

SELECT HARVESTS LIMITED

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2003

NPAT UP 28% DIVIDEND UP 37%

Select Harvests Limited announced today that net profit after tax rose 28% to \$10.96 million in the 12 months to June 30 2003 from \$8.55 million for the previous year.

Over the last year the company's share price has risen from \$3.32 to \$5.40.

Directors have declared a fully franked final dividend of 12.0 cents per share, bringing the total dividend for the year to 18.5 cents fully franked. This represents a 37% increase on the total dividends declared last year of 13.5 cents.

| | 2003 \$'000 | 2002 \$'000 | % change |
|----------------------------|------------------------|------------------------|-----------------|
| Sales | 80,994 | 78,327 | + 3.4 |
| EBITA | 18,551 | 15,879 | + 16.8 |
| EBIT | 17,421 | 14,749 | + 18.1 |
| Net Profit After Tax | 10,962 | 8,554 | + 28.2 |
| Earnings per Share | 31.3cents | 25.4 cents | + 23.2 |
| Total Shareholders' Equity | 60,006 | 49,337 | + 21.6 |
| Return on Equity (%) | 18.3 % | 17.3% | |

Select Harvests joins US big league

The announcement of a record profit coincides with news that the company has joined the big league of international almond growers.

Managing Director Mr Bird said "This years plant-out takes our total area under management to around 10,000 acres placing us in the top 5 almond growers in the world."

Select Harvests has planted 8000 acres of almond trees on behalf of external investors over the last 6 years establishing itself as an international player and more than doubling Australia's total almond acreage over that time.

Mr Bird said "Australia has significant advantages over the US in crop yields and insect control allowing us to be cost competitive in the international market"

World almond consumption has grown to record highs over the last few years driven by a growing awareness of the health benefits of regular consumption.

Mr Bird said "With USA production set to plateau over the next few years the increased production from our orchards over the same period will be timely"

Overview

The results for the year further demonstrate the ability of the company's strategy to deliver sustained earnings growth with significantly less volatility from agricultural risk, and as a consequence a re-rating of the company.

That strategy has been to transform Select Harvests from a commodity based almond grower to an integrated agri-food business with a diversified income stream.

By leveraging our core skills, the growing of almonds and a detailed knowledge of edible nuts and their markets, our activities now involve managing orchards for investors, marketing almonds in the domestic and export markets, and processing and marketing an extensive range of nut and fruit based food products to retailers, distributors and food manufacturers.

The year in review

The past year has seen further implementation of the key components of our strategy.

- During the year we established a large-scale almond project planting a further 2,750 acres of investor owned orchards, increasing the total area of almonds under our management to 9940 acres.
- In the first half of the year we completed the consolidation of our food manufacturing operations to a state-of-the-art processing facility in Melbourne. This project caused some short-term disruption to our business but is now fully operational and in the longer term provides the production capacity and operational efficiencies to facilitate future growth.
- In May this year we announced the acquisition of the Meriram Group of Companies, which was completed on 9th July 2003. Meriram has an annual turnover of approximately \$28 million and manufactures a range of health foods, cooking ingredients and breakfast cereals. This acquisition is a logical extension of our food processing and marketing strategy and will deliver revenue growth, increased product ranging and branding and an entry into the fast growing health food sector. It also provides a number of synergies, which can be exploited as we progressively integrate the business with our current operations. Following this acquisition total sales of the combined Food Products business are around \$80 million per annum.

Prospects

- International almond prices increased over the past year despite a record USA 2002 harvest. The record crop was matched by a 20% increase in off take as world consumption continued to grow at a record pace. Northern hemisphere crops are commencing harvest and indications are that both USA and Spain will have reduced crops this year with total world supply estimated to fall below last years consumption.

SELECT HARVESTS LIMITED
2002/03 Preliminary Results Announcement

- On behalf of Timbercorp Limited, we are planning a 3000 acre almond development in 2004, which will provide further growth to our recurring fee income stream in the future. We are also currently pursuing other almond development opportunities, which may commence in the current year. We are expecting a larger almond crop from investor owned orchards this year, as more trees commence bearing, providing increased fee income from processing and marketing activities.
- Our Melbourne manufacturing facility is now bedded down and we are beginning to achieve the planned efficiency gains. We are seeing strong consumption growth of nut based products at retail level and have a number of new products entering the market over the next few months. Following completion of the Meriram acquisition we will receive a full year profit contribution from that business.

We have commenced the new financial year well and given no unforeseen circumstances the Directors forecast an increase in earnings over last year of more than 10%.

Timbercorp Limited

Almonds Australia Pty Ltd, a subsidiary of Timbercorp Limited, exercised 2,533,500 share options in Select Harvests Limited on 29th August 2003 at an exercise price of \$2.30 per share. This is the final tranche of options available to Almonds Australia Pty Ltd in accordance with the strategic alliance agreement entered into with Timbercorp Limited in August 2000.

2nd September 2003

For further information contact

Mr John Bird - Managing Director
Mr Marcello Mattia - CFO
(03) 94743544

Appendix 4E

Preliminary final report

Name of entity

Select Harvests Limited

ABN or equivalent company
reference

87 000 721 380

Half yearly
(tick)

☐

Preliminary
final (tick)

☒

Financial year ended ('current period')

30 June 2003

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A'000

| Revenues from ordinary activities (<i>item 1.1</i>) | Down | 0.6 % | to | \$82,582 |
|--|---------------------|-----------------------------|----|----------|
| Profit (loss) from ordinary activities after tax attributable to members (<i>item 1.22</i>) | Up | 28 % | to | \$10,962 |
| Net profit (loss) for the period attributable to members (<i>item 1.11</i>) | Up | 28 % | to | \$10,962 |
| Dividends (distributions) | Amount per security | Franked amount per security | | |
| Final dividend (<i>Preliminary final report only - item 15.4</i>) | 12.0 ¢ | 12.0 ¢ | | |
| Interim dividend (<i>Half yearly report only - item 15.6</i>) | | | | |
| Previous corresponding period (<i>Preliminary final report - item 15.5; half yearly report - item 15.7</i>) | 8.0 ¢ | 8.0 ¢ | | |
| <div> <div> ⁺Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>see item 15.2</i>) </div> <div> Friday 12 September, 2003 </div> </div> | | | | |

⁺ See chapter 19 for defined terms.

Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

During the financial year, the economic entity adopted a change to its accounting policy relating to the recognition of income and outgoings arising from the sale of pooled almonds from externally owned or third party orchards.

The economic entity provides a range of management and other services to externally owned or third party orchards. The income and expenses associated with the provision of orchard establishment, orchard management, harvesting, maintenance, and processing and marketing are recorded as income of the economic entity.

In addition to these services, the economic entity sells the crop of almonds harvested from the orchards of the external owners. These sales are made by the economic entity on a pooled basis, the proceeds from which are distributed to the pool participants. The economic entity earns a marketing fee for providing this service, and this fee is recorded as income.

In order to more accurately reflect the underlying nature of the economic entity's sale of Pooled Almonds, a new segment has been created ("Almond Pool Sales") into which both the receipts and payments associated with this activity have been allocated.

The impact of this change in accounting policy is to reduce revenues from ordinary activities in the 2003 financial year by \$3,176,000, and to reduce revenues in the 2002 financial year for comparative purposes by \$2,203,000.

The change in accounting policy does not impact the economic entity's profit from operations.

Refer to items 1.23 to 1.25 for further details of movements in revenues between years.

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial performance

| | Current period - \$A'000 | Previous corresponding period - \$A'000 |
|---|-----------------------------|--|
| 1.1 Revenues from ordinary activities (<i>see items 1.23 -1.25</i>) | 82,582 | 83,114 |
| 1.2 Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>) | (65,056) | (68,284) |
| 1.3 Borrowing costs | (1,415) | (2,027) |
| 1.4 Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>) | - | - |
| 1.5 Profit (loss) from ordinary activities before tax | 16,110 | 12,803 |
| 1.6 Income tax on ordinary activities (<i>see note 4</i>) | 5,148 | 4,249 |
| 1.7 Profit (loss) from ordinary activities after tax | 10,962 | 8,554 |
| 1.8 Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>) | - | - |
| 1.9 Net profit (loss) | 10,962 | 8,554 |
| 1.10 Net profit (loss) attributable to outside ⁺ equity interests | - | - |
| 1.11 Net profit (loss) for the period attributable to members | 10,962 | 8,554 |
| Non-owner transaction changes in equity | | |
| 1.12 Increase (decrease) in revaluation reserves | | |
| 1.13 Net exchange differences recognised in equity | | |
| 1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details) | | |
| 1.15 Initial adjustments from UIG transitional provisions | | |
| 1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15) | | |
| 1.17 Total changes in equity not resulting from transactions with owners as owners | | |

| Earnings per security (EPS) | Current period | Previous corresponding Period |
|------------------------------------|----------------|-------------------------------------|
| 1.18 Basic EPS | 31.3 ¢ | 25.4 ¢ |
| 1.19 Diluted EPS | 30.9 ¢ | 24.7 ¢ |

+ See chapter 19 for defined terms.

Notes to the condensed consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members

| | Current period - \$A'000 | Previous corresponding period - \$A'000 |
|---|-----------------------------|---|
| 1.20 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>) | 10,962 | 8,554 |
| 1.21 Less (plus) outside ⁺ equity interests | - | - |
| 1.22 Profit (loss) from ordinary activities after tax, attributable to members | 10,962 | 8,554 |

Revenue and expenses from ordinary activities

(*see note 15*)

| | Current period - \$A'000 | Previous corresponding period - \$A'000 |
|--|-----------------------------|---|
| 1.23 Revenue from sales or services | 80,994 | 78,327 |
| 1.24 Interest revenue | 104 | 81 |
| 1.25 Other relevant revenue | | |
| Proceeds of sale of property, plant, equipment | 986 | 4,696 |
| SGARA Non-Living Produce Revenue | 490 | - |
| Other | 8 | 10 |
| 1.26 Details of relevant expenses | | |
| Cost of Sales | 54,939 | 56,634 |
| Distribution Expenses | 1,557 | 1,584 |
| Marketing Expenses | 117 | 134 |
| Occupancy Expenses | 927 | 630 |
| Administrative Expenses | 1,850 | 1,606 |
| SGARA Non-Living Produce Expense | - | 917 |
| SGARA Asset Valuation Decrement | 389 | 260 |
| Other Expenses | 2,443 | 3,806 |
| 1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>) | 2,834 | 2,713 |
| Capitalised outlays | | |
| 1.28 Interest costs capitalised in asset values | | |
| 1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business) | | |

Consolidated retained profits

| | Current period - \$A'000 | Previous corresponding period - \$A'000 |
|--|-----------------------------|--|
| 1.30 Retained profits (accumulated losses) at the beginning of the financial period | 5,680 | 1,791 |
| 1.31 Net profit (loss) attributable to members (<i>item 1.11</i>) | 10,962 | 8,554 |

⁺ See chapter 19 for defined terms.

| | | | |
|-------------|---|---------------|--------------|
| 1.32 | Net transfers from (to) reserves (<i>details if material</i>) | - | - |
| 1.33 | Net effect of changes in accounting policies | - | - |
| 1.34 | Dividends and other equity distributions paid or payable | 2,300 | 4,665 |
| 1.35 | Retained profits (accumulated losses) at end of financial period | 14,342 | 5,680 |

Intangible and extraordinary items

| <i>Consolidated - current period</i> | | | | |
|--------------------------------------|--|-----------------------------------|---|---|
| | Before tax \$A'000 (a) | Related tax \$A'000 (b) | Related outside +equity interests \$A'000 (c) | Amount (after tax) attributable to members \$A'000 (d) |
| 2.1 | Amortisation of goodwill | 1,130 | | 1,130 |
| 2.2 | Amortisation of other intangibles | | | |
| 2.3 | Total amortisation of intangibles | 1,130 | | 1,130 |
| 2.4 | Extraordinary items (details) | | | |
| 2.5 | Total extraordinary items | | | |

+ See chapter 19 for defined terms.

| Condensed consolidated statement of financial position | | At end of current period \$A'000 | As shown in last annual report \$A'000 | As in last half yearly report \$A'000 |
|---|---|-------------------------------------|---|--|
| Current assets | | | | |
| 4.1 | Cash | 565 | 78 | 949 |
| 4.2 | Receivables | 12,968 | 10,740 | 14,817 |
| 4.3 | Investments | - | - | - |
| 4.4 | Inventories | 7,471 | 9,202 | 7,278 |
| | - Almond Crop | 3,240 | 2,465 | 4,053 |
| 4.5 | Tax assets | - | - | - |
| 4.6 | Other (provide details if material) | 833 | 114 | 355 |
| 4.7 | Total current assets | 25,077 | 22,599 | 27,452 |
| Non-current assets | | | | |
| 4.8 | Receivables | - | - | 2 |
| 4.9 | Investments (equity accounted) | - | - | - |
| 4.10 | Other investments | - | 4 | 4 |
| 4.11 | Inventories | - | - | - |
| 4.12 | Exploration and evaluation expenditure capitalised (<i>see para .71 of AASB 1022</i>) | - | - | - |
| 4.13 | Development properties (+mining entities) | - | - | - |
| 4.14 | Other property, plant and equipment (net) | 33,480 | 34,286 | 34,444 |
| | - SGARA Assets | 5,329 | 5,718 | 5,936 |
| 4.15 | Intangibles (net) | 21,705 | 22,835 | 22,151 |
| 4.16 | Tax assets | 158 | 247 | 209 |
| 4.17 | Other (provide details if material) | - | - | - |
| 4.18 | Total non-current assets | 60,672 | 63,090 | 62,746 |
| 4.19 | Total assets | 85,749 | 85,689 | 90,198 |
| Current liabilities | | | | |
| 4.20 | Payables | 12,153 | 9,441 | 10,868 |
| 4.21 | Interest bearing liabilities | 360 | 1,494 | 572 |
| 4.22 | Tax liabilities | 2,092 | 2,848 | 1,470 |
| 4.23 | Provisions exc. tax liabilities | 976 | 3,598 | 3,004 |
| 4.24 | Other (provide details if material) | - | - | - |
| 4.25 | Total current liabilities | 15,581 | 17,381 | 15,914 |
| Non-current liabilities | | | | |
| 4.26 | Payables | - | - | - |
| 4.27 | Interest bearing liabilities | 8,914 | 17,739 | 19,094 |
| 4.28 | Tax liabilities | 1,155 | 1,167 | 1,118 |
| 4.29 | Provisions exc. tax liabilities | 93 | 65 | 83 |
| 4.30 | Other (provide details if material) | - | - | - |
| 4.31 | Total non-current liabilities | 10,162 | 18,971 | 20,295 |

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position continued

| | | | | |
|-------------|--|---------------|---------------|---------------|
| 4.32 | Total liabilities | 25,743 | 36,352 | 36,209 |
| 4.33 | Net assets | 60,006 | 49,337 | 53,989 |
| | Equity | | | |
| 4.34 | Capital/contributed equity | 36,206 | 34,199 | 35,740 |
| 4.35 | Reserves | 9,458 | 9,458 | 9,458 |
| 4.36 | Retained profits (accumulated losses) | 14,342 | 5,680 | 8,791 |
| 4.37 | Equity attributable to members of the parent entity | 60,006 | 49,337 | 53,989 |
| 4.38 | Outside ⁺ equity interests in controlled entities | - | - | - |
| 4.39 | Total equity | 60,006 | 49,337 | 53,989 |
| 4.40 | Preference capital included as part of 4.37 | - | - | - |

Condensed consolidated statement of cash flows

| | Current period \$A'000 | Previous corresponding period - \$A'000 |
|---|---------------------------|---|
| Cash flows related to operating activities | | |
| 7.1 Receipts from customers | 99,487 | 90,794 |
| 7.2 Payments to suppliers and employees | (76,993) | (69,072) |
| 7.3 Dividends received from associates | - | - |
| 7.4 Other dividends received | - | 1 |
| 7.5 Interest and other items of similar nature received | 104 | 81 |
| 7.6 Interest and other costs of finance paid | (1,415) | (2,027) |
| 7.7 Income taxes paid | (5,827) | (4,429) |
| 7.8 Other (provide details if material) | - | - |
| 7.9 Net operating cash flows | 15,356 | 15,348 |
| Cash flows related to investing activities | | |
| 7.10 Payment for purchases of property, plant and equipment | (2,904) | (3,865) |
| 7.11 Proceeds from sale of property, plant and equipment | 1,057 | 4,696 |
| 7.12 Payment for purchases of equity investments | - | (4,000) |
| 7.13 Proceeds from sale of equity investments | - | - |
| 7.14 Loans to other entities | - | 71 |
| 7.15 Loans repaid by other entities | - | - |
| 7.16 Other (provide details if material) | - | - |

+ See chapter 19 for defined terms.

| | | | |
|-------------|---|-----------------|-----------------|
| 7.17 | Net investing cash flows | (1,847) | (3,098) |
| | Cash flows related to financing activities | | |
| 7.18 | Proceeds from issues of [†] securities (shares, options, etc.) | 2,006 | 3,075 |
| 7.19 | Proceeds from borrowings | - | - |
| 7.20 | Repayment of borrowings | (9,307) | (10,341) |
| 7.21 | Dividends paid | (5,070) | (3,868) |
| 7.22 | Other (provide details if material) | - | - |
| 7.23 | Net financing cash flows | (12,371) | (11,134) |
| 7.24 | Net increase (decrease) in cash held | 1,138 | 1,116 |
| 7.25 | Cash at beginning of period (see <i>Reconciliation of cash</i>) | (608) | (1,724) |
| 7.26 | Exchange rate adjustments to item 7.25. | | |
| 7.27 | Cash at end of period (see <i>Reconciliation of cash</i>) | 530 | (608) |

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (*If an amount is quantified, show comparative amount.*)

Nil

Reconciliation of cash

| Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | | Current period \$A'000 | Previous corresponding period - \$A'000 |
|--|--|------------------------|---|
| 8.1 | Cash on hand and at bank | 565 | 78 |
| 8.2 | Deposits at call | - | - |
| 8.3 | Bank overdraft | (35) | (686) |
| 8.4 | Other (provide details) | - | - |
| 8.5 | Total cash at end of period (item 7.27) | 530 | (608) |

Other notes to the condensed financial statements

Ratios

| | Current period | Previous corresponding period |
|---|----------------|-------------------------------|
| Profit before tax / revenue | | |
| 9.1 Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1) | 19.5 % | 15.4 % |

[†] See chapter 19 for defined terms.

| | | | |
|-----|---|--------|--------|
| 9.2 | Profit after tax / ⁺equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 4.37</i>) | 18.3 % | 17.3 % |
|-----|---|--------|--------|

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of *AASB 1027: Earnings Per Share* are as follows.

| | | | | |
|-------------|-----------------|--------|----------------------------------|------------|
| Basic EPS | Current Period | 31.3 c | Weighted Average No. Shares Used | 35,040,372 |
| | Previous Period | 25.4 c | Weighted Average No. Shares Used | 33,737,590 |
| Diluted EPS | Current Period | 30.9 c | Weighted Average No. Shares Used | 35,489,030 |
| | Previous Period | 24.7 c | Weighted Average No. Shares Used | 34,636,485 |

| NTA backing (see note 7) | Current period | Previous corresponding Period |
|--|----------------|-------------------------------|
| 11.1 Net tangible asset backing per ⁺ ordinary security | \$ 1.08 | \$ 0.77 |

Dividends

| | |
|---|---------------------------------|
| 15.1 Date the dividend (distribution) is payable | 30 th September 2002 |
| 15.2 ⁺ Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if ⁺ securities are not ⁺ CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if ⁺ securities are ⁺ CHESS approved) | Friday 12 September, 2003 |
| 15.3 If it is a final dividend, has it been declared? | Yes |

Amount per security

| | | Amount per security | Franked amount per security at 30% tax (see note 4) | Amount per security of foreign source dividend |
|------|--|---------------------|---|--|
| 15.4 | (Preliminary final report only) Final dividend: Current year | 12.0 ¢ | 12.0 ¢ | 0 ¢ |

⁺ See chapter 19 for defined terms.

| | | | | |
|-------------|---|-------|-------|-----|
| 15.5 | Previous year | 8.0 ¢ | 8.0 ¢ | 0 ¢ |
| 15.6 | <i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year | 6.5 ¢ | 6.5 ¢ | 0 ¢ |
| 15.7 | Previous year | 5.5 ¢ | 5.5 ¢ | 0 ¢ |

Total dividend (distribution) per security (interim *plus* final)

(Preliminary final report only)

| | Current year | Previous year |
|---|--------------|---------------|
| 15.8 ⁺ Ordinary securities | 18.5 ¢ | 13.5 ¢ |
| 15.9 Preference ⁺ securities | 0 ¢ | 0 ¢ |

Half yearly report - interim dividend (distribution) on all securities *or*
Preliminary final report - final dividend (distribution) on all securities

| | Current period \$A'000 | Previous corresponding period - \$A'000 |
|---|------------------------|---|
| 15.10 ⁺ Ordinary securities <i>(each class separately)</i> | 4,560 | 2,767 |
| 15.11 Preference ⁺ securities <i>(each class separately)</i> | - | - |
| 15.12 Other equity instruments <i>(each class separately)</i> | - | - |
| 15.13 Total | 4,560 | 2,767 |

The ⁺dividend or distribution plans shown below are in operation.

Dividends payable may be reinvested in ordinary shares under the Company's Dividend Reinvestment Plan

The last date(s) for receipt of election notices for the
⁺dividend or distribution plans

Friday 12 September, 2003

⁺ See chapter 19 for defined terms.

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

| Category of ⁺ securities | Total number | Number quoted | Issue price per security (see note 14) (cents) | Amount paid up per security (see note 14) (cents) |
|---|---|---|--|--|
| 18.1 Preference ⁺securities (description) | | | | |
| 18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions | | | | |
| 18.3 ⁺Ordinary securities | 35,455,341 | 35,455,341 | | |
| 18.4 Changes during current period (a) Increases through issues | 63,500 58,800 41,400 466,500 126,640 113,610 | 63,500 58,800 41,400 466,500 126,640 113,610 | \$ 1.00 \$ 1.55 \$ 1.66 \$ 2.10 \$ 3.37 \$ 3.31 | \$ 1.00 \$ 1.55 \$ 1.66 \$ 2.10 \$ 3.37 \$ 3.31 |
| (b) Decreases through returns of capital, buybacks | - | - | | |
| 18.5 ⁺Convertible debt securities (description and conversion factor) | | | | |
| 18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 18.7 Options (description and conversion factor) | | | Exercise price | Expiry date (if any) |
| 18.8 Issued during current period | 466,500 112,300 120,500 | | \$ 2.10 \$ 1.55 \$ 1.66 | 31/12/02 20/10/03 20/10/04 |
| 18.9 Exercised during current period | 63,500 466,500 58,800 41,400 | | \$ 1.00 \$ 2.10 \$ 1.55 \$ 1.66 | 30/09/02 31/12/02 20/10/03 20/10/04 |
| 18.10 Expired during current period | 74,226 | | \$ 1.00 | 30/09/02 |

+ See chapter 19 for defined terms.

| | | | |
|--------------|---|--|--|
| 18.11 | Debentures <i>(description)</i> | | |
| 18.12 | Changes during current period | | |
| | (a) Increases through issues | | |
| | (b) Decreases through securities matured, converted | | |
| 18.13 | Unsecured notes <i>(description)</i> | | |
| 18.14 | Changes during current period | | |
| | (a) Increases through issues | | |
| | (b) Decreases through securities matured, converted | | |

Segment reporting

Please refer to the attached summary for details of the economic entity's business segment performance.

Basis of financial report preparation

19.1 Material factors affecting the revenues and expenses of the economic entity for the current period

Please refer to the attached announcement for an overview of business performance

Annual meeting

The annual meeting will be held as follows:

Place

ASX Theatrette

Date

Tuesday, October 28, 2003

Time

2.00 pm

Approximate date the ⁺annual report will be available

26th September, 2003

⁺ See chapter 19 for defined terms.

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.
- 2 This report, and the accounts upon which the report is based, use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed.
- 4 This report is based on ⁺accounts to which one of the following applies.
(Tick one)

| | |
|---|--|
| <input type="checkbox"/> The ⁺ accounts have been audited. | <input type="checkbox"/> The ⁺ accounts have been subject to review. |
| <input checked="" type="checkbox"/> The ⁺ accounts are in the process of being audited or subject to review. | <input type="checkbox"/> The ⁺ accounts have <i>not</i> yet been audited or reviewed. |
- 5 The entity has a formally constituted audit committee.

Sign here: Marcello Mattia
 (Company Secretary)

Date: 1 September 2003

Print name: Marcello Mattia

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

⁺ See chapter 19 for defined terms.

3. **Condensed consolidated statement of financial performance**

Item 1.1 The definition of “revenue” and an explanation of “ordinary activities” are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of Financial Performance*.

Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).

4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column “Franked amount per security at % tax” for items 15.4 to 15.7.

5. **Condensed consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last ⁺annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.

6. **Condensed consolidated statement of cash flows** For definitions of “cash” and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. ⁺Mining exploration entities may use the form of cash flow statement in Appendix 5B.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ⁺ordinary securities (ie, all liabilities, preference shares, outside ⁺equity interests etc). ⁺Mining entities are *not* required to state a net tangible asset backing per ⁺ordinary security.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the ⁺accounts. Details must include the contribution for each gain or loss that increased or decreased the entity’s consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. If an entity reports exact figures, the \$A’000 headings must be amended. If an

⁺ See chapter 19 for defined terms.

entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, and the \$A'000 headings must be amended.

10. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year to date basis in addition to the current interim period. Normally an Appendix 4B to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4B Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting*. This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4B.

11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the ⁺ASIC under the Corporations Act must also be given to ASX. For example, a director's report and declaration, if lodged with the ⁺ASIC, must be given to ASX.

12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.

13. **Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.

14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.

15. **Details of expenses** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their ⁺accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

Relevant Items *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term "relevance" is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

⁺ See chapter 19 for defined terms.

- 16 Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to “000” must be changed to the reporting value.

17. Discontinuing operations

Half yearly report

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their ⁺accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

18. Format

This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

⁺ See chapter 19 for defined terms.

+ See chapter 19 for defined terms.

SELECT HARVESTS LIMITED (ABN 87 000 721 380)
Note to Appendix 4E as at 30 June 2003
Segment Reporting
(\$'000)

| | Processing and Marketing | | Almond Orchards | | Management Services | | Almond Pool Sales | | Pesticide Products | | Eliminations and Unallocated | | Consolidated | |
|--|--------------------------|-----------------|-----------------|-----------------|---------------------|-----------------|-------------------|------------|--------------------|----------------|------------------------------|-----------------|-----------------|-----------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Operating Revenue | | | | | | | | | | | | | | |
| Sales of goods and services to customers outside the economic entity | \$51,261 | \$48,712 | \$9,107 | \$11,989 | \$16,423 | \$13,413 | \$0 | \$0 | \$4,204 | \$4,213 | \$0 | \$0 | \$80,995 | \$78,327 |
| Intersegment revenue | \$0 | \$0 | \$3,866 | \$3,309 | \$0 | \$0 | \$1,358 | \$0 | \$408 | \$616 | -\$5,632 | -\$3,925 | \$0 | \$0 |
| Sale of Almonds to customers outside the economic entity on behalf of managed orchard owners (Note 1) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,176 | \$2,203 | \$0 | \$0 | \$0 | \$0 | \$3,176 | \$2,203 |
| Less Cost of Almonds sold by the economic entity on behalf of managed orchard owners (Note 1) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | -\$4,534 | -\$2,203 | \$0 | \$0 | \$1,358 | \$0 | -\$3,176 | -\$2,203 |
| Other revenue | \$0 | \$99 | \$1,476 | \$4,573 | \$0 | \$0 | \$0 | \$0 | \$7 | \$1 | \$0 | \$0 | \$1,483 | \$4,673 |
| Unallocated revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$104 | \$114 | \$104 | \$114 |
| Total revenue | \$51,261 | \$48,811 | \$14,449 | \$19,871 | \$16,423 | \$13,413 | \$0 | \$0 | \$4,619 | \$4,830 | -\$4,170 | -\$3,811 | \$82,582 | \$83,114 |
| Operating profit before interest, tax, and internal charges | \$4,598 | \$5,003 | \$7,687 | \$6,350 | \$6,099 | \$3,959 | \$0 | \$0 | \$886 | \$1,175 | -\$1,849 | -\$1,738 | \$17,421 | \$14,749 |
| Operating profit before tax | \$1,693 | \$1,962 | \$5,887 | \$5,148 | \$6,099 | \$3,425 | \$0 | \$0 | \$1,131 | \$1,632 | \$1,301 | \$637 | \$16,111 | \$12,803 |
| Segment assets (excluding inter-company debts) | \$42,542 | \$42,481 | \$28,257 | \$31,051 | \$8,441 | \$9,205 | \$0 | \$0 | \$2,609 | \$2,219 | -\$613 | \$733 | \$81,236 | \$85,689 |
| Segment liabilities (excluding inter-company debts) | \$5,215 | \$2,591 | \$6,972 | \$6,710 | \$2,083 | \$1,993 | \$0 | \$0 | \$453 | \$406 | \$6,632 | \$24,652 | \$21,355 | \$36,352 |
| Depreciation and amortisation of segment assets | \$2,055 | \$2,006 | \$1,493 | \$1,264 | \$225 | \$375 | \$0 | \$0 | \$124 | \$130 | \$67 | \$68 | \$3,964 | \$3,843 |

Note 1 The economic entity provides a range of management and other services to externally owned or third party orchards. The income and expenses associated with the provision of orchard establishment, orchard management, harvesting, maintenance services, and processing and marketing are recorded as part of the "Management Services" segment of the above summary. In addition to these services, the economic entity sells the crop of almonds harvested from the orchards of the external owners.

Almond Pool sales are sales of almonds for externally owned almond orchards which are sold by the economic entity on a pooled basis, the proceeds from which are distributed to the pool participants

The economic entity earns a marketing fee for providing this service. These fees are included as part of the "Management Services" segment of the above summary.