SELECT HARVESTS

SELECT HARVESTS

1H11 Results Presentation for 6 months ended 31st December 2010

21st February 2011

Agenda

SELECT HARVESTS

Introduction

1H11 Results

Industry Fundamentals

Strategy

Outlook

Overview

SELECT HARVESTS

FINANCIAL HIGHLIGHTS	1H11 performance in line with company expectations FY11 NPAT on track to exceed FY10 based on current crop estimates, current almond pricing and normal harvesting conditions 10c interim fully franked dividend
OPERATIONAL PERFORMANCE	Company Orchards more than doubled from 3,400 to 9,300 acres $1.0m Bannerton Park acquisition announced today, $3.8m Lake Powell acquisition completed December 2010 Stage One WA planting completed, Stage Two scheduled winter 2011 Managed Orchards returned to full horticultural practices and water allocations
GROWTH STRATEGY	Strong progress in strategy to increase Company Orchards and diversify business, providing higher degree of control over earnings and benefit from full value chain Will continue to leverage expertise in establishing and managing almond orchards and processing, marketing and selling almonds

Agenda

SELECT HARVESTS

1H11 Results

SELECT HARVESTS

- NPAT $10.1m (1H10: $10.1m)
- EBIT $13.5m (1H10: $15.6m)
- Managed Orchards EBIT $6.0m (1H10: $9.2m)
- Company Orchards EBIT $5.8m (1H10: $4.9m) includes $2.0m contribution from the fair value of Company Orchards arising from acquisitions during the period
- Food Division EBIT $3.5m (1H10: $3.2m)
- Managed Orchards and Company Orchards income weighted to H2
- Fully franked interim dividend of 10 cents

Earnings Summary

SELECT HARVESTS

(A$m)	1H10	1H11	Increase/ decrease
Sales Revenue	124.1	132.7	+ 7%
EBIT			
Managed Orchards	9.2	6.0	- 34%
Company Orchards	4.9	5.8*	+18%
Almond Division	**14.1**	**11.8**	**-16%**
Food Division	3.2	3.5	+7%
Corporate	(1.8)	(1.8)	
EBIT	**15.6**	**13.5**	**-14%**
Interest Expense	(1.2)	(1.6)	
Net Profit before tax	14.3	11.9	-17%
Tax expense	(4.2)	(1.8)	
Net profit after tax	**10.1**	**10.1**	**-**

* *Includes $2.0m fair value adjustment arising on acquisition of Company Orchards*

Strong balance sheet

SELECT HARVESTS

Balance Sheet as at 31 December 2010

(A$m)	H110	FY10	1H11
Current Assets	67.4	70.8	72.9
Cash	1.8	13.2	4.4
Non Current Assets	134.1	145.7	172.2
Total Assets	**203.3**	229.7	**249.5**
Current Liabilities	43.3	40.3	29.5
Borrowings	35.0	58.2	35.0
Non Current Liabilities	14.7	17.5	19.6
Total Liabilities	**93.0**	116.0	**84.1**
Total Equity	**110.3**	113.7	**165.4**
Net Debt to Equity	30%	39.6%	18.5%

Cash flow

SELECT HARVESTS

(A$m)	1H10	1H11
EBITDA	17.9	13.9*
Working Capital (increase)/decrease	9.3	(17.1)
Taxes (paid)/received	**(3.7)**	**1.5**
Interest paid	(1.6)	(1.6)
Operational cashflows	21.9	(3.3)
Investing cashflows	(2.7)	(22.9)
Proceeds from capital raising	-	45.1
Debt decrease	(24.0)	(23.2)
Dividends paid	-	(4.4)
Net decrease in cash	**(4.8)**	**(8.7)**
Net debt	**33.2**	**30.6**

- H1 working capital largely reflects expansion of Company Orchards
- 2011 growing crop fully funded
- Investing cash flows to support growth
- Cash inflows from almond sales weighted to H2
- $71m debt facility available

* *Excludes $2.0m fair value adjustment arising on acquisition of Company Orchards*

Investing cashflows in H1

SELECT HARVESTS

Lake Powell acquisition	$3.8 m
Western Australia greenfield development	$6.6 m
Capital investment in Company Orchards	$4.5 m
Processing plant capacity upgrade	$3.1 m
Capital equipment (to be leased)	$4.9 m
Total	$22.9 m

Almond division – Managed Orchards

SELECT HARVESTS

- 1H11 EBIT $6.0m (1H10: $9.2m):
  - rebased management services fee structure
  - higher processing costs due to wet harvest
  - no incentives achieved, potential to earn incentives in future
  - Expected to benefit from increased processing volumes during 2H11

- 2011 Managed Orchards crop estimated to be 15% to 20% above 2010 crop
  - below normal industry yields due to legacy issues and climatic conditions during growing period

Almond division – Managed Orchards

SELECT HARVESTS

- Total 34,000 acres of Managed Orchards
- All farm programs now restored to full horticultural programs, including water applications following transition of ownership
- Managed Orchards expected to return to normal industry yields over time, with increased maturity profile to drive increase in volumes
- Investment in capacity upgrade to support projected increased processing volumes

Almond division – Company Orchards

SELECT HARVESTS

- Underlying EBIT of $3.8m (1H10: $4.9m)
- 1H10 EBIT of $4.9m was based on higher prevailing almond price at that time
- FY10 EBIT of $6.8m reflected the annualised almond price for the FY10 crop which was lower than the estimate at the half year
- $2.0m gain from revaluation of Lake Powell orchards reflects opportunity to buy established orchards at below replacement value
- 2011 crop estimated 5,000mt (2010 crop: 2,800mt)

Almond division – Company Orchards

SELECT HARVESTS

- Significant progress in strategy to expand Company Orchards:
  - $1.0m acquisition of 116 acres in Bannerton Park, near Robinvale
  - $3.8m acquisition of 530 acres at Lake Powell, near Robinvale completed December 2010
  - Investment in Capex (tree development) and working capital
  - Stage one planting of 2,000 acres in WA successful
  - Stage two planting of 2,300 acres scheduled winter 2011
- At 9,300 acres Company Orchards now represent over 21.5 percent of total acreage under management
- Continue to evaluate opportunities to acquire further orchards

Food division

SELECT HARVESTS

- EBIT increased 7% to $3.47m
- Continued growth in Value Added product EBIT up 59 % to $2.25m
- Annualised through put of almonds is 4,600mt up 10%
- Continue to realise benefits from business rationalisation
- Momentum driven by successful range extensions of the “Lucky” brand e.g. Smart Snax, Lucky 6 packs, and consumer understanding of health benefits
- Marketing fee income of $1.2m down from $1.8m impacted by rebased fees with incentives not yet earned or realised
- Marketing fee income in 2H11 expected to improve as sales of the 2011 crop progress

Agenda

SELECT HARVESTS

Introduction

1H11 Results

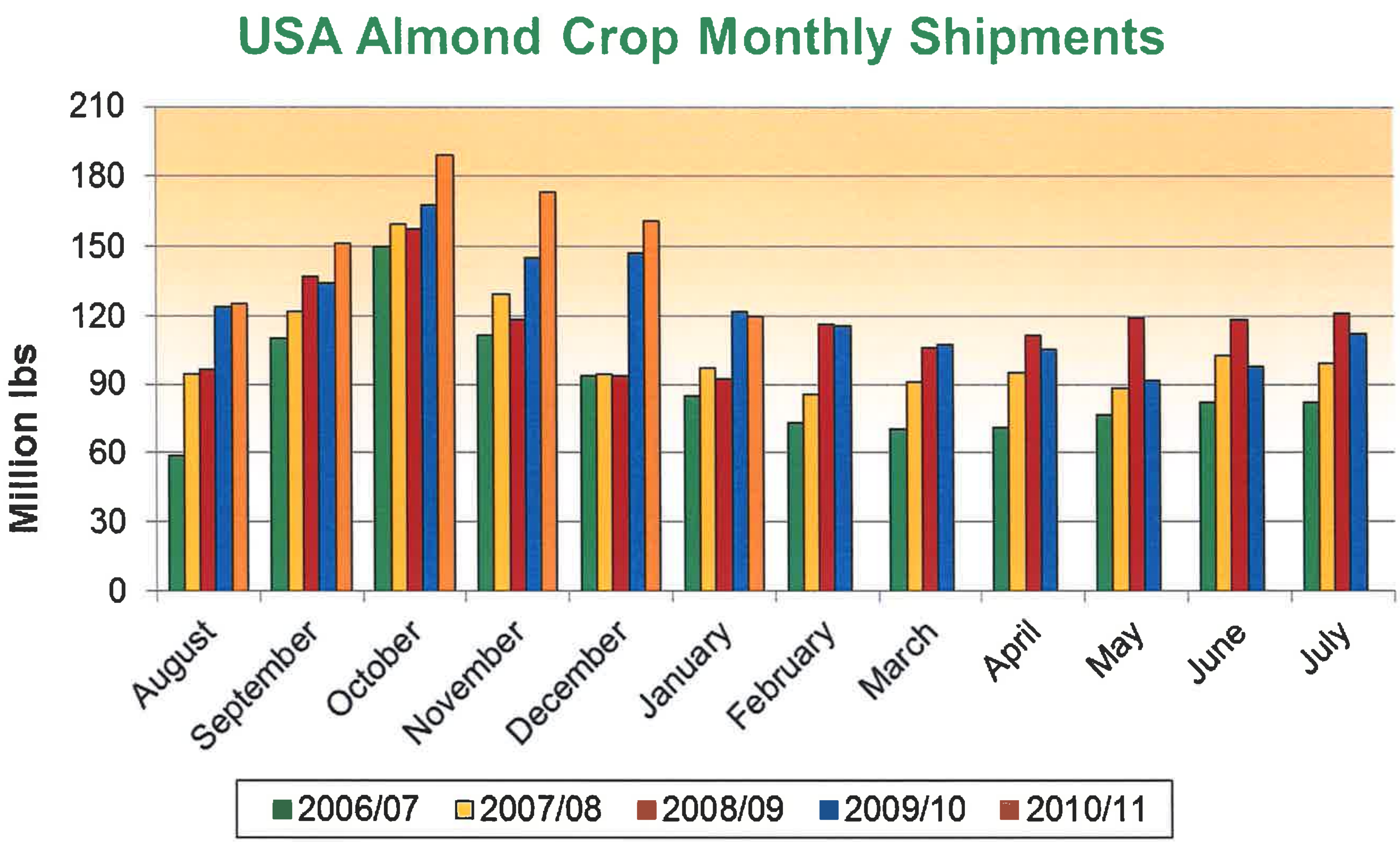
Industry Fundamentals

Strategy

Outlook

Almond sales – monthly US shipments

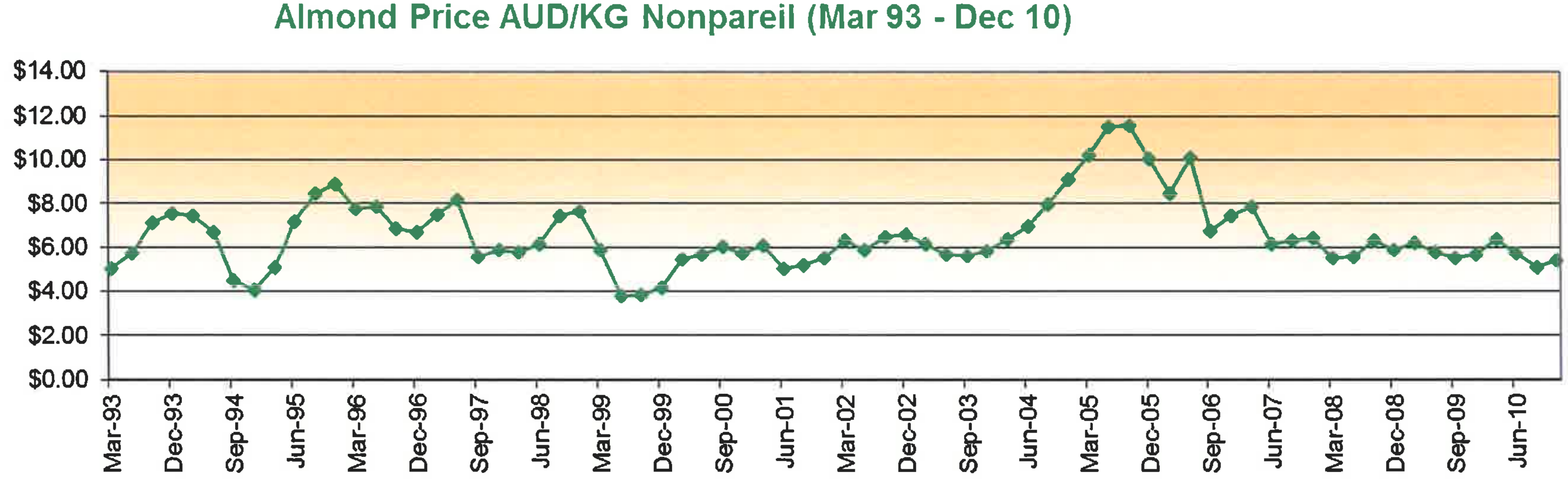
SELECT HARVESTS

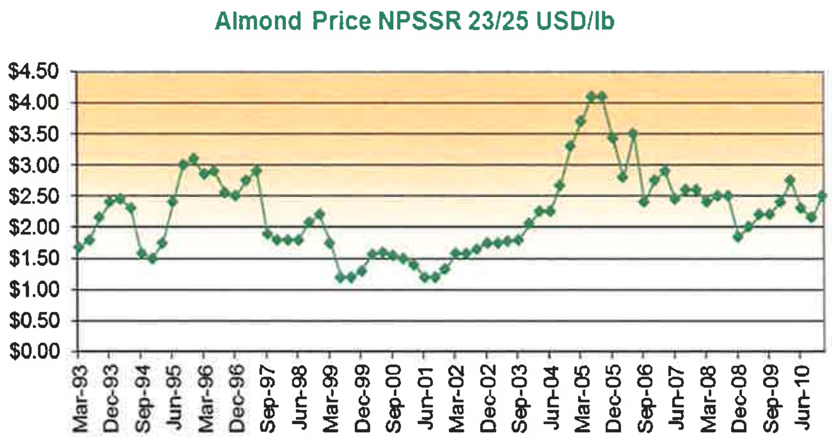


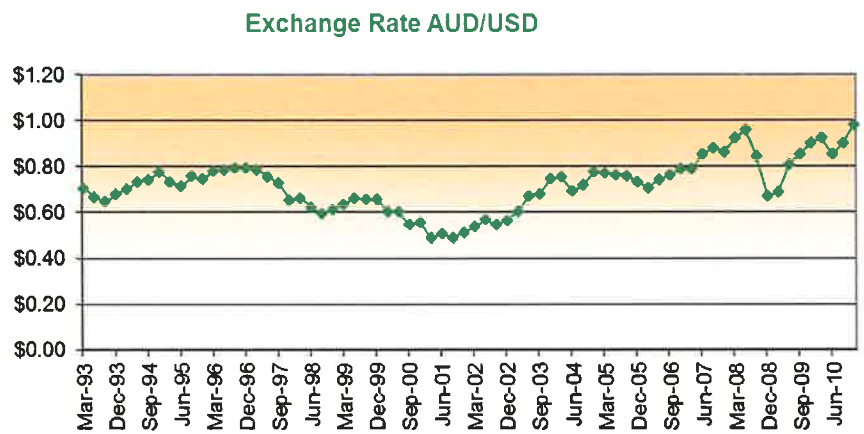
Source: Almond Board of Australia 2010

Stable almond price

SELECT HARVESTS







Australian almond industry

SELECT HARVESTS

Australia is set to become the world's no.2 global almond producer by 2015

- Advantageous natural environment
- Premium quality crop – 50% of Australia's crop is the premium nonpareil variety
- Well positioned to serve increasing demand from emerging markets e.g. India, China
  - India is already Australia's largest almond export market
- Australian almond crop expected to double in next five years

Select Harvests is the leading almond producer in Australia

- Driver of growth in Australian industry for over 30 years
- Second largest managed area globally
- Proven orchard development capability
- Most advanced processing facilities in Australia at Robinvale
- Strong international reputation: well established export channels to high growth markets
- Experienced management team

Agenda

SELECT HARVESTS

Introduction

1H11 Results

Industry fundamentals

Strategy

Outlook

Select Harvests' almond strategy

SELECT HARVESTS

COMPANY ORCHARDS (WA, VIC, NSW)

- Expand Company Orchards, geographic diversification :
  - Acquire or lease established orchards across established growing regions (e.g. Hillston, Lake Powell, Bannerton Park)
  - Develop orchards in WA where new plantings are economical
  - Gain access to full almond value chain

MANAGEMENT SERVICES

- Retain, grow and diversify orchards under management
- Leverage presence of Company Orchards in new regions to grow management services

FOOD DIVISION

- Effective route to market for almonds and value add products
- Leverage strong brands

✓ Continue to increase company orchards and orchards under management to diversify business, provide higher degree of control and benefit from full value chain

✓ Leverage expertise in establishing and managing almond orchards and processing, marketing and selling almonds

Select Harvests' drivers of growth

SELECT HARVESTS

Volume growth from existing orchards reaching full maturity

- 43,300 acres under management, including 9,300 acres Company Orchards
- Expected to generate 52,000 mt at full maturity based on industry average yield projections

Expand company orchards

- Acquire and lease orchards reaching full maturity and generating cash
- Greenfield development in WA - entry cost below replacement value in Murray Darling

Grow and diversify orchards under management

- Leverage presence of Company Orchards in new regions to grow management services
- Potential to upscale existing processing facility

Expanded footprint in Victoria and NSW

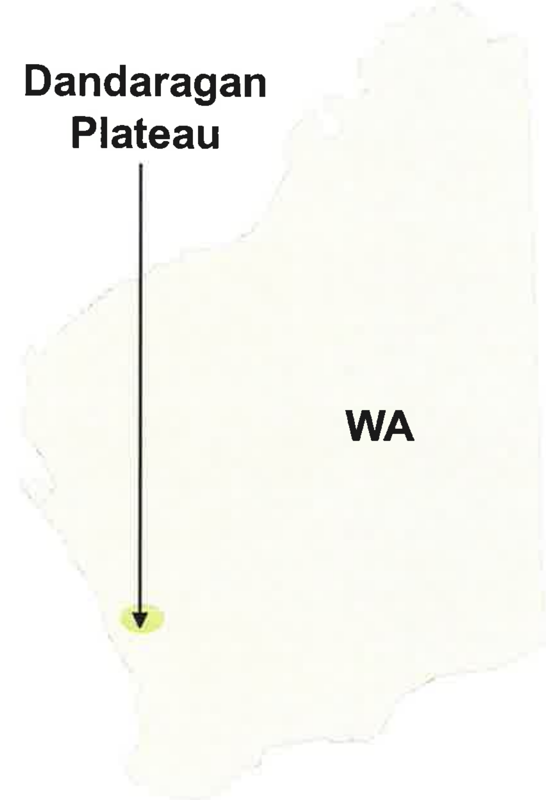
SELECT HARVESTS

- Continue to evaluate opportunities to lease or buy established orchards
  - $1m acquisition of 116 acres at Bannerton Park, Victoria
  - $3.8m acquisition of 530 acres at Lake Powell, Victoria
- Expanded footprint in NSW via long lease agreements with Rural Funds Management
  - 3,000 acres near Hillston, NSW
  - 20 year lease, annual rental payment
  - Will deliver first crop this year
- 4,300 acres of Company Orchards in Northern Victoria
  - Set to reach full maturity by 2014

Growth in Western Australia

SELECT HARVESTS

- Stage 1 development of 2,000 acres of greenfield orchards:
  - Planting completed winter 2010
  - Trees growing well with first crop expected 2013; full maturity expected in 2017
- Stage 2 planting scheduled for winter 2011:
  - 2,300 acres
  - Water license now in place
- 4,300 acres plus 22,000 ML of permanent water licenses
- Water applications in progress for Stage 3 planting
- Opportunity to grow footprint to 10,000 acres in total
- Reviewing options to develop Stage 3 and 4 plantings



✓ Climate and soil type indicate excellent growing potential
✓ Reliable and cost effective long term water source

Western Australia orchards – Stage 1

SELECT HARVESTS

Agenda

SELECT HARVESTS

Introduction

1H10 Results

Industry Fundamentals

Strategy

Outlook

Outlook

SELECT HARVESTS

- Improved performance from Company Orchards in the second half expected to offset lower fee income from Managed Orchards
- Based on current crop estimates, current almond prices and normal harvest conditions this should result in an improved FY11 net profit after tax over FY10*
- Fundamentals of the global almond market remain very attractive:
  - Demand expected to outstrip supply within five years
  - Market expected to be worth an estimated US$4.5bn by 2013
- Water outlook significantly improved, with return to full allocations and horticultural programs for managed orchards
- Select Harvests well positioned to grow and diversify its portfolio of owned, leased and managed orchards, increasing exposure to the full almond value chain

*excluding $2.0m revaluation of orchards

Questions