



A BayWa
Company

HALF YEAR REPORT
JUNE 2016

Customer Centred

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GROWING A GLOBAL BUSINESS

2016

We are focusing on specific areas of our global strategy, notably:

- Sustainable growth;
- A customer-centric approach; and
- A culture of accountability.

At the same time we are increasing our emphasis on achieving **vertical integration** across our key fresh produce categories, and continuing to build our **in-market presence** to support and strengthen our relationships with our customers.

Other important elements of our growth strategy are:

- Enhancing our **Employee Value Proposition**;
- Emphasising diversity to reflect our positioning as a global business; and
- Incorporating a sustainability approach including an on-going commitment to **Health & Safety** and emphasising **Food Safety**.

2016 HALF YEAR RESULTS

Revenue	Profit after income tax
\$423.0m	\$22.7m

Total assets	Net tangible assets per share
\$826.0m	\$2.65

DIRECTORS' REPORT

Group

T&G Global Limited (the Parent) and its subsidiary companies (the Group) are pleased to announce a 14% increase in revenue to \$423.0 million for the six months ended 30 June 2016, compared to \$371.2 million for the six months ended 30 June 2015. Net profit after tax for the first six months of 2016 was \$22.7 million compared to a \$12.0 million net profit after tax made during the first six months of 2015.

General growth from existing operations contributed an additional \$36.6 million of revenue compared to the first six months of 2015, and acquisitions during the second half of 2015 of Great Lake Tomatoes Limited, Rianto Limited and T&G Vizzarri Farms Pty Limited added \$15.2 million of revenue. This increase in revenue is particularly pleasing given a late warm summer in New Zealand that led to delays in pipfruit and citrus sales, and also a reduction in the volume of pipfruit from the Nelson region due to hailstorms.

During 2016, the Group declared a dividend of \$0.06 per share, of which \$1.1 million was paid in cash and \$6.0 million was settled through new shares issued as part of a dividend reinvestment plan.

Pipfruit

Additional revenue of \$11.1 million was recorded within the Group's pipfruit division over the first six months of 2016 compared to the previous half year. The pipfruit division benefited from its global variety development programme and both Jazz™ and Envy™ sales volumes increased during 2016. Higher sales in the United States and a successful sales programme in Europe have offset the slower start of New Zealand exports in 2016.

The Group has continued to invest in its people and business infrastructure in the United States to provide support for their partner growers. Partner growers in the United States, Europe and New Zealand have also invested in new plantings of Jazz™ and Envy™ and the Group committed to new plantings of its proprietary varieties on orchards in New Zealand.

International Produce

The Group's international produce division recorded additional revenue of more than \$31.1 million for the six months ended 30 June 2016. The main increase in revenue occurred within Australasia through the Group's Australian asparagus business which was acquired subsequent to the 2015 half year and delivered an additional \$11.4 million of revenue in 2016. The Pacific Islands recorded a \$3.9 million increase in revenue which was due to a shortage of produce in the region following the cyclones in Fiji during early 2016. Other Australian operations increased their sales by a further \$9.6 million due to record grape exports into new markets.

The strategy of opening new offices in China and most recently in Thailand has already contributed nearly \$6.2 million of revenue due to selling high quality kiwifruit at

good prices in the region. The Thailand office enables the Group to work with strong overseas partners to deliver premium branded fresh produce while getting closer to its Thai customers.

New Zealand Produce

The New Zealand produce division experienced an increase of \$6.7 million in revenue compared to the same period last year. The Group's Covered Crops business recorded a \$4.1 million increase in revenue which was mostly due to the acquisitions during 2015 of tomato businesses, as well as improved crop management. New Zealand markets have also benefited from several business improvements during 2016, although a late start to the citrus season has reduced some of the gains. Both the Transport and Fruit Case Company (FCC) business units have traded in line with prior year.

Processed Foods

Revenue has increased in 2016 by \$2.4 million within the Group's processed foods division despite lower 2016 apple juice concentrate prices. Business improvement initiatives have continued within the division, and there have been efficiencies from investment in new equipment and a restructure of personnel to meet seasonal requirements. The processed foods division continues to pursue opportunities in value added, high margin products, while maintaining pipfruit tonnage for its juice operations. It has also expanded its trading business, Fruitmark, into the United States with some early success.

Other Business

Consumers demand high quality produce from reliable and sustainable sources. The Group has continued to invest in technology, health and safety, and its people to provide the support a global trading business requires to meet these demands. The Group's employees are passionate about fresh produce and every day they exhibit the T&G mindset of being grounded, resilient, open and willing. This passion delivered outstanding results in 2015 and consequently the Board of Directors rewarded the Group's employees in 2016 with an inaugural payment under the T&G employee incentive plan.

With effect from 30 June 2016, the Group sold its crate hireage business, trading as FCC, for \$21.2 million to a wholly owned subsidiary of Pact Group Holdings Limited. The sale resulted in a net gain of \$11.9 million before tax, and is in line with the Group's strategy of growing its strategic relationships, allowing it to focus on growing its core business of providing fresh produce to its customers in markets around the world.

Prof. Klaus Josef Lutz
CHAIRMAN

INCOME STATEMENT

For the six months ended 30 June 2016

	Notes	Unaudited 6 months to 30 Jun 2016 \$'000	Restated Unaudited 6 months to 30 Jun 2015* \$'000	Restated Audited 12 months to 31 Dec 2015* \$'000
Revenue		423,034	371,163	812,764
Other income		19,310	13,453	11,432
Purchases, raw materials and consumables used		(287,342)	(255,217)	(577,826)
Employee benefits expenses		(69,509)	(62,918)	(117,653)
Depreciation and amortisation expenses		(10,650)	(8,857)	(18,824)
Other expenses		(41,212)	(38,522)	(79,652)
Operating profit		33,631	19,102	30,241
Net financing expenses		(6,272)	(5,705)	(11,978)
Share of profit from joint ventures	7	1,045	1,374	3,834
Share of profit from associates	7	2,089	1,256	2,572
Profit before income tax		30,493	16,027	24,669
Income tax expense		(7,783)	(4,043)	(5,219)
Profit after income tax		22,710	11,984	19,450
Attributable to:				
Equity holders of the Parent		21,950	11,498	18,100
Non-controlling interests		760	486	1,350
Profit for the period		22,710	11,984	19,450
Earnings per share				
Basic and diluted earnings (in cents)		18.2	9.8	15.4

* Refer to notes 5 and 6 for further information

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	Unaudited 6 months to 30 Jun 2016 \$'000	Restated Unaudited 6 months to 30 Jun 2015* \$'000	Audited 12 months to 31 Dec 2015 \$'000
Profit for the period	22,710	11,984	19,450
Other comprehensive income / (expense)			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of property, plant and equipment, net of tax	-	-	26,559
Deferred tax effect on sale of property, plant and equipment	1,286	-	-
	1,286	-	26,559
Items that may be reclassified subsequently to profit or loss:			
Gain on revaluation of available-for-sale investments	-	-	13
Exchange differences on translation of foreign operations	(2,701)	4,727	2,778
Cash flow hedges:			
Fair value gain / (loss), net of tax	8,288	(9,813)	1,215
Reclassification of net change in fair value to profit or loss	(201)	1,461	(4,147)
	5,386	(3,625)	(141)
Other comprehensive income / (expense) for the period	6,672	(3,625)	26,418
Total comprehensive income for the period	29,382	8,359	45,868
Total comprehensive income for the period is attributable to:			
Equity holders of the Parent	28,721	7,696	44,386
Non-controlling interests	661	663	1,482
	29,382	8,359	45,868

* Refer to notes 5 and 6 for further information

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	Notes	Unaudited					
		Share capital \$'000	Restated Revaluation and other reserves* \$'000	Restated Retained earnings* \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
2016							
Balance at 1 January 2016		170,317	85,740	62,193	318,250	2,696	320,946
Profit for the period		-	-	21,950	21,950	760	22,710
Other comprehensive income / (expense)							
Deferred tax effect on sale of property, plant and equipment		-	1,286	-	1,286	-	1,286
Exchange differences on translation of foreign operations		-	(2,600)	-	(2,600)	(101)	(2,701)
Movement in cash flow hedge reserve		-	8,085	-	8,085	2	8,087
Total other comprehensive income / (expense)		-	6,771	-	6,771	(99)	6,672
Transactions with owners							
Dividends	8	-	-	(7,188)	(7,188)	(137)	(7,325)
Issued share capital		6,040	-	-	6,040	-	6,040
Total transactions with owners		6,040	-	(7,188)	(1,148)	(137)	(1,285)
Transfer from asset revaluation reserve due to asset disposal		-	(6,508)	6,508	-	-	-
Balance at 30 June 2016		176,357	86,003	83,463	345,823	3,220	349,043
2015							
Balance at 1 January 2015		165,147	59,473	50,585	275,205	1,761	276,966
Profit for the period		-	-	11,498	11,498	486	11,984
Other comprehensive income / (expense)							
Exchange differences on translation of foreign operations		-	4,550	-	4,550	177	4,727
Movement in cash flow hedge reserve		-	(8,352)	-	(8,352)	-	(8,352)
Total other comprehensive income / (expense)		-	(3,802)	-	(3,802)	177	(3,625)
Transactions with owners							
Dividends	8	-	-	-	-	(134)	(134)
Total transactions with owners		-	-	-	-	(134)	(134)
Transactions with non-controlling interests		-	-	239	239	(361)	(122)
Balance at 30 June 2015		165,147	55,671	62,322	283,140	1,929	285,069

* Refer to notes 5 and 6 for further information

BALANCE SHEET

As at 30 June 2016

	Notes	Unaudited	Restated	Audited
		30 Jun 2016 \$'000	Unaudited 30 Jun 2015* \$'000	31 Dec 2015 \$'000
Current assets				
Cash and cash equivalents		28,015	23,628	13,654
Trade and other receivables		175,675	153,376	112,783
Taxation receivable		-	3,491	2,819
Inventories		154,472	146,369	44,214
Biological assets		7,610	8,698	19,068
Derivative financial instruments		9,004	2,557	2,609
Non-current assets classified as held for sale		-	824	-
Total current assets		374,776	338,943	195,147
Non-current assets				
Trade and other receivables		7,111	5,319	7,841
Available-for-sale investments		520	534	530
Property, plant and equipment	10	390,007	343,717	401,395
Intangible assets		24,800	10,477	25,153
Investments in joint ventures	7	9,252	10,798	10,786
Investments in associates	7	11,505	9,627	9,915
Derivative financial instruments		8,059	227	3,201
Total non-current assets		451,254	380,699	458,821
Total assets		826,030	719,642	653,968
Current liabilities				
Trade and other payables		172,702	163,962	107,535
Borrowings		72,510	77,598	7,040
Taxation payable		7,348	-	-
Derivative financial instruments		948	10,672	3,592
Total current liabilities		253,508	252,232	118,167
Non-current liabilities				
Trade and other payables		1,089	7,275	5,264
Borrowings		178,865	140,102	163,975
Deferred tax liabilities		37,093	29,198	42,007
Derivative financial instruments		6,432	5,766	3,609
Total non-current liabilities		223,479	182,341	214,855
Total liabilities		476,987	434,573	333,022
Equity				
Share capital		176,357	165,147	170,317
Revaluation and other reserves		86,003	55,671	85,740
Retained earnings		83,463	62,322	62,193
Total equity attributable to equity holders of the Parent		345,823	283,140	318,250
Non-controlling interests		3,220	1,929	2,696
Total equity		349,043	285,069	320,946
Total liabilities and equity		826,030	719,642	653,968



Prof. K.J. Lutz, Director (Chairman)
4 August 2016



C.A. Campbell, Director (Chair of Finance, Risk and Investment Committee)
4 August 2016

* Refer to notes 5 and 6 for further information

STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

	Notes	Unaudited 30 Jun 2016 \$'000	Unaudited 30 Jun 2015 \$'000	Audited 31 Dec 2015 \$'000
Cash flows from operating activities				
<i>Cash was provided from:</i>				
Cash receipts from customers		369,158	327,289	1,114,597
Interest received		75	115	284
Dividends received		-	-	46
<i>Cash was disbursed to:</i>				
Payments to suppliers and employees		(376,857)	(344,001)	(1,080,299)
Interest paid		(4,432)	(3,654)	(8,934)
Income taxes paid		(4,213)	(825)	(3,190)
Net cash inflow / (outflow) from operating activities	12	(16,269)	(21,076)	22,504
Cash flows from investing activities				
<i>Cash was provided from:</i>				
Dividends received from joint ventures and associates	7	2,320	943	2,315
External loan repayments from suppliers, customers, joint ventures and associates		266	263	92
Proceeds from sale of property, plant and equipment		7,478	863	1,633
Cash received from business acquisitions		-	-	1,090
Other		10	-	-
<i>Cash was disbursed to:</i>				
Purchase of property, plant and equipment		(14,680)	(13,445)	(25,996)
Purchase of intangible assets		(585)	(411)	(940)
Deferred consideration on purchase of non-controlling interests		(2,064)	(2,064)	(2,064)
Deferred consideration on purchase of business		(500)	-	(2,050)
Purchase of business		-	-	(31,160)
Other		(86)	(422)	(650)
Net cash (outflow) from investing activities		(7,841)	(14,273)	(57,730)
Cash flows from financing activities				
<i>Cash was provided from:</i>				
Proceeds from borrowings		21,599	24,503	44,500
Proceeds from seasonal funding		58,000	61,000	-
<i>Cash was disbursed to:</i>				
Dividends paid to non-controlling interests	8	(137)	(134)	(158)
Dividends paid to Parent's shareholders	8	(1,148)	-	(1,851)
Advances to growers		(36,185)	(45,839)	-
Bank facility and transaction fees		(1,609)	(1,227)	(8,184)
Other		(280)	-	(557)
Net cash inflow from financing activities		40,240	38,303	33,750
Net increase / (decrease) in cash and cash equivalents		16,130	2,954	(1,476)
Foreign currency translation adjustment		(1,769)	4,827	(717)
Cash and cash equivalents at the beginning of the period		13,654	15,847	15,847
Cash and cash equivalents at the end of the period		28,015	23,628	13,654

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Reporting entity and statutory base

T&G Global Limited (the Parent) and its subsidiary companies (the Group), are recognised as New Zealand's leading distributor, marketer, and exporter of premium fresh produce. Along with partner growers, the Group grows fresh produce in over twenty countries around the world including pipfruit, grapes, citrus, kiwifruit, asparagus, berries, summerfruit and tomatoes.

These unaudited condensed interim financial statements presented are for the Group which comprises the Parent and its subsidiaries, joint ventures and associates as at 30 June 2016.

The Parent is registered in New Zealand under the Companies Act 1993 and is a FMC Reporting Entity under the Financial Market Conducts Act 2013, and the Financial Reporting Act 2013.

The Parent is a limited liability company incorporated and domiciled in New Zealand and is listed on the New Zealand Stock Exchange. The address of its registered office is 1 Clemow Drive, Mount Wellington, Auckland.

BayWa Aktiengesellschaft (the Ultimate Parent) is the ultimate parent of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*. The unaudited condensed interim financial statements should be read in conjunction with the annual report for the year ended 31 December 2015 (2015 Annual Report), which has been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), other applicable New Zealand Financial Reporting Standards as appropriate for profit-oriented entities, and International Financial Reporting Standards (IFRS).

Basis of preparation

Significant accounting policies and computation methods applied by the Group in the preparation of these unaudited condensed interim financial statements are consistent with those used in the 2015 Annual Report.

These unaudited condensed interim financial statements are expressed in New Zealand dollars which is the Group's functional and presentation currency. All financial information has been rounded to the nearest thousand (\$'000) unless otherwise stated.

Change in accounting policies and adoption of amendments to accounting standards

Subsequent to the presentation of the prior year's unaudited condensed interim financial statements, the Group early adopted the amendments to NZ IAS 16 *Property, Plant and Equipment* and NZ IAS 41 *Agriculture*. These amendments brought bearer plants, which are used solely to grow produce, into the scope of NZ IAS 16 and out of the scope of NZ IAS 41 so that they are accounted for in the same way as property, plant and equipment. The produce growing on bearer plants continues to be accounted for as a biological asset under NZ IAS 41. This amendment was applied to the Group's pipfruit and citrus trees, blueberry plants, kiwifruit vines and grape vines. Note 6 further details the impact of adopting this amendment.

There have been no other changes to accounting policies subsequent to the presentation of the prior year's unaudited condensed interim financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and judgments concerning the future. The estimates and judgments used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the 2015 Annual Report.

4. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers have been identified as the Chief Executive Officer and the Chief Financial Officer for the Group.

Operating segments

The Group comprises the following main operating segments:

- Pipfruit: Growing, packing, cool storing, sales and marketing of pipfruit worldwide.
- International Produce: International trading activities other than pipfruit. Major markets are Asia, Australia, and the Pacific. Product is sourced from New Zealand, Australia, North America, South America, South Africa and Europe.
- New Zealand Produce: Growing, trading, transport and crate hireage activities within New Zealand. This incorporates the New Zealand wholesale markets and the tomato, kiwifruit and citrus growing operations.
- Processed Foods: Processed foods includes manufacturing in New Zealand, global sales and marketing of processed foods, and trading activities in Australia and North America.
- Other: Includes flower auction, properties and corporate costs.

Segment information provided to the chief operating decision-makers for the reportable segments is shown in the following tables.

	Restated Pipfruit ^{(1)*} \$'000	Restated International Produce ^{(1)*} \$'000	New Zealand Produce ⁽¹⁾ \$'000	Processed Foods \$'000	Other ⁽¹⁾ \$'000	Restated Total* \$'000
Unaudited six months ended 30 June 2016						
Total segment revenue	146,546	124,008	109,513	46,922	2,977	429,966
Inter-segment revenue	(746)	(3,438)	(2,748)	-	-	(6,932)
Revenue from external customers	145,800	120,570	106,765	46,922	2,977	423,034
Purchases, raw materials and consumables used	(83,022)	(107,046)	(55,793)	(40,387)	(1,094)	(287,342)
Depreciation and amortisation expenses	(4,713)	(288)	(3,348)	(1,319)	(982)	(10,650)
Net other operating expenses	(38,260)	(10,855)	(43,655)	(5,149)	(5,356)	(103,275)
Gain on sale of Fruit Case Company	-	-	-	-	11,864	11,864
Segment operating profit	19,805	2,381	3,969	67	7,409	33,631
Net financing expenses						(6,272)
Share of profit from joint ventures						1,045
Share of profit from associates						2,089
Profit before income tax						30,493
Unaudited six months ended 30 June 2015						
Total segment revenue	134,785	90,638	101,776	44,558	2,430	374,187
Inter-segment revenue	(94)	(1,198)	(1,732)	-	-	(3,024)
Revenue from external customers	134,691	89,440	100,044	44,558	2,430	371,163
Purchases, raw materials and consumables used	(80,094)	(77,619)	(57,413)	(39,095)	(996)	(255,217)
Depreciation and amortisation expenses	(4,100)	(269)	(2,352)	(1,261)	(875)	(8,857)
Net other operating expenses	(30,157)	(9,155)	(39,192)	(3,826)	(5,657)	(87,987)
Segment operating profit / (loss)	20,340	2,397	1,087	376	(5,098)	19,102
Net financing expenses						(5,705)
Share of profit from joint ventures						1,374
Share of profit from associates						1,256
Profit before income tax						16,027

* Refer to notes 5 and 6 for further information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SEGMENT INFORMATION (CONTINUED)

	Pipfruit \$'000	Restated International Produce ^{(1)*} \$'000	New Zealand Produce ⁽¹⁾ \$'000	Processed Foods \$'000	Other \$'000	Restated Total* \$'000
Audited year ended 31 December 2015						
Total segment revenue	300,987	203,216	226,074	90,057	5,605	825,939
Inter-segment revenue	(1,171)	(5,469)	(6,535)	-	-	(13,175)
Revenue from external customers	299,816	197,747	219,539	90,057	5,605	812,764
Purchases, raw materials and consumables used	(199,514)	(175,353)	(123,767)	(78,046)	(1,146)	(577,826)
Depreciation and amortisation expenses	(8,471)	(373)	(5,580)	(2,653)	(1,747)	(18,824)
Net other operating expenses	(59,838)	(17,186)	(88,591)	(9,285)	(10,973)	(185,873)
Segment operating profit / (loss)	31,993	4,835	1,601	73	(8,261)	30,241
Net financing expenses						(11,978)
Share of profit from joint ventures						3,834
Share of profit from associates						2,572
Profit before income tax						24,669

⁽¹⁾ During 2015, the Group changed the composition of several operating segments to more accurately reflect the nature of the activities taking place within each segment. The Group also moved transport and crate hireage activities from 'Other' to 'New Zealand Produce' and restated the segment information for the six months ended 30 June 2015 to reflect the change in these reportable segments. During 2016, the Group moved diversified horticulture and kiwifruit from 'International Produce' to 'New Zealand Produce'. Segment information for the six months ended 30 June 2015 and for the year ended 31 December 2015 has been restated to reflect the changes in these reportable segments.

* Refer to notes 5 and 6 for further information

5. RECLASSIFICATION OF COMPARATIVES

To ensure consistency with the current period, comparative figures have been reclassified when the presentation of items in the financial statements has been changed. The adjustments were to ensure the consistent classification of financial statement line items. The adjustments made include:

- Depreciation and amortisation expenses have been combined into one line on the income statement.
- Net expenses have been reclassified between purchases, raw materials and consumables used (June 2015: \$16.9 million decrease and December 2015: \$5.9 million decrease), employee benefits expenses (June 2015: \$3.4 million increase), other expenses (June 2015: \$16.5 million increase and December 2015: \$5.9 million increase) and other income (June 2015: \$3.0 million increase).
- The revaluation reserve of available-for-sale investments of \$0.1 million has been reclassified from retained earnings to other reserves on the balance sheet as at 30 June 2015.
- Derivative financial instruments as at 30 June 2015 have been reclassified between current assets (\$0.1 million increase), non-current assets (\$0.2 million increase), current liabilities (\$2.7 million decrease) and non-current liabilities (\$3.0 million increase).
- GST and other taxes of \$1.6 million receivable to the Group as at 30 June 2015 have been reclassified from current trade and other payables to current trade and other receivables.
- Certain prior year comparative balances within the statement of cash flows and the corresponding reconciliation of profit after income tax to net cash flow from operating activities have been restated to ensure consistency with the current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. ADOPTION OF AMENDED ACCOUNTING STANDARDS

During the year ended 31 December 2015, the Group early adopted the amendment to NZ IAS 16 *Property, Plant and Equipment* and NZ IAS 41 *Agriculture*.

The amendment brought bearer plants (used solely to grow crops for more than one period) into the scope of NZ IAS 16. The Group previously revalued bearer plants annually as part of biological assets in accordance with NZ IAS 41.

The Group has applied the change in accounting policy retrospectively and restated the comparative period to reverse the fair value measurement recognised as at 30 June 2015 relating to bearer plants which are now accounted for at cost less accumulated depreciation and impairment.

The following tables summarise the impact of the change in accounting policy on the Group's unaudited condensed interim financial statements.

(a) Balance Sheet

	Previously reported \$'000	Adjustments \$'000	Restated \$'000
At 1 January 2015			
Current assets			
Biological assets	1,368	12,872	14,240
Other	163,972	-	163,972
	165,340	12,872	178,212
Non-current assets			
Biological assets	40,653	(40,653)	-
Property, plant and equipment	317,949	20,350	338,299
Investments in joint ventures	9,960	(656)	9,304
Other	25,633	-	25,633
	394,195	(20,959)	373,236
Total assets	559,535	(8,087)	551,448
Current liabilities	106,531	-	106,531
Non-current liabilities			
Deferred tax liabilities	33,120	(2,081)	31,039
Other	136,912	-	136,912
	170,032	(2,081)	167,951
Total liabilities	276,563	(2,081)	274,482
Equity			
Share capital	165,147	-	165,147
Revaluation and other reserves	59,473	-	59,473
Retained earnings	56,591	(6,006)	50,585
Non-controlling interests	1,761	-	1,761
	282,972	(6,006)	276,966
Total liabilities and equity	559,535	(8,087)	551,448

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. ADOPTION OF AMENDED ACCOUNTING STANDARDS (CONTINUED)

(a) Balance Sheet (continued)

	Previously reported ⁽¹⁾ \$'000	Adjustments \$'000	Restated \$'000
At 30 June 2015			
Current assets			
Biological assets	3,077	5,621	8,698
Other	330,245	-	330,245
	333,322	5,621	338,943
Non-current assets			
Biological assets	34,203	(34,203)	-
Property, plant and equipment	323,301	20,416	343,717
Investments in joint ventures	11,490	(692)	10,798
Other	26,184	-	26,184
	395,178	(14,479)	380,699
Total assets	728,500	(8,858)	719,642
Current liabilities			
Trade and other payables	164,003	(41)	163,962
Other	88,270	-	88,270
	252,273	(41)	252,232
Non-current liabilities			
Deferred tax liabilities	31,454	(2,256)	29,198
Other	153,143	-	153,143
	184,597	(2,256)	182,341
Total liabilities	436,870	(2,297)	434,573
Equity			
Share capital	165,147	-	165,147
Revaluation and other reserves	55,671	-	55,671
Retained earnings	68,883	(6,561)	62,322
Non-controlling interests	1,929	-	1,929
	291,630	(6,561)	285,069
Total liabilities and equity	728,500	(8,858)	719,642

(b) Income Statement

	Previously reported ⁽¹⁾ \$'000	Adjustments \$'000	Restated \$'000
For the six months ended 30 June 2015			
Purchases, raw materials and consumables used	(255,072)	(145)	(255,217)
Depreciation and amortisation expenses	(8,267)	(590)	(8,857)
Share of profit from joint ventures	1,410	(36)	1,374
Income tax expense	(4,259)	216	(4,043)
Profit after tax for the period	12,539	(555)	11,984
Total comprehensive income for the period	8,914	(555)	8,359

The Group's basic and diluted earnings per share has changed from 10.3 to 9.8 cents.

There was no impact on the statement of cash flows for the six months ended 30 June 2015.

⁽¹⁾ Certain balances have been reclassified. Refer to note 5 for further information.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Set out in the table below are the joint ventures and associates of the Group as at 30 June 2016. The joint ventures and associates have share capital consisting solely of ordinary shares which are held directly by the Group. The country of incorporation is also their principal place of business.

The Group's investments in joint ventures and associates in 2016 and 2015 are:

Name of entity	Place of business / country of incorporation	Ownership interest		
		30 Jun 2016	30 Jun 2015	31 Dec 2015
Joint ventures				
Apollo Foods Limited	New Zealand	50%	50%	50%
T&G Vizzarri Farms Pty Limited	Australia	50% ⁽¹⁾	50%	50% ⁽¹⁾
Wawata General Partner Limited	New Zealand	50%	50%	50%
Worldwide Fruit Limited	United Kingdom	50%	50%	50%
Associates				
Allen Blair Properties Limited	New Zealand	33%	33%	33%
David Oppenheimer & Company I, L.L.C	United States of America	15%	15%	15%
David Oppenheimer Transport Inc.	United States of America	15%	15%	15%
Fresh Vegetable Packers Limited	New Zealand	41%	41%	41%
McKay Shipping Limited	New Zealand	25%	25%	25%
Mystery Creek Asparagus Limited	New Zealand	15%	15%	15%
N.Z. Kumara Distributors Limited	New Zealand	20%	20%	20%

⁽¹⁾ On 30 July 2015, Delica Pty Limited changed its name to T&G Vizzarri Farms Pty Limited. At the same time, the Group's ownership in the company changed from a joint venture to one of overarching control albeit with no change in the shareholding (50%) of the company. Consequently, from 30 July 2015 the Group accounts for it as a subsidiary in accordance with NZ IFRS 10 *Consolidated Financial Statements*.

Share of profit from joint ventures and associates within the income statement for the period ended 30 June 2016 includes \$1.2 million from Worldwide Fruit Limited (30 June 2015: \$1.7 million; 31 December 2015: \$2.3 million) and \$0.9 million from David Oppenheimer & Company I, L.L.C (30 June 2015: \$0.6 million; 31 December 2015: \$1.1 million).

8. DIVIDENDS

During the six months ended 30 June 2016, the Group declared a dividend of \$0.06 per share, of which \$1.1 million was paid in cash and \$6.0 million was settled through new shares issued as part of a dividend reinvestment plan to its shareholders (six months ended 30 June 2015: no dividends declared or paid; year ended 31 December 2015: dividend declared of \$0.06 per share, of which \$1.9 million was paid in cash and \$5.2 million was settled through new shares issued as part of a dividend reinvestment plan).

During the six months ended 30 June 2016, a dividend of \$0.1 million was declared and paid to non-controlling interests (six months ended 30 June 2015: \$0.1 million dividend declared and paid; year ended 31 December 2015: \$0.2 million dividend declared and paid).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments by category

Financial assets

	Loans and receivables \$'000	Fair value through profit or loss \$'000	Derivatives for hedging \$'000	Available-for-sale \$'000	Total \$'000
As at 30 June 2016					
Cash and cash equivalents	28,015	-	-	-	28,015
Trade and other receivables (excluding prepayments and taxes)	171,163	-	-	-	171,163
Available-for-sale financial assets	-	-	-	520	520
Derivative financial instruments	-	-	17,063	-	17,063
Total	199,178	-	17,063	520	216,761
As at 30 June 2015					
Cash and cash equivalents	23,628	-	-	-	23,628
Trade and other receivables (excluding prepayments and taxes)	146,162	-	-	-	146,162
Available-for-sale financial assets	-	-	-	534	534
Derivative financial instruments	-	607	2,177	-	2,784
Total	169,790	607	2,177	534	173,108
As at 31 December 2015					
Cash and cash equivalents	13,654	-	-	-	13,654
Trade and other receivables (excluding prepayments and taxes)	108,623	-	-	-	108,623
Available-for-sale financial assets	-	-	-	530	530
Derivative financial instruments	-	-	5,810	-	5,810
Total	122,277	-	5,810	530	128,617

Financial liabilities

	Measured at amortised cost \$'000	Fair value through profit or loss \$'000	Derivatives for hedging \$'000	Total \$'000
As at 30 June 2016				
Borrowings	250,373	-	-	250,373
Trade and other payables (excluding employee entitlements and taxes)	160,863	-	-	160,863
Finance lease liabilities	1,002	-	-	1,002
Derivative financial instruments	-	-	7,380	7,380
Total	412,238	-	7,380	419,618
As at 30 June 2015				
Borrowings	216,172	-	-	216,172
Trade and other payables (excluding employee entitlements and taxes)	158,301	-	-	158,301
Finance lease liabilities	1,528	-	-	1,528
Derivative financial instruments	-	6,780	9,658	16,438
Total	376,001	6,780	9,658	392,439
As at 31 December 2015				
Borrowings	169,733	-	-	169,733
Trade and other payables (excluding employee entitlements and taxes)	99,886	-	-	99,886
Finance lease liabilities	1,282	-	-	1,282
Derivative financial instruments	-	57	7,144	7,201
Total	270,901	57	7,144	278,102

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

All financial assets and liabilities that use methods and assumptions to estimate fair value at 30 June 2016 are considered to be level 2 in the fair value hierarchy (30 June 2015: level 2; 31 December 2015: level 2).

Valuation techniques used to value financial instruments are consistent with those used in the 2015 Annual Report.

For both 2016 and 2015 financial years, the estimated fair values of all of the Group's other financial assets and liabilities approximate their carrying values.

10. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 6 months to 30 Jun 2016 \$'000	Restated Unaudited 6 months to 30 Jun 2015* \$'000	Audited 12 months to 31 Dec 2015 \$'000
Asset acquisitions and disposals			
Cost of assets acquired	14,680	13,445	25,996
Net book value of assets disposed	16,064	59	359
Gain on assets disposed	12,112	34	609

On 30 June 2016, the Group sold assets relating to its crate business, the Fruit Case Company (FCC), to Pact (NewCo) Limited, a wholly owned subsidiary of Pact Group Holdings Limited. A provisional net gain of \$11.9 million was recorded for proceeds received above the assets' net book values. During the six months ended 30 June 2016, the Group also sold property, plant and equipment, including commercial land and land improvements, and buildings, located in Hamilton, New Zealand.

* Refer to note 6 for further information

11. CAPITAL COMMITMENTS

As at 30 June 2016, the Group is committed to the following capital expenditure:

	Unaudited 6 months to 30 Jun 2016 \$'000	Restated Unaudited 6 months to 30 Jun 2015* \$'000	Audited 12 months to 31 Dec 2015 \$'000
Property, plant and equipment	5,310	9,371	8,740
Intangible assets	5,441	296	250
Total	10,751	9,667	8,990

* Refer to note 6 for further information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Unaudited 6 months to 30 Jun 2016 \$'000	Restated Unaudited 6 months to 30 Jun 2015* \$'000	Audited 12 months to 31 Dec 2015 \$'000
Profit for the period	22,710	11,984	19,450
Adjusted for:			
Amortisation expense	692	611	1,311
Bank facility and transaction fees	1,798	1,227	2,684
Depreciation expense	9,958	8,246	17,513
Effective interest on deferred consideration	94	145	252
Fair value loss on derivatives	2	2,262	135
(Gain) on revaluation of investment	-	-	(343)
(Gain) on the sale of property, plant and equipment	(12,112)	(754)	(609)
Impairment of goodwill	-	977	777
Movement in provision for receivables impairment	461	442	808
Net fair value (gain) / loss on biological assets	(6,551)	977	867
Share of profit of joint ventures	(1,045)	(1,374)	(3,834)
Share of profit of associates	(2,089)	(1,256)	(2,572)
Other movements	(183)	236	(1,003)
	(8,975)	11,739	15,986
Impact of changes in working capital items			
(Increase) in debtors and prepayments ⁽¹⁾	(62,890)	(53,064)	(11,923)
(Increase) / decrease in biological assets	11,459	5,542	(4,828)
Increase in creditors and provisions ⁽¹⁾	121,522	108,454	7,601
(Increase) in inventories	(110,258)	(107,255)	(5,925)
Decrease in taxation receivable / increase in taxation payable	10,163	1,524	2,143
	(30,004)	(44,799)	(12,932)
Net cash inflow / (outflow) from operating activities	(16,269)	(21,076)	22,504

⁽¹⁾ Excludes investing and financing activities.

* Refer to notes 5 and 6 for further information

13. CONTINGENCIES

There has been no material change in contingent liabilities during the period.

14. SEASONALITY OF BUSINESS

The pipfruit and New Zealand produce businesses are subject to seasonal fluctuations, with peak demand for the New Zealand produce business in the summer months and the completion of the pipfruit programme before the last quarter of the year.

15. EVENTS AFTER THE REPORTING PERIOD

There are no material events that occurred after the reporting date that would require adjustment or disclosure to these unaudited condensed interim financial statements.



DIRECTORY

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Sir John Anderson KBE, Deputy Chairman and Independent Director

C.U.G. Bell, Non-independent Director

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