

**HEADLINE:** FY to 31/12/04 Actual \$9,719, Listing Projection \$8,599 +13%

The board is pleased to present the results for the year to 31<sup>st</sup> December 2004. Audit clearance of the result is pending.

	Actual Group 12 months to Dec 2004 \$000	Listing Projection Group 12 months to Dec 2004 \$000	Up (Down) %	Actual Group 12 months to Dec 2003 \$000	Up (Down) %
Operating revenue	<u>563,141</u>	<u>564,740</u>	(0.28%)	<u>599,213</u>	(6.02%)
EBITDA	38,531	33,540	14.88%	40,316	(4.43%)
Depreciation	17,359	15,453	12.33%	19,898	(12.76%)
Amortisation	<u>773</u>	<u>768</u>	0.65%	<u>866</u>	(10.74%)
EBIT	20,399	17,319	17.78%	19,552	4.33%
Interest expense	<u>5,900</u>	<u>3,849</u>	53.29%	<u>5,245</u>	12.49%
Operating surplus before income tax	14,499	13,470	7.64%	14,307	1.34%
Income tax	<u>4,643</u>	<u>4,779</u>	(2.85%)	<u>2,471</u>	87.90%
Operating surplus after income tax	9,856	8,691	13.41%	11,836	(16.73%)
Minority interests in surpluses of subsidiaries	<u>137</u>	<u>92</u>	48.91%	<u>109</u>	25.69%
Net surplus	<u><u>9,719</u></u>	<u><u>8,599</u></u>	13.03%	<u><u>11,727</u></u>	(17.12%)

## COMMENTARY OVERVIEW

Operating Revenue, although almost in line with the NZSX Listing Profile projection, is down on the previous year owing to reductions in volumes of exportable fruit available to the company.

Tax loss offsets were fully absorbed in prior year tax payment.

The company has completed in excess of \$30 million in capital works including opening of new glasshouse extensions and a major market facility in Christchurch. Two surplus properties have been sold and one major coolstore lease has been renegotiated at a more favourable market rate.

Relocation of domestic market sites in Dunedin, Nelson and Hawkes Bay onto Enza owned properties has also been achieved.

2004 was a difficult year for export pipfruit, with oversupply in most major markets throughout the selling season. The group's pipfruit exports at 7m cartons were down on the previous year (7.4m), due mainly to our strict adherence to the ENZA brand quality standards, during a season when a lot of substandard fruit was submitted for export.

The marketing of the new variety Jazz, exclusive to ENZA, was extremely successful with good results from all markets. Expansion of this variety will ensure an increase in available quantities in future.

The New Zealand Market operations have generally been strong with good results achieved in what has been a robust business climate. Cost reductions at the overhead level continue and the benefits are beginning to show.

Transport operations continue satisfactorily and seven new units have been added to the fleet during the year.

The flower division, Floramax, produced record results with real growth in both sales and profits.

The Fruit Case Company also exceeded budget and consolidated its position as the country's leading provider of returnable containers and equipment to the fresh fruit and produce industry.

Status Produce Limited, the glasshouse division has completed its current expansion programme and the new area is now in full production. The increased production area will enable us to meet the requirements of Foodstuffs for Beekist branded tomatoes into the future. Adverse sunlight hours in the last quarter impacted negatively on production and local market prices, but the situation improved toward the end of the year.

The position of ENZAFoods currently is that it remains an integral part of the Turners & Growers group operating as a standalone subsidiary. Its full separation from the group is under review.

The company is adopting International Financial Reporting Standards (IFRS) with effect from 1 January 2005.

The board is yet to consider a dividend and this will be announced in due course.

The annual report is due in late March.

The Annual Meeting of Shareholders is to be Friday 10<sup>th</sup> June. Separate notices of meeting will be mailed in May.

**Contact for further information:**

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