

**TAKE A
MOMENT...**





20 YEARS OF
Deliciousness





A MOMENT TO SAY THANKS



Zespri was established and is owned by New Zealand kiwifruit growers. Now, 20 years on, we acknowledge the partnerships old and new that underpin our industry – here in New Zealand and all around the world.

1996/97

This is the year that the Zespri brand was created. Before 1997, and the launch of the Zespri brand, New Zealand kiwifruit was marketed as 'the world's finest'.

It had gained some brand equity but needed stronger traction to grow consumption. A new brand name with meaning had to be found, and what consumers told us was that kiwifruit meant 'vibrant, vigorous, healthy, nutritious, effervescent and zesty'. The choice of the brand name needed to capture the essence of what our product stood for and also be attractive and distinctive.







A MOMENT TO TAKE STOCK

Last season saw the largest-ever New Zealand crop, helping us to achieve a record-breaking export result for the industry. We continue to learn, building knowledge to carry this momentum on and create growth and value in future years.



AND A MOMENT TO REMEMBER WHAT'S TRULY IMPORTANT



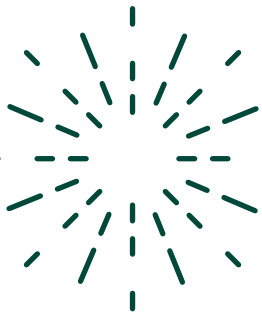
New Zealand kiwifruit growers own us and they are at the centre of everything we do.

Developing and marketing the world's leading portfolio of kiwifruit products for 12 months of the year is our strategy for delivering value to the industry.

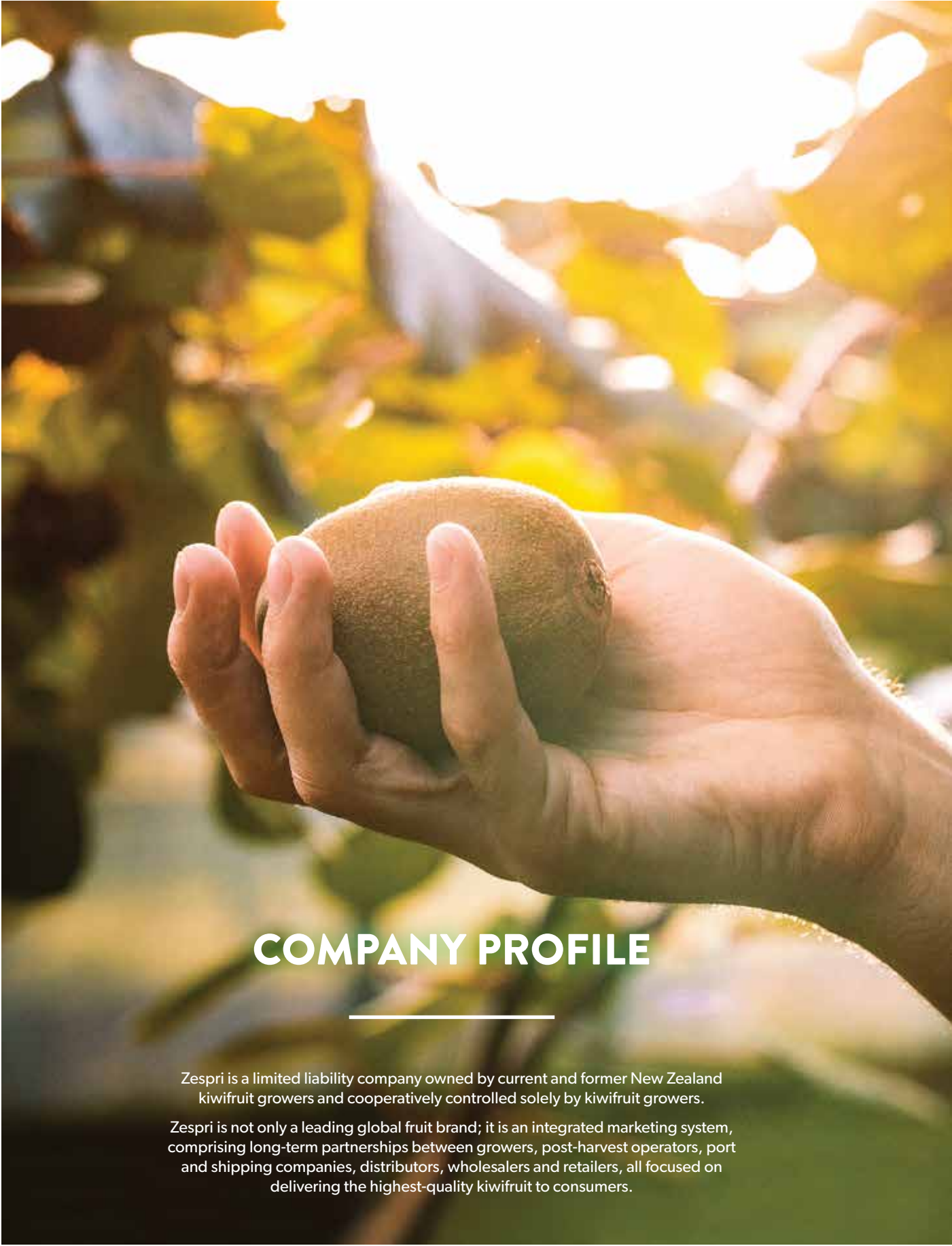




BECAUSE DELICIOUS MOMENTS HAPPEN EVERY DAY



Our brand vision is about pausing to enjoy the small, everyday moments that make life delicious. This shared spark of positivity is helping us deepen our connection with Zespri consumers all over the world.



COMPANY PROFILE

Zespri is a limited liability company owned by current and former New Zealand kiwifruit growers and cooperatively controlled solely by kiwifruit growers.

Zespri is not only a leading global fruit brand; it is an integrated marketing system, comprising long-term partnerships between growers, post-harvest operators, port and shipping companies, distributors, wholesalers and retailers, all focused on delivering the highest-quality kiwifruit to consumers.



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SEASON OVERVIEW

A remarkable season of record yields and the largest-ever New Zealand crop.

Zespri sold more fruit faster than ever before during the 2016/17 season. The total volume from New Zealand was 137.7 million trays, which is 18 percent above the previous year and 45 percent greater than two seasons ago. Sales from Zespri Global Supply also increased, by 14 percent to 16.6 million trays, driven mainly by SunGold coming into production in Italy.

Zespri sold almost double the volume of SunGold from New Zealand compared with 2015/16 and delivered a third season in a row of Green returns of over \$50,000 a hectare. Volume growth and continued strong investment in marketing and market development helped to lift the total fruit and service payment, including the loyalty premium, by 21 percent to \$1.38 billion. Export earnings also increased by 21 percent, to \$1.603 billion.

Zespri's net profit after tax more than doubled from \$35.8 million to \$73.7 million, mainly due to licence revenue from the SunGold tender in 2016. This will be realised over a number of years. Zespri announced a full year dividend of 25 cents a share. Normalised profit after tax for the financial year was \$78.8 million.

The season was challenging in several respects. The sharp increase in Green volume and a late start to the season owing to delayed maturity put pressure on pricing, but record average yields of

12,281 trays per hectare enabled the industry to achieve per-hectare returns at \$53,555. The Green return was \$4.36 per tray. The extraordinary increase in Green volume to over 93 million trays in gross submit led to a programme of crop management as the best way to handle fruit in sizes surplus to demand.

SunGold again delivered an outstanding result, with an average per-tray return for the Gold pool rising to \$8.64 despite an increase in supply to 48.5 million trays from 32.6 million trays in 2015/16. Average per-hectare returns increased by 39 percent to \$98,838. The customer and consumer response to SunGold was very positive, supporting our confidence in market demand. Zespri allocated a 400-hectare tranche of SunGold licence in 2016, which attracted strong participation, and completed a second 400-hectare allocation in 2017 as the outlook for growing market demand continues.

Looking ahead, Zespri aims to implement a consistent strategy to deliver value to growers and shareholders. Our primary focus is on growing demand ahead of supply, fulfilling demand and innovating to develop more effective ways to deliver value. The 2016/17 season again generated robust returns and the challenge is to sustain and improve performance over coming years.

ANNUAL MEETING



**31 MARCH
2017**

Financial year-end



**19 JULY
2017**

Annual Report circulated



**22 AUGUST
2017 - 1PM**

Deadline for receipt of proxies for Annual Meeting



**24 AUGUST
2017**

Annual Meeting



**DECEMBER
AND AUGUST**

Indicative dates for dividend payments, December (interim) and August (final)



**ANNUAL
REPORT**

For full financial statements, please refer to the separate Annual Report, available on www.zespri.com

ANNUAL MEETING

The Annual Meeting of Shareholders of Zespri Group Limited will take place at 1pm on Thursday 24 August 2017 at ASB Arena Baypark, 81 Truman Lane, Mount Maunganui.

FINANCIAL HIGHLIGHTS

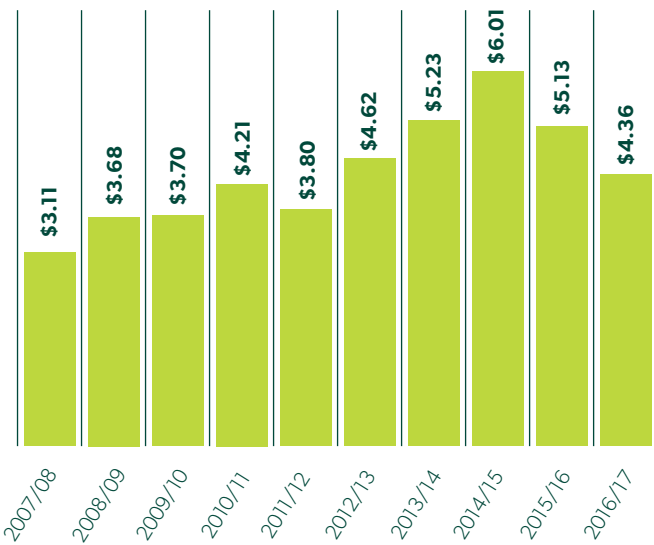
	2016/17	2015/16	Variance
New Zealand-grown fruit and service payments (including loyalty premium)	\$1,380.0 million	\$1,143.1 million	21%
- Per tray supplied	\$9.46	\$9.51	-1%
Net profit after tax	\$73.7 million	\$35.8 million	106%
Normalised profit after tax	\$78.8 million	\$27.8 million	183%
New Zealand-grown Orchard Gate Return (OGR) per hectare	\$68,868 (average)	\$60,758 (average)	13%
- Green	\$53,555	\$56,673	-6%
- Organic Green	\$54,427	\$52,917	3%
- Gold	\$98,838	\$71,080	39%
- Green14	\$45,853	\$42,995	7%
Equity	\$172.0 million	\$130.9 million	31%
Dividend per share (cents)			
- Interim	8.0	5.0	
- Final	17.0	19.0	
- Total	25.0	24.0	
Percentage of available profit	87%	84%	
Zespri global kiwifruit sales	\$2.262 billion	\$1.907 billion	19%
Export earnings (New Zealand-grown)	\$1.603 billion	\$1.327 billion	21%
Zespri global volume (trays sold)	154.3 million	131.6 million	17%
New Zealand-grown	137.7 million	117.1 million	18%
- Green	83.3 million	77.9 million	7%
- Organic Green	3.9 million	3.9 million	1%
- Gold	47.9 million	32.3 million	48%
- Green14	1.5 million	1.4 million	13%
- Other	1.1 million	1.6 million	-31%
Non-New Zealand-grown	16.6 million	14.5 million	14%
- Green	11.3 million	10.9 million	4%
- Gold	5.3 million	3.6 million	46%

ORCHARD GATE RETURN

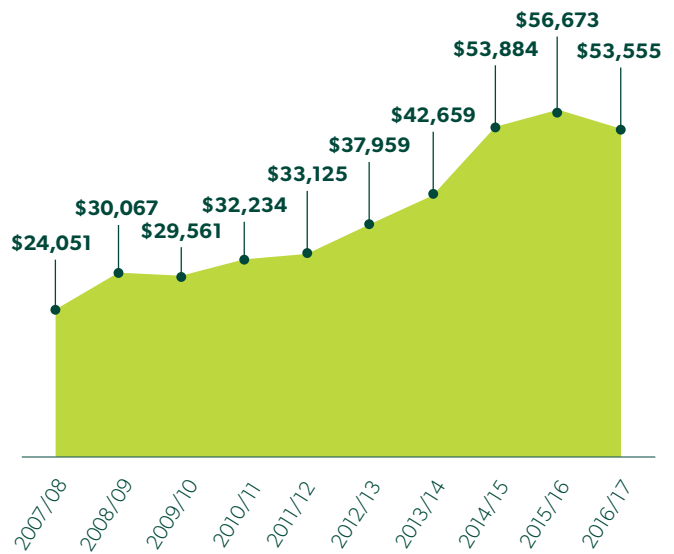
Zespri Green Kiwifruit

New Zealand-grown kiwifruit

\$4.36 AVERAGE ORCHARD GATE RETURN PER TRAY



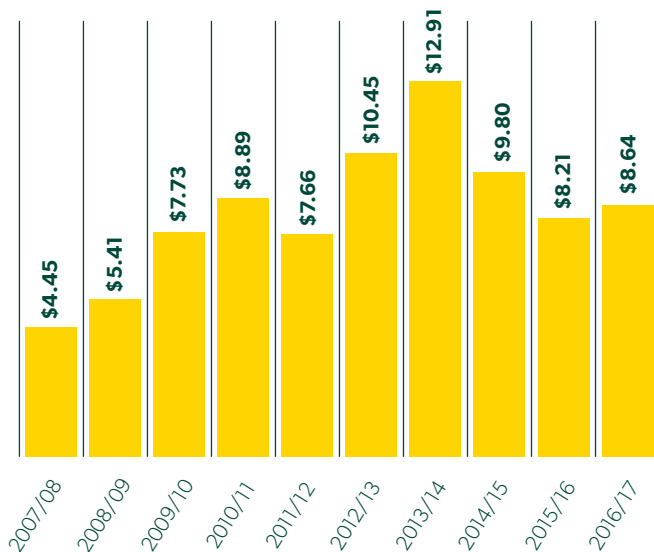
\$53,555 AVERAGE ORCHARD GATE RETURN PER HECTARE



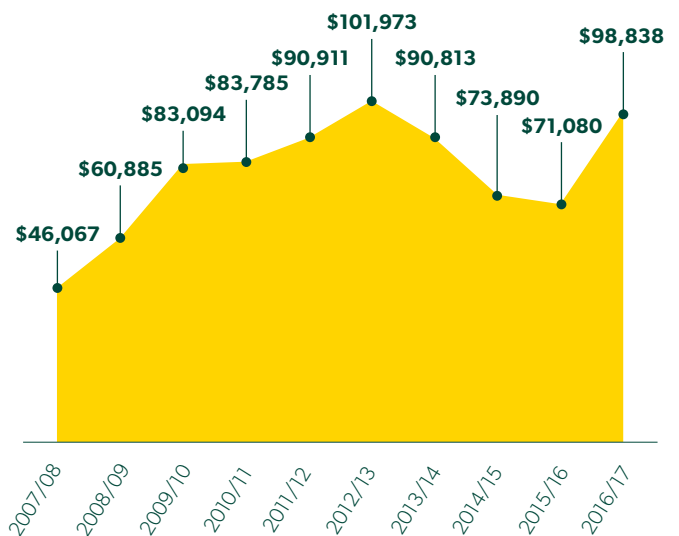
Zespri Gold Kiwifruit

New Zealand-grown kiwifruit

\$8.64 AVERAGE ORCHARD GATE RETURN PER TRAY



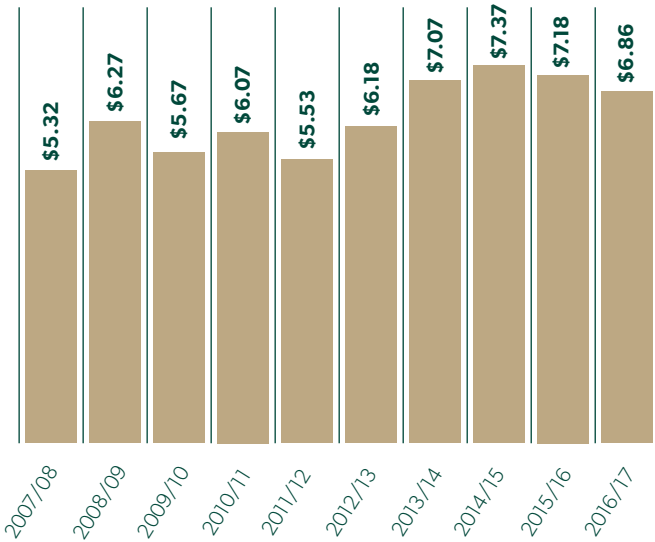
\$98,838 AVERAGE ORCHARD GATE RETURN PER HECTARE



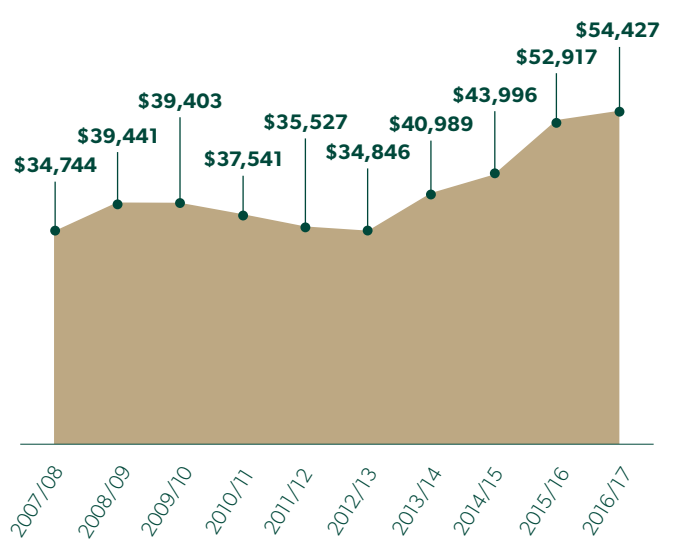
Zespri Organic Green Kiwifruit

New Zealand-grown kiwifruit

\$6.86 AVERAGE ORCHARD GATE RETURN PER TRAY



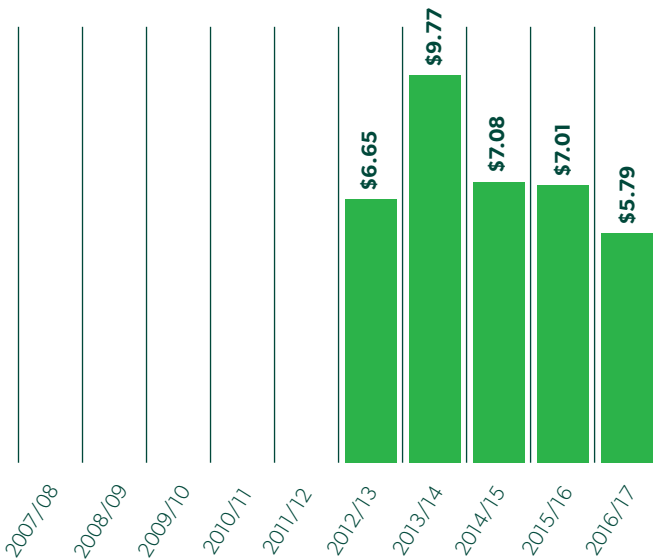
\$54,427 AVERAGE ORCHARD GATE RETURN PER HECTARE



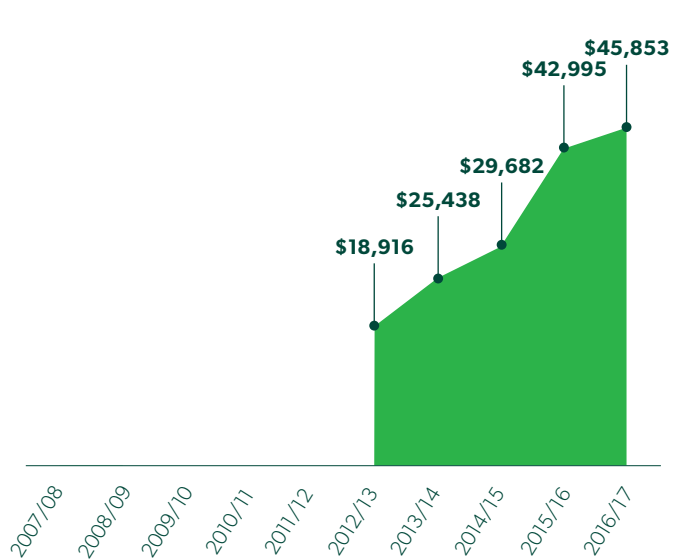
Zespri Sweet Green Kiwifruit

New Zealand-grown kiwifruit

\$5.79 AVERAGE ORCHARD GATE RETURN PER TRAY



\$45,853 AVERAGE ORCHARD GATE RETURN PER HECTARE



CHAIRMAN AND CEO'S REPORT

Peter McBride and Lain Jager

It is 20 years since the Zespri brand was created, marketing a premium product to consumers around the world and leading the kiwifruit category in quality. Two decades on, our focus on the brand continues to support Zespri's purpose to create long-term value for growers and shareholders by marketing the world's leading portfolio of kiwifruit 12 months of the year.



Investment in the Zespri brand is a strategic pillar in our goal to double global sales to \$4.5 billion by 2025. The opportunity is significant, with worldwide consumption of kiwifruit today accounting for less than half a percent of all internationally traded fruit.

The 2016/17 season was remarkable: growing conditions delivered record yields and lower-dry-matter-fruit in a year following on the heels of a substantial Italian crop that sold into June. Despite this very challenging context, Zespri sold more fruit faster than ever before, to deliver increased Gold per-hectare returns. Zespri sold almost double the volume of SunGold compared with the previous season and delivered a third season in a row of Green returns of over \$50,000 a hectare. This result reflects the strong investment in marketing and market development that Zespri and New Zealand kiwifruit growers have made throughout successive seasons.

Zespri's approach is to implement our strategy through successive seasons with consistency and discipline. Our strategy is to supply the highest-quality fruit to consumers around the world, all year round; to invest in our brand; to strengthen our supply chain systems; and to forge ahead with our long-term investment in developing new cultivars. We have also made progress during the 2016/17 season in strengthening and renewing the foundations on which we will deliver growth and value in the future. We continue to invest in people, particularly in our global sales and marketing teams, and in our supply chain systems and processes. We are continuing to develop our policies and procedures across ethics and compliance, and health and safety.

Results

Corporate results

Zespri's global kiwifruit revenue increased by 19 percent to \$2.26 billion in 2016/17, driven by volume growth and a greater contribution of SunGold to total sales. Net profit after tax more than doubled from \$35.8 million to \$73.7 million, mainly due to licence revenue from the SunGold tender in 2016, which was \$46.6 million after tax.

The cashflow relating to the 2016 licence release will be realised over a number of years. The take-up of the 2016 deferral terms by a substantial number of bidders means that the licence release will not generate significant net cashflow to Zespri until the 2018/19, 2019/20 and 2020/21 financial years. At that time the Zespri Board will make decisions regarding use of funds and distribution to shareholders.

In the 12-month period to 31 March 2017, Zespri's share price more than doubled, from \$1.82 a share to \$4.00 a share. This equates to an increase in the market capitalisation of Zespri from \$220 million to more than \$480 million.

For the reported period, revenue per full time employee equivalent decreased from \$5.5 million last year to \$5.4 million, and trays per full-time employee equivalent decreased from 373,000 trays to 354,000 trays. This deterioration in overhead ratios reflects an increase in overhead costs and deliberately strong investment by Zespri as we focus on driving demand growth ahead of supply. It is important to note that Zespri is evolving its business model in key markets to become an importer of record and to lift our key account capability. While this requires greater staff numbers, it extends our reach along the value chain and drives long-term value for growers.

During 2016/17, Zespri redefined its operating segments to better reflect its key business activities. Going forward, Zespri will report against four key segments: New Zealand kiwifruit; non-New Zealand supply; new cultivars; and other.

The New Zealand kiwifruit segment is Zespri's core business and at over \$2 billion of sales represents 90 percent of total global sales. It also accounts for \$22.2 million of segment profit before tax.

The non-New Zealand supply segment, also referred to as Zespri Global Supply (ZGS), generated sales revenue in 2016/17 of \$216 million. Profit before tax was \$11.9 million.

The new cultivar segment generates revenue through licensing, royalty streams and co-funded new cultivar research. Overall, this segment achieved revenue of \$87.5 million and a segment profit before tax of \$70.9 million.

The 'other' segment covers activities related mainly to land and buildings and interest income. Other segment revenue was \$4.0 million and profit before tax was \$2.2 million. Activity in this segment will increase following the commencement of the new head office project in Mount Maunganui, New Zealand.

Category performance

Zespri sold more fruit faster than ever before. During the 2016/17 season we sold 137.7 million trays of New Zealand crop, 18 percent above the previous year and 45 percent greater than two seasons ago. A key factor was the increase in average yield per hectare for Green. The sharp increase in volume and late start to the season owing to delayed maturity put pressure on pricing, with returns per tray falling to \$4.36 (2015/16: \$5.13). However, high average yields of 12,281 trays, compared with 11,048 in 2015/16, enabled the industry to achieve average per-hectare returns of \$53,555 (2015/16: \$56,673). This is the third year in a row that Green returns have been maintained above the \$50,000 mark.

With a final gross submit volume of 93.4 million trays of Green, Zespri recommended a programme of crop management as the best way to handle fruit in sizes that would have been surplus to market demand and would have provided an uneconomic return to growers. Over five million trays were crop managed, which reduced OGR per tray by 34 cents. The cost to growers would have exceeded this amount if the surplus fruit had been shipped and sold. The surplus was a result of an extraordinary increase in volume, rather than any weakness in markets, with demand growth continuing as expected across successive seasons.

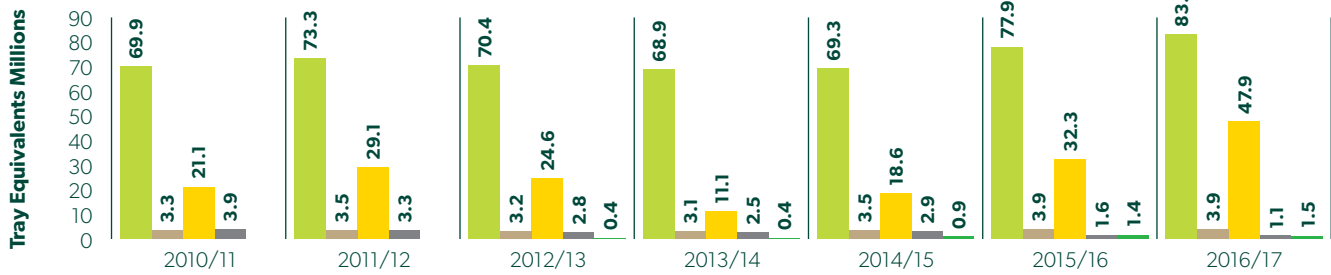
The average return for Organic Green was \$6.86 per tray (2015/16: \$7.18). The average per-hectare return of \$54,427 (2015/16: \$52,917) is a record result for the category. This was supported by strong average yield in 2016/17 of 7,933 trays per hectare, compared with 7,373 trays in 2015/16. The total sales volume for Organic Green was 3.9 million trays (2015/16: 3.9 million trays).

SunGold again delivered an outstanding result. We delivered an average return per tray for the Gold pool of \$8.64 (2015/16: \$8.21) despite an increase in supply of 49 percent to 48.5 million trays from 32.6 million trays in 2015/16. Average per-hectare returns increased 39 percent to \$98,838 (2015/16: \$71,080). We had a much later close to the season than in previous years and the final weeks saw an increase in storage difficulties. We will continue to learn and improve our storage performance in future seasons. During 2016/17, Zespri also sold 743,000 trays of Organic SunGold, up from 449,000 trays the previous year, helped by strong consumer demand.

Total Volume Sold – 7 Years

New Zealand-grown kiwifruit

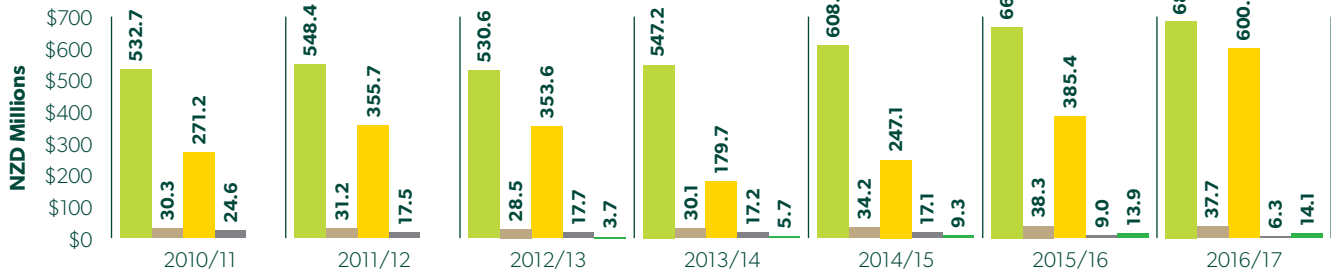
Green Organic Green Gold Non-Standard Supply and Class 2 Sweet Green



Total Fruit and Service Payments – 7 Years

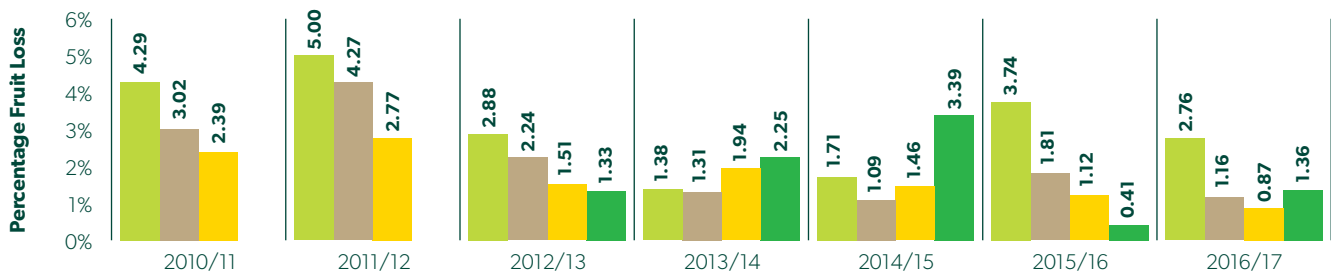
New Zealand-grown kiwifruit (excluding loyalty premium)

Green Organic Green Gold Non-Standard Supply and Class 2 Sweet Green



Onshore Fruit Loss – 7 Years

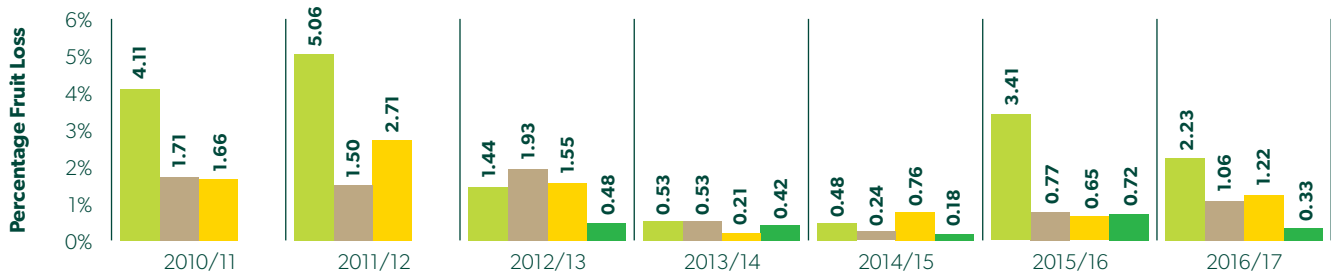
Green Organic Green Gold Sweet Green



These fruit loss percentages do not include crop-managed trays.

Offshore Fruit Loss – 7 Years

Green Organic Green Gold Sweet Green



The customer and consumer response to SunGold was very positive, supporting our confidence in market demand, although we note feedback highlighting the critical importance of high dry matter with this variety. During 2016, we released 400 hectares of SunGold licence. There was a total of 266 successful bidders and strong participation, which reflects confidence in the variety. The Zespri Board approved the allocation of a further 400 hectares of SunGold licence in 2017, and plans to allocate a further 1,200 hectares in 400-hectare tranches during 2018, 2019 and 2020, dependent on market performance.

The 2016/17 plan for Sweet Green was to develop an early supply programme with a focus on the Japan and China markets. This was hindered by the late maturity that characterised the season. Product performance was also affected by quality issues and a small profile. The return per tray was \$5.79, compared with \$7.01 in the 2015/16 season. However, the average per-hectare return increased to \$45,853 (2015/16: \$42,995), driven by higher average yields of 7,921 trays, versus 6,135 in 2015/16, as orchards came into full production. During 2016, Zespri consulted with Sweet Green growers on the future of the variety and recommended moving it into a combined Green pool. Sweet Green growers opted, by majority of volume, to remain in a stand-alone pool, and Zespri's focus is now on working with growers to maximise the value of the crop within its own pool for the 2017/18 season. The strategy for Sweet Green is to deliver it to market sweet and early, with allocation primarily to the Europe and Japan markets.

Zespri Global Supply

Zespri is building its investment in global supply to serve consumers with Zespri-branded kiwifruit 12 months of the year and to support retailers with a year-round category management solution.

We expect to see strong growth in ZGS volumes in the coming years, driven mainly by SunGold coming into production in Italy. The Zespri Board approved the release of 1,800 hectares of licence over the next three years in Europe, which is in addition to 1,650 hectares currently in the ground in Italy and 270 hectares in France. The full allocation will quadruple European volumes of SunGold over the next five years, from 4.4 million trays in 2016/17. Growth in ZGS production is expected to be a significant driver of corporate income over the years ahead.

Demand for SunGold is strong and forecast to increase across all markets over the next five to 10 years and Zespri needs to ensure a balanced 12-month supply in our key markets. Incremental production of SunGold in Italy over the next five years will help to meet unfulfilled demand in both Europe and our other export markets. The SunGold conversion strategy is also under way in our current production sites in Japan and South Korea. Sources of production are likely to diversify in the next few years, which will complement current supply out of Italy, France, South Korea and Japan.

Zespri continues to explore the production potential in China. A Centre of Excellence has been formed that is providing the opportunity for Zespri to better understand the Chinese industry and develop strong relationships. The Zespri team is presently working with two trial growing partners and one post-harvest operator in Shaanxi province. This is allowing the identification and resolution of constraints to the establishment of modern, large-scale and efficient orchards; the evaluation of different Chinese varieties; and the gaining of insight into post-harvest performance. Consumer insight work is also being undertaken.

Ultimately, the projects will determine whether Zespri can one day provide our Chinese customers with Chinese-grown Zespri Kiwifruit during the New Zealand off-season.

Collaborative marketing

In 2016/17, 11 companies operated 22 collaborative marketing sales programmes, selling 2.73 million trays of New Zealand kiwifruit. Zespri supports collaborative marketing because it allows for innovation in New Zealand kiwifruit marketing. It also offers an alternative channel to market for those individuals or companies that believe they can deliver sustainable wealth creation for New Zealand kiwifruit suppliers from kiwifruit sales programmes that can operate in collaboration with Zespri.

Our experience is that well-considered programmes with high-quality collaboration with Zespri are usually supported by the regulator, Kiwifruit New Zealand (KNZ). For example, the Pacific Islands have a long-standing, collaborative marketing programme in a region typically serviced by Auckland-based exporters that ship containers of mixed fruit and vegetables on a weekly basis.

Zespri partners with Bidfood, South Seas and T&G to supply Zespri Kiwifruit as part of these companies' weekly fresh produce sales programmes, with volumes of 102,000 trays this season. Marketing programmes generally use promotional material from Zespri France, as the main Pacific Island markets are French-speaking New Caledonia and Tahiti.

Of particular note in 2016 was the operation of the proactive collaborative marketing initiative which saw Zespri partnering with two New Zealand export companies, T&G Global and Southern Fresh Fruit Export. The two companies manage the Zespri-branded kiwifruit sales programme in Thailand, Cambodia, Myanmar and in the Philippines via an extended-term collaborative marketing approval provided by KNZ. These two programmes represented one million trays in 2016/17. Additional proactive collaborative marketers have obtained KNZ approval for 2017, with Freshmax developing regions in Indonesia and Mr Apple in the Russian Far East.

Marketing and market development

During 2016, Zespri reconfigured the business model in China to become an importer of record, recognising the maturing of our China operations and aligning with our long-established Japan, South Korea and Europe markets. This change allows us to optimise our quality delivery in market and offer an enhanced level of service to our distribution customers.

Zespri Kiwifruit has been sold in China since 1999. We are building on our history in this region by broadening our distribution and sales from tier one and two cities and the eastern seaboard, expanding inland into other large provincial cities and more tier two and tier three cities. Zespri is rapidly building sales in developing markets also, notably in India where sales in 2016 grew by 124 percent to 3.2 million trays.

We officially opened an office in Dubai to service the rapidly growing sales in the Middle East, India and Africa.

Our overall marketing strategy aimed to launch SunGold well at the start of the season, to rapidly build sales run rates and drive demand, in the context of a slow start of Green sales and with extensive sales and distribution support. We created campaigns that sold a record volume of Green and built distribution and category penetration in new developing markets, including India, Indonesia and South Africa. We also increased brand awareness and penetration in all our top 10 markets.

People and systems

Zespri made a number of appointments in its executive team in 2016. Jiunn Shih, General Manager Marketing, was formerly a Senior Global Category Director at Unilever and brings extensive experience across multiple international markets. Sheila McCann-Morrison, General Manager for Global Supply, joined Zespri from Chiquita Brands in Switzerland where she led the sales and marketing teams of Germany, Austria and Switzerland as Regional Director. Patrick Watson has joined Zespri as Group HR Manager, bringing experience from a varied international career and positions with New Zealand Inland Revenue, Deloitte and the British Army.

During 2016, the Board of Directors announced that Zespri will start a search process to select a new Chief Executive Officer (CEO). The succession is being planned to have the new CEO in place by the beginning of 2018, with Lain Jager remaining in the role until his successor commences. The process is at an optimal time, balancing continuity and renewal in the leadership of the organisation. In 2017 the Zespri Board welcomed a new independent director, Peter Springford, replacing long-serving director David Pilkington. Peter has an extensive business track record in managing companies in Australia, New Zealand and Asia, as well as significant corporate governance experience. We thank David for his outstanding contribution to Zespri and to the kiwifruit industry as a whole.

Zespri continues to invest in people to deliver sustainable business growth over the long term. During 2016, 86 permanent employees joined the team, of whom 45 are based offshore in

sales and marketing and other supporting roles. This reflects our continued investment in driving demand offshore.

Zespri employs people with local sales and marketing expertise on the ground in 28 countries, with offices in 21 countries, delivering targeted programmes in 56 countries around the world. During the 2016/17 year, Zespri had in its employment 436 full-time equivalent people (FTEs), with 203 FTEs in the markets and 233 FTEs in New Zealand (including seasonal employees).

As the Company grows, we recognise the need to ensure common organisational values are in place and applied consistently across the business. During 2016, we rolled out what we call our 'DNA' – the building blocks of Zespri, who we are as an organisation and how we work together. It includes our purpose, mission and vision, describing what we are seeking to accomplish. It also includes our strategy, priorities and values, describing how we will be successful in achieving our aims for the future.

In December, the Board approved investment in a fit-for-purpose head office in Mount Maunganui, with construction to be finished in early 2019. The building will provide the facilities needed to support future growth and serve as a hub for the kiwifruit industry, with space to host growers, customer and media tour programmes, and offices for other kiwifruit-related organisations.

Zespri recognises the need to modernise and upgrade its information systems as the business continues to grow and our legacy systems no longer meet the needs of an expanding global business. Two years ago, Zespri started a major technology investment programme as we gained confidence in the recovery from Psa. Systems already upgraded include the planning and

During 2016, Zespri launched its company values. They were developed by Zespri people for Zespri people, involving extensive employee input and Board endorsement. We have developed guidelines on what each value means in terms of specific actions to empower our people and create strong alignment around the behaviours that support how we deliver on our promise to growers and shareholders.



supply management system, the grower relations database and self-service web interface, and analytical capabilities. Over the next five years, we will invest around \$70 million in enhancing our information systems and technology as a critical foundation for business performance.

Compliance and ethics

Acting with integrity is one of Zespri’s core values and our responsibilities for compliance with the law around the world and conducting our business ethically are set out in the Company’s employee Code of Conduct. We have supported these standards through a continuing focus on mandatory training for all staff worldwide. During 2016/17, Zespri provided training on labour standards, information security, data protection, conflicts of interest and ethical leadership.

An investigation by the Serious Fraud Office, first announced to us in October 2013, is still ongoing. Zespri’s costs including provisions to date are now around \$6.8 million. These costs are attributed to Zespri corporate and not to the New Zealand grower pools.

Operational challenges

The industry responded to a number of operational challenges in 2016. In April, Zespri applied a precautionary hold on two million trays of SunGold in inventory due to concerns over traces of mechanical lubricant contamination on a batch of pocket packs. After determining that there was no risk to human health, the industry put in place strong measures to check and repack potentially-affected trays. This decision was guided by Zespri’s absolute commitment to provide customers with healthy and

safe-to-eat kiwifruit. We acknowledge the very good work of suppliers in responding to this challenging issue and also note that some liability issues remain to be worked through.

In August, Zespri temporarily deferred exports to China following the notification by Chinese authorities of the detection of the fungal rot *Neofabraea actinidiae*. Exports resumed quickly after the industry adopted additional pre-export checking processes. While the checking process is expensive and operationally onerous, we note that the New Zealand kiwifruit industry delivered a new record for sales in China of nearly 24 million trays, up from 18 million trays the previous season. Enhanced checking processes will remain in place for the 2017/18 season.

Grower payments

Zespri made some mistakes in the August 2016 forecast of grower payments, which understandably caused concern and frustration for both post-harvest operators and growers. The errors were corrected in the October forecast and processes have been put in place to mitigate against future errors occurring. Substantial work is under way to improve our grower payment system.

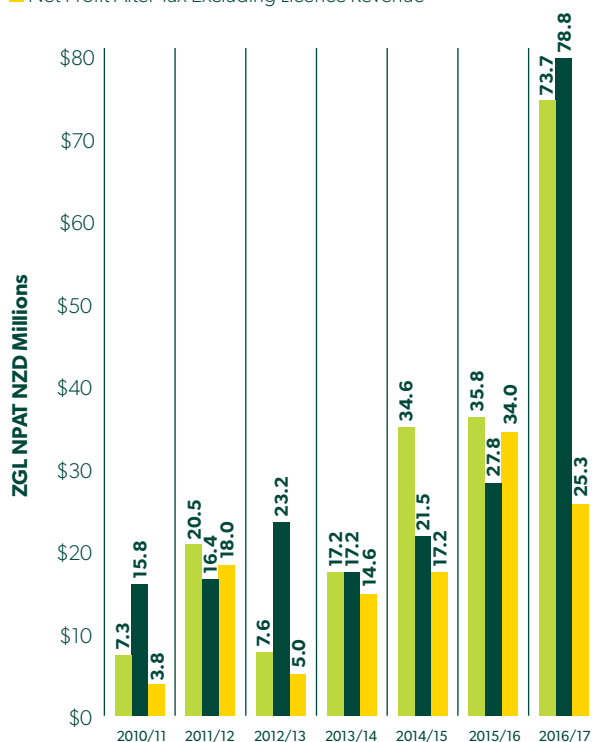
Looking Ahead

New Zealand supply

Total supply from New Zealand increased 26 percent (24 million trays) in 2015/16 and 21 percent (26 million trays) in 2016/17. Total supply for the 2017/18 season is expected to be around 130 million trays as SunGold volumes move through to around 55 million trays and Green volumes come back to around

Zespri Group Limited Profitability – 7 Years

■ Net Profit After Tax (NPAT) ■ Normalised Net Profit After Tax
■ Net Profit After Tax Excluding Licence Revenue



Zespri Group Limited Equity, Dividend Returned and Share Price – 7 Years

■ Equity NZD ● Dividend NZD ● Share Price NZD



69 million trays due to seasonal factors. Looking out to 2021, we expect steady volumes of Green and continued growth of SunGold as we continue to license this exciting new product and vines come into production. To give a sense of this, we expect SunGold supply growth will steady to around six million trays a year, which represents sustainable growth for this category and good opportunities for our customers globally.

Zespri Global Supply

Demand for Northern Hemisphere supply is expected to be strong during the next five years. Over this period, ZGS SunGold volumes are expected to increase to around 20 million trays and Green supply, procured to meet demand, is forecast to increase to around 25 million trays.

Taste

On the supply side, our strategy is to deliver the best quality to markets through a lean and efficient supply chain to reflect market signals from growers. This is about optimising taste and ready-to-eat quality and working relentlessly to improve our supply chain processes. Optimising taste is the most important aspect of differentiating Zespri Green from competitor greens around the world and maintaining our price positioning. Taste is crucially important for SunGold as lower-dry-matter-fruit does not deliver our promise to consumers. Following taste reviews in 2015 and 2016, growers have supported measures to improve the financial incentives for growing higher-tasting fruit, which is all the more important given the plethora of potential new competitor varieties coming into the market.

Innovation

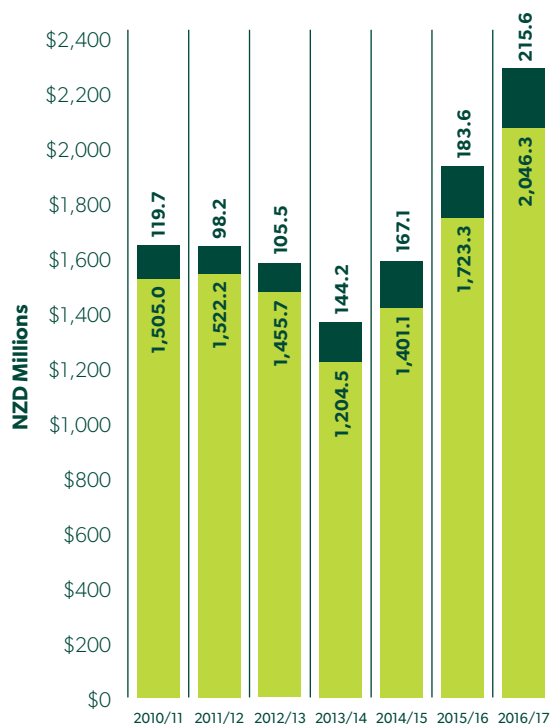
The success of the New Zealand kiwifruit industry in the long term depends on how well we innovate in comparison to our competitors, creating value across the supply chain from breeding to consumer. New cultivar development remains the biggest investment in Zespri’s innovation portfolio, with combined investment of around \$20 million a year in our joint breeding programme with Plant & Food Research and with support from the New Zealand Government. Zespri is continuing to evaluate the potential of new proprietary green and red varieties through pre-commercial trials.

The Kiwifruit Industry Strategy Project (KISP)

Zespri is awaiting the outcomes of the New Zealand Government’s regulatory review and amendments to the Kiwifruit Export Regulations 1999. This review follows the grower referendum in 2015 which asked the Government to amend the regulations to allow for closer shareholding alignment with production, update the definition of Zespri’s core business and provide the regulator Kiwifruit New Zealand (KNZ) with a broader skill set and more independence. We believe that the new regulations will provide the industry with sufficient tools to improve alignment between growers and shareholders, reduce the number of dry shareholders and mitigate against producers becoming significantly ‘over-shared’. Implementing these changes, following the regulatory changes, requires shareholders to approve amendments to the Zespri Constitution, which will be put to a vote at a Special Meeting in due course.

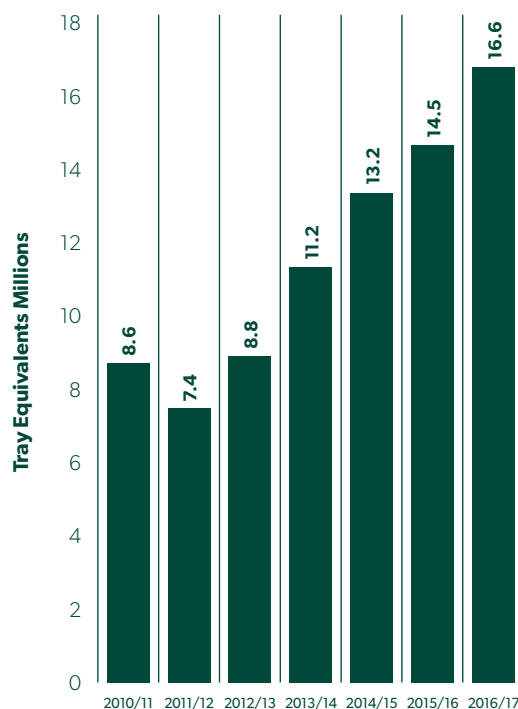
Global Kiwifruit Sales – 7 Years

■ New Zealand-grown kiwifruit ■ Non-New Zealand-grown kiwifruit



Total Volume Sold – 7 Years

■ Non-New Zealand-grown kiwifruit



Progress has been made in a number of other areas relating to KISP. Changes have been made to the New Zealand Kiwifruit Growers Forum, reduced from 37 to 27 members. Also, Māori kiwifruit grower representation in the industry has been strengthened with the establishment of a National Māori Growers Forum with the support of Te Puni Kōkiri, the Ministry of Māori Development. Furthermore, with the appointment in late 2016 of a market maker to facilitate ZGL share trading on the Unlisted trading platform, we believe that we have seen a significant improvement in liquidity and a reduction in price volatility in Zespri shares.

Conclusion

We are satisfied overall with performance in the 2016/17 season with continued strong returns in recent years reflected in orchard values, Zespri shares and SunGold licences. We are confident that continued investment by Zespri in innovation and market development will sustain returns into the future.

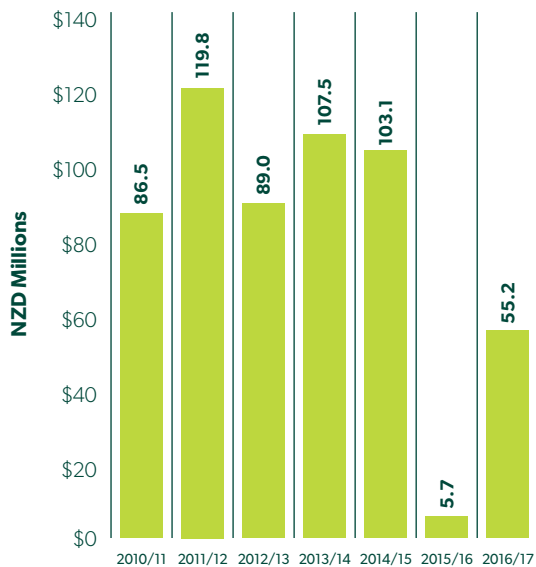


Peter McBride
Chairman



Lain Jager
Chief Executive Officer

Foreign Exchange and Oil Hedging Gain/Loss



Zespri has a medium-term hedging horizon which, when currencies and oil prices fall, can lead to reduced gains or possible losses. For 2016/17 the hedging result reflects the continued strength in the New Zealand Dollar, particularly in relation to the Japanese Yen and Euro.

A NOTE FROM CEO LAIN JAGER

As the industry marks 20 years since the creation of a highly successful New Zealand brand, it can look forward to sustained growth, driven by the fantastic success of SunGold. It has been a huge privilege to work as part of this industry leadership team and with Zespri employees and partners around the world.

What has been particularly meaningful for me personally is to work for New Zealand kiwifruit growers as they build a hugely successful global brand and develop cultivars that will deliver many years of prosperity to come.

The industry’s structure and cohesion mean it has been able to deal with numerous challenges over the years and is now well-positioned for growth. Zespri has set a target of growing global sales revenues to \$4.5 billion by 2025. Consistency in delivering a premium branded strategy, supported by investment in marketing, innovation and 12-month supply and ongoing supply chain improvements, will make this target achievable.

Moreover, Zespri’s foundations are being strengthened and renewed. The implementation of the KISP recommendations will be a milestone. Also important is Zespri’s work to reshape our organisational culture and structure to deliver a sustainable future characterised by a relentless focus on our consumers, our customers, quality and innovation.

Both the New Zealand kiwifruit industry and Zespri are in great shape and I leave confidently believing the best is still to come.

ZESPRI GLOBAL STRATEGY MAP

Our purpose is to deliver long-term value to growers and shareholders, by helping more consumers lead healthy and delicious lives.

VISION
Making life
delicious

MISSION
To grow revenue to
\$4.5 billion by 2025

STRATEGY
To market the world's
leading portfolio of
kiwifruit 12 months of
the year

STRATEGIC DRIVERS

Increase
demand

Fulfil
demand

Innovate

STRATEGIC ENABLERS

Build insights
capability

Simplify our
business

Drive
sustainability

Cultivate a
winning team

A MAP TO THE FUTURE

Zespri's purpose is to create long-term value for our growers and shareholders, by helping consumers lead healthy and delicious lives. Aligned to this is a mission to grow global sales revenue to \$4.5 billion by 2025 – an aspirational goal about our growth trajectory. CEO Lain Jager outlines how delivery will be supported through the company's strategy map.

The pathway to delivering long-term value to growers and shareholders can only be achieved by meeting the needs of our consumers. Our strategy hasn't changed, which is to market the world's leading portfolio of kiwifruit 12 months of the year. Our brand vision, which supports our purpose, is 'making life delicious'.

It is important to have clarity about how we will deliver to this strategy, including on the objectives and initiatives that cascade throughout the organisation, the measures of performance and the capabilities we need to have in place.

Zespri has mapped out the strategic drivers by which it creates value for consumers and ultimately for growers and shareholders, which come down to three fundamental themes: increase demand; fulfil demand; innovate.

Our primary focus is to grow demand ahead of supply. We will increase demand by understanding our consumers' needs and preferences, by leveraging our Zespri brand in the most effective way for each market, by building our in-market distribution, and by enhancing our customer relationships.

The driver to fulfil demand spans from orchard to the end consumer. Our focus is on delivering high-quality, convenient, delicious fruit to consumers, 12 months of the year. This requires working closely with our growers and partners to increase both our New Zealand and offshore production and integrating our supply chain to meet consumer demand.

Innovation is about developing better, more effective ways of delivering value. Our innovation activity extends beyond our new cultivar development programme, to on-orchard practices, supply chain management, and right through to the health attributes that we market to consumers. Our challenge is to also unlock value from people's ideas, right across our business.

To support our three core strategic drivers, we have four critical capabilities we need to build organisation-wide. We call these our 'strategic enablers'.

The first is building our capability to leverage data available, both internally and externally. We are investing in the infrastructure, tools and people needed so we can use data-driven insights to make well-informed decisions.

Secondly is a focus on simplifying our business. As our business continues to grow, we must simplify the way we operate, to maintain our agility and efficiency. We need lean, compliant global business processes and accurate data.

Thirdly, we recognise that driving sustainability is essential for the Zespri brand. We want consumers to enjoy Zespri Kiwifruit, knowing that sustainable practices are a key priority for our business. For that reason, we are committed to clearly articulating and achieving our sustainability goals, as we believe the decisions we make in this space today are critical to our future. There are a number of positive sustainability practices in our industry. Examples include minimising fruit waste and using highly efficient direct shipping to market. However, we recognise there is a substantial opportunity to strengthen sustainability in how we grow and deliver kiwifruit.

Finally, we are focused on cultivating a winning team. That means a culture of high performance, innovation, learning and collaboration. It means fostering in Zespri a culture in which we have a highly-engaged team of people working together cross-functionally to solve problems and leverage opportunities; we share knowledge; and we support each other to deliver outstanding results.

INCREASE DEMAND

The New Zealand kiwifruit industry celebrated a very special anniversary in March this year: our brand, proudly owned by New Zealand growers, turned 20.

Back in 1997, our industry had a choice – to become a seller of a low-cost commodity, just like kiwifruit from other origins and different from most other fruits, or we could create a premium, differentiated position by marketing a superior branded product.

Launching a global brand is no easy feat and there was criticism of the made-up name at the time, with Kiwi media commentators mistakenly thinking that we were trying to rename kiwifruit as 'Zespris'. But, as Tony Marks, former Zespri Director and CEO, said at the time, "Zespri may be a meaningless name but it will be a great brand."

Zespri has gone on to become a top-five global consumer produce brand. We are category leaders and have built long-term relationships with our partners, selling fruit in 56 countries this year. The Zespri System underpins our brand promise with a myriad of processes and counterchecks across the industry to guarantee the taste and quality of each piece of fruit in every box all season long.

Our recognisable brand has been grown to deliver win-win partnerships for distributors and customers, premium returns for growers and a meaningful offering for our consumers that they come back to again and again. The Zespri brand and how we communicate it around the world is continually evolving to stay relevant to consumers and attract new consumers – in both new and existing markets – to try our fruit and eat it regularly.

Our campaigns during the 2016/17 season have helped to lift brand awareness in our top markets and in developing markets. Zespri is ranked in the top-three of fruit brands in eight of our biggest markets, which include Taiwan, The Netherlands, Hong Kong, Belgium, Spain, Singapore and tier one and tier two cities in China. Kiwifruit penetration increased by 25 percent in South Korea, helped by the reduction in import tariffs combined with a strong marketing plan. In Indonesia, higher marketing investment into improved in-store presence, consumer sampling and roadshows, as well as a stronger Green focus, helped to accelerate growth.

We have sought to increase efficiencies in marketing spend through scale. For example, we ran the 'sweeter than you think' campaign, a social media promotion using humour to educate consumers about how to ripen and eat Zespri Kiwifruit, in all markets across Southeast Asia.

We also gained excellent coverage as a result of the first-ever International Symposium on Kiwifruit and Health in Tauranga in April 2016, which brought together nearly 200 leading health care professionals, scientists and health journalists from our key markets. The event was covered in 452 online news publications.

Sales and marketing: growing into the future

As we celebrate the 20th anniversary of the Zespri brand, Zespri has set a goal for the future: more than doubling global sales of New Zealand and non-New Zealand kiwifruit to \$4.5 billion by 2025.

Our offshore infrastructure has continued to develop to support this growth, with 203 staff based in 28 countries and offices in 21 countries, running targeted sales and marketing programmes around the world. For the first time in Zespri's history, our staff are split around 50/50 onshore and offshore, marking a real shift for the Company.

The global sales and marketing hub office was set up in Singapore in 2015 to provide the market-side leadership and coordination,



To meet Zespri's ambitious goal of \$4.5 billion in sales by 2025, Zespri has to grow sales in new markets and develop new opportunities in existing markets. One great example of this is the team in Japan, led by Ichiro Anzai, who grew sales in our long-standing highest-value market by more than 16 percent to 24 million trays last season – an outstanding achievement.

The team in China, led by Lewis Pan, has continued to expand sales and distribution inland into China, with around 50 staff working from five offices across the country. Sales in China have more than doubled in the past three seasons, from 11.4 million trays in 2014 to 23.6 million trays in 2016, as more consumers choose the taste and quality of our fruit.

The team in Europe, led by Bert Barmans, also achieved a stunning result, selling the largest-ever volume of SunGold and Green kiwifruit from both New Zealand and Zespri Global Supply.



An augmented reality game to catch fruit in a basket was a hit with the public at Antwerp Central station, especially with kids.



with senior market-side staff based there from the global hub. As our business continues to evolve and become more international in nature, it is imperative that we continue to develop our professional capabilities through sophisticated functional leadership and corporate support for the Zespri offices around the world. There are over 20 staff based in the Singapore hub.

One example of this continuous evolution is that we now have sales teams focusing not just on managing our key distributors but also on building direct relationship with retailers in some markets. This helps us grow sales more widely in our core markets and also to connect more deeply with key customers, increasing our weekly sales rates, creating value for the customer and putting fruit on the shelves for 52 weeks of the year.

Zespri is concentrating on getting closer to larger, quality-focused retail customers and sharing knowledge across markets to develop global strategies which are managed locally. Steven Bunyan was appointed last year to support this change with sales and marketing leaders across the business. During 2016, Zespri completed a survey with key distributors, retailers and wholesalers to understand and drive improved customer performance. Two out of three respondents said they were very likely to recommend Zespri to other customers and nearly 80 percent said they wish to grow their level of collaboration with us.

We have been working with external consultants over the past year to develop account management skills and processes across the Company with the aim of enhancing retail relationships in key markets, with more sales going through a connection to the retailer over time.

From the marketing side, we invested over \$150 million in consumer and trade promotions to support sales programmes in 56 countries around the world in the 2016/17 season. This investment was focused on growing the kiwifruit category and Zespri's share of the category, taking into account the stage of development of each market. We achieved this by driving promotional activities to push short-term sales and investing to build our brand over the longer term.

Our strategy plan has always been to have a global marketing strategy implemented locally by local experts. As we look forward to our goal of \$4.5 billion in sales worldwide, our teams will continue to hone their focus on developing consumer insights through research and making our brand more relevant to consumers by means of creating more engaging stories. And with consumers spending most of their lives online, digital communications remain key.



INTRODUCING GENERAL MANAGER MARKETING JIUNN SHIH

Jiunn Shih joined Zespri as General Manager Marketing in September 2016. Before joining us, Jiunn was a Senior Global Category Director and member of the Global Beverages Executive Team at Unilever, where he led brand development work for global brands such as Lipton and Carte D'Or. Jiunn has worked in a variety of marketing roles across Latin America, Asia and Europe,

performing local, regional and global roles for several well-known global consumer goods brands. With both Taiwanese and Brazilian nationalities, Jiunn's diverse cultural background and broad marketing experience across multiple international markets will be critical as Zespri continues to grow and drive excellence into our global marketing strategy and approach.

FULFIL DEMAND

Over the past 20 years, the supply side of the business has responded to significant disruption and led tremendous innovation. The commercialisation at scale of Gold kiwifruit diversified the industry and transformed our consumer offering.

Twelve-month supply enabled through sourcing kiwifruit production from Northern Hemisphere orchards extended our market presence. The introduction of taste and quality standards influenced how growers manage their orchards to meet consumer needs. The greatest adverse disruption was Psa, changing the industry forever.

Through the same period, the New Zealand kiwifruit industry has been transformed. Production volume is more than double the level of 1997's. Global sales of over \$2.26 billion in more than 50 markets in 2017 compare with sales of \$538 million in 1997.

Today, our challenge is to develop the supply chain to fulfil even higher levels of demand. A fundamental aspect is to build a sustainable and productive 12-month global supply base, an area where positive progress is being made.

Supply growth

New Zealand volumes are expected to increase to around 164 million trays by 2021/22, driven mainly by SunGold plantings. A total of 2,000 hectares of new licence, including the 800 hectares already released in two tranches in 2016 and 2017, will potentially be allocated by 2020, subject to a review of performance at the conclusion of each selling season. Zespri expects around 88 million trays of SunGold by the end of the five-year time frame.

Green volumes have been dynamic, with exceptional improvements in average orchard productivity of around 30 percent between 2014 and 2016 taking yields to over 12,000 trays a hectare. The 2017 season will see Green yields back to around 9,200 trays a hectare, but we expect to see average Green yields of over 10,000 trays a hectare again in 2018.

Supplying our customers for 12 months of the year underpins the sales and marketing strategy. It is essential for successful retail programmes and relationships, and core to maintaining category leadership. Consequently, we are expanding Zespri non-New Zealand supply, with production volumes expected to rise from 16 million trays this season to over 40 million trays in 2021/22.

To help deliver that growth, Zespri is planning to release an additional 1,800 hectares of European SunGold licence over the next three years, doubling production in Europe. The first 1,200 hectares will be in Italy with the remaining 600 hectares still to be allocated. Growing Zespri Kiwifruit in Italy for the past 17 years has seen us develop long-standing partnerships with Italian growers and suppliers, making Italy the logical choice to expand our production base.

Additional SunGold licence has been granted in South Korea and Japan. These markets are where Hort16A volumes declined as a consequence of Psa but where demand for SunGold continues to increase there.

Zespri is continuing its three-year proof of concept work in China to explore whether kiwifruit can be produced to a Zespri standard in a sustainable manner. China is the world's largest kiwifruit producer and our fastest-growing market. Supplying the market during the non-New Zealand season with premium kiwifruit produced in China has potential commercial and operational benefit over alternative sources.

This project is in its second year in the evaluation of agronomic performance on a range of orchards in the Shaanxi and Sichuan provinces. Supply chain trials are also being undertaken to better understand constraints in post-harvest operations. Zespri has adopted a Centre of Excellence model to build strong relationships with the Chinese kiwifruit industry, with collaboration between Zespri, local government, research providers and selected commercial parties. We aim to identify areas of common interest which will enhance local growing practices and establish enduring partnerships in China's rapidly-developing kiwifruit industry.

Focus on taste

Success in fulfilling demand also requires us to continually drive the delivery of high-quality, good-tasting fruit from the orchard, through the supply chain. Our focus on taste is all the more important because of potential competitor new varieties coming into the market.

The New Zealand industry undertook changes in taste payments this year to better incentivise and reward growers for greater-tasting fruit. Growers supported measures to improve the financial incentives for growing greater-tasting fruit by moving the Gold Minimum Taste Standard, reducing sampling variability and modifying the Taste Zespri Grade. A second adjustment to the Minimum Taste Standard was made for the 2016/17 season, with the introduction of a taste-by-size model for SunGold.

Looking ahead, the Zespri System will evolve to manage volume growth and deal with increasing technical complexity in fruit volumes and market mix. We anticipate there will be increasing requirements in demonstrating compliance with environmental and social standards. Being on the leading edge of these changes needs a culture of continuous improvement, ensuring that our business runs simply and efficiently. World-leading orchard productivity, the highest quality standards, continual improvement in environmental management, and greater efficiency through the supply chain are all necessary to ensure the industry's future success.



Te Tumu Paeroa, in partnership with Quayside Holdings, announced in April a \$30m investment programme to build 10 kiwifruit orchards on Māori land in the Bay of Plenty and Gisborne.

This will be the single largest kiwifruit investment ever made on Māori land. Over 90 hectares of semi-productive and unproductive land will be converted into successful grower businesses for the long-term benefit of owners and their community.

Image credit:
Josh Neilson Photography



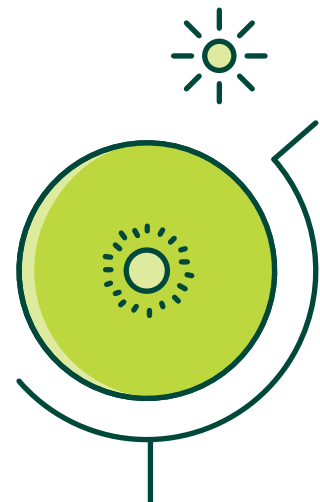
Zespri will release an additional 1,800 hectares of European SunGold over the next three years.



INTRODUCING GENERAL MANAGER FOR GLOBAL SUPPLY SHEILA MCCANN-MORRISON

Sheila McCann-Morrison joined Zespri in June 2016, and has extensive experience in the global fruit industry with a career spanning more than 25 years. She began her working life with Dole in Colombia, then moved to Costa Rica where she worked in bananas, pineapples and ultimately as General Manager Dole Fresh Cut

Vegetables. Sheila then moved to Chiquita Brands in 2000 for a short period in Latin America before moving to Switzerland in 2009, where she held positions as Director Innovation and Country and European Regional Directorships. Sheila is originally from the USA, speaks several languages and holds an MBA from Harvard.





© Plant & Food Research

INNOVATE

Offering the world's leading portfolio of kiwifruit products 12 months of the year is critical to Zespri's success in the marketplace.

Together with our partners, including Plant & Food Research and the New Zealand Government, the kiwifruit industry invests around \$35 million each year in innovation to hone our competitive edge globally. At around 1.5 percent of global sales, this is one of the largest investments of its kind in the primary sector in New Zealand.

More than half of this investment goes into our joint new varieties breeding programme with Plant & Food Research – the programme which developed SunGold and its predecessor Hort16A. New Zealand-grown SunGold is forecast to generate 8,300 jobs nationally by 2030 through its contribution to growth and investment. The programme is working to develop differentiated cultivars which will attract new consumers to the kiwifruit category and grow overall kiwifruit consumption around the world.

Two cultivars – a red and a green – are already in pre-commercial trials. A green cultivar with superior taste and on-orchard qualities would generate significant value to growers and consumers, and interest around the world is high in the red category, which has been challenged by Psa and storage issues. Our assessment work continues on both varieties in support of potential commercialisation decisions in the future.

Innovation platforms

As well as **new cultivars** the innovation programme spans four other platforms across the supply chain, with the aim of improving our position in the market and capturing value.

Protecting fruit from pest and diseases is a critical area, focused on mitigating the risks from established pests and diseases with minimised agrichemical inputs, and on potential biosecurity incursions. This work complements Kiwifruit Vine Health, which is the lead organisation responsible for managing biosecurity readiness, response and operations.

Zespri is investing in innovation to improve **sustainable orchard productivity** with high yields and great-tasting fruit. Our research programme is looking for ways to lift productivity with sustainability at the core.

We are supporting research to **optimise how we deliver our customers high-quality fruit** through the supply chain. This involves research exploring efficiencies in labour use, technology solutions to fruit sorting and segregation, and managing the characteristics of the crop to ensure we give our consumers the best-possible eating experience when the fruit arrives into the market.

A fifth innovation platform is to **create knowledge for health communications**. Scientific studies on the health benefits of kiwifruit inform one of our key communication platforms with consumers and help to support sales. Our research shows that the

more our consumers know about the powerful health and nutrition benefits of Zespri Kiwifruit, the more they buy and eat our fruit. Our key research areas are vitamin C, digestive health and the nutrient richness of kiwifruit, and Zespri continues to invest in research towards a European-certified health claim.

An area of innovation under development is support for our Northern Hemisphere growing regions, to build knowledge about growing high-quality Zespri Kiwifruit in different climates, soil types and environments.

Future technologies

Zespri has received a Callaghan Innovation Growth Grant of up to \$5 million per annum for the past two years. This fund is being used to focus on the future technologies, science and innovations to ensure our continued relevance to consumers and sustainability of our production systems.

Our global business environment is rapidly changing. Disruptive innovations through a fusion of physical, digital and biological technologies, together with changing consumer attitudes towards food and nutrition, will have direct impacts on our competitiveness.

Recognising this fact, Zespri's innovation strategy is extending beyond our current programme to explore new technologies. Examples include data-driven horticulture and crop estimation technology. Transformational innovation will require the exploration of new business capabilities which fall outside established initiatives.

Our innovation strategy must tightly be aligned with marketing, the supply chain and supply. Ultimately it needs to create value and improve Zespri's position in the market. That means ensuring we have strong commercial measurement frameworks in place.

Innovation across Zespri

Innovation is one of Zespri's core values and we have an opportunity to strengthen its integration into our business culture and processes. This requires building capability across the value chain through to the in-market teams. Innovation is not solely the outcome of science-based research: it is also the creation of value from new ideas, processes, services and experiences conceived and implemented throughout the whole organisation. Examples of broader innovations being worked on include improving traceability of kiwifruit, and making better use of data to support on-orchard decisions.



YOUR BOARD OF DIRECTORS

Zespri's eight Board Members bring a wide range of experience, from international marketing and corporate governance to industry knowledge and financial expertise.

Peter McBride

Grower Director since 2002 and Chairman since 2013. Peter represents Zespri International as a Director on the New Zealand Business Forum and as a member of the New Zealand-China Council.

David Pilkington

Independent Director since 2005. Member of the Audit and Risk Management Committee.

Bruce Cameron

Grower Director since 2010 and Deputy Chairman since 2013. Chairman of the Organisation and Administration Committee and Member of the Industry Advisory Council.

Teresa Ciprian

Independent Director since 2014. Member of the Organisation and Administration Committee and the Board Innovation Subcommittee.



Jonathan Mason

Independent Director since 2013. Chairman of the Audit and Risk Management Committee and member of the Organisation and Administration Committee.



Tony de Farias

Grower Director since 2007. Member of the Industry Advisory Council.



Paul Jones

Grower Director since 2014. Member of the Board Innovation Subcommittee and Chairman of the Industry Advisory Council.



Nathan Flowerday

Grower Director since 2012. Member of the Audit and Risk Management Committee, Chairman of the Board Innovation Subcommittee and Zespri Board-appointed Director of Kiwifruit Vine Health.



Zespri Alternative Revenue Statement – New Segment Disclosure

	New segment disclosure 2016/17
Tray Equivalents (TEs) – Supplied (millions)	
Total New Zealand kiwifruit segment (includes collaborative marketing)	145.9
Total non-New Zealand supply segment	16.8
New Zealand kiwifruit segment	\$'000
Gross sales of New Zealand kiwifruit	2,149,786
Promotional rebates, claims and discounts	(122,595)
Net sales of New Zealand kiwifruit	2,027,191
Net fruit return through collaborative marketers	19,141
Other pool income	1,742
Revenue attributable to New Zealand pools ¹	2,048,074
Less New Zealand pool costs:	
Freight	135,107
Insurance (onshore and offshore excluding hail)	3,159
Hail self-insurance	3,499
Duty and customs	80,168
Other direct pool costs – onshore ^{2 & 3 & 5 & A}	61,592
Other direct pool costs – offshore	76,763
Promotion	149,597
Interest income ⁴	(810)
Total pool costs	509,075
Return from fruit sales	1,538,999
New Zealand fruit and service payments	1,343,983
Zespri margin ⁶	195,016
Other non-pool revenue	2,385
Innovation funding ^B	4,315
New Zealand kiwifruit corporate revenue	201,716
Less corporate overhead expenses:	
Innovation ^C	11,651
Class 2 mainpack subsidy	10
Overhead costs – onshore ^C	70,059
Overhead costs – offshore ^C	61,781
New Zealand kiwifruit corporate overhead expenses	143,501
Zespri EBIT and loyalty premium from New Zealand kiwifruit segment	58,215
Loyalty premium	36,047
Zespri EBIT from New Zealand kiwifruit segment	22,168
Non-New Zealand supply segment ⁷	
Revenue from non-New Zealand supply kiwifruit	216,533
Less non-New Zealand supply costs:	
Direct costs including fruit purchases	189,385
Overhead costs ^C	15,296
	204,681
EBIT from non-New Zealand supply segment	11,852
New cultivars segment	
New cultivars licence revenue ^B	67,178
New cultivars royalty income ²	16,673
New cultivars innovation funding ^B	3,646
Revenue attributable to new cultivars	87,497
Less new cultivars costs:	
Amortisation of new cultivars	1,917
New cultivars costs ^{C & D}	14,688
	16,605
EBIT from new cultivars segment	70,892
Land and buildings segment	
Income	705
Overhead costs ^C	966
	966
EBIT from land and buildings segment	(261)
Zespri Group EBIT	104,651
Net interest income	2,424
Zespri Group profit before taxation	107,075
Taxation	33,374
Zespri Group profit after tax	73,701
Total fruit and service payments	1,343,983
Loyalty premium	36,047
Total fruit and service payments (including loyalty premium)	1,380,030

From 2017 the segments are disclosed to align with the strategic focus of the business. The new segments are defined as: New Zealand kiwifruit, non-New Zealand supply, new cultivars, and land and buildings. In 2017 the segment financial information has been provided in two tables, one under the old segment disclosure layout and one under the new segment disclosure layout.

^A Other direct pool costs – onshore include: Kiwifruit Vine Health Inc (KVH) funding, KNZ fees and New Zealand Kiwifruit Growers Incorporated (NZKGI) funding, which were previously reported separately.

^B Innovation funding has been split between the New Zealand kiwifruit segment and the new cultivars segment based on the segment activity (refer to Note 2(b) and Note 30 in the Annual Report).

^C These costs are now split between the segments: New Zealand kiwifruit, non-New Zealand supply, new cultivars, and land and buildings, based on segment activity.

^D New cultivars costs include overhead costs and innovation costs (refer to Note 30 in the Annual Report).

For Notes 1 to 8 please refer to page 25.

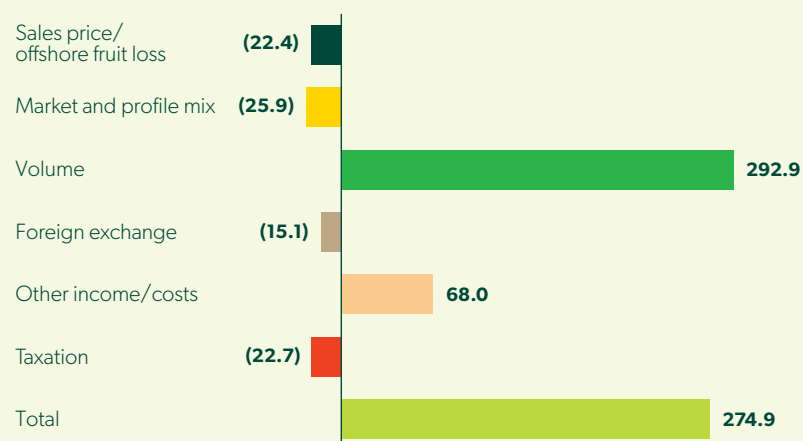
Zespri Alternative Revenue Statement – Previous Segment Disclosure

	2016/17	2015/16	2014/15
Tray Equivalents (TEs) – Supplied (millions)			
Total New Zealand-grown kiwifruit (includes collaborative marketing)	145.9	120.1	95.7
Total non-New Zealand-grown supply	16.8	14.7	13.2
	\$'000	\$'000	\$'000
Gross sales of New Zealand-grown kiwifruit	2,149,786	1,800,294	1,458,678
Promotional rebates, claims and discounts	(122,595)	(88,418)	(69,448)
Net sales of New Zealand-grown kiwifruit	2,027,191	1,711,876	1,389,230
Net fruit return through collaborative marketers	19,141	11,427	11,861
Other pool income	1,742	1,061	126
Revenue attributable to New Zealand pools ¹	2,048,074	1,724,364	1,401,217
Less pool costs:			
Freight	135,107	138,749	116,894
Insurance (onshore and offshore excluding hail)	3,159	2,756	1,923
Hail self-insurance	3,499	3,417	2,162
Duty and customs	80,168	78,340	68,116
Other direct pool costs – onshore ²	57,162	45,480	30,892
Other direct pool costs – offshore	76,763	51,800	46,467
KVH funding ³	2,689	2,226	1,144
Promotion	149,597	125,394	82,749
Interest income ⁴	(810)	(2,472)	(2,801)
KNZ fees ⁵	493	444	453
NZKGI funding ⁵	1,248	1,072	857
Total pool costs	509,075	447,206	348,856
Return from fruit sales	1,538,999	1,277,158	1,052,361
New Zealand fruit and service payments	1,343,983	1,113,410	915,776
Zespri margin ⁶	195,016	163,748	136,585
Other non-pool revenue	2,385	1,265	509
Royalty income from new cultivars ²	16,673	6,185	2,747
Research grant co-funding	7,961	8,921	4,041
Zespri income attributable to New Zealand-grown kiwifruit	222,035	180,119	143,882
Onshore costs:			
Innovation	25,349	23,901	15,928
Class 2 mainpack subsidy expense/(income)	10	(10)	(713)
Gold9 decommercialisation provision funding	-	-	1,551
Amortisation of new cultivars	1,917	1,786	1,491
Onshore overheads	71,310	58,690	46,229
	98,586	84,367	64,486
Offshore costs	61,781	39,705*	43,721
	61,668	56,047	35,675
Add operating surplus from other business activities:			
Non-New Zealand-grown supply (before taxation) ⁷	11,852	10,415	8,992
Gold defence fund (before taxation)	-	4,191	2,076
Income from sale of Zespri licences (before taxation) ⁸	67,178	2,589	24,175
EBIT before loyalty premium	140,698	73,242	70,918
Net interest income	2,424	2,916	3,200
Zespri profit before tax and loyalty premium	143,122	76,158	74,118
Loyalty premium	36,047	29,642	23,192
Zespri Group profit before taxation	107,075	46,516	50,926
Tax expense	33,374	10,688	16,305
Zespri Group profit after taxation	73,701	35,828	34,621
Total fruit and service payments	1,343,983	1,113,410	915,776
Loyalty premium	36,047	29,642	23,192
Total fruit and service payments (including loyalty premium)	1,380,030	1,143,052	938,968

The Alternative Revenue Statement is used for management information and is the basis for the calculation of the fruit and service payments. Foreign exchange gains and losses are allocated differently from the way that they are allocated in the Financial Statements in that they are apportioned to the relevant line items above. The Alternative Revenue Statement is consistent with the business segment analysis in Note 30 of the Annual Report.

* Offshore overheads of \$39.7 million in 2015/16 include the reversal of the China provision of \$13.0 million.

Cause of Change 2016/17 vs 2015/16 \$Millions



The Cause of Change chart outlines the increase in the return to the industry this season to \$1,454 million from \$1,179 million in 2015/16.

	\$'000
Total fruit and service payments 2015/16 (including loyalty premium)	1,143,052
Add Zespri net profit after tax 2015/16	35,828
Return to industry 2015/16	1,178,880
Movements due to change in:	
Sales price/offshore fruit loss	(22,374)
Market and profile mix	(25,909)
Volume	292,898
Foreign exchange	(15,098)
Other income/costs	68,020
Taxation	(22,686)
Return to industry 2016/17	1,453,731
Total fruit and service payments 2016/17	1,343,983
Add Zespri loyalty premium 2016/17	36,047
Total including loyalty premium 2016/17	1,380,030
Add Zespri net profit after tax 2016/17	73,701
Return to industry 2016/17	1,453,731

New Zealand Pool Costs as a Percentage of Pool Revenue

	2016/17	2015/16	2014/15
Zespri margin (net of loyalty premium) ⁶	7.8%	7.8%	8.1%
Freight	6.6%	8.0%	8.3%
Insurance	0.3%	0.4%	0.3%
Duty and customs	3.9%	4.5%	4.9%
Other direct pool costs – onshore ²	3.0%	2.8%	2.4%
Other direct pool costs – offshore	3.7%	3.0%	3.3%
Promotion	7.3%	7.3%	5.9%
Interest income ⁴	0.0%	(0.1%)	(0.2%)
Total fruit and service payments (including loyalty premium)	67.4%	66.3%	67.0%
	100.0%	100.0%	100.0%
Revenue attributable to New Zealand pools (\$'000) ¹	2,048,074	1,724,364	1,401,217

¹ Net revenue attributable to the pools includes sales of New Zealand-grown kiwifruit, net fruit returns income from New Zealand collaborative marketing programmes and other pool income as noted in the Alternative Revenue Statement.

² Within 'Other direct pool costs – onshore' is the 3.0 percent royalty from new cultivars on net sales for Gold3 and Green14. This royalty is made up of two components: 1.35 percent of this royalty is paid to Plant & Food Research and 1.65 percent royalty income to the new cultivars segment in Zespri Group. Also included is the 1.5 percent royalty for Hort16A solely paid to Plant & Food Research. The defence fund reserve was disestablished on 31 March 2016. 2016 and 2015 defence fund income has been included in royalty income.

³ From 2013/14, the New Zealand pool funded the KVH levy. The rate was \$0.01 per tray Class 1 Green and \$0.02 per tray Class 1 Gold sold in markets other than Australia and New Zealand. From 2015/16 a levy for biosecurity readiness and response activities for all varieties was introduced. The levy is \$0.006 per tray for all varieties sold in markets other than Australia and New Zealand.

⁴ Interest income is made up of the following: interest income of \$1.41 million, interest paid of \$0.38 million and an interest charge from Zespri corporate of \$0.22 million. This results in an overall interest income to the pools of \$0.81 million.

⁵ KNZ is the statutory board funded under regulation 39 of the Kiwifruit Export Regulations 1999. NZKGI is the kiwifruit grower representation body and Zespri Group Limited is required by the Commodity Levies (Kiwifruit) Order 2012 to pay a levy to NZKGI on behalf of New Zealand growers. The rate for the 2016/17 year was \$0.009 per tray of kiwifruit sold in markets other than Australia and New Zealand.

⁶ Zespri margin is calculated in accordance with the New Zealand Supply Agreement, being 5.0 percent of net sales (excluding collaborative marketing programmes) and 7.75 percent of fruit payments to suppliers.

⁷ Further analysis of non-New Zealand-grown supply is available within the segment reporting in Note 30 of the Annual Report.

⁸ In prior years, the sale of new variety licences has included deferred payments, hardship or surrender clauses that result in uncertainty as to the collectability of the outstanding consideration. As such, this revenue had not been recognised until cash proceeds had been received. In 2014/15 the revenue for the sale of new variety licences in prior years was recognised, as the Directors considered the uncertainty regarding material collection had been removed.



Regional Production Analysis – New Zealand-Grown Kiwifruit

Tray Equivalents (TEs) supplied to Zespri (FOBS)	2016/17		2015/16		2014/15		2013/14	
	Producing hectares	TE supplied per ha	Producing hectares	TE supplied per ha	Producing hectares	TE supplied per ha	Producing hectares	TE supplied per ha
Zespri Green Kiwifruit								
Northland	113	9,559	116	7,666	124	7,852	153	7,704
Auckland	272	9,502	273	8,099	304	8,805	348	8,291
Bay of Plenty								
– Katikati	966	11,972	973	9,748	1,015	9,224	1,129	8,479
– Ōpōtiki	464	11,758	469	10,756	477	9,691	539	7,736
– Tauranga	1,116	12,533	1,090	10,135	1,109	9,295	1,206	8,802
– Te Puke	3,508	13,088	3,524	12,204	3,586	9,486	3,754	8,675
– Waihi	100	8,701	105	7,604	115	6,957	134	5,096
– Whakatāne	439	9,889	438	8,248	466	4,840	518	4,449
Waikato	204	9,664	206	8,867	209	7,462	227	7,315
Poverty Bay	54	5,828	55	6,605	59	5,558	79	4,883
Hawke's Bay	45	7,290	47	8,265	51	7,554	65	6,710
Lower North Island	65	7,056	69	6,186	70	7,750	72	5,852
South Island	258	7,246	250	6,158	309	5,591	388	6,285
Total producing hectares	7,604	-	7,614	-	7,892	-	8,612	-
Average TE supplied per hectare	-	11,933	-	10,590	-	8,812	-	8,049

Zespri Organic Green Kiwifruit

Northland	-	-	-	-	3	2,473	3	3,687
Auckland	1	5,856	1	3,983	1	4,376	1	5,676
Bay of Plenty								
– Katikati	31	9,208	30	8,037	31	7,274	28	5,836
– Ōpōtiki	22	8,616	22	7,404	22	7,407	22	4,851
– Tauranga	210	8,652	231	8,054	261	5,994	224	5,892
– Te Puke	38	10,408	57	8,841	77	6,953	80	6,703
– Waihi	20	4,219	20	4,808	20	4,099	15	3,765
– Whakatāne	4	5,323	3	5,171	3	1,834	3	4,134
Waikato	151	6,536	153	6,148	156	5,428	147	5,619
Poverty Bay	2	4,637	2	5,284	3	5,817	7	3,006
Hawke's Bay	-	-	-	-	-	-	1	2,196
Lower North Island	2	6,524	2	6,365	2	6,533	2	5,803
South Island	21	4,516	16	2,873	19	3,593	19	4,501
Total producing hectares	502	-	537	-	597	-	552	-
Average TE supplied per hectare	-	7,841	-	7,254	-	5,908	-	5,724

Zespri Gold and Organic Gold Kiwifruit (Hort16A)

Northland	52	12,721	172	12,133	213	14,522	224	8,848
Auckland	1	5,822	15	12,969	38	11,327	83	9,025
Bay of Plenty								
– Katikati	-	-	1	10,618	10	8,975	144	6,778
– Ōpōtiki	-	-	-	-	12	3,730	166	3,704
– Tauranga	-	-	1	4,712	5	4,249	100	6,101
– Waihi	-	-	1	13,777	3	6,706	11	12,996
– Whakatāne	-	-	-	-	-	-	4	2,227
Waikato	1	9,394	15	8,802	31	7,931	68	5,856
Poverty Bay	48	9,245	69	8,365	105	8,251	125	8,170
Hawke's Bay	12	11,484	55	11,667	67	13,722	76	11,426
South Island	47	9,349	64	10,796	71	9,853	55	9,209
Total producing hectares	161	-	394	-	555	-	1,056	-
Average TE supplied per hectare	-	10,561	-	11,077	-	11,586	-	7,459

Industry Performance

Tray Equivalents (TEs) supplied to Zespri (FOBS)	2016/17		2015/16		2014/15		2013/14	
	Producing hectares	TE supplied per ha	Producing hectares	TE supplied per ha	Producing hectares	TE supplied per ha	Producing hectares	TE supplied per ha
Zespri SunGold and Organic SunGold Kiwifruit (Gold3)								
Northland	189	9,069	122	6,104	62	5,585	16	2,387
Auckland	187	8,928	139	5,694	48	7,688	22	4,078
Bay of Plenty								
– Katikati	501	12,302	423	7,521	205	7,416	81	7,078
– Ōpōtiki	478	11,028	403	8,298	213	5,041	34	5,261
– Tauranga	413	12,484	367	8,073	195	6,229	39	9,287
– Te Puke	1,516	12,746	1,262	9,220	786	4,702	79	5,839
– Waihi	51	11,027	43	8,828	26	5,065	4	6,568
– Whakatāne	206	11,175	167	8,861	101	6,514	38	5,193
Waikato	157	7,029	125	3,295	26	2,966	8	5,644
Poverty Bay	146	8,728	103	8,586	62	8,826	40	5,116
Hawke's Bay	131	6,815	80	9,562	52	10,865	21	5,708
Lower North Island	2	5,349	1	5,227	1	4,436	-	-
South Island	139	9,635	103	8,758	37	7,124	2	8,872
Total producing hectares	4,116	-	3,339	-	1,814	-	384	-
Average TE supplied per hectare	-	11,366	-	8,234	-	5,770	-	6,028









Zespri Sweet Green Kiwifruit (Green14)

Northland	1	7,210	1	4,243	1	3,611	0	4,045
Auckland	14	6,256	13	5,336	13	4,576	12	2,363
Bay of Plenty								
– Katikati	15	8,571	16	6,331	17	3,928	15	2,749
– Ōpōtiki	14	9,758	18	6,507	19	3,848	14	2,277
– Tauranga	8	6,899	10	5,892	12	5,180	14	3,594
– Te Puke	88	9,148	115	6,564	106	3,813	63	2,671
– Waihi	-	-	-	-	1	8,270	1	2,584
– Whakatāne	20	5,984	15	4,960	19	3,792	17	2,123
Waikato	18	5,686	16	3,175	17	2,743	15	1,853
Poverty Bay	4	6,072	4	6,888	4	4,640	4	2,071
Hawke's Bay	8	4,363	8	8,358	8	7,969	10	3,054
Lower North Island	4	3,679	4	5,505	4	2,800	3	1,138
South Island	1	6,506	1	5,280	2	3,700	3	1,840
Total producing hectares	195	-	223	-	223	-	171	-
Average TE supplied per hectare	-	7,813	-	6,109	-	4,020	-	2,547

TE/ha = tray equivalents supplied per hectare. Producing hectares includes all hectares producing fruit in the relevant season.



New Zealand Total Fruit and Service Payments Including Loyalty Premium

	Return \$m 2016/17	\$ PER TE 2016/17	\$ PER TE 2015/16	\$ PER TE 2014/15	\$ PER TE 2013/14
 Total tray equivalents supplied (millions)		90.8	80.7	69.6	69.3
Fruit payments	381.0	4.19	5.30	5.69	4.73
Fruit incentives	167.0	1.84	1.42	1.93	1.97
Service payments	137.9	1.52	1.54	1.11	1.20
Loyalty premium	22.6	0.25	0.25	0.25	0.25
Total fruit and service payments (including loyalty premium)	708.5	7.80	8.51	8.98	8.15
 Total tray equivalents supplied (millions)		3.9	3.9	3.5	3.2
Fruit payments	23.4	5.96	6.36	6.24	5.87
Fruit incentives	10.0	2.54	2.41	2.66	2.80
Service payments	4.2	1.07	1.09	0.79	0.86
Loyalty premium	1.0	0.25	0.25	0.25	0.25
Total fruit and service payments (including loyalty premium)	38.6	9.82	10.11	9.94	9.78
 Total tray equivalents supplied (millions)		48.5	32.6	18.7	11.1
Fruit payments	291.0	6.00	5.39	5.90	7.69
Fruit incentives	241.6	4.98	5.08	5.92	6.90
Service payments	67.5	1.39	1.36	1.36	1.60
Loyalty premium	12.1	0.25	0.25	0.25	0.25
Total fruit and service payments (including loyalty premium)	612.1	12.62	12.08	13.43	16.44
 Total tray equivalents supplied (millions)		1.5	1.4	0.9	0.4
Fruit payments	10.2	6.68	6.34	5.94	7.53
Fruit incentives	3.2	2.11	3.41	3.68	4.79
Service payments	0.7	0.46	0.47	0.70	0.69
Loyalty premium	0.4	0.25	0.25	0.25	0.25
Total fruit and service payments (including loyalty premium)	14.5	9.50	10.47	10.57	13.26
 Total tray equivalents supplied (millions)		0.4	0.7	1.0	1.0
Fruit payments	2.2	5.00	5.06	5.19	4.63
Service payments	0.1	0.10	0.02	0.03	0.10
Total fruit and service payments	2.3	5.10	5.08	5.22	4.73
 Total tray equivalents supplied (millions)		0.1	0.0	0.1	0.0
Fruit payments	0.4	7.15	6.30	6.67	6.19
Service payments	-	0.18	0.22	0.14	0.10
Total fruit and service payments	0.4	7.33	6.52	6.81	6.29
 Total tray equivalents supplied (millions)		-	-	0.4	0.3
Fruit payments	-	-	-	7.37	8.88
Service payments	-	-	-	0.48	0.57
Total fruit and service payments	-	-	-	7.85	9.45
 Total tray equivalents supplied (millions)		-	0.0	0.0	0.0
Fruit payments	-	-	4.71	4.77	2.95
Service payments	-	-	0.04	0.01	0.20
Total fruit and service payments	-	-	4.75	4.78	3.15
Non-standard supply					
Total tray equivalents supplied (millions)		0.6	0.8	1.4	1.1
Fruit payments	3.6	6.24	5.97	4.76	4.20
Fruit incentives	-	-	-	0.74	2.96
Service payments	-	-	-	0.25	0.96
Total fruit and service payments	3.6	6.24	5.97	5.75	8.12
Total all pools					
Total tray equivalents supplied (millions)		145.9	120.1	95.7	86.5
Fruit payments	711.9	4.88	5.38	5.74	5.17
Fruit incentives	421.8	2.89	2.45	2.71	2.63
Service payments	210.3	1.44	1.44	1.12	1.22
Loyalty premium	36.0	0.25	0.24	0.24	0.24
Total fruit and service payments (including loyalty premium)	1,380.0	9.46	9.51	9.81	9.26
Total fruit and service payments 2015/16	1,143.0				
Total fruit and service payments 2014/15	939.0				
Total fruit and service payments 2013/14	800.8				

New Zealand Kiwifruit Industry Statistics

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
Distribution to growers/suppliers								
Fruit and service payments (excluding loyalty premium)	9.21	9.27	9.57	9.02	9.08	8.37	8.44	8.17
Loyalty premium	0.25	0.24	0.24	0.24	0.24	0.24	0.24	0.15
Total payments per tray	9.46	9.51	9.81	9.26	9.32	8.61	8.68	8.32
Crop volumes ('000)								
Trays submitted (gross)	148,902	123,763	97,304	87,725	105,580	119,444	105,868	106,999
Trays supplied	145,871	120,145	95,683	86,510	102,860	113,932	101,712	102,010
Trays sold	137,748	117,094	95,187	86,094	101,313	109,129	98,117	98,550
Trays sold as a percentage of trays supplied	94.4%	97.5%	99.5%	99.5%	98.5%	95.8%	96.5%	96.6%
General statistics								
Production per hectare (trays submitted)	11,838	10,157	8,662	8,016	8,610	9,556	8,255	8,543
Producing hectares	12,578	12,185	11,233	10,944	12,263	12,500	12,825	12,525
Orchard Gate Return per hectare (average)	68,868	60,758	57,369	49,385	51,153	45,206	41,830	39,142
Number of producers	2,435	2,516	2,540	2,350	2,636	2,662	2,706	2,711
Average number of trays supplied per producer	59,906	47,752	37,670	36,813	39,021	42,799	37,588	37,628
Number of orchards registered								
0 – 2 hectares	791	807	834	802	855	913	867	871
2 – 5 hectares	1,508	1,499	1,428	1,458	1,483	1,521	1,512	1,479
5 – 10 hectares	589	568	515	487	573	577	602	582
Over 10 hectares	161	147	128	126	146	138	153	148
Total (KPINs)	3,049	3,021	2,905	2,873	3,057	3,149	3,134	3,080
Average orchard size (hectares)								
Green	3.5	3.5	3.6	3.6	3.7	3.7	3.8	3.8
Gold*	2.6	2.3	1.9	2.0	2.1	3.2	3.0	2.8
* Includes Gold3 and Gold9 blocks as well as Hort16A (first season producing 2012/13)								
Number of packhouses used								
0 – 500,000 trays	16	17	15	20	23	20	24	25
500,000 – 1,000,000 trays	7	5	8	9	6	10	11	12
1,000,000 – 2,000,000 trays	5	9	8	7	12	12	15	16
Over 2,000,000 trays	22	20	19	18	18	21	17	18
Total	50	51	50	54	59	63	67	71
Average trays stored per packhouse ('000)	2,978	2,427	1,956	1,626	1,792	1,896	1,580	1,508
Number of coolstores used								
0 – 500,000 trays	35	29	26	33	35	34	40	32
500,000 – 1,000,000 trays	10	5	9	8	10	14	13	14
1,000,000 – 2,000,000 trays	7	9	8	11	12	9	12	13
Over 2,000,000 trays	21	21	19	16	19	22	18	18
Total	73	64	62	68	76	79	83	77
Average trays stored per coolstore ('000)	2,040	1,934	1,577	1,291	1,391	1,512	1,276	1,390
Number of employees								
New Zealand based (includes seasonal employees)	233	194	184	163	164	173	175	164
Non-New Zealand based	203	159	133	123	122	124	117	115
Total	436	353	317	286	286	297	292	279
Global revenue per employee (\$'000) – including seasonal employees	5,379	5,457	5,062	4,764	5,554	5,517	5,228	5,435
Global revenue (adjusted to 31 March 2017 7-year average) foreign exchange rates per employee (\$'000) – including seasonal employees	4,982	5,366	5,666	4,854	5,294	5,098	4,639	4,719

ZESPRI AROUND THE WORLD

Zespri sells consistently high-quality, great-tasting, premium kiwifruit in more than 50 countries around the world. Our in-market staff support sales and execute marketing campaigns tailored to each country we sell in.



UNITED STATES OF AMERICA

MEXICO

Zespri once again teamed up with McDonald's to include Zespri SunGold in Happy Meals in a special promotion across the country.

BRAZIL

SWEDEN

UNITED KINGDOM

BELGIUM

FRANCE

ITALY

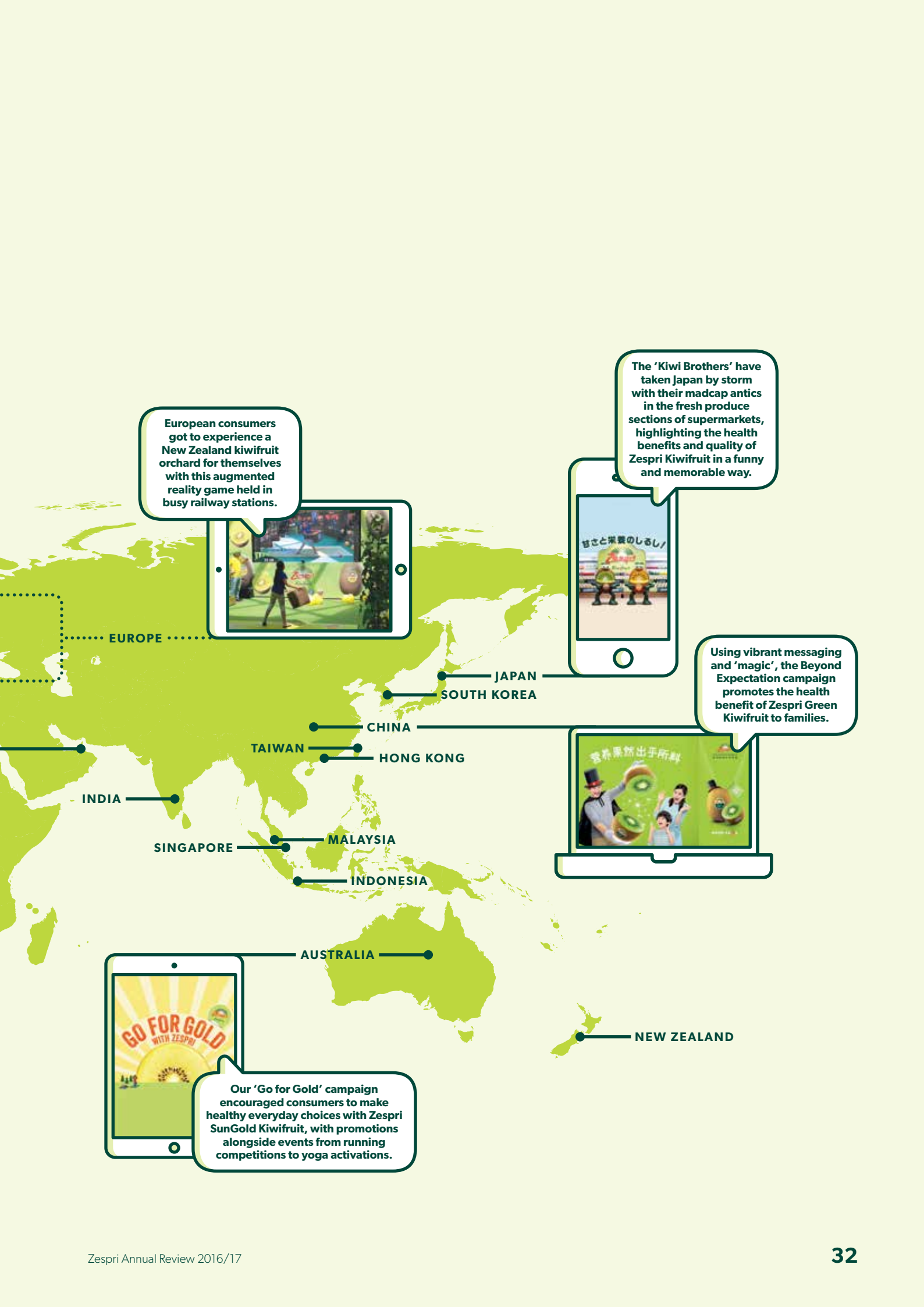
SPAIN

UNITED ARAB EMIRATES

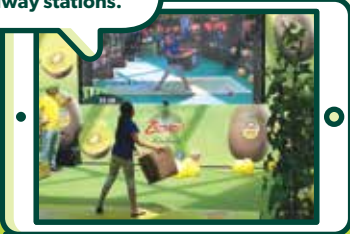


People in the Middle East and India have wholeheartedly embraced social media and our team ran a series of short, light-hearted videos to introduce Zespri Kiwifruit across the region.

SOUTH AFRICA



European consumers got to experience a New Zealand kiwifruit orchard for themselves with this augmented reality game held in busy railway stations.



The 'Kiwi Brothers' have taken Japan by storm with their madcap antics in the fresh produce sections of supermarkets, highlighting the health benefits and quality of Zespri Kiwifruit in a funny and memorable way.



Using vibrant messaging and 'magic', the Beyond Expectation campaign promotes the health benefit of Zespri Green Kiwifruit to families.



EUROPE

JAPAN
SOUTH KOREA

CHINA
TAIWAN
HONG KONG

INDIA

SINGAPORE
MALAYSIA
INDONESIA

AUSTRALIA

NEW ZEALAND



Our 'Go for Gold' campaign encouraged consumers to make healthy everyday choices with Zespri SunGold Kiwifruit, with promotions alongside events from running competitions to yoga activations.



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