

# ANNUAL REPORT

FOR THE NINE MONTHS ENDED 31 DECEMBER 2010



## Seeka's Business

Seeka's primary business strategy is to continue the organic growth of our kiwifruit and avocado orcharding and post harvest business. In addition, Seeka will consider acquisition and alliance opportunities in areas that will enable the company to leverage off its existing core capabilities.

### BUSINESS COMPONENTS

#### Seeka Orcharding

Seeka is New Zealand's largest kiwifruit orcharding business growing more than 1,100 hectares of kiwifruit in the Coromandel and Bay of Plenty regions. Along with leased and managed orchards, Seeka has also 140 hectares of mainly Gold kiwifruit orchards on long-term-leased land.

Orcharding operations produced approximately 10.3m trays of class 1 kiwifruit from harvest 2010, representing 44% of total supply.

In addition to kiwifruit, Seeka also grows 36 hectares of avocados.

#### Seeka Post Harvest

Seeka operates eight packhouses and 23 coolstores organised into four operational hubs. In full production, the facilities are capable of packing

650,000 class 1 trays of kiwifruit a day. Seeka operates controlled atmosphere stores capable of holding 3.5m trays of kiwifruit. Controlled atmosphere fruit is stored in bulk and packed after the main harvest has been completed, effectively ensuring a timely harvest and extending the packing season.

Post harvest operations handled 24m class 1 trays of kiwifruit from harvest 2010, representing 23% of New Zealand's total production, of which 21m trays were packed during the period under review.

Post harvest also undertakes avocado packing and coolstorage.

#### Seeka IFSL

Seeka IFSL is a Zespri-registered supply entity that fully manages the order and supply interface between Seeka and the market.

#### SeekaFresh

SeekaFresh manages the marketing and supply of non-class-1 kiwifruit in Australasia, and in collaboration with Zespri markets and supplies class 1 kiwifruit into Malaysia. SeekaFresh also undertakes avocado marketing and supply.

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## Chairman's Report

On behalf of the board, I am pleased to present Seeka's financial results for the period ended 31 December 2010.

In August last year Seeka's Directors determined to change the company's balance date to 31 December from 31 March 2011. The new balance date better reflects Seeka's post harvest business cycle and simplifies accounting for Seeka's investment in long term leased orchards. The financial statements are therefore for nine months, and the results are compared to the full year to 31 March 2010.

Profit before non-recurring items and tax is \$12.7m, which exceeds Seeka's NZX market guidance of a profit in the range of \$11.5m and \$12.5m.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the nine months remained strong at \$19.6m.

The result reflects the improved operating performance of the company, the successful integration of the Huka Pak business during the period, and the change in balance date.

Shareholder funds stood at \$64.8m on 31 December. The shareholder equity ratio is 49.3% at balance date. Net asset backing per share is \$4.49.

Tax law changes from 1 April 2011 meant a \$2.4m non-cash tax expense, increasing the period's total tax charge to \$6.2m. Net profit after tax is \$6.4m for the period.

Group operating cashflow for the period of \$26.0m allowed for continued investment in plant and equipment (\$7m for the period), and for maintenance of the company's dividend distribution policy.

Directors declared fully imputed dividends of 20 cents per share during the period. Dividends for the 2011 financial year are scheduled to be considered and paid in May and December 2011.

The company has continued to perform strongly both operationally and financially, and we look forward to discussing the year with you in greater depth at the annual shareholders meeting to be held Wednesday, 27 April.



**Kim Ellis**  
Chairman

# Chief Executive's Report

## INTRODUCTION

Seeka's management and staff are pleased to present this financial report for the nine months to 31 December 2010. Record earnings are among its highlights. Please note that results are compared to the previous 12 months ended 31 March 2010, unless otherwise stated.

Total revenue was a record \$122.2m, up from \$120.9m the previous period.

The Huka Pak acquisition's contribution to this result is emphasised by direct comparison – revenue for the past nine months rose 22% above the corresponding nine months ended 31 December 2009.

Earnings before interest, tax, depreciation and amortisation (EBITDA) was \$19.6m, up 35% on the previous year's \$14.5m. (Unaudited EBITDA for the nine months ended 31 December 2009 was \$14.8m.)

Earnings before non-recurring items and tax was \$12.7m, up from \$7.5m the previous period. Guidance provided to the market had anticipated earnings would be between \$11.5m and \$12.5m. On a full 12-month

basis to 31 March 2011, the company's profit before tax is expected to be at the upper end of the range between \$9.5m and \$10.5m.

The change in the rules governing the tax deductibility of depreciation of buildings with useful lives over 50 years combined with a change in tax rate resulted in Seeka incurring a one-off, non-cash tax expense of \$2.4m. Nonetheless, profit after tax has increased to \$6.4m (or 45 cents per share) compared to \$370,000 the previous year.

Seeka's operations generated cashflow of \$26m over the nine months. More than \$7m was invested in new plant and equipment. A net \$15.4m has been used to pay down debt since March 2010. Total bank debt was \$40m at 31 December 2010, down from \$42.6m at 31 December 2009.

Seeka's improved financial performance stems from the successful integration of Huka Pak, the company's continued focus on costs, innovation and efficiencies, as well as its orcharding expertise and good market returns from the gold variety.

## OPERATIONAL UPDATE THE DRIVE TO INNOVATE CONTINUES

### Post Harvest and Supply Operations

Post harvest operations delivered EBITDA of \$21.5m from revenue of \$77.6m, compared to \$15.3m and \$76.3m respectively in the previous period. Total volume handled increased to 22.9m from 22.2m. (The previous year included more than 2.7m trays packed from harvest 2010 in March 2010).

Seeka achieved its best-ever fruit loss statistics for gold variety – 1.3% fruit loss compared to a 2.4% industry average. This is a creditable performance given the large volume of gold fruit handled by Seeka (22.5% of the industry).

Green fruit loss of 4.4% was closer to the 4.3% industry average. There was a difficult storage season late in the year. However, net time earnings delivered to growers was very competitive.

Our aim is that Seeka-handled fruit is synonymous with quality. The company continues to focus on cool chain efficiency and inventory management systems that enhance our ability to deliver fruit to the market at its best.

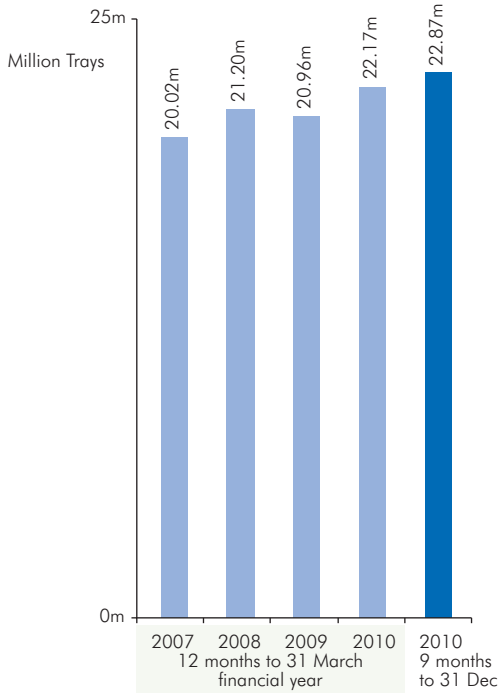
Through our technical and innovation teams, Seeka has invested in inventory management systems which provide timely information to our network of inventory managers. This assists our goal of delivering quality fruit to our markets in specification, in full and on time.

In 2011, Seeka will invest in a state-of-the-art, eight-lane MAF Roda packing machine to be located at Huka Pak. Targeted at the green variety, the increased level of automation will reduce costs and create efficiencies.

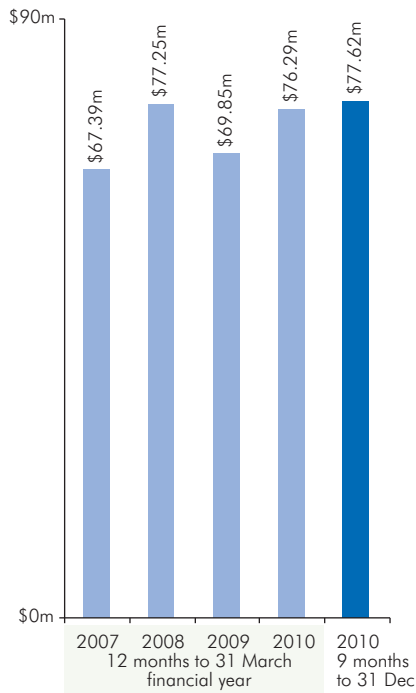
	2007	12 months to 31 March		2010	9 months to 31 December 2010
		2008	2009		
Revenue (\$000s)	\$96,682	\$106,868	\$107,464	\$120,887	\$122,157
Earnings before interest, depreciation and amortisation and non-recurring items (\$000s)	\$13,932	\$10,118	\$14,042	\$14,538	\$19,588
Profit before non-recurring items and tax (\$000s)	\$7,092	\$2,030	\$5,589	\$7,539	\$12,679
<b>POST HARVEST DIVISION</b>					
Total trays packed (class 1 and 2 in 000s)	20,019	21,198	20,961	22,174	22,795
Post harvest revenue (\$000s)	\$67,387	\$77,245	\$69,849	\$76,290	\$77,620
Post harvest EBITDA (\$000s)	\$14,132	\$15,654	\$15,016	\$15,294	\$21,487
<b>ORCHARD DIVISION</b>					
Harvest volumes green leased & managed (trays in 000s)	6,202	7,448	7,253	6,638	7,861
Harvest volumes gold leased & managed (trays in 000s)	1,395	2,057	2,184	1,874	2,258
Orchard revenue (\$000s)	\$28,969	\$29,222	\$36,780	\$38,990	\$39,141
Orchard EBITDA (\$000s)	\$3,371	-\$1,742	\$4,070	\$5,239	\$4,250

## POST HARVEST PERFORMANCE

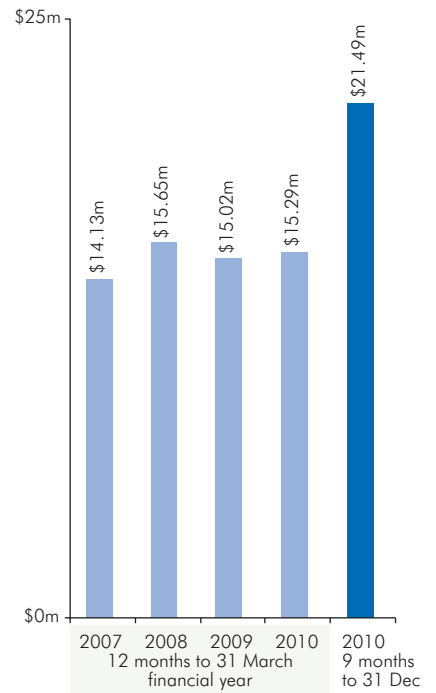
### CLASS 1 & 2 PACKED TRAYS



### TOTAL REVENUE

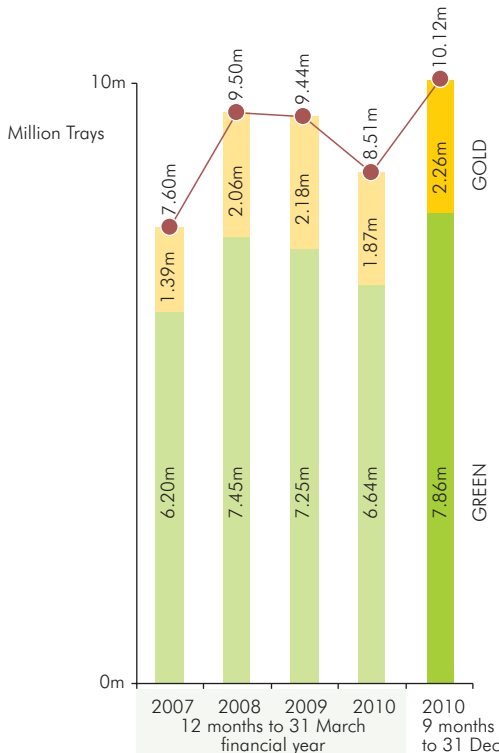


### EBITDA

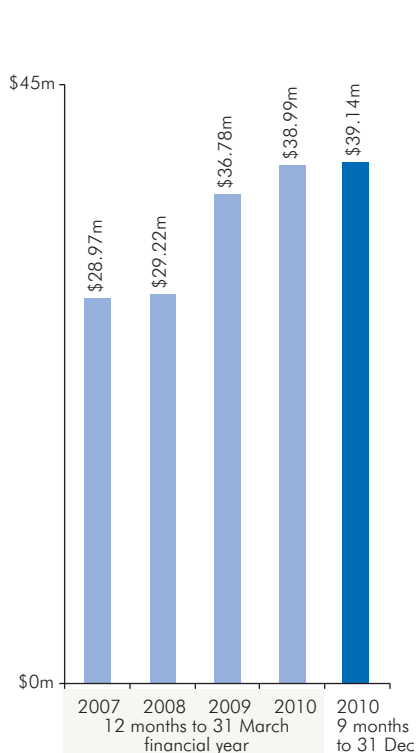


## ORCHARD DIVISION PERFORMANCE

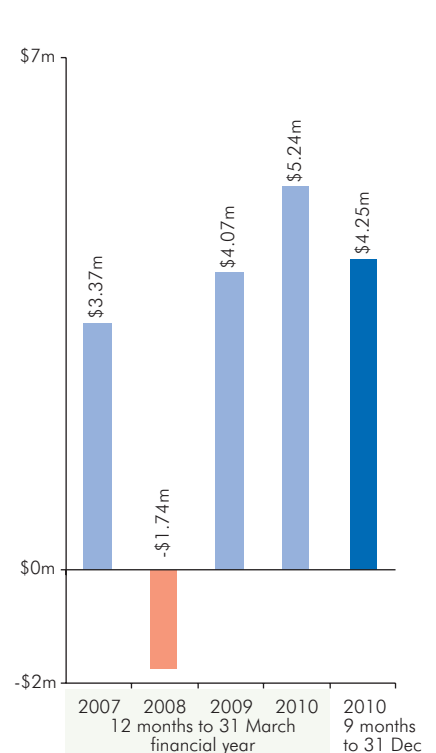
### GREEN & GOLD CLASS 1 VOLUMES LEASED & MANAGED ORCHARDS



### TOTAL REVENUE



### EBITDA



The existing six-lane machine at Huka Pak will be upgraded to become an even softer-handling gold machine that provides our growers and market with optimum quality fruit.

As a result of these innovations packing operations at Waimapu and Bayliss will discontinue, and two machines at Huka Pak and Oakside will be decommissioned. KiwiCoast, Waimapu and Bayliss will be on standby to handle any overflow.

The company has restructured its post harvest operations, reducing five hubs to four. This streamlined post harvest business, along with the new and upgraded machinery, provides both fixed and variable cost savings.

Seeka in 2010 trialled a new supply-chain model by establishing a packing operation in Shanghai. This venture with the Zespri

distributor Neuhof Shanghai Trade Company was successful, with low fruit loss and an efficient fruit handling and supply line.

Importantly, the Huka Pak operations were successfully integrated within Seeka in 2010, to the extent that the team and operation functioned as if it was always part of the company. The supply operations merged seamlessly with our supply chain and logistics arm (IFSL).

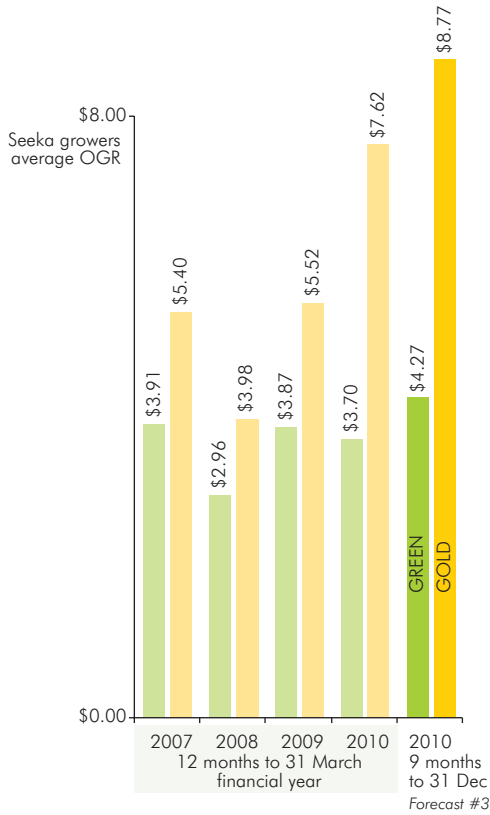
Post harvest and supply operations performed well in 2010. Financial performance has lifted and key fruit performance indicators are competitive. Huka Pak has been successfully integrated, and the operations rationalised ahead of a new machine to be commissioned in 2011. Our drive to innovate continues.

#### FRUIT LOSS — SEEKA vs THE INDUSTRY

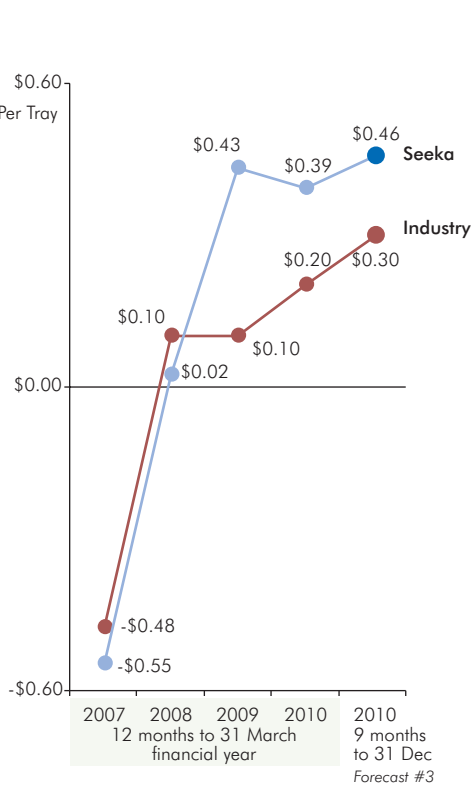
FRUIT LOSS	12 months to 31 March financial year				9 months to 31 December
	2007	2008	2009	2010	2010
<b>GREEN</b>					
Seeka Green	16.08%	10.29%	5.68%	5.26%	4.43%
Industry Green	11.06%	6.24%	6.40%	4.90%	4.29%
<b>GOLD</b>					
Seeka Gold	5.46%	12.39%	4.21%	3.58%	1.30%
Industry Gold	10.60%	7.15%	4.44%	3.70%	2.39%

## HISTORICAL SEEKA ORCHARD GATE RETURNS & NET TIME RELATED RETURNS

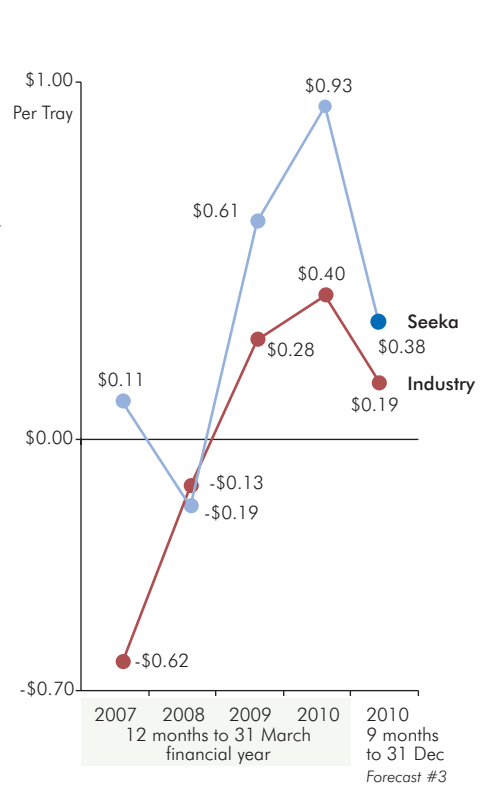
### AVERAGE ORCHARD GATE RETURNS PER TRAY



### GREEN NET TIME RELATED EARNINGS SEEKA vs INDUSTRY

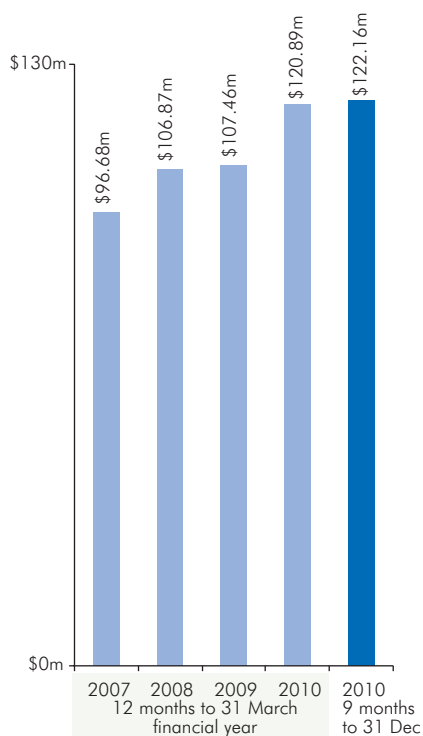


### GOLD NET TIME RELATED EARNINGS SEEKA vs INDUSTRY

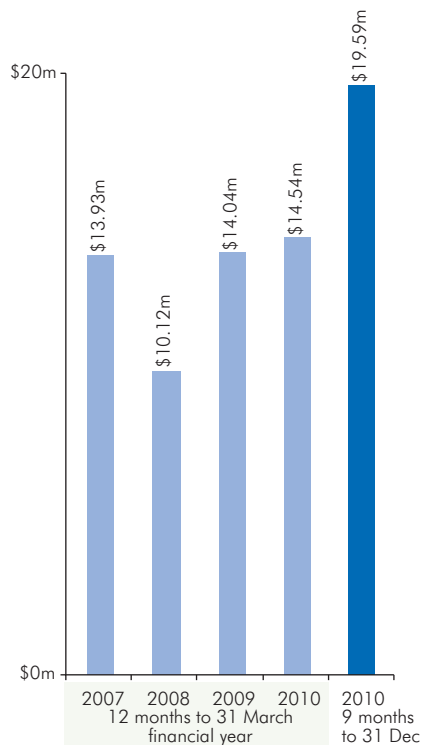


## KEY FINANCIAL INDICATORS

### TOTAL REVENUE



### EBITDA BEFORE NON-RECURRING ITEMS



## **Orchard Operations**

### **Performance and experience**

Orchard operations delivered EBITDA of \$4.3m from revenue of \$39.1m, compared to \$5.2m and \$39m respectively in the previous period. The change in balance date negatively impacted the division's earnings by an estimated \$2.5m.

The yields and returns from Seeka's long-term lease orcharding operations continues to be a highlight. Seeka harvested 1.2m trays of gold kiwifruit and 344,000 trays of green from its long-term lease orchards. This fruit produced an orchard gate return of \$9.36 per gold tray and \$4.36 per green tray.

As reported at six months, the change to the Total Value Lease structure is now complete. This lease structure more equitably shares the risks and rewards of orcharding between Seeka and the orchard owner, with Seeka taking less risk but also a lower profit margin. Seeka continues to experience strong demand for its orchard management and leasing services, which reflects the expertise of our orchard managers.

In nearly all cases incremental returns to orchards were in excess of the cost of professional management.

## **SeekaFresh and AvoFresh**

### **Emerging fresh business**

SeekaFresh and AvoFresh remain emerging business for Seeka.

SeekaFresh supplies kiwifruit to Australian and New Zealand wholesale and retail customers taking advantage of a direct-to-market supply line. This delivers a premium-quality product to customers through an efficient supply interface. Established three years ago, this business is making a positive contribution to the company, shareholders and growers. The business continues to experience good demand; there's potential to expand the product range.

Avocados remain an emerging business for Seeka. The avocado industry is affected by uneven cropping between seasons. This was again a low-volume year, 2011 looks to be a higher-volume year. Seeka is experiencing good demand from both growers and the market, and expects an increasing contribution from this business.

## **Pseudomonas Syringae pv. Actinidiae (Psa)**

### **A threat to New Zealand kiwifruit orcharding**

In November 2010 Psa was detected on an orchard in Te Puke, the heartland of New Zealand kiwifruit orcharding. Testing confirmed that more than one form of this disease was present – one form is

understood to have existed in New Zealand for sometime with little impact, another has been seen in Italy. The latter has had significant affect particularly on gold fruit, and Italian growers removed orchards to contain the disease. In New Zealand the situation is dynamic with only a small number of orchards removed to date.

The outbreak here is in its early stages. The industry is moving to contain it and an agency has been established to coordinate the response. Kiwifruit Vine Health Incorporated is funded jointly by Government and Zespri.

Stricter hygiene and movement protocols have been introduced. This entails more-costly preventative sprays. Post harvest installations are being upgraded to prevent cross-contamination and careful capacity planning will restrict fruit movement between regions during harvest. Seeka's laboratory business (Verified Lab Services) is being upgraded with the intention to provide rapid Psa isolate testing results on a commercial basis.

Seeka's professional management team and structure have enabled a rapid response to the challenge.

## **Our People**

### **Our point of difference**

Our people are a significant point of difference for Seeka. We have a talented team of people in efficient structures designed to deliver professional service and performance to our growers. The company has a talented technical and innovation teams that, everyday, make a difference to our business.

Our people have responded to the Psa outbreak by proactively providing support, service and advice where required.

Seeka continues to focus on the leaders of tomorrow, investing in overseas work experience and leadership development programmes.

## **Outlook**

Seeka remains well-placed to meet future challenges because of its scale, assets and dedicated growers. We have a history of performance and resilience, and have demonstrated the ability to adapt our business so that sustainable earnings are delivered to our shareholders.



**Michael Franks**  
Chief Executive

# Directors' Responsibility Statement

## SUMMARY FINANCIAL REPORT 2010

The Directors are responsible for the preparation, in compliance with new Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of Seeka Kiwifruit Industries Limited ('Seeka') as at 31 December 2010 and the results of their operations and cash flows for the period ended 31 December 2010.

The Directors consider that the financial statements of Seeka have been prepared in accordance with FRS 43 Summary Financial Statements. The Summary Financial Statements have been extracted from full financial statements which have been prepared in accordance with New Zealand Generally Accepted Accounting Principles (NZ GAAP) and which comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other financial reporting standards as applicable to profit oriented entities.

The Directors are pleased to present the summary financial statements of Seeka for the period ended 31 December 2010.

The full financial statements and the summary financial statements were authorised for issue on behalf of the Directors on 23 February 2011, and are available from the Company's registered office or the Company website [www.seeka.co.nz](http://www.seeka.co.nz).



**Kim Ellis**  
Chairman



**Jim Scotland**  
Director

# Statement of Financial Performance

For the nine months ended 31 December 2010

	Notes	GROUP		PARENT	
		9 months to 31 December 2010 \$000	12 months to 31 March 2010 \$000	9 months to 31 December 2010 \$000	12 months to 31 March 2010 \$000
		Revenue	122,157	120,887	122,157
Cost of sales	94,702	98,702	94,702	98,764	
<b>Gross profit</b>	<b>27,455</b>	<b>22,185</b>	<b>27,455</b>	<b>21,487</b>	
Other income	360	552	446	924	
Share of (loss) profit of associates	303	(847)	-	-	
Other costs	8,530	7,352	8,531	7,366	
<b>Earnings (EBITDA) before non-recurring items</b>	<b>19,588</b>	<b>14,538</b>	<b>19,370</b>	<b>15,045</b>	
Depreciation and amortisation expense	4,938	5,103	4,903	4,647	
<b>Earnings (EBIT) before non-recurring items</b>	<b>14,650</b>	<b>9,435</b>	<b>14,467</b>	<b>10,398</b>	
Interest expense	2,055	2,107	2,055	2,107	
Fair value adjustments on non-hedging derivatives	(84)	(211)	(84)	(211)	
<b>Profit before non-recurring items and tax</b>	<b>12,679</b>	<b>7,539</b>	<b>12,496</b>	<b>8,502</b>	
Cancellation of management contract	-	3,900	-	-	
Investment impairment	-	1,794	-	1,794	
Reduction in consideration received on sale of joint venture	-	400	-	400	
<b>Net profit before tax</b>	<b>12,679</b>	<b>1,445</b>	<b>12,496</b>	<b>6,308</b>	
Tax charge on profits	5	3,853	1,075	3,853	2,159
Change in tax depreciation rules	5	3,236	-	3,236	-
Change in tax rate	5	(841)	-	(841)	-
<b>Total tax charge</b>	<b>6,248</b>	<b>1,075</b>	<b>6,248</b>	<b>2,159</b>	
<b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>6,431</b>	<b>370</b>	<b>6,248</b>	<b>4,149</b>	

## EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY DURING THE PERIOD

Basic earnings per share	7	\$ 0.45	\$ 0.03	\$ 0.44	\$ 0.32
Diluted earnings per share	7	\$ 0.45	\$ 0.03	\$ 0.44	\$ 0.32

## EARNINGS PER SHARE FOR PROFIT BEFORE NON-RECURRING ITEMS AND TAX ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY DURING THE PERIOD

Basic earnings per share	7	\$ 0.89	\$ 0.58	\$ 0.88	\$ 0.66
Diluted earnings per share	7	\$ 0.89	\$ 0.58	\$ 0.88	\$ 0.66

# Statement of Comprehensive Income

For the nine months ended 31 December 2010

	GROUP		PARENT	
	9 months to 31 December 2010 \$000	12 months to 31 March 2010 \$000	9 months to 31 December 2010 \$000	12 months to 31 March 2010 \$000
<b>Net profit for the period</b>	<b>6,431</b>	<b>370</b>	<b>6,248</b>	<b>4,149</b>
Movement in cash flow hedge reserve, net of tax	(4)	50	(4)	50
Gain on revaluation of land and buildings, net of tax	866	814	866	814
Gain (loss) on revaluation of available for sale financial assets, net of tax	(41)	42	(39)	40
Realisation of available for sale financial asset reserves	(19)	(83)	(19)	(83)
Effect of change in tax rates on land and building reserve balances	131	-	131	-
<b>Other comprehensive income for the period, net of tax</b>	<b>933</b>	<b>823</b>	<b>935</b>	<b>821</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>7,364</b>	<b>1,193</b>	<b>7,183</b>	<b>4,970</b>

# Statement of Financial Position

As at 31 December 2010

	GROUP		PARENT	
	9 months to 31 December 2010	12 months to 31 March 2010	9 months to 31 December 2010	12 months to 31 March 2010
	\$000	\$000	\$000	\$000
Notes				
<b>EQUITY</b>				
Share capital	35,657	35,600	35,657	35,600
Reserves	8,675	7,742	8,675	7,741
Retained earnings	20,516	16,970	23,349	19,985
<b>TOTAL EQUITY</b>	<b>64,848</b>	<b>60,312</b>	<b>67,681</b>	<b>63,326</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	554	531	461	339
Trade and other receivables	12,092	11,476	12,087	11,038
Short term lease prepayments	8,466	13,283	8,466	13,283
Inventories	1,827	7,774	1,827	7,774
Current tax receivables	-	658	-	658
Land held for resale	1,120	-	1,120	-
<b>TOTAL CURRENT ASSETS</b>	<b>24,059</b>	<b>33,722</b>	<b>23,961</b>	<b>33,092</b>
<b>NON CURRENT ASSETS</b>				
Advances	802	1,290	785	1,273
Property, plant and equipment	83,427	81,190	83,427	66,817
Intangible assets	4,721	4,943	3,022	3,208
Available for sale financial assets	1,804	1,893	1,749	1,800
Biological assets	12,588	17,151	12,588	13,353
Investment in subsidiaries	-	-	23,662	23,662
Investment in associates	4,211	3,993	4,457	4,457
<b>TOTAL NON CURRENT ASSETS</b>	<b>107,553</b>	<b>110,460</b>	<b>129,690</b>	<b>114,570</b>
<b>TOTAL ASSETS</b>	<b>131,612</b>	<b>144,182</b>	<b>153,651</b>	<b>147,662</b>
<b>CURRENT LIABILITIES</b>				
Current tax liabilities	2,888	436	2,888	-
Trade and other payables	8,811	13,206	28,017	15,768
Interest bearing liabilities	10,662	24,236	10,662	24,236
Financial derivatives	867	951	867	951
<b>TOTAL CURRENT LIABILITIES</b>	<b>23,228</b>	<b>38,829</b>	<b>42,434</b>	<b>40,955</b>
<b>NON CURRENT LIABILITIES</b>				
Interest bearing liabilities	29,342	31,124	29,342	31,124
Deferred tax	14,194	13,917	14,194	12,257
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>43,536</b>	<b>45,041</b>	<b>43,536</b>	<b>43,381</b>
<b>TOTAL LIABILITIES</b>	<b>66,764</b>	<b>83,870</b>	<b>85,970</b>	<b>84,336</b>
<b>NET ASSETS</b>	<b>64,848</b>	<b>60,312</b>	<b>67,681</b>	<b>63,326</b>

On behalf of the Board

Dated: 23 February 2011



Kim Ellis  
Chairman



Jim Scotland  
Director

# Statement of Changes in Equity

For the nine months ended 31 December 2010

	Notes	Share capital \$000	Available for sale revaluation reserve \$000	Cash flow hedge reserve \$000	Share based payments reserve \$000	Land and buildings revaluation reserve \$000	Retained earnings \$000	Total \$000
<b>GROUP</b>								
Equity at 1 April 2009		28,947	473	(151)	114	6,484	19,301	55,168
Total comprehensive income		-	(41)	50	-	814	370	1,193
<i>Transactions with owners</i>								
Shares issued		6,653	-	-	-	-	-	6,653
Dividends paid	6	-	-	-	-	-	(2,702)	(2,702)
Total transactions with owners		6,653	-	-	-	-	(2,702)	3,951
Equity at 31 March 2010		35,600	432	(101)	114	7,298	16,970	60,312
Total comprehensive income		-	(60)	(4)	-	997	6,431	7,364
<i>Transactions with owners</i>								
Shares issued		57	-	-	-	-	-	57
Dividends paid	6	-	-	-	-	-	(2,885)	(2,885)
Total transactions with owners		57	-	-	-	-	(2,885)	(2,828)
<b>EQUITY AT 31 DECEMBER 2010</b>		<b>35,657</b>	<b>372</b>	<b>(105)</b>	<b>114</b>	<b>8,295</b>	<b>20,516</b>	<b>64,848</b>
<b>PARENT</b>								
Equity at 1 April 2009		28,947	473	(151)	114	6,484	18,538	54,405
Total comprehensive income		-	(43)	50	-	814	4,149	4,970
<i>Transactions with owners</i>								
Shares issued		6,653	-	-	-	-	-	6,653
Dividends paid	6	-	-	-	-	-	(2,702)	(2,702)
Total transactions with owners		6,653	-	-	-	-	(2,702)	3,951
Equity at 31 March 2010		35,600	430	(101)	114	7,298	19,985	63,326
Total comprehensive income		-	(58)	(4)	-	997	6,248	7,183
<i>Transactions with owners</i>								
Shares issued		57	-	-	-	-	-	57
Dividends paid	6	-	-	-	-	-	(2,885)	(2,885)
Total transactions with owners		57	-	-	-	-	(2,885)	(2,828)
<b>EQUITY AT 31 DECEMBER 2010</b>		<b>35,657</b>	<b>372</b>	<b>(105)</b>	<b>114</b>	<b>8,295</b>	<b>23,349</b>	<b>67,681</b>

# Statement of Cash Flows

For the nine months ended 31 December 2010

	GROUP		PARENT	
	9 months to 31 December 2010 \$000	12 months to 31 March 2010 \$000	9 months to 31 December 2010 \$000	12 months to 31 March 2010 \$000
OPERATING ACTIVITIES				
<i>Cash was provided from:</i>				
Receipts from customers	125,631	113,188	125,223	112,417
Interest and dividends received	438	1,012	438	981
<i>Cash was disbursed to:</i>				
Payments to suppliers and employees	(95,067)	(103,333)	(94,973)	(102,632)
Cancellation of management contract	-	(3,900)	-	-
Interest paid	(2,011)	(2,053)	(2,011)	(2,053)
Income taxes paid	(2,966)	(1,177)	(2,976)	(1,065)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>26,025</b>	<b>3,737</b>	<b>25,701</b>	<b>7,648</b>
INVESTING ACTIVITIES				
<i>Cash was provided from:</i>				
Sale of property, plant and equipment	94	49	94	49
Sale of available for sale investments	42	229	3	229
Proceeds from land held for sale	6,880	-	6,880	-
Repayment of advances	216	3,513	1,151	4,783
<i>Cash was applied to:</i>				
Purchase of property, plant and equipment	(7,006)	(8,396)	(7,479)	(8,396)
Purchase of available for sale investments net of cash acquired	-	(144)	-	(143)
Purchase of land held for sale	(8,000)	-	(8,000)	-
Purchase of subsidiaries	-	(4,601)	-	(17,975)
Long term lease assets	(17)	-	(17)	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(7,791)</b>	<b>(9,350)</b>	<b>(7,368)</b>	<b>(21,453)</b>
FINANCING ACTIVITIES				
<i>Cash was provided from:</i>				
Proceeds of term bank borrowings	-	10,500	-	10,500
Proceeds of short term bank borrowings	27,602	32,403	27,602	32,403
Issue of shares	30	53	30	53
<i>Cash was applied to:</i>				
Repayment of term bank borrowings	(1,782)	(9,000)	(1,782)	(1,000)
Repayment of short term bank borrowings	(41,176)	(25,568)	(41,176)	(25,568)
Payment of dividend to shareholders	(2,885)	(2,702)	(2,885)	(2,702)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(18,211)</b>	<b>5,686</b>	<b>(18,211)</b>	<b>13,686</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>23</b>	<b>73</b>	<b>122</b>	<b>(119)</b>
<b>Opening cash and cash equivalents</b>	<b>531</b>	<b>458</b>	<b>339</b>	<b>458</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>554</b>	<b>531</b>	<b>461</b>	<b>339</b>

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## NOTE 1. REPORTING ENTITY

Seeka Kiwifruit Industries Limited and its subsidiaries (together 'the Group') provide and manage service activities to the horticultural industry and is a profit oriented entity. 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 Summary Consolidated Financial Statements of the Group for the nine months ended 31 December 2010 comprise the Company and its subsidiaries and interests in associates. The address of its registered office is 6 Queen Street, Te Puke.

## NOTE 2. BASIS OF PREPARATION

### a. Statement of compliance

The Summary Financial Statements have been prepared in accordance with FRS 43 Summary Financial Statements. The Summary Financial Statements have been extracted from full financial statements which have been prepared in accordance with New Zealand Generally Accepted Accounting Principles (NZ GAAP) and which comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other financial reporting standards as applicable to profit oriented entities. The full financial statements comply with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

The full financial statements, approved and authorised for issue by the Board on 23 February 2011, have been audited by PricewaterhouseCoopers and given an unqualified opinion. The summary financial statements cannot be expected to provide as complete an understanding of the affairs of the Group as the full financial statements, which are available from the Company's registered office or the Company website [www.seeka.co.nz](http://www.seeka.co.nz).

### b. Accounting policies

There have been no material changes to accounting policies adopted by the Group. All accounting policies have been applied consistently to the periods presented in these Summary Financial Statements.

### c. Functional and presentation currency

The Summary Financial Statements are presented in New Zealand dollars, which is the Group's functional currency and amounts are rounded to the nearest thousand dollars (\$,000) unless otherwise noted.

### d. Change to Parent and Group year end

Subsequent to a decision by the Company's directors on 17 August 2010, the financial year end of the Parent and Group was changed from 31 March to 31 December with effect from the current financial period ended 31 December 2010. The 31 December 2010 balance date will only encompass a period of 9 months. Additionally, on 6 October 2010, the Company received approval from Inland Revenue to amend the tax year to coincide with the Company's new year end.

## NOTE 3. SEGMENT INFORMATION

### a. Description of segments

The Group's 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 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.

#### *Business development operations*

The Group provides grower and marketing services including local and Australian fruit marketing programmes.

#### *All other segments*

These represent the aggregated administration, grower services and overhead sections of the Group.

# Summary Notes to the Financial Statements

For the nine months ended 31 December 2010

	GROUP		PARENT	
	9 months to	12 months to	9 months to	12 months to
	31 December	31 March	31 December	31 March
	2010	2010	2010	2010
	\$000	\$000	\$000	\$000

**b) The segment information for the period ended 31 December 2010 is as follows:**

**SEGMENT REVENUE**

Orchard division	39,141	38,990	39,141	38,708
Post harvest division	77,620	76,290	77,620	75,942
Business development division	5,023	5,141	5,023	5,145
All other segments	373	466	373	456
<b>TOTAL REVENUE</b>	<b>122,157</b>	<b>120,887</b>	<b>122,157</b>	<b>120,251</b>

**SEGMENT EARNINGS (EBIT) BEFORE NON-RECURRING ITEMS**

Orchard division	3,905	4,747	3,905	4,523
Post harvest division	17,555	11,201	17,555	11,189
Business development division	(1,063)	(1,009)	(1,063)	(1,009)
All other segments	(6,050)	(4,657)	(5,930)	(4,305)
Share of profit of associates	303	166	-	-
Share of associates investment impairment	-	(1,013)	-	-
<b>TOTAL EBIT BEFORE NON-RECURRING ITEMS</b>	<b>14,650</b>	<b>9,435</b>	<b>14,467</b>	<b>10,398</b>

Net finance costs	1,971	1,896	1,971	1,896
Cancellation of management contract	-	3,900	-	-
Investment impairment	-	1,794	-	1,794
Reduction in consideration received on sale of joint venture	-	400	-	400
<b>PROFIT BEFORE TAX</b>	<b>12,679</b>	<b>1,445</b>	<b>12,496</b>	<b>6,308</b>

Tax charge on profits	3,853	1,075	3,853	2,159
Change in tax depreciation rules	3,236	-	3,236	-
Change in tax rate	(841)	-	(841)	-
<b>Total tax charge</b>	<b>6,248</b>	<b>1,075</b>	<b>6,248</b>	<b>2,159</b>

<b>PROFIT AFTER TAX</b>	<b>6,431</b>	<b>370</b>	<b>6,248</b>	<b>4,149</b>
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The presentation of the comparative Orchard and Post Harvest Division EBIT balances have been amended to ensure consistency with the current year disclosure.

## NOTE 4. PROPERTY, PLANT AND EQUIPMENT

Prior to 31 December 2010, the Group entered into a contract to purchase a new green grader for its Huka Pak facility. Machinery and construction costs incurred up to the balance date totalled \$4,148,000 and are included in the property, plant & equipment balance. Total property plant and equipment additions in the period were \$6,159,000 (March 2010 - \$7,736,000).

## NOTE 5. INCOME TAX EXPENSE

*Numerical reconciliation of income tax expense to prima facie tax payable*

Profit before income tax expense	12,679	1,445	12,496	6,308
Tax at the New Zealand tax rate of 30%	3,804	434	3,749	1,892
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	213	917	203	543
Tax exempt income	(81)	(430)	(16)	(430)
(Over) under provision in prior years	(83)	154	(83)	154
Tax rate reduction	(841)	-	(841)	-
Effect of change in allowed tax depreciation	3,236	-	3,236	-
<b>INCOME TAX EXPENSE</b>	<b>6,248</b>	<b>1,075</b>	<b>6,248</b>	<b>2,159</b>

The company tax rate in New Zealand is 30% (March 2010 - 30%). With effect from 1 January, the company tax rate for the Group has reduced to 28%.

Buildings are currently depreciated for tax purposes. As a result of a change in tax legislation that was announced on 20 May 2010 and which will come into effect for the Group from 1 January 2011 (being the beginning of the new tax year), the tax depreciation rate on buildings with an estimated useful life of 50 years or more has been reduced to 0%. As future tax deductions will no longer be available subsequent to 1 January 2011, for those assets identified as coming within the 50 year definition the tax base has been reduced by \$11.6 million. The change in tax legislation has resulted in a non-cash increase in the deferred tax liability relating to those buildings of \$3.2 million and has been recognised as a tax expense in the current period.

	DECEMBER 2010		MARCH 2010	
	\$000	Per Share	\$000	Per Share
<b>NOTE 6. DIVIDEND</b>				
Dividend paid 26th June 2009	-	-	1,259	0.10
Dividend paid 16th December 2009	-	-	1,443	0.10
Dividend paid 29th June 2010	1,442	0.10	-	-
Dividend paid 31st December 2010	1,443	0.10	-	-
<b>TOTAL DIVIDEND PAID</b>	<b>2,885</b>		<b>2,702</b>	

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

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

	GROUP		PARENT	
	9 months to 31 December 2010	12 months to 31 March 2010	9 months to 31 December 2010	12 months to 31 March 2010
<b>NOTE 7. EARNINGS PER SHARE</b>				
<b>a) Profit before non-recurring items and tax attributable to equity holders of the Company</b>				
Basic and diluted earnings per share	\$ 0.89	\$ 0.58	\$ 0.88	\$ 0.66

The calculation of basic and diluted earnings per share for the Group at 31 December 2010 was based on the profit before non-recurring items and tax attributable to equity holders of the Company of \$12,679,000 (March 2010 - \$7,539,000) and a weighted average number of shares of 14,247,000 (March 2010 - 12,934,000).

The calculation of basic and diluted earnings per share for the Parent at 31 December 2010 was based on the profit before non-recurring items and tax attributable to equity holders of the Company of \$12,496,000 (March 2010 - \$8,502,000) and a weighted average number of shares of 14,247,000 (March 2010 - 12,934,000).

**b) Profit attributable to equity holders of the Company**

Basic and diluted earnings per share	\$ 0.45	\$ 0.03	\$ 0.44	\$ 0.32
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The calculation of basic and diluted earnings per share for the Group at 31 December 2010 was based on the profit attributable to equity holders of the Company of \$6,431,000 (March 2010 - \$370,000) and a weighted average number of shares of 14,247,000 (March 2010 - 12,934,000).

The calculation of basic and diluted earnings per share for the Parent at 31 December 2010 was based on the profit attributable to equity holders of the Company of \$6,248,000 (March 2010 - \$4,149,000) and a weighted average number of shares of 14,247,000 (March 2010 - 12,934,000).

## **NOTE 8. PSEUDOMONAS SYRINGE PV ACTINIDIAE ("Psa")**

In November 2010 the bacteria *Pseudomonas syringae* pv. *actinidiae* (Psa) was confirmed in orchards in Tauranga, Te Puke, Edgecumbe, Whakatane, Hawkes Bay and Motueka. Subsequent information has indicated that there are two forms of the bacteria present. An Asian isolate which appears to have been present for some time, but has had little effect and is believed to be benign. The second isolate being an Italian form which has been far more aggressive and has been localised in the Te Puke area.

As a result of the discovery of the bacterial outbreak, the industry created the entity, Kiwifruit Vine Health Authority (KVH), an independent pan-industry organisation charged with leading the kiwifruit industry response to the Psa incursion. It was established following agreement of the Industry Advisory Council (IAC) to transition the management of the Psa response from MAF Biosecurity NZ and Zespri to a separate entity.

The Group is working with KVH to implement an aggressive containment strategy in response to the detection of the Italian isolate on orchards supplying Seeka. This strategy essentially sees that where there is lab confirmation of the presence of the Italian isolate in the orchard and secondary symptoms are present in the plants, vine or full orchard removal will proceed with a commensurate compensation package paid to the orchardist.

The possible impact of Psa has been considered in relation to the valuation of biological assets and the recoverability of short term lease prepayments. As at the date of the release of these accounts, no reliable estimate of the future financial impact, if any, from the Psa outbreak can be made.

## **NOTE 9. EVENTS OCCURRING AFTER BALANCE DATE**

Other than a continuing information flow regarding Psa, there are no events occurring subsequent to balance date requiring adjustment to or disclosure in the financial statements.

# Auditors' Report

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## ***Independent Auditors' Report on the Summary Financial Statements***

to the shareholders of Seeka Kiwifruit Industries Limited

We have audited the accompanying summary financial statements, which comprise the statement of financial position as at 31 December 2010, the statement of financial performance, statement of comprehensive income and statement of changes in equity and statement of cash flows for the nine month period then ended, and related notes, which are derived from the audited financial statements of Seeka Kiwifruit Industries Limited for the nine month period ended 31 December 2010. We expressed an unmodified audit opinion on those financial statements in our report dated 23 February 2011.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Seeka Kiwifruit Industries Limited.

### ***Directors' Responsibility for the Summary Financial Statements***

The Directors are responsible for the preparation of a summary of the audited financial statements in accordance with FRS-43: Summary Financial Statements.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

We have no relationship with or interests in Seeka Kiwifruit Industries Limited other than in our capacities as auditors, tax advisors and providers of other assurance services. These matters have not impaired our independence as auditors of the Company.

### ***Opinion***

In our opinion, the summary financial statements derived from the audited financial statements of Seeka Kiwifruit Industries Limited for the nine month period ended 31 December 2010 are consistent, in all material respects, with those financial statements, in accordance with FRS-43.

### ***Restriction on Distribution or Use***

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers.' The signature is written in a cursive, flowing style.

Chartered Accountants Auckland  
23 February 2011

# Directors

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## **Kim Ellis**

Chairman

Kim is a director of a number of public and private companies and is the former Managing Director of Waste Management.

## **Jim Scotland**

Director

Independent director since 1998, Jim is also chairman of the Port of Napier, a director of Plant & Food Research and a Fellow of the Institute of Directors.

## **David Emslie**

Director

Kiwifruit orchardist since 1980, David is also a director of OPAC.

## **Amiel Diaz**

Director

An executive of FreshRemix Corporation, wholly owned by Japanese firm Fresh MD Holdings, Amiel is a Certified Public Accountant in the Philippines and is a Certified Information Systems Auditor in the USA.

## **Stuart Burns**

Director

Chief Executive of Rotorua Trust and a director of Hubbard Foods, Stuart is a Chartered Accountant and a Member of the Institute of Finance Professionals and the Institute of Directors.

## **Malcolm Cartwright**

Director

A kiwifruit orchardist and former director of NZKGI, Malcolm is chairman of Seeka Growers Limited and a director of AvoFresh Limited.

## **Taari Nicholas**

Director

A director of Te Awanui Huka Pak Limited, Taari is a Chartered Accountant, an Accredited Member of the Institute of Directors of New Zealand, and a Certified Securities Analyst Professional Member of the Institute of Finance Professionals of New Zealand.

	<b>REMUNERATION COMMITTEE</b>	<b>AUDIT COMMITTEE</b>
Kim Ellis	Chairman	
Stuart Burns		Member
Malcolm Cartwright	Member	
David Emslie	Member	
Taari Nicholas		Member
Jim Scotland		Chairman

# Disclosures

as required by Section 211 of the Companies Act 1993

## PRINCIPAL ACTIVITIES

The principal activity of the Group 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

During the year ended 31 March 2010, a fully imputed dividend of \$0.10 per share was paid on 26 June 2009.

During the year ended 31 March 2010, a fully imputed dividend of \$0.10 per share was paid on 15 December 2009.

During the period ended 31 December 2010, a fully imputed dividend of \$0.10 per share was paid on 29 June 2010.

During the period ended 31 December 2010, a fully imputed dividend of \$0.10 per share was paid on 31 December 2010.

## DIRECTORS HOLDING OFFICE DURING THE PERIOD

The directors holding office during the period were:

M J Cartwright <sup>(1)</sup>	J A Scotland
P G Dawe <sup>(4)</sup>	K R Ellis
D J Emslie	S B Burns
J Moriya <sup>(3)</sup>	A Diaz <sup>(1)</sup>
T Nicholas <sup>(1) (2)</sup>	

(1) Non-independent director.

(2) Appointed 23 April 2010.

(3) Retired effective 18 August 2010.

(4) Retired effective 20 April 2010.

## 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 a relevant interest in the following shares at 31 December 2010:

Current Directors	Beneficially Held Shares	Non-beneficially Held Shares
S B Burns - RotoruaTrust Perpetual Capital Fund Limited	-	306,663
M J Cartwright	54,294	-
D J Emslie	155,348	-
T Nicholas - Te Awanui Huka Pak Limited	-	2,453,968
J A Scotland	52,120	-

## SHARE DEALINGS

During the period there were no share dealings whereby directors acquired (or sold) interests, either directly or indirectly, in ordinary shares issued by the Company.

## REMUNERATION AND OTHER BENEFITS

Directors fees and other remuneration paid to directors during the period was:

Director	Directors Fees	Other Remuneration	Total
K R Ellis	60,000	-	60,000
S B Burns	30,000	-	30,000
M J Cartwright	30,000	15,000	45,000
P G Dawe	3,333	-	3,333
D J Emslie	30,000	-	30,000
J Moriya	16,667	-	16,667
J A Scotland	33,750	-	33,750
A Diaz	30,000	-	30,000
T Nicholas	27,556	-	27,556
	<b>261,306</b>	<b>15,000</b>	<b>276,306</b>

## REMUNERATION OF EMPLOYEES

The Company had 43 (March 2010 - 31) employees that are not directors whose annual remuneration and benefits exceed \$100,000 in the financial period.

Remuneration	December 2010 No of Employees	March 2010 No of Employees
\$100,000 - \$110,000	15	8
\$110,000 - \$120,000	9	7
\$120,000 - \$130,000	5	4
\$130,000 - \$140,000	2	2
\$140,000 - \$150,000	3	2
\$150,000 - \$160,000	1	1
\$160,000 - \$170,000	2	2
\$170,000 - \$180,000	1	1
\$230,000 - \$240,000	1	1
\$240,000 - \$250,000	1	1
\$250,000 - \$260,000	1	-
\$260,000 - \$270,000	1	1
\$380,000 - \$390,000	1	1

## DIRECTORS INTERESTS

During the period the Company undertook transactions with the directors as set out in Note 31 to the financial statements "Related Party Transactions".

Directors have disclosed the following particular directorships held by them:

### S B Burns

Rotorua Trust Perpetual Capital Fund Limited  
Hubbard Foods Limited  
Te Arawa Fisheries Holding Company Limited  
Te Arawa Fisheries Limited

### M J Cartwright

Seeka Growers Limited  
Avofresh Limited  
Seeka Employee Share Plan Trustees Limited

### K R Ellis

Freightways Limited  
NZ Glass Holding Company Limited  
Enviro Waste Services Limited  
Salvus Strategic Investments Limited  
NZ Social Infrastructure Fund Limited  
Quix NZ Limited  
The Tasman Tanning Company Limited  
Seeka Employee Share Plan Trustees Limited

### D J Emslie

OPAC Properties Limited  
Fraser Road Orchard Limited  
Highcrest Limited  
DCD Orchards Limited  
Seeka Growers Limited  
Kaiaua Holdings Limited  
OPAC Limited  
Seeka Employee Share Plan Trustees Limited

### J A Scotland

The NZ Institute for Plant & Food Research Limited  
Scotland Services Limited  
Port of Napier Limited  
3R Group Limited

### T Nicholas

Te Awanui Huka Pak Limited  
Miraka 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.

## 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 eight.

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 ASM.

## 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 chief financial officer and external auditors are invited to audit committee meetings as deemed necessary. The committee is comprised of Jim Scotland, Stuart Burns and Taari Nicholas.

The responsibilities of the audit committee include:

- > reviewing the annual reports and financial information

- > liaising with the external auditors
- > reviewing systems and 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 three non-executive directors. The role of the committee is to recommend appropriate remuneration packages for the senior executives and directors. The committee is comprised of Kim Ellis, Malcolm Cartwright and David Emslie.

The responsibilities of the remuneration committee include:

- > review and recommend to the Board any changes regarding the chief executive officer's appointment, remuneration and succession planning
- > review of the Company's compensation policy and procedures for all employees
- > management of risk and compliance with statutory and regulatory requirements of human resources.

## 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 is 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.

# Shareholder Analysis

## TOP 50 SHAREHOLDERS AT 31 December 2010\*

Te Awanui Huka Pak Limited	2,453,968	BJ Stapleton & LE Stapleton	78,772
Fresh MD Holdings, Inc.	2,363,608	Birdwood Farms Limited	78,506
DMS Orchard Management Limited	608,148	RB Tait & JG Tait & IJ Craig	74,000
CW Flood & M Schlagel	477,130	SW & RA Nelmes & PR Hills	71,942
HSBC Nominees (New Zealand)	378,000	AR Wright & HO Wright	71,362
RotoruaTrust Perpetual Capital Fund Limited	306,663	Fairview Orchards (1997) Limited	64,874
J & PC Law	306,353	Te Puke Orchards (1997) Limited	64,874
Seeka Employee Share Plan Trustees Limited.	279,486	AJ Hill & JM Hill & VW Brownrigg	64,457
Rod Bayliss Orchards Limited	234,457	HC & LL Zingle	64,012
Burts Orchards (1997) Limited	166,663	JR Griffin & Others	60,066
DJ Emslie & DJ Emslie & Others	155,348	Penmaen Limited	60,006
ID Greaves & CM Thompson & MS Thompson	153,890	WR Baldwin & AM Baldwin	59,190
S Moss	148,016	JP & PJ Jensen	56,837
Pho Holdings Limited	130,000	D J Hicks and Others	55,700
LJ Christie	125,000	Bowyer Orchards Limited	54,586
J Slater & RA Slater & Others	122,291	MJ Cartwright & HC Cartwright & Others	54,294
KM Oakley & MAS Oakley	119,443	RA & DG Bibby	53,333
TG & JD Newman	117,845	T&G Hawthorn & Wood Walton Trustees	53,076
MC & HF Salt	103,770	BF Grafas	52,309
J Slater & RA Slater	100,000	JA, JA & NA Scotland	52,120
SD Tebbutt	100,000	ID & NA Greaves & CM Thompson	51,078
MI & BM Tremain	86,963	GK & DJ Oakley	49,713
WV & WJ Flowerday	85,910	RD & CB Clarke	49,529
Omega Fruit Limited	83,625	HD Spencer	48,985
NP Gray, WR Gray, W Kameta & B Kingi	80,852	DW Hay	46,085

## ANALYSIS OF SHAREHOLDER BY SIZE AT 31 DECEMBER 2010\*

	No. of Shareholders	Shares Held	Percentage of Shareholders	Shares	Average Holding
Up to 1,000 Shares	244	124,762	30.77%	0.86%	511
1,001 to 5,000 Shares	302	783,502	38.08%	5.43%	2,594
5,001 to 10,000 Shares	89	649,264	11.22%	4.50%	7,295
10,001 to 100,000 Shares	139	4,125,721	17.53%	28.58%	29,681
100,001 Shares or More	19	8,750,079	2.40%	60.62%	460,530
<b>Total</b>	<b>793</b>	<b>14,433,328</b>	<b>100.0%</b>	<b>100.0%</b>	<b>18,201</b>

## SUBSTANTIAL SECURITY HOLDERS AT 31 DECEMBER 2010\*\*

	Shares Held	Percentage of Shareholding
Te Awanui Huka Pak Limited	2,453,968	17.00%
Fresh MD Holdings, Incorporated	2,363,608	16.38%

\* All shares fully paid up.

\*\* Shares that are fully paid and have voting rights.

# Directory

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## DIRECTORS

**Kim Ellis**  
Chairman

**Amiel Diaz**  
Director

**Stuart Burns**  
Director

**Malcolm Cartwright**  
Director

**David Emslie**  
Director

**Taari Nicholas**  
Director

**Jim Scotland**  
Director

## MANAGEMENT

**Michael Franks**  
Chief Executive

**Geoff Carey**  
GM Grower Information Services

**Bryan Grafas**  
GM Orchard Operations

**Kevin Halliday**  
GM IFSL

**Stuart McKinstry**  
Chief Financial Officer

**Peter Mourits**  
GM Grower Relations &  
Corporate Marketing

**Greg Rodger**  
GM Information Systems

**Rob Towgood**  
GM Post Harvest Operations

## CORPORATE

OFFICES OF SEEKA KIWIFRUIT INDUSTRIES LIMITED

### Head Office

6 Queen Street, PO Box 47, Te Puke 3153  
[www.seeka.co.nz](http://www.seeka.co.nz)

### AUDITOR

**PricewaterhouseCoopers**  
Auckland

### BANKERS

**Westpac Banking Corporation**  
Auckland

### SHARE REGISTRAR

**Link Market Services Limited**  
Ashburton

NZX

[www.nzx.com](http://www.nzx.com)

### LEGAL ADVISORS

**Harmos Horton and Lusk**  
Auckland

**McKenzie Elvin**  
Tauranga



Seeka Kiwifruit Industries Limited  
6 Queen Street, Te Puke 3119  
PO Box 47, Te Puke 3153  
[www.seeka.co.nz](http://www.seeka.co.nz)  
[info@seeka.co.nz](mailto:info@seeka.co.nz)