

21 November 2014



SELECT HARVESTS

Select Harvests Ltd to invest \$12.6 million in Biomass Electricity Cogeneration and Almond Dryer

At its Annual General Meeting earlier today Select Harvests Limited (ASX:SHV) provided a crop update and announced a number of investments aimed at further improving sustainable profitability and reducing business risk.

Biomass Electricity Cogeneration Plant

Paul Thompson, Select Harvests' Managing Director announced that the company is going to invest \$11.9 million in a Biomass Electricity Cogeneration Plant and \$0.7 million in an almond dryer at its Carina West Processing Facility, near Robinvale, Victoria.

He said "Select Harvests' almond orchard and processing business generates substantial biomass in the form of tree prunings, hull and shell. Our processing business and farms consume considerable amounts of electricity in the normal course of operation. As a result of this investment, Select Harvests will sustainably generate 2.5MW/year of electricity, 17.5 tonnes of steam/hour and 1,500 tonnes/year of potash. The electricity will be used to supply Select Harvests' Carina West Processing Facility and some of its orchards, while the surplus will be fed back into the grid, ensuring a secure supply of electricity to the local community. The turnkey project uses Vyncke technology from Belgium and while it's their first almond biomass application, they have 4,000 installations globally. Local works will commence immediately with O'Briens Boiler Services and following commissioning in November 2016, the facility will generate annual savings of \$2.0 million when fully operational and employ 8 skilled workers."

Paul Thompson continued "We are pleased to be able to create regional employment opportunities from the smart use of our biomass to generate green and sustainable electricity, steam and potash, while abating 23,500 tonnes of greenhouse gases".

Dryer

The company is also investing \$0.7 million building an almond dryer at the Carina West Processing Facility - it will be commissioned in January 2015 in time for the next harvest. Paul Thompson stated "Rain at harvest is inevitable part of growing almonds in Australia. Rain events can result in the harvest being delayed and can cause product deterioration. A significant amount of value is lost as a result of moisture damage to nuts through both quality and spoilage. Nuts cannot be processed moist, so we need to be able to stabilize the nuts in a timely manner. Investment in a dryer and additional harvest equipment is the best way to mitigate this risk. Select Harvests 2014 direct drying costs were \$320,000 and if this facility was in place last harvest, it would have saved us over 50% of these costs".

Select Harvests Limited
360 Settlement Road
Thomastown
Victoria 3074
Australia

PO Box 5
Thomastown
Victoria 3074
Australia

Telephone (613) 9474 3544
Facsimile (613) 9474 3588
www.selectharvests.com.au

ACN 000 721 380
ABN 87 000 721 380

Free Trade Agreement

The recent Free Trade Agreements between Australia and Japan, Korea & China will see almond tariff reductions of 2.4%, 8% and 10% respectively. China is the 2nd largest market for almonds globally, having experienced rapid growth in last decade – it is currently majority supplied from the USA. Select Harvests' Chairman, Michael Iwaniw said "The reduction in almond tariffs in these markets is very positive news for Select Harvests and more generally, the Australian almond industry. It will improve Select Harvests competitive position against current suppliers in these important markets.

Crop Outlook & Price Update

Providing an early season update on the 2015 crop, Paul Thompson said "We have experienced good blossom, pollination and general growing conditions to date and are currently undertaking the FY15 crop estimate. Based on the maturity profile of the orchards and the condition of our acquired orchards plus the results of our tree health testing, the theoretical crop will be approximately 13,000 tonnes. Select Harvests current FY15 A\$ pool price estimate is 10-15% above SHV FY14 average price (A\$8.50/kg) and we anticipate price to remain stable for the foreseeable future".

FOR FURTHER INFORMATION, PLEASE CONTACT:

Paul Thompson, Managing Director	03 9474 3544
Andrew Angus, Investor Relations	0402 823 757

BACKGROUND:

Select Harvests Ltd (ASX:SHV) is an ASX listed, fully integrated almond business consisting of orchards (company owned, leased, joint venture and managed), primary processing (hulling & shelling), secondary processing (blanching, roasting, slicing, dicing, meal), trading (industrial products) and consumer products (Private Label & Brands - Lucky, Sunsol, Soland, Nuvit, Renshaw & Allinga Farms). Select Harvests also import a full range of nuts (in addition to almonds) for inclusion in their Consumer Products range of nut products. Australia is a significant global almond producer and Select Harvests are one of Australia's largest almond companies, supplying almonds domestically and internationally, to supermarkets, health food shops, industrial segments and the almond trade. The company is headquartered at Thomastown on the outskirts of Melbourne, Australia while its orchards are located in North West Victoria, Southern New South Wales and South Australia. Its primary processing facility (Carina West) is located at Wemen in North West Victoria and the secondary processing facility is located at Thomastown.