

# SELECT HARVESTS LIMITED

## UPDATE



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9 July 2009

Select Harvests Limited (ASX: SHV) is due to announce on 24<sup>th</sup> August 2009 results for the year ended 30<sup>th</sup> June 2009. Based on information now available, SHV believes NPAT for that year will be approximately \$16.5 million (EBIT \$26.4 million) compared with \$18.1 million (EBIT \$27.0 million) for the year ended 30<sup>th</sup> June 2008. The profit estimate for 2009 includes a NPAT adjustment of \$3.2 million relating to monies owed by Almond Management Pty Ltd a Timbercorp Limited subsidiary which is in liquidation.

Despite the impact of the global financial crisis world almond demand is expected to grow this year by around 8%. New planting activity in both USA and Australia has stalled and will remain subdued for some time. Future consumption growth of 7% pa (average of 10% per annum for the last 10 years) will match supply and in SHV's view will surpass current productive capacity by 2014.

The USA 2009 almond crop is estimated to fall 16% below the record 2008 crop to 1.35 billion lbs which is equivalent to expected 2008 crop shipments. This will apply positive pressure to prices.

The Murray Darling Basin received rainfall at or above average in June and rains in the last week have produced the best stream flow responses in the Upper Murray River system since September. Rainfall in June and recent heavy rains have wet up the catchments and increased the potential of significant inflows if a continuation of winter rains occurs.

### Timbercorp Orchards

All Timbercorp almond orchards under SHV management have maintained tree health and capacity to set a 2010 crop. Funding arrangements for farm costs need to be put in place shortly to facilitate normal crop development.

In our view these orchards will continue to operate in the future in a restructured or new ownership structure and SHV is best placed to manage these orchards and process and market future crops. SHV is currently in discussions with a number of parties in relation to the future management of the orchards.

SHV will advise of the outcome of these discussions and any new or amended arrangements in relation to the management of these orchards. Consistent with previous announcements it is possible these arrangements may include a level of ownership of the orchards by SHV.

### Bank Facilities

SHV is pleased to announce that the ANZ has renewed our bank facilities for a further 12 months with the next annual review to occur on 30<sup>th</sup> June 2010.

The renewed facilities are subject to a number of financial undertakings and covenants. The Board is confident these can be met.

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