

20 January 2012

**Announcement to the NZX**

**Turners & Growers (T&G's) Profit & Property Valuation Announcement.**

In the Target Company Statement released by T&G in response to the takeover offer made by BayWa AG, T&G advised the following:

T&G is currently undertaking a revaluation exercise for final reporting purposes of its orchard land and other biological assets. Reports from the independent property valuers carrying out the revaluation exercise have not been provided and therefore the directors of T&G are not able to provide an estimate of the impact of such revaluation exercise. However, the directors of T&G have been advised by the Chief Financial Officer of T&G that the revaluation could result in an aggregate write-down to the value of T&G's orchard land and other biological assets in the range of \$20,000,000 to \$30,000,000.

All valuations, including those for orchard land and other biological assets, have now been completed for the 2011 financial year. The net result of these, subject to audit review, is a write down of approximately \$21m. Due to accounting treatment, a net gain of approximately \$6m will be recorded in T&G's Consolidated Balance Sheet, while a net loss of approximately \$27m will be recorded in T&G's Consolidated Income Statement, for the financial year ended 31 December 2011.

The recent outbreak of the kiwifruit PSA disease, poor grower returns and global economic uncertainty have principally caused the orchard land to depreciate considerably.

It should be noted that the underlying asset base has not changed and the write downs do not impact the cash position of the T&G Group.

As previously advised, T&G will have to write off in the financial year ended 31 December 2011 a deferred tax asset, comprising the tax effect of recognised tax losses, of approximately \$8.0m due to the loss of continuity caused by the likely takeover by BayWa AG.

T&G has traded profitably during 2011 with the draft pre-audit operating performance being an improvement on the 2010 operating performance. However, as a result of the above adjustments, and non-reimbursable expenses incurred in respect of the BayWa AG offer, T&G is expected to record a loss for 2011 of approximately \$17m to \$19m.

Rob Campbell

Chairman

**cc Takeovers Panel**

