

2006 AGM Presentation Turners & Growers

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GROUP FINANCIAL HIGHLIGHTS (\$'000's)

	2003		2004		2005	
Revenue	595,227	100.0%	558,048	100.0%	485,307	100.0%
Gross Profit	138,634	23.3%	133,541	23.9%	123,461	25.4%
Other operating income	2,840		3,243		5,361	
Administration expenses	(28,476)		(27,721)		(21,890)	
Other operating expenses	(93,739)		(91,263)		(88,711)	
Operating profit before finance costs	19,259	3.2%	17,800	3.2%	18,221	3.8%
Net financing costs	(5,245)		(5,664)		(5,272)	
Share of profits in associates	293		2,460		3,136	
PROFIT BEFORE TAX	14,307	2.4%	14,596	2.6%	16,085	3.3%
Tax	(2,471)	17.3%	(4,160)	28.5%	(2,828)	17.6%
PROFIT AFTER TAX	11,836		10,436		13,257	

GROUP FINANCIAL HIGHLIGHTS (\$'000's)

	2003	2004	2005
Non-current assets			
Property, plant and equipment	174,433	203,871	200,747
Intangible assets	5,892	9,547	10,838
Investments in associates	3,490	7,795	9,135
Trade & other receivables	-	812	2,075
Other	5,506	121	44
Total non-current assets	189,321	222,146	222,839
Current assets			
Inventories	26,173	23,233	26,727
Trade & other receivables	46,808	49,049	54,382
Cash	11,290	6,155	5,316
Taxation receivable	-	5,569	7,626
Other	1,481	1,348	147
Total current assets	85,752	85,354	94,198
TOTAL ASSETS	275,073	307,500	317,037
Non-current liabilities			
Interest bearing loans and borrowings	42,305	40,000	35,000
Deferred tax liabilities	-	1,624	3,346
Other	2,121	294	81
Total non-current liabilities	44,426	41,918	38,427
Current liabilities			
Trade and other payables	49,573	54,303	56,983
Borrowings	-	10,000	5,000
Provisions	-	1,205	319
Total current liabilities	49,573	65,508	62,302
TOTAL LIABILITIES	93,999	107,426	100,729
Total assets less total liabilities (total equity)	181,074	200,074	216,308

The Strategic Environment

In New Zealand and most developed Western countries the fresh produce strategic environment is characterised by:

- 60%-90% of fresh produce distribution going through supermarket chains.
- Frequent over supply conditions of commodity products
- Price destruction when supply exceeds demand by small volumes
- Long term price erosion of those commodities at a time when growing costs are increasing
- Returns to growers below their cost of production
- Efforts by growers to decommo­ditise their offerings
- Increasing rationalisation of the grower base to fewer bigger growers of commodities and niche operators.

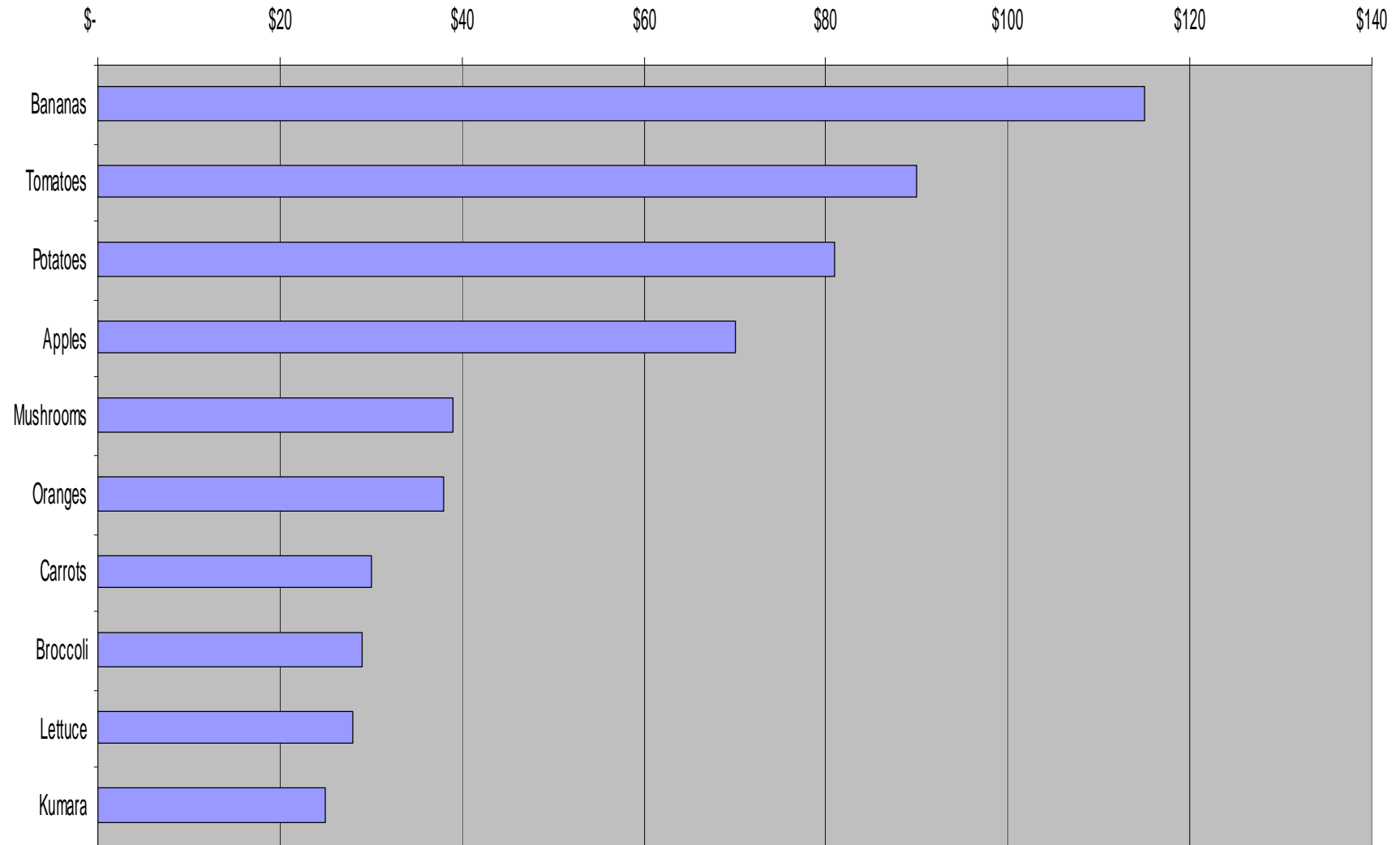


The Business Units

- Fresh Domestic (inc imports)
- Enza International
- Status
- Enza Foods Ltd NZ
- Enza Cor Pty Australia
- Turners Transport
- Fruit Case Company (FCC)
- Exports Diversified
- Floramax
- Major Investments



Top 10 NZ Consumer Fruit/Vegetable Items in \$millions - 2004



Fresh Domestic (inc imports)

- What Does it Do?

NZ's largest domestic supplier of fresh produce to Supermarkets, Grocery independents and Foodservice trade.

Major importer – Bonita bananas, citrus, grapes, Australian vegetables, tomatoes, tropical and Pacific Island produce. Even snow peas from Zambia.

Domestic operations (13 sites) involved in procurement, warehousing, coolstorage, ripening and marketing.

Prepack operations in Pukekohe, Tauranga, Christchurch.

Exclusive marketing arrangements with many major grower groups.

- What happened in 2005?

Revenue up 7.4% on 2004.

EBIT up 13.5% on 2004.

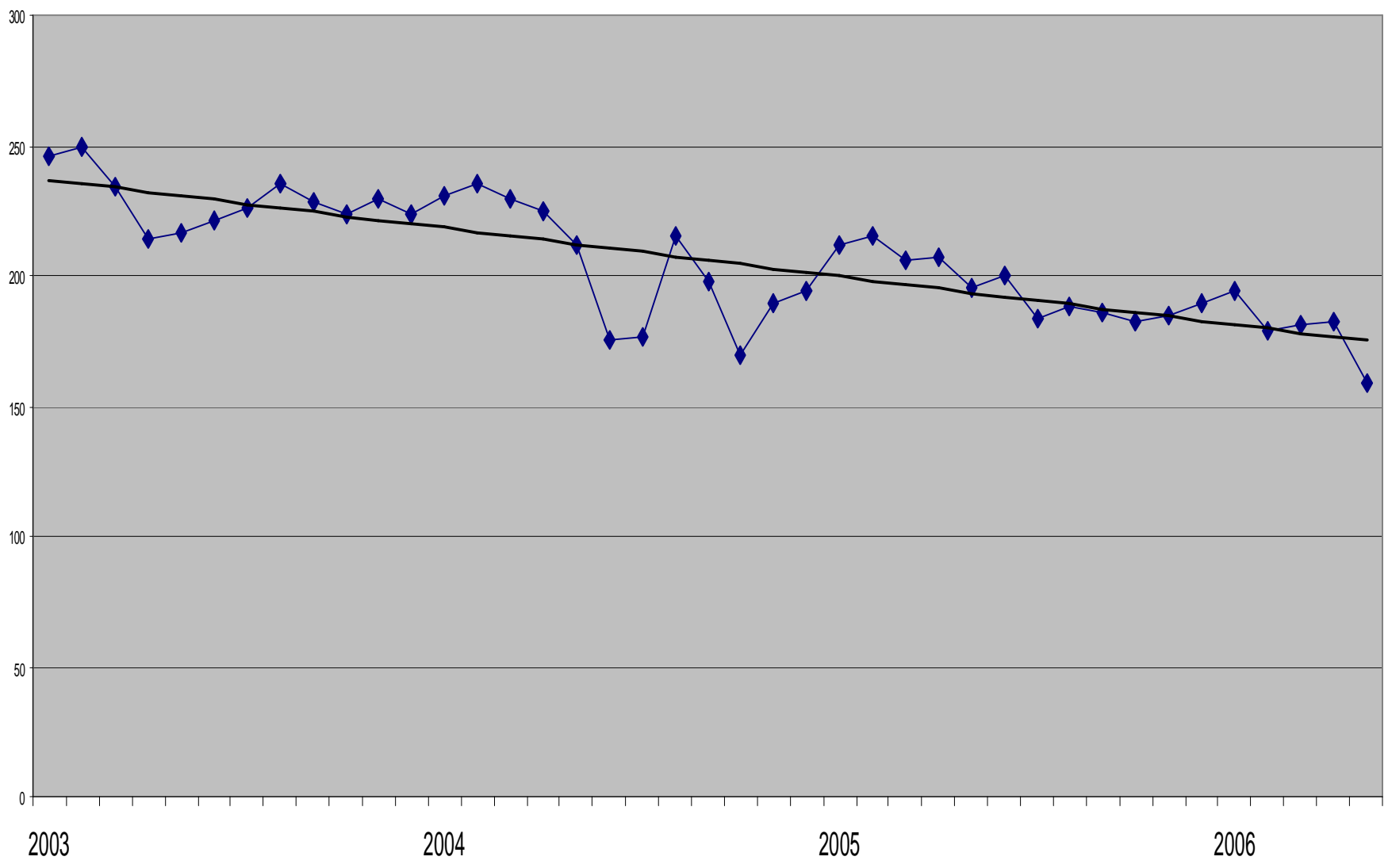
- Prospects for 2006 & Beyond?

Pineapple imports successfully reintroduced. Targeting 50% of domestic market

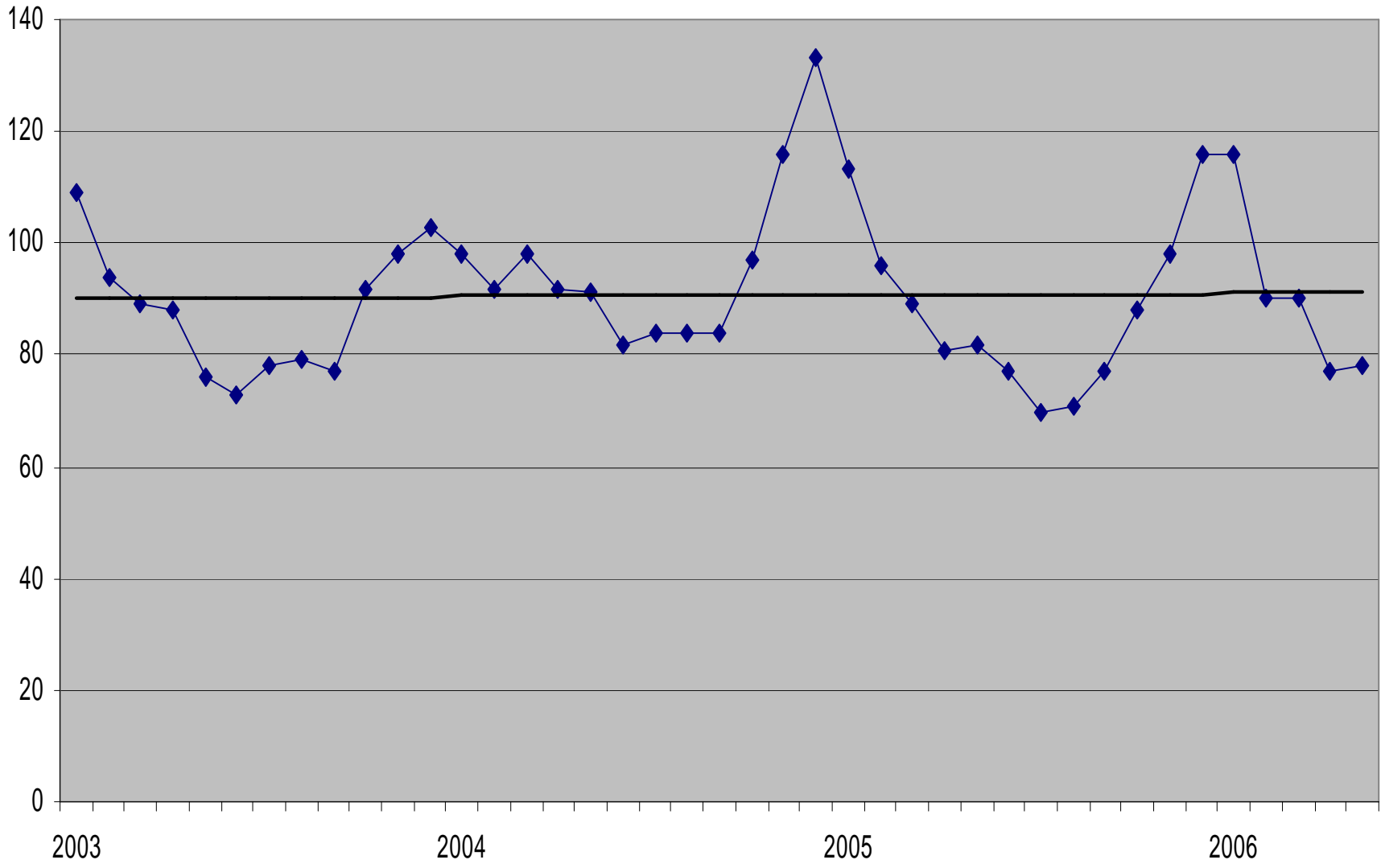
Banana ripening facilities being upgraded

Opportunities for further co-operation/investment with grower groups

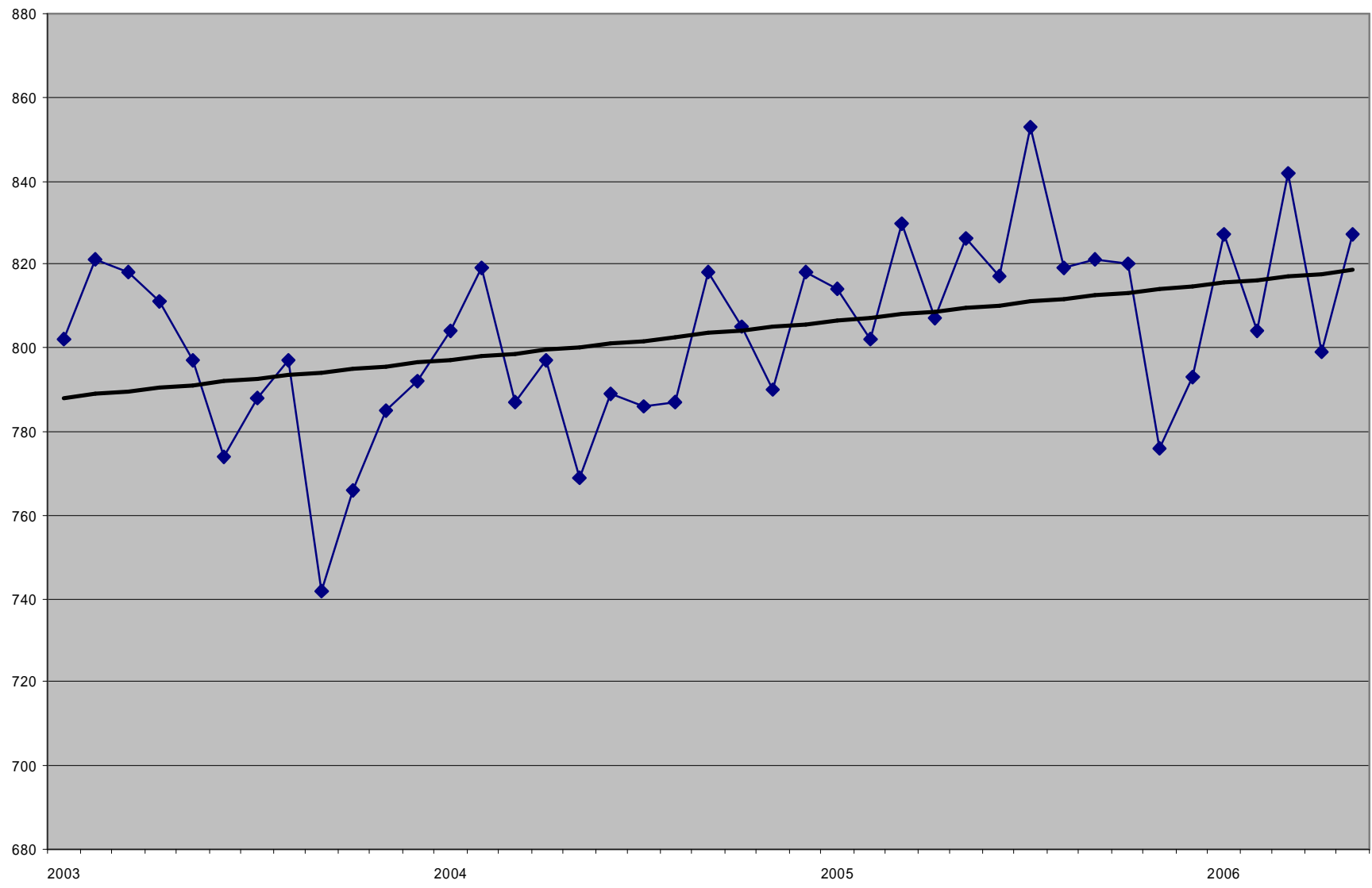
BANANAS - Retail Price cents/kg 2003-2006



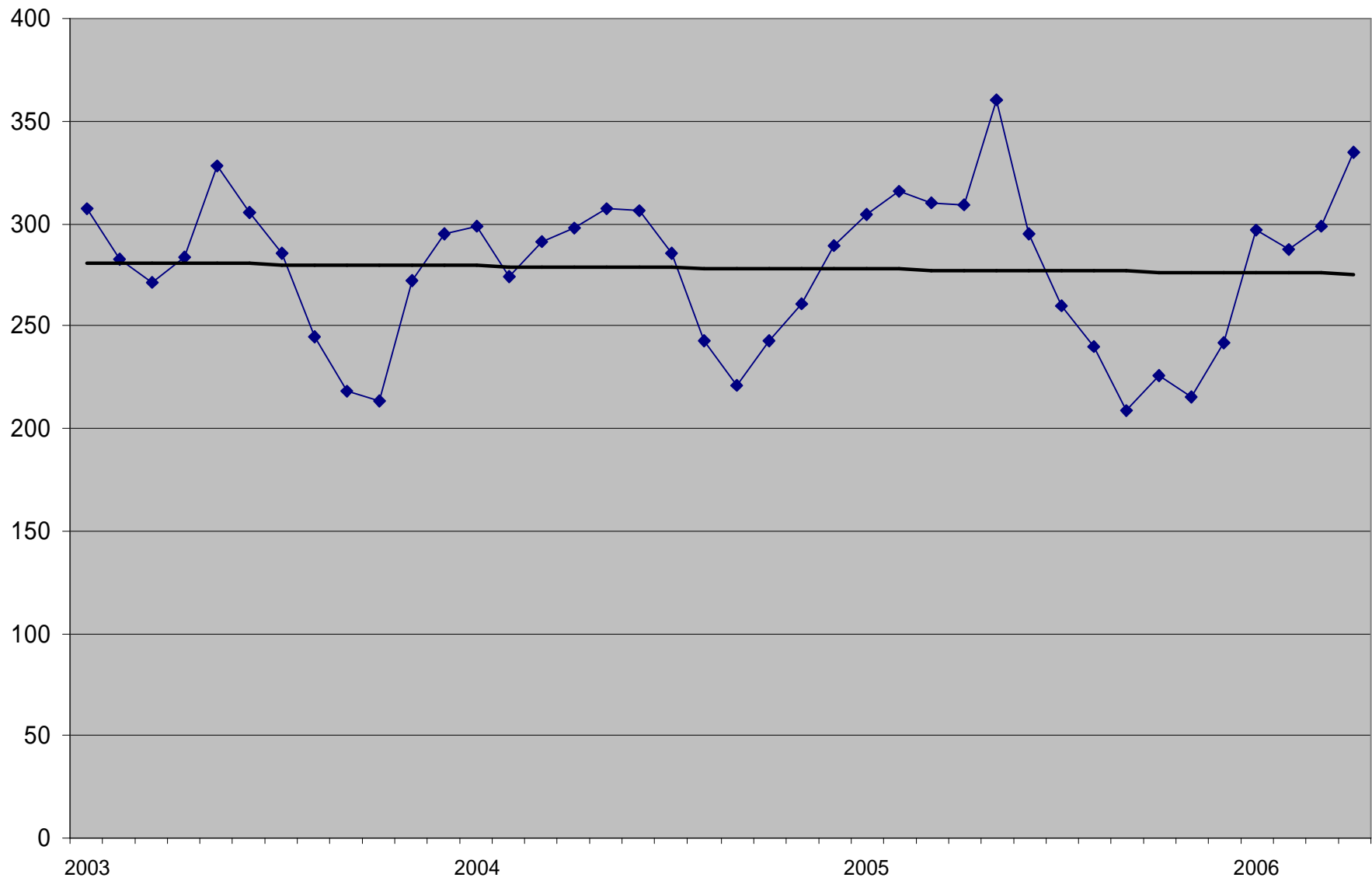
POTATOES - Retail Price cents/kg 2003-2006



Retail Price Trends of Mushrooms in cents/kg 2003 - 2006



ORANGES - Retail Price cents/kg 2003-2006



Enza International

- **What Does it Do?**

NZ's largest exporter of pipfruit to world markets (48 countries)

NZ export crop by variety 2005 = Braeburn 40.0%, Royal Gala 36.5%, Fuji 6.1%

NZ export crop goes to (2005) = EU (50%), UK 21.3%, Asia 13.7%, US/Can 12.3%,

Originally a sole NZ exporter, Enza now competes with some 90 NZ exporters.

Owns and operates 2 packhouses (Whakatu & Nelson) + major Coolstores.

Now has a 50/50 JV with Inglis family to grow up to 1m cartons of new varieties

- **What happened in 2005?**

Worst apple market in EU for 30 years. Oversupply, strong South American competition, price destruction, large stone fruit crop, very hot summer.

Revenue down 25.6% on 2004

EBIT down 52% on 2004

- **Prospects for 2006 & Beyond?**

Exchange rate in 2006 significantly better than 2005.

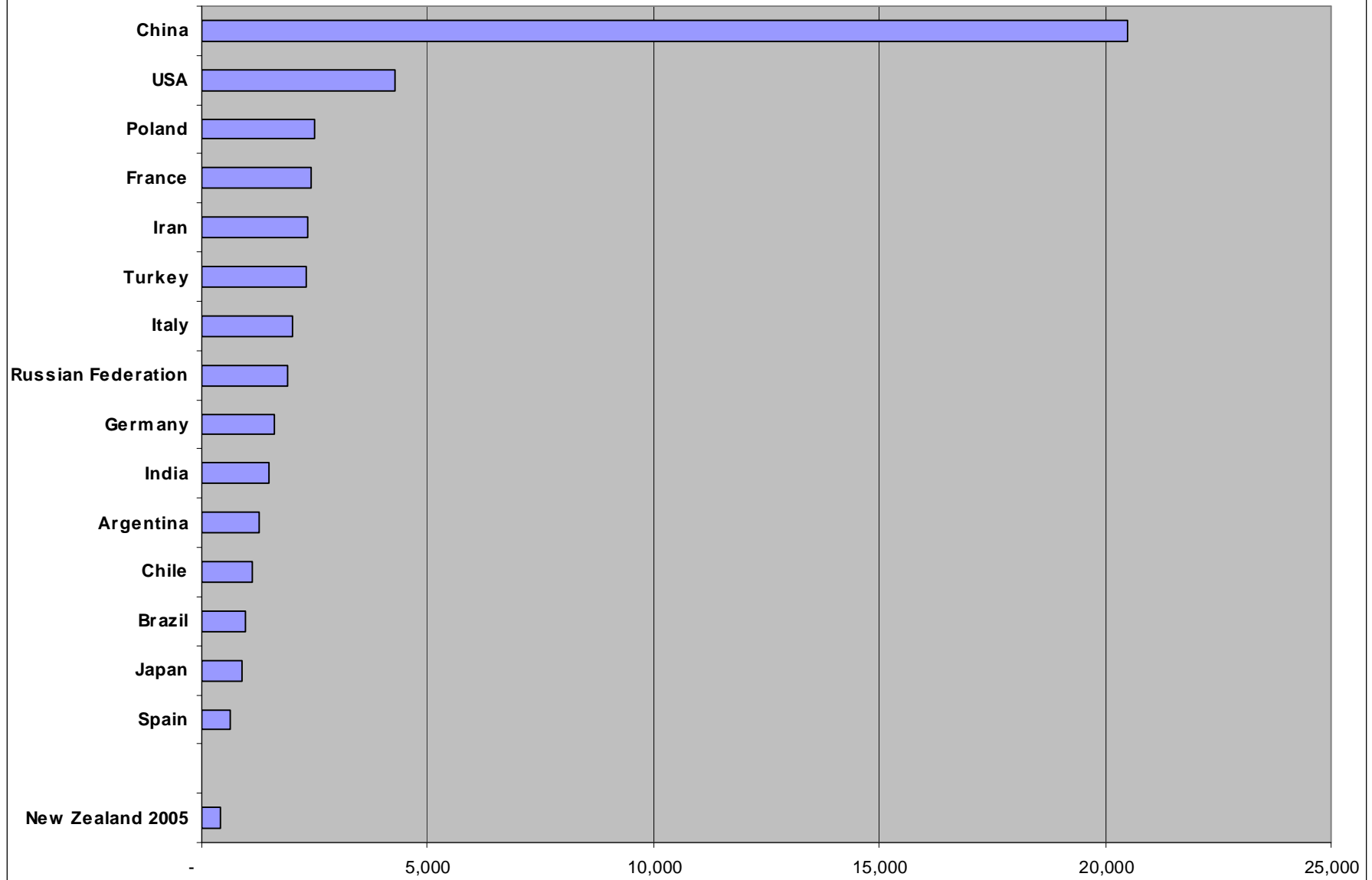
2006 export crop volume estimated to be down over 28%

Export returns will be higher although volume down.

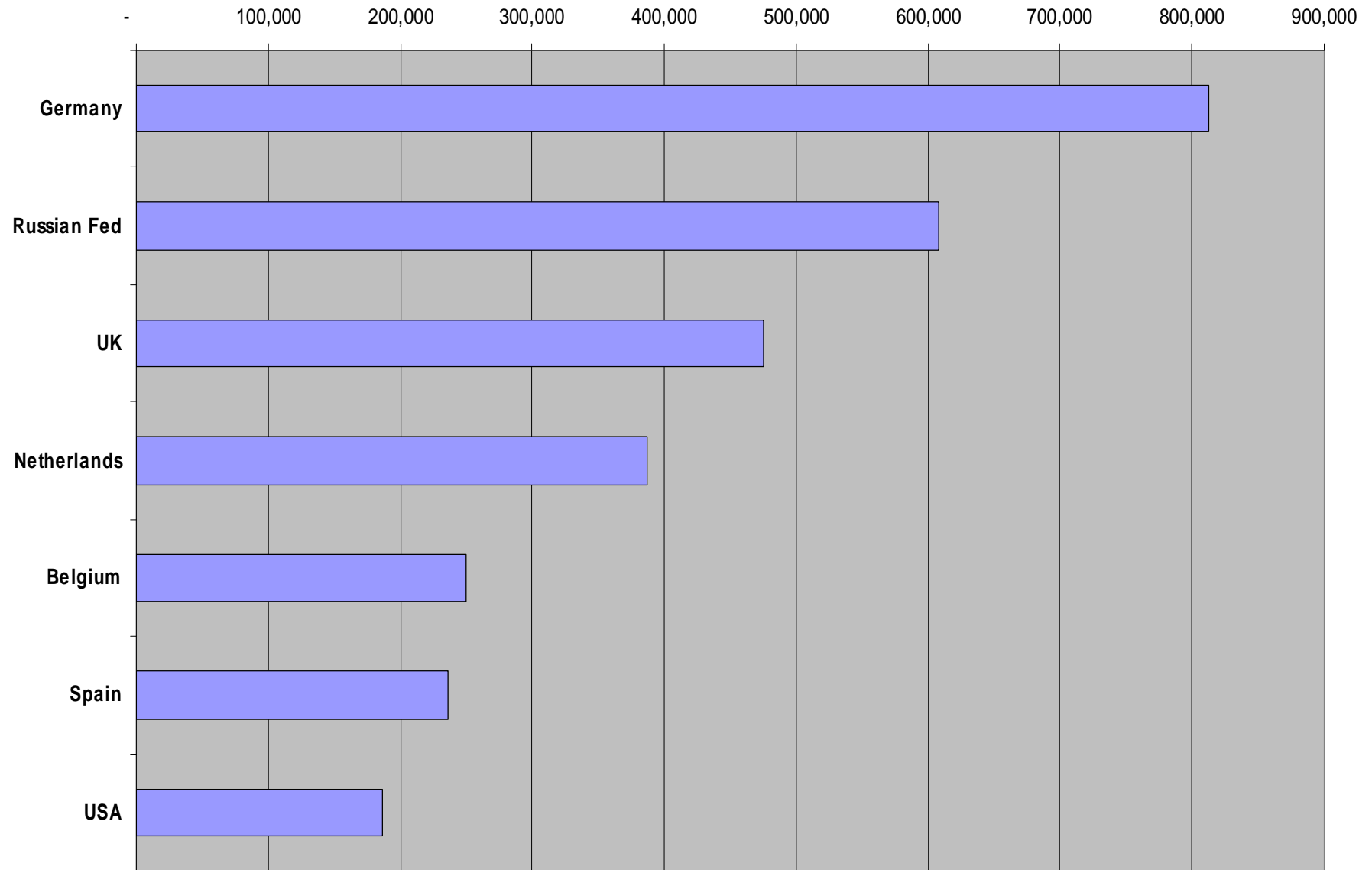
Southern Hemisphere exports to EU down 24% YTD in mid June

Enza volume of 2006 export crop est' 40-45%. 2007 target is 55%-60%.

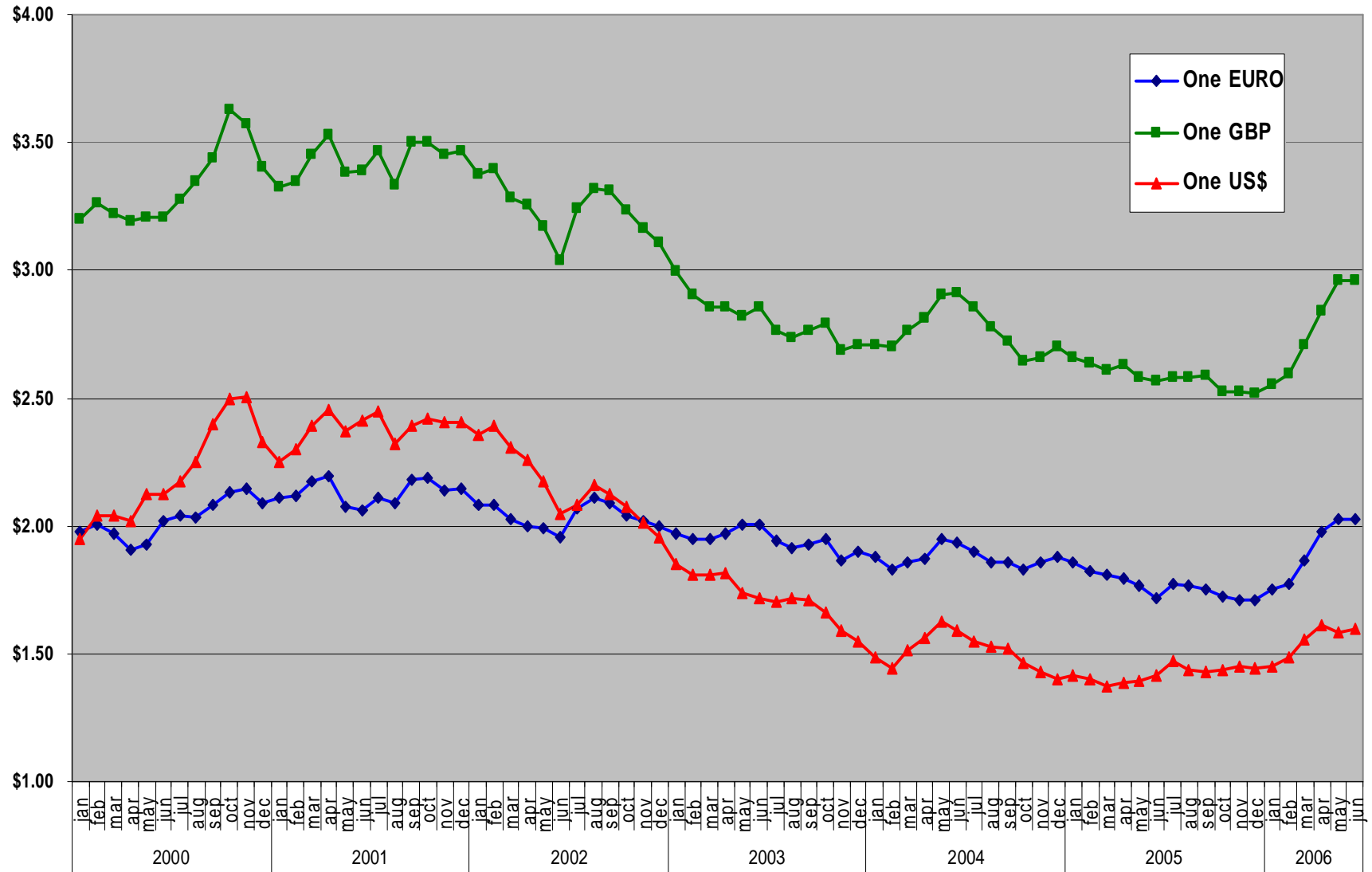
Top Apple Producing Countries by Volume in 2004 - 1,000MT



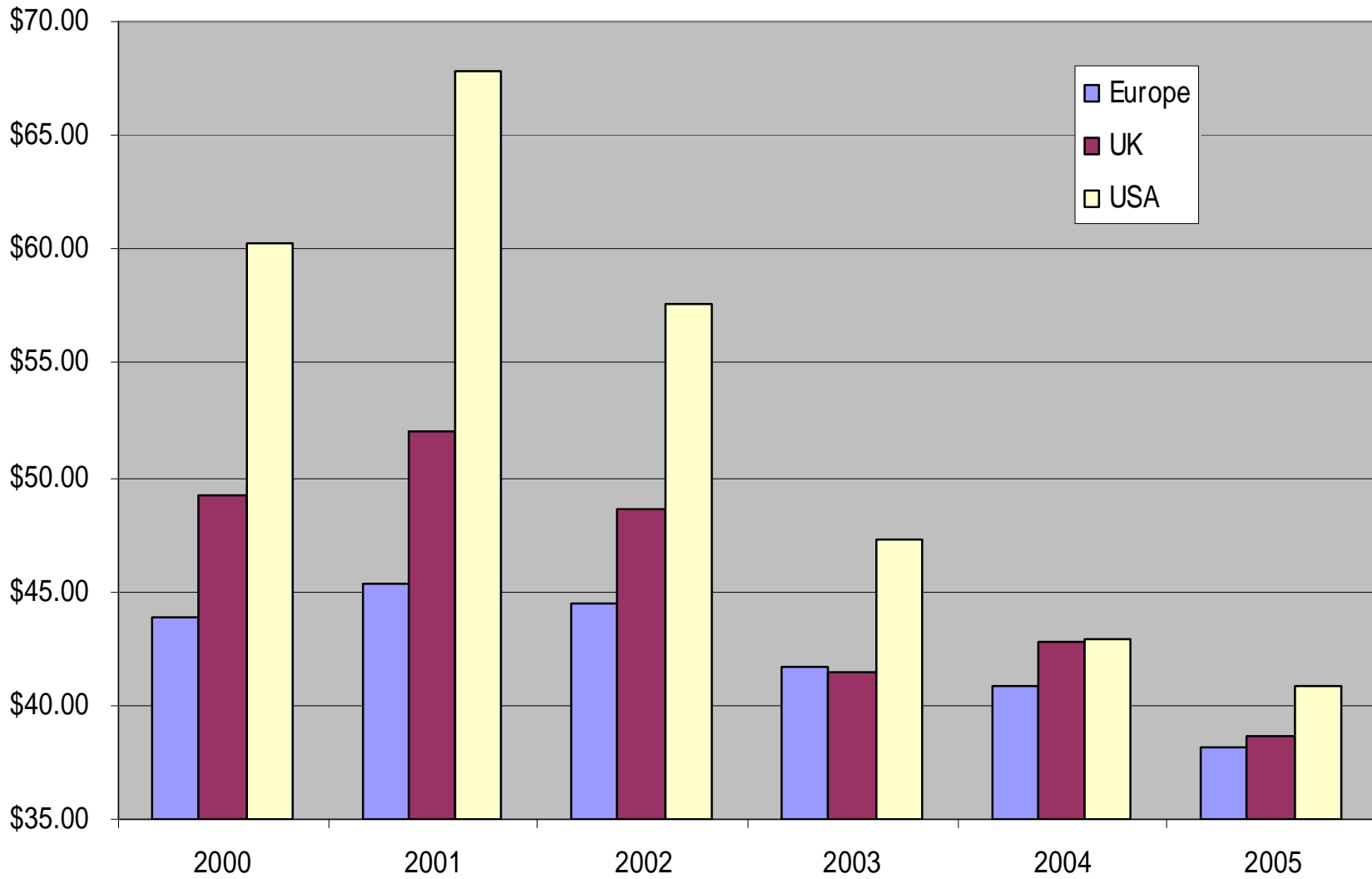
Major Apple Importing Countries 2003 - Metric Tonnes



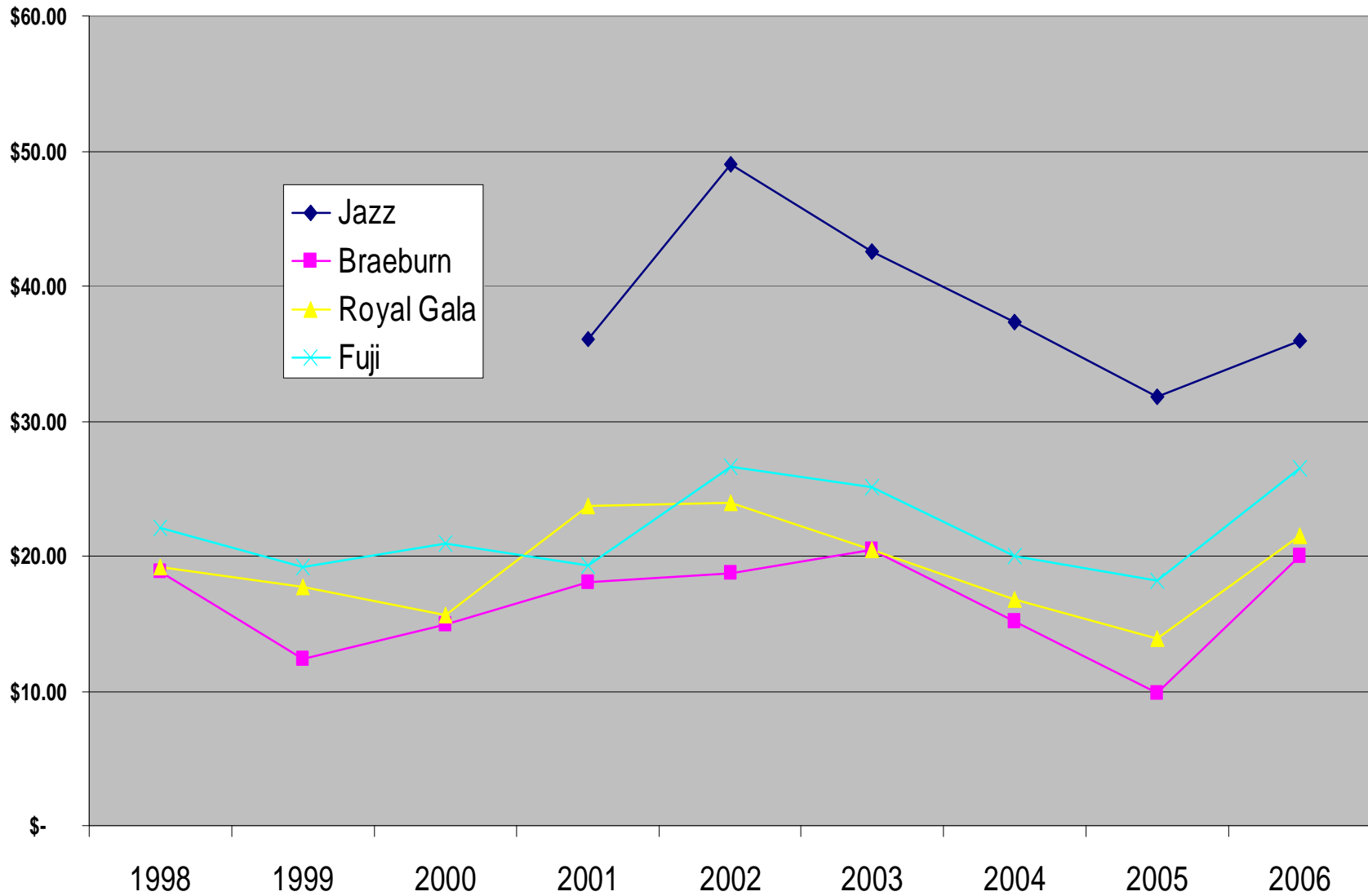
Return for Primary Unit of Market Currencies in NZ\$ 2000 - 2006



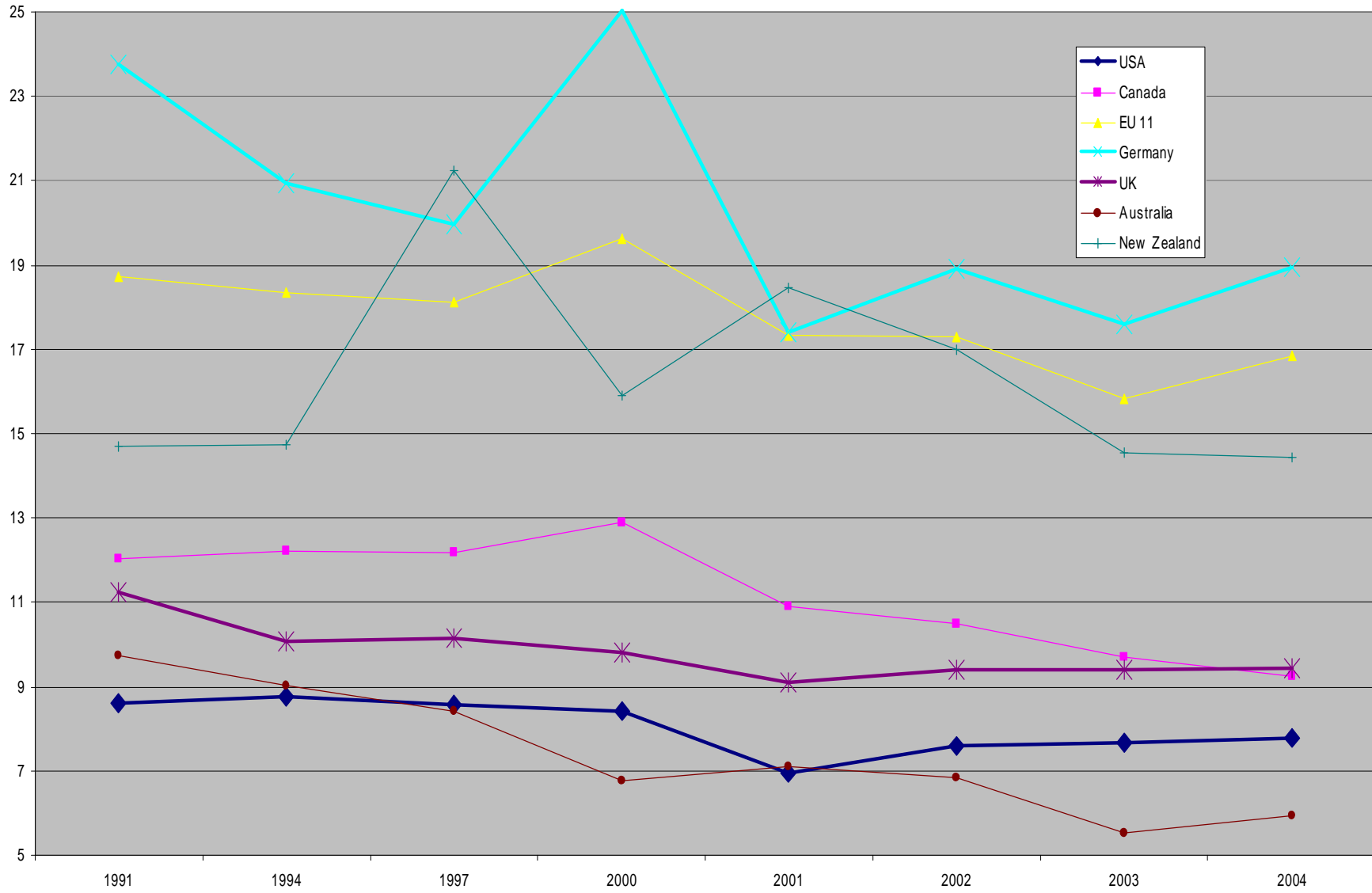
ENZA - Exchange rate effect on average market sale price 2000 - 2005



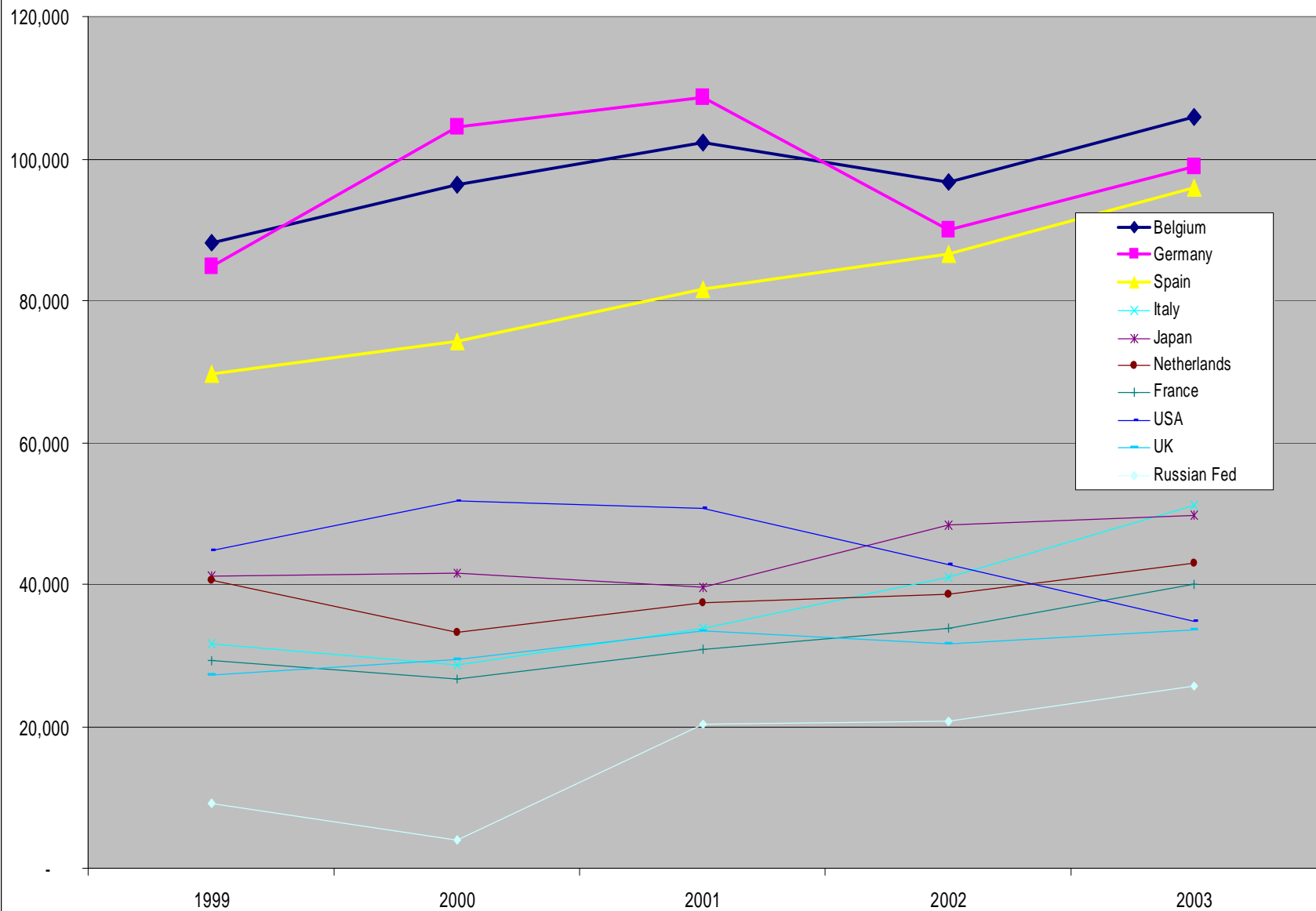
National Weighted Average Orchard Gate Return by Variety - 1998 - 2006* note 2006 estimated



Kg Apple Consumption Per capita in Major markets 1991 -2004

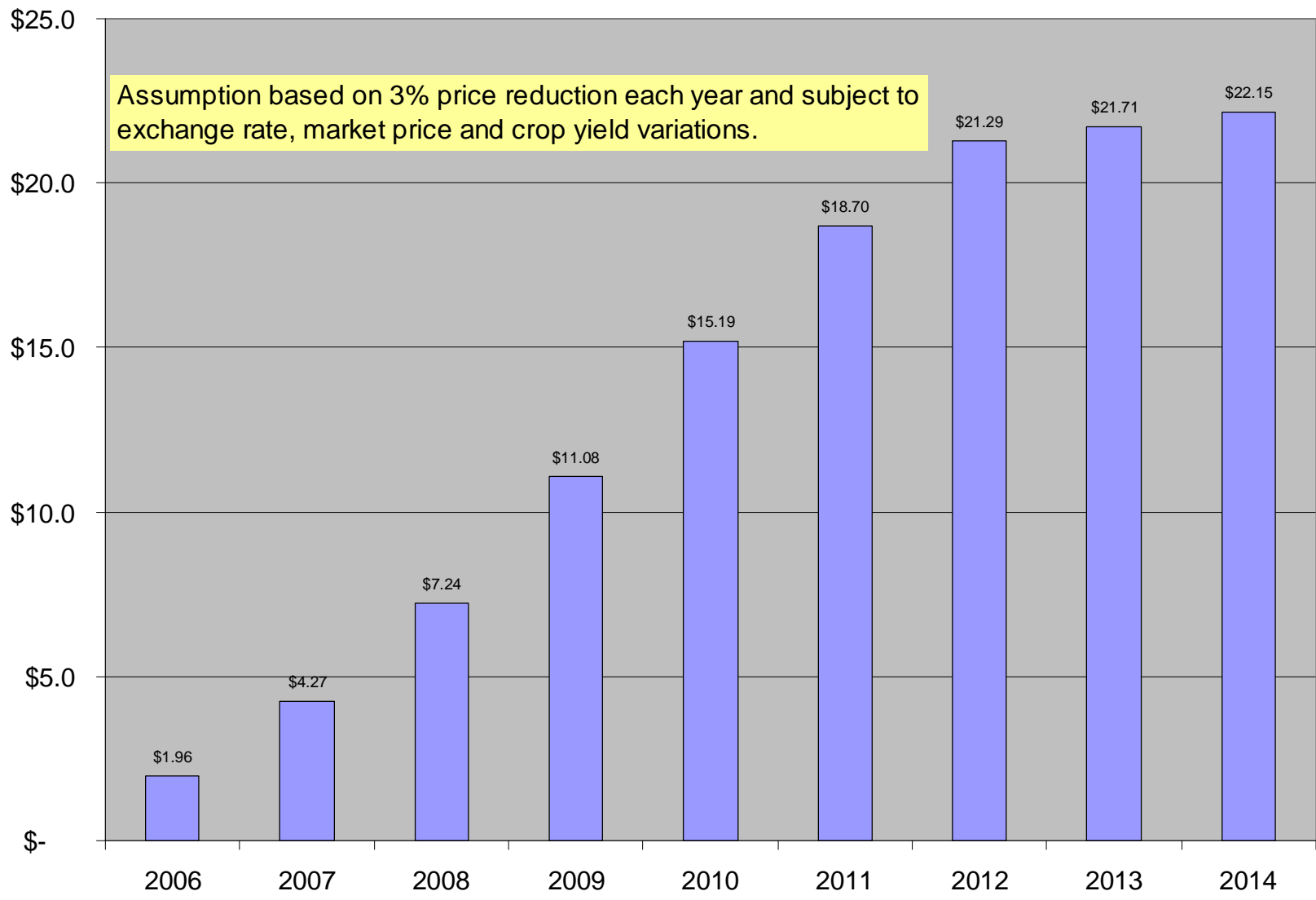


Top 10 Kiwifruit Importing Countries 1999-2003 - Metric Tons



Enza - Projected Jazz™ Commissions - 2006 - 2014

millions



Status

- **What Does it Do?**

Status is NZ's largest glasshouse (20.4ha in 3 sites) grower of loose, truss and specialty tomatoes. In 2005 it produced 10,000MT.

It is the major category supplier of tomatoes to the Foodstuffs group.

It operates a large packhouse in Mangere packing mandarins, lemons etc.

It is a major exporter of tomatoes to Japan and Asia/Australia.

- **What happened in 2005?**

Revenue up 15.0% on 2004. Major capital programmes from 2004 were bedded down.

EBIT down 22% on 2004. Record low domestic prices at beginning and end of year.

Exports to Japan up 59%.

- **Prospects for 2006 & Beyond?**

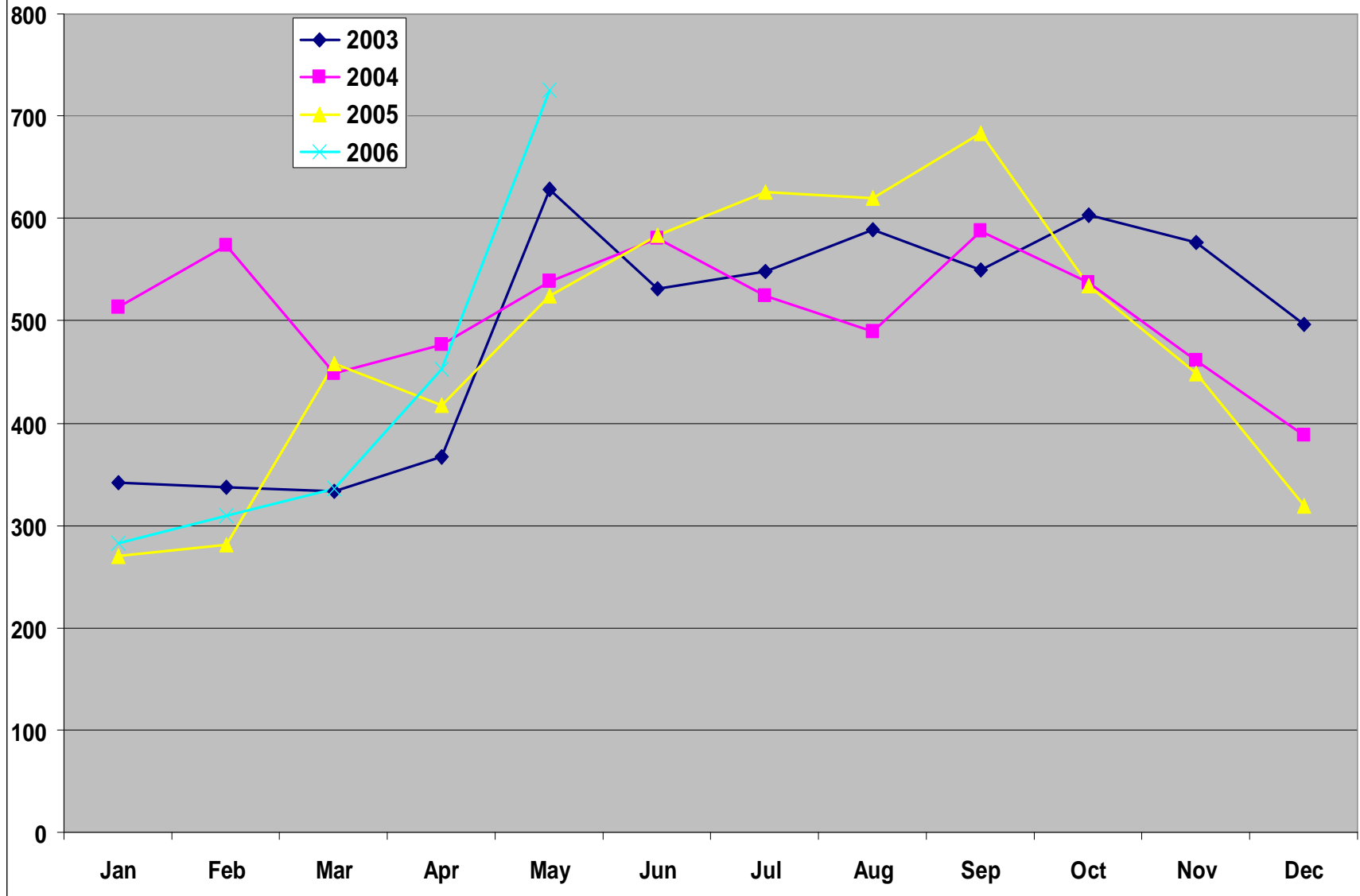
Growing programme changed to suit the periods of under and over supply.

Export growth with lower NZ\$. Higher power prices (gas, electricity) a concern.

Specialty tomatoes now getting satisfactory return.

Further grower rationalisation expected.

New Zealand Retail Tomato Prices 2003 - 2006 cents/kg



Enza Foods NZ Ltd

- **What Does it Do?**

Processes approx' 100,000MT apples/annum into AJC products.

Products include clear, cloudy, decolourised, de-ionised, aroma, organic
Produces diced/sliced/pureed apple into cans, pouches and single serve.

Processes 20,000MT of carrots, kiwifruit, pears, boysenberries, blackcurrants
into concentrate

Imports AJC from China for further processing.

Exports AJC and associated products to Japan, USA, Australia etc.

Has 50.01% owned pineapple dice operation in Thailand. Uses EFL proprietary technology to produce pouch packs for international Food Service industry.

- **What happened in 2005?**

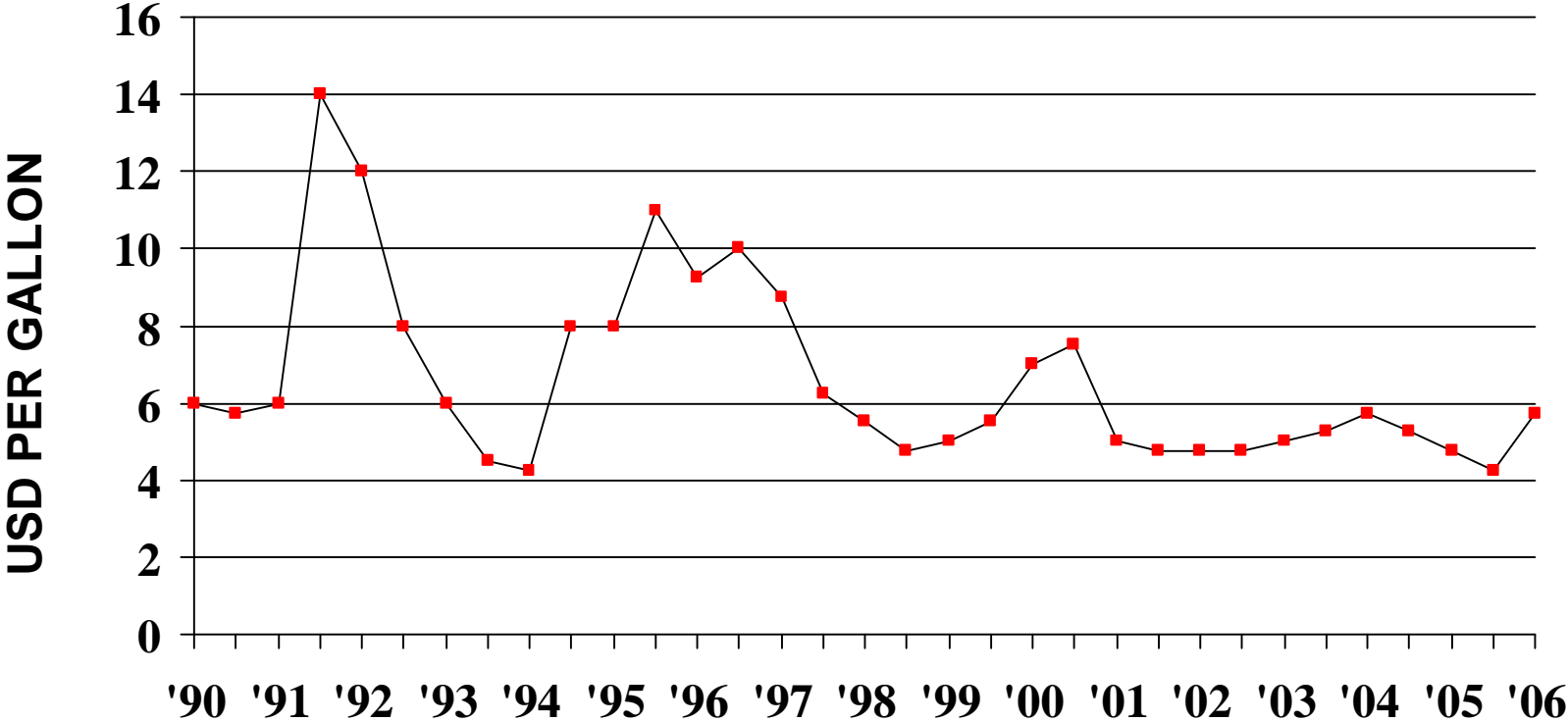
Revenue down 14% on 2004. High Chinese AJC volume kept prices low.
EBIT up 87% on 2004.

- **Prospects for 2006 & Beyond?**

World AJC prices increasing for first time in 5 years. Chinese crop down.
Innovative EFL products/packs gaining traction.



World AJC Prices



FruitMark Australia (Enza Cor Pty Ltd)

- **What Does it Do?**

Historically was a major supplier of AJC to Australian market (75% market share in early 1990's, now only 10% due to low price Chinese AJC competition)

Major importer and supplier of FCOJ and cranberry juice.

Major importer and supplier of dehydrated products (sun dried tomatoes, semi-dried tomatoes, strawberries etc) and frozen products (strawberries, boysenberries,)

Major supplier of fresh cut produce to Foodservice industry in Victoria and Queensland.

- **What happened in 2005?**

Revenue down 10.4% on 2004.

EBIT down 15% on 2004.

- **Prospects for 2006 & Beyond?**

Significant opportunity to grow the fresh-cut and Foodservice divisions of the company

Turners Transport

- What Does it Do?

NZ's largest chilled transportation co dedicated to the fresh produce ind'
Transports at controlled temperature fresh produce from the farm/orchard to market. 45% of business directly related to T&G. Rest independent.

Operates 40 trucks and 35 trailers for line haul 24 hours/7 days. 10 others short haul vehicles.

Traveled 4.4million km in 2005.

- What happened in 2005?

Revenue up 13.5% on 2004.

EBIT up 183% on 2004.

Some intelligent loss of business and some intelligent gain.

- Prospects for 2006 & Beyond?

Fleet being upgraded to world class controlled temperature distribution.

Further growth expected



Fruit Case Company (FCC)

- What Does it Do?

NZ's largest domestic supplier of returnable plastic crates, pallets and bins to the fresh produce industry.

Washes 13 million crates/annum for hygiene/appearance.

Issues approx' 1 million pallet turn arounds per annum

- What happened in 2005?

Revenue up 13% on 2004.

EBIT up 10.2% on 2004.

Introduced deep nesting 47L crate reducing freight costs by 50%

Significant logistical and process improvements.

- Prospects for 2006 & Beyond?

Further development and introduction of new design crates, pallets, bins

Revenue growth expected but concern about increasing fuel costs.



Exports Diversified

- **What Does it Do?**

NZ's largest supplier of fresh produce to the Pacific Islands inc'
French Polynesia, New Caledonia, Fiji etc

Range of other products to Japan, USA, Australia, Asia, Europe –
onions, squash, mandarins, berries, tomatoes, avocados,
persimmons etc.

- **What happened in 2005?**

Difficult year making a small loss.

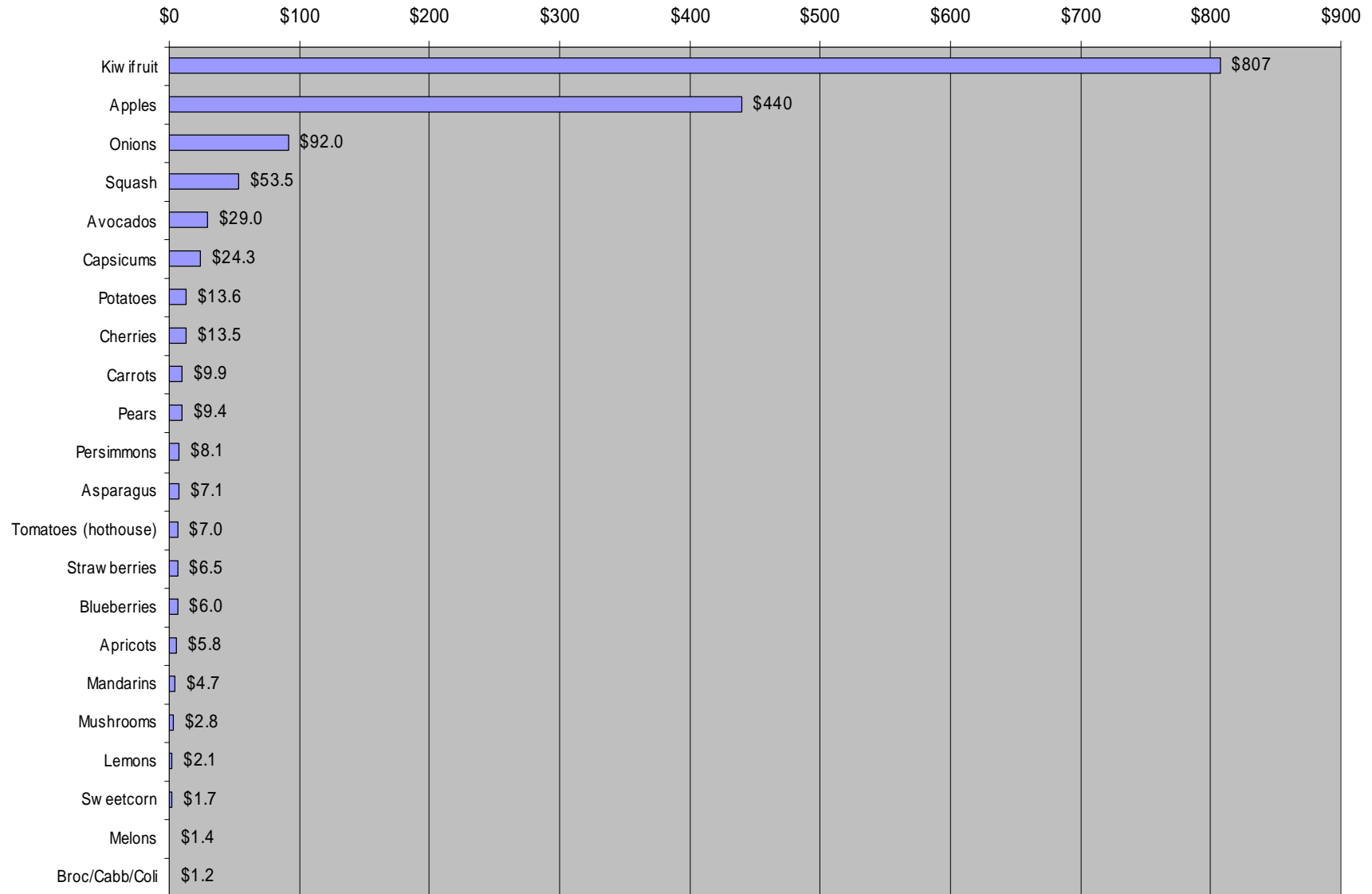
Operation has been restructured and management changed.

- **Prospects for 2006 & Beyond?**

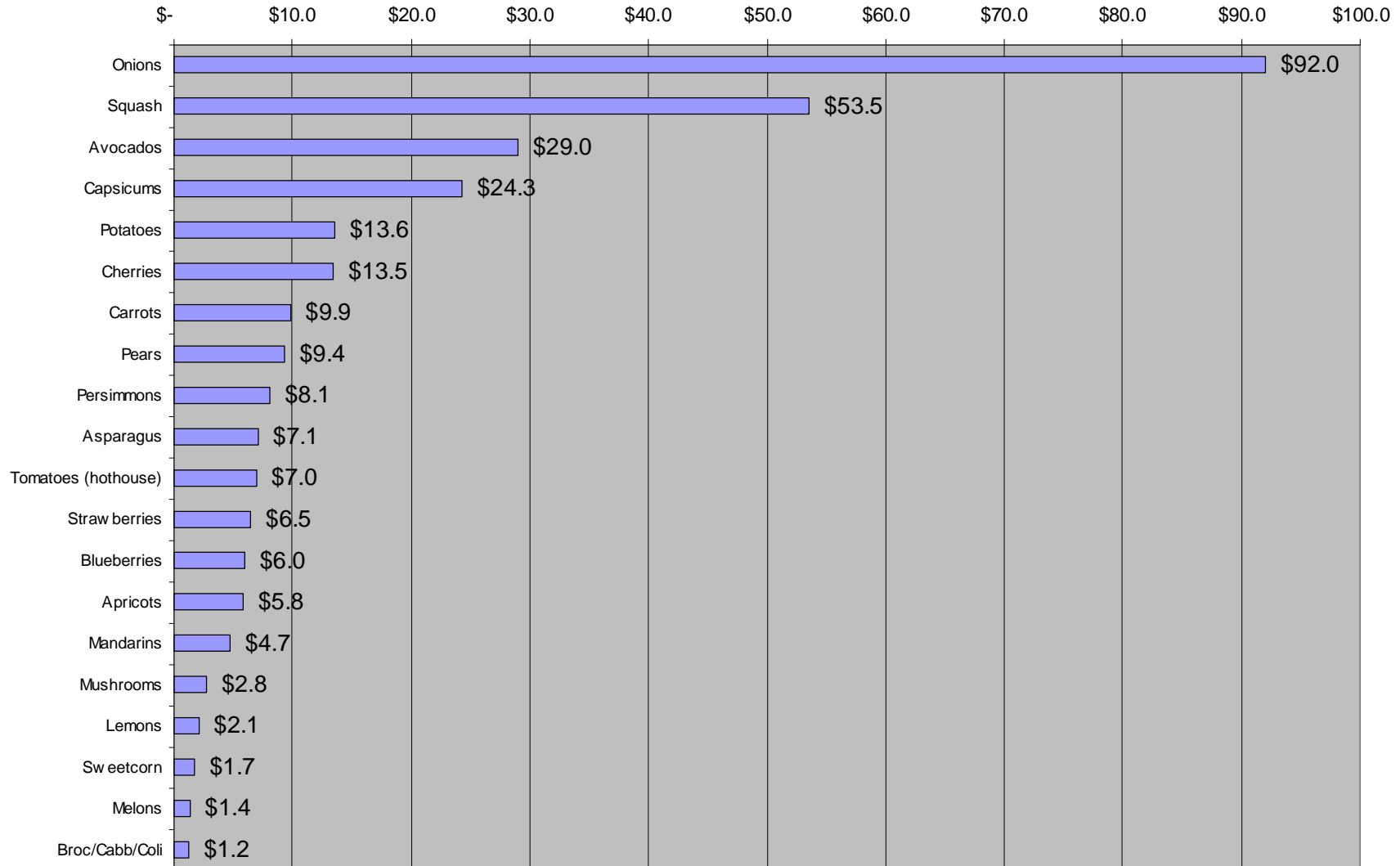
On track to make a satisfactory EBIT in 2006 and improvement 2007
onwards.



NZ Horticultural Exports in \$m - (note mix of 2002-2005 data)



NZ Horticultural Exports in \$m excluding Kiwifruit & Apples - mix of data 2002-2005



Floramax

- **What Does It Do?**

New Zealand's largest seller by auction of fresh floral products in the domestic market to wholesalers, commission buyers and florists

New Zealand's largest importer of tropical flowers from Singapore, Malaysia, Thailand and other Asian markets.

Provides total administrative and logistical services to key wholesalers

- **What happened in 2005?**

Revenue up 13% on 2004.

EBIT up 13.4% on 2004.

Record volume of stems sold – in excess of 50 million.

Record volume sales of roses for Valentines day.

- **Prospects for 2006 & Beyond?**

Introduction of "Auxcis" world leading auction projection system.

Potential to grow Floramax business in overseas markets.



Major Investments

- What Do They Do?

1. **World Wide Fruit Co** – UK – 50% JV with UK grower group.

Major fresh produce supplier to major UK supermarkets. Category managers for pipfruit, kiwifruit, stone fruit, avocados and dates. Operates pack house and coolstores and small truck fleet in UK

2. **Oppenheimer Group** North America – 15% shareholding

Major fresh produce supplier to major NAM supermarkets.

Category managers for pipfruit, grapes, kiwifruit, tomatoes, stone fruit, pineapple, tropicals, berries, avocados peppers.

In 13th straight year of growth.

- What happened in 2005?

Combined dividends to T&G up 49% over 2004

- Prospects for 2006 & Beyond?

Significant growth opportunities for both organisations



The Future

The future is bright and it will see:

- The company taking further steps to become vertically integrated (grower, packer, shipper, marketer) in profitable categories in the domestic market – as it has already done with Status Tomatoes.
- The company expanding its global focus to grow proprietary and other key fruit categories in overseas countries for international distribution – as it has already done with Jazz™.
- Further reduction of corporate overheads.
- Every operating division improving its performance.

Thank You.

