SELECT HARVESTS LIMITED

Results for the half year ended 31st December 2009

STRONG FIRST HALF PERFORMANCE, DIVIDEND REINSTATED

15th February 2010

Select Harvests Limited (ASX: SHV) today announced net profit after tax for the 6 months ended 31st December 2009 of $10.102 million (2008, $9.972 million), a 1.3% increase against the previous year. The Directors declared a fully franked interim dividend of 10 cents per share to be paid on 9 April 2010, compared with 12 cents per share in the previous half year. The Dividend Reinvestment Plan will apply, with a 3% discount to the issue price.

HIGHLIGHTS

- Solid earnings and strong operating cash flows supports the recommencement of dividends
- New 3 year management contract secured with Olam
- Orchards owned by Olam well maintained and in good health
- Third year of delivering good crops on reduced water supply
- 2010 crop estimate 28,000 mt +25% , of which Select Harvests crop estimate is 2,900 mt +11%
- Capital management plans in place to fund growth, including Western Australia orchard development and increasing orchards under ownership/management in the Murray Darling Basin
- Acquisition of 1,619 acres of almond orchards at Lake Powell, for $25 million, subject to a grower/unit holder vote
- Positive earnings outlook supported by improved almond prices, buoyant export markets and lower water costs

John Bird, Select Harvests' Chief Executive Officer, said,

"In the last 12 months we have navigated a very challenging set of circumstances. In doing so, we have ensured the productive health of the former Timbercorp orchards, secured a new 3 year management contract with their new owners, Olam and have successfully transitioned the orchards into new ownership. Against that backdrop we have delivered a very strong half year performance."

"Select Harvest is now very well positioned to consolidate its strong position as a leading player in the global almond industry. We have a dynamic growth agenda ahead of us as we look to consolidate our position in the Murray Darling basin and establish orchards in the Dandaragan region of WA.

"The fundamentals of the global almond industry are very strong, with demand expected to outstrip supply within five years, and Australia is well placed to meet this demand as the third largest growing region in the world. As a leading producer and marketer in Australia with existing infrastructure and production capacity in Northern Victoria, and with land and water to support new orchard developments in Western Australia, Select Harvests is strongly positioned to benefit from these industry trends."

For further information please contact:

Investors and analysts

John Bird, Managing Director	03 9474 3544
Paul Chambers, Chief Financial Officer	03 9474 3544

Media

nightingale communications	03 9614 6930
Kate Inverarity	0413 163 020
Lisa Keenan	0409 150 771

EARNINGS SUMMARY

EBIT	H1 2009 ($000's)	H1 2010 ($000's)	%
Management Services	12,195	9,205	-24.5%
Almond Orchards	2,261	4,914	+117.3%
Almond Division	14,456	14,119	-2.3%
Food Division	3,164	3,235	+2.2%
Corporate Costs	(1,669)	(1,774)	+6.3%
Operating EBIT	**15,921**	**15,580**	**-2.1%**
Interest Expense	(1,675)	(1,240)	
Net Profit Before Tax	14,246	14,340	+0.7%
Tax Expense	(4,274)	(4,238)	
Net Profit After Tax	**9,972**	**10,102**	**+1.3%**

ALMOND DIVISION

Almond Division EBIT was down 2.3% to $14.1 million on the previous year. The doubling of EBIT from owned orchards largely offset the reduction in Management Services income in the first half.

Management Services in the first half were provided under the existing Timcercorp agreements and fee structure. The variance from the previous year was a result of the 2007 orchards transitioning from the fixed fee structure through the development stage, to cost plus arrangements, and a number of non recurring income items which were not repeated this year. Orchard management fees are now at full levels. Processing and marketing income streams will continue to grow as existing orchards mature to full production over the next 5 years.

EBIT from owned orchards more than doubled as a result of projected increased yields from the 2010 crop, the recovery of the almond price and lower water costs.

The 2010 almond harvest has commenced and current estimates project a crop increase of 25% for all trees under management and 11% crop increase for company orchards as trees continue to mature towards full production. The first crop from the 2007 orchards, comprising 10,700 acres, is being harvested this year. The new processing plant is enabling us to process almonds from harvest to ship more quickly and efficiently. This is improving working capital, cash conversion and our ability to service export markets.

Following a period of weakness on the back of the Global Financial Crisis, the almond price has recovered. Current almond pricing dynamics are positive, driven primarily by demand from India, China and the Middle East. An increase in the allocation of water, most recently up to 60%, has resulted in a much lower requirement to purchase temporary water, lowering costs of production significantly compared to the experience of recent years. As a result of continuing drought conditions we have operated at 20% less water for the last three seasons and delivered crops within the normal range. During this time we have significantly improved irrigation efficiency and potentially limited the upside potential of almond yields. A continuation of improved water supply and lower costs will provide the opportunity to deliver improved yields in the future

OLAM OWNED ORCHARDS

On 13 January 2010, Select Harvests entered into a new 3 year Orchard Management Agreement with Olam. Management rights are attached to the 29,500 acres of almond orchards now owned by Olam, who are a Singapore based global supply chain manager of agricultural products and food ingredients. After the initial 3 year period, the contract can be extended or renewed by the agreement of both parties.

Under the new agreement Olam will pay Select Harvests a fixed service fee for managing the orchards, and processing and marketing the almonds harvested. Additional incentive fees are payable based on the achievement of performance targets, driven by yield, cost efficiencies and almond price realization. The current almond price is supportive of incentive based earnings in this financial year.

This new agreement is a positive development for Select Harvests, reconfirming our credentials as one of the worlds leading managers of an integrated almond business, whilst developing a partnership with a strong company who is committed to long term investment in Australian almonds.

FOOD PRODUCTS DIVISION

Following the turnaround of the Food Division in 2009, performance continues to be solid in what remains a competitive environment. Sales increased + 2% against last year, and EBIT increased +2 %. The focus remains on driving domestic almond sales by increasing distribution and market share, and continuing to reduce complexity in the product range. The market share of our core cooking category brand is now at a 4 year high. Sales of almonds into the major retailers has increased by 15% supported by a marketing program implemented in conjunction with the Almond Board of Australia.

SELECT HARVESTS STRATEGY FOR GROWTH

Select Harvests has a good history of performance having developed 36,600 acres of new almond orchards over the last 10 years. Select Harvests is a major global player in the almond industry and one of the largest almond managers in the world, and has proved its ability to be able to manage the business through drought, cost increases and other difficulties, including the transition of the former Timbercorp orchards into new ownership.

Core to Select Harvests business model has been the receipt of reliable annuity-type income streams for the provision of development, management and marketing services to almond orchards owned by third parties. Continuing to leverage our capabilities in managing almond orchards and processing, marketing and selling almonds remains a core part of our strategy and we will continue to look for opportunities to grow our orchards under management.

A number of other external factors have contributed to a shift in the investment dynamics of almonds. A period of lower almond pricing and increased water costs have constrained new orchard developments in the Murray Darling and resulted in established orchards selling at a discount to replacement value. The recovery of the almond price supports our confidence to move forward.

These dynamics present Select Harvests with a good opportunity to diversify the company's earnings stream, increase its control over future earnings and increase access to the whole of the almond value chain. As a result, the company will pursue opportunities to increase the acreage of orchards owned or leased by the business as well as growing the area under management.

Select Harvests future growth will come from:

- Retention of existing management services business through provision of first class services, benefiting from underlying increases in crops as orchards under management reach maturity;
- Leveraging Select Harvests core competencies, capability and capacity to grow its share of management services (farm management, processing and marketing) in relation to orchards not currently managed by Select Harvests;
- Growing share of ownership/management of current almond orchards planted within Australia through accretive acquisitions and/or long term leasing agreements; and
- To grow owned/managed orchards through investment and development of 10,000 acres of almond orchards in Western Australia.

LAKE POWELL ORCHARDS

Select Harvests has reached an agreement with Seven Fields to acquire 1,619 acres of almond orchards in Lake Powell for $25 million. The acquisition is conditional upon a vote by the orchard unit holders to approve the sale. Approval requires the support of 75% of the unit holders and a meeting for this vote is due to be held in March 2010. The acquisition contract is expected to be executed imminently.

The Lake Powell orchards are situated near Robinvale in North West Victoria and are located close to orchards already leased and run by Select Harvests as well as Select Harvests' existing infrastructure and processing facility. The acquisition includes 6,622 megalitres of permanent water rights and supporting infrastructure. Robinvale is considered to be one of the premier almond growing regions in Australia due to its favourable weather conditions, excellent soil quality and proximity to water.

The orchards which were established by Select Harvests and have been managed by Select Harvests since establishment are of the highest quality and will reach maturity between 2011 and 2013.

Should the acquisition go ahead, it will provide Select Harvests with control over future upstream margins available as an orchard owner providing incremental earnings above existing management fees. At the purchase price, this provides an investment at below current replacement costs and will add value to the shareholders of Select Harvests. Under the contract of sale Select Harvests will harvest, process and market the 2010 crop under existing management arrangements. The acquisition will be earnings accretive from 2011 onwards.

Should the unit holders vote to not sell the orchards, Select Harvests will retain its existing management rights and related future earnings stream from these orchards.

HILSTON ORCHARDS

Select Harvests has entered a heads of agreement with Rural Funds Management Limited "RFM" to lease on a long term basis between 600 and 1,300 acres of almond orchards near Hilston in NSW. The orchards were established by RFM in 2006 and have previously been leased to Great Southern Limited MIS projects. The orchards are currently managed by RFM and they are in good condition with excellent future cropping potential. The orchards are serviced by bore water from the Lower Lachlan Groundwater Source which has proven reliable through recent drought conditions.
It is expected that the lease will commence in April 2010 with the first harvest in February 2011.

These arrangements establish a partnership with an investment fund with a history in almond ownership and deliver expansion, diversification to an alternative growing area and water source, and future development opportunities. They also provide Select Harvests the opportunity to expand the acreage of orchards where the business benefits from the full almond value chain, without a large capital commitment.

WESTERN AUSTRALIA

Following a number of years of feasibility work, plans are now advanced to develop the first 2,000 acres of almond orchards in Western Australia, with the plant out planned for the winter of 2010. The land, water and trees are in place to commence land preparation and planting.

Western Australia provides an economically viable greenfield investment opportunity for almonds, with cost of entry well below the current replacement cost in the Murray Darling Basin. This is driven primarily by access to reliable, high quality water sources.

We have licenses approved for 22,000 ML of water rights which will support both the first stage of development of 2,000 plantable acres and also the second stage of 2,500 acres.

Select Harvests strategy remains to increase acreages under ownership/management in Western Australia, with a potential 10,000 acre hub possible over the next 3 to 5 years.

CAPITAL MANAGEMENT

The implementation of the capital management plan is now in progress, to develop a strong balance sheet that provides flexibility to fund future growth opportunities. Funding may consist of a mix of additional term debt facilities, balance sheet initiatives, options associated with water and orchard funding, and the raising of additional equity.

OUTLOOK

The fundamentals of the international and Australian almond industry remain strong. Select Harvests has extensive expertise and a strong track record in establishing and managing almond orchards and processing, marketing and selling almonds. As such, the Company is well placed to benefit from the positive almond market dynamics. The business has a compelling growth agenda from both expanding orchards under management and growing orchards under ownership to provide more exposure to the full value chain. The outlook for the full year is positive, with a record crop projection, higher almond prices and lower water costs. Should the current almond prices be sustained and current harvest yield estimates be delivered, we anticipate that our 2010 net profit after tax will grow on the prior year.

- Ends -

Select Harvests

Select Harvests is the second largest almond manager in the world. The Company owns 3,368 acres of almond orchards in north-west Victoria and 4,500 of plantable acres in Western Australia, including access to 22,000 mega litres of water rights. The Company manages over 35,000 acres of almond orchards on a fee for service basis. Select Harvests provides services including orchard establishment, tree supply, farm management, harvesting, processing, and marketing. Select Harvests is also Australia’s leading manufacturer, processor and marketer of a range of nuts and fruit based products to the Australian retail and industrial markets, and exports almonds to several countries in Asia, Sub-Continent, Europe and the Middle East.

SELECT HARVESTS LIMITED
ABN 87 000 721 380
AND CONTROLLED ENTITIES

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2009
PROVIDED TO THE ASX UNDER LISTING RULE 4.2A

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2009.

Rule 4.2A.3

Appendix 4D

Half Year Report for the six months to 31 December 2009

Name of entity

Select Harvests Limited

ABN 87 000 721 380

1. Reporting period

Report for the half year ended 31 December 2009
Previous corresponding period is the financial year ended 30 June 2009 and half year ended 31 December 2008

2. Results for announcement to the market

(All amounts in this report are expressed in A$'000 unless otherwise stated)

Revenues from continuing ordinary activities *(item 2.1)*	Down	7.6%	to	$124,072
Profit (loss) from continuing ordinary activities after tax attributable to members (*item 2.2*)	Up	1.3%	to	$10,102
Net profit (loss) for the period attributable to members *(item 2.3).*	Up	1.3%	to	$10,102

Dividends *(item 2.4)*	Amount per security	Franked amount per security
Interim dividend	10.0 ¢	10.0 ¢
Previous corresponding period Interim dividend	12.0 ¢	12.0 ¢
Record date for determining entitlements to the interim and special dividend *(item 2.5)*	3 March 2010	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood *(item 2.6)*: Please refer to the attached announcement.

3. Net tangible assets per security *(item 3)*

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	$1.80	$1.44

4. Details of entities over which control has been gained or lost during the period: *(item 4)*

Control gained over entities

Name of entities *(item 4.1)*	-
Date(s) of gain of control *(item 4.2)*	-
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired *(item 4.3)*	$ -
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 4.3)*	$ -

5. Dividends *(item 5)*

	Date of payment	Total amount of dividend (A$'000)
Interim dividend – year ended 30 June 2010	9 April 2010	$3,952
Interim dividend – year ended 30 June 2009	16 April 2009	$4,707

Amount per security

	Amount per security	Franked amount per security at 30 % tax	Amount per security of foreign sourced dividend
Total dividend: Current year (interim)	10.0 ¢	10.0 ¢	Nil ¢
Previous year (interim)	12.0 ¢	12.0 ¢	Nil ¢

Total dividend on all securities

	Current period $A'000	Previous corresponding Period - $A'000
Ordinary securities *(each class separately)*	3,952	4,707
Preference securities *(each class separately)*	-	-
Other equity instruments *(each class separately)*	-	-
Total	**3,952**	**4,707**

6. Details of dividend or distribution reinvestment plans in operation are described below *(item 6)*:

The interim dividend may be reinvested in ordinary shares under the company's Dividend Reinvestment Plan.

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	3 March 2010

7. Details of associates and joint venture entities *(item 7)*

Name of associate or joint venture entity	%Securities held
N/a	

Aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	2007 $	2006 $
Profit (loss) from ordinary activities before tax	-	-
Income tax on ordinary activities	-	-
Net profit (loss) from ordinary activities after tax	-	-
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	-	-

8. The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached), which has been prepared in accordance with Australian accounting standards.

9. Independent review of the financial report *(item 9)*

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.

10. Matters relating to a qualified independent review statement

A description of the dispute or qualification in respect of the independent review of the half-year financial report is provided below *(item 17)*

N/a

SELECT HARVESTS LIMITED
ABN 87 000 721 380
AND CONTROLLED ENTITIES

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

SELECT HARVESTS LIMITED AND CONTROLLED ENTITIES
ABN 87 000 721 380
FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2009 and any public announcements made by Select Harvests Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*

Directors' Report

The directors present their report together with the financial report of Select Harvests Limited and controlled entities (referred to hereafter as the "consolidated entity") for the half-year ended 31 December 2009 and independent review report thereon.

Directors Names
The names of the directors in office at any time during or since the end of the half-year are:

J C Leonard (Chairman)
M A Fremder
J Bird (Managing Director)
R M Herron
M Carroll

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Review of Operations
The consolidated profit of the group for the half-year after providing for income tax amounted to $10,102,176 (half year 31 December 2008, $9,972,159).

During the period, the group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements and directors' announcement.

Interim Dividend
On 15 February 2010, the Directors declared a fully franked interim dividend of 10 cents per ordinary share to be paid on 9 April 2010 to shareholders registered at 5.00pm on 3 March 2010.

Subsequent Events
On 13 January 2010, the company entered into a three year management agreement with Olam for the provision of orchard management, almond processing and marketing services.

On 15 February 2010, the company agreed terms for the acquisition of 1,619 acres of almond orchards from Seven Fields Management Ltd for the price of $25 million. This is subject to vote of approval by existing unit-holders which is anticipated to be completed in March 2010.

Auditor's Independence Declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

Rounding of amounts to nearest thousand dollars
The amounts contained in the report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors:

Curt Leonard
Chairman
Dated this 15th day of February 2010

PRICEWATERHOUSECOOPERS

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Auditor's Independence Declaration

As lead auditor for the review of Select Harvests Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Select Harvests Limited and the entities it controlled during the period.

Andrew Mill
Partner
PricewaterhouseCoopers

Melbourne
15 February 2010

Liability limited by a scheme approved under Professional Standards Legislation

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Half-year	
	2009	2008
	$ '000	$ '000
Sales revenue	**124,072**	134,322
Cost of sales	**(104,244)**	(109,442)
Other revenues from ordinary activities	**486**	84
Change in fair value of almond crop	**3,104**	(745)
Distribution expenses	**(3,729)**	(4,279)
Marketing expenses	**(456)**	(573)
Occupancy expenses	**(654)**	(671)
Administrative expenses	**(1,861)**	(2,011)
Finance costs expensed	**(1,590)**	(1,749)
Other expenses from ordinary activities	**(788)**	(690)
Profit before income tax	**14,340**	14,246
Income tax expense	**(4,238)**	(4,274)
Profit for the half year	**10,102**	9,972
Other comprehensive income		
Changes in fair value of forward contracts	**(1,053)**	(1,047)
Income tax relating to components of other comprehensive income	**316**	314
Other comprehensive income for the half-year, net of tax	**(737)**	(733)
Total comprehensive income for the half-year	**9,365**	9,239
Profit attributable to the members of Select Harvests Limited	**10,102**	9,972
Total comprehensive income for the half-year attributable to the members of Select Harvests Limited	**9,365**	9,239
Earnings per share for profit attributable to the ordinary equity holders of the company:		
Basic earnings per share	**25.6**	25.5
Diluted earnings per share	**25.6**	25.5

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	Note	**31 December 2009 $ '000**	30 June 2009 $ '000	31 December 2008 $ '000
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		**1,837**	6,945	3,671
Trade and other receivables		**37,492**	43,128	33,000
Inventories		**28,701**	28,680	34,190
Derivative financial instruments		**1,181**	2,322	217
Current tax receivables		**-**	-	2,584
TOTAL CURRENT ASSETS		**69,211**	81,075	73,662
NON-CURRENT ASSETS				
Property, plant and equipment		**79,089**	80,463	74,499
Biological assets – almond trees		**15,874**	14,261	12,351
Intangible assets		**39,136**	39,136	39,136
Deferred tax assets		**24**	24	938
TOTAL NON-CURRENT ASSETS		**134,123**	133,884	126,924
TOTAL ASSETS		**203,334**	214,959	200,586
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		**39,706**	36,764	22,444
Interest-bearing liabilities	6	**34,992**	59,293	62,704
Derivative financial instruments		**61**	149	1,276
Current tax liabilities		**1,131**	3,566	2,234
Provisions		**2,452**	2,576	2,578
TOTAL CURRENT LIABILITIES		**78,342**	102,348	91,236
NON-CURRENT LIABILITIES				
Deferred tax liabilities		**13,833**	10,871	13,020
Provisions		**858**	864	776
TOTAL NON-CURRENT LIABILITIES		**14,691**	11,735	13,796
TOTAL LIABILITIES		**93,033**	114,083	105,032
NET ASSETS		**110,301**	100,876	95,554
EQUITY				
Contributed equity		**46,433**	46,433	45,531
Reserves		**12,272**	12,949	10,562
Retained profits		**51,596**	41,494	39,461
TOTAL EQUITY		**110,301**	100,876	95,554

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Half-year	
	2009	2008
	$ '000	$ '000
Balance at 1 July 2009	**100,876**	94,071
Profit for the half-year	**10,102**	9,972
Forward contracts	**(1,053)**	(1,047)
Income tax relating to components of other comprehensive income	**316**	314
Total comprehensive income for the half-year	**9,365**	9,239
Transactions with equity holders in their capacity as equity holders:		
- Dividends provided for or paid (note 4)	**-**	(8,972)
- Contributions of equity, net of transaction costs (note 5)	**-**	1,156
- Employee share options reserve	**60**	60
	60	(7,756)
Total equity at the end of the half-year	**110,301**	95,554

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Half-year	
	2009	2008
	$ '000	$ '000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of goods & services tax)	**169,049**	168,648
Payments to suppliers and employees (inclusive of goods & services tax)	**(142,152)**	(162,977)
Interest received	**350**	84
Interest paid	**(1,590)**	(1,749)
Income tax paid	**(3,711)**	(1,793)
Net cash inflows from operating activities	**21,946**	2,213
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	**-**	100
Payment for property, plant and equipment	**(2,753)**	(6,802)
Net cash (outflow) from investing activities	**(2,753)**	(6,702)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	**-**	9,500
Repayment of borrowings	**(24,000)**	(231)
Dividends paid to the company's shareholders	**-**	(7,816)
Net cash (outflow) inflow from financing activities	**(24,000)**	1,453
Net (decrease) in cash and cash equivalents	**(4,807)**	(3,036)
Cash and cash equivalents at the beginning of the half year	**4,152**	4,003
Cash and cash equivalents at the end of the half year	**(655)**	967

Reconciliation of cash and cash equivalents

Cash and cash equivalents as per statement of financial position page 5	**1,837**	3,671
Bank overdraft included in interest bearing liabilities	**(2,492)**	(2,704)
Cash and cash equivalents as per statement of cash flows	**(655)**	967

Notes to the Financial Statements 31 December 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of half-year report
This general purpose financial report for the interim half-year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Select Harvests Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Going Concern Basis
This financial report has been prepared on the basis that Select Harvests Limited ("the Group"), comprising the parent company and its subsidiaries, is a going concern.

As at 31 December 2009, the Groups borrowings of $35.0 million have been classified as current on the basis that this facility does not represent "term".

The company is at an advanced stage of negotiations on the refinancing of existing debt to incorporate an increased facility including term debt.

Changes in accounting policy
The Group had to change some of its accounting policies as the result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009.

The affected policies and standards are:

- Principles of consolidation – revised AASB 127 Consolidated and Separate Financial Statements and changes made by AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Business combinations – revised AASB 3 Business Combinations
- Segments – new AASB 8 Operating Segments

Principles of consolidation
AASB 127 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. This is different to the Group's previous accounting policy where transactions with minority interests were treated as transactions with parties external to the group.

Notes continued
31 December 2009

The standard also specifies the accounting when control is lost. Any remaining interest in the entity must now be remeasured to fair value and a gain or loss is recognised in profit or loss. This is consistent with the Group's previous accounting policy if significant influence is not retained.

The Group will in future allocate losses to the non-controlling interest in its subsidiaries even if the accumulated losses should exceed the non-controlling interest in the subsidiary's equity. Under the previous policy, excess losses were allocated to the parent entity.

Lastly, dividends received from investments in subsidiaries, jointly controlled entities or associates after 1 July 2009 are recognised as revenue even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a result of the dividend payment. Under the Group's previous policy, these dividends would have been deducted from the cost of the investment.

The changes were implemented prospectively from 1 July 2009. There has been no impact on the current period. There have also been no transactions whereby an interest in an entity is retained after the loss of control of that entity, no transactions with non-controlling interests and no dividends paid out of pre-acquisition profits.

Business combinations
AASB 3 (revised) continues to apply the acquisition method to business combinations, but with some significant changes.
All payments to purchase a business are now recorded at fair value at the acquisition date, with contingent payments classified as debt and subsequently remeasured through the income statement. Under the Group's previous policy, contingent payments were only recognised when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of acquisition.

Acquisition-related costs are expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included in goodwill.

Non-controlling interests in an acquiree are now recognised either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. This decision is made on an acquisition-by-acquisition basis. Under the previous policy, the non-controlling interest was always recognised at its share of the acquiree's net assets.

If the Group recognises acquired deferred tax assets after the initial acquisition accounting there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Group's net profit after tax. This has had no impact on the Group's results.

Segment reporting
The Group has applied AASB 8 Operating Segments from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

Notes continued
31 December 2009

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Chief Executive Officer.

This is consistent with the Group's previous accounting policy.

NOTE 2: COMPARATIVE INFORMATION

The Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows provide comparative information for the half-year ended 31 December 2008. The Statement of Financial Position provides comparative information as at 30 June 2009 and 31 December 2008.

Where necessary, the comparatives have been re-classed and repositioned to be consistent with the current year disclosures.

As at 31 December 2009, $9,834,713 of costs relating to developing almond trees on 1,500 acres of orchards leased by the company has been transferred from property, plant and equipment to biological assets – almond trees (June 2009: $8,222,476).

NOTE 3: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 15 February 2010, the Directors declared a fully franked interim dividend of 10 cents per ordinary share to be paid on 9 April 2010 to shareholders registered at 5.00pm on 3 March 2010.

On 13 January 2010, the company entered into a three year management agreement with Olam for the provision of orchard management, almond processing and marketing services.

On 15 February 2010, the company agreed terms for the acquisition of 1,619 acres of almond orchards from Seven Fields Management Ltd for the price of $25 million. This is subject to a vote of approval by existing unit-holders which is anticipated to be completed in March 2010.

No other matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Notes continued
31 December 2009

NOTE 4: DIVIDENDS

	Half-year 2009 $ '000	2008 $ '000
Gross dividends paid during the half-year	-	8,972
Dividends reinvested into the Select Harvests Dividend Reinvestment Plan	-	1,156
Net dividends paid during the half year	-	7,816

Dividends not recognised at the end of the half-year:

In addition to the above dividends, since the end of the half-year the directors have declared the payment of an interim dividend of 10 cents per fully paid ordinary share (2008 – 12.0 cents per fully paid ordinary share), fully franked based on tax paid at 30%. The aggregate amount of the declared dividends expected to be paid on 9 April 2010 out of retained profits at 31 December 2009, but not recognised as a liability at the end of the half-year, is:	**3,952**	4,707

NOTE 5: EQUITY SECURITIES ISSUED

a) Equity securities issued

	Half-year		Half-year	
	2009 Shares	2008 Shares	**2009 $'000**	2008 $'000
Issues of ordinary shares during the half-year				
- Dividend re-investment plan issues	-	213,800	-	1,156
	-	213,800	-	1,156

NOTE 6: INTEREST BEARING LIABILITIES

The interest bearing liabilities relates to commercial bills on a revolving $53m facility.

NOTE 7: SEGMENT INFORMATION

The segment information provided to the Chief Executive Officer is referenced in the following table:

Notes continued
31 December 2009

Note 7: Segment Information (cont.)	Food Products ($'000)		Almond Operations ($'000)		Total Operations ($'000)		Eliminations and Corporate ($'000)		Consolidated Entity ($'000)	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenue										
Total segment revenue	$89,050	$87,382	$63,313	$72,747	$152,363	$160,129	$0	$0	$152,363	$160,129
Intersegment revenue	-$15,083	-$14,931	-$13,208	-$12,965	-$28,291	-$27,896	$0	$0	-$28,291	-$27,896
Revenue from external customers	**$73,967**	**$72,451**	**$50,105**	**$59,782**	**$124,072**	**$132,233**	**$0**	**$0**	**$124,072**	**$132,233**
Other revenue	$0	$1	$136	$1	$136	$2	$350	$82	$486	$84
Total revenue	**$73,967**	**$72,452**	**$50,241**	**$59,783**	**$124,208**	**$132,235**	**$350**	**$82**	**$124,558**	**$132,317**
EBIT	$3,235	$3,164	$14,119	$14,456	$17,354	$17,620	-$1,774	-$1,707	$15,580	$15,913
Interest received	$0	$0	$0	$0	$0	$0	$350	$82	$350	$82
Finance costs expensed	$0	$0	$0	$0	$0	$0	-$1,590	-$1,749	-$1,590	-$1,749
Profit before income tax	**$3,235**	**$3,164**	**$14,119**	**$14,456**	**$17,354**	**$17,620**	**-$3,014**	**-$3,374**	**$14,340**	**$14,246**
Segment assets (excluding inter-company debts)	$70,920	$75,385	$132,989	$124,402	$203,909	$199,787	-$575	$799	$203,334	$200,586
Segment liabilities (excluding inter-company debts)	$9,216	$11,363	$44,874	$26,787	$54,090	$38,150	$38,943	$66,882	$93,033	$105,032
Acquisition of non-current segment assets	$133	$132	$2,605	$6,572	$2,738	$6,704	$15	$98	$2,753	$6,802
Depreciation and amortisation of segment assets	$601	$729	$1,835	$1,300	$2,436	$2,029	$82	$65	$2,518	$2,094

DIRECTORS' DECLARATION

In the directors' opinion:

a) the financial statements and notes set out on pages 4 to 12 are in accordance with the *Corporations Act 2001* including:

  i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

  ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

b) there are reasonable grounds to believe that Select Harvests Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Curt Leonard
Chairman
Dated: 15th February 2010

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Independent auditor's review report to the members of Select Harvests Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Select Harvests Limited which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Select Harvests Limited (the consolidated entity). The consolidated entity comprises both Select Harvests Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001.* This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Select Harvests Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Select Harvests Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

PricewaterhouseCoopers

PricewaterhouseCoopers

Andrew Mill
Partner

Melbourne
15 February 2010