



ASX ANNOUNCEMENT

16 December 2014

KAPUA MACADAMIA ORCHARD ACQUISITION - UPDATE

The Company wishes to advise that on 3 December 2014 it completed the acquisition of the Kapua Macadamia Orchard.

The purchase comprised the acquisition of land, buildings and improvements, macadamia trees (including nuts on the tree) and harvested nuts (including nuts on the ground).

An independent valuation was required by the Company's financier as part of their funding agreement.

As an outcome of the valuation and consistent with current accounting policies, the Company intends to recognise the land at fair value as permitted by AASB116 'Property, Plant and Equipment'.

In respect to the trees, as required by AASB141 'Agriculture' after initial acquisition, the trees shall be recognised at fair value less cost to sell. The effect of the acquisition of trees and subsequent accounting treatment shall be the recognition of a fair value gain of A\$2.13 million (at the 3 December 2014 exchange rate) recognised in net profit after tax in the half year ended 31 December 2014.

For the buildings and improvements, and harvested nuts, these will be recognised at cost in accordance with the relevant accounting standard and group accounting policy.

Overall the total effect of the transaction will be to increase net assets by A\$4.49 million as at 31 December 2014.

These acquisition accounting outcomes are based on the exchange rates prevailing as at 3 December 2014 and do not change the Company's underlying trading and financial performance, which remains materially, as advised to the market.

For further information please contact:

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ENDS