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19 December 2006

Market Information Services Section  
New Zealand Exchange Limited  
WELLINGTON

**TURNERS & GROWERS LIMITED ("Company") - MARKET ANNOUNCEMENT: ISSUE OF SECURITIES**

Pursuant to Listing Rule 7.12.1, the Company makes the following announcement:

- (a) **Class of Securities and ISIN:** Options to acquire ordinary shares in the Company. ISIN is NZTURE0002S5.
- (b) **Number of Securities issued:** 1,000,000 options.
- (c) **Issue price:** Nil, but exercise price is \$2.75 per option.
- (d) **Payment in cash:** N/A
- (e) **Amount paid up (if not in full):** N/A
- (f) **Percentage of total Class of Securities:** 50% of options (being 1.298% of existing ordinary shares).
- (g) **Reason for issue:** Incentive scheme for named senior employees.
- (h) **Specific authority for issue:** Listing Rule 7.3.6 and resolution of directors dated 19 December 2006.
- (i) **Terms of issue:** The consideration for the issue of the options to the named senior employees to acquire ordinary shares in the Company is nil. An option may only be exercised in the exercise period for the tranche of which that option forms part except in the Board's discretion in the case of cessation of employment, or compulsory acquisition. The exercise period for the tranche A options is between the 3<sup>rd</sup> and 7<sup>th</sup> anniversaries of the issue date. The exercise period for the tranche B options is between the 4<sup>th</sup> and 8<sup>th</sup> anniversaries of the issue date. The exercise period for the tranche C options is between the 5<sup>th</sup> and 9<sup>th</sup> anniversaries of the issue date. Upon the exercise of an option and receipt of the exercise price, the Company must allot or transfer one fully paid share to the offeree subject to adjustment for bonus issues or capital reconstruction. The exercise price is \$2.75 for each option exercised, subject to adjustment for a capital reconstruction. The options are not transferable except may be exercised in the Board's discretion by the personal representative of the holder who has died or is incapacitated.
- (j) **Total number of Securities of the Class in existence after issue:** 2,000,000 options to acquire ordinary shares.
- (k) **Treasury Stock:** N/A
- (l) **Date of issue:** between 19 December and 22 December 2006.

Yours faithfully

L. J. Sowerby  
Company Secretary and Chief Financial Officer