



ASX ANNOUNCEMENT

28 January 2016
Costa Group Holdings Ltd (ASX: CGC)

Costa announces signing of China JV shareholder agreement

Following an earlier MOU, Costa and Driscoll have now signed the China Shareholder Agreement and finalised the terms of associated documentation, which formalises their agreement for a berry production company operating in China to service the rapidly expanding Asian appetite for high quality berries.

Under the agreement, Costa has 70% ownership and Driscoll 30%. The enterprise will grow berries for the Asian market and the product will be marketed by Driscoll. The first blueberry and raspberry farm has already been established in Yunnan province with the initial raspberry harvest in progress. The farming program is adopting the same substrate production under permanent tunnels previously commercialised by Costa in Australia. A further farming location in another climatic region has been selected with land preparation and planting to commence shortly.

Costa Managing Director and CEO, Harry Debney, has welcomed the signing citing the potential for developing a powerful business fuelled by the world class combined genetics of the partners. 'This builds on the successful equally owned JV in Australia which over the last six years has grown to be the number one marketer of blueberries, raspberries, strawberries and blackberries in the country.' Mr Debney added that Driscoll has a major expansion program in the Americas utilising Costa blueberry varieties and the parties have also agreed to work together to investigate growth opportunities on a global basis combining their complementary skills and varieties.

Driscoll's CEO, Kevin Murphy, has welcomed the China venture formation, indicating that China is a major growth region for Driscoll. 'We have been delighted by progress of the Costa - Driscoll relationship over the past six years. Costa has established the premier berry production business in Australia and also has a proven track record with blueberries in Morocco. We believe that combining our resources where it makes sense on a global basis will make for a formidable partnership. I look forward to continuing to develop further opportunities with Costa.'

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