

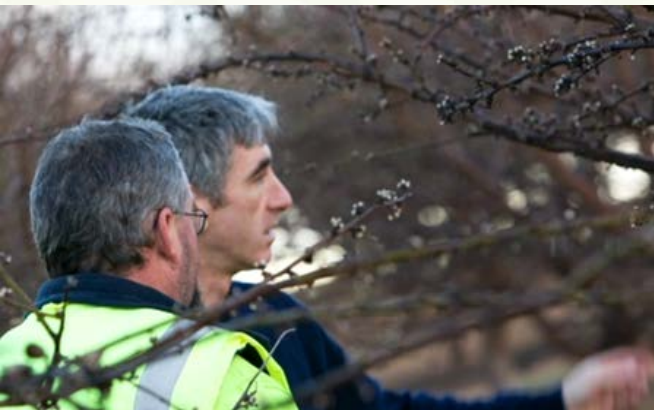


SELECT HARVESTS

Select Harvests

2011 Full Year Results

29th August 2011





Overview

Financial & Operating Performance

Strategy

Strong Industry Fundamentals

Outlook





FINANCIAL PERFORMANCE REFLECTS EXTERNAL PRESSURES

- NPAT of \$17.7 million (FY10: \$17.3 million). Includes EBIT impact of discount on acquisition of almond orchards of \$5.6 million (net of transaction costs) and \$1 million one off costs in the Food Division.
- EPS 33.7 cents per share (FY10: 43.3 cents per share)
- Final dividend of 3 cents resulting in fully franked full year dividend of 13 cents (FY11: 21 cents)
- FY11 crop est. 22,600mt (FY10: 21,400mt), below forecasts:
 - Trees recovering from drought years
 - Adverse climatic conditions during growing cycle
 - Heavy and frequent rainfall before and during harvest impacting on quality of almonds
 - Delay in processing and marketing of almonds
- Strong AUD and weaker than anticipated almond price impacts revenue

STRONG MOMENTUM IN EXECUTION OF STRATEGY

- Significant progress in strategy to expand Company Orchards
- Company Orchards, almost quadrupled to 13,100 acres, with attractive maturity profile
 - 2,145 acres acquired in NSW, VIC in FY11
 - WA Stage 1 - 2,000 acres; planted in 2010
 - WA Stage 2 - 2,300 acres; 1930 acres in 2011
- Continue to seek opportunities to expand Company Orchards and leverage world leading orchard management expertise

WELL POSITIONED TO TRANSITION FROM OLAM CONTRACT

- Notification received from Olam that contract will not be extended beyond 2012 crop
- No impact on 2011, 2012 earnings; part impact 2013 earnings
- 17,600 acres under management excluding Olam with potential to yield 23,000mt at maturity and favourable maturity profile matched with projected tightening of global almond supply.





Increased cost of production

- Drought conditions - now eased
- Higher fertiliser & power costs

Lower yields and wet harvest

- Crop below “standard industry yields”
- Crop quality impacted
- Processing & marketing fee impact on SHV
- Higher processing costs

Higher AUD and lower almond price

- AUD at 30 year highs
- Quality impact on sales mix
- Lower achieved selling price

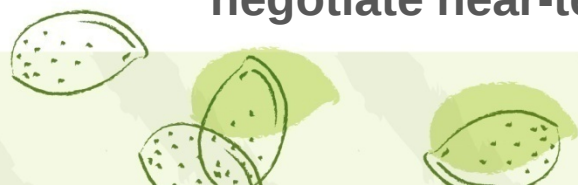


Orchard owners experiencing near-term pressure

Orchards available at attractive prices

Long-term fundamentals remain strong

Select Harvests integrated model and balance sheet enables company to negotiate near-term challenges, position for growth





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Income statement

(\$m)	Year ended 30/06/11	Year ended 30/06/10
Sales revenue	248.3	238.4
EBIT		
Managed Orchards	14.1	17.7
Company Orchards ¹	8.1	6.8
Almond Division	22.2	24.5
Food Division ²	3.7	5.1
Corporate	(3.3)	(3.6)
EBIT	22.6	26.0
Interest Expense	(3.4)	(2.4)
Net Profit Before Tax	19.2	23.6
Tax Expense ³	(1.5)	(6.3)
Net Profit After Tax	17.7	17.3

1. Includes \$5.6 m impact of discount on acquisition, net of transaction costs

2. Includes \$1 m costs impact of product recall and one off costs

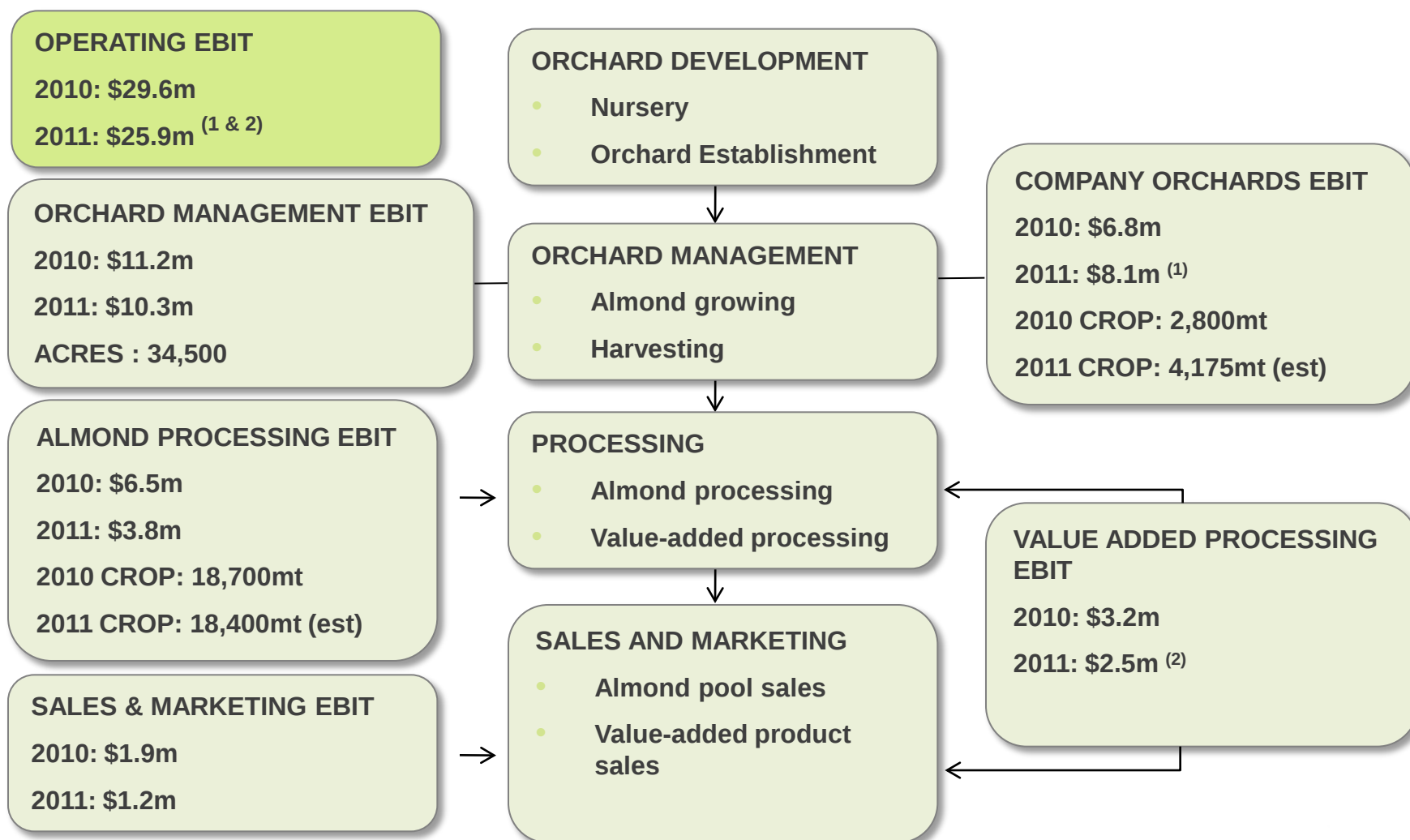
3. Includes \$2.3 million of R&D credits



Operating EBIT



SELECT HARVESTS



1. Includes \$5.6m impact of discount on acquisition, net of transaction fees
2. Includes \$1 million of one off costs/product recall costs

Balance sheet



SELECT HARVESTS

(\$m)	As at 30/06/11	As at 30/06/10
Current Assets excl. Cash	80.6	70.8
Cash	7.4	13.2
Non Current Assets	214.3	145.7
Total Assets	302.3	229.7
Current Liabilities (excl. Borrowings)	27.5	40.3
Borrowings	80.5	58.2
Non Current Liabilities (excl. Borrowings)	25.5	17.5
Total Liabilities	133.5	116.0
Total Equity	168.8	113.7
Net Debt	73.1	45
Net Debt /Equity	43.3%	39.6%
NTA Per Share	\$2.17	\$1.87
NTA Per Share (adjusted for water rights)	\$2.49	\$2.13

- \$45m capital raising
- \$115m new debt facility agreed June 2011, comprises:
 - \$50m term debt
 - annual working capital facility
 - facility to fund investment commitments

Non-current assets increase

includes impact of:

- Acquisitions \$25m
- WA \$ 20m
- Tree development \$14m



Cash flow



SELECT HARVESTS

(\$m)	Year ended 30/06/11	Year ended 30/06/10
EBITDA (excluding discount on acquisition)	22.8	31.0
Change in Working Capital	(20.7)	4.2
Taxes (Paid)/Received	1.8	(6.5)
Net Interest	(3.4)	(3.2)
Cash flow from operating activities	0.5	25.5
Investing cash flows	(65.5)	(15.2)
Equity raised	45.1	-
Change in Debt	24.0	(1.5)
Dividends Paid	(8.2)	(2.9)
Net Increase in Cash and Cash Equivalents	(4.1)	5.9

- Source of funds:
 - Equity raising \$45m
 - Increase in debt \$24m
- Use of Funds:
 - Acquisitions \$25m
 - WA development \$20m
 - Tree development \$14m
 - Working capital
- Working capital increase:
 - Investment to fund the crop cycle for increased Company Orchards acreage
 - Delay in sales program 2011 crop

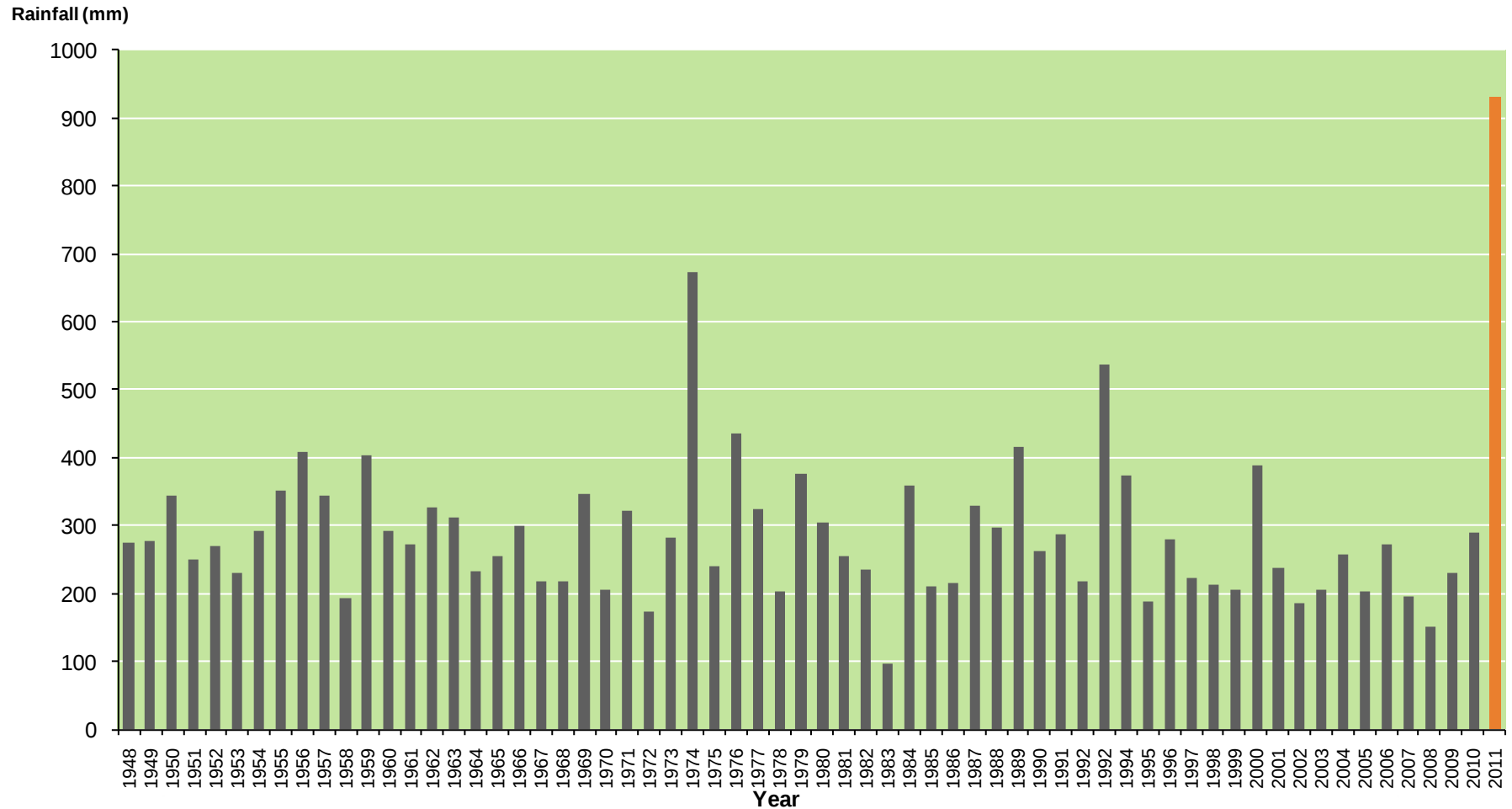


Industry pressures - rainfall



SELECT HARVESTS

Annual seasonal rainfall



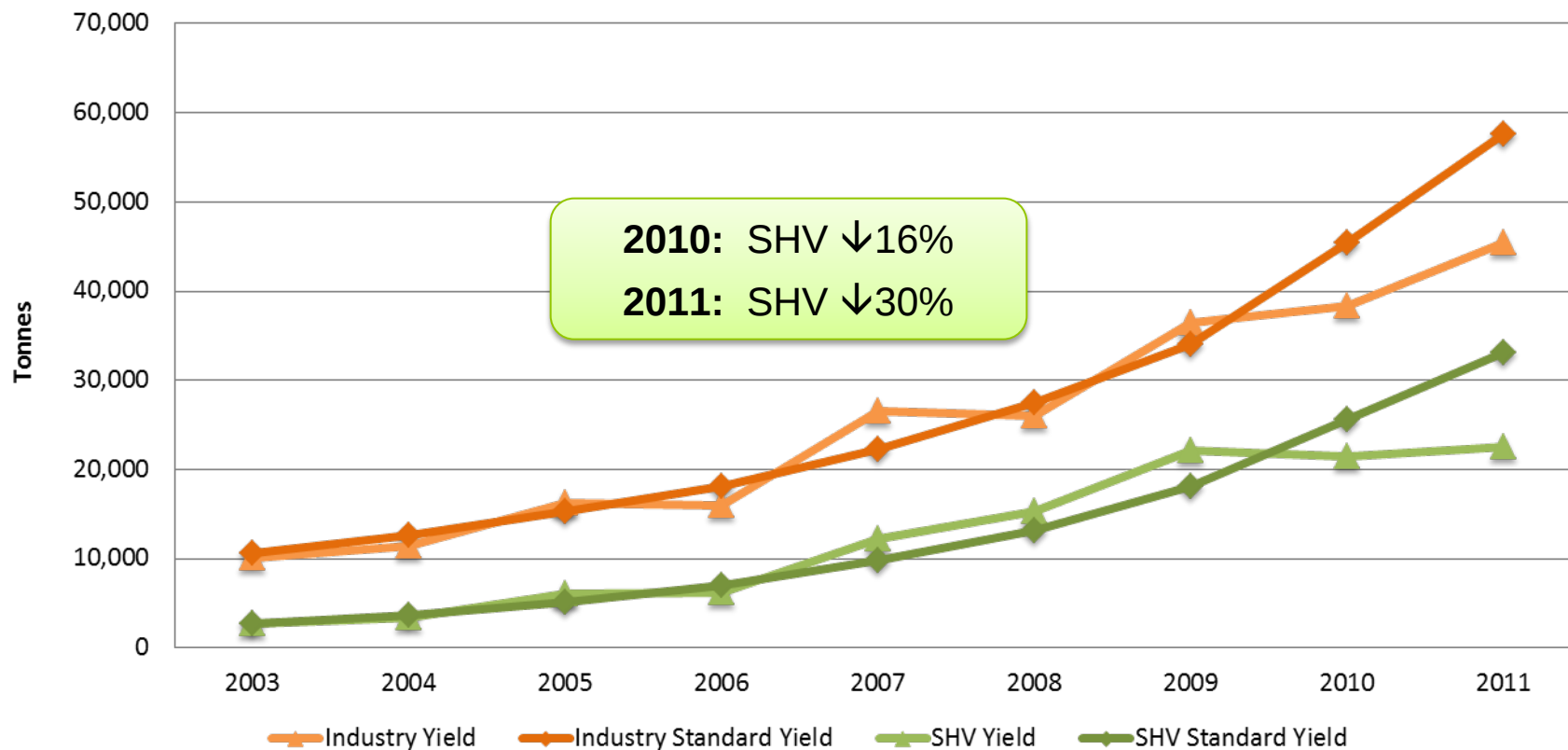
Source: Bureau of Meteorology, Mildura Airport.

Industry pressures - yields



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Crop below “standard industry yields” over past two years



Standard Industry Yields – standard yield per acre applied by Almond Board of Australia to project annual industry crops



Almond Division – Managed Orchards



SELECT HARVESTS

- EBIT \$14.1m (FY10: \$17.7m)
- FY11 crop est. 18,400mt vs FY10 18,600mt
- Yields below standard industry yields
- Olam base fee structure 12 months v 6 Months in 2010
No incentive payments achieved
- Higher processing costs due to wet harvest and product quality
- 2012 crop estimate based on standard industry yield
33,800mt



Almond Division – Company Orchards



SELECT HARVESTS

- EBIT \$8.1m (FY10: \$6.8m) includes \$5.6m discount on acquisition, net of transaction fees
- FY11 crop est. 4,175mt (FY10: 2,800mt) while below initial estimates reflects increased acreage and maturity profile
- FY11 estimated almond price is 12% below that achieved in FY10
- Increased costs of processing from wet harvest
- Strong momentum in strategy to expand Company Orchards:
 - 530 acres Lake Powell, Sunraysia Vic
 - 117 acres Bannerton Park, Sunraysia Vic
 - 1,500 acres Belvedere orchards, Riverina NSW
 - Stage 1 WA planting of 2,000 acres in winter 2010
 - Stage 2 WA planting of 2,300 acres underway
- Acquired orchards are established and nearing maturity
- FY12 crop estimate based on standard industry yields 8,200mt





- EBIT \$3.7m (FY10: \$5.1m)
- Performance impacted by precautionary recall of almonds in Australia in April 2011. Lost sales and one off recall costs of \$ 1m. Sales volumes now rebuilding.
- Excluding impact of one off costs value-added EBIT increased 9% to \$3.5m due to range extensions and product innovation in “Lucky” range
- Marketing fee income of \$1.3m (FY10: \$1.9m) reflects rebased Timbercorp fee structure and lower prevailing almond prices
- Focus remains on optimising sales of core almond brands and almond based products





Overview

Financial & Operating Performance

Strategy

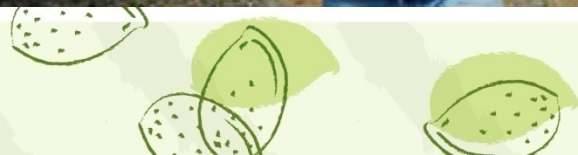
Strong Industry Fundamentals

Outlook





- Select Harvests' strategy is to increase orchards under management, broadening our access to the full almond value chain:
 - Expand Company Orchards through acquisition, long-lease or by establishing new orchards
 - Leverage our world-leading management capabilities, and expanding Company Orchards footprint, to secure managed services contracts





Strategy progression

2008/09

Managed Orchards model reflecting market conditions:

- suited MIS structure
- Timbercorp largest customer
- minimum capital required
- annuity like income stream

April 2009: Timbercorp entered voluntary administration;

Select Harvests managed 29,500 acres Timbercorp orchards while buyer found

September - December 2009: Olam acquired Timbercorp orchards

2009/10

Strategy evolved to address structural shift:

- stabilise business
- restructure capital position
- acquire established orchards
- progress WA development

January 2010: Three year contract secured with Olam

February - March 2010: 3,000 acres leased at Hillston, NSW;

\$88m debt funding agreed to support growth

August 2010: \$45m capital raising;

Stage 1 planting of 2,000 acres completed in WA

2010/11

Select Harvests today:

- significantly increased proportion of Company Orchards
- favourable maturity profile
- diversified, integrated almond producer

February 2011: Acquisition of 115 acres at Bannerton Park, 530 acres at Lake Powell

June 2011: Acquisition of 1,500 acres Belvedere orchards, NSW;

Stage 2 WA planting of 2,300 acres underway;

\$115m new debt funding agreed

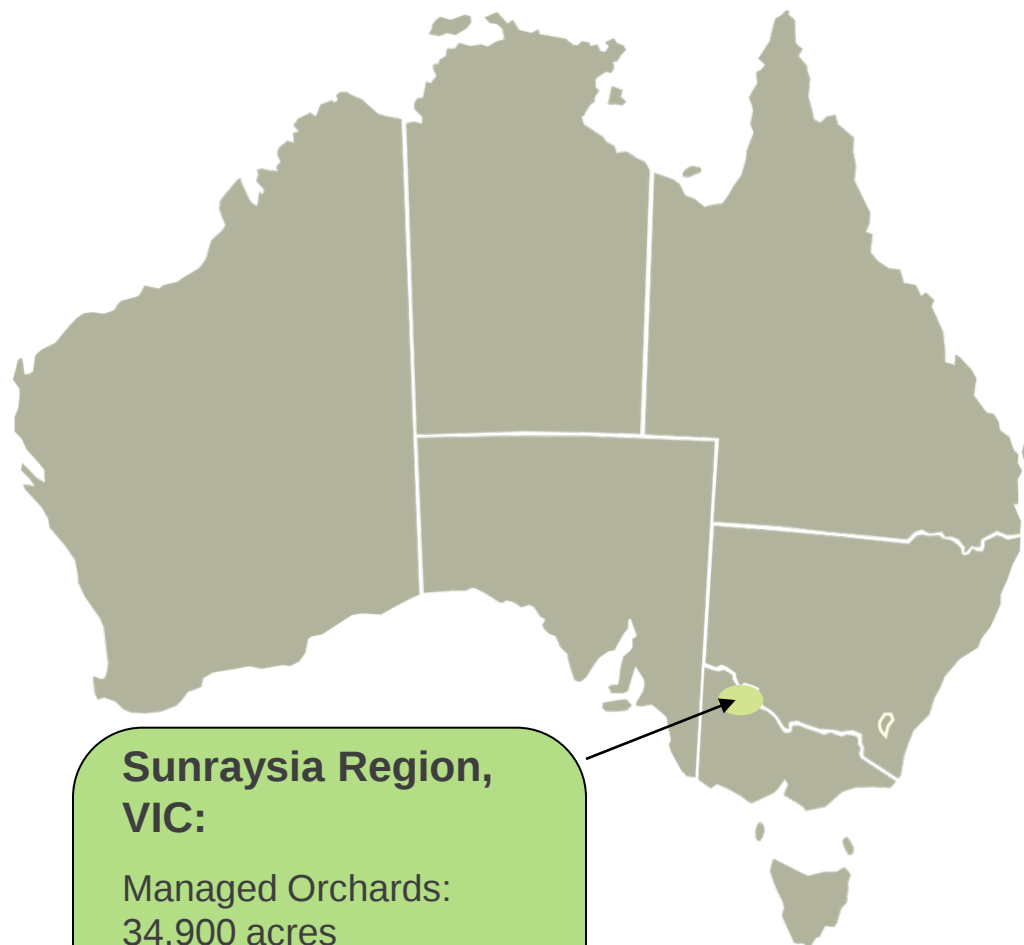


Company Orchard Profile 2009



SELECT HARVESTS

- FY09: Total orchards under management: 38,300 acres
- Orchards concentrated in Sunraysia region Northern Victoria
- Company Orchards <10% portfolio, 10% FY09 EBIT
- New processing facility with 40,000 tonnes capacity



Sunraysia Region, VIC:

Managed Orchards:
34,900 acres

Company Orchards:
3,400 acres

Processing Facility



Company Orchard Profile 2011



SELECT HARVESTS

FY11 total orchards under management: 47,080 acres

Managed Orchards: 33,980 acres

Company Orchards: 13,100 acres

- 3,300 acres Robinvale, VIC
- 3,000 acres long-lease Hillston, NSW
- 1,500 acres Belvedere orchards, NSW
- 300 acres Carina, VIC
- 530 acres, Lake Powell, VIC
- 116 acres, Bannerton Park, VIC
- 2,100 acres, Stage 1 planting, WA
- 2,300 acres, Stage 2 planting, WA

Company Orchards >28% portfolio,
Processing facility significant spare capacity

Wheatbelt Region, WA:

Company Orchards:
2,000 acres – Stage 1
2,300 acres – Stage 2

Riverina Region, NSW:

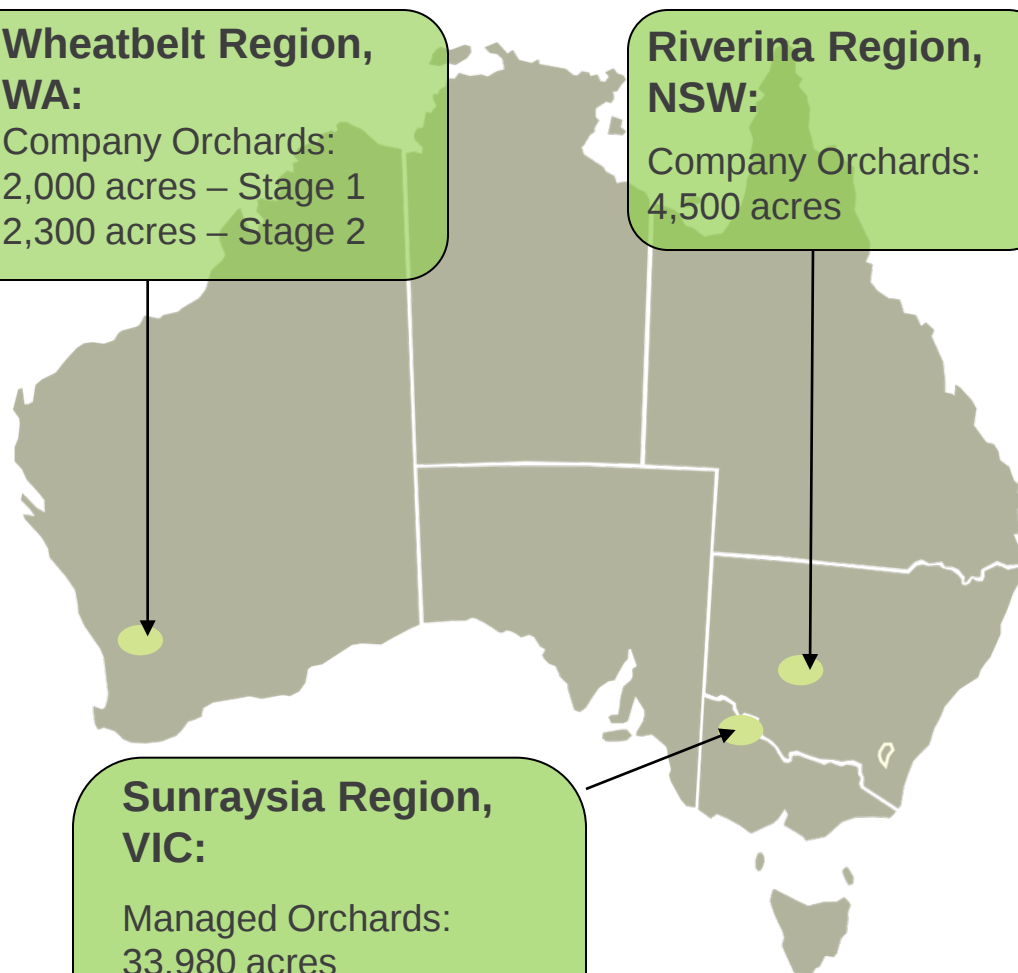
Company Orchards:
4,500 acres

Sunraysia Region, VIC:

Managed Orchards:
33,980 acres

Company Orchards:
4,300 acres

Processing Facility





In May 2011 we announced that Olam would not extend orchard management contract beyond the 2012 crop:

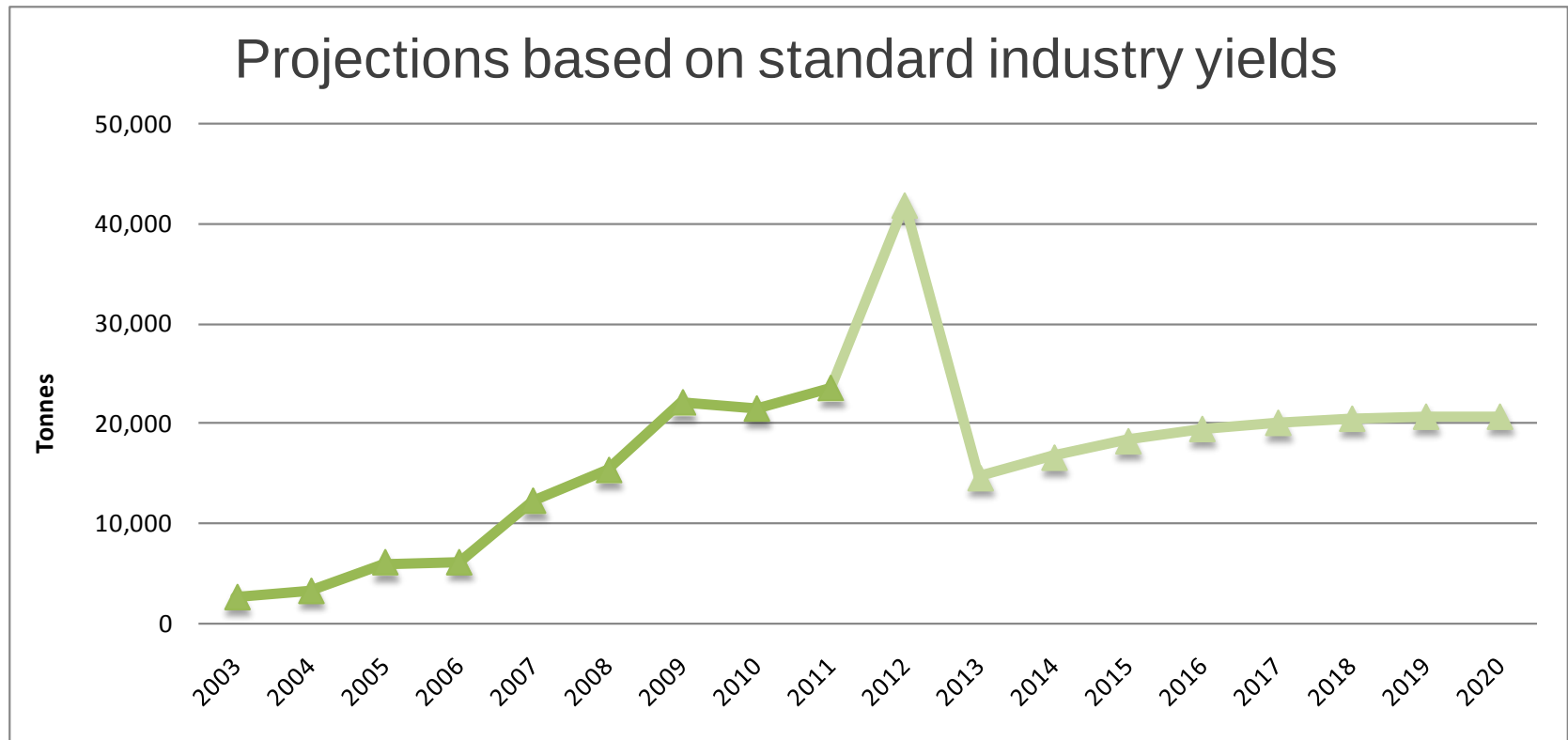
- Agreement covers 29,500 acres of almond orchards in Northern Victoria, formerly owned by Timbercorp and managed by Select Harvests
- Managed on a three year contract announced in December 2010 and comprising:
 - Baseline management, processing and marketing fees
 - Potential to earn incentive payments based on certain hurdles
- No impact on FY11 and FY12 earnings; part impact on FY13 earnings
- Olam has publicly stated the decision consistent with strategy to manage all of its nuts businesses across the value chain



Select Harvests projected crop profile



SELECT HARVESTS



Standard Industry Yields – standard yield per acre applied by Almond Board of Australia to project annual industry crops





Future revenue drivers

- Volume growth from existing orchards under management as they reach full maturity:
 - 17,600 acres under management excluding Olam
 - Potential to yield 23,000 tonnes at full maturity
- Expansion of Company Orchards:
 - Continue to seek opportunities to acquire and lease cash generative orchards
 - Further greenfield development in WA
- Securing farm services and processing and marketing contracts:
 - Leverage managed services capabilities
 - Utilise available processing capacity and marketing capabilities to meet industry demand





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Global supply-demand dynamic attractive

- Global market worth an estimated US\$4.5 billion
- Supply and demand have grown at 8% CAGR over past decade
- Current demand growth trending above average growth rate; average supply growth cannot be maintained due to slow-down in recent planting activity
- Annual consumption has exceeded production over past two years
 - Post GFC carry-over stock has softened upward price pressure so far

Global Almond Supply and Demand





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

- Australia's product quality and counter seasonal timing allows access to premium market segments
- Future production increases will occur as young plantings reach maturity, bringing productive capacity up from 40,000 tonnes to more than 85,000 tonnes by 2015
- World almond supply set to plateau in coming years

Almond Production Forecast

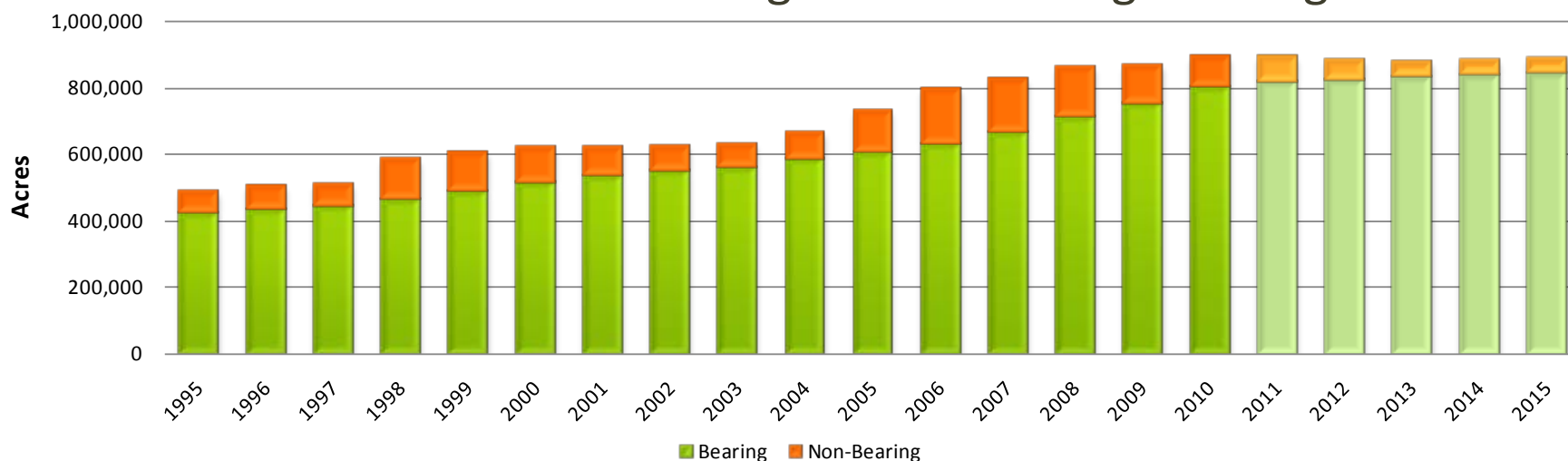




Yield and maturity profile

- Over the medium term global almond production will plateau as both US and Australia have scaled back planting
- Given the long lead time in generating new production, new plantings will only have a marginal impact in the next few years

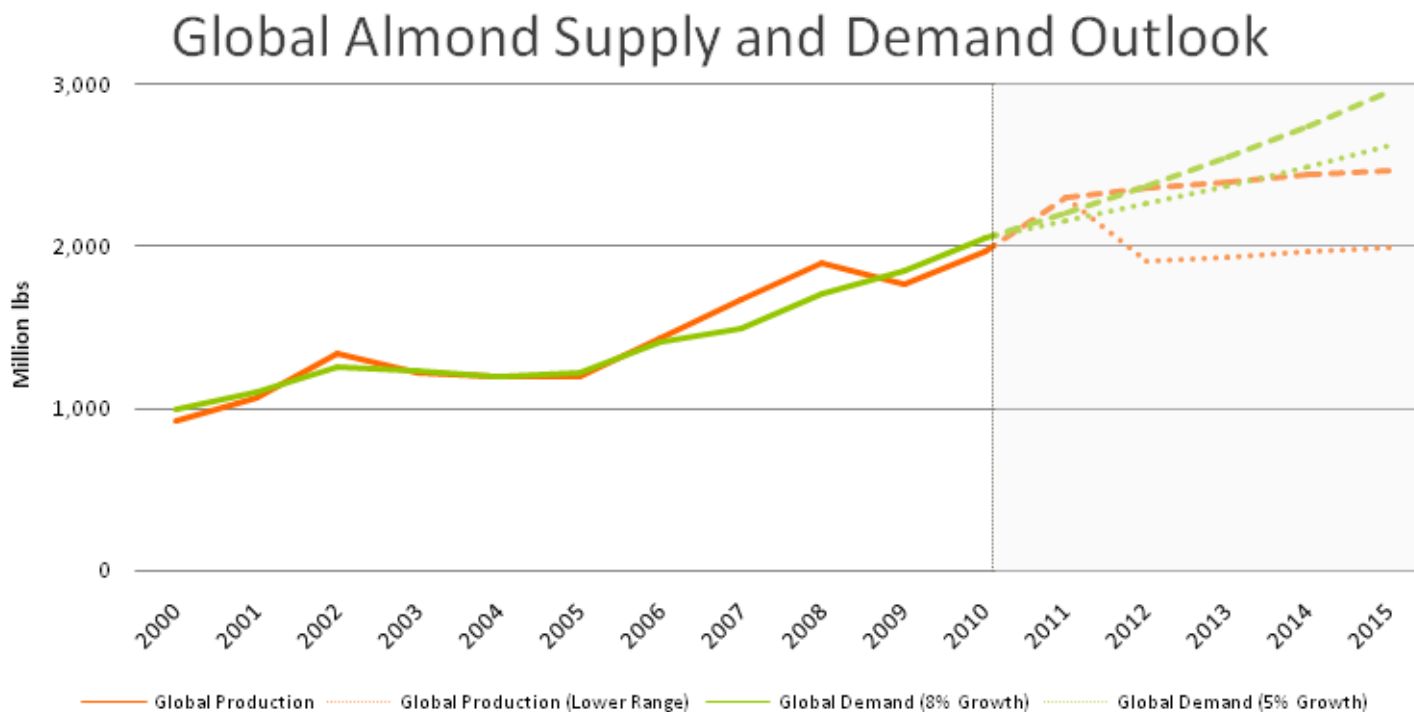
Global Almonds - Bearing vs Non-Bearing Plantings





Supply and demand outlook positive

- Positive pricing pressure is expected as continued growth in demand for almonds exceeds plateauing supply
- Annual world plantings unlikely to match consumption growth
- Future almond supply constrained by limited access to suitable production elements: climate, land and water

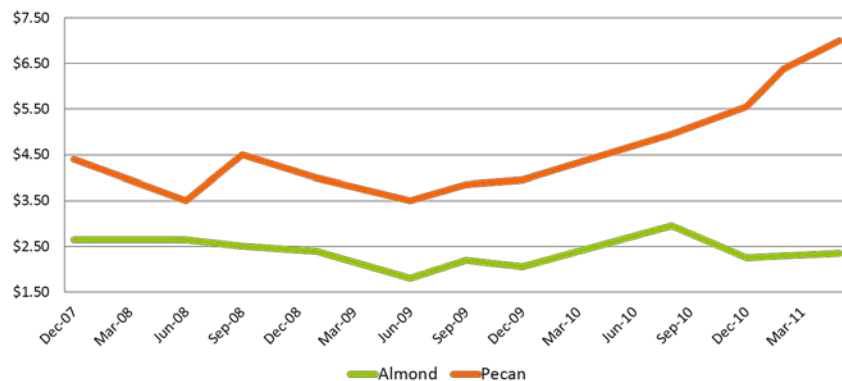




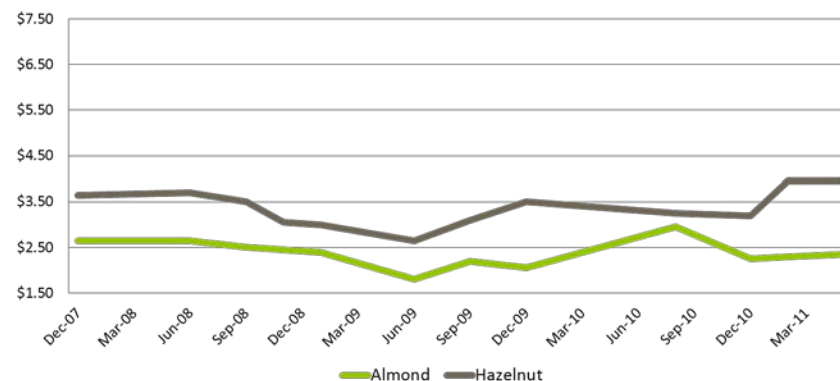
Almonds vs other nut categories

- Almonds are currently trading below other edible nut categories which have tighter supply scenarios

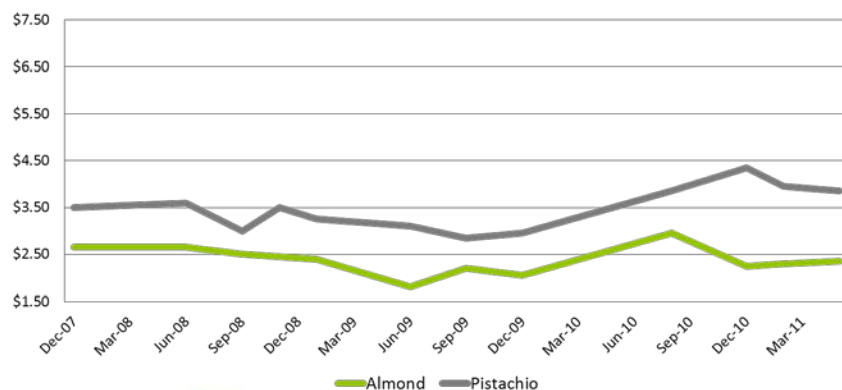
Almond vs Pecan Pricing - USD/lb



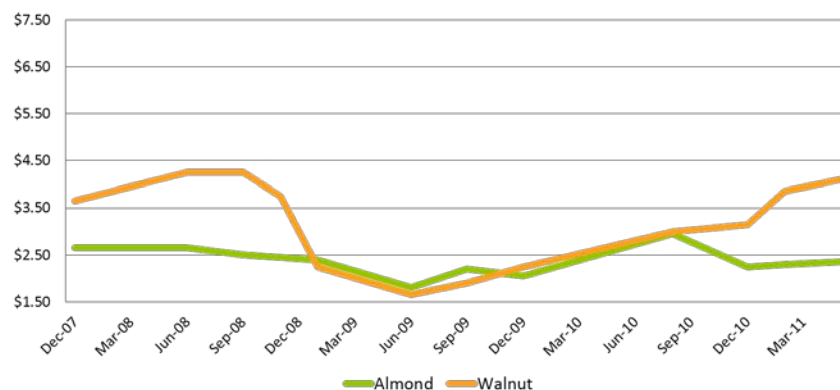
Almond vs Hazelnut Pricing - USD/lb



Almond v Pistachio Pricing - USD/lb



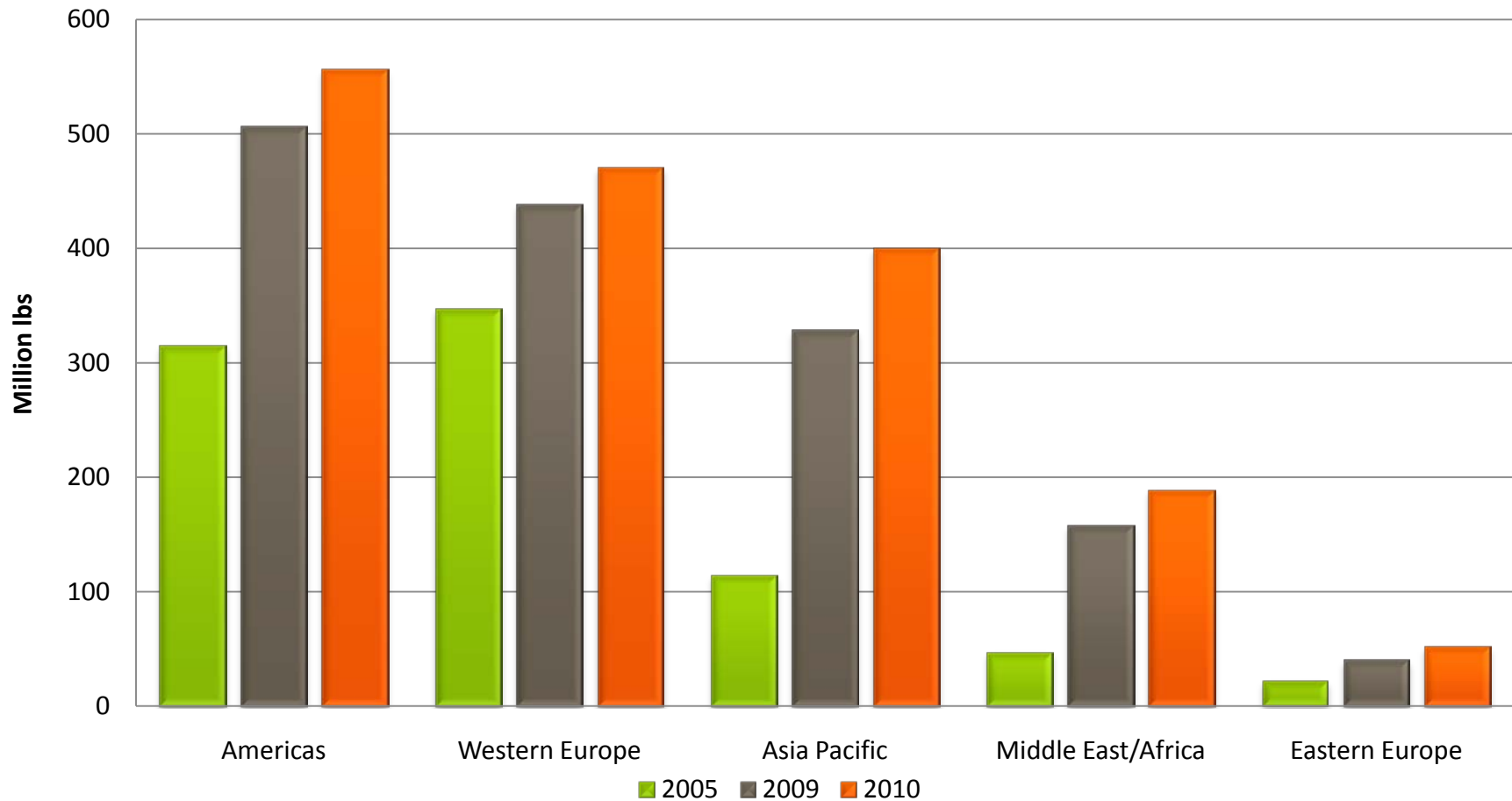
Almond vs Walnut Pricing - USD/lb



US Almond Shipments by Destination



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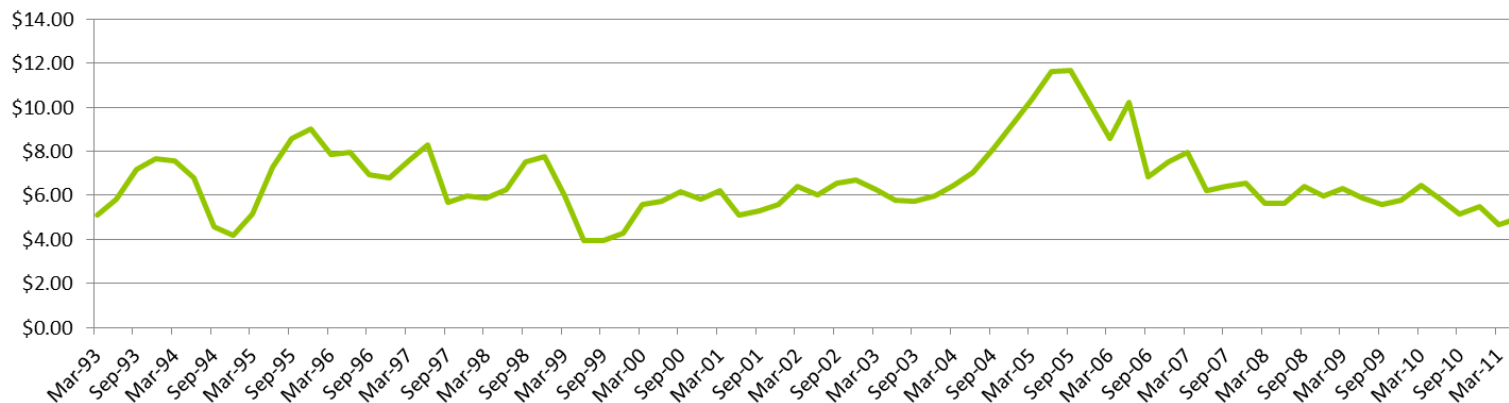
Source: Almond Board of California, 2011

Long-term almond price dynamics



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Almond Price AUD/KG Nonpareil (March 1993 - June 2011)



Almond Price NPSUP 23/25 USD/lb



Exchange Rate AUD/USD



Agenda



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FY12 performance is expected to be better than FY11 based on “standard” growing and harvesting conditions, with expected benefits from:

- Good crop potential across Company and Managed Orchards
 - Expanded acreage and improved maturity profile of Company orchards
 - Cumulative effect of higher water allocations
 - Good flowering and pollination conditions supporting 2012 crop set
- Volume driven increase in processing and marketing fee income derived from Managed Orchards
- A return to normalised conditions and improved quality supportive of improved underlying almond price



Outlook: Well Positioned



SELECT HARVESTS

Select Harvests is the leading almond manager in Australia:

- Established industry expertise – a driver of growth in Australian almond industry for over 30 years
- Strong and diversified orchard portfolio with attractive maturity profile matched with future global supply constraints
- Integrated almond producer with established route to market
- Compelling growth strategy to expand total acreage under management
- Most advanced processing facilities in Australia, at Robinvale
- Strong international reputation
- Experienced management team



Outlook: Future Opportunities



SELECT HARVESTS

Attract additional almond investment based on strong global supply-demand dynamics:

- Expand orchards in WA
- Acquire orchards in Murray Darling Basin
- Increase throughput, utilising processing and marketing capabilities



Questions



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