

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT 23RD FEBRUARY 2006

HEADLINE: FY to 31/12/05 Actual \$12.93m, (\$10.26m restated IFRS) +26.1%

Turners & Growers Limited – FY to 31st December 2005

The board is pleased to present the results for the year to 31st December 2005. The Financial Statements have been prepared under N.Z. International Financial Reporting Standards (IFRS) and the comparative figures have been restated accordingly. The result is unaudited. Audit clearance is pending.

	Actual Group 12 months to Dec 2005 \$000	IFRS Restated Group 12 months to Dec 2004 \$000	Up (Down) %
Operating revenue	<u>490,668</u>	<u>561,291</u>	(12.6%)
EBITDA	40,308	39,288	2.6%
Depreciation	15,838	16,534	(17.5%)
Amortisation	<u>2,287</u>	<u>1,409</u>	62.3%
EBIT	22,183	21,345	0.00%
Interest expense	<u>6,098</u>	<u>6,750</u>	(9.7%)
PROFIT BEFORE INCOME TAX	16,085	14,595	10.2%
Income tax	<u>2,828</u>	<u>4,160</u>	(32.0%)
PROFIT AFTER INCOME TAX	13,257	10,435	27.0%
Minority interests in profits of subsidiaries	<u>321</u>	<u>173</u>	85.5%
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	<u>12,936</u>	<u>10,262</u>	26.1%

COMMENTARY OVERVIEW :

The company adopted N.Z. International Financial Reporting Standards (IFRS) with effect from 1 January 2005. These full-year results for 2005 are therefore in conformity with that standard and the 2004 comparatives have also been restated accordingly.

Operating Revenue is 12.6% down on the previous year, mainly reflecting the impact of poorer earnings in pipfruit exports caused by lower market returns, weaker New Zealand dollar realisations, and a reduced volume exported.

Profit before tax at \$16.08m includes some positive and negative adjustments of a one-off nature. A \$2m write-back of unrequired hire container provisions, and gains on realisation of properties, plant and equipment in excess of \$1m have been offset in part by restructuring costs and redundancies totalling \$0.75m.

This season the European apple market was a disappointment, affected by a shorter selling season for southern hemisphere production, the impact of new storage technologies applied to Northern Hemisphere fruit and indiscriminate trading activities by some New Zealand exporters. By season end the quantity of fruit shipped by ENZA amounted to 5.5 million tray carton equivalents (TCE), a reduction of 18% on intended volumes.

The production of Jazz variety apples is increasing worldwide and the company is optimistic of capitalising on this sought after variety over the next few years. This variety is exclusive to ENZA and is expected to produce steady and increasing year-round returns.

The ENZAFoods subgroup, now being run as a separated entity within the T&G group, has exceeded budget targets, ably supported by its Australian operation.

There has also been a strong performance during the year in the Domestic businesses, with most meeting or exceeding their earnings targets.

The tomato and glasshouse production unit, Status Produce, had a variable year governed mainly by the overall daily market supply position. Some good months have been followed by a current period of industry oversupply and consequent lower prices. It has not been easy to correct this local oversupply position through increased exports owing to full supply in traditional offshore markets.

The group has again had an active year in property restructuring. Unwanted legacy properties in Cable Street, Wellington and in the Viaduct Basin, Auckland have been sold. Both sales have been at better than book value and release cash for more relevant projects.

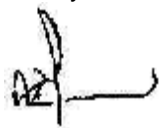
The biggest current project is the recently-announced 50/50 joint venture with the Inglis family in Riwaka, Nelson. Supporting the Group's faith in the future of the New Zealand apple industry, the Board resolved to invest in the production sector and was excited by the opportunity this venture presents. Existing plantings of the more traditional varieties and of Kiwifruit will be enhanced by future plantings favouring Jazz and other new varieties.

The board also authorised a new pipfruit packing facility on the Whakatu site in Hastings. This wholly owned packing line came on stream for the current packing season and will give greater operational flexibility for the company and its producer clients. Again this investment reflects the company's longer term commitment to the apple industry.

The board believes that the company is robust and that, notwithstanding inherent volatility in parts of the business, it will under the guidance of its new Chief Executive Officer, Jeff Wesley, produce enhanced returns and a steady growth path into the future.

The board advises that a dividend is to be paid. The timing and amount is to be considered by the Board in March and announced with the release of the annual report in late March.

The Annual Meeting of Shareholders is to be Wednesday 28th June. Separate notices of meeting will be mailed in May.



A. I. (Tony) Gibbs,
CHAIRMAN

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