

## 2008 Preliminary Announcement

### TURNERS & GROWERS LIMITED AND SUBSIDIARY COMPANIES For the year ended 31 December 2008

	2008	2007
Net profit after tax	\$14.128 m	\$14.029 m
Net tangible assets per security	\$2.69	\$2.57
Basic earnings per share	13.34 cents	15.50 cents

Our net profit after tax for the year to 31 December 2008 was \$14.1m compared to \$14.0m for 2007.

#### Commentary

Although Turners & Growers achieved a post tax profit slightly up on last year, the make up was different with stronger exports offset by weaker domestic trading.

Operating revenue is up on 2007 mainly as a result of a full trading year from Delica Limited and the introduction of the Kerifresh Group in March 2008.

Profit after tax at \$14.1m includes some positive and negative adjustments of a one-off nature. A \$8.0m discount or gain on the purchase of Kerifresh was offset by a \$4.2m write-down of ENZA's investment in Worldwide Fruit, and a \$2.2m loss from Kerifresh trading since March 2008.

ENZA had a strong finish to the year despite reduced volumes caused by pre-season frosts. The positive finish was assisted by a weakening New Zealand dollar and strong in-market prices. Lower volumes adversely impacted the profitability of coolstores and packhouses, however this was more than offset by increased returns from pipfruit exports.

The ENZA apple orchards that we purchased in 2007, had a better year on the back of increased grower returns.

Delica Limited, in its first full year of trading as part of the Turners & Growers Group, produced a pleasing result that exceeded expectations. The Delica partnership with other Group companies, particularly ENZA, has been very successful.

ENZAfoods profits are up on the prior year mainly as a result of stronger apple juice concentrate prices. This division was also helped by a weakening New Zealand dollar that was offset by reduced demand in the last quarter of the year.

Domestic markets including imports were down on 2007. The year started strongly although the last quarter proved to be challenging. The global economic downturn impacted consumer demand, especially on higher priced items.

Status Produce had a poor year mainly due to the ban on tomato exports and excess produce from Australia flooding the New Zealand market. This caused an oversupply of domestic produce and subsequent price destruction. The export ban has now been lifted and normal trading should continue throughout 2009.

The Fruitcase Company traded well in 2008 with profits exceeding the prior year. This division continues to be the country's leading fresh produce returnable container provider.

The Transport and FloraMax divisions were both behind last year. Turners Transport did not fully recover from mid year high fuel prices and the subsequent drop in volume, and FloraMax has been slower this year with weaker consumer demand.

The Board and executive are monitoring the world economic downturn closely continually assessing its impact on the Group. Turners and Growers is currently trading adequately and while some divisions are not immune to a market downturn, so far, the Group has not been materially impacted. Turners and Growers is fortunate that it is a diverse Group and while it has to contend with volatility in the market it is not reliant on one business unit for its profits. The Board believes the Company is robust and will continue to trade profitably into the future.

The Board has approved a fully imputed cash dividend of 10c per share payable to shareholders in April. The Dividend Reinvestment Plan will operate in relation to this dividend. Full details will be announced by mid-March.

The audited annual report is due in late March and the annual meeting date is yet to be decided.

A.I (Tony) Gibbs  
Chairman

Contact for further information:  
Jeff Wesley  
Managing Director  
DDI (09) 573 8781