SELECT HARVESTS LIMITED
ABN 87 000 721 380

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2003

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2003.

SELECT HARVESTS LIMITED
FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2003

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SELECT HARVESTS LIMITED
ABN 87 000 721 380

DIRECTORS' REPORT

The directors present their report together with the financial report of the consolidated entity consisting of Select Harvests Limited and the entities it controlled, for the half-year ended 31 December 2003 and independent review report thereon.

Directors Names

The names of the directors in office at any time during or since the end of the half-year are:

Max Fremder
Brian Burns
Charles Clark
David Williams (resigned 16 February 2004)
John Bird

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Review of Operations

The consolidated profit of the group for the half-year after providing for income tax amounted to $7,467,000.

During the period, the group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements and directors announcement.

Rounding of amounts to nearest thousand dollars

The amounts contained in the report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors:

Max Fremder
Director

Dated this 28 day of February 2004

SELECT HARVESTS LIMITED
ABN 87 000 721 380
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	Half-year to 31 December	
	2003	**2002**
	$'000	**$'000**
Profit from ordinary activities before income tax expense (income tax benefit)	11,036	8,011
Income tax expense relating to ordinary activities	3,569	2,632
Profit from ordinary activities after related income tax expense	7,467	5,379
Profit / (loss) from extraordinary items after related income tax expense	-	-
Net profit	7,467	5,379
Net profit attributable to outside equity interests	-	-
Net profit attributable to the members of the entity	7,467	5,379

Basic earnings per share	**20.0**	**15.5**
Diluted earnings per share	**19.9**	**15.2**

The accompanying notes form part of these financial statements.

SELECT HARVESTS LIMITED
ABN 87 000 721 380
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003

	31 December 2003 $'000	30 June 2003 $'000
CURRENT ASSETS		
Cash assets	641	565
Receivables	15,601	12,968
Inventories	11,917	7,471
- Almond Crop	3,921	3,240
Other	1,277	833
TOTAL CURRENT ASSETS	33,357	25,077
NON-CURRENT ASSETS		
Other financial assets – investments	19	-
Property, plant and equipment	37,209	33,480
Self-generating and regenerating assets	5,215	5,329
Intangible assets	26,367	21,705
Deferred tax assets	335	158
TOTAL NON-CURRENT ASSETS	69,145	60,672
TOTAL ASSETS	102,502	85,749
CURRENT LIABILITIES		
Payables	9,538	12,150
Interest-bearing liabilities	2,358	360
Current tax liabilities	638	2,092
Provisions	1,288	979
TOTAL CURRENT LIABILITIES	13,822	15,581
NON-CURRENT LIABILITIES		
Payables	-	-
Interest-bearing liabilities	17,247	8,914
Deferred tax liabilities	1,193	1,155
Provisions	272	93
TOTAL NON-CURRENT LIABILITIES	18,712	10,162
TOTAL LIABILITIES	32,534	25,743
NET ASSETS	69,968	60,006
EQUITY		
Contributed equity	43,289	36,206
Reserves	9,458	9,458
Retained profits	17,221	14,342
TOTAL EQUITY	69,968	60,006

The accompanying notes form part of these financial statements.

SELECT HARVESTS LIMITED
ABN 87 000 721 380
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	Half-year to 31 December	
	2003	**2002**
	$'000	**$'000**
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	80,780	46,229
Payments to suppliers and employees	(74,752)	(38,045)
Interest received	59	40
Borrowing costs	(613)	(724)
Income tax paid	(5,553)	(3,958)
Net cash provided by operating activities	(79)	3,542
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	424	316
Payment for property, plant and equipment	(3,827)	(2,189)
Payment for investments	(9,144)	-
Net cash provided by investing activities	(12,547)	(1,873)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue	7,083	1,541
Proceeds from borrowings	8,500	1,085
Dividends paid	(4,590)	(2,773)
Net cash provided by financing activities	10,993	(147)
Net increase in cash held	(1,633)	1,522
Cash at beginning of financial year	743	(608)
Cash at end of the reporting period	(890)	914

The accompanying notes form part of these financial statements.

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This general purpose half year financial report has been prepared in accordance with Accounting Standard AASB 1029 'Interim Financial Reporting', Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This half-year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2003 and any public announcements made by Select Harvests Limited during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Law.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

NOTE 2: COMPARATIVE INFORMATION

The Statement of Financial Performance and the Statement of Cash Flows provide comparative information for the half-year ended 31 December 2003. The Statement of Financial Position provides comparative information as at 30 June 2003.

NOTE 3: SIGNIFICANT ITEMS OF REVENUE OR EXPENSE FROM ORDINARY ACTIVITIES

	Half-year to 31 December	
	2003	2002
Revenue	$'000	$'000
Revenue from Sales or Services	64,621	41,376
SGARA revenue – Non Living Produce	63	184
Expenses		
SGARA - Asset Valuation Decrement	114	127
Depreciation	1,413	1,480
Amortisation of Goodwill	791	684

NOTE 4: DIVIDENDS

	Half-year to 31 December	
	2003	2002
	$'000	$'000
Ordinary Shares on issue (2003 - 38,417,102; 2002 - 35,288,431)		
Dividends paid during the half-year	4,590	2,773

NOTE 5: SEGMENT INFORMATION

	Half-year to 31 December 2003 $'000	2002 $'000
Segment revenue		
Food Products	49,310	29,869
Almond Orchards	5,764	6,140
Management Services	10,800	6,375
Pesticide Products	1,708	1,749
Unallocated revenue	(2,818)	(2,215)
Total revenue from ordinary activities	64,764	41,918
Segment results		
Food Products	2,875	2,003
Almond Orchards	3,254	3,081
Management Services	3,821	2,300
Pesticide Products	332	319
Unallocated revenue less unallocated expenses	754	308
Profit from ordinary activities before income tax	11,036	8,011

NOTE 6: MOVEMENT IN BALANCES OF EQUITY SECURITIES

	Total Number	Number quoted	Issue price per security	Amount paid up per security
Ordinary Securities	38,417,102	38,417,102		
Changes during current period				
a) Increases through issues	259,100	259,100	$1.55	$1.55
	24,200	24,200	$1.66	$1.66
	2,533,500	2,533,500	$2.30	$2.30
	144,961	144,961	$5.61	$5.61
Changes attributable to options			**Exercise Price**	**Expiry date (if any)**
a) Options issued during the current period:	93,300		$1.55	20/10/03
	87,500		$1.66	20/10/04
	92,500		$3.31	28/10/05
b) Options exercised during the current period	259,100		$1.55	20/10/03
	24,200		$1.66	20/10/04
	2,533,500		$2.30	31/12/03

NOTE 7: ACQUISITION OF SUBSIDIARY

On 9 July 2003, Select Harvest Marketing Pty Ltd, a wholly owned subsidiary of Select Harvests Limited, acquired 100% of the share capital of Meriram Pty Ltd and Kibley Pty Ltd ("Meriram Group") at an initial cost of $9.1 Million. Further payments are to be made over two years to a maximum of $2.0 million based on achieving EBIT targets. Payment of the maximum amount requires achievement of an EBIT of $2.5 million for each of the two years post acquisition.

The contribution by the Meriram Group to the consolidated profit from ordinary activities after income tax for the six month period ended 31 December 2003 was $920,839.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 1 to 7 are in accordance with the Corporations Act 2001:

(a) Comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

(b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2003 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Select Harvests Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Max Fremder
Director

Melbourne
28 February 2004

PITCHER PARTNERS

SELECT HARVESTS LIMITED AND ITS CONTROLLED ENTITIES
ABN 87 000 721 380

INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF SELECT HARVESTS LIMITED

Scope

We have reviewed the financial report of Select Harvests Limited and controlled entities for the half-year ended 31 December 2003 as set out on pages 2 to 7. The directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Select Harvests Limited and controlled entities is not in accordance with:

(a) the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
  (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

Pitcher Partners

Pitcher Partners

Mr Terry Benfold
Partner

Date 28 February 2004

Melbourne

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