SCALES CORPORATION LIMITED ANNUAL RESULTS PRESENTATION

For the twelve months ended 31 December 2014

26 February 2015

Scales
growing New Zealand

AGENDA

1. Highlights
2. Divisional Overview
3. Capital Management
4. Strategy & Outlook
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1
HIGHLIGHTS

HIGHLIGHTS

IPO forecasts exceeded.

- Scales exceeded its IPO forecast Revenue, EBITDA, and Profit:

	FY2014			
NZ$Ms	Actual	IPO Forecast		Variance
Revenue	263.3	253.9	↑	3.7%
Underlying EBITDA	**39.8**	**38.8**	↑	**2.7%**
Underlying EBIT	30.3	29.5	↑	2.8%
Underlying Net Profit	19.8	18.5	↑	6.7%
Net Profit from Continuing Operations	**18.1**	**15.7**	↑	**15.5%**
Profit for the Year	18.4	15.9	↑	15.4%

Variance %'s are calculated on actual, unrounded, results.

- Underlying results are prior to non-cash IFRS adjustments, offer costs and discontinued operations (there were $1.9m in non-cash IFRS gains).
- An explanation of non-GAAP financials measures are presented in the appendices.

HIGHLIGHTS

Results demonstrate value of our diversified agribusiness portfolio.

- Horticulture and Food Ingredients divisions materially exceeded prospectus forecasts.
  - Both volumes and prices were higher than expected.
- Storage & Logistics impacted by a late start to the cropping and meat processing seasons in Q4 and higher than usual load-outs due to strong international food demand.
  - Our diversified portfolio mitigates the impact of external impacts.

Divisional EBITDA	FY2014			
NZ$Ms	Actual	IPO Forecast		Variance
Horticulture	23.9	22.5	↑	6.2%
Storage & Logistics	12.3	14.0	↓	-11.8%
Food Ingredients	5.6	3.9	↑	43.5%
Corporate & Other	(2.0)	(1.6)	↓	-26.1%
Underlying EBITDA	**39.8**	**38.8**	↑	**2.7%**

Variance %'s are calculated on actual, unrounded, results.

HIGHLIGHTS

Bigger than you think.

UNDERLYING EBITDA $39.8m
2.7% above PFI

420M+
apples picked from Mr Apple's orchards

>4.6M
litres of juice concentrate sold by Profruit

>1.1M cubic metres
meat, fish, vegetables, dairy and FMCG product loaded into our coldstores

16,400MT
of meat sold by petfood ingredients manufacturer Meateor

17,000
twenty foot container equivalents organised for international transit by Scales Logistics

HIGHLIGHTS

Better than expected debt position facilitated early declaration and payment of interim dividend.

- Average Net Debt for 2014 was $40.8m[1]:
  - $3.3m below IPO forecast of $44.1m.
  - Due to enhanced management of working capital.
  - Enabled us to declare and pay interim dividend of 3 cents in December, earlier than indicated in our Prospectus.
  - But for the accelerated dividend, Average Net Debt would have been $38.7m.
- Per our Prospectus and Investment Statement our intention is to declare and pay a final dividend in respect of FY2014 in May 2015.
  - This is anticipated to bring total dividends in respect of FY2014 to our prospectus forecast.
  - The final dividend is subject to board approval. It is standard practice for the Directors' to consider all aspects of the group's performance and financial position prior to declaring any dividend.

1. *Based on Scales' post-Offer term debt balance of $30 million plus the average net working capital facility balance (calculated as the average of the net working capital facility balance as at 30 June 2014 and 31 December 2014).*

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DIVISIONAL OVERVIEW

HORTICULTURE

Volumes and Prices exceed forecast.

- Premium volumes and prices above forecast (discussed further in next slide).
- Traditional volumes above forecast, prices in line.
- FX rates marginally better, but generally in line with, forecast. Recent NZD:USD reductions to benefit 2015.
- Continued strength in premium varieties supports our orchard redevelopment strategy:
  - A further 450,000 TCEs[1] of premium apples are expected to come into production by 2018 as historical development matures. This represents a 43% increase in FY2014 actual premium apple volumes.
  - Asian marketing efforts a key focus during 2014 and going forward to enhance Mr Apple brand position.

Key Performance Measures		FY2014			
		Actual	IPO Forecast		Variance
Volumes by Variety (TCE 000s)					
Premium Varieties	TCE 000s	1,036	984	↑	5.3%
Traditional Varieties	TCE 000s	1,716	1,585	↑	8.3%
Total Mr Apple Orchards	TCE 000s	2,752	2,569	↑	7.1%
Prices by Variety (NZD / TCE - Free on Board)					
Premium Varieties	NZD / TCE	32.8	30.5	↑	7.5%
Traditional Varieties	NZD / TCE	24.8	25.1	↓	-1.2%
Total weighted average price	NZD / TCE	27.8	27.2	↑	2.2%

FX Rates	FY2014			
	Actual	PFI Forecast		Variance
NZD:USD	0.82	0.83	↑	1.2%
NZD:EUR	0.60	0.60		-
NZD:GBP	0.49	0.50	↑	2.0%
NZD:CAD	0.90	0.90		-

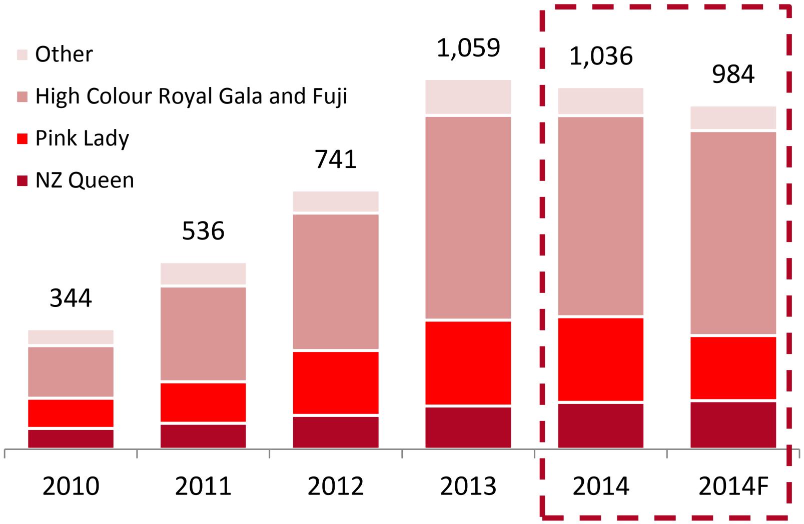
1. *Tray carton equivalent, a measure of apple and pear weight, defined as 18.6kg packed weight which equates to 18.0kg sale weight*

HORTICULTURE

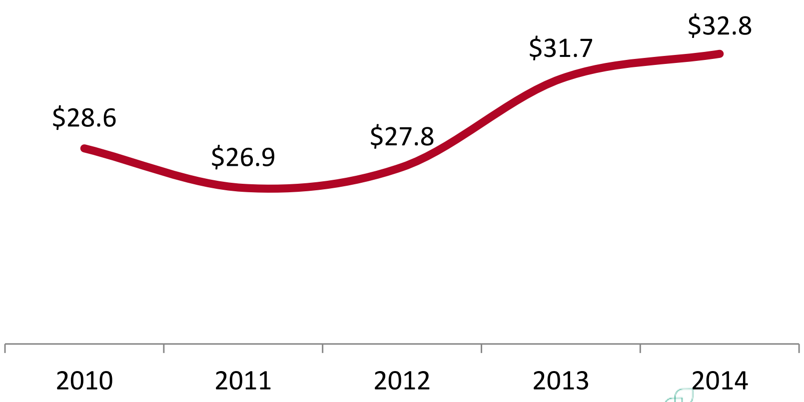
Premium varieties outperform.

- Premium volumes 5.3% above forecast.
  - ➢ We are now producing and selling 3 times the volume sold in 2010.
  - ➢ Following 2013 volume records, very pleased to deliver another crop of similar size:
    - — Investment in Extenday® reflective foil and orchard techniques is increasing the proportion of High Colour premium apples.
    - — Large expected increase in NZ Queen volumes as orchards mature. Market demand is particularly strong.
- Premium prices 7.5% above forecast.
  - ➢ Weighted average NZD FOB price for premium fruit $32.8/TCE vs $30.5/TCE forecast.
  - ➢ Premium prices continue to demonstrate strength and increasing market demand.

Premium Apple Volumes by Variety (TCE 000s)



Weighted Average FOB Price / TCE for Premium Apples (NZD)



HORTICULTURE

Divisional EBITDA was 6.2% higher than IPO forecast.

- Underlying EBITDA for the Horticulture division was 6.2% higher than our IPO forecast.
  - Mr Apple's Underlying EBITDA was 5.7% above forecast.
  - Our share of profits from Fern Ridge Produce were almost 50% greater than forecast.
  - A further $2.0m in IFRS gains relating to a revaluation of the orchards ($1.4m) and a revaluation of FX contracts maturing in future periods ($0.6m) further increase divisional EBITDA.

Horticulture	FY2014			
NZ$Ms	Actual	IPO Forecast		Variance
Revenue	**158.8**	**155.0**	↑	**2.5%**
Gross Profit	**46.1**	**43.5**	↑	**6.0%**
Mr Apple Underlying EBITDA	**23.5**	**22.2**	↑	**5.7%**
Share of Fern Ridge Produce net profit after tax	0.5	0.3	↑	**48.0%**
Underlying Horticulture EBITDA	**23.9**	**22.5**	↑	**6.2%**
IFRS Biological and FX Hedge Revaluations	2.0	-		
Horticulture EBITDA	**25.9**	**22.5**	↑	**15.3%**

Variance %'s are calculated on actual, unrounded, results.

STORAGE & LOGISTICS

Spotlight on growth.

- Our Storage & Logistics division is growing rapidly across all 3 business units to meet customer's volume requirements and to drive cost efficiencies:
  - Coldstores:
    - Construction has commenced on the Auckland coldstore which will increase our existing storage capacity by 16%.
    - Investment in efficiency at our biggest coldstore in Timaru underway to substantially reduce energy usage. Scheduled for completion during 2015.
    - FMCG[1] capable Warehouse Management software upgrade completed for North Island coldstores, work commenced on South Island coldstores. Extension of FMCG business, beyond existing North Island base, anticipated to follow.
  - Bulk Liquids:
    - Our biggest bulk liquid storage tank was commissioned at the Port of Napier on 7 April 2014. This tank has doubled our capacity at the Port of Napier.
    - Extensive upgrade of Timaru facilities nearing completion to enable us to service long-term edible oil storage contract.
  - Logistics:
    - Balance Cargo, our new air freighting operation, is growing strongly and acquiring customers with large volume requirements.

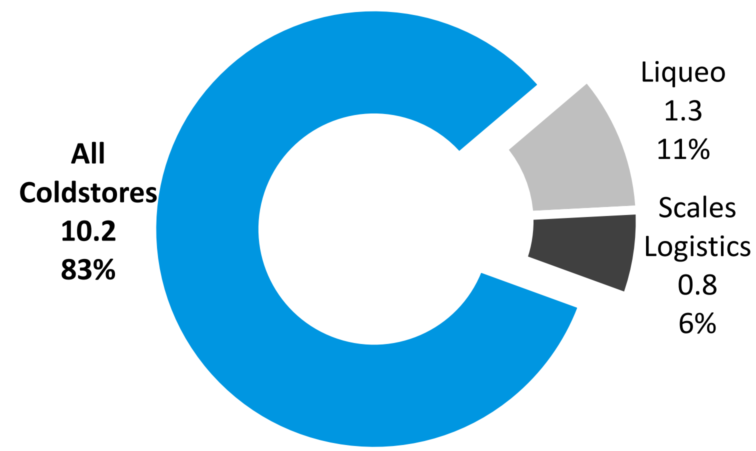
1. *Fast Moving Consumer Goods. Generally product to be consumed domestically and sold through supermarkets or other high volume retail distributors.*

STORAGE & LOGISTICS

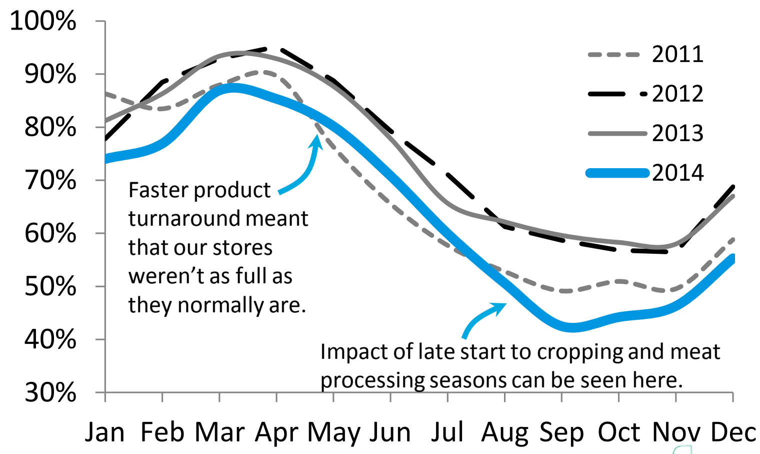
Coldstores – volumes higher than forecast, record product throughput.

- Coldstores account for 83% divisional EBITDA.
- We operate the largest independent coldstore network in the country. During 2014 we loaded 1,168,000 m3 of product into our coldstores, 4.2% higher than our IPO forecast.
- Strong international food demand resulted in record product turnaround.
  - This demand dynamic was positive for our other divisions.
  - But it meant that goods spent less time in storage (average of 2.3 months).
  - For the preceding 6 years, average time in storage was 2.7 months. Furthermore, average storage duration for 2014 was the lowest since we began collating this information (in 2008).
- A colder and wetter spring also resulted in a later start to the cropping and meat processing seasons.

Storage & Logistics – EBITDA by Business Unit



Coldstores - Utilisation



STORAGE & LOGISTICS

Results demonstrate resilience of division.

- Sector dynamics created challenges for our cold storage business, but were positive for Food Ingredients and Horticulture divisions, highlighting the value in our diversified agribusiness portfolio. Nevertheless, against challenging conditions, EBITDA from Coldstores was only 11.7% down.
- Liqueo EBITDA up on FY2013 but below forecast due to delay in commencing new edible oil storage contract.
- Scales Logistics EBITDA up on FY2013, and Revenues and Gross Margin in line with IPO forecast. An investment in personnel to handle anticipated growth lowered FY2014 profitability.

Storage & Logistics	FY2014			
NZ$Ms	Actual	IPO Forecast		Variance
Storage & Logistics - Total Revenue	90.6	90.2	↑	0.4%
Gross Profit	**28.3**	**28.6**	↓	-0.9%
Gross Profit Margin	31%	32%	↓	-1.4%
EBITDA				
All Coldstores	10.2	11.6	↓	-11.7%
Liqueo	1.3	1.4	↓	-6.3%
Scales Logistics	0.8	1.0	↓	-21.2%
Total Storage & Logistics EBITDA	**12.3**	**14.0**	↓	-11.8%

Variance %'s are calculated on actual, unrounded, results.

FOOD INGREDIENTS

EBITDA 43% above IPO forecast.

- Meateor (pet food ingredients):
  - Successful geographical diversification of supply. Contracts in place securing finished product from Australia.
  - Higher than expected volumes from New Zealand.
  - Sales to US market remaining strong across a broad range of customers.
- Profruit (juice concentrate):
  - Strong prices for organic apple juice and kiwifruit juice. Conventional apple juice prices more subdued.
  - Total volumes processed (40,000 MT) and sold (more than 4.6 million litres) in line with expectations.

Food Ingredients	**FY2014**			
NZ$Ms	Actual	IPO Forecast		Variance
Meateor Underlying EBITDA	**4.7**	**3.2**	↑	46.9%
IFRS FX Hedge Revaluations	(0.1)	-		
Meateor EBITDA	**4.6**	**3.2**	↑	43.6%
Share of Profruit net profit after tax	1.0	0.7	↑	43.1%
Food Ingredients EBITDA	**5.6**	**3.9**	↑	43.5%

Variance %'s are calculated on actual, unrounded, results.

3 CAPITAL MANAGEMENT

OPERATIONAL PERFORMANCE

- We monitor Return on Capital Employed (ROCE)[1] and EBITDA Margins[2] for each division and the Group. As a group we target:
  - A long-run average ROCE of 15% or greater.
  - EBITDA Margin of 13% or greater.
- ROCE:
  - Consistent with IPO forecast at 14.8%.
  - Expect to exceed ROCE benchmark in the short-to-medium term as investments in efficiency and growth (specifically Storage & Logistics) become operational.
- EBITDA Margin:
  - Consistent with IPO forecast.
  - Expect to continue to exceed EBITDA Margin benchmark for 2015.

Capital Management Benchmarks	FY2014			
	Actual	IPO Forecast	Actual	IPO Forecast
	ROCE		EBITDA Margin	
Horticulture	20%	19%	16%	14%
Storage & Logistics	10%	11%	14%	15%
Food Ingredients	37%	23%	12%	9%
Group	**15%**	**15%**	**15%**	**15%**
Target	15%	15%	13%	13%

1. *ROCE = Underlying EBIT / Capital Employed where Capital Employed is calculated as: Non Current Assets plus Current Assets (excluding any cash or cash equivalent balances) less Current Liabilities (excluding any Overdraft or Short Term Debt balances).*
2. *EBITDA Margin excludes the share of Associates NPAT for the Horticulture and Food Ingredients divisions and for the Group.*

CAPITAL EXPENDITURE

- Operational capital expenditure slightly higher than forecast:
  - Additional investment in Extenday® reflective cloth should improve overall fruit quality.
- Growth capital expenditure slightly higher than forecast:
  - Horticulture capital investment in longer-run production and cost efficiencies.
  - Storage & logistics project timing resulted in lower spend for FY2014. Balance to shift to FY2015.
- FY2015 capital expenditure outlook:
  - Operational capital expenditure for FY2015 consistent with IPO forecasts.
  - Growth capital expenditure anticipated to be higher than IPO forecasts as growth initiatives, specifically in Storage & Logistics, are pursued.

Capital Expenditure	FY2014	
NZ$Ms	Actual	IPO Forecast
Operational capital expenditure		
Horticulture	2.5	2.0
Storage & Logistics	1.8	1.8
Food Ingredients	0.2	0.3
Other	0.0	0.1
Total operational capital expenditure	**4.5**	**4.2**
Growth capital expenditure		
Horticulture	2.7	1.8
Storage & Logistics	3.8	4.5
Food Ingredients	-	-
Total growth capital expenditure	**6.5**	**6.3**
Total capital expenditure	**11.0**	**10.5**

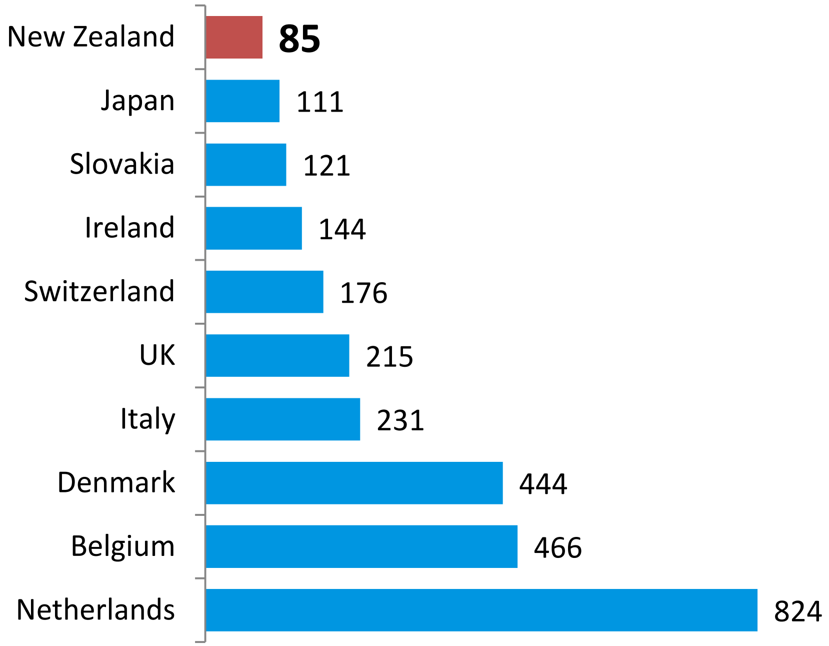
4 STRATEGY & OUTLOOK

STRATEGY

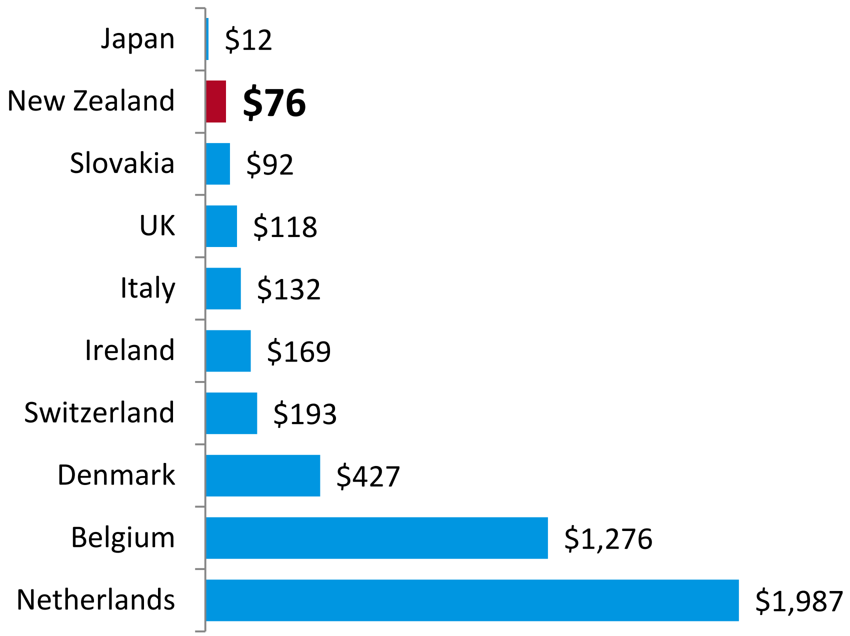
We think New Zealand can be a global agribusiness super-power amongst the world's temperate climates.

- New Zealand is a highly successful agricultural based economy with considerable scope for further improvement.
  - Relative to climatic peers, New Zealand has an opportunity to drive agricultural production uplift.

Food Produced (Tonnes) / km²; 2011



Food & Beverage Exports (US$000s) / km²; 2012



Source: Coriolis, "An Investor's Guide to the New Zealand Food & Beverage Industry", Feb-14.
Area (km2) is total country area.

STRATEGY

We're dedicated to growing and sourcing agribusiness opportunities. We're already doing so with our existing portfolio…

- We manage a portfolio of businesses that will directly benefit from improvements in New Zealand's agricultural output.
- Furthermore, we believe we have the people, experience, expertise, networks, insights, and assets to help unlock agribusiness growth.
- We're already delivering growth in our existing divisions:
  - We're using world-leading orchard techniques to grow more premium apples:
    - We're think we're close to achieving the world's best yields on apple orchards.
    - We're using technology to improve the quality of our apples to achieve higher prices.
    - We have a further 450,000+ TCEs of premium apples expected to come into production by 2018 increasing our premium apple volumes by 43% over 2014 levels.
  - We're unlocking growth in our Storage & Logistics division. We're driving higher revenues and material cost savings by:
    - Extending our FMCG coldstore offering nationwide upon completion of our Auckland coldstore and current warehouse management software upgrade.
    - Driving meaningful cost efficiencies through an upgrade of our refrigeration equipment at our Timaru coldstore.
    - Upgrading the infrastructure at our Timaru bulk liquid storage operation to meet the requirements of a long-term edible oil storage contract.
    - Acquiring customers with large volume requirements for our freighting operation.
  - We're diversifying the sources of supply for our Food Ingredients division with an Australian supply relationship.

STRATEGY

…and we're looking to do more, subject to our investment requirements.

- Through our IPO, $30m was raised to help pursue growth initiatives.
- We'll develop our existing divisions, or extend our agribusiness reach through disciplined and patient investment.
- We believe that the best and most consistent returns are achieved through operating, or providing a nationwide service to, businesses that are fully-vertically integrated. All investment should:
  - Align with this core belief.
  - Deliver collaborative synergies and align with our core competencies.
  - Have scale, enhance scale, or be able to achieve scale.
  - Be forecast to meet our minimum Return on Capital Employed benchmark of 15% across the portfolio.

OUR OBJECTIVES

NEAR TERM OBJECTIVES (<2 YEARS)	MEDIUM TERM OBJECTIVES (2-5 YEARS)
Align Health & Safety practices across the group to meet global best practice.	Be recognised as one of New Zealand's safest companies to work for.
Meet or exceed Financial Performance projections in our Prospectus.	Deliver meaningful growth in our existing, or potentially new, divisions through organic investment and/or acquisition.
Enhance current business activities by continuing to invest in their growth and unlock their potential.	

OUTLOOK

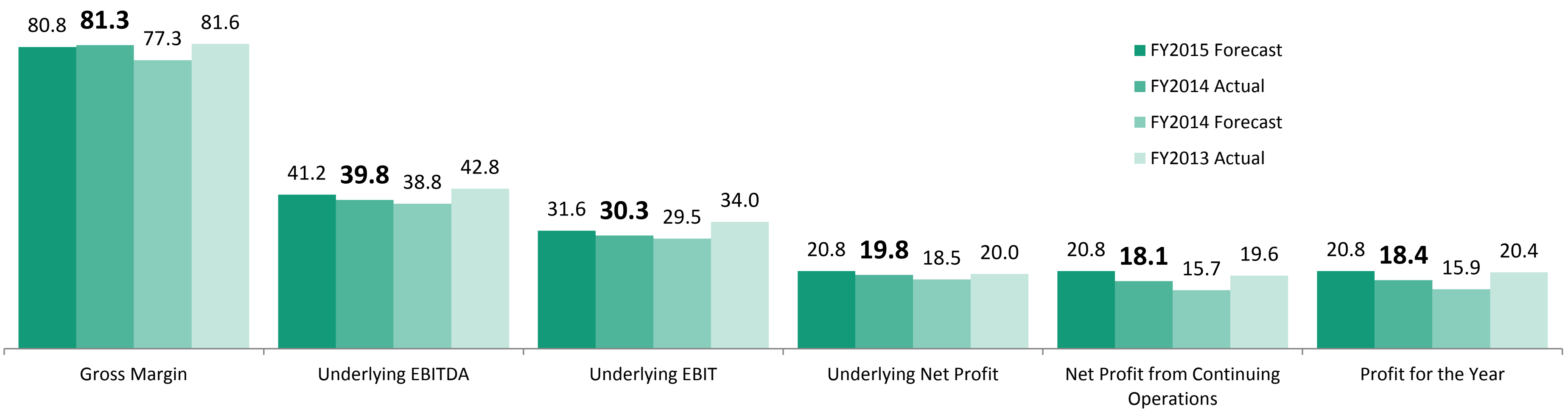
- We again re-affirm FY2015 IPO forecasts.
- Beyond this, Scales is positioned for considerable growth:
  - Historical orchard investment is expected to deliver meaningful uplift in premium volumes over next 5 years+.
  - A number of initiatives currently underway and scheduled for FY2015 are designed to deliver growth for Storage & Logistics.
  - Meateor continues to diversify supply (both geographically and by protein type).
- Scales is positioned conservatively, with considerable headroom in our financial covenants.

Banking Covenants	FY2014	
	Actual	IPO Forecast
Interest Cover Ratio		
Ratio	11.8x	9.1x
Covenant	3.0x	3.0x
Headroom	293%	203%
Senior Term Debt Leverage Ratio (times covered)		
Ratio	0.8x	0.8x
Covenant (must be less than)	2.5x	2.5x
Headroom	213%	213%

5 APPENDICES

COMPARISON OF FY2014, FY2013, AND IPO FORECASTS FOR FY2014 AND FY2015

- Scales outperformed all IPO forecast profit measures.
- FY2014 and FY2013 Gross Margin and Underlying Net Profit were broadly equivalent.
- FY2013 Underlying EBITDA, Underlying EBIT, Net Profit from Continuing Operations, and Profit for the Year were higher than FY2014. FY2013 results benefitted from strong performance across all three divisions, particularly Horticulture where both record volumes and prices were achieved.
- Moderate increases in EBITDA, EBIT and Net Profit forecast for FY2015.



BALANCE SHEET

- FY2014 Net assets are consistent with IPO forecast.
- FY2013 includes demerged George H Investments Ltd assets and reflects pre-IPO senior debt levels.

Balance Sheet	FY2014			FY2013	
NZ$Ms	Actual	IPO Forecast	FY2014 Actual variance%	Actual	FY2014 Actual variance%
Assets					
Current assets	35.8	28.2	27%	34.8	3%
Non-current assets	190.6	188.3	1%	237.8	-20%
Total assets	226.4	216.5	5%	272.6	-17%
Liabilities					
Current liabilities	(31.8)	(22.5)	41%	(18.2)	75%
Non-current liabilities	(48.3)	(48.4)	0%	(79.1)	-39%
Total liabilities	(80.1)	(70.9)	13%	(97.3)	-18%
Net assets	**146.3**	**145.6**	**0%**	**175.3**	**-17%**

RECONCILIATION OF UNDERLYING EBITDA TO NET PROFIT IN OUR FINANCIAL STATEMENTS

Reconciliation of Underlying EBITDA to Net Profit	FY2014		FY2013
NZ$000s	Actual	IPO Forecast	Actual
Underlying EBITDA	**39,849**	**38,811**	**42,823**
RECONCILIATION TO GAAP INFORMATION			
- Depreciation	(8,609)	(8,875)	(8,147)
- Amortisation	(941)	(448)	(692)
- Finance revenue	460	-	532
- Finance charges	(3,729)	(4,156)	(7,214)
- Taxation	(7,267)	(6,802)	(7,312)
Underlying Net Profit	**19,763**	**18,530**	**19,990**
Offer costs	(3,022)	(2,875)	-
Impact of IFRS revaluations:			
- Biological asset revaluation	1,409	-	16
- FX Hedge revaluation and other adjustments	445		(615)
- Taxation	(519)	-	168
	1,335	-	(431)
Profit (loss) for the year of demerged George H Investments Ltd Group:			
- Revenue	870	764	2,177
- Other income	-	-	931
- Other (losses)	-	-	(658)
- Impairment of non-current assets	-	-	(2,044)
- Cost of sales and expenses	(455)	(389)	(423)
- Taxation	(116)	(105)	(478)
	299	270	(495)
Profit for the year of Cashreal Properties Limited (liquidated during 2014):			
- Revenue	-	-	20
- Gain on sale of land	-	-	1,360
- Taxation	-	-	(6)
	-	-	1,374
Net Profit as Reported in Financial Statements and PFI	**18,375**	**15,925**	**20,438**

DISCLAIMER

Please do not read this presentation in isolation
This presentation supplements our full year results announcement dated 26 February 2015. It should be read subject to and in conjunction with the additional information in that release, other material which we have released to the NZX and our Investment Statement and Prospectus.

Forward looking statements are inherently fallible
This presentation contains forward-looking statements and projections. These reflect our current expectations, based on what we think are reasonable assumptions. But for any number of reasons the future could be different – potentially materially different. (For example, assumptions may be wrong, risks may crystallise, unexpected things may happen.) We give no warranty or representation as to our future financial performance or any future matter. Except as required by law or NZX listing rules, we are not obliged to update this presentation after its release – even if things change materially.

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Non-GAAP financial measures
Our results are reported under NZ IFRS. This announcement includes non-GAAP financial measures which are not prepared in accordance with NZ IFRS. The non-GAAP financial measures used in this presentation include:

- EBITDA. We calculate EBITDA by adding back (or deducting) depreciation, amortisation, finance expense / (income), and taxation expense to net earnings / (loss) from continuing operations.
- EBIT. We calculate EBIT by adding back (or deducting) finance expense / (income), and taxation expense to net earnings / (loss) from continuing operations.
- Underlying EBITDA and EBIT are calculated by adding back (or deducting) any non-cash IFRS adjustments and IPO offer costs.
- Underlying Net Profit is calculated by adding back or (or deducting) the after-tax effect of any non-cash IFRS adjustments, discontinued operations, and IPO offer costs
- Average Net Debt. We calculate Average Net Debt as the post Offer term debt balance of $30 million plus the average net working capital facility balance (calculated as the average of the net working capital facility balance as at 30 June 2014 and 31 December 2014).

We believe that these non-GAAP financial measures provide useful information to readers to assist in the understanding of our financial performance, financial position or returns, but that they should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZIFRS. Non-GAAP financial measures may not be comparable to similarly titled amounts reported by other companies.

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