



SELECT HARVESTS

Select Harvests Limited (“ASX:SHV”)

Overseas Investor Presentation

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June 2016



Disclaimer & Basis of Preparation



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Business Overview – Growing Together



Almond Division

- 14,303 acres of Australian almond orchards – Victoria, South Australia & New South Wales
- 80% in cash generative mature phase – very low capex required
- Improve orchard productivity through high performance farming program – top quartile yields & quality in next 2 years
- 2016 Greenfield plantings – 2,500 acres – majority to account of First State Super
- Continue to seek acquisition of mature orchards at the right price and land suitable for planting to almonds
- Improve supply chain productivity & keep costs in bottom quartile - Project Parboil & Project H2E

Food Division

- Number of Brands across categories – cooking/baking, snacking, breakfast, health
- Grow branded base for industrial and packaged divisions
 - Export focus
 - New Products & Categories

Corporate

- Leverage core capabilities of business in current & adjacent categories
- Maintain gearing at acceptable level

Growth and cash-flow are both important





Macro Trends Driving Strategy

Demand Drivers

- Health
 - Weight Loss
 - Heart Disease
 - Lactose Intolerance
 - Gluten Free
 - Coeliacs
 - Diabetes
- Wealth
 - Asian Middle class
 - Millennium population pool
 - Affordability

Supply Drivers

- Land Availability
 - Infrastructure
 - Capital
- Environment
 - Climate
 - Water availability
 - Sustainability
- Capability
 - Knowledge
 - Execution skills
 - Market access

Customer & Consumer insights drive our strategy



Strategy - Planning for excellence and growth



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1. CONTROL CRITICAL MASS OF ALMONDS

Secure the critical mass of nuts needed to maximize profitability and leverage the global almond opportunity.

2. IMPROVE YIELD & CROP VALUE

Improve yield and overall crop value by perfecting on-farm and farm to factory practices.

3. BE BEST IN CLASS SUPPLY CHAIN

Continuously improve our supply chain, achieving high quality, low cost and optimum capital utilisation.

4. INVEST IN INDUSTRIAL & TRADING DIVISION

Allocate resources to leverage our trading skills and grow sales in the industrial channel.

5. STRENGTHEN PACKAGED FOOD BUSINESS

Commit funds and develop structure to generate domestic and export growth for the packaged food business delivering sustainable returns above the cost of capital.

6. FIX OUR SYSTEMS & PROCESSES

Develop the business systems and processes required to be a global industry leader.

7. NON ORGANIC GROWTH

Acquire businesses in related categories leveraging existing capabilities that are EPS accretive and deliver sustainable returns above our cost of capital.

8. ENGAGE WITH OUR PEOPLE & OUR STAKEHOLDERS

Engage with investors and our industry while developing the team required to be a global industry leader.

We have a clear strategy – execution has delivered growth and productivity





Food Division

- Market leading consumer and industrial brands plus outstanding customer service



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Consumer Brands & Markets



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- Major supermarkets
- Independent supermarkets
- Route trade
- Health food stores
- Food manufacturers & wholesalers
- Confectionery manufacturers
- Distributors
- Export Retail Markets
- Export food manufacturers
- Export wholesalers & other distributors



Cooking & Snacking



Health



NuVitality®

Health



Breakfast



Providence



Industrial



Retail Categories



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- Dried Fruit & Nut
- Snack Food
- Muesli
- Health Food
- Fresh Produce (loose, bulk) & Pre Pack
- Private Label

coles



Woolworths
the fresh food people





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Industrial Categories & Customers



- Whole, Blanched, Sliced, Slivered, Meal
- Pastes
- Roast Diced
- Natural Meal
- Blends





Almond Division

- Across three distinct geographic regions with the majority in the economic “sweet spot”



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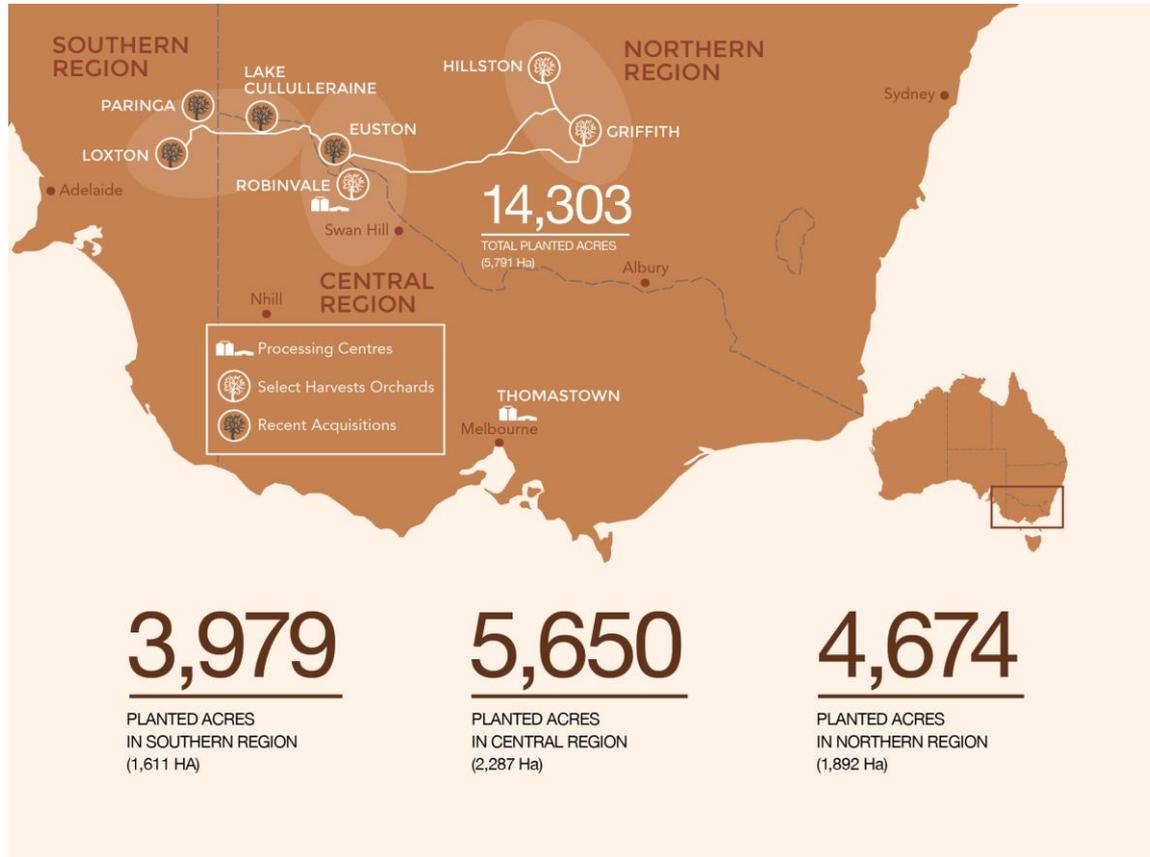
Almond Orchards – Our productive foundation

Geographic diversity limits exposure to:

- Weather
- Disease spread
- Insect infestation

Enables sequential progression of harvest period across regions:

- Better farm equipment utilisation
- Better processing utilisation
- Better labour utilisation



Secure access to diverse water sources:

- River Water
- Aquifers

Positions the company to maximise harvest volume & reduce variance.

Building world class properties and a globally competitive low cost business.

Australia's 2nd largest & most geographically diverse almond producer – 14,303 planted acres

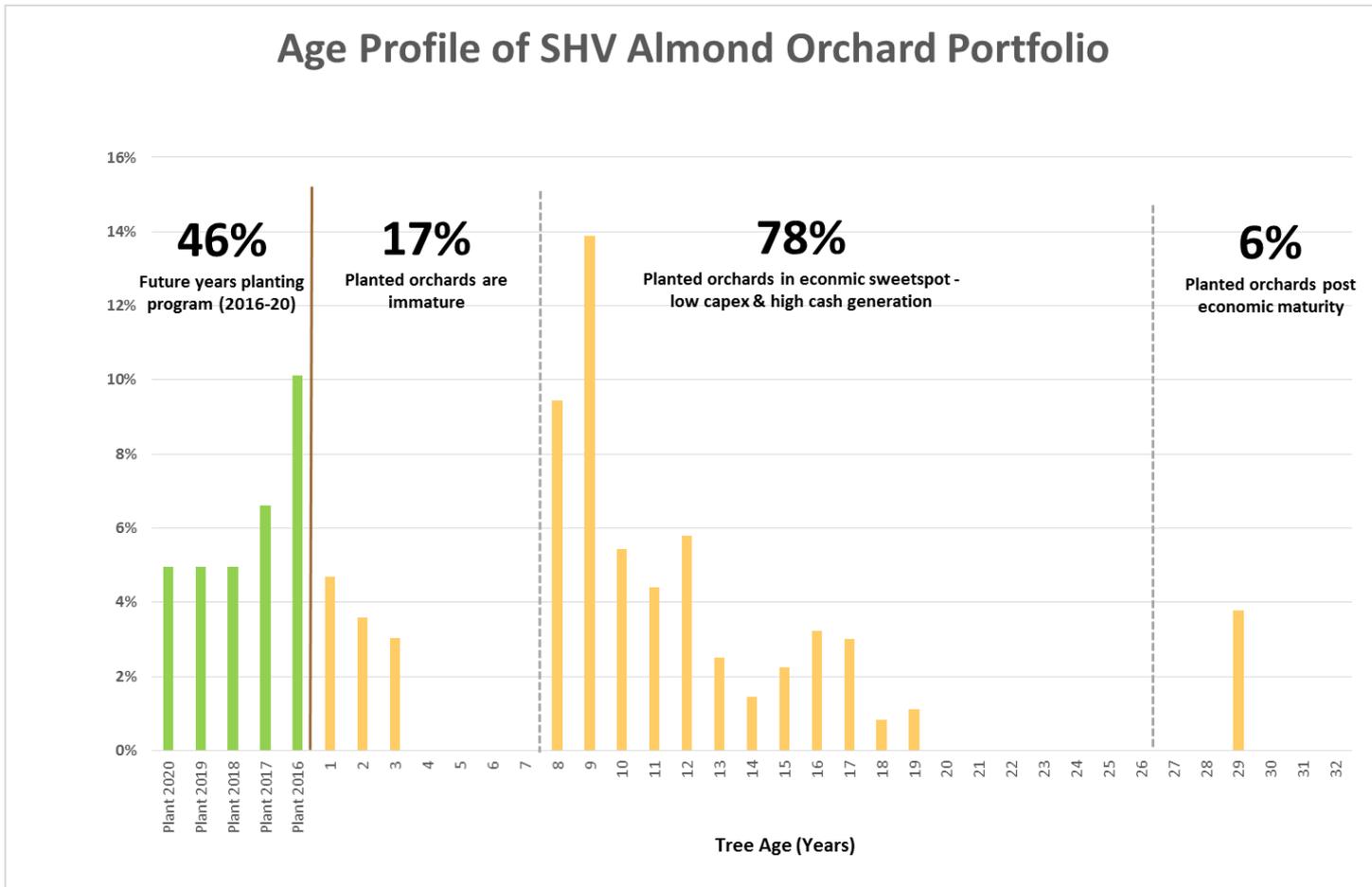
Growth - Additional 2,500 acres to be planted in July 2016 – Funded by 3rd party



Select Harvests – Orchard Age Profile



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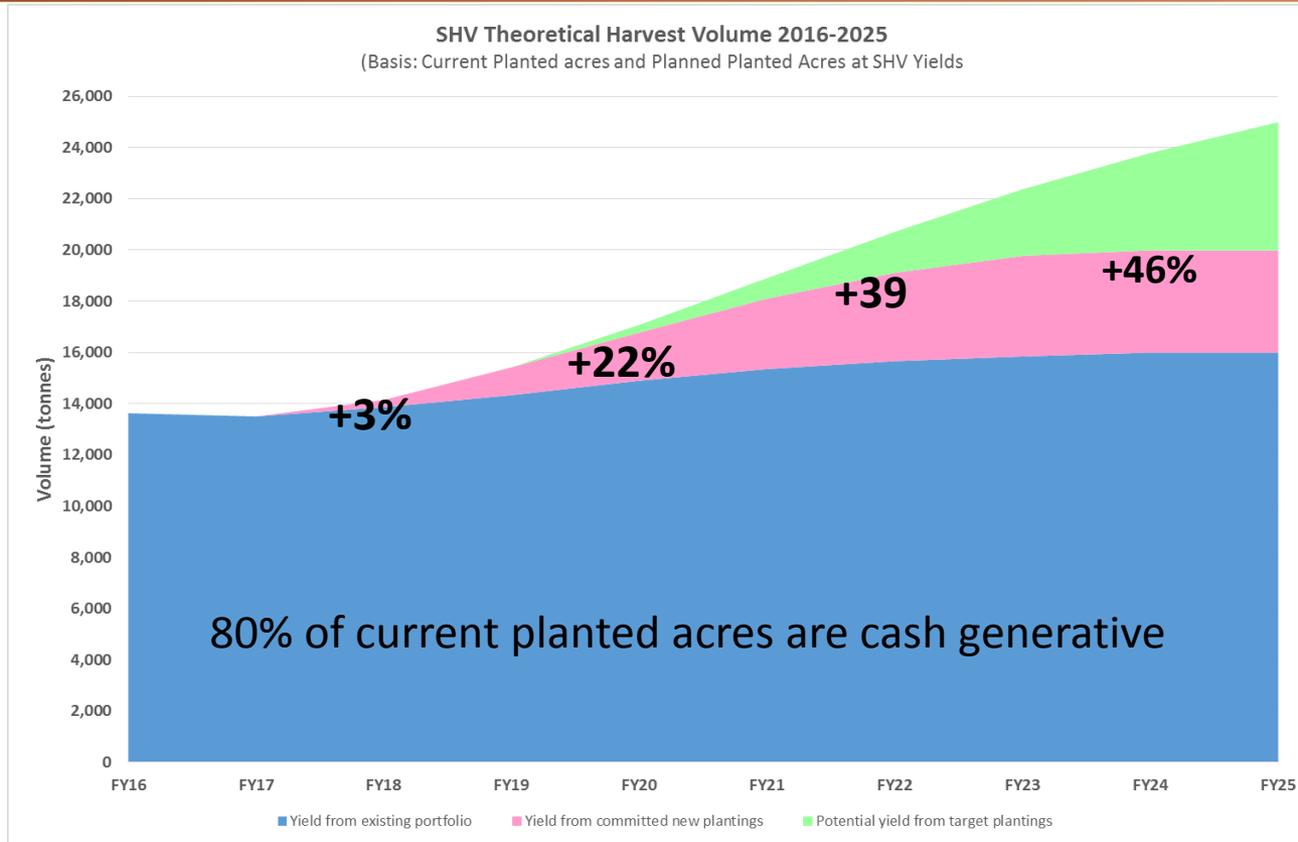
Significant growth & improvement occurred in SHV orchard portfolio in recent years - acquisition, replants, greenfields



Significant Organic Volume Growth



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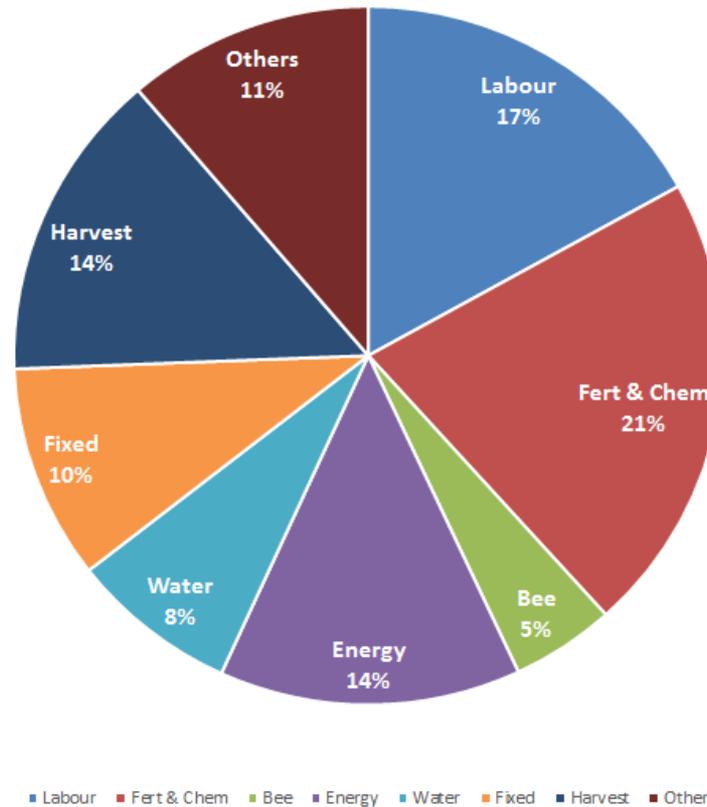
By 2024, almond volumes will increase by 46%
2018: +3%, 2020: +22%, 2022: +39%, 2024: +46%
 (Pink & Blue Sections only – basis capital already sunk)





Select Harvests – Horticultural costs

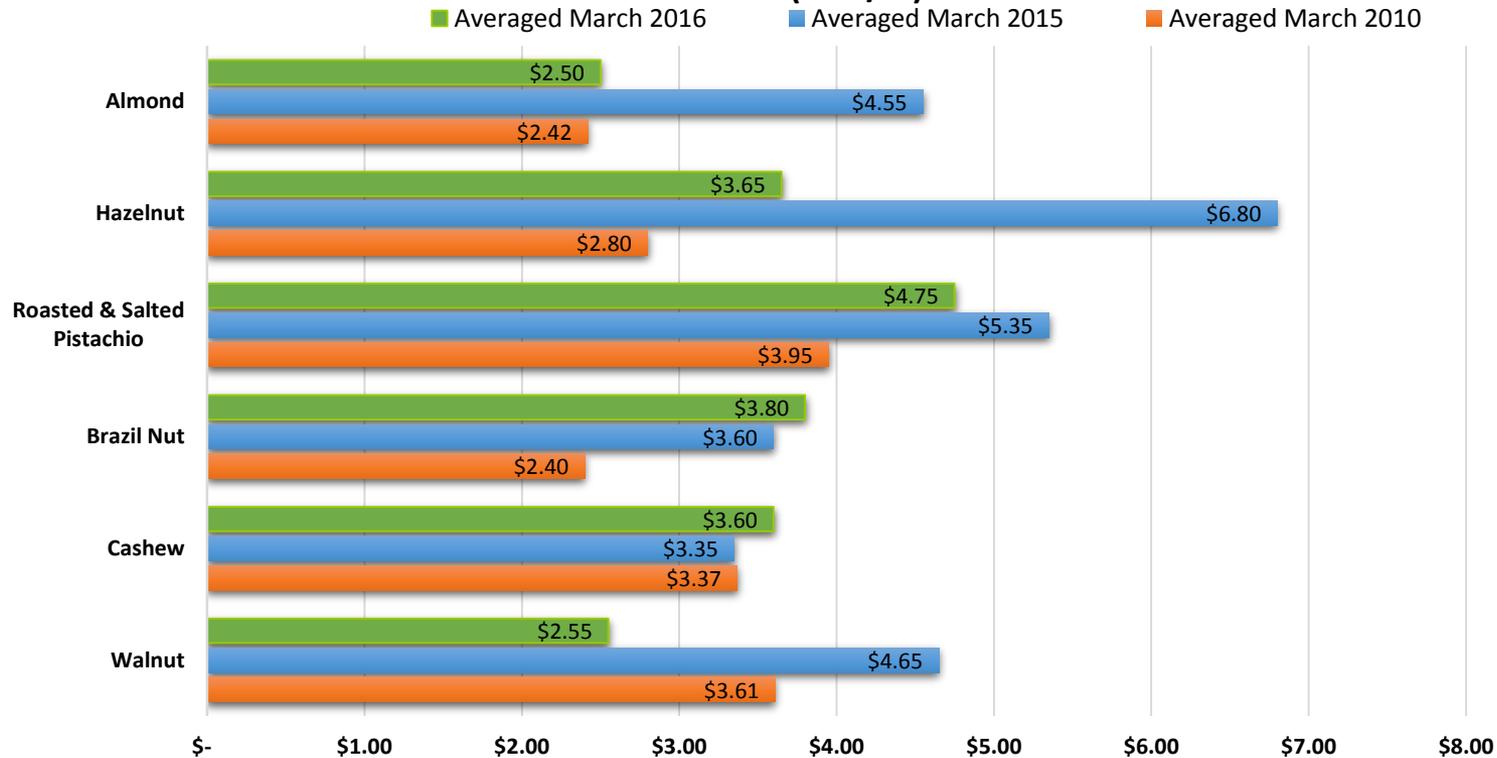
SHV FY2015 Horticulture Costs Actual by Percentage





Almonds competitively priced against other tree nuts

Tree Nut Spot Pricing March 2010 vs March 2015 vs March 2016 (USD/lb)



* This is internal company data

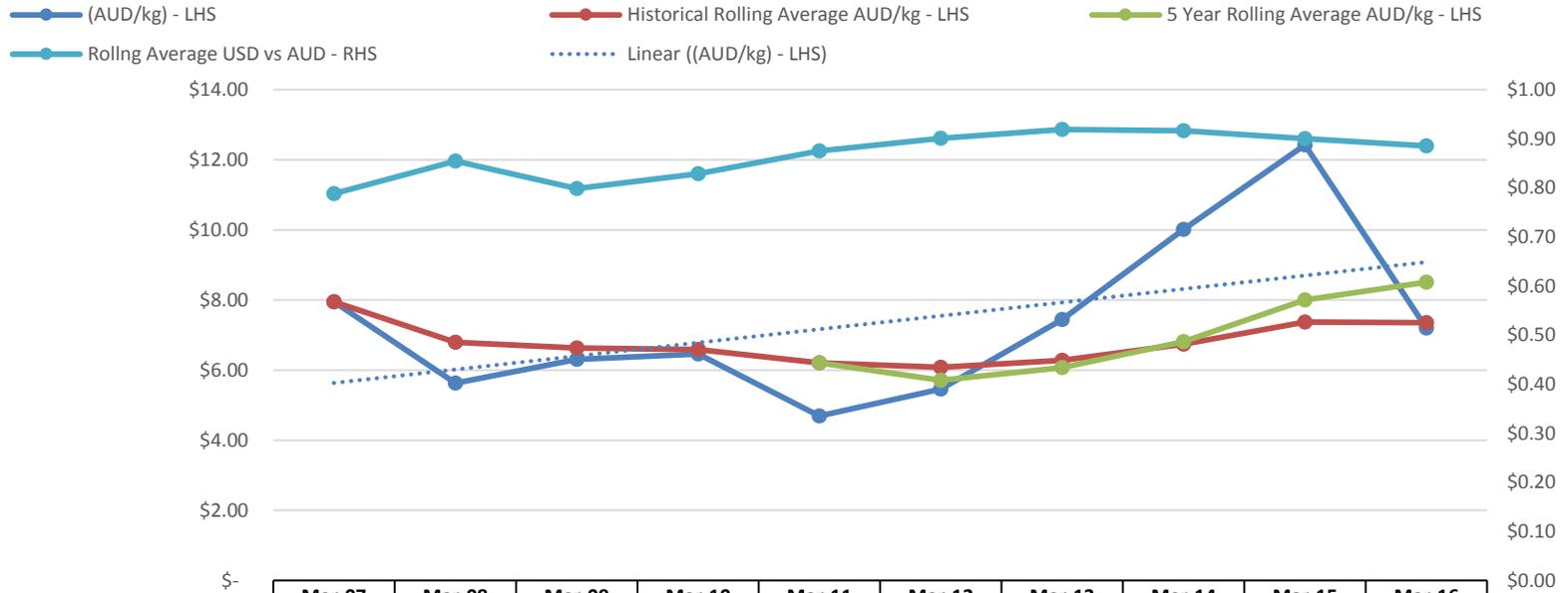
Almond pricing relativity has been restored to historic norms



Almond Pricing over a 10 year crop period (AUD)



Almond Price Nonpareil SUP 23/25 (AUD/kg)



	Mar-07	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16
(AUD/kg) - LHS	\$7.95	\$5.63	\$6.30	\$6.46	\$4.69	\$5.45	\$7.45	\$10.02	\$12.42	\$7.20
Historical Rolling Average AUD/kg - LHS	\$7.95	\$6.79	\$6.63	\$6.59	\$6.21	\$6.08	\$6.28	\$6.74	\$7.37	\$7.36
5 Year Rolling Average AUD/kg - LHS					\$6.21	\$5.71	\$6.07	\$6.81	\$8.01	\$8.51
Rolling Average USD vs AUD - RHS	\$0.7880	\$0.8546	\$0.7982	\$0.8287	\$0.8749	\$0.9008	\$0.9192	\$0.9162	\$0.9004	\$0.8854

* This is internal company data. Please note this is a reflection of one nut variety & size, not the total pool return

The combination of currency and price has caused the sharpest price correction in recent history





Processing

- SHV processes over 15,000mt of quality almonds and 12,000mt of high quality nuts and healthy products



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Almond Processing

- The site occupies 100 hectares of land
- Commissioned in 2008 at a cost of \$40 million
- Hulling and Shelling capacity is 30,000MT
- 36 hectares of stock pad capacity
- Climate controlled warehouse
- Laboratory, Administration/Amenities complex
- 48,000 MT hull storage area
- ALMADS customised stock control & traceability system
- Almond Pasteuriser (5 log - Steam)
- Approx. 120 employees during peak season
- Almond Pre-Cleaner & Crop Dryer





Food Division Processing

- This site has 11 processing lines which include:
 - Electronic sorters
 - Dry roasters
 - Oil roaster
 - Almond blanching, slicing and grinding lines
 - Dicer
 - Blending
 - Conching (pastes)
 - Doye and vertical form filling machines
- Packaging formats include:
 - Pillow packs
 - Size range from 25g – 1kg
 - Edge seals & Block bottoms
 - Doye Bags
 - Size range from 150g – 1kg
 - Re-sealable Doye bags
 - Bulk cartons
 - 10 – 25kg
 - These lines service the retail, wholesale and industrial markets and produce approximately 350 sku's.

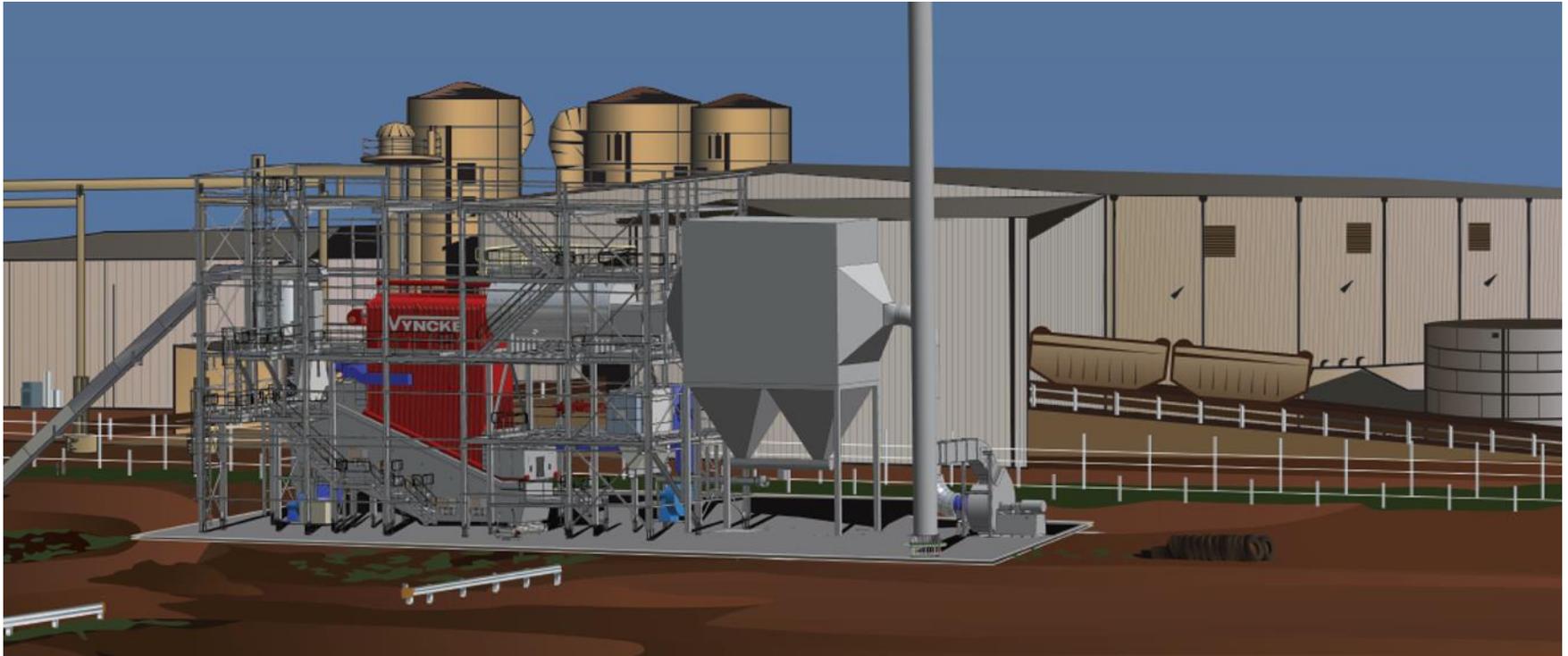




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Operations - Project H₂E – Hull to Energy

Project Overview: Biomass boiler and steam turbine, fuelled by almond hull and shell converting it to heat and power. Abating 24000 tonnes* of greenhouse gas.



- Internal estimate

Reduces energy cost by 20%, enhancing Carina West's position as a global low cost processor





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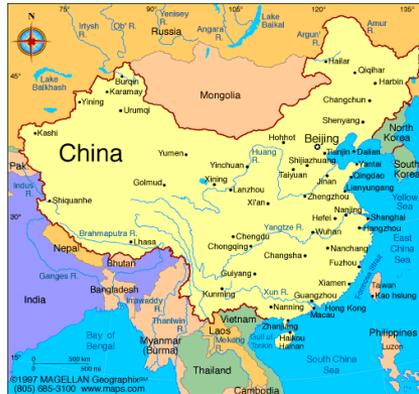
Increasing Value-added & Export Businesses



Industrial Products



Healthy grains, pulses & Nuts



Export Focus



Value-added snacks & breakfast

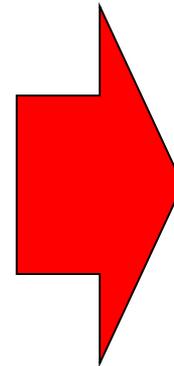
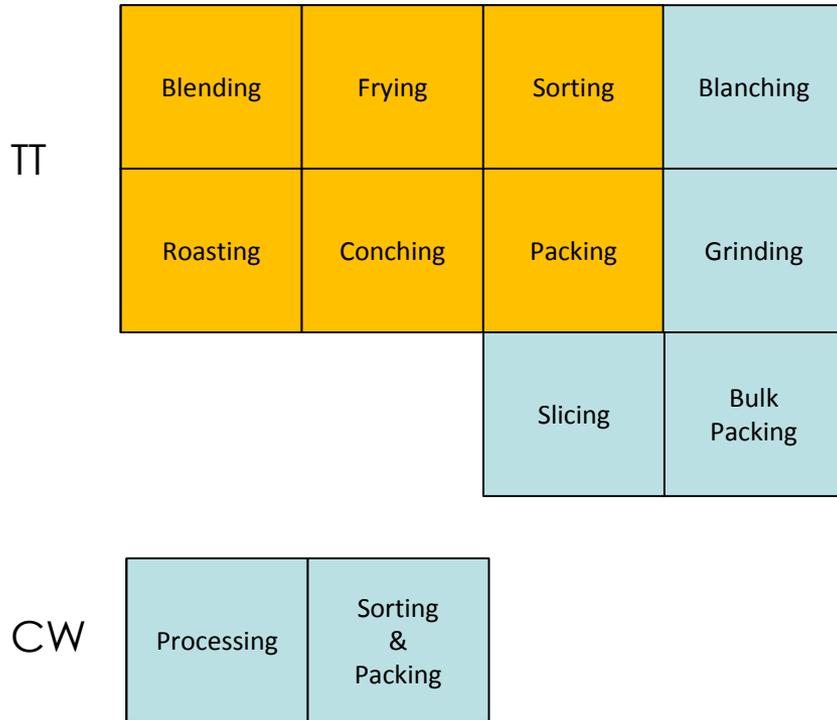
Moving from grower commodity bagger to value-adding



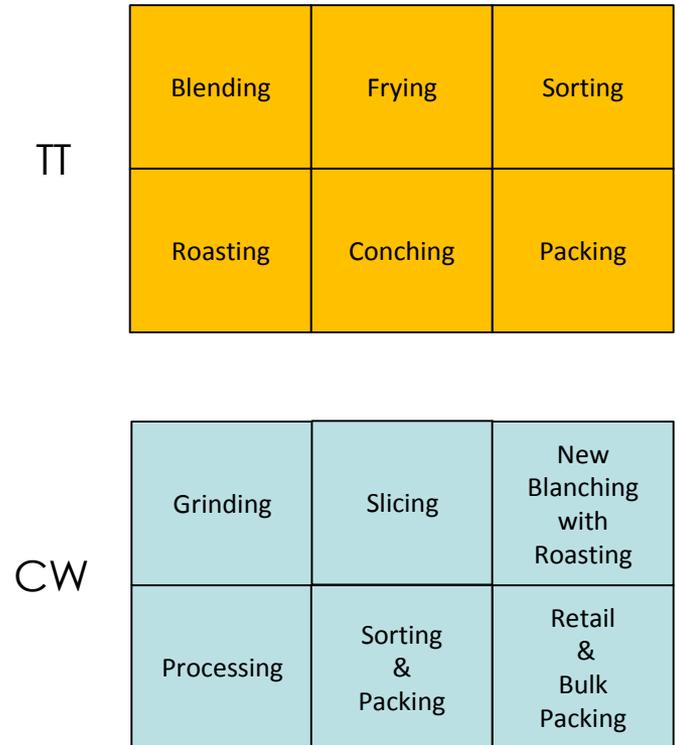


Project Parboil – Almond Value-Add

Current



Future



Mixed nut, fruit and seed varieties



Almonds Only

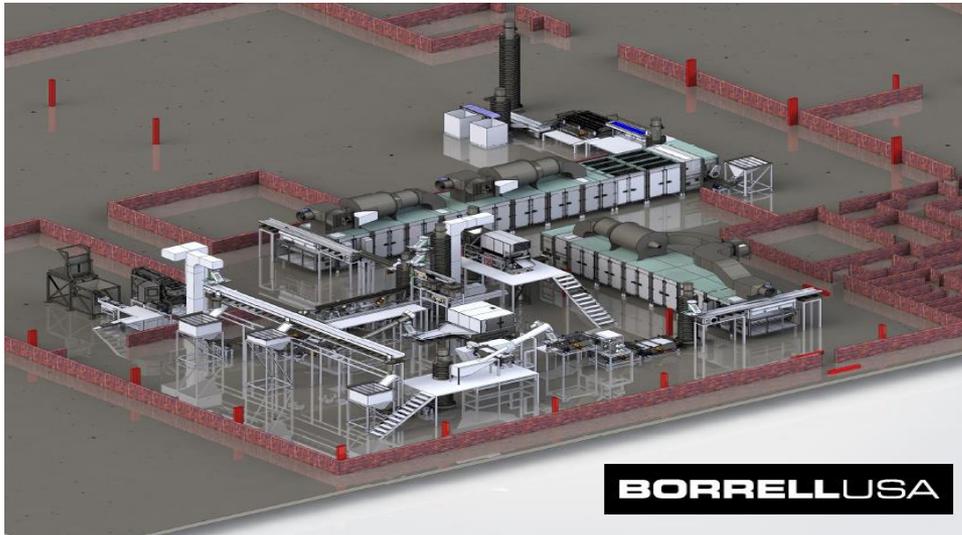




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Project Parboil – Almond Value-Add

Projective Objective: To install an Added Value Almond Processing & Packing Facility at Carina West



Infrastructure designed using and complying to:

WQA Manufactured Food Standard Version8

&

Coles Food Manufacturing Supplier Requirements (CFMSR) ver Feb 2014

Operational Highlights

- *Integrated Processing Equipment: Blanching, Slivering, Slicing, Dicing, Dry Roasting, Pasting, Grinding, Pasteurising, Electronic Sorting and Industrial & Retail Packing*
- *Climate Controlled Factory, Cool Store Warehousing*
- *Automated Industrial Packing Line with Gas Flushing*
- *Climate Controlled Factory, Cool Store Warehousing*
- *Operational Hours: 8hrs x 5 days x 48 weeks*
- *Operators Employed: 12*

Specifications

- *Building size: 50m x 84m*
- *1.2m concrete tilt slab perimeter internal/external*
- *Borrell Integrated Blanching & Roasting Line*
- *Nimbus Electronic Sorter with Biometric Signature Identification*
- *Propac Retail Baggers AV 2.2 with Dual Feed system*
- *Pattyn Fully Automated Industrial Packaging Line*
- *Ishida Multi-Head & Check Weighers*
- *Visy Automation Robotic Retail & Industrial Palletizing line*
- *2mt per hour thru-put*
- *Capital Investment: \$11m AUD*
- *Installation – Q2 2016*





US (California) Update

- **US Crop Update (2015/16) – mixed start to season**
 - Industry experienced good chill hours and bloom conditions
 - Largest US grower removed 10,000 acres (25% of almond portfolio) – indications of 35,000 acres pulled across industry and talk of 70,000 acres next year
 - New plantings indicate growers still transitioning towards more secure water
 - NASS Subjective estimate due 10 May 2016 – 2 billion lbs. Objective Estimate due 6 July 2016
 - April 2016 Almond Board of California Position Report – largest April shipment ever (167m lbs)
 - 2015 was 2nd hottest year on record, 2014 hottest – additional water requirements – early indications that 2016 will be another hot year as El Nino weakens
- **Californian Drought - situation largely improving**
 - Apr 2016 - 21% of California in Exceptional Drought (covers the vast majority of almond growing counties), 48% Extreme Drought
- **Californian Snowpack – 2016 snowpack is below average**
 - 2016 - State (32% of April Avge, 51% of Normal as at today) - North Sierra (25%, 46%), Central (40%/61%), Southern (26%/40%)
- **Californian Surface Water – much improved conditions**
 - Initial water allocations have increased for urban use – no significant change for agricultural allocations
- **Californian Ground Water – no immediate change.**
 - Introduction of Sustainable Groundwater Management Act (“SGMA”) will have lasting impact
 - 1 April 2016 – Basins begin Annual Reporting to DWR.
 - 31 Dec 2016 – DWR publishes report on water available for groundwater replenishment.
 - 31 Jan 2020 – High & Medium priority basins (critical conditions of overdraft) must be managed under Groundwater Sustainability Plan (GSP).

Complex situation to understand - change will not be immediate, but is inevitable





Rationale - Why Select Harvests?

- 1. Excellent Industry Fundamentals**
 - Supply/Demand
 - Counter-cyclical to USA
- 2. Integrated Business Model**
 - Orchards
 - Processing & Packaged goods
 - Large nut, seed and dry fruit trader
- 3. Culture for Improvement**
 - Refreshed Leadership
 - One Select
- 4. Competitive Advantage: Quality Assets**
 - 81% of SHV orchards will mature in 1 year
 - State of Art Carina West processing facility
 - Market leading brands
- 5. Market Environment**
 - Price and currency reset
- 6. Growth**
 - Business positioning itself to grow

An integrated agribusiness that controls almonds - positioned to deliver



Strategy Execution



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- **Business Growth**
 - Orchard Growth
 - Orchard Productivity
 - Growing Brands & New Product Portfolio
 - New Geographies
- **Risk Mitigation**
 - Almond Crop Dryer
 - Water Policy
 - Bee Policy
 - Strong Balance Sheet
- **Cost Out**
 - Project H2E – Biomass Electricity Cogeneration
 - Supply Chain consolidation

Making your “OWN LUCK” is about strategy execution



Select Harvests - Summary



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What we are building

- A company of passionate people
- A strong and trustworthy company that looks after stakeholder interests
- A well run integrated company that is well positioned to benefit from the indisputable global almond industry fundamentals
- A cash generating company that will be positioned to invest in growth in a growth industry
- A business that can manage the dynamic agricultural cycle and can mitigate the inherent risks
- A company that responds to the challenges and learns from the experience

SHV is well positioned

- Good industry - healthy product with strong, historical & forecast long term growth prospects (8% p.a.)
- Good position in industry - Australia is 2nd largest almond producer. Select is 2nd largest in Australia
- Countercyclical - to Californian Northern Hemisphere production
- Good business - integrated, geographically diversified, strong market shares across the business
- Good assets - relatively new, globally competitive processing facility. Maturing orchards in sweet spot
- Good opportunities - increase volumes by leveraging advantages of integrated business model i.e. utilising production, processing and marketing capabilities and knowledge

A company focussed on delivering performance and continuous improvement





Market Outlook

Category Overview:

- Demand remains strong, current prices expected to generate growth
- Consumers continue to see the benefits of all super foods with new product development remaining buoyant
- Buying patterns had changed due to instability in pricing, little inventory with customers
- Consumers and industry committed to consuming less sugar, preferring Green & Clean alternatives
- Land and water are a finite resource
- Regulation will increase

Almond Industry :

- Despite improved conditions year to date, the US drought continues. The impact of the drought remains difficult to predict
- Industry forecast for the 2016 US crop is approx. 2.0 Bn lbs, with a slightly higher year on year carryover stock of approx. 0.5 Bn lbs
- Spanish crop adversely affected by frost and drought
- New product development activity remaining buoyant. Almond Milk and Butters continue to grow
- Recent new planting & lower pricing causing industry to re-think expansion plans in both US & Australia
- Accelerate removal of older trees based on economic viability – est. 35,000 acres in US in 2016 - could be another 70,000 acres 2017
- US to experience greater cost inflation (water, by-products & labour)
- Competitive nuts reset to historical norm, stimulating almond growth

See positive signs with demand increasing





2016 SHV Crop Update

- **Harvest Progress Update – Ahead of previous years**
 - Complete

- **Volume Update – Increased volume**
 - All stock has been delivered to processing centre
 - Volume estimate increased from **13,700 to 14,000 tonnes estimate**

- **Processing Update – On Plan: 40% of estimated crop has been processed**
 - Quality is as expected

- **Price Update – First Half Estimate A\$9.00/kg (0.70 USD)**
 - Spot price: **A\$8.00+/kg** (0.72 USD)
 - Over 80% delivered or committed @ average **A\$8.05/kg**
 - Predominantly higher grades

- **Orchard Outlook – Positive**
 - BOM outlook: above average rainfall in parts of southern Australia
 - Bud potential looks good for 2017



SHV 2016/7 Business Objectives



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1. Zero Harm OH&S strategy
2. Improve average mature tree yield
3. Acquire orchards at the right price
4. Grow and strengthen Food Business
5. Implement Greenfield program
6. Implement Biomass/Cogen plant
7. Implement Parboil
8. Implement 1Select ERP platform
9. Maintain Balance Sheet & Cash Flow strength whilst growing
10. Evaluate diversification opportunities

Cash generative growth strategy delivering increased shareholder value





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Thank you

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Please note that background material/data regarding the global almond industry can be found on the Select Harvests website - www.selectharvests.com.au



Select Harvests - Financial History



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SHV Historical Summary		2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015
	Units										
Total Sales	(A\$M)	217.9	229.5	224.7	248.6	238.4	248.3	251.3	191.1	188.1	223.5
EBIT	(A\$M)	38.4	40.5	27.1	26.8	26.0	22.6	19.6	37.7	31.3	89.6
EBIT Margin (EBIT/Sales - %)	(%)	17.6%	17.6%	12.1%	10.8%	10.9%	9.1%	7.8%	19.7%	16.6%	40.1%
PBT	(A\$M)	37.9	40.0	25.4	23.0	23.6	18.5	13.4	32.7	26.8	84.3
NPAT	(A\$M)	26.5	28.1	18.1	16.7	17.3	17.7	9.5	22.9	21.6	56.8
Issued Shares	No. of Shares	39.7	38.7	39.0	39.5	39.8	56.2	56.8	57.5	58.0	71.4
Earnings Per Share	(AUD Cents per Share)	67.1	71.0	46.7	42.6	43.3	33.7	16.8	40.1	37.5	82.9
Dividend per Share	(AUD Cents per Share)	53.0	57.0	45.0	12.0	21.0	13.0	8.0	12.0	20.0	50.0
Payout Ratio	(%)	80.0%	80.0%	96.7%	28.2%	48.5%	38.6%	47.6%	29.9%	53.3%	60.3%
Net Tangible Assets per Share	(A\$/Share)	1.83	1.57	1.41	1.56	1.87	2.17	2.19	2.14	2.38	3.35
Net Interest Cover	(times)	82.3	75.8	15.6	7.1	10.7	6.7	3.2	7.5	7.0	16.9
Net Debt	(A\$M)	1.3	1.6	46.8	52.4	45.0	73.1	66.8	79.3	94.8	109.7
Shareholder Equity	(A\$M)	101.5	95.5	94.1	100.9	113.6	168.8	160.3	159.5	175.4	287.4
Net Debt to Equity Ratio	(%)	1.3%	1.7%	49.7%	51.9%	39.6%	43.3%	41.7%	49.7%	54.1%	38.2%
Share Price	(A\$/Share)	13.02	11.60	6.00	2.16	3.46	1.84	2.40	3.90	5.14	11.79
Market Capitalisation	(A\$M)	517.0	449.4	234.1	85.4	137.6	103.5	120.0	224.3	298.1	835.1
P/E Ratio		19.5	16.0	12.9	5.1	8.0	5.8	12.6	9.8	13.8	14.7

*2014 figures have been rebased according to early adoption of Accounting Standards, AASB 116, Property, Plant and Equipment, and AASB 141, Agriculture, impacting "bearer plants".

Source: Company Data



Select Harvests – Orchard Profile



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Select Harvests	Planted		Under development		Total	
	Acres	Hectares	Acres	Hectares	Acres	Hectares
Almond orchard portfolio						
Central region						
Company Owned	4,169	1,688	-	-	4,169	1,688
Leased	1,481	600	1,400	567	2,881	1,166
Total	5,650	2,287	1,400	567	7,050	2,854
Northern Region						
Company Owned	1,657	671	-	-	1,657	671
Leased	3,017	1,221	-	-	3,017	1,221
Total	4,674	1,892	-	-	4,674	1,892
Southern Region						
Company Owned	1,574	637	-	-	1,574	637
Leased	2,405	974	1,009	409	3,414	1,382
Total	3,979	1,611	1,009	409	4,988	2,019
Total						
Company Owned	7,400	2,996	-	-	7,400	2,996
Leased	6,903	2,795	2,409	975	9,312	3,770
Total	14,303	5,791	2,409	975	16,712	6,766



Select Harvests - Brands - Lucky



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Lucky is Australia's leading cooking nut brand – record 43.6% market share vs. 39.0% YOY (MAT)



Select Harvests - Brands - Soland



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Select Harvests - Brands – NuVitality



Australian Almond Industry Snapshot



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Company	Orchards	Processing	Sales & Marketing
Select Harvests	14,303 acres (5,389 ha) –20%* market share SA, Vic & NSW	Primary Processing 30KT Robinvale Vic Value Added Processing Robinvale & Thomastown Vic	Consumer, Foodservice & Industrial businesses Global Nut Trader
Olam	30,000 acres (11,949 ha) – 42%* market share Vic	Primary Processing 40KT Carwarp Vic	Consumer, Foodservice & Industrial businesses Global Nut Trader
Almondco (Simarloo)	Nil direct 145 grower suppliers	Primary Processing 30KT Renmark, SA Value Added Processing	Consumer, Foodservice & Industrial businesses Global Almond Trader
Nut Producers Australia (Riverland Almonds)	Yes – acreage unknown	Primary Processing 10KT Loxton, SA	Consumer, Foodservice & Industrial businesses Almond & Pistachio Trader

Source: Almond Board of Australia and Company Data

* Australia has 70,607 acres (28,586 ha) of almond orchards (Australian Almond Insights 2013-14, Almond Board of Australia).

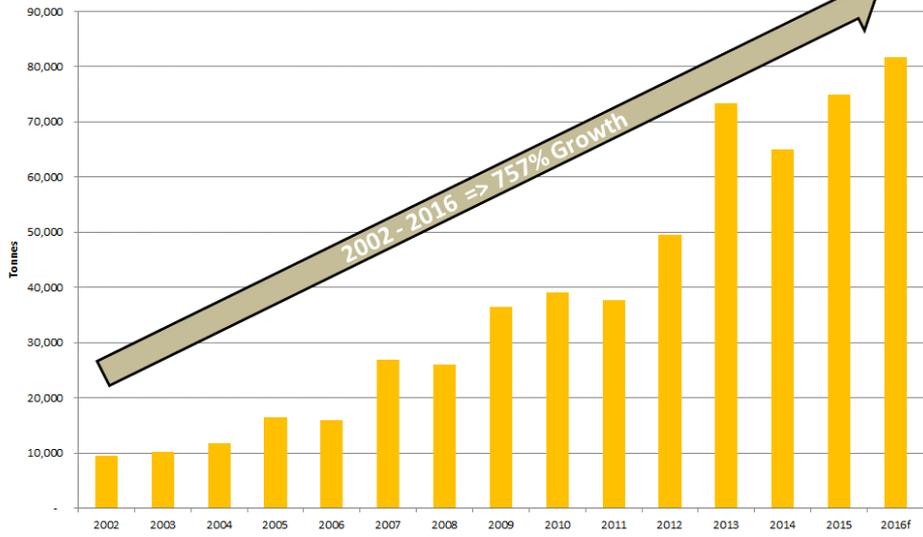
SHV is the only listed opportunity globally for investors to participate in this market growth



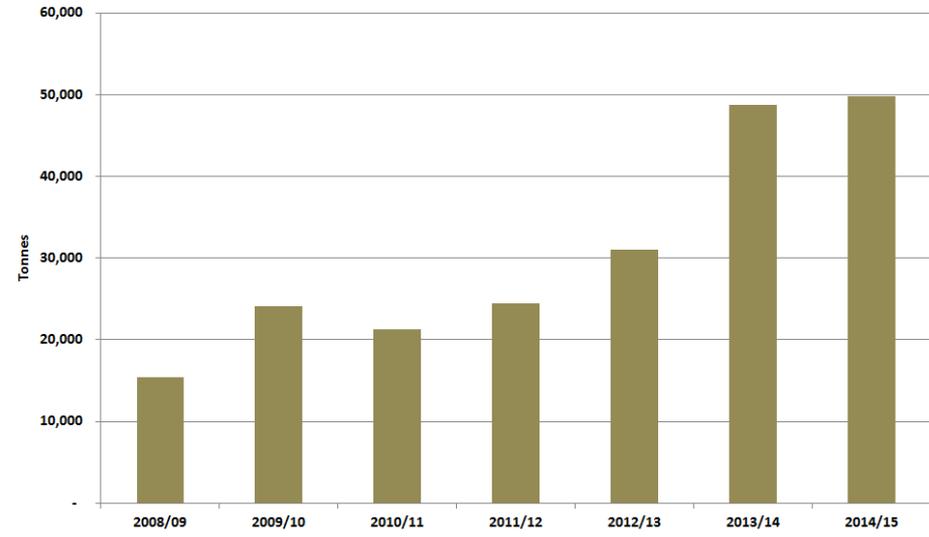


Growing Australian Influence

Australian Almond Production (tonnes)



Australian Almond Exports (tonnes)



Australia has undergone phenomenal growth in almond production & export over the last decade





Demand - Drivers & Facts

- **What is Driving Demand?**
 - **Developed Economies** - Healthy eating & the movement to proteins.
 - **Developing Economies** - Increased wealth & the movement to proteins based Westernize diet
 - **Australian & Californian Almond Boards** - Opening new markets and supporting health platform.
 - **Innovation** - More ways of eating almonds
- **Demand Facts**
 - **Not just developing markets** - 59% of all almonds are consumed in US & Europe
 - **Innovations** – Almonds have led tree nut category product innovations each year since 2006. 35% innovation share in 2013
 - **US Domestic shipments** - 10 out of the 12 months were records in the last year* (*=13/14 Marketing Year ending 31 July 2014)
 - **US exports to Western Europe** - up 14% on last year* (13/14 MY versus 12/13 MY)
 - **US exports to Middle East/Africa** - up 15% on last year*
 - **Asian middle class population growth** - 525 million in 2009 => 1.7 billion in 2020 => 3 billion in 2030
 - **Growth** - China has grown from low levels 5 years ago to 50% of the USA (largest market)

Demand is being driven by multiple motivations across a range of global markets



Sustainable Positive Fundamentals



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- **Tight Supply**
 - Long lead time to mature production (7 years)
 - 18-21 years of subsequent mature production
- **Strong Demand**
 - Developed Economies - healthy eating & product innovation
 - Developing Economies - affluence shift from carbohydrate to protein
 - World's most versatile nut
- **Agronomics**
 - Efficient economic converters of water compared to other potential agricultural land uses
 - Australia counter cyclical to the rest of the almond producing world

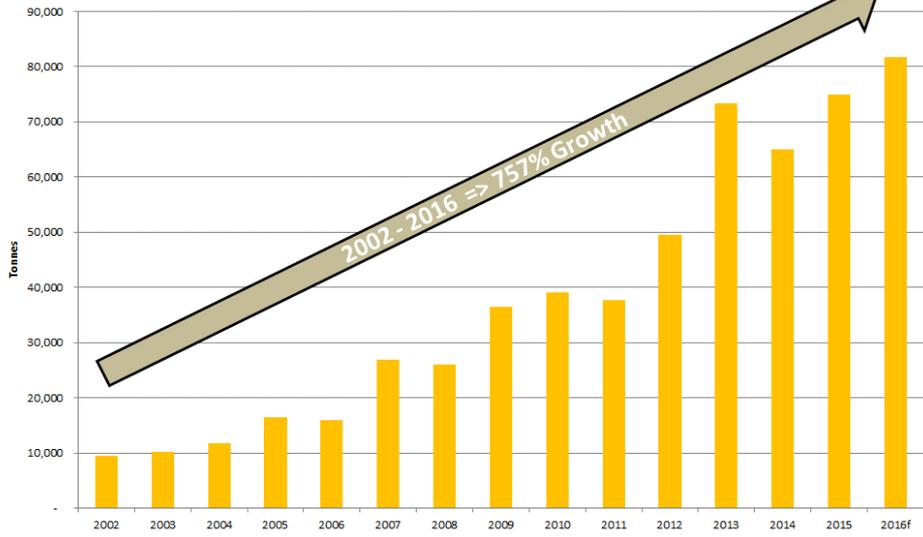
Growth: Global almond demand growing at 8% p.a. Compound Annual Growth Rate



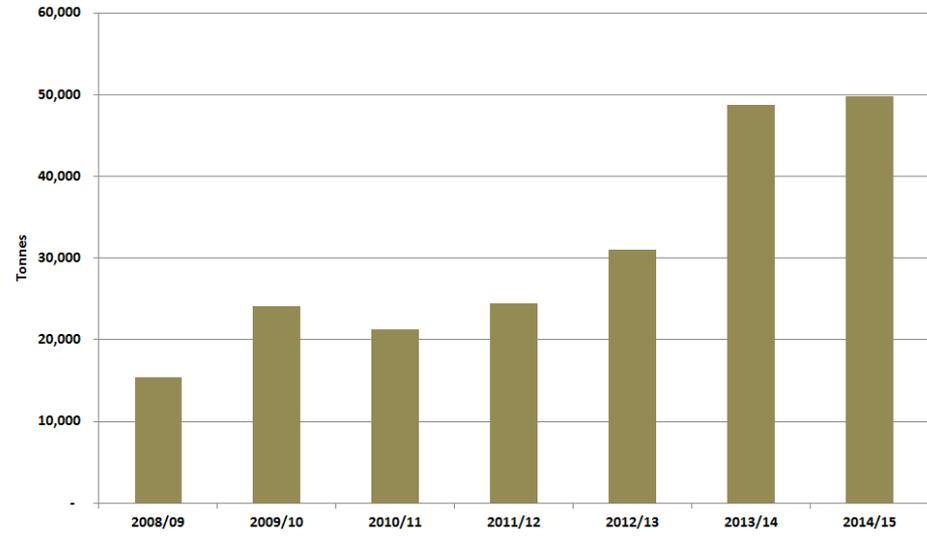


Growing Australian Influence

Australian Almond Production (tonnes)



Australian Almond Exports (tonnes)



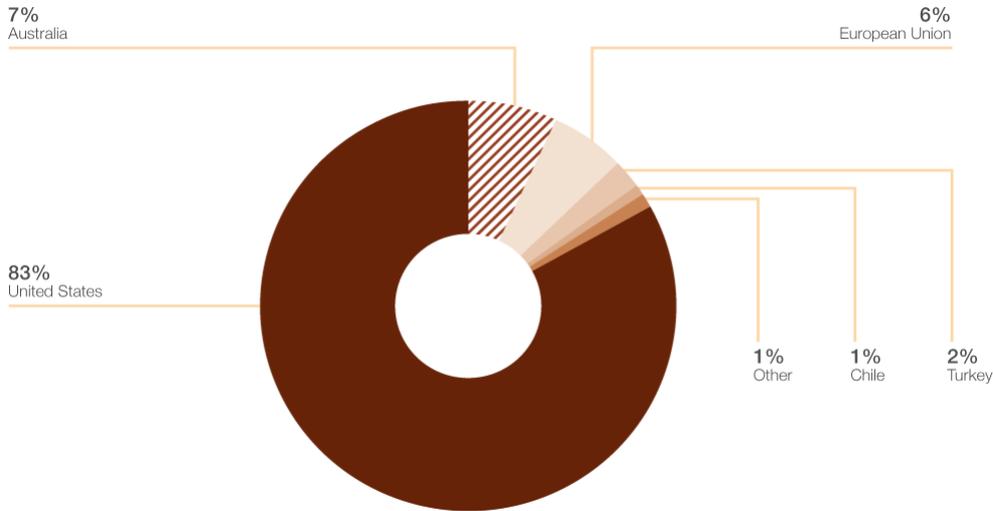
Australia has undergone phenomenal growth in almond production & export over the last decade





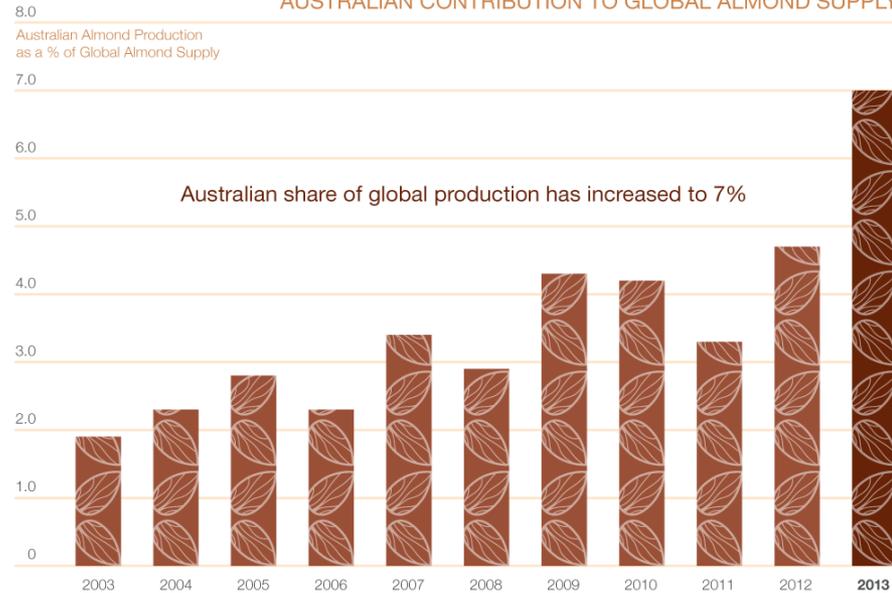
Almond Supply – Concentrated Globally

GLOBAL ALMOND PRODUCTION 2013/14



Source: USDA PSD Online

AUSTRALIAN CONTRIBUTION TO GLOBAL ALMOND SUPPLY



Source: Almond Insights 2013-14, Almond Board of Australia

- The USA dominates the global almond production industry with 83% of the market, followed by Australia with 7%

Concentrated Global Supply Chain - USA produce 83% of the world's Almonds

Australia (counter cyclical to USA) became the 2nd largest global Almond producer in 2013

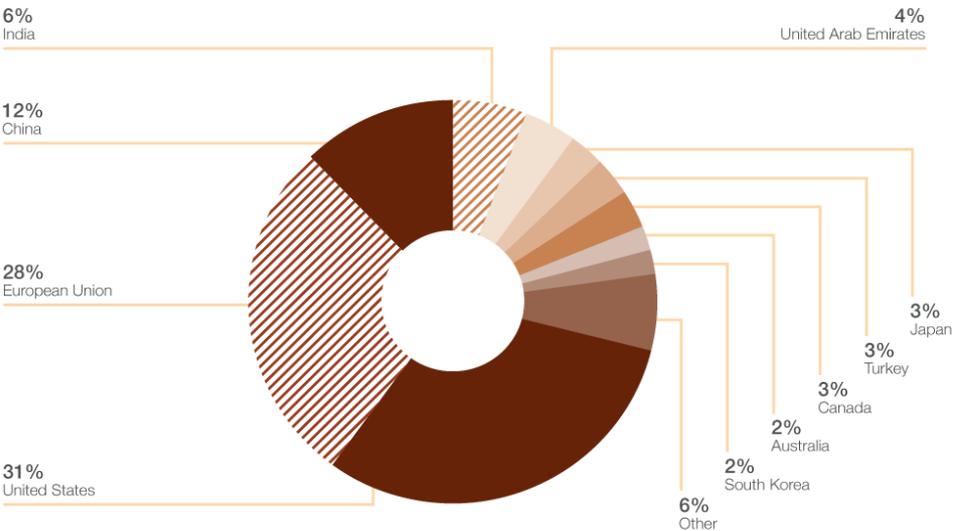




SELECT HARVESTS

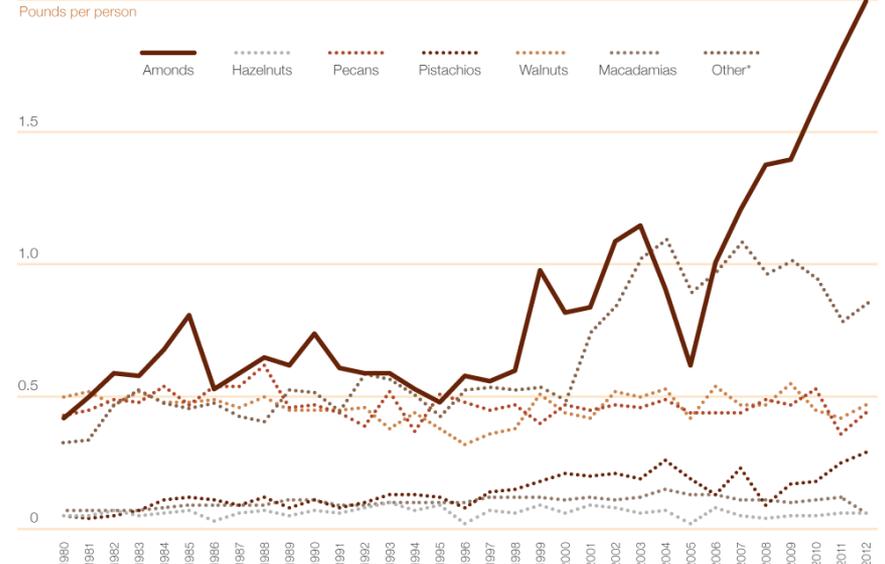
Almonds Demand - Diverse & High Growth

GLOBAL ALMOND CONSUMPTION 2013/14



Source: USDA PSD Online

ANNUAL US PER CAPITA CONSUMPTION OF ALMONDS AND OTHER TREE NUTS



*Brazil Nuts, Pine Nuts, Chestnuts, Cashews and Miscellaneous Tree Nuts.

Source: USDA Economic Research Service

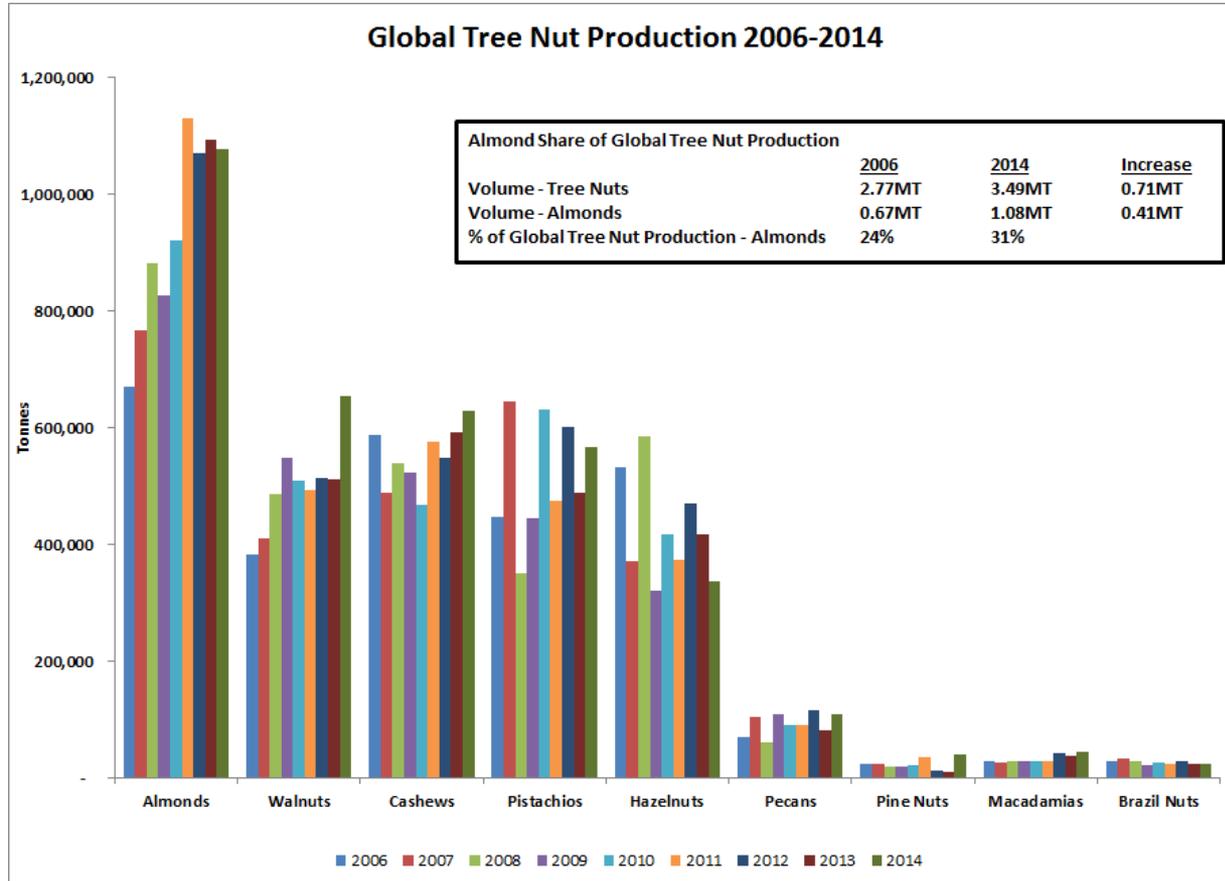
Almonds have held the No.1 position in global tree nut innovations since 2006.

Almonds had 35% share of global tree nut innovations in 2013.





Both Dominate & Versatile



Source: International Nut & Dried Fruit Council Foundation (INC) Global Statistical Review 2014-15

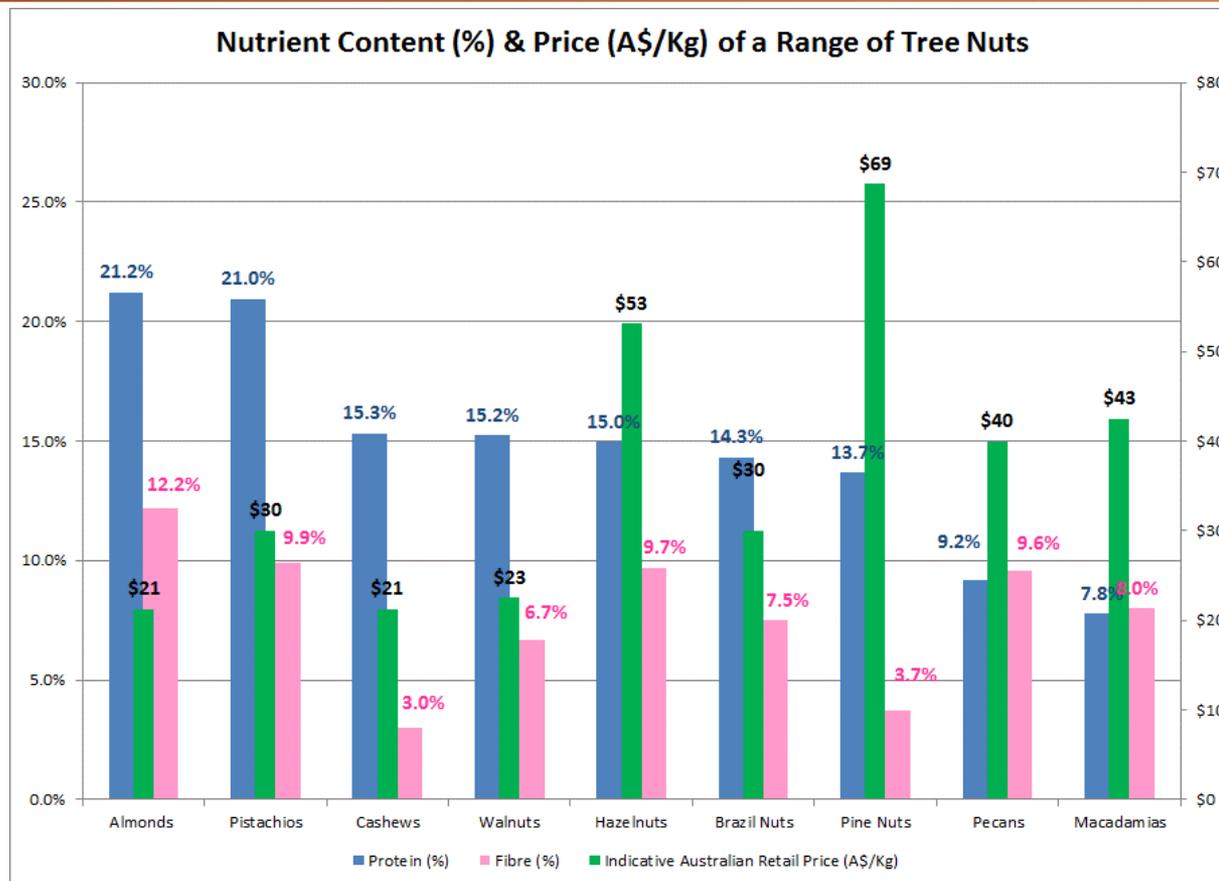
Almonds are the most versatile and highest volume nut - substitution is difficult



Health & Economic Benefits



SELECT HARVESTS



Source: Nutrient Content - Global Statistical Review 2006-2011, International Nut & Dried Fruit Council Foundation (INC). Pricing based on company survey (on-line Australian retail pricing, May 2016).

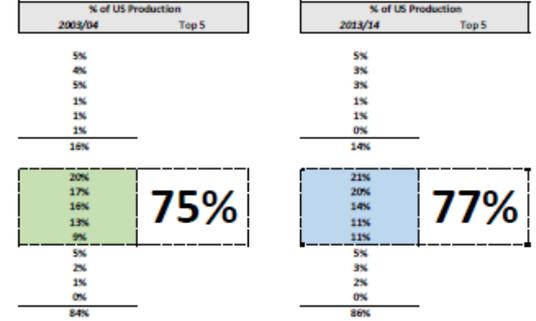
Almonds are the highest protein, highest fibre & again, an affordable tree nut





US Almond Production by County

Californian Almond Production (Millions lbs)												Growth (10 Years)		% of US Production 2003/04		% of US Production 2013/14	
County	2003/04 (mil. lbs)	2004/05 (mil. lbs)	2005/06 (mil. lbs)	2006/07 (mil. lbs)	2007/08 (mil. lbs)	2008/09 (mil. lbs)	2009/10 (mil. lbs)	2010/11 (mil. lbs)	2011/12 (mil. lbs)	2012/13 (mil. lbs)	2013/14 (mil. lbs)	(mil. lbs)	(%)	2003/04	Top 5	2013/14	Top 5
Northern California Valley Almond Counties																	
Colusa	55.0	38.0	40.3	50.8	66.2	86.0	75.7	83.0	85.5	85.1	103.6	48.6	88%	5%		5%	
Glenn	42.3	37.2	42.6	38.4	51.8	48.6	52.7	55.8	59.7	57.9	69.7	27.4	65%	4%		3%	
Butte	50.0	45.0	50.4	41.8	66.7	56.9	49.2	47.1	49.0	50.9	56.0	6.0	12%	5%		3%	
Yolo	6.6	4.7	5.6	6.3	10.0	10.4	12.4	13.6	17.9	18.1	22.5	15.9	241%	1%		1%	
Tehama	8.0	6.9	8.4	7.7	11.4	9.7	10.9	11.7	11.9	12.5	14.7	6.7	84%	1%		1%	
Sutter	5.7	4.6	4.6	4.9	5.6	5.3	5.2	4.9	6.9	7.0	7.3	1.6	28%	1%		0%	
NORTH COUNTIES SUB-TOTAL	167.6	136.4	151.9	149.9	211.7	216.9	206.1	216.1	230.9	231.5	273.8	106.2	63%	16%		14%	
Southern California Valley Almond Counties																	
Kern	205.9	215.8	210.1	247.8	271.0	354.3	317.9	403.5	472.6	393.4	427.2	221.3	107%	20%		21%	
Fresno	176.9	173.5	160.1	231.7	253.8	322.2	281.9	344.2	443.0	413.6	398.1	221.2	125%	17%		20%	
Stanislaus	169.3	163.9	132.2	163.6	223.3	240.6	198.8	202.5	269.7	261.8	284.9	115.6	68%	16%		14%	
Merced	129.3	127.6	102.1	134.6	172.9	187.3	156.7	164.2	216.7	201.4	213.8	84.5	65%	13%		11%	
Madera	94.5	93.4	82.4	100.1	125.3	142.7	112.3	149.7	206.1	203.5	216.9	122.4	130%	9%		11%	
San Joaquin	55.3	51.0	41.8	55.6	75.2	82.1	70.7	68.0	87.9	91.5	95.9	40.6	73%	5%		5%	
Tulare	18.5	20.4	15.9	21.5	26.7	36.2	32.6	42.4	44.5	49.1	55.8	37.3	202%	2%		3%	
Kings	12.3	13.0	12.0	17.7	17.9	23.4	20.6	29.9	39.0	30.7	32.6	20.3	165%	1%		2%	
All Others	4.1	2.9	2.7	3.8	5.1	5.2	4.9	6.0	6.6	7.5	7.9	3.8	93%	0%		0%	
SOUTH COUNTIES SUB-TOTAL	866.1	861.5	759.3	967.4	1171.2	1394.0	1196.4	1410.4	1786.1	1652.5	1733.1	867.0	100%	84%		86%	
TOTAL	1,033.6	997.9	911.4	1,117.3	1,383.6	1,611.0	1,402.6	1,626.6	2,017.1	1,884.1	2,006.9	973.3	94%				
North % of Production	16%	14%	17%	13%	15%	13%	15%	13%	11%	12%	14%						
South % of Production	84%	86%	83%	87%	85%	87%	85%	87%	89%	88%	86%						



Source: Almond Almanac 2014

County	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Northern California Valley Almond Counties											
Colusa	5.3%	3.8%	4.4%	4.5%	4.8%	5.3%	5.4%	5.1%	4.2%	4.5%	5.2%
Glenn	4.1%	3.7%	4.7%	3.4%	3.7%	3.0%	3.8%	3.4%	3.0%	3.1%	3.5%
Butte	4.8%	4.5%	5.5%	3.7%	4.8%	3.5%	3.5%	3.9%	2.4%	2.7%	3.8%
Yolo	0.6%	0.5%	0.6%	0.6%	0.7%	0.6%	0.6%	0.9%	0.9%	1.0%	1.1%
Tehama	0.8%	0.7%	0.9%	0.7%	0.8%	0.6%	0.8%	0.7%	0.6%	0.7%	0.7%
Sutter	0.6%	0.5%	0.5%	0.4%	0.4%	0.3%	0.4%	0.3%	0.3%	0.4%	0.4%
NORTH COUNTIES SUB-TOTAL	16.2%	13.7%	16.7%	13.4%	15.3%	13.5%	14.7%	13.3%	11.4%	12.3%	13.6%
Southern California Valley Almond Counties											
Kern	19.9%	21.6%	23.1%	22.2%	19.6%	22.0%	22.7%	24.8%	23.4%	20.9%	21.3%
Fresno	17.1%	17.4%	17.6%	20.8%	18.3%	20.0%	20.1%	21.2%	22.0%	22.0%	19.8%
Stanislaus	16.4%	16.4%	14.5%	14.6%	16.1%	14.9%	14.2%	12.4%	13.4%	13.9%	14.2%
Merced	12.5%	12.8%	11.2%	11.2%	12.5%	11.6%	11.2%	10.1%	10.7%	10.7%	10.7%
Madera	9.1%	9.4%	9.0%	9.0%	9.1%	8.9%	8.0%	9.2%	10.2%	10.8%	10.8%
San Joaquin	5.4%	5.1%	4.6%	5.0%	5.4%	5.1%	5.0%	4.2%	4.4%	4.9%	4.8%
Tulare	1.8%	2.0%	1.7%	1.9%	1.9%	2.2%	2.3%	2.6%	2.2%	2.6%	2.8%
Kings	1.2%	1.3%	1.3%	1.6%	1.3%	1.5%	1.5%	1.8%	1.9%	1.6%	1.6%
All Others	0.4%	0.3%	0.3%	0.3%	0.4%	0.3%	0.3%	0.4%	0.3%	0.4%	0.4%
SOUTH COUNTIES SUB-TOTAL	83.8%	86.3%	83.3%	86.6%	84.6%	86.5%	85.3%	86.7%	88.5%	87.7%	86.4%
TOTAL	100.0%	100.0%	100.0%	100.0%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



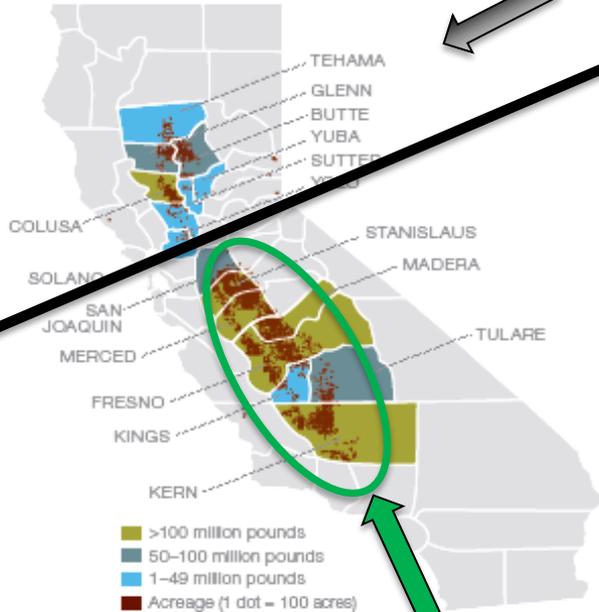


SELECT HARVESTS

Global Supply - US Almond Production & Drought

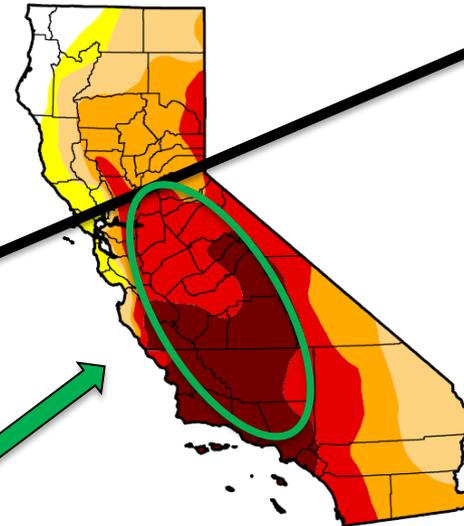
14% - North Counties % of US Almond Prod'n

Almond Production by County 2013/14



86% - South Counties % of US Almond Prod'n

U.S. Drought Monitor
California



May 10, 2016

(Released Thursday, May, 12, 2016)
Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	4.27	95.73	89.68	72.72	47.92	21.04
Last Week 5/3/2016	4.27	95.73	89.68	74.37	49.15	21.04
3 Months Ago 3/9/2016	0.22	99.78	94.77	81.82	61.40	38.48
Start of Calendar Year 12/29/2015	0.00	100.00	97.33	87.55	69.07	44.84
Start of Water Year 3/29/2015	0.14	99.86	97.33	92.36	71.08	46.00
One Year Ago 5/12/2015	0.14	99.86	98.28	93.91	66.60	46.77

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Brian Fuchs
National Drought Mitigation Center



<http://droughtmonitor.unl.edu/>

Orange States = Severe Drought
Red States = Extreme Drought
Dark Brown States – Exceptional Drought

Drought situation is much improved on 2015



Global Supply - US Almond Production & Drought



SELECT HARVESTS

Statewide Summary of Snow Water Content

Current Regional Snowpack from Automated Snow Sensors

% of April 1 Average / % of Normal for This Date



NORTH	
Data as of May 11, 2016	
Number of Stations Reporting	29
Average snow water equivalent (inches)	7.2
Percent of April 1 Average (%)	25
Percent of normal for this date (%)	46

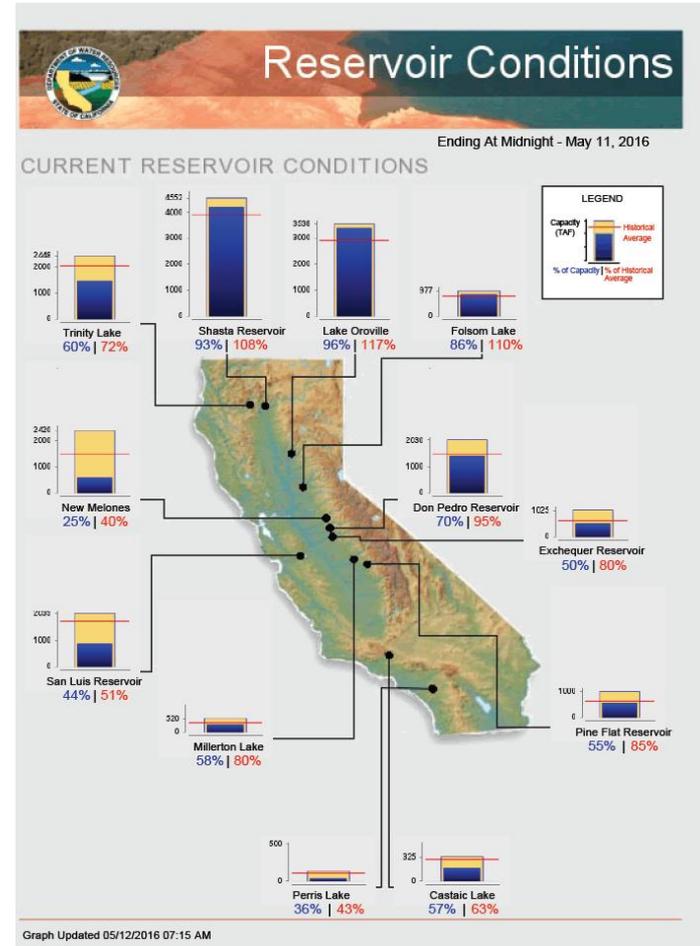
CENTRAL	
Data as of May 11, 2016	
Number of Stations Reporting	40
Average snow water equivalent (inches)	11.7
Percent of April 1 Average (%)	40
Percent of normal for this date (%)	61

SOUTH	
Data as of May 11, 2016	
Number of Stations Reporting	27
Average snow water equivalent (inches)	6.8
Percent of April 1 Average (%)	26
Percent of normal for this date (%)	40

STATE	
Data as of May 11, 2016	
Number of Stations Reporting	96
Average snow water equivalent (inches)	9.0
Percent of April 1 Average (%)	32
Percent of normal for this date (%)	51

Statewide Average: 32% / 51%

Data as of May 11, 2016



Snow Pack is well below average - melting faster than average - Surface Water much improved





US Almond Production - Ageing

Californian Almond Acreage, Yield & Production						
Year	Bearing Area	Non- Bearing Area	Yield		Production	
	(acres)	(acres)	(lbs/acre)	(tonnes/acre)	(lbs)	(tonnes)
1995	418,000	65,700	890	0.4	370,000,000	168,182
1996	428,000	72,400	1,190	0.5	510,000,000	231,818
1997	442,000	63,000	1,720	0.8	759,000,000	345,000
1998	460,000	120,000	1,130	0.5	520,000,000	236,364
1999	485,000	115,000	1,720	0.8	833,000,000	378,636
2000	510,000	100,000	1,380	0.6	703,000,000	319,545
2001	530,000	75,000	1,570	0.7	830,000,000	377,273
2002	545,000	65,000	2,000	0.9	1,090,000,000	495,455
2003	550,000	60,000	1,890	0.9	1,040,000,000	472,727
2004	570,000	70,000	1,760	0.8	1,005,000,000	456,818
2005	590,000	110,000	1,550	0.7	915,000,000	415,909
2006	610,000	145,000	1,840	0.8	1,120,000,000	509,091
2007	640,000	125,000	2,170	1.0	1,390,000,000	631,818
2008	710,000	115,000	2,300	1.0	1,630,000,000	740,909
2009	750,000	90,000	1,880	0.9	1,410,000,000	640,909
2010	770,000	85,000	2,130	1.0	1,640,000,000	745,455
2011	800,000	75,000	2,540	1.2	2,030,000,000	922,727
2012	820,000	110,000	2,310	1.1	1,890,000,000	859,091
2013	850,000	120,000	2,370	1.1	2,010,000,000	913,636
2014	880,000	170,000	2,130	1.0	1,870,000,000	850,000
2015	890,000	220,000	2,120	1.0	1,890,000,000	859,091
2016	900,000	n/a	2,220	1.0	2,000,000,000	909,091

Source: USDA NASS, 2016 California Almond Forecast Report, 10 May 2016

38% of California's total Almond Orchard Acreage is more than 21 years old

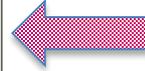
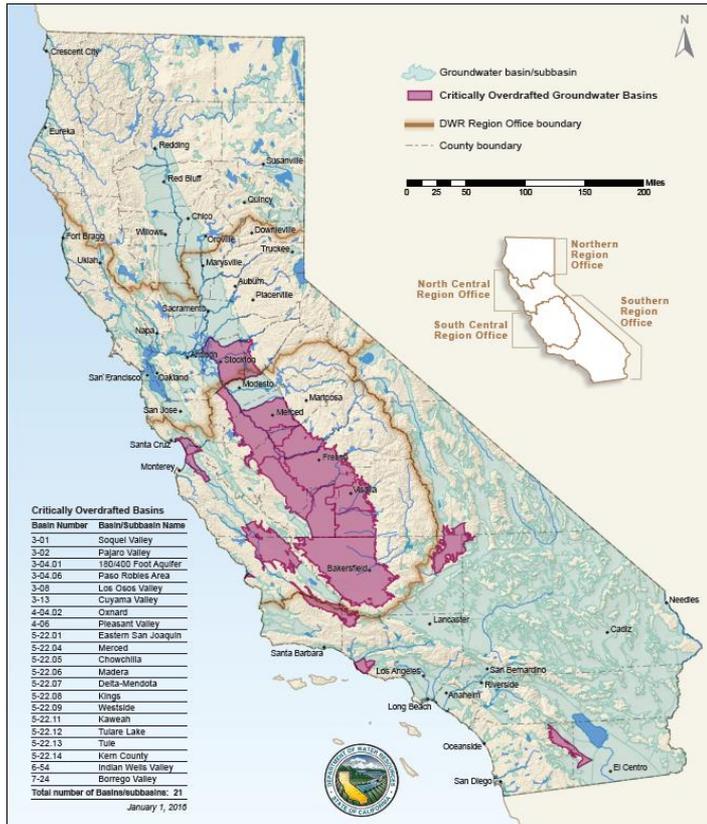
6% of Select Harvests total Almond Orchard portfolio is over 21 years old



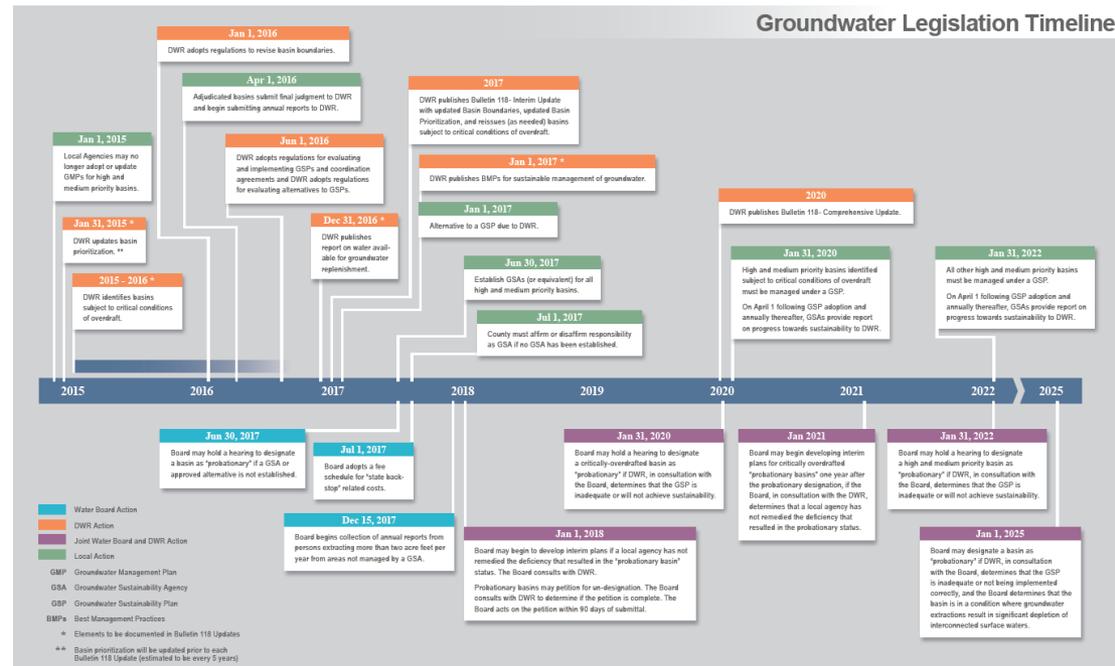


US Groundwater depletion

Critically Overdrafted Groundwater Basins – January 2016



Purple Shading = Critically Overdrafted Groundwater Basins



Groundwater - Some of the biggest counties are reliant on **critically overdrafted groundwater basins**

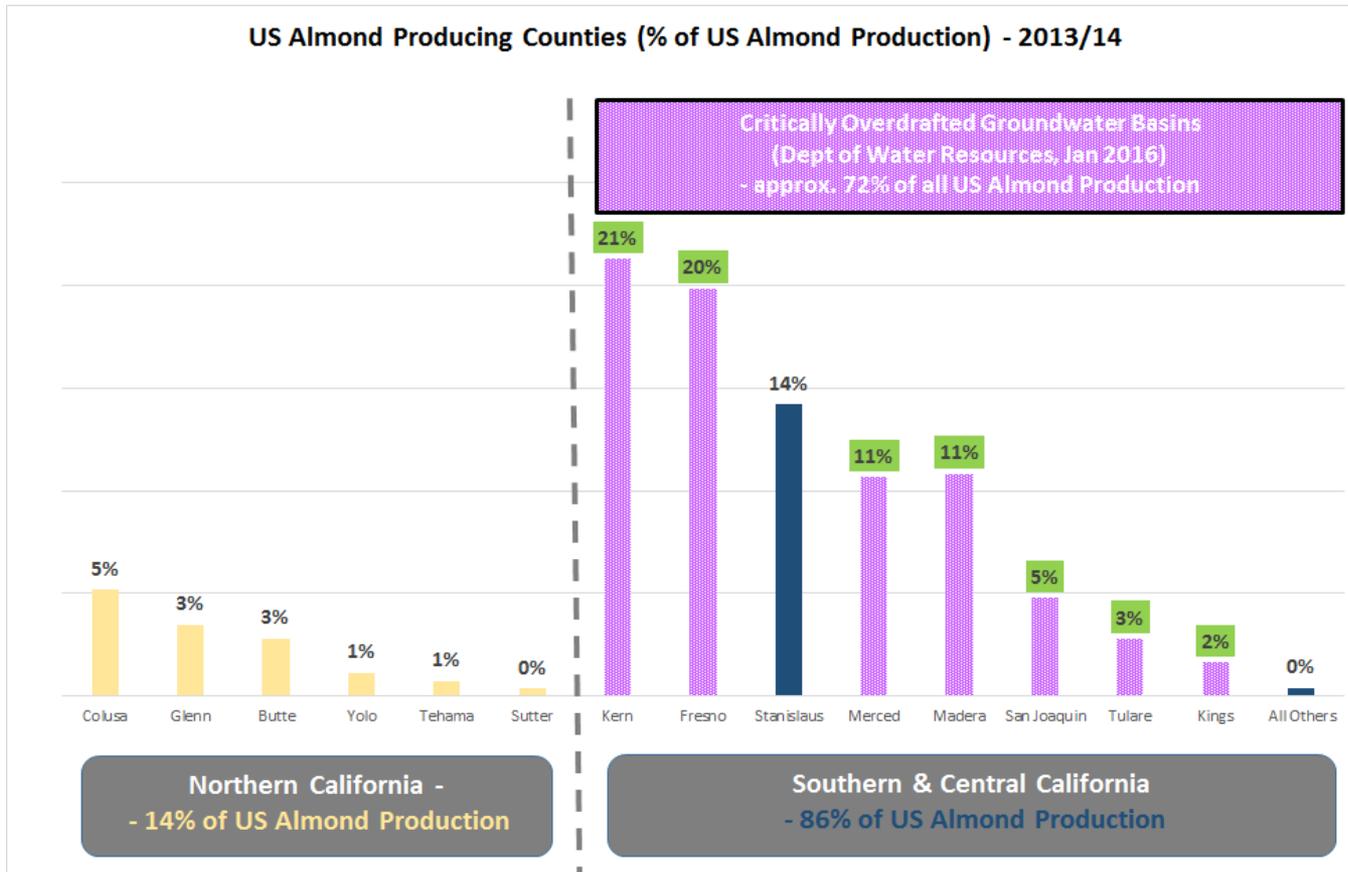
Dept of Water Resources has a well defined timeline to groundwater legislation and management



Concentrated US Supply – with water issues



SELECT HARVESTS



Concentrated Supply – 5 Counties account for 77% of US Almond Production

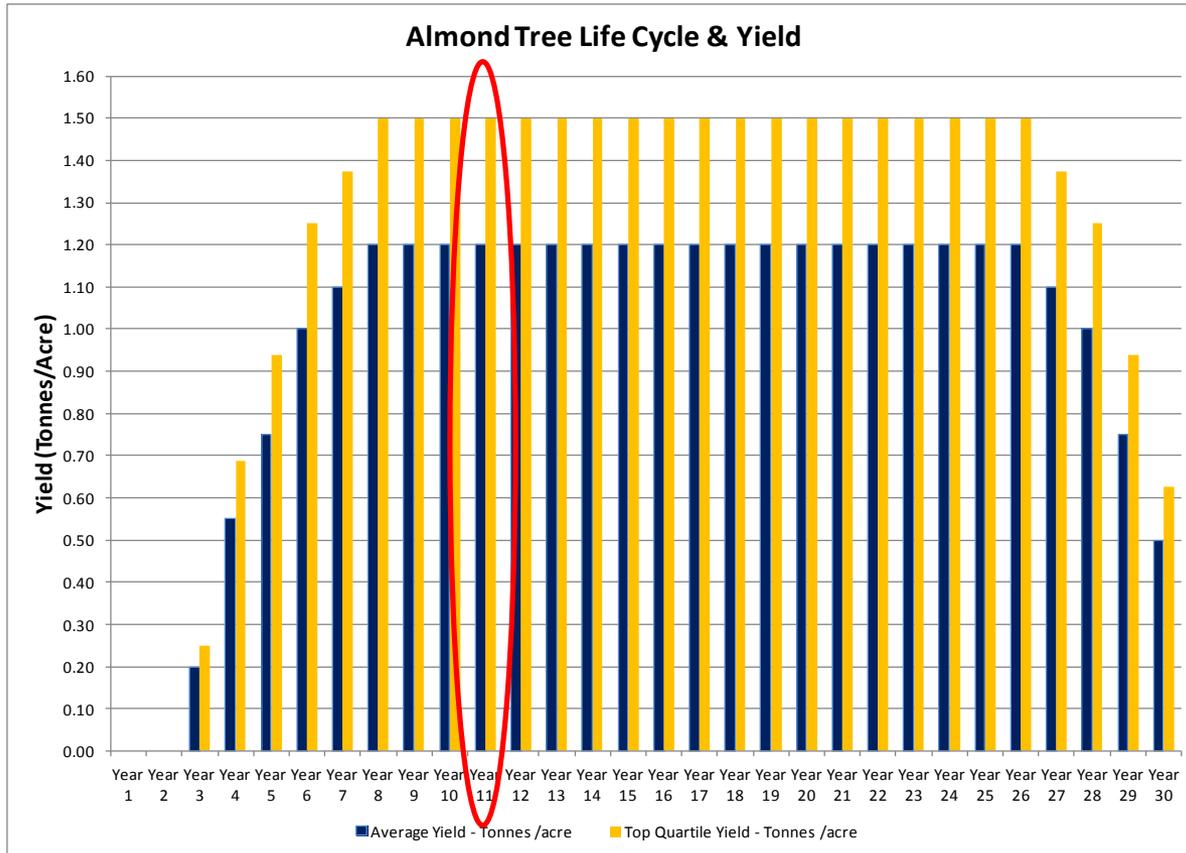
Groundwater Reliance – 72% of US Almond Production is from critically overdrafted groundwater basins





Almond Tree Life/Production Lead Time

- Almond trees take 8 years to mature, then produce at that level for approx. 18 more years before tapering



Source: Almond Board of Australia and Company Data

Select Harvests secure supply chain & yield opportunities - average tree age is 10.9 years





Annual Almond Cycle

Dormancy
Almond Trees are dormant between May-July

Blossom
Bees used for pollination in Aug

Nuts Mature
Formation of Fruit/Kernel, Hull, Leaves

Hull Split
Hull opens & Nut splits from stem

Adverse weather is biggest threat

- Pollination – Wet weather & Wind impacts
- Petal fall to early nutlet development – Frost impacts
- Harvest – Wet weather impacts

Can impact Volume & Quality



FY2013

FY2014

FY2015

Harvest
shakers drop nuts to ground, Sweepers pick up nuts, Truck nuts to Processing Facility

Primary Processing – removal of hull (In-shell) or hull & shell (kernel), prior to Value Added Processing

Value Added Processing – blanching, slicing, slivering, meal, pastes, roasting, blending

Almond Sales Program

Source: Company Data





Useful websites for almond industry information

■ Industry Associations

- Californian Almond Board www.almondboard.com
- United States Drought Monitor <http://droughtmonitor.unl.edu/Home/StateDroughtMonitor.aspx?CA>
- Dept. of Water Resources (DWR) – Reservoir Levels <http://cdec.water.ca.gov/cdecapp/resapp/getResGraphsMain.action>
- DWR – Snowpack Levels <http://cdec.water.ca.gov/cdecapp/snowapp/sweq.action>
- DWR – Critically Overdrafted Groundwater Basins (2016) http://www.water.ca.gov/groundwater/sgm/pdfs/GW_basinsCriticalOverdraft_CA.pdf

■ Industry Reports

- US Crop Forecasts (Subjective, Objective) <http://www.almonds.com/growers/resources/crop-forecasts>
- Monthly Almond Position Reports <http://www.almonds.com/newsletters/position-reports?from-section=2881>
- Almond Almanac http://www.almonds.com/sites/default/files/content/attachments/2013_almanac.pdf
- UC Davis Almond Development Costings <http://coststudies.ucdavis.edu/en/current/>

■ Almond Companies

- Blue Diamond Growers www.bluediamond.com
- Blue Diamond Ingredients www.bdingredients.com/category/almond-market-analysis
- Almond Insights www.almondinsights.com
- Derco Foods www.dercofoods.com/en/reports
- RPAC Almonds www.rpacalmonds.com/marketnews
- Paramount Farms www.paramountfarms.com
- Hilltop Ranch www.hilltopranch.com
- Merlo Farming www.merlofarminggroup.com
- Almond Investors www.almondinvestors.com.au/index.php/almond-projects/almond-price/

