

SELECT HARVESTS LIMITED



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Positive outlook amid strong almond price, good crop conditions

9th November 2012

Select Harvests today updates investors on the almond price, the outlook for the 2013 crop and on progress with initiatives to drive operational improvements.

Almond price

The global almond market continues to experience strong fundamentals. In October year-to-date shipments of almonds from California, which produces 80% of the world's almonds, were some 6% ahead of the prior year but below initial estimates.

September shipments were expected to be lower than the prior year due to supply constraints. This is also putting upwards pressure on the almond price.

Paul Thompson, Managing Director of Select Harvests, said "Californian producers are expecting the final 2012 crop to be some 200 million pounds less than the 2.1 billion pounds crop that was initially projected. The shortfall is the equivalent of the Spanish and Australian almond crops combined. This, combined with strong global demand, is underpinning strong increases in the almond price. Californian growers are reporting increases of 10-15% on the 2011 price. This price movement is being reflected globally and it appears to be sustainable, resulting in the highest price for the past five years."

Strong demand continues to be experienced globally, with Californian shipments to China increasing by 22%. Demand in Europe and the Middle-East has also been strong.

Crop update

A good almond blossom and pollination is supportive of good crop potential for the 2013 almond crop. Weather conditions through pollination have been good and long-term weather projections are favourable.

Paul Thompson said, "Early growing conditions are positive and supportive of an increase in yields. A benchmarking of our orchard operations is well progressed and full horticultural programs are in place. Our initial crop estimate indicates that the 2013 crop will be up to 20% higher per acre than the 2012 crop."

Operations update

Select Harvests continues to make good progress in initiatives to drive operational improvements across the business.

On 2nd November the Company announced the appointment of Bruce van Twest, General Manager – Operations; Mark Eva – General Manager Sales & Marketing – Consumer, Peter Ross as General Manager, Horticulture and Tom Kite as Group Human Resources Manager. They will join Paul Chambers, CFO & Company Secretary and Laurence Van Driel Manager Trading & Industrial Sales on the executive team which will be tasked with driving operational improvements, building a performance culture and optimising the Company's assets.

Mr Thompson added, "Select Harvests is building a positive momentum. The initial indications are supportive of improved crop yields and market prices are at their highest level for five years. A new leadership team is in place, driving a number of initiatives to improve performance across the business."

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