



22 November 2017

Seeka updates operational guidance and warns of impairment

Seeka Limited ["SEK"] in this market release updates the market on its current guidance for the financial year's expected operational earnings, and asset impairment.

Seeka had previously updated the market on 22 June that, as a result of dramatically lower Hayward crop volumes in New Zealand, its operational earnings would be up to 15% down on the previous year's operational earnings of \$7.8m, with an expectation that the Company would operate at the lower end of the range c.a \$6.6m. The impact of the lower New Zealand Hayward crop volumes had been buffered by stronger earnings in its Australian business and New Zealand avocado business.

Seeka advises that its mechanisms to manage expenditure, along with improved operational performance across its avocados and kiwifruit businesses, and emerging business [The Delicious Nutritious Food Company], has led it to revise the operational forecast upwards. Seeka's current expectation is that the after tax profit from operational earnings to be close to that achieved in 2016, and within a plus or minus 5% range. Accordingly guidance is for after tax net profit from operations for the full year within 5% of \$7.8m.

Seeka has however reviewed its banana ripening and supply business following a change in supply lines to a major customer where that customer is moving to their own direct supply of bananas. As a result of the review Seeka expects to impair the carrying value of the goodwill aspect of this business with that impact expected between \$1.75m and \$2.5m subject to audit. The Company notes that there are other revaluation processes underway which may positively impact profit through the financial year end process.

Seeka will continue to update the market should there be any material changes to outlook.

Ends:

For further information please contact:

Michael Franks Seeka Chief Executive 021356516

Stuart McKinstry Seeka Chief Financial Officer 0212215583