2012 Preliminary Announcement

TURNERS & GROWERS LIMITED AND SUBSIDIARY COMPANIES
For the year ended 31 December 2012 (Unaudited)

For the year ended 31 December 2012 the Turners & Growers Group announces a loss before income tax of $18.1m and an after tax loss (after non-controlling interests) of $15.3m. In the period reported, the Group wrote down assets, which negatively impacted the Profit and Loss Statement by $29.0m before tax.

Exports

The pipfruit export result improved despite lower volumes, due to the higher export quality yield from growers' submissions and a favourable shift in the variety mix to higher value varieties. ENZA also achieved further efficiency enhancements and capacity utilisation in its coolstores and packing facilities.

Implementation of foreign exchange hedging for apple exports, reduced supply chain costs, and refined market allocation planning of New Zealand grown apples enabled ENZA to significantly increase grower returns on the major apple varieties led by top returns for Envy™. Due to the further increasing success of Jazz™ in the Northern Hemisphere and increased volume from maturing trees, ENZA's commission income from offshore plantings increased substantially.

Delica continued to perform strongly and above expectations with contribution 24% up on 2011. The New Zealand operation had a positive year with most products increasing in both volume and margin. The North American operation experienced substantially increased growth and profits. Delica Australia managed to turnaround their export business and the newly formed import business tracked above expectations. Delica's further growth is expected to continue in 2013 due to higher apple exports to Asia, a further improvement in Australia and higher trading volumes from South America.

The Fijian operation was augmented by the opening of the Nadi facility and has exceeded expectations with increased market share in retail, wholesale, resorts and food service sectors.

Overall Exports trading has been robust, however the reduction in segment profit from $7.6m in 2011 to $2.9m in 2012 is primarily caused by a bad debt provision and the impairment of kiwifruit plant variety rights held by the Group.

Domestic

The Domestic business experienced an oversupply of imported produce in New Zealand delivering a disappointing result, with segment profit of $1.5m compared to a prior year profit of $5.0m. The crates business tracked slightly below last year's performance as a consequence of the additional cost for the launch of a new model of crates.

Processing

ENZAFoods delivered a $3.3m segment profit, an improvement on 2011's $2.7m result, despite deteriorating market conditions for apple juice concentrate. In 2012 ENZAFoods continued to grow its sales volume of fruit ingredient products and completed a major capital investment in a new fruit ingredients factory.

Growing Operations

Strong tomato prices in the winter months of 2012 and continued focus on improving yield and reducing growing costs led to another consecutive record-breaking year for Status Produce. Future growth is expected from promising results of research and development work on new tomato varieties.

Apple orchards and biological assets were significantly revalued down at year end reflecting the current pessimistic view of the industry's environment and economic conditions including factors such as risk of lower yield and the predicted strength of the New Zealand dollar. In addition Inglis Horticulture had a difficult year due to low yield and the high cost incurred in combating European canker.

Kerifresh's results were disappointing due to a large asset write down for orchard land and biological assets and an operational loss on the 2012 lemon crop. PSA-V has been identified in one orchard and strict controls are in place to contain the bacteria. The 2013 kiwifruit crop is expected to be up on volume and the new collaborative approach between Zespri and Turners & Growers is anticipated to deliver positive results.

Overall, Growing Operations reported a $22.8m segment loss for 2012.

Other

Floramax added another year of steady contribution and cash flow. ENZACOR, trading as Fruitmark, faced declining market conditions in Australia resulting in decreased contribution versus 2011 however is expected to recover in 2013.

A review of the Group's property portfolio resulted in the sale of one Auckland site and the potential sale of other properties in 2013.

The Group has incurred advisory and restructuring costs as part of the strategic review process and the formation of the new integrated business model.

Basic earnings per share was negative 13.07 cents, compared to negative 17.18 cents in 2011. There was no dividend declared or paid in 2012.

Early 2013 trading is overall slightly above budget.

Klaus Josef Lutz
Chairman