000	PARENT 2006 $000
Kiwi Produce Limited					
Opening Balance 1 April 2006		0	0	0	0
Purchase of share in Kiwi Produce Limited		825	0	825	0
Advance Kiwi Produce Limited		75	0	75	0
Share of after tax profit Kiwi Produce Limited	10b	212	0	212	0
Balance at 31 March 2007		**1,112**	**0**	**1,112**	**0**

The Company's share of Kiwi Produce Limited's surplus after tax for the year was $234,000 (last year $nil) before accounting for amortisation of goodwill of $23,000 (last year $nil). The Company's share of tax attributable to Kiwi Produce Limited was $115,500 (last year $nil).

	GROUP		PARENT	
	2007 $000	2006 $000	2007 $000	2006 $000
MOVEMENTS IN OTHER INVESTMENTS				
Shares in and Advances to Vital Foods Limited				
Opening Balance 1 April 2006	1,195	895	1,195	895
Additional advances	369	300	369	300
Balance at 31 March 2007	**1,564**	**1,195**	**1,564**	**1,195**
Shares in Zespri Group Limited				
Opening Balance 1 April 2006	1,359	1,359	1,359	1,359
Sale of shares	(87)	0	(87)	0
Balance at 31 March 2007	**1,272**	**1,359**	**1,272**	**1,359**
Other Shares				
Opening Balance 1 April 2006	749	749	749	749
Sale of shares in orchard companies	(124)	0	(124)	0
Repayment of advances	31	0	31	0
Bonus share issues	24	0	24	0
Balance at 31 March 2007	**680**	**749**	**680**	**749**
Advance to Staff Share Trust				
Opening Balance 1 April 2006	719	787	719	787
Rights sold	(2)	(7)	(2)	(7)
Dividends received	(60)	(46)	(60)	(46)
Net advances	619	(15)	619	(15)
Balance at 31 March 2007	**1,276**	**719**	**1,276**	**719**
Total Movement in Investments	**2,010**	**584**	**2,244**	**584**
Opening Balance of investments	**8,215**	**7,631**	**8,254**	**7,670**
TOTAL INVESTMENTS 31 MARCH 2007	**10,225**	**8,215**	**10,498**	**8,254**

NOTE 10B – INVESTMENTS IN ASSOCIATES

	GROUP		PARENT	
	2007 $000	2006 $000	2007 $000	2006 $000
EQUITY ACCOUNTED EARNINGS OF ASSOCIATES				
Opotiki Packing and Coolstorage Limited				
Surplus before tax	373	253	373	253
Less amortisation of goodwill	(35)	0	(35)	0
Less income tax	(28)	(16)	(28)	(16)
Net surplus for year	**310**	**237**	**310**	**237**
Kiwi Produce Limited				
Surplus before tax	350	0	350	0
Less amortisation of goodwill	(23)	0	(23)	0
Less income tax	(115)	0	(115)	0
Net surplus for year	**212**	**0**	**212**	**0**
Total net surplus from associates for year	**522**	**237**	**522**	**237**
CARRYING AMOUNT OF ASSOCIATES				
Opotiki Packing and Coolstorage Limited				
Opening Balance 1 April 2006	3,868	3,726	3,868	3,726
Equity accounted earnings of associate	310	237	310	237
Less dividends paid	(85)	(95)	(85)	(95)
Balance at 31 March 2007	**4,093**	**3,868**	**4,093**	**3,868**
Kiwi Produce Limited				
Opening Balance 1 April 2006	0	0	0	0
Purchase of 25% share in Kiwi Produce Limited	825	0	825	0
Advance Kiwi Produce Limited	75	0	75	0
Equity accounted earnings of associate	212	0	212	0
Less dividends paid	0	0	0	0
Balance at 31 March 2007	**1,112**	**0**	**1,112**	**0**
Prendo Prepack Limited				
Opening Balance 1 April 2006	115	115	115	115
Sale of shares	(115)	0	(115)	0
Balance at 31 March 2007	**0**	**115**	**0**	**115**
Total carrying amount of associates (excluding advances)	**5,205**	**3,983**	**5,205**	**3,983**

	GROUP		PARENT	
	2007 $000	2006 $000	2007 $000	2006 $000
GOODWILL INCLUDED IN CARRYING AMOUNT OF ASSOCIATES				
Opotiki Packing and Coolstorage Limited				
Opening Balance goodwill 1 April 2006	701	701	701	701
Less amortisation of goodwill	(35)	0	(35)	0
Balance at 31 March 2007	**666**	**701**	**666**	**701**
Kiwi Produce Limited				
Opening Balance goodwill 1 April 2006	0	0	0	0
Goodwill recognised upon purchase of associate interest	460	0	460	0
Less amortisation of goodwill	(23)	0	(23)	0
Balance at 31 March 2007	**437**	**0**	**437**	**0**
Total goodwill in carrying amount of associates	**1,103**	**701**	**1,103**	**701**

Goodwill in associates is being amortised on a term based on the expected economic return of the asset.

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

Land at valuation	5,486	4,952	5,475	4,952
Buildings at valuation	36,338	32,791	36,179	32,791
Plant & equipment at cost	35,659	32,577	35,497	32,577
Plant & vehicles under hire purchase	512	421	512	421
Accumulated depreciation	(22,422)	(18,727)	(22,400)	(18,727)
NET BOOK VALUE	**55,573**	**52,014**	**55,263**	**52,014**

Land and buildings are revalued to their estimated market value on a rolling three year cycle. The current year's valuations were completed by J L Middleton, ANZIV, independent registered valuer in March 2007. Subsequent additions are at cost.
KKP land and buildings were revalued by $387,313 and KCG land and buildings were revalued by $747,363 at 31 March 2007.

Accumulated depreciation on buildings at valuation	3,615	3,058	3,615	3,058
Accumulated depreciation on plant & equipment	18,636	15,589	18,614	15,589
Accumulated depreciation on plant & vehicles under hire purchase	171	80	171	80
TOTAL ACCUMULATED DEPRECIATION	**22,422**	**18,727**	**22,400**	**18,727**
Current year depreciation on buildings at valuation	1,026	1,131	1,026	1,131
Current year depreciation on plant & equipment	2,927	2,504	2,905	2,504
Current year depreciation on plant & vehicles under HP	15	64	15	64
TOTAL CURRENT YEAR DEPRECIATION	**3,968**	**3,699**	**3,946**	**3,699**

	GROUP		PARENT	
	2007 $000	2006 $000	2007 $000	2006 $000

NOTE 12 – LEASED PROPERTY DEVELOPMENT COSTS

	GROUP 2007 $000	GROUP 2006 $000	PARENT 2007 $000	PARENT 2006 $000
Kiwifruit vines, structures & plants	4,998	4,998	4,998	4,998
Pre-production costs	4,414	4,437	4,414	4,437
Accumulated amortisation	(1,084)	(441)	(1,084)	(441)
	8,328	**8,994**	**8,328**	**8,994**

These kiwifruit vines, structures and plants relate to orchards where the company has a long term lease on a total of 106.16 hectares (last year 106.16)

NOTE 13 – GOODWILL

	GROUP 2007 $000	GROUP 2006 $000	PARENT 2007 $000	PARENT 2006 $000
Gross Goodwill				
Balance 1 April 2006	**1,947**	**258**	**1,947**	**258**
Goodwill finalisation adjustment Eleos	0	66	0	66
Gross goodwill for purchase of Bridge Cool Group	0	1,623	0	1,623
Gross goodwill for purchase of assets of Corogrow Kiwifruit Limited	100	0	100	0
Share of gross goodwill in joint venture	48	0	0	0
BALANCE 31 MARCH 2007	**2,095**	**1,947**	**2,047**	**1,947**
Goodwill Amortisation				
Balance 1 April 2006	**389**	**0**	**389**	**0**
Amortisation goodwill Eleos	64	64	64	64
Amortisation goodwill Bridge Cool	325	325	325	325
Amortisation goodwill Corogrow	20	0	20	0
Share of amortisation goodwill in joint venture	10	0	0	0
Amortisation for the year	**419**	**389**	**409**	**389**
BALANCE 31 MARCH 2007	**808**	**389**	**798**	**389**
Net Goodwill 31 March 2007	**1,287**	**1,558**	**1,249**	**1,558**

Goodwill is being amortised over 5 years.
Goodwill of $100,000 was paid on 1 April 2006 for the purchase of the business of Corogrow Kiwifruit Limited. The business included orchard leases and orchard contracting equipment and is based on the Coromandel peninsula.

NOTE 14 – ACCOUNTS PAYABLE

	GROUP 2007 $000	GROUP 2006 $000	PARENT 2007 $000	PARENT 2006 $000
Trade creditors	4,612	2,371	4,296	2,371
Accrued expenses	1,792	1,590	1,760	1,590
Shareholder advance account	122	0	0	0
Employee entitlements	651	476	630	476
	7,177	**4,437**	**6,686**	**4,437**

	GROUP		PARENT	
	2007 $000	2006 $000	2007 $000	2006 $000

NOTE 15 – TERM LIABILITIES

Various hire purchase and lease agreements	0	55	0	55
Mortgages secured over land, buildings and chattels	38,141	34,000	38,130	34,000
	38,141	**34,055**	**38,130**	**34,055**
Less current portion repayable within one year	12,130	6,051	12,130	6,051
Portion due for repayment later than one year	26,011	23,004	26,000	23,004
Mandatory convertible notes	0	5,000	0	5,000
Total Term Liabilities	**38,141**	**34,055**	**38,130**	**34,055**

Term Liabilities are repayable within:

Year	2007	2006				
1 Year (lease liabilities)	10.91%	10.94%	0	51	0	51
1 Year (other)	8.30%	8.15%	12,130	6,000	12,130	6,000
2 Years	10.91%	10.94%	3,000	3,004	3,000	3,004
3 Years & later	8.48%	8.70%	23,011	25,000	23,000	25,000
			38,141	**34,055**	**38,130**	**34,055**

The bank overdraft is secured under the same debentures and mortgages as the term debt. The Group has total facilities of $41,000,000. This is made up of a multi option credit facility of $15,000,000 and term loans of $26,000,000.

During the year the company converted $1,000,000 of unlisted Mandatory Convertible Notes for 329,320 ordinary shares issued at $3.078 each to the Rotorua Energy Consumer Trust for a value of $1,013,698. The balance of $4,000,000 was paid out in cash.

Hire purchases are all repayable within one year and are included in current liabilities.

NOTE 16 – DEFERRED TAX

Balance at 1 April 2006	**7,701**	**6,302**	**7,701**	**6,153**
Acquisition of Bridge Cool Group	0	1,172	0	1,172
Current year movement	1,129	227	1,118	227
Amalgamation of Eleos Limited	0	0	0	149
BALANCE AT 31 MARCH 2007	**8,830**	**7,701**	**8,819**	**7,701**

Deferred tax relates to taxation provided on current profits but not due to be paid until after 31 March 2007 due to expenditure relating to later periods claimed for taxation purposes in the current period.

Deferred tax applicable to the operating costs on long term leases make up 17% (last year 22%) of the provision and tax relative to these costs will become payable as they are amortised in future years.

Deferred tax applicable to work in progress makes up 69% (last year 60%) of the provision and arises because of the accounting policy of accruing current season expenditure on orchards as work in progress while claiming the appropriate tax deductibility.

	GROUP		PARENT	
	2007 $000	2006 $000	2007 $000	2006 $000

NOTE 17 – COMMITMENTS

Estimated capital expenditure contracted for at balance date but not provided for	**1,372**	**0**	**1,372**	**0**
Lease commitments under non-cancellable operating leases:				
Not later than one year	4,900	4,025	4,815	4,025
Later than one year not later than two	3,669	3,077	3,584	3,077
Later than two not later than five	5,716	5,522	5,461	5,522
Later than five years	5,558	5,809	5,558	5,809
	19,843	**18,433**	**19,418**	**18,433**

In addition to the above lease commitments there are commitments for orchard leases which are contingent on the number of trays harvested in each year of the lease. A receivable of a greater value than the lease commitment accrues at the time of harvest.

Share of Associates Capital Commitments

Opotiki Packing and Coolstorage Limited had capital commitments at their 31 December 2006 balance date of $2,323,000 (last year $550,000). Kiwiproduce Limited had no capital commitments at their 31 March 2007 balance date.

Renewal Options on Leases	No. of Renewals Available	Years per Renewal	Total Years	Last Expiry Date
Packhouse and coolstore facility	2	3	6	31-Mar-15
Coolstore facility	5	3	15	31-Jan-26
Coolstore facility	2	5	10	31-Mar-25
Packhouse and coolstore facility	1	3	3	31-Mar-11
Packhouse and coolstore facility	2	3	6	1-Mar-18

NOTE 18 – CONTINGENT LIABILITIES

Share of Associates Contingent Liabilities

Opotiki Packing and Coolstorage Limited has no contingent liabilities at their 31 December 2006 balance date (last year $1,208,383). Kiwiproduce Limited had no contingent liabilities at their 31 March 2007 balance date.

NZX / Westpac Bank

The Westpac bank holds a guarantee for a bond of $75,000 (last year $75,000) in favour of the New Zealand Stock Exchange.

NOTE 19 – FINANCIAL INSTRUMENTS

CREDIT RISK

Financial instruments which potentially subject the Company to credit risk principally consist of bank balances, advances and accounts receivable.

The company performs credit evaluations on all customers requiring credit and generally does not require collateral.

Maximum exposures to credit risk as at balance date are:

	GROUP		PARENT	
	2007	2006	2007	2006
	$000	$000	$000	$000
Cash in Bank	16	149	(1)	149
Accounts receivable (excludes prepayments)	5,970	5,292	5,824	5,292
Advances	1,157	1,402	878	1,402
	7,143	**6,843**	**6,701**	**6,843**

No collateral is held on the above amounts.

The Company is exposed to a concentration of credit risk with Zespri International Limited which is the sole export marketer of kiwifruit for New Zealand to countries other than Australia.

LIQUIDITY RISK

Work in progress relates to crop expenditure for crops that will be harvested and revenue received in the next financial year. Crop failures will impact on trading revenue and the Company's liquidity.

INTEREST RATE RISK

The interest rates on term debt are reviewed from time to time and currently range from 8.30% to 8.54% per annum. Interest rates on hire purchase are reviewed from time to time and are currently 10.91%.

The company has the following interest rate pricing profile:	Rate	Rate Expiry
$15,000,000 floating facility	8.30%	At Call
$ 3,000,000 fixed facility	8.54%	2-Apr-07
$ 3,000,000 fixed facility	8.45%	24-Apr-07
$10,000,000 fixed facility – interest reviewed quarterly	8.49%	30-Apr-07
$10,000,000 fixed facility – interest reviewed quarterly	8.47%	23-Apr-07
$41,000,000 total facilities		
The $26,000,000 fixed facility has the following interest swaps in place:		
$3,000,000 financial swap	7.79%	2-Mar-09
$10,000,000 financial swap	7.69%	30-Oct-08
$10,000,000 financial swap	7.67%	23-Oct-07

The estimated fair value of the interest swaps at balance date was $125,632.

CURRENCY RISK

The company has no direct currency risk. However the Company is exposed to currency risk indirectly through its fruit income received on leased orchards.

The foreign currency risk associated with offshore sales is managed by Zespri and is not covered by Seeka .

FAIR VALUES

The directors consider that the carrying amount of financial instruments approximates to the fair value of each of the financial instruments.

NOTE 20 – RELATED PARTY TRANSACTIONS

(a) The Company undertook transactions with the directors in the normal course of business, none of which were of a material nature. All transactions between the Company and directors are on normal commercial terms.

(b) The Company has identified associates and subsidiaries in which it has an interest (Note 10).

(c) The Company undertakes transactions with Grower Entities that are of a material nature. These total $81,451,803 (last year $80,311,228). The transactions are for the provision of post harvest services from Seeka Growers Limited. Peninsula Growers Limited is not a related party.

(d) No related party debts have been forgiven or written off during the year.

NOTE 21 – SEGMENT INFORMATION

All trading activities of the Company relate to the kiwifruit industry.
Activities are based in the Bay of Plenty, Coromandel and South Auckland New Zealand.

NOTE 22 – SIGNIFICANT EVENTS AFTER BALANCE DATE

No significant events have occurred since the balance date and the signing of these financial statements.

	GROUP		PARENT	
	2007 $000	2006 $000	2007 $000	2006 $000
NOTE 23 – EMPLOYEE STAFF SHARE SCHEME				
Balance at 1 April 2006	**719**	**787**	**719**	**787**
Advances to staff share scheme	700	0	700	0
Balance of rights sold	(2)	(7)	(2)	(7)
Dividends received	(60)	(46)	(60)	(46)
Advance repayments due to resignation	(73)	(15)	(73)	(15)
Advances by staff	(8)	0	(8)	0
Balance at 31 March 2007	**1,276**	**719**	**1,276**	**719**

On 15 October 2002 the Company established an Employee Share Scheme (ESS) and issued 206,000 ordinary shares at $2.91 per share, being the market price at issue (ex dividend). In 2005 a further 87,000 shares were issued at $4.89 and 59,000 shares were sold due to staff resignations to give a total of 234,000 shares at 1 April 2005.

During the year ended 31 March 2006 a total of 6,000 shares were sold due to staff resignations and 17,475 shares were taken up as unallocated shares. At 31 March 2006 the ESS held 245,475 shares.

During the year ended 31 March 2007 a total of 174,900 shares were issued at $4.00 per share, and 47,365 shares were sold due to staff resignations. At 31 March 2007 the ESS held 373,100 shares which represents 3.0% (last year 2.04%) of share capital.

The scheme is managed by an independent Trust and the ESS borrowed $599,460 in October 2002 from the Company to finance the scheme. The debt between the ESS and the Company at 31 March 2007 totalled $1,276,187 (last year $718,958). The loan is unsecured, interest bearing and the rate of interest and terms of repayment are at the Company's option. The Trust has no other external financing.

Dividends paid on the shares are used to repay the debt between the ESS and the Company.

Further shares may be issued at the directors discretion at a price set by the directors, except that the ESS cannot be issued with further shares if that issue of shares would result in the ESS having an interest of more than 5% of the issued capital of the Company.

The ESS has a non-beneficial interest in all the shares allocated to employees. Annually the Company will review the scheme and decide upon the allocation of further shares and the price at which those shares will be issued to the ESS. All shares allocated are fully paid up and there are no options.

The Trustees of ESS are not appointed for any term and may be removed by the Company at any time.

The shares held by the ESS carry the same voting rights as other issued ordinary shares, however the Trust Deed prohibits the Trustees from exercising any votes on the shares. Also employees participating in the ESS are unable to exercise voting rights while monies are owed on the shares.

NOTE 24 – STATEMENT OF CASHFLOWS

	GROUP		PARENT	
	2007 $000	2006 $000	2007 $000	2006 $000
Reconciliation of net operating surplus after taxation with cashflows from operating activities				
Net operating surplus after taxation	**2,842**	**4,230**	**2,779**	**4,230**
Add non cash items:				
Depreciation	3,968	3,699	3,946	3,699
Movement in deferred tax	1,129	545	1,118	545
Amortisation of goodwill	419	389	409	389
Amortisation of development costs	769	441	769	441
Share of associates income	(522)	0	(522)	0
	5,763	**5,074**	**5,720**	**5,074**
Add items not classified as an operating activity:				
Gain on sale of shares	0	(79)	0	(79)
Gains or loss on sale of assets	(2)	(2,125)	(2)	(2,125)
Operating costs on leased properties	0	0	0	0
Purchase of assets in accounts payable	0	0	0	0
Advances included in accounts receivable	0	0	0	0
	(2)	**(2,204)**	**(2)**	**(2,204)**
Increase (decrease) in Working Capital:				
Increase (decrease) in accounts payable	2,711	(1,293)	2,250	(1,293)
Decrease (increase) in accounts receivable	(840)	3,643	(697)	3,643
Decrease (increase) in inventory	(2,155)	(326)	(2,111)	(326)
Decrease (increase) in work in progress / prepayments	(3,380)	(670)	(3,380)	(670)
Decrease (increase) in taxes due	(728)	1,737	(752)	1,737
	(4,392)	**3,091**	**(4,690)**	**3,091**
NET CASHFLOW FROM OPERATING ACTIVITIES	**4,211**	**10,191**	**3,807**	**10,191**

NOTE 25 – EXCEPTIONAL RISKS OF OPERATING

With the exception of Australia, the marketing and sale of all New Zealand's exports of Class 1 kiwifruit relies on a single point of entry model managed by Zespri. Zespri's ability to successfully market the New Zealand export crop will directly impact the financial performance of the kiwifruit industry as a whole. This overseas market access directly affects the company through the returns it achieves for its orcharding activities, and indirectly, through its impact on the New Zealand kiwifruit industry.

NOTE 26 – EXPLANATION OF TRANSITION TO NZ EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The New Zealand Accounting Standards Review Board requires that the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) will apply to New Zealand reporting entities for periods commencing 1 January 2007. The adoption of NZ IFRS will be first reflected in the Groups financial statements for the half-year ending 30 September 2007 and the full year ending 31 March 2008.

Entities complying with NZ IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of NZ IFRS to that comparative period. Most adjustments required on transition to NZ IFRS will be made retrospectively against opening retained earnings as at 1 April 2006.

The company has formed a working group to analyse the impact of NZ IFRS on its financial statements and identify the accounting policy changes that will be required. This group has reported to the audit committee on a regular basis and consulted with specialists in this area.

Set out below are the material areas of difference in accounting policy and significant known transitional differences (able to be estimated and identified to date) to the opening balance sheet as at 1 April 2006. Although adjustments disclosed in this note are based on managements best knowledge of expected standards and interpretations, and current facts and circumstances, these may change. Therefore, until the company prepares its first set of NZ IFRS financial statements, the possibility cannot be excluded that the actual impact of adopting NZ IFRS may vary from the information presented. No material impacts are expected in relation to the statement of cashflows.

a) Biological Assets
NZ IFRS requires that biological assets are carried at fair value less estimated point of sale costs. This is likely to have a significant impact on the companys accounting treatment of its owned orchard and long term leases.

b) Revalued Land and Buildings
Under the groups accounting policy land and buildings are carried at their fair value reflected in the asset revaluation reserve. On transition to NZ IFRS the group may elect to continue this policy, or restate these assets back to historical cost, or to deem the fair value as opening cost. The company is likely to continue to carry these assets at fair value.

c) Goodwill
Under NZ IFRS goodwill will no longer be amortised but will become subject to an annual impairment test.

d) Financial Instruments
Under NZ IFRS the company may choose to adopt hedge accounting on financial instruments. This would impact on the accounting treatment of interest rate swaps that then must be recognised at fair value.

e) Deferred Tax Treatment
Under NZ IFRS deferred tax is to be calculated using the balance sheet liability method. Current accounting policy recognises deferred tax balances from the accounting and tax differences recognised in the income statement. This change in approach will result in adjustments to the company's level of deferred tax balances. The exact impact will be quantified once the election relating the fixed asset accounting policy has been made.

PRICEWATERHOUSECOOPERS

Auditors' Report
to the shareholders of Seeka Kiwifruit Industries Limited

We have audited the financial statements on pages 16 to 36. The financial statements provide information about the past financial performance and cash flows of the Company and Group for the year ended 31 March 2007 and their financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 19 to 21.

Directors' Responsibilities

The Company's Directors are responsible for the preparation and presentation of the financial statements which give a true and fair view of the financial position of the Company and Group as at 31 March 2007 and their financial performance and cash flows for the year ended on that date.

Auditors' Responsibilities

We are responsible for expressing an independent opinion on the financial statements presented by the Directors and reporting our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

(a) the significant estimates and judgements made by the Directors in the preparation of the financial statements; and

(b) whether the accounting policies are appropriate to the circumstances of the Company and Group, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditors and providers of assurance services.

Unqualified Opinion

We have obtained all the information and explanations we have required.
In our opinion:

(a) proper accounting records have been kept by the Company as far as appears from our examination of those records; and

(b) the financial statements on pages 16 to 36:

   (i) comply with generally accepted accounting practice in New Zealand; and

   (ii) give a true and fair view of the financial position of the Company and Group as at 31 March 2007 and their financial performance and cash flows for the year ended on that date.

Our audit was completed on 22 May 2007 and our unqualified opinion is expressed as at that date.

PricewaterhouseCoopers.

Chartered Accountants
Auckland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directors

Michael Franks Chief Executive Officer | **Peter Dawe** Deputy Chairman | **Malcolm Cartwright** Director | **Brian Allison** Chairman | **David Emslie** Director | **Jim Scotland** Director | **Chris Morton** Director | **Stuart McKinstry** Chief Financial Officer

	Remuneration Committee	Audit Committee
Brian Allison	Chairman	Member
Peter Dawe		Chairman
Malcolm Cartwright	Member	
David Emslie	Member	
Chris Morton	Member	
Jim Scotland		Member
Peter Wood	Secretary	Secretary

management

Michael Franks
Chief Executive Officer

Rob Towgood
GM Harvest Operations

Bryan Grafas
GM Orchard Operations

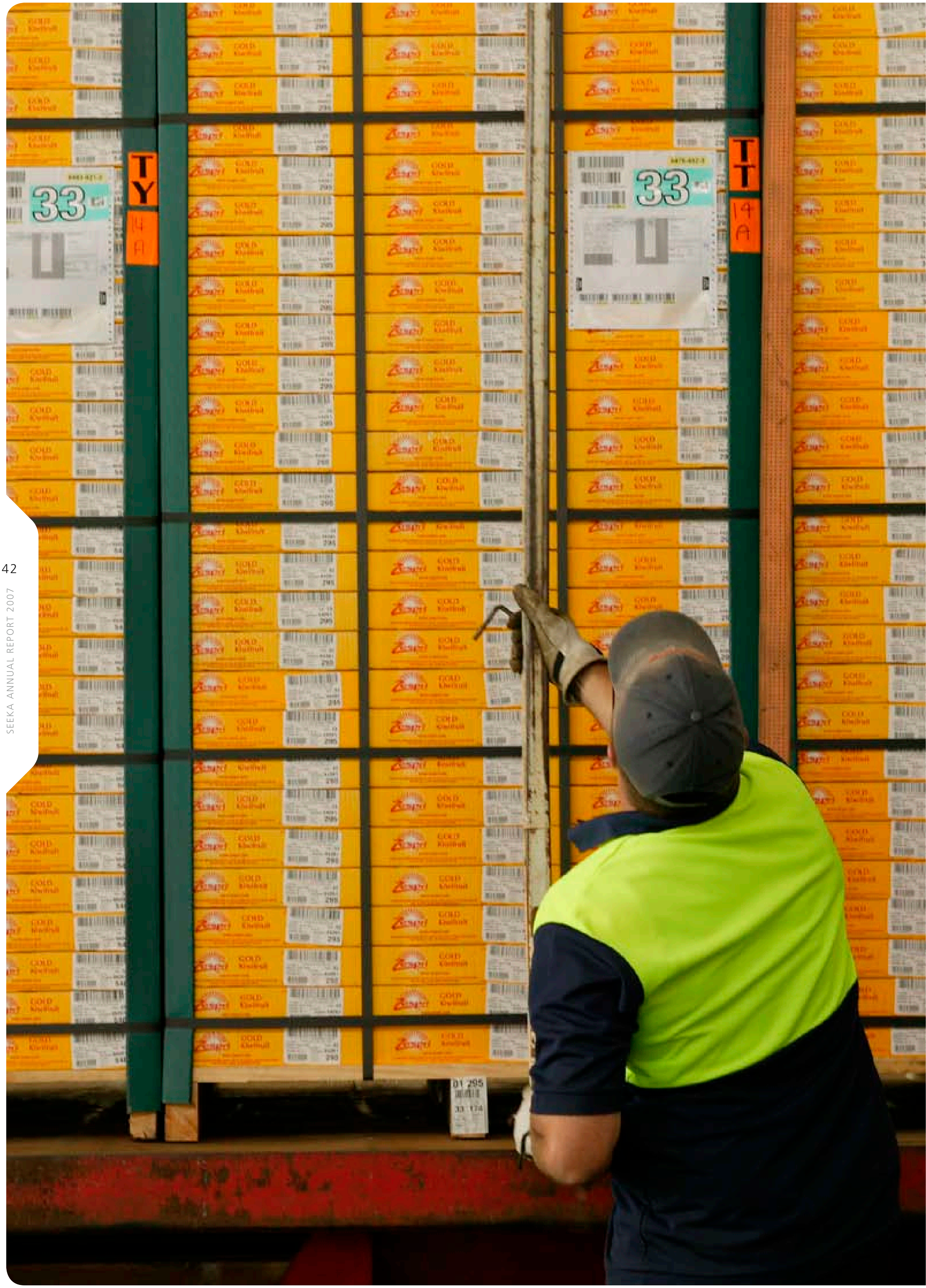
Sally Gardiner
GM Strategy & Zespri Relations

Craig Lemon
GM Harvest & Inventory Reporting

Stuart McKinstry
Chief Financial Officer

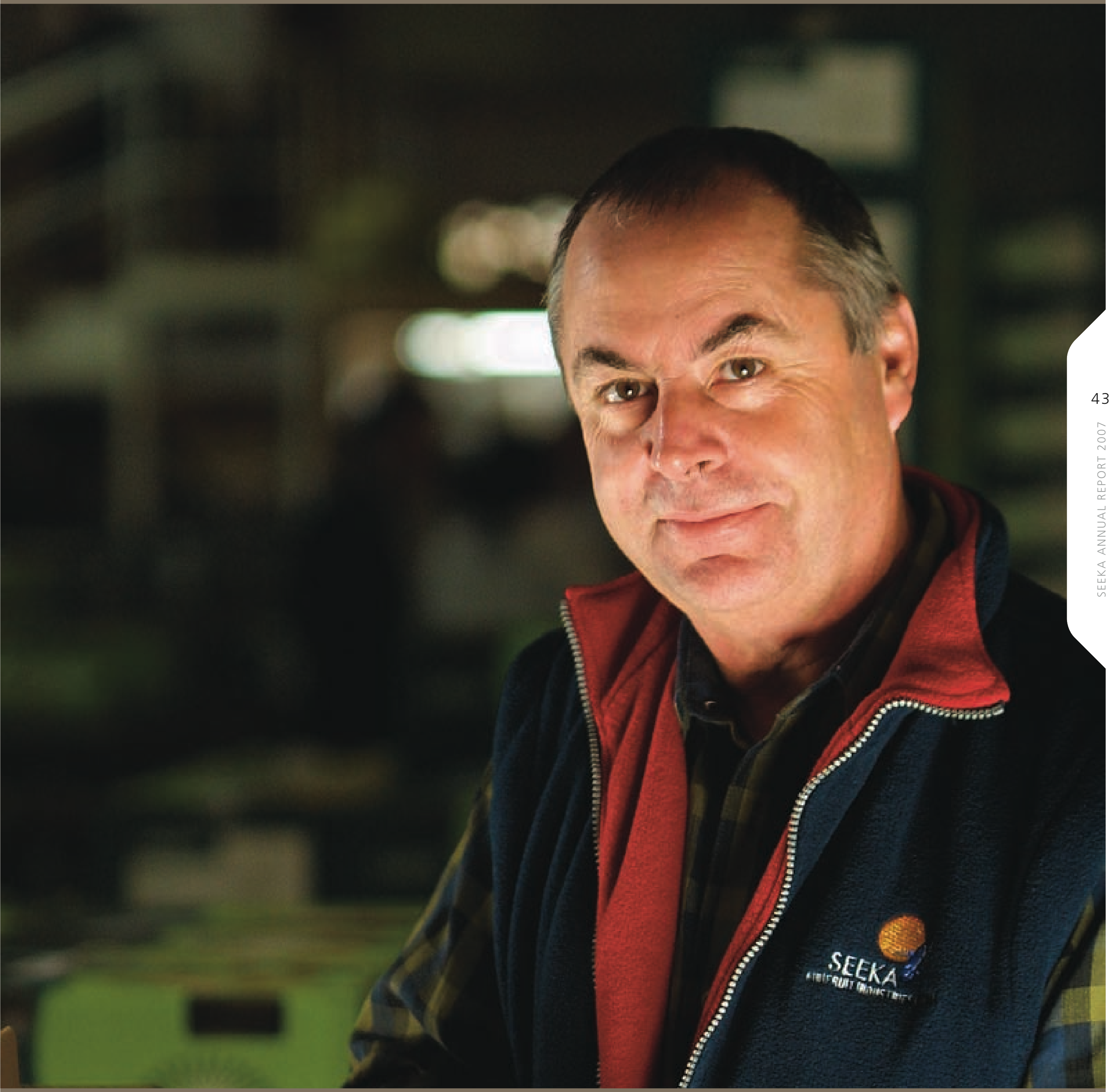
Terry Richards
GM Business Development & Grower Services

Jan Benes
GM Post Harvest Operations 2006
Resigned 2006 following 17 years service



tony de farias

INSPIRATIONAL LEADER IN THE KIWIFRUIT INDUSTRY
SEEKA MANAGING DIRECTOR, RETIRED 2006



company structure

POST HARVEST SITES OWNED

Oakside
Packhouse / Coolstore

Transpack / Transcool
Packhouse / Coolstore

Waimapu
Packhouse / Coolstore

Bridge Cool Main Road
Packhouse / Coolstore

Bridge Cool Rea Road
Packhouse / Coolstore

KKP
Packhouse / Coolstore

Kiwicoast
Packhouse / Coolstore

MacLoughlin
Packhouse

Berrypack and Cool Class II
Packhouse / Coolstore

POST HARVEST SITES LEASED

Peninsula
Packhouse / Coolstore

Pioneer
Coolstore

Clarks
Packhouse / Coolstore

Harvard Way
Coolstore

Bayliss
Packhouse

Te Puke Orchards
Coolstore

Dekker
Coolstore

May
Coolstore

Moran
Coolstore

Moss
Coolstore

Plummer Point
Coolstore

Robertson
Coolstore

Waitui
Coolstore

ORCHARD OPERATIONS

Long Term Leased Orchards
105 Hectares

Operating Leased Orchards
879 Hectares (harvest 2007)

Managed Orchards
373 Hectares (harvest 2007)

ASSOCIATES

Opotiki Packing and Coolstorage Limited
OPAC

Kiwifruit Post Harvest and Orcharding Services

20% Holding

South Auckland Pack and Cool Limited
SAPAC

Kiwifruit Post Harvest Services

50% Holding

Vital Foods Limited
Nutraceutical Development and Marketing

10% Holding

Tauranga Kiwifruit Logistics Limited
TKL

Supply Logistics

20% Holding

Kiwi Produce Limited
Pre-Packing

25% Holding

corporate governance statement

in summary

RESPONSIBILITIES AND FUNCTIONS OF THE BOARD

The Board of Directors is responsible for the direction and oversight of 'Seeka Kiwifruit Industries Limited and its controlled entities' (the Company) on behalf of the shareholders. Responsibility for day to day operations and administration is delegated by the Board to the chief executive officer.

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Each director has the right to seek independent professional advice at the Company's expense.

The directors act collectively as the Board, but in carrying out functions as a member of the Board, each director has a duty to act honestly and with reasonable care and diligence.

COMPOSITION OF THE BOARD

The Company's constitution provides that there shall not be fewer than three directors, and, unless otherwise determined by the Company in a general meeting, the number, of ordinary directors shall not exceed seven.

At each annual meeting, one-third of the ordinary directors shall retire from office. A retiring ordinary director shall be eligible for re-election.

The chairman is elected annually by the Board at the first directors' meeting following the AGM.

DEALINGS IN COMPANY SHARES

Directors or senior executives can buy or sell shares after filing a request with and obtaining the Company's approval, within the guidelines of the NZX.

COMMITTEES

The following permanent committees assist in the execution of the Board's duties. Committee members are appointed from members of the Board and membership is reviewed on an annual basis.

All matters determined by committees are submitted to the full Board as recommendations for Board decisions.

AUDIT COMMITTEE

The audit committee is comprised of three non-executive directors. The role of the committee is to advise on the establishment and maintenance of the framework of internal control and appropriate ethical standards. The company secretary and external auditors are invited to audit committee meetings as deemed necessary.

The responsibilities of the audit committee include:

- reviewing the annual reports
- liaising with the external auditors
- reviewing internal controls
- improving the quality of the accounting function.

The audit committee reviews the external audit process on an annual basis and oversees the implementation of any recommendations and changes to accounting practices adopted by the Company.

REMUNERATION COMMITTEE

The remuneration committee is comprised of four non-executive directors. The role of the committee is to recommend appropriate remuneration packages for the senior executives and directors.

Remuneration committee members:

- review the Company's compensation policy and procedures for all employees
- review and recommend to the Board any changes regarding the chief executive officer's remuneration.

INTERNAL CONTROL

The Board is responsible for the overall internal control framework of the Company. No cost effective control system will preclude all errors and irregularities, however to safeguard the assets of the Company and ensure that all transactions are recorded and appropriately reported the Board has instigated and monitors the internal control system.

BUSINESS RISKS

The chief executive officer and management are required to identify and report on the major risks affecting each business segment and to develop strategies to mitigate these risks.

THE ROLE OF THE SHAREHOLDERS

The shareholders appoint ordinary directors and they approve major business decisions affecting the Company as prescribed in the Company's constitution.

The Board of Directors ensures shareholders are informed of all major developments affecting the Company's state of affairs.

Proposed major changes in the Company which may impact on share ownership rights are submitted to a vote of the shareholders.

directory

OFFICES OF SEEKA KIWIFRUIT INDUSTRIES LIMITED

Head Office
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PO Box 47, Te Puke
www.seeka.co.nz

AUDITOR

PricewaterhouseCoopers
Auckland

ACCOUNTANTS

Wood Walton Chartered Accountants Limited
Tauranga

BANKERS

Westpac Banking Corporation
Auckland

SHARE REGISTRAR

Link Market Services
Ashburton

NZX

www.nzx.com

LEGAL ADVISORS

Harmos Horton and Lusk
Auckland

Sharpe Tudhope
Tauranga

McKenzie Elvin
Tauranga

shareholder analysis

TOP 50 SHAREHOLDERS AT 1 JUNE 2007*

CR Morton**	2,363,608	MI Tremain & BM Tremain	86,963
DMS Orchard Management Limited	608,148	NP Gray, WR Gray, W Kameta & B Kingi	80,852
New Zealand Central Securities	424,927	JR Griffin & Others	77,441
Allison, Emslie & Morton – Staff Share Scheme	372,100	BJ Stapleton & LE Stapleton	77,432
CW Flood & M Schlagel	348,130	DC Kirk	74,250
J & PC Law	306,353	AR Wright & HO Wright	71,362
Rotorua Trust Perpetual Capital Fund Limited	300,000	SW Nelmes & PR Hills & RA Nelmes	66,342
Rod Bayliss Orchards Limited	234,457	Fairview Orchards (1997) Limited	64,874
WJ McGillivray & BE McGillivray & RE Lee	202,232	Te Puke Orchards (1997) Limited	64,874
Burts Orchards (1997) Limited	166,663	AJ Hill & JM Hill & V Brownrigg	64,457
SR Tebbutt	156,118	ID Greaves & NA Greaves & CM Thompson	63,378
DJ Emslie & DJ Emslie & Others	155,348	HD Spencer	61,985
ID Greaves & CM Thompson & MS Thompson	153,890	PHO Holdings Limited	60,000
S Moss	148,016	WR Baldwin & AM Baldwin	59,190
CW Flood	129,000	MS Thompson & MA Thompson	58,405
LJ Christie	125,000	JP Jensen & PJ Jensen	56,837
J Slater & RA Slater & Others	122,291	D J Hicks and Others	55,700
KM Oakley & MAS Oakley	119,443	Bowyer Orchards Limited	54,586
TG & JD Newman	117,845	MJ Cartwright & HC Cartwright & Others	54,294
WV & WJ Flowerday	115,910	CM Thompson & MR Thompson	54,035
RB Tait & JG Tait & IJ Craig	107,950	RA Bibby & DG Bibby	53,333
MC & HF Salt	103,770	T Hawthorne & G Hawthorne & PJG Genson	53,076
Custodial Services Limited	100,695	BF Grafas	52,309
J Slater & RA Slater	100,000	Scotland's Farms Limited	52,120
Custodial Services Limited	90,413	Ohiwa Investments Limited	50,865

**Includes Partly Paid Shares*

***Substantial Security Holder at 1 JUNE 2007*

ANALYSIS OF SHAREHOLDER BY SIZE AT 1 JUNE 2007*

	No. of Shareholders	Shares Held	Percentage of Shareholders	Shares	Average Holding
Up to 3,000 Shares	462	521,507	56.8%	4.1%	1,129
3001 to 10,000 Shares	198	1,104,213	24.3%	8.8%	5,577
10001 to 25,000 Shares	75	1,200,810	9.2%	9.5%	16,011
25,001 to 100,000 Shares	55	2,691,571	6.8%	21.4%	48,938
100,001 Shares or More	24	7,081,894	2.9%	56.2%	295,079
Total	**814**	**12,599,995**	**100.0%**	**100.0%**	**15,479**

**Includes Partly Paid Shares*

OUR MISSION

To be the world's leading producer and handler of export kiwifruit.

To continually maximise the income we earn for our shareholders and suppliers.

To be the natural preferred choice of both our suppliers and customers.


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