



22 June 2017

Seeka updates current year operations

Seeka Limited [NZX: SEK] in this release updates the market on 2017 operations, and confirms its previous guidance to the market given on 20 December 2016 in relation to its current year's financial outlook.

Seeka has completed its 2016/17 New Zealand avocado harvest and marketing program, completed all harvest operations in Australia (including nashi, European pear, and kiwifruit varieties) and completed its New Zealand kiwifruit harvest.

New Zealand Avocados

The New Zealand avocado program that transacted across the 2016 and 2017 financial years was very successful for Seeka and its supplying growers. Total exported trays increased from 225,656 in the 2015/2016 year to 487,085 trays in 2016/17. Total export earnings of \$17.8m delivered growers an average orchard gate return of \$24.85 per tray [2015/2016 \$26.86]. This is an excellent result given the dramatic increase in volume.

Seeka is a major grower of avocados and the avocado program delivered Seeka more than \$2m in earnings as a grower, post-harvest service provider and marketer.

Australian operations

Seeka's wholly owned subsidiary, Seeka Australia, has successfully completed its second year harvest. Overall tonnage increased by 3.5% with a significant increase in kiwifruit offset by lower yields in nashi and European pears.

	2017	2016	
Kilo's	000's	000's	% change
Kiwifruit	2,998	2,164	39%
nashi	1,172	1,523	-23%
European pears	1,322	1,620	-18%
Total	5,493	5,307	3.5%

The Australian crop quality across all varieties has been excellent, and has been well received by the market. Seeka has enjoyed good domestic demand alongside an increased kiwifruit export program from Australia, primarily to Europe.

Seeka is expecting significantly increased earnings from its Australian subsidiary reflecting the investment made in the business and improved quality and market response across the board.

New Zealand Kiwifruit

The New Zealand kiwifruit harvest is complete and Seeka signalled in December 2016 that it expected the class 1 Hayward crop to be lower than 2016 by between 20% and 25%, following a lower crop expectation industry wide.

Seeka gave guidance that it expected lower operational earnings by up to 15% for the 2017 financial year. The 2017 New Zealand kiwifruit harvest is now complete and summarized per kilo in the table below:

2017 Class 1 Kiwifruit	2017	2016	
Kilo's	000's	000's	% Change
Hayward conventional	53,267	79,359	-33%
Hayward organic	2,475	4,061	-39%
SunGold	31,094	26,795	16%
Total	86,836	110,215	-21%

The Hayward harvest was lower than anticipated, being lower than 2016 by 33%.

Seeka expects 2017 EBITDA earnings from Australia greater than \$3.5m compared with \$1.0m in 2016.

Overall guidance

Seeka has put in place strategies to mitigate the significantly lower than anticipated New Zealand crop volumes and notes the stronger anticipated earnings in Australia, and the good avocado performance.

Seeka advises that while there is still a significant period of the year to go, the current guidance of up to 15% reduction in operational earnings relative to

2016 remains, albeit with the expectation that the earnings will be at the 15% reduction end of the range.

2016 Operational Earnings	2016
Net Profit after Tax (NPAT)	\$10.4m
Less Insurance settlement for grower fruit loss payment	\$2.6m
Net Profit from Operational Earnings (NPAT)	\$7.8m
2017 Operational Earnings	2017
15% reduction = 2017 NPAT	\$6.6m

Should there be any material change in expectation then the Company will update its guidance.

Release ends:

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