SEEKA KIWIFRUIT INDUSTRIES LIMITED

REVIEW FOR THE SIX MONTHS ENDED 30 JUNE 2014 [UNAUDITED]

JUNE 2014

SEEKA
KIWIFRUIT INDUSTRIES LIMITED

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KEY INDICATORS

	12 months to 31 December [audited]			6 months to 30 June [unaudited]	
($000s)	2011	2012	2013	2013	2014
Revenue	$ 138,797	$ 108,290	$ 97,371	$ 66,971	$ 79,244
Post harvest EBITDA	$ 23,864	$ 15,855	$ 12,355	$ 5,167	$ 5,148
Orchard EBITDA	$ (4,236)	$ 7,201	$ 3,318	$ 2,564	$ 2,965
OPERATING EARNINGS					
EBITDAF Earnings before interest, tax, depreciation, amortisation, fair value adjustments, impairments and asset revaluations	**$ 21,036**	**$ 16,563**	**$ 9,049**	**$ 4,077**	**$ 5,709**
Fair value movement in biological assets — vines	(9,730)	(292)	392	—	—
Movement in onerous lease provision	-	(807)	494	117	106
EBITDA - before revaluations and impairments	**$ 11,306**	**$ 15,464**	**$ 9,935**	**$ 4,194**	**$ 5,815**
Depreciation and amortisation expense	(6,603)	(5,676)	(5,465)	(2,734)	(2,685)
Impairment charges	(5,796)	(952)	(593)	—	—
Revaluation of land and buildings	(3,763)	(6)	776	—	—
Interest expense	(2,766)	(1,878)	(1,139)	(610)	(631)
Fair value of non-hedge derivatives	300	422	—	—	—
Net profit / (loss) before tax	**$ (7,322)**	**$ 7,374**	**$ 3,514**	**$ 850**	**$ 2,499**
Tax (charge) / credit	269	(1,494)	(850)	(178)	(1,017)
Net profit / (loss) attributable to shareholders	**$ (7,053)**	**$ 5,880**	**$ 2,664**	**$ 672**	**$ 1,482**

EBITDAF and EBITDA are considered by the board to be key measures of performance and a reflection of cash flow generation.

Half Year Review

The directors and management are pleased to present Seeka's financial results for the six months to 30 June 2014. Profit before tax this half year is ahead of the previous corresponding period (pcp) by $1.6m reflecting greater post harvest kiwifruit volumes along with increased orchard and emerging business earnings. The half year results include a gain amounting to $1.4m on the sale of OPAC and include the new grower share scheme expense amounting to $1.9m (the first shares will be issued under the scheme in the second half of the year). The company is satisfied with the profit increase for the six months despite challenging trading conditions and rising costs.

Market share grew for Hayward to an estimated 24.8% but slipped to 10.6% in the Zespri SunGold variety. Many gold orchards are still to reach commercial fruit volumes. Gold market share is expected to rebound when re-grafted SunGold orchards reach commercial volumes in 2015. Detailed planning is underway to ensure Seeka has the capacity and infrastructure to meet processing demand and perform well for Hayward and other variety growers next year.

The post harvest environment remains competitive. Margins are tight as post harvest companies drop prices to attract custom. While capacity is overall expanding to handle greater volumes of fruit, a competitive environment is expected to continue. Seeka remains well prepared with active cost management, low core debt and competitive positioning complemented by performance, service and price. Seeka's emerging retail service activities are also contributing to revenue and profit.

Seeka continues with the strategy outlined at the shareholders' annual meeting: rationalise asset holdings and position the company to pay increasing dividends. Seeka continues to explore opportunities to diversify and to innovate in support of our core business. For example, Seeka in the past six months initiated collaborative marketing programmes which lifted company revenues as well as increasing the wealth of all kiwifruit growers.

Seeka purchased Glassfields, a retail services business in April. Glassfields provides ripening services, operates a small wholesale market and imports bananas, pineapples and papaya from Sumifru for ripening and supply to retail. These activities have been merged with our SeekaFresh business.

OPERATING PERFORMANCE

Operating revenue totalled $79.2m, up 18.3% from the pcp and comparable to same period two years ago.

EBITDA of $5.8m is up 38.6% from the pcp. This includes the sale of OPAC shares contributing $1.4m and the anticipated cost of the grower incentive scheme amounting to $1.9m.

The increased EBITDA[1] reflects growth in volumes, and the higher earnings of both orchards and SeekaFresh. Post harvest packed 1.4 million trays and loaded out 1.5 million more trays than in the pcp. Orchard EBITDA increased by $401,000 from the pcp, reflecting higher yields and higher market returns. SeekaFresh[2] earnings were up by $1.1m from the pcp, reflecting increased earnings from the 2013/14 avocado crop and the new Glassfields business.

Profit before tax for the six months was $2.5m, up from $850,000 in the pcp. Profit after tax totalled $1.5m, up from $672,000 in the pcp. Seeka will provide full year guidance at its shareholder update in October.

Negative operating cashflow of $9.2m compares to $2.9m in the pcp. The operating cashflow includes the cost of $4.2m for two orchards which have since been sold. The sale went unconditional on 4 July and settlement will occur in the second half of the year. The remaining negative cashflow reflects the seasonal nature of Seeka's business, where expenditure and activity is higher in the first six months of the year.

Overall debt increased this half year. Total debt of $32.3m at 30 June 2014 compares to $23.6m at 30 June 2013, and compares to $20.6m at 31 December 2013. The 2014 debt level includes the two orchards awaiting settlement. The purchaser of those orchards has made a long-term packing commitment with Seeka.

Debt levels also include the Glassfields purchase and associated working capital. The $5.4m purchase price was partially offset by the $3.1m OPAC sale. The orchard crop in store at 30 June 2014 totalled $11.6m, compared with $9.6m in the pcp.

1. EBITDA before revaluations and impairments. *2. Classified as retail services within the segment information note.*

REVIEW OF OPERATIONS

Overall harvest volumes were up by 7.6% from the pcp. A total of 20.2 million post harvest trays were handled, compared to 18.8m in the pcp (this includes ungraded fruit). Importantly, Zespri SunGold increased from 237,000 trays in the pcp to 1.1 million trays. Hayward market share is estimated to have increased to from 23.5% to 24.8%.

Seeka has continued to redevelop its long-term lease orchards. The following table shows the resulting variety mix and hectares.

Variety	G3 [SunGold]	G14 [Sweet Green]	Hayward [Green]	Total
Number of hectares	36.8	7.1	18.5	62.4

These orchards are expected to crop in 2015. The G14 (Sweet Green) area of 7.1 hectares is being notch grafted with G3 (SunGold) this year. As a result, it is expected to yield a Sweet Green crop in 2015 and SunGold in 2016. Sweet Green has been presenting orcharding and post harvest challenges, so Seeka and orchard owners are proactively switching varieties ahead of any potential de-commercialisation by Zespri.

Seeka capitalised some $200,000 in redevelopment costs in relation to the 62.4 hectares.

After re-gearing for lower crop volumes in the wake of Psa-V, the company is now preparing for rapid growth in volumes from 2015 onwards by developing contingency plans for volumes higher or lower than anticipated. The company must be ready for increased SunGold volumes and ensure there is sufficient capacity for the timely harvest, packing and coolstorage of Hayward. Detailed and disciplined capacity planning allows Seeka to optimise post harvest efficiency and performance to growers.

Efficiency targets were achieved in the 2014 harvest and Seeka's earlier investment in green packing technology enabled Seeka to deliver high quality fruit to the market and achieve margins, while meeting the market with a competitive packing price. The technology also positions Seeka well for the anticipated volume growth.

Competition within the post harvest sector remains high as operators seek to fill surplus packing and coolstore capacity. Post harvest operators are expected to extend capacity for 2015's anticipated increased volumes. Prices, while potentially increasing, are expected to remain very competitive.

POST HARVEST OPERATIONS

The post harvest division co-ordinates the harvest, packing, coolstore and logistics operations for our kiwifruit and avocado growers.

EBITDA for the six months totalled $5.1m ($5.2m in the pcp) and includes the anticipated cost of the grower share scheme of $1.9m.

Total kiwifruit volumes packed increased to 20.2 million trays, up from 18.8 million in the pcp. There is an estimated 1 million trays in the ungraded fruit inventory at 30 June 2014 (i.e. still to be packed), compared to 800,000 trays at the same time last year.

The 2014 season was very early and Seeka's traditional early catchment delivered excellent fruit flow. Seeka achieved a high market share of the very early harvest, and delivered excellent, well-planned capacity to all of its growers.

The Hayward yield - averaging at 9,242 trays per hectare - was exceptional, especially considering that the fruit was sourced from Kerikeri in the north to Te Kaha and Mohaka in the east. Fruit quality in Hayward and Hayward organic was less spectacular, with higher reject rates (particularly for organic fruit) and a significantly lower volume of fruit non-trunk girdled. The trunk girdling technique improves dry matter and brings forward crop maturity, but also shortens the fruit's storage life and requires more rework later in the season. Overall fruit size in conventional Hayward was 33.05, compared to 35.08 in the pcp.

Seeka's volume of Zespri Hort16A increased, with Seeka handling 509,000 trays from its Coromandel-Northland-East Coast catchment. Fruit volumes increased with new crops being sourced from Northland and the East Coast.

The volume of the new Zespri SunGold variety increased dramatically from 237,000 trays in the pcp to 1.1 million trays this year. SunGold has a compressed harvest window (naturally reaching optimum harvest condition over three weeks) but this conveniently coincides with a lull in the traditional Hayward harvest. This will present some challenges to harvest crews and post harvest facilities when volumes build, particularly in periods of inclement weather. In 2014 SunGold quality was exceptional: reject rates were low, sizes large, post harvest teams were able to achieve better production runs when presented with sufficient bin quantities. Many orchards are still in the early years of production and therefore presented limited quantities of bins resulting in short pack runs.

Seeka packed 172,000 trays of G9 (Charm) and 114,000 trays of Sweet Green. Charm continues to improve its packhouse presentation and quality was good. However, issues with its keeping quality and fruit attributes have led Zespri to withdraw it. Sweet Green has been challenging for growers and post harvest; it remains under Zespri review.

Seeka packed kiwiberry for the first time in 2014. In total 17,000 trays weighing 1.5kg were packed. Returns to growers per tray exceeded expectation. Fruit is packed in a 125g punnet. Seeka developed special harvest maturity models to optimise quality and storage life, and built punneting equipment specifically to pre-pack this fruit. Quality was exceptional, and market reaction to the variety and Seeka's handling was strong. Volumes are expected to increase significantly to 80,000 trays next year as orchards reach full maturity. Further increases are predicted as more orchards graft to this variety. The extent of the demand for grafting has seen the targeted 2014 licensing achieved early. The new pre-pack equipment has also been used for organic and conventional kiwifruit to supply our rapidly growing Australian market.

Seeka launched its SureStore plastic harvest bins with good effect in 2014. These bins have been in development for five years. They perform excellently in the field. The bin is used for kiwifruit and, as an innovation, also for kiwiberry. 3000 bins were deployed in total. Some went directly from the Auckland factory to the Psa-free orchard in Mohaka, where they were assembled to carry fruit to Te Puke. Fruit travelled extremely well in them and reject rates were low. The bins have new, improved safety features and have been well received by growers, harvest crews and transport operators.

ORCHARD OPERATIONS

The orchard division handles all growing and orchard management services for the company's own long-term lease orchards, and for short-term leased and managed orchards.

EBITDA of $3.0m was up from $2.6m in the pcp. EBITDA remains low compared to pre-Psa-V years because long-term lease orchards have yet to return to full production. This should happen in 2015.

The orchard division produced 6.9 million trays in 2014 (all varieties), the same as last year.

The Seeka orcharding team delivered its growers exceptional volumes and yields in 2014. Overall Hayward yields per hectare totalled 9,785 trays - an incredible orchard performance, more than covering the cost of professional orchard management.

The company proactively supports growers, with its pollen milling operation providing a cost-effective pollen source and an application service. In Hayward, Psa-V attacks the male plants and the pollen service is a way of assisting growers to achieve pollination and economic yields.

In April, Seeka purchased two orchards before harvest and sold them after harvest with a long-term packing commitment. The sale was unconditional at 4 July, and payment settled in August.

In addition to delivering exceptional performance, the division is focused on getting the long-term leased orchards back into full production. These are looking excellent and increasing production is anticipated from 2015 onwards. Leases expire between 2019 and 2025.

RETAIL SERVICES (SEEKAFRESH AND GLASSFIELDS)

Retail services now comprises SeekaFresh and Glassfields. The Glassfields company was acquired by Seeka in April 2014 and has since been integrated into SeekaFresh.

Glassfields' key supplier was Sumifru and under an exclusive licence it imported, ripened and distributed Sumifru bananas, pineapples and papayas in New Zealand. It also provided ripening and retails services to third parties and operated a small fresh fruit and vegetable wholesale market. All of this activity is now conducted by SeekaFresh in Auckland with an additional base in Christchurch opening later this year. There are exciting opportunities for growth and further synergies with Seeka's core business.

Additionally SeekaFresh operates all non-Zespri supplied fruit sales, kiwifruit sales under collaborative marketing agreements, avocado marketing, and all ripening and retail services in New Zealand.

SeekaFresh has added to its stable of collaborative marketing arrangements. The Xinjiang China programme was successfully launched this half year. Due to Zespri's label restrictions, this programme ships to Shanghai in SeekaFresh packaging alongside the Dole Wilkins programme. Seeka's Malaysian programme remains under the Zespri brand. The innovative Xinjiang supply chain delivers a higher market price to Zespri, which is then shared between all growers.

The first stage of the new Malaysian coolstore hub is complete at the Port of Tanjung Pelepas and fully tenanted. Our joint venture partners are now evaluating the second stage and confirming pre-booked demand before the expansion goes ahead.

Seeka's avocado business continues to grow market share. The 2013/14 season delivered exceptional returns to growers. AvoFresh continues to deliver our growers upper quartile and very competitive returns. Seeka has a unique offering because operations are completely integrated from orchard to consumer. Seeka leases orchards and then harvests, handles and markets the fruit. Our technical support assists growers to deliver a sustainable yield. Seeka took an important step this half year by securing the exclusive New Zealand right to plant, grow and market the Gem variety of avocado. This variety is believed to be a more consistent bearer of fruit and is a smaller tree, requiring less orchard management and makes picking easier. The fruit is an excellent eating fruit and is visually very appealing. Seeka will move to commercialise Gem in the second half of 2014.

PSA-V

While the kiwifruit industry has moved on from the initial devastation of Psa-V, and orchard values have recovered, the impact of Psa-V is far from over. There are continuing signs of Psa-V in every-day orcharding. The new SunGold variety continues to show good tolerance to the bacteria and this is generating optimism in the industry. The strategic issue has become 'how do we grow, harvest, handle and successfully sell potentially more than 60 million trays', should the variety achieve its full potential.

PEOPLE

Our people remain a significant point of difference for Seeka, and each year Seeka and its growers place more demands on its people to deliver performance and deliver it safely. Our people are organised into teams designed to deliver our growers professional service and leading returns. Across the company, people are dedicated to producing outstanding results for growers and shareholders.

Seeka remains committed to the safety and development of all employees; formal safety processes and policies are in place. Seeka has introduced an on-line safety induction system. All staff, contractors and visitors must undertake induction (and demonstrate that they understand it) before being allowed into any of our post harvest facilities unaccompanied. This system will be rolled out for the orchard division later this year. Seeka's safety statistics for serious harm and lost time injuries have shown pleasing improvement; the company remains vigilant to ensure all of our people are safe.

HEALTH AND SAFETY PERFORMANCE INDICATORS

SEASON INJURIES AND ILLNESSES TO 30 JUNE

	2014	2013
Fatalities	0	0
Serious harm injuries	0	2
Lost time injuries	9	14
Medical treatment	43	40
First aid treatment	26	16
No treatment	19	8
Total	97	78

This half year the Ministry of Business Innovation and Employment (MBIE) extensively reviewed employment practices in the kiwifruit sector. Seeka proactively employed three specialists to work with our orchard contractors and sub-contractors to assist with their compliance. Seeka established a system allowing contractors to confirm if an individual worker is eligible to work in New Zealand; a "Seeka Eligible to Work" card was issued to all qualifying workers. This gives contractors and regulators confidence that appropriate checks have been made to confirm worker eligibility. Audits were undertaken by MBIE and, apart from a small number of new issues, our contractors achieved very good results. Seeka remains disappointed with the approach of MBIE. Seeka has acted responsibly and proactively with its contractors and has achieved very good compliance.

ASHLEY WAUGH DIRECTOR APPOINTMENT

Ashley Waugh was appointed to the board in May 2014. Ashley has extensive experience in the fresh foods industry, and was the Managing Director of Australian dairy food and juice company National Foods until its merger with Lion Nathan in 2009. Ashley is a director of Australian branded-cosmetics distributor Heat, and an advisor to several fast-moving consumer goods businesses in Australia. With his wife Catherine, he owns a dairy farm in Te Awamutu.

CLOSE

Seeka ends the half year having achieved a creditable improvement in its financial performance and delivering good results to growers and shareholders from its core kiwifruit business. The company has successfully developed the retail services aspect of its business. This provides a consistent, new earnings stream and an exciting growth path. Detailed and disciplined planning is underway to align kiwifruit handling capacity with the anticipated growth in volumes. Confidence is rising in the industry at this time. Guidance on the full year results will be provided at the shareholder update in October.

Fred Hutchings
Chairman

Michael Franks
Chief Executive

Statement of Financial Performance

For the six months ended 30 June 2014

	Notes	6 months to June 2014 $000s Unaudited	12 months to December 2013 $000s Audited	6 months to June 2013 $000s Unaudited
Revenue	5	79,244	97,371	66,971
Cost of sales		69,284	80,957	57,148
Gross profit		**9,960**	**16,414**	**9,823**
Other income	5	1,373	160	76
Share of profit of associates		-	130	99
Other costs		4,876	7,380	5,345
(Increase)/decrease in fair value movement in biological assets - crop and vines		642	(611)	459
Earnings (EBITDA) before revaluations and impairments		**5,815**	**9,935**	**4,194**
Depreciation expense		2,589	5,392	2,713
(Gain) on revaluation of land and buildings		-	(776)	-
Impairment of investments in associates		-	615	-
(Recovery) of impairment of short term lease prepayments		-	(22)	-
Amortisation of intangibles		96	73	21
Earnings (EBIT)		**3,130**	**4,653**	**1,460**
Interest expense		631	1,139	610
Net profit before tax		**2,499**	**3,514**	**850**
Income tax charge		1,017	850	178
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS		**1,482**	**2,664**	**672**
Earnings per share for profit attributable to the ordinary equity holders of the Company during the period				
Basic earnings per share		$0.10	$0.19	$0.05
Diluted earnings per share		$0.10	$0.19	$0.05

The accompanying notes form an integral part of these financial statements

Statement of Comprehensive Income *For the six months ended 30 June 2014*

	6 months to June 2014 $000s Unaudited	12 months to December 2013 $000s Audited	6 months to June 2013 $000s Unaudited
Net profit for the period	**1,482**	**2,664**	**672**
Items that will not be reclassified to profit or loss			
Gain on revaluation of land and buildings, net of tax	-	768	-
Total items that will not be reclassified to profit or loss	**-**	**768**	**-**
Items that may be reclassified subsequently to profit or loss			
Movement in cash flow hedge reserve, net of tax	2	297	34
Gain on revaluation of available for sale financial assets, net of tax	181	238	58
Total items that may be reclassified subsequently to profit or loss	**183**	**535**	**92**
Other comprehensive income for the period, net of tax	-	-	15
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS	1,665	3,967	779

Statement of Financial Position *As at 30 June 2014*

	Notes	June 2014 $000s Unaudited	December 2013 $000s Audited	June 2013 $000s Unaudited
Equity				
Share capital		35,815	35,753	35,690
Reserves		4,381	4,198	3,002
Retained earnings		19,016	18,545	17,418
TOTAL EQUITY		**59,212**	**58,496**	**56,110**
Current assets				
Cash and cash equivalents		882	5,916	229
Trade and other receivables	11	26,772	11,044	22,020
Short term lease prepayments		912	9,241	392
Biological assets - crop	7	119	761	83
Inventories and land held for re-sale	12	17,245	1,334	10,930
Property held for sale	13	-	2,857	2,797
Financial derivatives		175	170	-
Current tax receivables		3,422	-	1,521
Total current assets		**49,527**	**31,323**	**37,972**
Non current assets				
Trade and other receivables		2,028	1,203	188
Property, plant and equipment	14	63,809	60,297	60,701
Intangible assets	19	6,177	836	874
Available for sale financial assets		1,559	1,085	936
Biological assets - vines	7	2,199	1,999	788
Investment in associates	17	736	2,451	3,078
Total non current assets		**76,508**	**67,871**	**66,565**
Total assets		**126,035**	**99,194**	**104,537**
Current liabilities				
Current tax liabilities		-	134	-
Trade and other payables	15	19,902	11,804	14,709
Liability on grower incentive scheme	18	1,856	-	-
Onerous lease provision		142	248	322
Interest bearing liabilities	16	13,292	1,590	4,148
Financial derivatives		-	-	197
Total current liabilities		**35,192**	**13,776**	**19,376**
Non current liabilities				
Onerous lease provision		65	65	368
Interest bearing liabilities	16	19,000	19,000	19,402
Deferred tax		12,566	7,857	9,281
Total non current liabilities		**31,631**	**26,922**	**29,051**
Total liabilities		**66,823**	**40,698**	**48,427**
NET ASSETS		**59,212**	**58,496**	**56,110**

On behalf of the Board

F. Hutchings
Chairman

A. Waugh
Director

Dated: 22 August 2014

The accompanying notes form an integral part of these financial statements

Statement of Changes in Equity

For the six months ended 30 June 2014

	Notes	Share capital $000s	Available for Sale revaluation reserve $000s	Cash flow hedge reserve $000s	Share based payments reserve $000s	Land and buildings revaluation reserve $000s	Retained earnings $000s	Total $000s
Equity at 1 January 2013 (audited)		**35,690**	**229**	**(176)**	**114**	**2,728**	**17,612**	**56,197**
Net profit for the period		-	-	-	-	-	672	**672**
Other comprehensive income for the period		-	58	34	15	-	-	**107**
Total comprehensive income		**-**	**58**	**34**	**15**	**-**	**672**	**779**
Transactions with owners								
Dividends paid	6	-	-	-	-	-	(866)	**(866)**
Total transactions with owners		**-**	**-**	**-**	**-**	**-**	**(866)**	**(866)**
Equity at 30 June 2013 (unaudited)		**35,690**	**287**	**(142)**	**129**	**2,728**	**17,418**	**56,110**
Net profit for the period		-	-	-	-	-	1,992	**1,992**
Other comprehensive income/(loss) for the period		-	180	263	(15)	768	-	**1,196**
Total comprehensive income/(loss) for the period		**-**	**180**	**263**	**(15)**	**768**	**1,992**	**3,188**
Transactions with owners								
Shares issued		33	-	-	-	-	-	**33**
Employee share scheme receipts		30	-	-	-	-	-	**30**
Dividends paid	6	-	-	-	-	-	(865)	**(865)**
Total transactions with owners		**63**	**-**	**-**	**-**	**-**	**(865)**	**(802)**
Equity at 31 December 2013 (audited)		**35,753**	**467**	**121**	**114**	**3,496**	**18,545**	**58,496**
Net profit for the period		-	-	-	-	-	1,482	**1,482**
Other comprehensive income for the period		-	181	2	-	-	-	**183**
Total comprehensive income for the period		**-**	**181**	**2**	**-**	**-**	**1,482**	**1,665**
Transactions with owners								
Shares issued		45	-	-	-	-	-	**45**
Employee share scheme receipts		17	-	-	-	-	-	**17**
Dividends paid	6	-	-	-	-	-	(1,011)	**(1,011)**
Total transactions with owners		**62**	**-**	**-**	**-**	**-**	**(1,011)**	**(949)**
EQUITY AT 30 JUNE 2014 (UNAUDITED)		**35,815**	**648**	**123**	**114**	**3,496**	**19,016**	**59,212**

Statement of Cash Flows *For the six months ended 30 June 2014*

	Notes	6 months to June 2014 $000s Unaudited	12 months to December 2013 $000s Audited	6 months to June 2013 $000s Unaudited
Operating activities				
Cash was provided from:				
Receipts from customers		56,411	95,855	48,632
Interest and dividends received		10	488	96
Cash was disbursed to:				
Payments to suppliers and employees		(60,339)	(83,972)	(49,211)
Land held for re-sale	12	(4,190)	-	-
Interest paid		(574)	(1,115)	(590)
Income taxes paid		(492)	(2,427)	(1,800)
Net cash flows (used in)/from operating activities	9	**(9,174)**	**8,829**	**(2,873)**
Investing activities				
Cash was provided from:				
Sale of property, plant and equipment		171	130	37
Sale of available for sale investments		3,125	275	275
Received from investments		17	48	-
Repayment of advances		-	30	353
Cash was applied to:				
Purchase of property, plant and equipment		(1,990)	(1,615)	(807)
Investment in associates and subsidiaries	20	(5,754)	(189)	-
Advances		(1,965)	(1,466)	(1,240)
Development of long term lease assets		(200)	(1,235)	(416)
Net cash flow (used in) investing activities		**(6,596)**	**(4,022)**	**(1,798)**
Financing activities				
Cash was provided from:				
Proceeds of short term bank borrowings		13,207	16,940	8,611
Issue of shares		45	33	-
Cash was applied to:				
Repayment of term bank borrowings		(1,188)	(2,376)	(1,188)
Repayment of short term bank borrowings		(317)	(16,940)	(6,840)
Payment of dividend to shareholders	6	(1,011)	(1,731)	(866)
Net cash flows from/(used in) financing activities		**10,736**	**(4,074)**	**(283)**
Net (decrease)/increase in cash flow		**(5,034)**	**733**	**(4,954)**
Opening cash and cash equivalents		5,916	5,183	5,183
CLOSING CASH AND CASH EQUIVALENTS		**882**	**5,916**	**229**

NOTE 1. REPORTING ENTITY

Seeka Kiwifruit Industries Limited and its subsidiaries (together 'the Group') provide orchard lease and management, and post harvest service activities to the horticultural industry. The Company is a limited liability company incorporated and domiciled in New Zealand and is registered under the Companies Act 1993 and listed on the New Zealand Stock Market (NZX). The Company is an issuer in terms of the Financial Reporting Act 1993. The Consolidated Financial Statements of the Group for the period ended 30 June 2014 comprise the Company and its subsidiaries and interests in associates. The address of its registered office is 6 Queen Street, Te Puke.

Glossary

Company	Seeka Kiwifruit Industries Limited
Parent	Seeka Kiwifruit Industries Limited
Group	Seeka Kiwifruit Industries Limited and its subsidiaries

The financial statements were authorised for issue by the Board of Directors on 19 August 2014. The Directors do not have the authority to amend the financial statements after issue.

NOTE 2. BASIS OF PREPARATION

The Group interim financial information for the six months ended 30 June 2014 has been prepared in accordance with New Zealand Generally Accepted Accounting Principles (NZ GAAP) as applicable to profit-orientated entities. Specifically the Group interim financial information has been prepared in accordance with NZ IAS 34, "Interim Financial Reporting". The Group interim financial information should be read in conjunction with the annual audited financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRS.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual audited financial statements for the year ended 31 December 2013, as described in those annual financial statements.

a. **Comparatives**
Where a change in the presentational format of the financial statements has been made during the period, comparative figures have been restated accordingly.

b. **Intangible assets**
Supplier contracts. When an intangible asset is recognised on a supplier contract it is amortised over the life of the contract on a straight line basis. The expense is charged to the statement of financial performance.

c. **Grower incentive scheme** (Refer to note 18)

NOTE 4. SEGMENT INFORMATION

a. **Description of segments**

Directors have determined the operating segments based on the reports reviewed by the senior management team, which are used to make operational decisions.

Directors consider the business from an operational/product perspective rather than geographically, as predominantly all of the Group's business is conducted within New Zealand.

Directors assess the performance of the operating segments based on a measure of adjusted EBITDA and EBIT. This measurement basis includes the effects of non-recurring expenditure from the operating segments such as impairment, when the impairment is the result of an isolated non-recurring event, and restructuring costs.

The reportable operating segments are as follows:

Orchard operations
The Group provides orchard contracting and management services to the kiwifruit and avocado industry. It also leases orchards with short term lease contracts and has entered into long term leases of land that it has converted to kiwifruit and avocado production.

Post harvest operations
The Group provides services to the kiwifruit and avocado post harvest sector that include fruit packing, cool storage and associated activities.

Retail service operations (previously classified as business development operations)
Through SeekaFresh, the Group provides fruit marketing services including local, Australian and Asian collaborative marketing programmes. The segment was reclassified as retail services as the Group also now provides ripening and delivery services to key retail customers as well as wholesale market services to independent operators through its acquisition of Glassfields in April 2014.

All other segments
These represent the aggregated administration, grower services and overhead sections of the Group, along with impairments and revaluations of other assets not attributed directly to any other segment.

Certain costs previously reported as business development operations are now classified in other segments. Comparative figures have been restated accordingly.

	6 months to June 2014 $000s Unaudited	12 months to December 2013 $000s Audited	6 months to June 2013 $000s Unaudited
b. The segment information for the period ended 30 June 2014 is as follows:			
Segment revenues			
Orchard operations	26,855	33,492	25,196
Post harvest operations	45,165	59,651	40,224
Retail service operations	7,109	3,789	1,532
All other segments	115	439	19
Total revenue	**79,244**	**97,371**	**66,971**
Segment earnings (EBITDA)			
Orchard operations	2,965	3,318	2,564
Post harvest operations	5,148	12,355	5,167
Retail service operations	1,193	1,359	86
All other segments	(3,491)	(7,227)	(3,722)
Share of profit of associates	-	130	99
Total EBITDA before revaluations and impairments	**5,815**	**9,935**	**4,194**
Segment earnings (EBIT)			
Orchard operations	2,835	3,078	2,419
Post harvest operations	2,725	8,073	2,621
Retail service operations	1,132	1,359	86
All other segments	(3,562)	(7,987)	(3,765)
Share of profit of associates	-	130	99
Total EBIT	**3,130**	**4,653**	**1,460**
Net finance costs	631	1,139	610
Net profit before tax	**2,499**	**3,514**	**850**
Tax charge on profit	1,017	850	178
NET PROFIT AFTER TAX	**1,482**	**2,664**	**672**
Segment revaluation and impairment			
Orchard operations	-	22	-
Post harvest operations	-	776	-
All other segments	-	(615)	-
TOTAL REVALUATION AND IMPAIRMENT	**-**	**183**	**-**

c. Segment assets

The amounts with respect to total assets are consistent with that of the financial statements. These assets are allocated based on the operations of the segment.

Investment in shares (classified as available for sale and associates) held by the Group are not considered to be segment assets, but rather, are managed by the treasury function.

	6 months to June 2014 $000s Unaudited	12 months to December 2013 $000s Audited	6 months to June 2013 $000s Unaudited
Reportable segments' assets are reconciled to total assets as follows:			
Orchard operations	34,404	21,851	24,076
Post harvest operations	75,544	62,709	73,218
Retail service operations	2,549	2,137	281
All other segments	587	1,923	1,198
Unallocated:			
Cash	882	5,916	229
GST receivable	-	116	-
Available for sale financial assets	1,559	1,085	936
Financial derivatives	175	170	-
Investment in associates	736	2,451	3,078
Intangible assets	6,177	836	-
Current tax receivable	3,422	-	1,521
TOTAL ASSETS PER THE STATEMENT OF FINANCIAL POSITION	126,035	99,194	104,537

d. Impact of seasonality

The interim financial statements reflect the revenues associated with the kiwifruit harvested between March and June 2014, including kiwifruit crops owned by the Company under short and long term lease contracts which are recorded at fair value at each reporting date.

		6 months to June 2014 $000s Unaudited	12 months to December 2013 $000s Audited	6 months to June 2013 $000s Unaudited
NOTE 5. REVENUE AND OTHER INCOME				
Revenue				
Orchard revenue		26,855	33,492	25,196
Post harvest revenue		45,165	59,651	40,224
Retail services revenue		7,109	3,789	1,532
Other sales revenue		115	439	19
Total revenue		**79,244**	**97,371**	**66,971**
Other income				
Interest income		4	5	1
Dividend income		6	155	75
Gain on sale of investment in associates	17	1,363	-	-
Total other income		**1,373**	**160**	**76**
Total share of profit of associates		**-**	**130**	**99**
TOTAL REVENUE AND OTHER INCOME		**80,617**	**97,661**	**67,146**

Revenue is shown net of discounts. Discounts include the cost of the grower share scheme.

	June 2014 $000s Unaudited	December 2013 $000s Audited	Per share
NOTE 6. DIVIDENDS			
Ordinary shares			
Dividend paid 20 March 2013	-	866	$0.06
Dividend paid 27 September 2013	-	865	$0.06
Dividend paid 28 March 2014	1,011	-	$0.07
TOTAL DIVIDEND PAID	**1,011**	**1,731**	

The dividends are imputed to the fullest extent allowable in the tax year.

At the half year balance date, no dividend has been declared by the Company.

NOTE 7. BIOLOGICAL ASSETS

a. Long term leases

The Group, as part of its operations, leases land and grows and harvests kiwifruit and avocados on orchards for which it has long term leases. Harvesting of orchards takes place from March to June each year. The orchards are situated throughout the Bay of Plenty region of New Zealand. During the period the Group continued with the redevelopment of orchards that were cut out due to the impact of Psa.

	6 months to June 2014 $000s Unaudited	12 months to December 2013 $000s Audited	6 months to June 2013 $000s Unaudited
Kiwifruit / avocado biological assets at fair value			
Carrying amount at beginning of period	**2,760**	**914**	**914**
Orchard lease development	200	1,235	416
Fair value movement in crop	(642)	219	(459)
Fair value movement in vines	-	392	-
CARRYING VALUE AT END OF PERIOD	**2,318**	**2,760**	**871**
Biological assets are classified as follows			
Fully developed orchards - kiwifruit	709	1,442	185
Fully developed orchards - avocado	91	178	91
Orchards under development - kiwifruit	1,518	1,140	595
CARRYING VALUE AT END OF PERIOD	**2,318**	**2,760**	**871**
Biological asset - crop	119	761	83
Biological asset - vines	2,199	1,999	788
CARRYING VALUE AT END OF PERIOD	**2,318**	**2,760**	**871**

As at 30 June 2014 the Group had long term leases on a total of 97 hectares (Dec 2013 - 97 hectares) of kiwifruit and 26 hectares (Dec 2013 - 26 hectares) of avocado orchards. In total this comprises of 14 (Dec 2013 - 14) individual kiwifruit and avocado orchards. The leases were entered into over a period of time and have a maximum term of up to 25 years with the last lease expiring in June 2025 .

Long term leases are classified as either:

- *Fully Developed:* Being 35 hectares of established kiwifruit orchards (Dec 2013 - 35) and 26 hectares of avocado orchards (Dec 2013 - 26) that have full canopies or trees and are producing crops. The fair value of the kiwifruit and avocado orchards (land, vines and trees) for long term leased orchards is determined by Directors having taken into account an independent valuation performed at each annual reporting date by Logan Stone Registered Valuers and any events subsequent to that valuation.

- *Orchards under development*: Being those orchards that have been affected by Psa and are being either replanted or re-grafted with new varieties. At balance date the Group is continuing to redevelop 62 hectares (Dec 2013 - 62) and is in the final stages of agreeing redevelopment plans with two lessors.

b. **Fair value of harvested crops**

During the period to 30 June 2014, the Group harvested 440,594 trays of kiwifruit (Dec 2013 - 335,610 trays) from long term leased orchards and 3,868,510 trays of kiwifruit (Dec 2013 - 4,223,788 trays) from short term leased orchards.

The value of the harvested crop at balance date is $23.71m (Dec 2013 - $24.02m), based on the assumptions below for orchard gate returns. A portion of this crop is still held in Seeka's coolstores at the half year balance date and recorded as inventory-crops of $11.60m (Dec 2013 - Nil). The remaining $12.11m (Dec 2013 - $3.93m) is recorded within trade and other receivables.

	2014 OGR [Estimated]	
Variety	Long term lease	Short term lease
Hayward - OGR per tray	$5.00	$5.00
Gold - OGR per tray	$11.12	$11.91

NOTE 8. DETERMINATION OF FAIR VALUES

a. **Fair value measurement**

The table below analyses financial assets and liabilities carried at fair value according to the valuation technique used to determine their fair value. The different levels of technique are defined below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Instruments in level 1 are comprised of equity holdings in Zespri Group Limited.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability , either directly or indirectly.

Level 3: unobservable inputs for the asset or liability that have to be developed to reflect the assumptions that a market participant would use when determining an appropriate price.

	Level I $000s	Level 2 $000s	Level 3 $000s	Total $000s
At 30 June 2013				
Listed equity securities	294	-	-	**294**
Unlisted equity securities	-	-	642	**642**
Derivatives used for hedging (liability)	-	197	-	**197**
At 30 June 2014				
Listed equity securities	584	-	-	**584**
Unlisted equity securities	-	-	975	**975**
Derivatives used for hedging (asset)	-	175	-	**175**

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements.

	Unlisted equity securities $000s
Balance at 30 June 2013	**642**
Receipts	40
Balance at 1 January 2014	**682**
Acquisitions	293
BALANCE AT 30 JUNE 2014	**975**

The following table shows the valuation techniques used in the determination of fair values within level 3 of the hierarchy, as well as the key unobservable inputs used in the valuation models.

Type	Valuation approach	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
UNLISTED EQUITY SECURITIES			
	The fair value of the unlisted equity securities is $0.98m for the Group based on the most recent information available from the securities management. Fair value is tested for impairment and the carrying amount of all unlisted securities is assessed at each balance date.	1. Securities management information on share price.	The estimated fair value increases the higher the share price information. The estimated fair value reduces if cost is impaired at balance date.

	6 months to June 2014 $000s Unaudited	12 months to December 2013 $000s Audited	6 months to June 2013 $000s Unaudited
b. Fair value of financial assets and liabilities measured at amortised cost			
The fair value of borrowings are as follows:			
Non-current	19,000	19,000	19,402
Current	13,292	1,590	4,148
	32,292	**20,590**	**23,550**
The fair value of the following financial assets and liabilities approximate their carrying amounts:			
i) Trade and other receivables	39,778	11,985	31,168
ii) Other current financial assets	1,734	1,255	1,124
iii) Cash and cash equivalents	882	5,916	229
iv) Trade and other payables	19,902	11,804	14,709
	62,296	**30,960**	**47,230**

	6 months to June 2014 $000s Unaudited	12 months to December 2013 $000s Audited	6 months to June 2013 $000s Unaudited
NOTE 9. RECONCILIATION OF NET OPERATING SURPLUS AFTER TAXATION WITH CASH FLOWS FROM OPERATING ACTIVITIES			
Net Operating Surplus after Taxation	**1,482**	**2,664**	**672**
Add non cash items:			-
Depreciation	2,589	5,392	2,713
Amortisation of intangibles	96	73	21
Impairment of investment in associates	-	615	-
Gain on revaluation of land and buildings	-	(776)	-
Movement in deferred tax (excluding the effects of acquisition)	4,032	700	2,312
Movement in fair value of biological assets - vines	-	(392)	-
Movement in fair value of biological assets - crop	642	(219)	459
Movement in onerous leases	(106)	(494)	(117)
Movement in fair value of derivatives	(5)	-	(13)
Share of income from associates	-	197	(99)
	7,248	**5,096**	**5,276**
Add/(less) items not classified as an operating activity:			
(Gain)/loss on sale of property, plant and equipment	(1)	211	316
Gain on sale of shares	(1,363)	(75)	(75)
	(1,364)	**136**	**241**
(Increase)/decrease in working capital (excluding the effects of acquisition):			
Increase in accounts payable	7,412	4,970	7,890
(Increase) in accounts receivable / prepayments	(13,329)	(1,504)	(12,842)
(Increase)/decrease in inventory	(15,445)	347	(8,424)
Decrease/(increase) in work in progress	8,329	(602)	8,247
(Decrease) in taxes due	(3,507)	(2,278)	(3,933)
	(16,540)	**933**	**(9,062)**
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	**(9,174)**	**8,829**	**(2,873)**

NOTE 10. COMMITMENTS AND CONTINGENCIES

NZX/Westpac: Westpac Bank holds a guarantee for a bond of $75,000 (2013 - $75,000) in favour of the New Zealand Stock Exchange.

NZ Customs/Westpac: Westpac Bank holds a guarantee for a bond of $150,000 (2013 - Nil) in favour of the New Zealand Customs Service.

NOTE 11. RELATED PARTY TRANSACTIONS

Seeka Growers Limited

In the normal course of business the Group undertakes transactions with Seeka Growers Limited, a related party which administers all monies from the sale of kiwifruit on behalf of growers with whom it holds a contract. In the current period the Group received $40.87m (Dec 2013 - $80.15m) for the provision of post harvest and orchard management services to Seeka Growers Limited. At balance date, a significant portion of receivables are due from Seeka Growers Limited. These receivables are funded by future fruit payments from Zespri Group Limited to Seeka Growers Limited.

	6 months to June 2014 $000s Unaudited	12 months to December 2013 $000s Audited	6 months to June 2013 $000s Unaudited
NOTE 12. INVENTORIES AND LAND HELD FOR RE-SALE			
Packaging and other stock			
Crop inventories	11,604	-	9,598
Total packaging and other inventories	1,451	1,334	1,332
Land held for re-sale	4,190	-	-
TOTAL INVENTORIES AND LAND HELD FOR RE-SALE	**17,245**	**1,334**	**10,930**

Orchard land held for re-sale

During the period the Group purchased two orchards for $4.65m with the intention of re-sale and securing long term supply contracts from the orchards. Of the purchase $0.46m was for the crop that has been harvested. The acquisition contract settled on 29 May 2014. At balance date the orchards are classified as land held for re-sale, and were subsequently sold in July with settlement on 4 August at the full carrying value of $4.19m.

	6 months to June 2014 $000s Unaudited	12 months to December 2013 $000s Audited	6 months to June 2013 $000s Unaudited
NOTE 13. PROPERTY HELD FOR SALE			
Post harvest land and buildings held for sale	**-**	**2,857**	**2,797**

On 29 November 2013 the Group signed a conditional memorandum of understanding (MOU) with an international company to pack and handle dairy products based at the Group's Waimapu site. Under the MOU the Group would sell the Waimapu site into a new proposed company to be owned 50% by the Group. During the period the Group applied for a resource consent and continued to negotiate a sale of the property under the MOU. Final agreement on a sale has not been reached with the purchasers. At balance date the Directors consider that the sale will not now proceed and as the Group is no longer actively selling the property it has been reclassified as property, plant and equipment.

NOTE 14. PROPERTY, PLANT AND EQUIPMENT

Land and buildings are revalued to their estimated market value on a rolling three year cycle unless there is evidence that indicates the carrying value of the land and buildings may differ significantly from their fair value. The most current valuations were completed by TelferYoung Valuers, ANZIV, independent registered valuer as at 31 December 2013. Subsequent additions are at cost.

At the half year balance date the Directors believe that the carrying value of land and building assets (excluding assets under construction) does not differ materially from its fair value, and therefore the assets have not been revalued at this half year balance date.

	6 months to June 2014 $000s Unaudited	12 months to December 2013 $000s Audited	6 months to June 2013 $000s Unaudited
NOTE 15. TRADE AND OTHER PAYABLES			
Trade payables	7,446	1,894	4,283
Accrued expenses	9,433	8,268	7,298
Employee expenses	2,204	1,642	1,897
Other payables	819	-	1,231
TOTAL TRADE AND OTHER PAYABLES	**19,902**	**11,804**	**14,709**

NOTE 16. INTEREST BEARING LIABILITIES

At balance date, interest bearing liabilities described as current include $0.40m for the current portion of term loans.

The Group's bank facilities are secured by debentures and mortgages over property. The Group has total facilities of $46.40m (Dec 2013 - $45.10m). This was made up of a multi option credit facility of $24.50m (Dec 2013 - $24.50m) and term loans of $21.90m (Dec 2013 - $20.60m) of which $19.40m is currently drawn down.

NOTE 17. INVESTMENT IN ASSOCIATES

Sale of shares in OPAC

During the period the Group accepted an offer from Opotoki Packing and Cool storage Limited (OPAC) to buy back and cancel Seeka's shareholding in the company. The shares were sold back to OPAC for $3.13m, net of costs, resulting in a gain on sale of $1.36m being recorded in the statement of financial performance, and the Group's holding reduced to 0% (2013 - 19.9%).

NOTE 18. GROWER INCENTIVE SCHEME

The company operates a grower incentive scheme that rewards eligible growers who sign a supply commitment with the Company. At the end of each season, eligible growers are issued with $0.10 worth of shares for every tray packed in the 2014, 2015 and 2016 seasons.

Once the grower has met their supply obligation each year the company recognises the expense in the statement of financial performance as a discount on sales and the liability in current liabilities in the statement of financial position.

Each year when the shares are issued the issue value is recorded in share capital with the value of any residual flowing through the statement of financial performance.

NOTE 19. INTANGIBLE ASSETS

	Software $000s	Goodwill $000s	Supplier contract $000s	Interest in leased land $000s	Total $000s
At 1 July 2013					
Cost	1,747	-	-	801	**2,548**
Accumulated amortisation	(1,674)	-	-	-	**(1,674)**
NET BOOK AMOUNT	**73**	**-**	**-**	**801**	**874**
Year ended 31 December 2013					
Opening net book amount	73	-	-	801	**874**
Additions	14	-	-	-	**14**
Amortisation	(19)	-	-	(33)	**(52)**
CLOSING NET BOOK AMOUNT	**68**	**-**	**-**	**768**	**836**
At 31 December 2013					
Cost	1,760	-	-	801	**2,561**
Accumulated amortisation	(1,692)	-	-	(33)	**(1,725)**
NET BOOK AMOUNT	**68**	**-**	**-**	**768**	**836**
Period ended 30 June 2014					
Opening net book amount	68	-	-	768	**836**
Additions	53	-	-	-	**53**
Additions through business combinations	-	3,506	1,878	-	**5,384**
Amortisation	(19)	-	(61)	(16)	**(96)**
CLOSING NET BOOK AMOUNT	**102**	**3,506**	**1,817**	**752**	**6,177**
As at 30 June 2014					
Cost	1,813	3,506	1,878	801	**7,998**
Accumulated amortisation	(1,711)	-	(61)	(49)	**(1,821)**
NET BOOK AMOUNT	**102**	**3,506**	**1,817**	**752**	**6,177**

The remaining amortisation period of software is four to five years and the remaining amortisation period for the interest in leased land is from 35 to 94 years. The intangible asset that relates to a supplier contract will be amortised over six years (refer note 20).

NOTE 20. BUSINESS COMBINATIONS

Acquisition of Glassfields (NZ) Limited

On 8 April 2014, the Company entered into an agreement to acquire 100% of the shares of Glassfields (NZ) Limited. Glassfields, with operations based in Auckland and soon to be opening in Christchurch, provides ripening and delivery services to key retail customers and wholesale market services to independent operators.

The company holds exclusive New Zealand rights to supply and distribute Sumifru bananas, pineapples and papayas from the Philippines and ripens bananas and avocados. The transaction was completed on 17 April 2014.

As a result of the acquisition, the Group will obtain a presence in the above market, increase earnings and improve the performance of the acquired business through synergies gained by being in one Group. The goodwill of $3.51m arising from the acquisition is attributable to the acquired business and increased earnings. None of the goodwill is expected to be deductible for income tax purposes.

The intangible asset includes an amount of $1.88m for a supplier contract and will be amortised over six years.

The acquired Glassfields business contributed revenues of $5.20m and a net profit before tax of $56,000 to the Group for the period from 17 April 2014. Had Glassfields (NZ) Limited been consolidated from 1 January 2014, the Group's consolidated income statement for the six months ended 30 June 2014 would show pro-forma revenue of $90.37m and profit before tax of $2.47m.

Purchase consideration	$000s
Details of net assets acquired and goodwill are as follows:	
Cash paid	5,384
TOTAL CONSIDERATION TRANSFERRED	**5,384**

	Provisional fair value $000s	Carrying value $000s
Assets and liabilities acquired as of 17 April 2014		
Trade and other receivables	1,258	1,258
Inventories	466	466
Current tax receivable	49	49
Property, plant and equipment	1,474	1,099
Intangible asset	1,877	-
Available for sale financial assets	234	67
Trade and other payables	(2,540)	(2,540)
Interest bearing liabilities	(263)	(263)
Deferred tax	(677)	-
Provisional fair value of net assets	**1,878**	**136**
Goodwill	3,506	
NET PURCHASE CONSIDERATION	**5,384**	

To establish the fair value, major items of property, plant and equipment have been revalued to their estimated market value as at 17 April 2014 using an independent valuer David Baxter and Associates of Tauranga, New Zealand. As a result of the valuation the fair value of property, plant and equipment increased giving rise to a deferred tax liability offset against goodwill.

The consideration paid for Glassfields (NZ) Limited was made by using existing cash resources and debt lines.

Acquisition related costs of $89,000 have been charged to other costs in the consolidated statement of financial performance for the period ended 30 June 2014.

NOTE 21. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

As at 30 June 2014 the Group had a conditional agreement for the purchase of land and buildings with a commitment for capital expenditure of $1.20m (2013 - Nil). The agreement was declared unconditional on 31 July 2014 and settled on 14 August 2014.

There are no further events occurring subsequent to balance date requiring adjustment to or disclosure in the financial statements.

Directory

DIRECTORS

Fred Hutchings
Independent Chairman

Malcolm Cartwright
Deputy Chairman

Martyn Brick
Director

John Burke
Independent Director

Amiel Diaz
Director

Neil Te Kani
Director

Ashley Waugh
Independent Director

MANAGEMENT

Michael Franks
Chief Executive

Bryan Grafas
GM Orchard Operations

Kevin Halliday
GM Corporate Services

Stuart McKinstry
Chief Financial Officer
and Company Secretary

Ray Hook
GM Retail Services

Rob Towgood
GM Post Harvest Operations

Simon Wells
GM Growers

CORPORATE

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AUDITOR

PwC
Auckland

SHARE REGISTRAR

Link Market Services Limited
Auckland

LEGAL ADVISORS

Harmos Horton Lusk
Auckland

McKenzie Elvin
Tauranga

BANKERS

Westpac Banking Corporation
Auckland

NZX

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seekafresh

Glassfields

seekaorganics
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