

Turners & Growers Limited and subsidiary companies	
Results for announcement to the market	
(Unaudited)	
Reporting period	6 months to 30 June 2014
Previous reporting period	6 months to 30 June 2013

	Amount (\$'000s)	Percentage change
Revenue from ordinary activities	\$340,961	-7.6%
Profit after tax from ordinary activities after tax attributable to security holders	\$10,202	-38.7%
Net profit attributable to security holders	\$10,202	-38.7%

Dividend to shareholders	Amount per security	Imputed amount per security
Interim	0.050000	0.019444

Record date	22 May 2014
Dividend payment date	29 May 2014

On 29 May 2014 a dividend of \$5,850,528 was paid to the ordinary shareholders of Turners & Growers Limited.

Comments	Refer to the attached documents
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Consolidated income statement

For the six months ended 30 June 2014 (Unaudited)

	June 2014 6 months \$'000	June 2013 6 months \$'000
Revenue	340,961	369,031
Cost of sales	(250,113)	(275,279)
Gross profit	90,848	93,752
Other operating income	4,690	8,376
Administration expenses	(13,377)	(13,535)
Other operating expenses	(66,121)	(66,661)
Operating profit	16,040	21,932
Financial income	174	277
Financial expenses	(3,571)	(3,045)
Net financing costs	(3,397)	(2,768)
Share of profit from associates	703	1,030
Share of profit from joint ventures	1,058	812
Profit before income tax	14,404	21,006
Income tax expense	(3,782)	(3,251)
Profit for the period from continuing operations	10,622	17,755
Attributable to:		
Equity holders of the parent	10,202	16,640
Non-controlling interests	420	1,115
Profit for the period	10,622	17,755
Earnings per share		
Basic earnings (in cents)	8.72	14.22
Diluted earnings (in cents)	8.72	14.20

TURNERS & GROWERS LIMITED AND SUBSIDIARY COMPANIES
Consolidated statement of comprehensive income
For the six months ended 30 June 2014 (Unaudited)

	June 2014 \$'000	June 2013 \$'000
	6 months	6 months
Profit for the period	10,622	17,755
Other comprehensive income / (expense)		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation reserve transferred to the income statement	-	140
Exchange differences on translation of foreign operations	(1,307)	(815)
Effective portion of changes in fair value of cash flow hedges, net of tax	4,618	(3,079)
Net change in fair value of cash flow hedges reclassified from equity to income statement	219	(266)
Other comprehensive income / (expense) for the period	3,530	(4,020)
Total comprehensive income for the period	14,152	13,735
Total comprehensive income for the period is attributable to:		
Equity holders of the parent	13,779	12,679
Non-controlling interests	373	1,056
	14,152	13,735

TURNERS & GROWERS LIMITED AND SUBSIDIARY COMPANIES

Consolidated balance sheet
As at 30 June 2014 (Unaudited)

	June 2014 \$'000	December 2013 \$'000	June 2013 \$'000
Current assets			
Cash and cash equivalents	17,814	21,619	22,604
Trade and other receivables	125,673	87,039	147,672
Inventories	118,522	42,170	99,294
Taxation receivable	1,880	3,485	1,178
Biological assets	3,417	1,267	1,029
Non-current assets classified as held for sale	-	1,244	436
Total current assets	267,306	156,824	272,213
Non-current assets			
Trade and other receivables	2,007	2,012	1,182
Available-for-sale investments	324	325	210
Biological assets	16,237	21,633	14,086
Property, plant and equipment	255,173	250,773	251,153
Intangible assets	12,329	12,346	12,451
Investments in associates	8,210	7,822	8,753
Investments in joint ventures	8,302	8,081	6,826
Total non-current assets	302,582	302,992	294,661
Total assets	569,888	459,816	566,874
Current liabilities			
Trade and other payables	114,117	91,351	132,478
Interest bearing loans and borrowings	74,959	789	64,460
Total current liabilities	189,076	92,140	196,938
Non-current liabilities			
Trade and other payables	4,645	6,611	6,531
Interest bearing loans and borrowings	78,596	71,864	78,767
Deferred tax liabilities	20,599	20,530	17,700
Total non-current liabilities	103,840	99,005	102,998
Total liabilities	292,916	191,145	299,936
Net assets	276,972	268,671	266,938
Equity			
Share capital	165,147	165,147	165,147
Revaluation and other reserves	59,405	56,375	54,303
Retained earnings	50,847	45,949	45,645
Total equity attributable to equity holders of the parent	275,399	267,471	265,095
Non-controlling interests	1,573	1,200	1,843
Total equity	276,972	268,671	266,938
Net tangible assets per share	\$2.26	\$2.19	\$2.17

TURNERS & GROWERS LIMITED AND SUBSIDIARY COMPANIES
Consolidated statement of cash flows
For the six months ended 30 June 2014 (Unaudited)

	June 2014 \$'000	June 2013 \$'000
Cash flows from operating activities		
Cash was provided from:		
Cash receipts from customers	460,105	444,274
Dividends received	-	1
Interest received	172	212
Cash was disbursed to:		
Payments to suppliers and employees	(521,950)	(494,950)
Interest paid	(3,185)	(2,767)
Income taxes paid	(1,692)	(1,515)
Net cash (used in) operating activities	(66,550)	(54,745)
Cash flows from investing activities		
Cash was provided from:		
Dividends received from associates and joint ventures	931	702
External loan repayments from suppliers, customers and associates and joint ventures	220	492
Proceeds from sale of property, plant and equipment	603	1,938
Proceeds from disposal of non-current assets held for sale	715	17,864
Proceeds from sale of joint venture	-	3,666
Cash was disbursed to:		
Purchase of property, plant and equipment and biological assets	(11,708)	(5,320)
Purchase of intangible assets	(676)	(608)
Purchase of available-for-sale investments	-	(10)
Purchase of non-controlling interest's share in subsidiary	-	(16,985)
Deferred consideration of purchase of non-controlling interest	(2,064)	-
Purchase of additional investment in joint venture	-	(225)
Net cash (used in) / generated by investing activities	(11,979)	1,514
Cash flows from financing activities		
Cash was provided from:		
Proceeds from bank term loans	81,400	70,300
Cash was disbursed to:		
Dividends paid to parent shareholders	(5,851)	-
Dividends paid to non-controlling interests	-	(504)
Bank commercial bill facility and term loan repayments	(246)	(10,032)
Net cash generated by financing activities	75,303	59,764
Net (decrease) / increase in cash and cash equivalents	(3,226)	6,533
Foreign currency translation adjustment	(579)	77
Cash and cash equivalents at beginning of period	21,619	15,994
Cash and cash equivalents at end of period	17,814	22,604

TURNERS & GROWERS LIMITED AND SUBSIDIARY COMPANIES

Consolidated statement of changes in equity

For the six months ended 30 June 2014 (Unaudited)

	Attributable to equity holders of the Parent				Non-controlling interests \$'000	Total equity \$'000	
	Share capital \$'000	Revaluation reserve \$'000	Other reserves \$'000	Retained earnings \$'000			Total \$'000
Balance at 1 January 2013	165,147	69,100	(1,195)	40,046	273,098	6,432	279,530
Comprehensive income							
Profit for the period	-	-	-	16,640	16,640	1,115	17,755
Other comprehensive (expense) / income							
Currency translation differences	-	-	(756)	-	(756)	(59)	(815)
Movement in cash flow hedge reserve	-	-	(3,345)	-	(3,345)	-	(3,345)
Foreign currency translation reserve transferred to the income statement	-	-	140	-	140	-	140
Total other comprehensive (expense) / income	-	-	(3,961)	-	(3,961)	(59)	(4,020)
Total comprehensive (expense) / income	-	-	(3,961)	16,640	12,679	1,056	13,735
Transactions with owners							
Dividends	-	-	-	-	-	(504)	(504)
Acquisition of non-controlling interest's share in subsidiary	-	-	-	(20,682)	(20,682)	(5,141)	(25,823)
Total transactions with owners	-	-	-	(20,682)	(20,682)	(5,645)	(26,327)
Transfer from asset revaluation reserve due to asset disposal	-	(9,641)	-	9,641	-	-	-
Balance at 30 June 2013	165,147	59,459	(5,156)	45,645	265,095	1,843	266,938
Balance at 1 January 2014	165,147	60,596	(4,221)	45,949	267,471	1,200	268,671
Comprehensive income							
Profit for the period	-	-	-	10,202	10,202	420	10,622
Other comprehensive (expense) / income							
Currency translation differences	-	(6)	(1,254)	-	(1,260)	(47)	(1,307)
Movement in cash flow hedge reserve	-	-	4,837	-	4,837	-	4,837
Total other comprehensive (expense) / income	-	(6)	3,583	-	3,577	(47)	3,530
Total comprehensive (expense) / income	-	(6)	3,583	10,202	13,779	373	14,152
Transactions with owners							
Dividends	-	-	-	(5,851)	(5,851)	-	(5,851)
Total transactions with owners	-	-	-	(5,851)	(5,851)	-	(5,851)
Transfer from asset revaluation reserve due to asset disposal	-	(547)	-	547	-	-	-
Balance at 30 June 2014	165,147	60,043	(638)	50,847	275,399	1,573	276,972

TURNERS & GROWERS LIMITED AND SUBSIDIARY COMPANIES

Details of associates and joint ventures

For the six months ended 30 June 2014 (Unaudited)

Name	Percentage of ordinary shares held at end of the half year		Contribution to net surplus (deficit)	
	Current Half year	Previous Corresponding Half year	Current Half year NZ\$'000	Previous Corresponding Half year NZ\$'000
Equity Accounted Associates and Joint Ventures				
Associates				
Allen Blair Properties Ltd - (NZ)	33%	33%	118	129
David Oppenheimer & Company I, L.L.C - (USA)	15%	15%	362	436
David Oppenheimer Transport Inc. (USA)	15%	15%	122	85
Fresh Vegetable Packers Ltd - (NZ)	41%	41%	3	9
McKay Shipping Ltd - (NZ)	25%	25%	83	391
Mystery Creek Asparagus Ltd - (NZ)	15%	15%	15	(20)
			703	1,030
Joint Ventures				
Delica Pty Ltd - (AUS)*	50%	43%	(4)	(22)
Fruitmark NV/SA - (Belgium)	0%	0%	-	64
Premier Fruit New Zealand Limited - (NZ)	50%	50%	-	-
Wawata General Partner Limited - (NZ)	50%	50%	318	176
Worldwide Fruit Ltd - (UK)	50%	50%	744	594
			1,058	812
			1,761	1,842
Other Material Interests				
			<i>Not Equity Accounted in current period</i>	
			Nil	Nil

	Current Half year \$NZ'000	Previous Corresponding Half year \$NZ'000
Equity carrying value of investments at the beginning of the period	15,903	16,314
Share of changes in associates' and joint ventures' post acquisition surplus and reserves:		
- Surplus / (deficit)	1,761	1,842
- Additional investment in joint venture	-	225
- Foreign currency translation movements	(221)	(72)
- Disposal of investment	-	(2,028)
- Dividends received during the period	(931)	(702)
Equity carrying value of investments at the end of the period	16,512	15,579

* Due to the purchase of the remaining non-controlling interest in Delica Limited and Delica Australia Limited in 2013, the Group's

TURNERS & GROWERS LIMITED AND SUBSIDIARY COMPANIES

Supplementary information

For the six months ended 30 June 2014 (Unaudited)

	Current Half year	Previous Corresponding Half year
Net tangible assets per share	\$2.26	\$2.17
Basic earnings per share (cents)	8.72	14.22
Diluted earnings per share (cents)	8.72	14.20

TURNERS & GROWERS LIMITED AND SUBSIDIARY COMPANIES

Segment Reporting

For the six months ended 30 June 2014 (Unaudited)

Primary reporting format - Business segments

At 1 January 2014, the Group changed the structure of its internal organisation, resulting in a change to the composition of its reportable segments. Segment information for the prior period has been restated to reflect the change in the reportable segments.

The Group now comprises the following main business segments:

Pipfruit - Growing, Packing, Coolstore, Sales and Marketing of pipfruit worldwide.

International Produce - International trading activities other than pipfruit. Major markets are Asia, Australia, and the Pacific, sourced from New Zealand, Australia, North and South America.

New Zealand Produce - Growing and trading activities within New Zealand. This incorporates the New Zealand Wholesale markets and the Tomato and Citrus growing operations.

Processed Foods - Processed food manufacture and sales in New Zealand and trading activities in Australia.

Other - Transport, crate hireage, flower auctions, properties, and corporate costs.

	Pipfruit	International Produce	New Zealand Produce	Processed Foods	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Six months ended 30 June 2014						
Total segment revenue	114,347	90,130	74,018	42,935	26,437	347,867
Inter-segment revenue	(231)	0	(412)	0	(6,263)	(6,906)
Revenue from external customers	<u>114,116</u>	<u>90,130</u>	<u>73,606</u>	<u>42,935</u>	<u>20,174</u>	<u>340,961</u>
Depreciation	2,135	129	1,222	1,236	1,538	6,260
Amortisation	26	27	9	8	601	671
Operating profit / (loss) before financing costs	<u>16,837</u>	<u>1,259</u>	<u>(397)</u>	<u>(1,568)</u>	<u>(91)</u>	<u>16,040</u>
Six months ended 30 June 2013						
Total segment revenue	126,226	103,412	70,185	51,041	25,363	376,227
Inter-segment revenue	(101)	0	(558)	0	(6,537)	(7,196)
Revenue from external customers	<u>126,125</u>	<u>103,412</u>	<u>69,627</u>	<u>51,041</u>	<u>18,826</u>	<u>369,031</u>
Depreciation	2,404	224	1,351	1,179	1,975	7,133
Amortisation	17	4	3	31	918	973
Operating profit / (loss) before financing costs	<u>13,862</u>	<u>5,715</u>	<u>(1,070)</u>	<u>3,792</u>	<u>(367)</u>	<u>21,932</u>

A reconciliation of operating profit before financing costs to profit before tax is provided as follows:

	June 2014 6 months \$'000	June 2013 6 months \$'000
Operating profit for reportable segments	16,131	22,299
Other segment's operating loss before financing costs	(91)	(367)
Net financing costs	(3,397)	(2,768)
Share of profit from associates and joint ventures	1,761	1,842
Profit before tax	<u>14,404</u>	<u>21,006</u>

Breakdown of revenue from all business operations is as follows:

	June 2014 6 months \$'000	June 2013 6 months \$'000
Analysis of revenue by category		
Sales and commissions	302,811	330,011
Services	34,989	35,635
Royalties	2,376	2,592
Rental income	785	793
	<u>340,961</u>	<u>369,031</u>

The Group is domiciled in New Zealand. The total revenues from external customers in New Zealand and other countries are:

	June 2014 6 months \$'000	June 2013 6 months \$'000
Revenue from external customers		
New Zealand	130,760	137,195
Australia	42,826	47,161
Other countries	167,375	184,675
	<u>340,961</u>	<u>369,031</u>

The total non-current assets other than financial instruments and deferred tax assets located in New Zealand and other countries are:

	June 2014 6 months \$'000	June 2013 6 months \$'000
Total non-current assets		
New Zealand	285,739	282,912
Australia	3,323	3,589
Other countries	11,189	6,768
	<u>300,251</u>	<u>293,269</u>