

**SELECT HARVESTS LIMITED  
ABN 87 000 721 380  
AND CONTROLLED ENTITIES**

**HALF-YEAR INFORMATION  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016  
PROVIDED TO THE ASX UNDER LISTING RULE 4.2A**

**This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2016.**

# Appendix 4D

## Half Year Report for the six months to 31 December 2016

Name of entity

Select Harvests Limited

ABN 87 000 721 380

### 1. Reporting period

Report for the half year ended 31 December 2016

Previous corresponding period is the financial year ended 30 June 2016 and half year ended 31 December 2015

### 2. Results for announcement to the market

(All amounts in this report are expressed in \$'000 unless otherwise stated)

Revenues from continuing ordinary activities ( <i>item 2.1</i> )	Down	24.0%	to	126,457
Profit from continuing ordinary activities after tax attributable to members ( <i>item 2.2</i> )	Down	51.4%	to	11,625
Profit after tax excluding acquisition costs*	Down	51.4%	to	11,625
*Acquisition costs relate to the one off duties, legals & registration fees paid in relation to the almond orchards purchased.				
<b>Dividends (<i>item 2.4</i>)</b>		<b>Amount per security</b>		<b>Franked amount per security</b>
Interim dividend		10.0 ¢		10.0¢
Previous corresponding period				
Interim dividend		21.0 ¢		Nil
Record date for determining entitlements to the interim and special dividend ( <i>item 2.5</i> )		8 March 2017		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood ( <i>item 2.6</i> ):				
Please refer to the attached announcement.				

**3. Net tangible assets per security (item 3)**

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$3.11	\$3.39

**4. Details of entities over which control has been gained or lost during the period: (item 4)**

**Control gained over entities**

Name of entities (item 4.1)	-	
Date(s) of gain of control (item 4.2)	-	
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired (item 4.3)	\$ -	
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	\$ -	

**5. Dividends (item 5)**

	Date of payment	Total amount of dividend (\$'000)
Interim dividend – year ended 30 June 2017	5 April 2017	7,349
Interim dividend – year ended 30 June 2016	15 April 2016	15,135

**Amount per security**

	Amount per security	Franked amount per security at 30 % tax	Amount per security of foreign sourced dividend
<b>Total dividend:</b> Current year (interim)	10.0 ¢	10.0 ¢	Nil ¢
Previous year (interim)	21.0 ¢	Nil ¢	Nil ¢

**Total dividend on all securities**

	Current period \$'000	Previous corresponding Period - \$'000
Ordinary securities <i>(each class separately)</i>	7,349	15,135
Preference securities <i>(each class separately)</i>	-	-
Other equity instruments <i>(each class separately)</i>	-	-
<b>Total</b>	<b>7,349</b>	<b>15,135</b>

**6. Details of dividend or distribution reinvestment plans in operation are described below *(item 6)*:**

The interim dividend may be reinvested in ordinary shares under the company's Dividend Reinvestment Plan.

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan 9 March 2017

**7. Details of associates and joint venture entities *(item 7)***

Name of associate or joint venture entity	%Securities held
N/A	

**Aggregate share of profits (losses) of associates and joint venture entities**

<b>Group's share of associates' and joint venture entities':</b>	2016 \$	2015 \$
Profit (loss) from ordinary activities before tax	-	-
Income tax on ordinary activities	-	-
<b>Net profit (loss) from ordinary activities after tax</b>	-	-
Adjustments	-	-
<b>Share of net profit (loss) of associates and joint venture entities</b>	-	-

**8. The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached), which has been prepared in accordance with Australian accounting standards.**

**9. Independent review of the financial report** (*item 9*)

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.

**10. Matters relating to a qualified independent review statement**

A description of the dispute or qualification in respect of the independent review of the half-year financial report is provided below (*item 17*)

N/A
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**SELECT HARVESTS LIMITED  
ABN 87 000 721 380  
AND CONTROLLED ENTITIES**

**FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2016**

**SELECT HARVESTS LIMITED AND CONTROLLED ENTITIES**  
**ABN 87 000 721 380**  
**FINANCIAL REPORT FOR THE HALF-YEAR ENDED**  
**31 DECEMBER 2016**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and any public announcements made by Select Harvests Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*

## DIRECTORS' REPORT

The directors present their report together with the financial report of Select Harvests Limited and controlled entities (referred to hereafter as the "consolidated entity" and "group") for the half-year ended 31 December 2016 and independent review report thereon.

### Directors

The names of the directors in office at any time during or since the end of the half-year are:

M Iwaniw (Chairman)  
P Thompson (Managing Director)  
R M Herron\*  
M Carroll  
F S Grimwade  
P Riordan  
N Anderson

\* Resigned on 25<sup>th</sup> November 2016 and reappointed as a director on 25<sup>th</sup> November 2016 to assist with the transition to a replacement director in the period prior to the 2017 Annual General Meeting.

Other than the arrangement with Mr Herron, the directors have been in office since the start of the financial period to the date of this report.

### Review of Operations

The consolidated profit of the group for the half year amounted to \$11.62 million (half-year 31 December 2015 \$23.91 million).

### Interim Dividend

On 28 February 2017, the directors declared a fully franked interim dividend of 10 cents per ordinary share to be paid on 5 April 2017 to shareholders registered at 5.00pm on 8 March 2017.

### Subsequent Events

On 28 February 2017, the Company announces the acquisition of the Jubilee Almond orchards for \$26.50 million. Completion of the transaction is subject to a vote by the vendor shareholders.

No other significant events have occurred subsequent to reporting date.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

**SELECT HARVESTS LIMITED AND CONTROLLED ENTITIES**  
**ABN 87 000 721 380**

**Rounding**

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors:



Michael Iwaniw  
Chairman  
Dated this 28<sup>th</sup> day of February 2017



## Auditor's Independence Declaration

As lead auditor for the review of Select Harvest Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Select Harvest Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'Andrew Cronin'.

Andrew Cronin  
Partner  
PricewaterhouseCoopers

Melbourne  
28 February 2017

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Note	<b>31 December</b>	
		<b>2016</b>	2015
		<b>\$ '000</b>	\$ '000
<b>Revenue</b>			
Sales of goods and services		124,702	166,384
Other revenue		1,755	56
<b>Total revenue</b>		<b><u>126,457</u></b>	<b><u>166,440</u></b>
<b>Other income</b>			
Inventory fair value adjustment		(1,479)	(27,239)
Gain on sale of assets		37	4,089
<b>Total other income</b>		<b><u>(1,442)</u></b>	<b><u>(23,150)</u></b>
<b>Expenses</b>			
Cost of sales		(98,370)	(102,537)
Distribution expenses		(2,181)	(2,149)
Marketing expenses		(495)	(343)
Occupancy expenses		(745)	(646)
Administrative expenses		(3,708)	(3,533)
Finance costs		(2,231)	(2,648)
Other expenses		(1,617)	(1,234)
<b>PROFIT BEFORE INCOME TAX</b>		<b><u>15,668</u></b>	<b><u>30,200</u></b>
Income tax expense	6	(4,043)	(6,287)
<b>PROFIT ATTRIBUTABLE TO MEMBERS OF SELECT HARVESTS LIMITED</b>		<b><u>11,625</u></b>	<b><u>23,913</u></b>
<b>Other Comprehensive Income/ (Expense)</b>			
<i>Items that may be reclassified to profit or loss</i>			
<b>Changes in fair value of cash flow hedges, net of tax</b>		(1,842)	1,147
Other Comprehensive Income for the half-year		<b><u>(1,842)</u></b>	<b><u>1,147</u></b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF SELECT HARVESTS LIMITED</b>		<b><u>9,783</u></b>	<b><u>25,060</u></b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the company:</b>			
Basic earnings (cents per share)		15.9	33.4
Diluted earnings (cents per share)		15.8	32.9

The above Consolidated Income Statement should be read in conjunction with the accompanying Notes.

**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2016**

	Note	<b>31 December 2016 \$ '000</b>	30 June 2016 \$ '000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,188	1,435
Trade and other receivables		35,441	48,477
Inventories		102,511	104,316
Derivative financial instruments		18	1,293
<b>TOTAL CURRENT ASSETS</b>		<b>140,158</b>	<b>155,521</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		253,282	238,187
Intangible assets		56,064	56,064
<b>TOTAL NON CURRENT ASSETS</b>		<b>309,346</b>	<b>294,251</b>
<b>TOTAL ASSETS</b>		<b>449,504</b>	<b>449,772</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		17,847	23,180
Interest bearing liabilities		9,281	30,619
Derivative financial instruments		1,357	-
Current tax liabilities		4,928	25,142
Deferred gain on sale		175	175
Employee entitlements		2,678	2,667
<b>TOTAL CURRENT LIABILITIES</b>		<b>36,266</b>	<b>81,783</b>
<b>NON CURRENT LIABILITIES</b>			
Interest bearing liabilities		91,347	38,082
Deferred tax liabilities		32,622	34,452
Deferred gain on sale		3,109	3,197
Employee entitlements		1,497	1,357
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>128,575</b>	<b>77,088</b>
<b>TOTAL LIABILITIES</b>		<b>164,841</b>	<b>158,871</b>
<b>NET ASSETS</b>		<b>284,663</b>	<b>290,901</b>
<b>EQUITY</b>			
Contributed equity	8	180,474	178,553
Reserves		9,610	11,168
Retained profits		94,579	101,180
<b>TOTAL EQUITY</b>		<b>284,663</b>	<b>290,901</b>

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	31 December	
	2016 \$ '000	2015 \$ '000
<b>Balance at 1 July</b>	<b>290,901</b>	<b>287,387</b>
Profit for the half-year	11,625	23,913
Other Comprehensive Income	(1,842)	1,147
<b>Total comprehensive income for the half-year</b>	<b>9,783</b>	<b>25,060</b>
Transactions with equity holders in their capacity as equity holders:		
- Dividends paid (note 7)	(18,227)	(25,003)
- Contributions of equity (note 8)	1,921	7,174
- Employee performance rights reserve	285	498
	(16,021)	(17,331)
<b>Total equity at the end of half-year</b>	<b>284,663</b>	<b>295,116</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	<b>31 December</b>	
	<b>2016</b>	2015
	<b>\$ '000</b>	\$ '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	143,786	190,195
Payments to suppliers and employees	(110,367)	(107,203)
	<u>33,419</u>	<u>82,992</u>
Interest received	10	57
Interest paid	(2,349)	(2,224)
Income tax paid	(25,298)	-
<b>Net cash inflow from operating activities</b>	<u>5,782</u>	<u>80,825</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Government grants	1,642	4,118
Proceeds from sale of property, plant and equipment	37	366
Payment for water rights	-	(4,953)
Payment for property, plant and equipment	(17,598)	(22,048)
Proceeds from sale and leaseback	-	34,922
Payment for orchard acquisitions	-	(5,285)
Payment for tree development costs	(4,731)	(3,254)
<b>Net cash (outflow)/ inflow from investing activities</b>	<u>(20,650)</u>	<u>3,866</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from sale and leaseback	-	28,362
Proceeds from borrowings	70,750	68,500
Repayments of borrowings	(37,500)	(149,109)
Repayment of finance lease	(1,824)	(1,100)
Dividends payment on ordinary shares, net of Dividend Reinvestment Plan	(16,306)	(17,829)
<b>Net cash inflow/ (outflow) from financing activities</b>	<u>15,120</u>	<u>(71,176)</u>
<b>Net increase in cash and cash equivalents</b>	252	13,515
Cash and cash equivalents at the beginning of the half-year	(3,455)	(5,100)
<b>Cash and cash equivalents at the end of the half-year</b>	<u>(3,203)</u>	<u>8,415</u>
<b>Reconciliation to cash at the end of the year:</b>		
Cash and cash equivalents	2,188	12,754
Bank overdraft	(5,391)	(4,339)
	<u>(3,203)</u>	<u>8,415</u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation of half-year report

This general purpose interim financial report for the half-year ended 31 December 2016 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Select Harvests Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous annual financial report.

#### New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2016 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

*(i) AASB 9 Financial Instruments (effective from 1 January 2018)*

*AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The standard is not applicable until 1 January 2018 but is available for early adoption. The Company is yet to assess its full impact and has not yet decided when to adopt AASB 9.*

*(ii) AASB 15 Revenue from Contracts with Customers (effective from 1 January 2017)*

*The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard is not applicable until 1 January 2018 but is available for early adoption. The Company is yet to assess its full impact and has not yet decided when to adopt AASB 15.*

*(iii) IFRS 16 Leases (effective from 1 April 2019)*

*IFRS 16 (effective for annual periods starting on or after 1 January 2019) eliminates the classification of leases as either operating leases or finance leases and requires entities to recognise assets and liabilities on the balance sheet for the majority of leases. The company is currently evaluating the impact of the new standard."*

### 2. COMPARATIVE INFORMATION

The Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows provide comparative information for the half-year ended 31 December 2015. The Balance Sheet provides comparative information as at 30 June 2016.

Where necessary, the comparatives have been reclassified and repositioned to be consistent with the current year disclosures.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

### 3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The consolidated entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In addition to those critical accounting estimates and assumptions disclosed in the Group's previous annual financial report, the estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Inventory - Prior Years Almond Crops

The reported Earnings Before Interest and Tax (EBIT) in the almond division has been impacted by the differential between estimates of the value of the 2016 and 2015 almond crops developed at the 30 June 2016 and 30 June 2015 financial year end reporting dates, and the realised results/current estimates of those values. The impact is summarised as follows:

	31 December	
	2016	2015
Almond division EBIT (excluding gains on asset sales)	15,605	24,958
Differential between estimates and realised results of 2015 crop in H1 2015 resulting from increase in realised/ estimated selling price	-	(4,000)
Differential between estimates and realised results of 2016 crop in H1 2016 resulting from decrease in realised/ estimated selling price	5,100	-
	<u>20,705</u>	<u>20,958</u>

#### Inventory - Current Year Almond Crop

The current year almond crop is classified as a biological asset and valued in accordance with AASB 141 "Agriculture". In applying this standard, the consolidated entity has made various assumptions at the interim balance date as the current year almond crop is only partially through the growing season and the actual crop yield will not be known until it is completely processed and sold. The assumptions are the estimated average almond selling price at the point of harvest of \$7.70 per kg and almond yield based on a crop estimate for Company Orchards of 16,000 metric tonnes.

#### Fair Value of Acquired Assets

In calculating the fair value of acquired assets, in particular almond orchards, the company has made various assumptions. These include future almond price, long term yield and discount rates. The valuation of almond trees is sensitive to these assumptions and any change may have a material impact on these valuations.

### 4. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 28 February 2017, the Company announces the acquisition of the Jubilee Almond orchards for \$26.50 million. Completion of the transaction is subject to a vote by the vendor shareholders.

On 28 February 2017, the Directors declared a fully franked interim dividend of 10 cents per ordinary share to be paid on 5 April 2017 to shareholders registered at 5.00pm on 8 March 2017.

No other significant events have occurred subsequent to reporting date.

**SELECT HARVESTS LIMITED AND CONTROLLED ENTITIES**  
**ABN 87 000 721 380**

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**5. SEGMENT INFORMATION**

The segment information provided to the Chief Executive Officer is referenced in the following table:

	Food Division (\$'000)		Almond Division (\$'000)		Eliminations and Corporate (\$'000)		Consolidated Entity (\$'000)	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015	Dec 2016	Dec 2015	Dec 2016	Dec 2015
<b>Revenue</b>								
Total revenue from external customers	77,987	91,694	46,715	74,690	-	-	124,702	166,384
Intersegment revenue	-	-	12,502	20,079	(12,502)	(20,079)	-	-
<b>Total segment revenue</b>	<b>77,987</b>	<b>91,694</b>	<b>59,217</b>	<b>94,769</b>	<b>(12,502)</b>	<b>(20,079)</b>	<b>124,702</b>	<b>166,384</b>
Other revenue	-	-	1,745	14	10	42	1,755	56
<b>Total revenue</b>	<b>77,987</b>	<b>91,694</b>	<b>60,962</b>	<b>94,783</b>	<b>(12,492)</b>	<b>(20,037)</b>	<b>126,457</b>	<b>166,440</b>
<b>EBIT</b>	<b>5,054</b>	<b>6,724</b>	<b>15,605</b>	<b>29,058</b>	<b>(2,770)</b>	<b>(2,990)</b>	<b>17,889</b>	<b>32,792</b>
Interest received	-	-	-	14	10	42	10	56
Finance costs expensed	-	-	(1,372)	(702)	(859)	(1,946)	(2,231)	(2,648)
<b>Profit before income tax</b>	<b>5,054</b>	<b>6,724</b>	<b>14,233</b>	<b>28,370</b>	<b>(3,619)</b>	<b>(4,894)</b>	<b>15,668</b>	<b>30,200</b>
<b>Segment assets</b> (excluding intercompany debts)	<b>72,803</b>	<b>78,286</b>	<b>374,012</b>	<b>361,946</b>	<b>2,689</b>	<b>11,999</b>	<b>449,504</b>	<b>452,231</b>
<b>Segment liabilities</b> (excluding intercompany debts)	<b>(9,260)</b>	<b>(10,377)</b>	<b>(88,585)</b>	<b>(109,931)</b>	<b>(66,996)</b>	<b>(36,807)</b>	<b>(164,841)</b>	<b>(157,115)</b>
<b>Acquisition of non-current segment assets</b>	<b>340</b>	<b>72</b>	<b>20,603</b>	<b>34,494</b>	<b>1,386</b>	<b>974</b>	<b>22,329</b>	<b>35,540</b>
<b>Depreciation and amortisation of segment assets</b>	<b>228</b>	<b>242</b>	<b>6,908</b>	<b>5,723</b>	<b>33</b>	<b>24</b>	<b>7,169</b>	<b>5,988</b>

Note: Almond division includes a gain on sale of assets of \$4.1 million (Dec 2015). Excluding the impact of the gain, EBIT will be \$24.96 million.

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2016**

**6. NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE  
TAX PAYABLE**

	<b>31 December</b>	
	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
Profit from continuing operations before income tax expense	15,668	30,200
Tax at the Australian tax rate of 30% (2015 – 30%)	(4,700)	(9,060)
Over provision of previous year	657	2,773
Income tax expense	<u><b>(4,043)</b></u>	<u><b>(6,287)</b></u>

**7. DIVIDENDS**

	<b>31 December</b>	
	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
<b>(a) Dividends paid during the half-year</b>		
Total dividends paid during the half-year	18,227	25,003

**(b) Dividends not recognised at the end of the half-year:**

In addition to the above dividends, since the end of the half-year the directors have declared the payment of a fully franked interim dividend of 10 cents per fully paid ordinary share (2015 – 21.0 cents fully franked per fully paid ordinary share). The aggregate amount of the declared dividends expected to be paid on 5 April 2017 out of retained profits at 31 December 2016, but not recognised as a liability at the end of the half-year, is:

	7,349	15,135
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**8. EQUITY SECURITIES ISSUED**

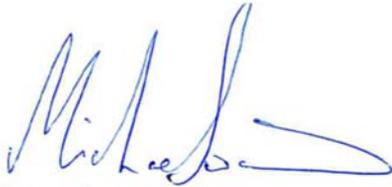
	<b>31 December</b>		<b>31 December</b>	
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>Shares</b>	Shares	<b>\$'000</b>	\$'000
	<b>No.</b>	No.		
<b>Issues of ordinary shares during the half-year</b>				
Dividend reinvestment scheme issues	<b>293,057</b>	633,671	<b>1,921</b>	7,174
Long term incentive plan – tranche vested	<b>274,705</b>	575,307	-	-
Contributions to equity			<u><b>1,921</b></u>	<u><b>7,174</b></u>

## DIRECTORS' DECLARATION

In the directors' opinion:

- a) the financial statements and notes set out on pages 4 to 11 are in accordance with the *Corporations Act 2001* including:
  - i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b) there are reasonable grounds to believe that Select Harvests Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Michael Iwaniw  
Chairman  
Dated this 28<sup>th</sup> day of February 2017



## **Independent auditor's review report to the members of Select Harvest Limited**

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of Select Harvest Limited (the company), which comprises the consolidated balance sheet as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Select Harvest Limited group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

### ***Directors' responsibility for the half-year financial report***

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Select Harvest Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Select Harvest Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to be 'Andrew Cronin'.

Andrew Cronin  
Partner

Melbourne  
28 February 2017