



## **MEDIA RELEASE**

**22 July 2015**

### **Zespri Annual Meeting reports on strong season, looks forward to future growth**

An excellent 2014/15 season with increased volumes, good grower returns and strong growth to come – that was the message at Zespri’s Annual Meeting held today.

Zespri Chairman Peter McBride told grower-shareholders in Tauranga that Zespri had delivered \$1.57 billion of sales in the 2014/15 season, up 16 percent despite a sluggish global economy.

“Total fruit and service payments for the season are up 17 percent to \$939 million. Volumes of NZ kiwifruit sales are up 11 percent to 95.2 million trays this season, set to grow to over 130 million trays in the next five years.

“As well these headline numbers, Zespri delivered excellent returns to growers and developed sales platforms for the increasing gold volumes in both new and existing markets.

“SunGold (Gold3) has performed very successfully on the orchard, throughout the supply chain and in the market and we are continuing to build awareness of this new product with consumers and customers through world class marketing – growing demand ahead of the large volume increases coming on,” says Mr McBride.

Gold volumes are set to grow from 18.7 million trays in 2014/15 to around 30 million trays in 2015/16 to over 60 million trays by 2019/20. Volumes of non-NZ gold are also set to grow strongly to match the increase in NZ production and provide consistent year-round supply, forecast to grow from 2.5 million trays in 2014/15 to around 15 million trays in 2019/20.

Mr McBride also reported Zespri’s net profit after tax has doubled from \$17.2 million in 2013/14 to \$34.6 million in 2014/15. This reflects an exceptional one-off factor of \$19.6 million of unpaid revenue from new cultivar licences from previous years (before taxation and fair value adjustment), which were recognised due to greater certainty around SunGold’s performance in a Psa environment. Excluding this figure, Zespri’s normalised profit would have been \$21.5 million – a figure which more accurately reflects current volumes and the strong investment being made in the growth to come.

Chief Executive Lain Jager noted that foreign exchange continues to impact grower returns, reducing payments by \$58.1 million in 2014/15. However Zespri’s hedging policy offset the strength of the NZ dollar by \$103.7 million compared to the spot rate.

“Orchard Gate Return per tray for Green was up to \$6.01 and reached the highest-ever average per-hectare returns at \$53,884, due largely to sales performance, increasing average yields and a shortage of Chilean kiwifruit in the market due to severe frosts in Chile. While Zespri is very positive

about the outlook for delivering strong, sustainable returns to growers and shareholders, we note considerable headwinds weighing on future returns including the relative weakness of the Euro and Yen and recovery of Chilean volumes.

“We will continue to have seasonal ups and downs but, in the end, it is our relative rate of innovation compared to the competition which will define our future,” says Mr Jager.

## **Ends**

For more information and photos or to request an interview, contact Zespri Senior Communications Advisor Rachel Lynch on [rachel.lynych@zespri.com](mailto:rachel.lynych@zespri.com) or 027 509 1805.

## **About Zespri Group Ltd**

With sales revenues of \$1.57 billion in 2014/15, Zespri is one of the world’s most successful horticulture marketing companies and the Zespri Brand is recognised as the world leader in premium quality kiwifruit. Based in Mount Maunganui, New Zealand, we are 100 percent owned by current or past kiwifruit growers, and employ approximately 350 people in New Zealand, Asia, Europe and the Americas. On behalf of our 2,500 growers in New Zealand and 1,200 growers based elsewhere, Zespri manages kiwifruit innovation and supply management, distribution management and marketing of Zespri Green, Zespri SunGold, Zespri Organic, Zespri Gold and Zespri Sweet Green Kiwifruit.

	2014/15	2013/14
New Zealand-grown fruit and service payments (including loyalty premium)	\$939.0 million	\$800.8 million
– Per tray supplied	\$9.81	\$9.26
<b>Net profit after tax</b>	<b>\$34.6 million</b>	<b>\$17.2 million</b>
<b>Normalised profit after tax*</b>	<b>\$21.5 million</b>	<b>\$17.2 million</b>
New Zealand-grown Orchard Gate Return (OGR) per hectare	\$57,369 (average)	\$49,385 (average)
– Green	\$53,884	\$42,659
– Organic Green	\$43,996	\$40,989
– Gold	\$73,890	\$90,813
– Green14	\$29,682	\$25,438
<b>Equity</b>	<b>\$109.6 million</b>	<b>\$89.4 million</b>
Dividend per share (cents)	5.0	4.0
– Interim	7.0	7.0
– Final	12.0	11.0
– Total	85%	80%
Percentage of available profit		
<b>Zespri global kiwifruit sales</b>	<b>\$1.568 billion</b>	<b>\$1.349 billion</b>
<b>Export earnings (New Zealand-grown)</b>	<b>\$1.086 billion</b>	<b>\$0.921 billion</b>
Zespri global volume (trays sold)	108.4 million	97.3 million
<b>New Zealand-grown</b>	<b>95.2 million</b>	<b>86.1 million</b>
– Green	69.3 million	68.9 million
– Organic Green	3.5 million	3.1 million
– Gold	18.6 million	11.1 million
– Green14	0.9 million	0.4 million
– Other	2.9 million	2.6 million
<b>Non-New Zealand-grown</b>	<b>13.2 million</b>	<b>11.2 million</b>
– Green	10.7 million	9.0 million
– Gold	2.5 million	2.2 million

\* Normalised profit after tax for 2014/15 excludes \$13.1 million that relates to new cultivar license income from licenses issued in prior years. No adjustment was made for the 2013/14 year.

	Returns per tray	
	2014/15	2013/14
Zespri Green Kiwifruit	\$6.01	\$5.23
Zespri Gold Kiwifruit	\$9.80	\$12.91
Zespri Organic Green Kiwifruit	\$7.37	\$7.07
Zespri Sweet Green Kiwifruit	\$7.08	\$9.77