



SEEKA

# Annual Shareholders Meeting

17 August 2010

SEEKA KIWIFRUIT INDUSTRIES LIMITED



# SEEKA

**Kim Ellis**

**Chairman**

SEEKA KIWIFRUIT INDUSTRIES LIMITED



# Agenda

- Chairman's introduction
- Chief Executive's report
- General business
- Resolutions



# Proxies

- 34 proxies received by the Company are as follows:

Chair	648,527
M Cartwright	22,493
J Scotland	52,120
L Christie	114,012
Representative NZSA	759
M Franks	3,000
P Halligan	306,353
<b>Total</b>	<b>1,147,264</b>



# Directors

- Jim Scotland, Chairman Audit Committee
- Dave Emslie
- Malcolm Cartwright
- Junichi Moriya
- Stuart Burns
- Amiel Diaz
- Taari Nicholas
- Peter Dawe, retired April 2010
- Kim Ellis, Chairman



# Senior Management Team

Chief Executive  
Michael Franks

Orchards  
Bryan Grafas

Post Harvest  
Rob Towgood

IFSL  
Kevin Halliday

Grower Information  
Geoff Carey

Grower Relations &  
Corporate Marketing  
Peter Mourits

Information Systems  
Greg Rodger

Chief Financial Officer & Company Secretary  
Stuart McKinstry



# Financial

	2009	2010	% Change
Operating revenue	\$107.4m	\$120.9m	+13%
EBITDA before non-recurring	\$14.0m	\$14.5m	+4%
Profit before non-recurring & tax	\$5.6m	\$7.5m	+34%



# Non recurring items

Huka Pak contract cancellation fee \$3.9m

Vital Foods impairment \$1.8m

SAPAC consideration adjustment \$0.4m

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**TOTAL non-recurring** \$6.1m

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**2010 / 11 Deferred tax changes result in \$4.9m**



# Huka Pak purchase benefits

- Predominance of early fruit
  - Beyond Huka Pak capacity >> Capacity optimisation
- Premium orchardists
  - Good growing regions
- Experienced orchard & post harvest team
- Incremental earnings
- New main shareholder
  - Te Awanui Huka Pak



# Huka Pak purchase details

Purchase consideration	\$24.6m
<i>Less Seeka shares issued 1.8m @ \$3.60</i>	<i>\$6.6m</i>
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Acquisition cash outflow	\$18.0m
<i>Less Proceeds from land sale</i>	<i>\$11.0m</i>
<hr/>	
Consideration settled in cash	\$7.0m
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# New major shareholders

- August 2009
  - Fresh MD Holdings
  - 16.7% shareholding
  
- December 2009
  - Te Awanui Huka Pak
  - 17.6% shareholding



# Change to balance date

- From 31 March to 31 December
  - Better reflection of business & industry cycle
  - Simplifies orchard accounting
  - Matches packing and coolstore cycle
  - December 2010 first reporting year
    - 9 months
- Short form Annual Report
  - Full report available on [www.seeka.co.nz](http://www.seeka.co.nz)



# Dividends

	June 2009	December 2009	June 2010
Dividends declared	\$1.26m	\$1.44m	\$1.44m
Per share	10 cents	10 cents	10 cents



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Michael Franks, Chief Executive

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# Strategy update

- Focus on operational excellence
  - Post harvest efficiency & fruit performances
  - Orchard performance
  - Service to growers
  - Returns to shareholders
- Grow business profitably
  - Target market capitalisation of \$100m
- Predictable & increasing dividend yield
  - A published dividend policy based on a minimum \$0.20 per share & increasing
  - Up to 75% of operating cash flow
    - After maintenance capital & scheduled debt reduction

# Highlights

- EBITDA \$14.5m ↑ \$0.5m
- Post harvest volume trays 22.2m ↑ 1.2m
- Long term lease production 828k trays Gold
  - Ahead of plan

- |                                     | Green  | Gold   |
|-------------------------------------|--------|--------|
| • Fruit loss                        | 5.3%   | 3.6%   |
| • Average net time related per tray | \$0.39 | \$0.93 |
- Huka Pak acquisition – December 2009

Highlights achieved in a challenging year

# Orchard operations

	2009	2010	
EBITDA	\$6.3m	\$7.7m	↑ \$1.4m

- 8.5m trays
- 44% of post harvest supply
- Long term lease 1.1m trays

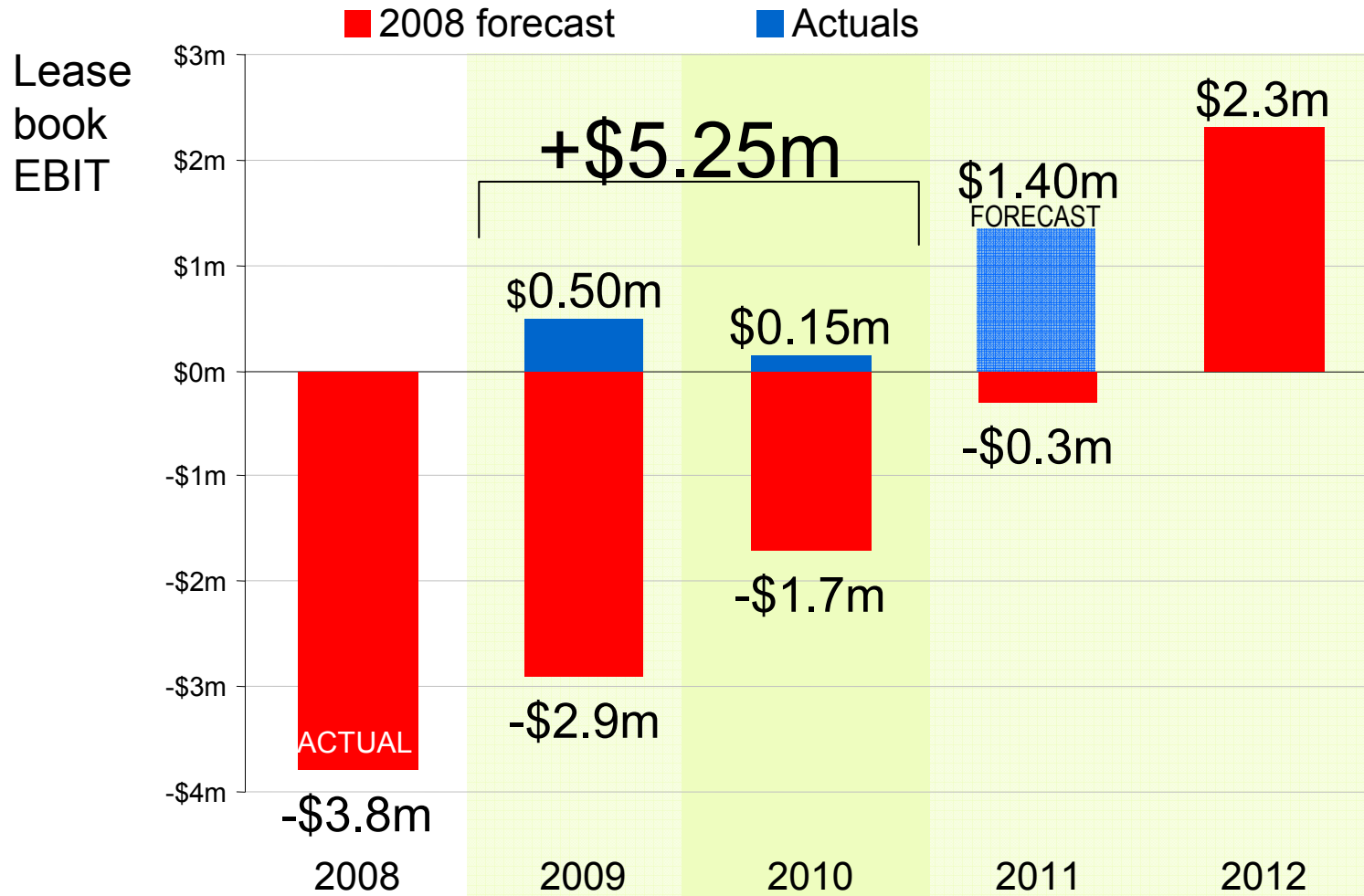
Improving EBITDA

# Orchard division production

		Financial Year		
		2008 / 09	2009 / 10	2010 / 11
Hectares	Green	784	759	902
	Gold	207	179	215
	Total hectares	991	938	1,117
Trays per hectare	Green	9,274	8,712	8,684
	Gold	10,815	10,319	11,150
Total Trays	Green	7.25m	6.64m	7.84m
	Gold	2.18m	1.87m	2.40m
Total trays		9.44m	8.51m	10.24m

**Yields affected by hail 2009 / 10**

# Total Value Lease



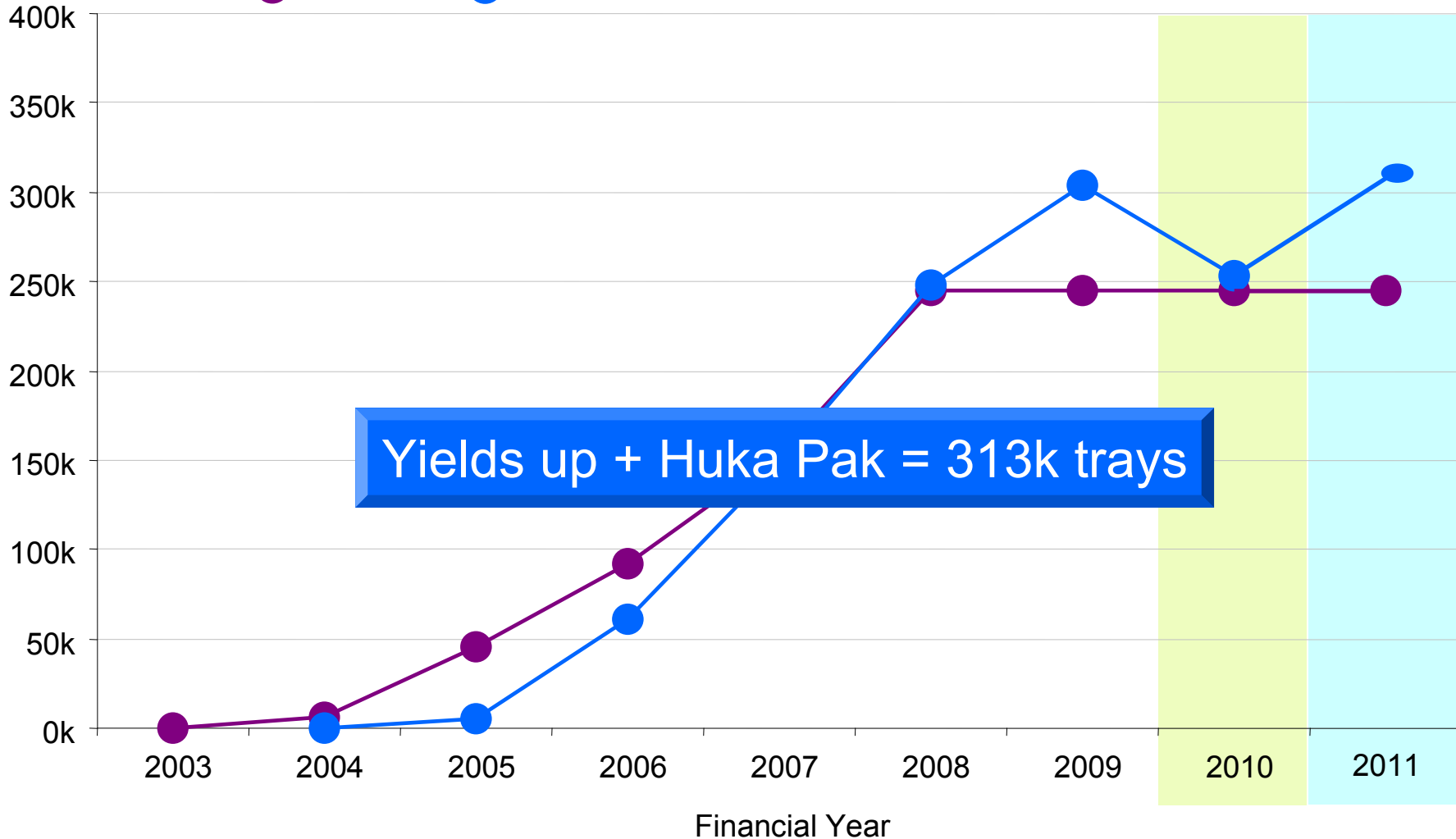
TVL transition completed 2010



# Green long term lease trays

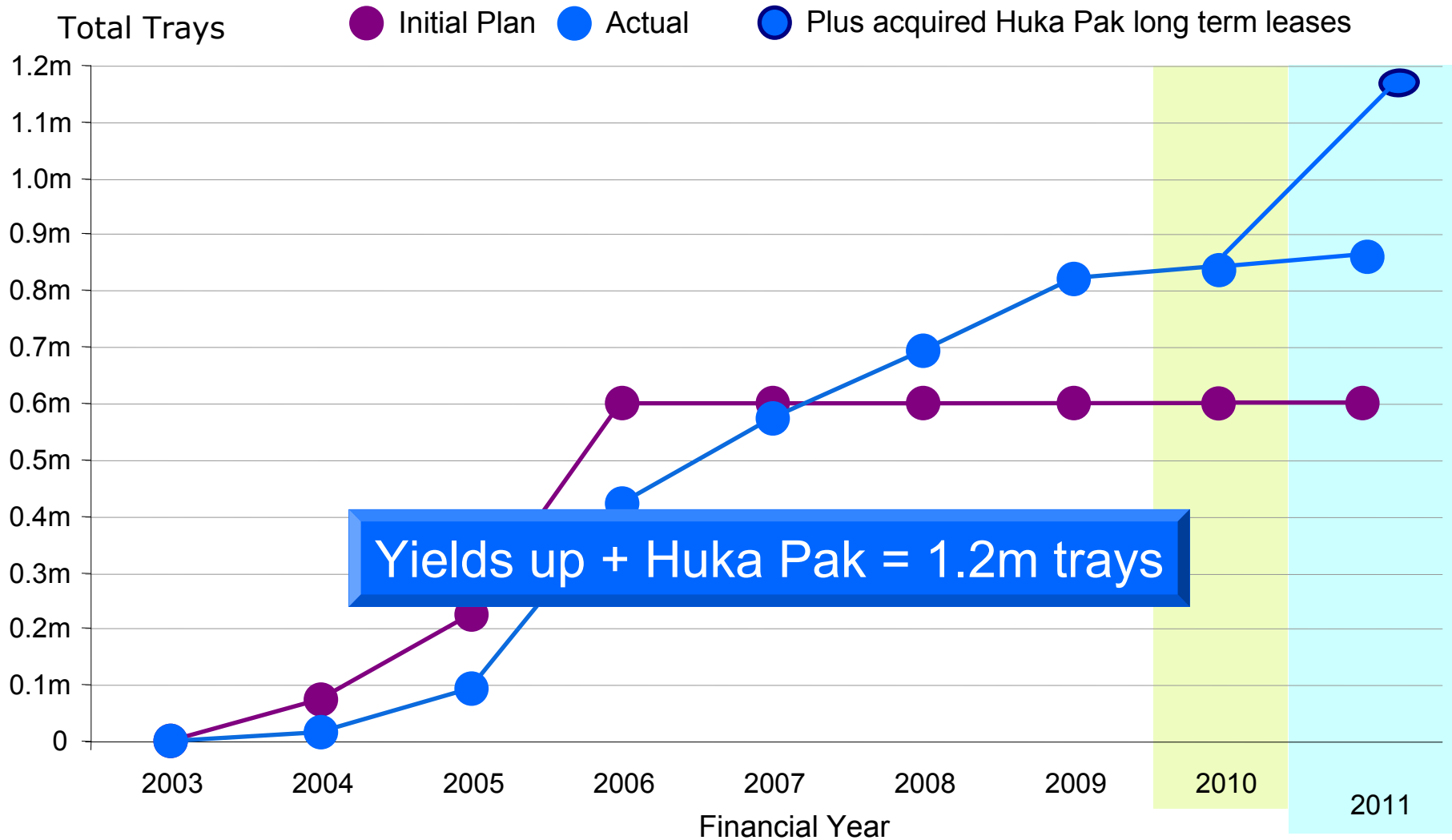
Total Trays

Initial Plan Actual





# Gold long term lease trays



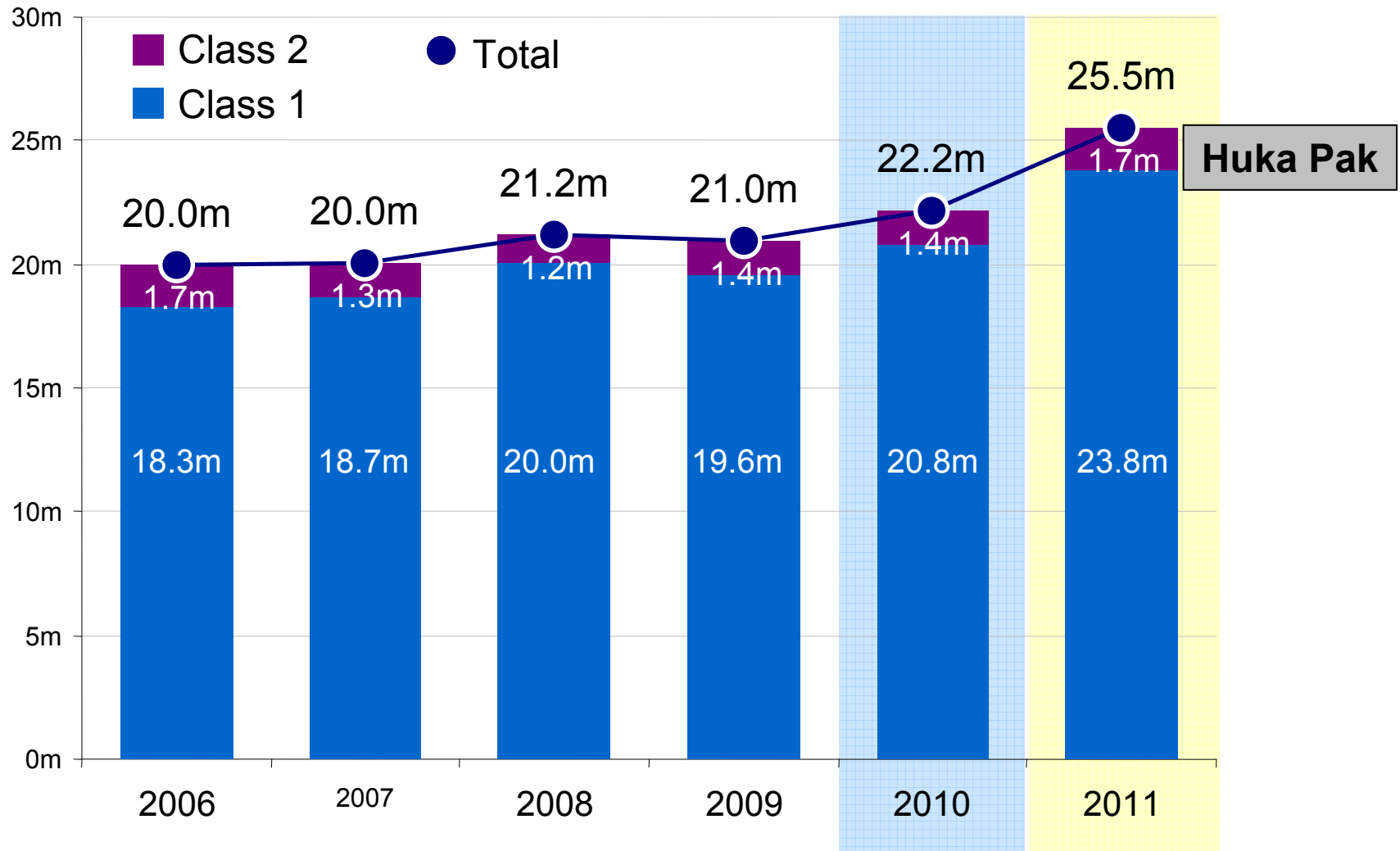
# Post harvest operations

	2009	2010	
EBITDA	\$12.8m	\$12.9m	↑ \$0.1m

- 22.2m trays class 1 & 2 packed
- A major hail event and crop management
  - Reduced pack volumes
- Excellent innovation

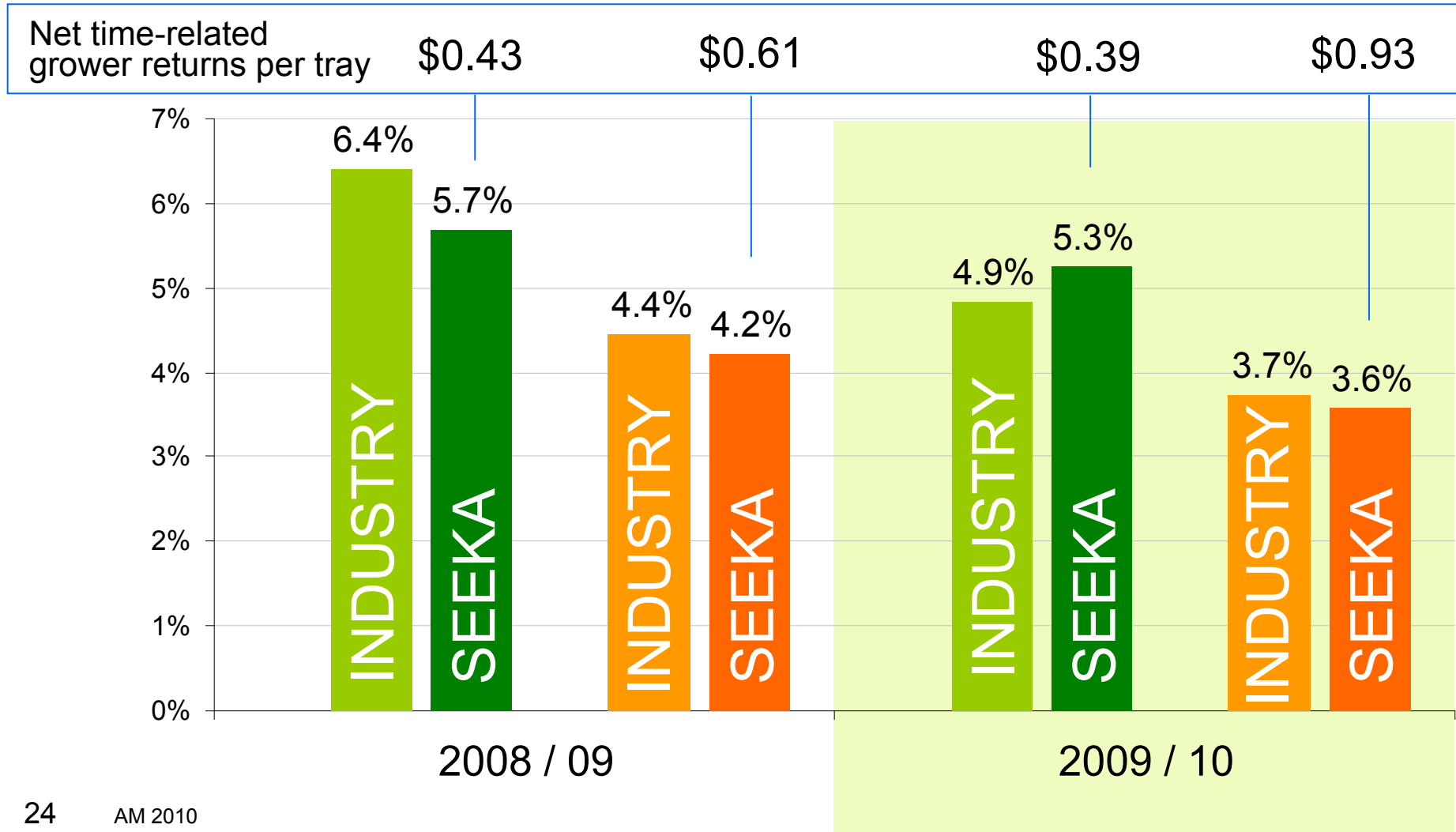
Improving EBITDA despite crop management & hail

# Post harvest volumes



# Fruit Loss

■ Industry Green  
 ■ Seeka Green  
 ■ Industry Gold  
 ■ Seeka Gold





# Corporate costs & associate earnings

	2009	2010		
Costs	-\$5.1m	-\$6.1m	↑ \$1.0m	+20%

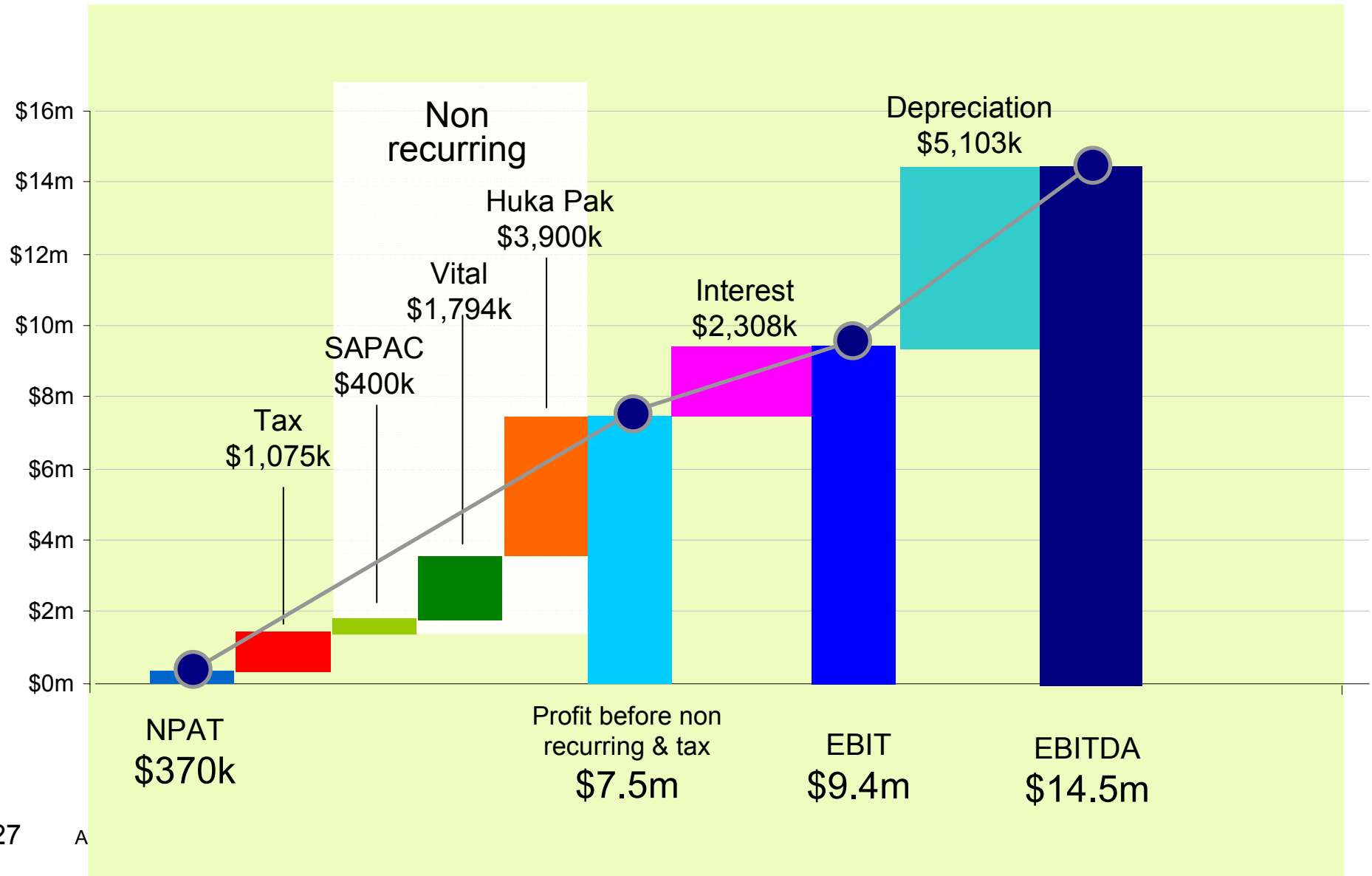
- Interim 4 months Huka Pak costs
- OPAC write down of \$980k



# Company EBITDA

	2009	2010
Orchard operations	\$6.3m	\$7.7m
Post harvest	\$12.8m	\$12.9m
Corporate	-\$5.1m	-\$6.1m
<b>EBITDA</b>	<b>\$14.0m</b>	<b>\$14.5m</b>

# NPAT to EBITDA

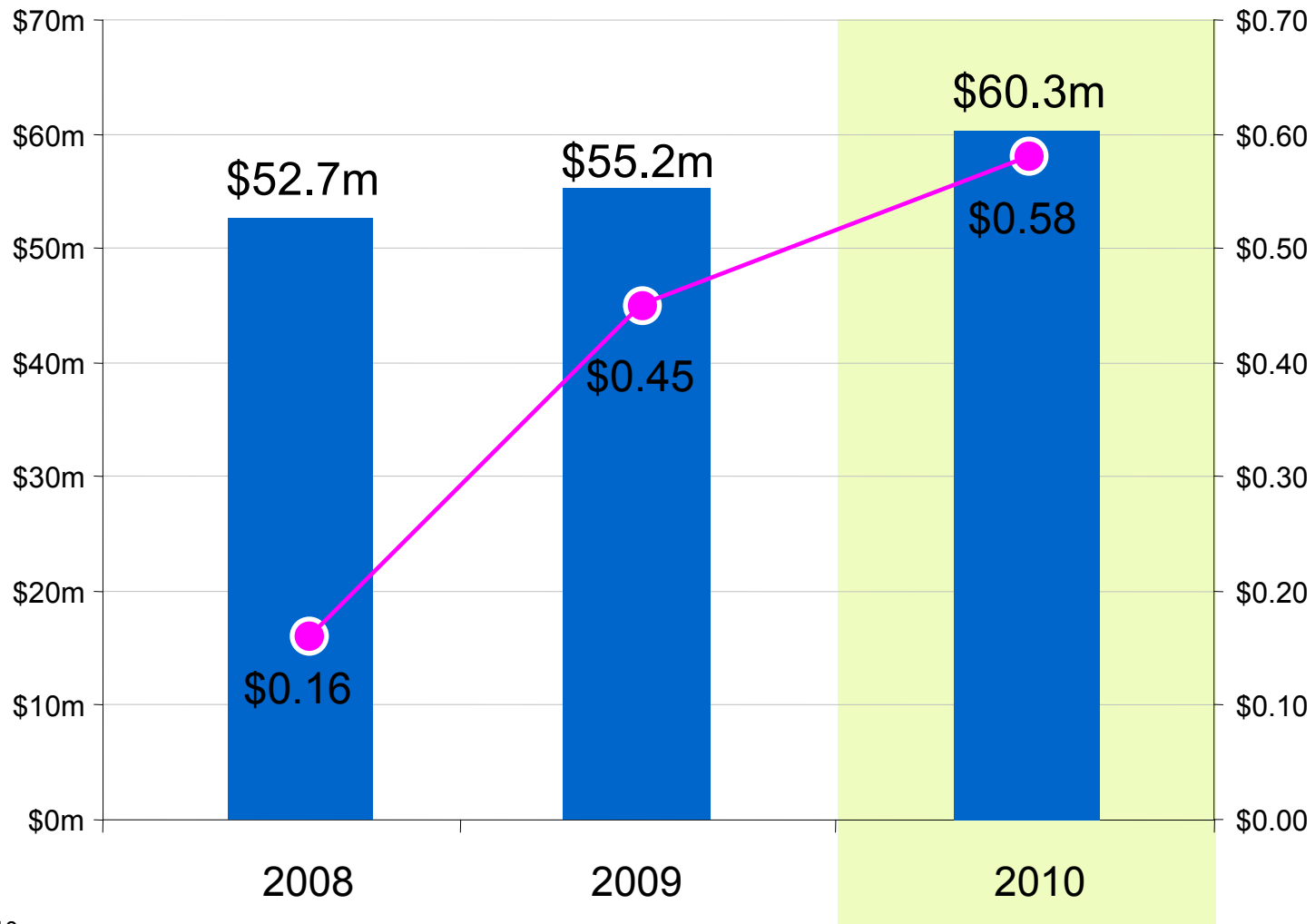




# Shareholder funds & EPS

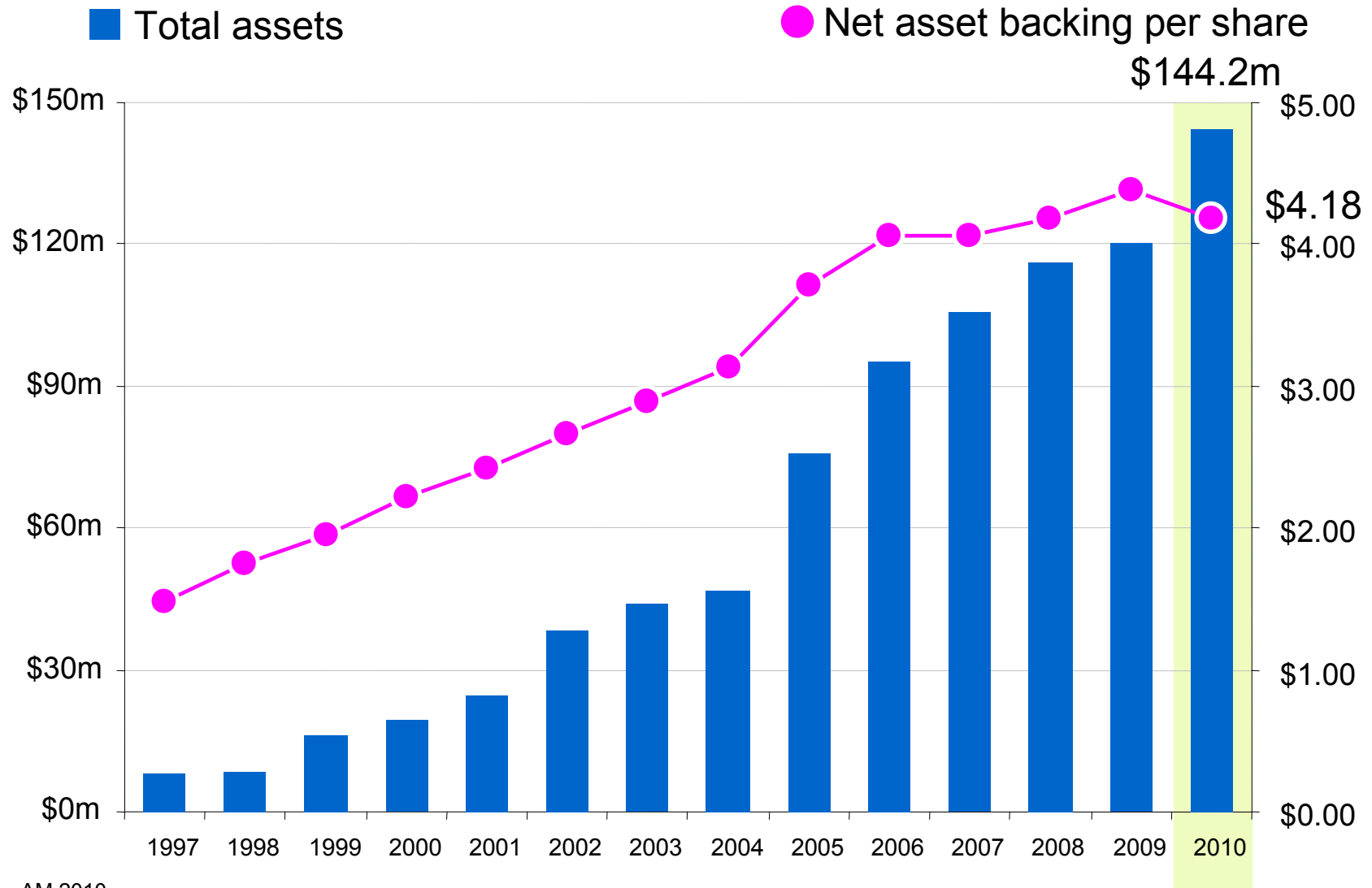
■ Shareholder funds

● EPS pre non-recurring & tax





# Total assets & net asset backing per share





# 2010 Harvest Highlights

- Post harvest volume trays 25.5m
- LTL Gold production trays 1.2m
- Post harvest innovation
- Gold fruit loss 1.3%
- Successful Shanghai Hub
- Successful Huka Pak integration

# Profit forecast

Profit before tax & non-recurring items	Current period	Prior year
<hr/>		
9 months to 31 December 2010		
High	\$12.5m	\$9.8m
Low	\$11.5m	
12 months to 31 March 2011		
High	\$10.5m	\$7.5m
Low	\$9.5m	



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## Kim Ellis

## Resolutions

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# Resolution 1

1. To adopt the Annual Report of the Company and the Financial Statements for the year ended 31 March 2010 together with the Auditors' Report thereon.



# Resolution 2a

2a. To re-elect Mr Kim Ellis as a director of the Company.

*Kim Ellis to address the meeting*



# Resolution 2b

2b. To re-elect Mr Stuart Burns as a director of the Company.

*Stuart Burns to address the meeting*



# Resolution 2c

2c. To elect Mr Amiel Diaz as a director of the Company.

*Amiel Diaz to address the meeting*



# Resolution 2d

2d. To elect Mr Taari Nicholas as a director of the Company.

*Taari Nicholas to address the meeting*

## Resolution 3

3. To record the re-appointment of PricewaterhouseCoopers as auditor of the company and to authorise the Directors to fix the remuneration of the auditor for the coming year.



# General Business



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END

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