



**Turners and Growers Limited
Report of Directors
30 June 2007**

The Group profit before tax (unaudited) for the half year to 30 June 2007 was \$8.2 million, up \$1 million on the first half result for 2006 of \$7.2 million.

RESULTS IN BRIEF:

	June 2007 6 months \$000	June 2006 6 months \$000
Operating Profit before financing costs	\$9,928	\$8,843
Profit before tax	\$8,173	\$7,196
Profit after tax	\$5,664	\$4,726
Total equity	\$248,903	\$221,376
Number of Shares on Issue	96,186,979	77,039,712

FRESH DOMESTIC SECTOR

For the first six months of 2007 domestic fruit and vegetable prices remained firm. Strong prices in summer fruit and vegetables combined with a number of operational efficiencies resulted in an improved performance. Should this momentum continue through the second half of the year we are optimistic that there will be an improved result over the previous full year.

The Fruit Case Company, our returnable crate and pallet division, has performed above the comparable 2006 result for the first half of the year. This division consistently performs well and is looking forward to an improved full year result.

Turners and Growers Imports struggled in the first quarter, however, it rallied with strong results in the final months. This positive trend continued into the weeks following the half year where Imports benefited from the higher value of the New Zealand dollar (NZD) and reduced domestic volume. Significant improvements are also having a positive impact, and this division is also looking forward to an improved second half result.

Turners Transport and FloraMax have shown improved results and are looking at strong year end results. Both divisions are investigating new business opportunities.

In summary the Fresh Domestic Sector has had a strong first half performance compared to last year. All of these divisions are concentrating on expansion opportunities, minimising costs as well as providing excellent customer service.

INTERNATIONAL SECTOR (EXPORTS)

The results, including ENZA coolstores, are slightly up on June 2006 but below expectations.

ENZA coolstores revenues and profits have improved significantly from last year. The 2006 year saw a condensed season with reduced revenues from traditional coolstorage activities. There have also been additional revenues in relation to a packhouse purchased as part of the 2007 Hawkes Bay orchard acquisitions.

In April 2007 Turners and Growers became the major shareholder in Delica Limited, a produce exporter from New Zealand and Australia. Revenues for 2007 from this venture have been included in the international result to June which did not appear in the comparable figures in 2006.

Pipfruit export “in-market” sale prices are up on 2006, however, these prices have been adversely impacted by the high value of the NZD over all major currencies, and at this stage the division is down on the similar period in 2006. If there is no relief from the strong currency commission earnings from ENZAFruit will fall short of 2006 comparatives.

ENZAFOODS

ENZAFOODS is now stand alone and it is still the intention of the Board to separate this division from the Group in due course. We are expecting an improved result for the year.

GROWING SECTOR

Status Produce, New Zealand’s largest glasshouse tomato grower has seen an improved six months, exceeding the same period last year. This period was highlighted by stronger tomato prices, particularly entering the winter months that were partly offset by reduced volumes.

Subject to market prices in the upcoming high volume months, the latest forecasts indicate that Status will have an improved performance compared to last year.

Turners and Growers is now a full and part owner of four orchards in various parts of the country. These orchards comprise pipfruit, kiwifruit and mandarins and highlight the Group’s intention to align itself closer to the grower base. A substantial number of older trees in the pipfruit orchards will be replaced by Jazz TM and other new varieties. The total financial contribution of these orchards will not become apparent until the trees mature. The mandarin and kiwifruit orchard in Kerikeri, which was purchased in late June, has

fully producing trees. From 2008 all of the Kerikeri orchard's volume will go through the Group's infrastructure, providing a positive contribution to our bottom line.

OUTLOOK

Most Domestic divisions are looking forward to a reasonable year end position, and improving on 2006 results.

Impacting our international trades is the volatility of the New Zealand Dollar. The second half of the year is where most of the revenue in relation to the pipfruit season is received and where we are subject to the variances of the NZD.

There are a number of investment opportunities currently being investigated that may reveal themselves before the end of the financial year.

We are looking forward to another financial year of quiet achievement.

A.I. (Tony) Gibbs
Chairman

J.M. Wesley
Managing Director