16 November 2015

Australian Stock Exchange
Company Announcements Office

Dear Sir/Madam

Costa Group Holdings Ltd (ASX: CGC) - presentation to UBS Australasia conference

Attached is a presentation to be presented today by the Company's Chief Executive Officer, Harry Debney, at the UBS Australasia conference in Sydney.

Yours faithfully

D Thomas

David Thomas
Company Secretary

Adapting and initiating change

November 2015

Important notice

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Costa Group – adapting and initiating change

- Costa is now Australia's largest horticultural company with Transacted Sales of circa $1 billion(1).
- We have undertaken a transformational journey over the past six years from an undifferentiated traditional produce company to a tightly focused growth company
- Costa's journey of adapting to, and initiating change to improve profitability has spanned a number of key themes
- Our core competence, our values and people culture has underpinned these changes

Today, our business model can be simply stated as …….

Business Model

- Portfolio of attractive fresh produce categories
- Integrated farming, packing and marketing operations
- Active risk management – 80% protected cropping, portfolio, geographic diversity
- 52 week production via geographical reach, varietal mix and agronomic expertise
- Product and process IP as a key differentiator
- #1 market position in core categories with high market share
- Largest fresh produce supplier to the major Australian retailers – Woolworth's, Coles and Aldi

(1) Refer Costa Group Holdings Limited Annual Report 2015 page 17 for the definition of Transacted Sales; FY2015 revenue was $724 million

Key change elements -

Major overhaul of Product Portfolio

Radical restructure of a too broad and too commoditised product portfolio:

- Exited potato, heavy produce, leafy vegetables and stone fruit categories
- Major reduction in table grapes, banana, logistics and wholesale market operations
- Selected and built four chosen categories into an integrated farming / packing / marketing model:
    - Mushroom, berry, citrus and glasshouse tomato categories, with #1 market positions
    - Continued growth opportunities through innovation, market share and category growth

Key change elements -

Proactively manage climate change and risk

Adapt to climate change AND alter the risk profile from traditional agriculture to a semi-industrial exposure:

- We live in an era of climate change, with more frequent and extreme weather events
- Costa has moved from protected cropping being 30% of produce earnings 5 years ago to 80% in FY2016
- Geographical dispersal of production sites reduces reliance on a small number of locations.
- Spread of harvest to 52 weeks ensures widest market opportunities and provides more stable cash flow

Monarto mushroom farm, SA

Devonport strawberry farm, TAS

costa
fresh is our passion

Key change elements -

Change agronomic practices

Costa was an early adopter of substrate (hydroponic) production of raspberries six years ago, and the world leader in applying this agronomic technique to blueberries

- With access to leading berry genetics (Costa and Driscoll's), the opportunity existed to develop new production techniques to optimise profit outcomes
- Blueberry trials commenced four years ago; commercial plantings two years ago.
- Today all of our blueberry growth plantings are in substrate, as are most re-plantings
- Substrate plantings require a significant increase in capital and technical skills, but with the following advantages:
  - An increase in yield from 8-10 tonnes p/ha to 20+ tonnes p/ha, depending on variety and location
  - A commercial crop in one year as opposed to three
  - Improved, consistent fruit quality
  - Protected cropping as opposed to exposed field production
  - No reliance on soil quality

Corindi blueberries, NSW

New Far North Queensland blueberry farm

costa fresh is our passion

Key change elements -

Water management

Water is a scarce resource in Australian agriculture. Costa is sustainably achieving major economies in use of water.

New 10 ha tomato glasshouse:

- The facility has been designed for full water self-sufficiency
- Rainfall is collected from the glasshouse roof, buildings, hard stands and land and stored in large holding dams.
- The site is designed to capture all allowable surface water and this passes through an ultra-filtration system to filter it for irrigation use.
- All drain water from irrigation is captured and recycled, resulting in significant water and fertiliser savings.

Citrus Farms:

- Costa farms 2,062ha of citrus and other crops in the Riverland region, and relies on the Murray-Darling system for irrigation
- Soil moisture sensing probes determine precise plant water requirements, plus conversion from sprinkler to drip irrigation reduced water consumption by ~ 40%
- Costa was able to operate through the last eight year drought maintaining tree health and crop yields

New Guyra tomato glasshouse, NSW

Key change elements -

Leveraging core competencies

Costa has well demonstrated world class blueberry varieties and agronomic skills, which we are leveraging to build an international business

Morocco JV

- Established in 2007, we are now farming 182ha of Costa blueberry varieties under permanent tunnels, supplying Europe.
- A further 90ha will be planted in FY2016 and FY2017, with additional land recently acquired to enable further growth

African Blue – Larache Farm, Morocco

China

- New JV being established in Southern China, farming raspberries and blueberries to supply the Asian market.
- Long term proposition but one with large potential.

China – first farm at Shiping, Yunnan Province

Thailand

- Two years of trialling blueberry production in Thailand may result in the establishment of a production unit there in the mid-term.

Thankyou


SCARLOTTA SEEDLESS
A SENSATIONAL RED GRAPE
AUTUMNCRISP
GREEN SEEDLESS GRAPES
SLICED MUSHROOMS
HIGH IN VITAMIN D
300 g
ARTISAN
blush
SAMPARI
SABROSO
Vine ripened tomatoes
perino
Bellino
lady fingers
Driscoll's
costa